

**MINUTES
BREVARD CITY COUNCIL
Regular Meeting
May 19, 2014 – 7:00 PM**

The Brevard City Council met in regular session on Monday, May 19, 2014 at 7:00 p.m. in the Council Chambers of City Hall with Mayor Jimmy Harris presiding.

Present - Mayor Jimmy Harris, Pro Tem Mac Morrow, Council Members Charlie Landreth, Maurice Jones, Wes Dickson and Ann Hollingsworth.

Staff Present – City Manager Joe Moore, City Attorney Mike Pratt, City Clerk Desiree Perry, Finance Director Jim Fatland, Director of Utilities and City Engineer Jay Johnston, PE, Planning Director Josh Freeman, Assistant Planning Director Brad Burton, HR Director Christine Caldwell, Building & Ground Director Lynn Goldsmith, Public Service Director David Lutz, Planner Sarah Lutz, Executive Assistant Jeanette Owen, Fire Chief Craig Budzinski and Police Chief Phil Harris.

Press - Derek McKissock, Transylvania Times

A. Welcome and Call to Order – Mayor Harris called the meeting to order, welcomed those present and introduced Council members, Manager, Attorney and Clerk. Tonight's meeting will be taped by Channel 70 Video Productions.

B. Invocation – Reverend Mary Shore, Lutheran Church of the Good Shepherd, offered an Invocation.

C. Pledge of Allegiance - Mayor Harris led in the Pledge of Allegiance.

D. Certification of Quorum - The City Clerk certified a quorum present.

E. Approval of Agenda – Ms. Hollingsworth requested New Business Item M-8 be moved to M-1. Mr. Landreth moved, seconded by Mr. Morrow, the Agenda be amended as requested and approved. Motion carried unanimously.

F. Approval of Minutes – Mr. Landreth moved, seconded by Mr. Dickson, the December 2, 2013, February 17, March 17, April 7, and April 21, 2014 Minutes be approved as presented. Motion carried unanimously.

G. Public Hearings

G-1. Voluntary Contiguous Annexation Petition – Terminix Services, Inc. Public hearing to consider a Petition to annex contiguous property located at 1291 Ecusta Road, Pisgah Forest, PIN 8596-58-5199-000, property is currently zoned Corridor Mixed Use (CMX). Applicant submitted Petition on February 24th and on April 21st Council accepted the Certificate of Sufficiency. Petition has been reviewed by both the Technical Review Committee and Planning Board, and they recommend Council grant the Petition.

At 7:20 p.m. the properly advertised and noticed public hearing to receive comments on the proposed annexation began. Mr. Burton presented the staff report and explained applicant desires to connect to City utilities.

Public Hearing Public Participation - None

Public Hearing Closed – With no questions or comments from Council or the public, Mayor Harris closed the hearing at 7:22 p.m.

G-2. Voluntary Contiguous Annexation Petition – Scott and Patricia Barnett. Public hearing to consider a Petition to annex contiguous property located at 123 Gillespie Circle, Brevard, PIN 8585-35-8859-000. Applicant submitted Petition on

March 4th and on April 21st Council accepted the Certificate of Sufficiency. The Technical Review Committee reviewed on April 2nd and the Planning Board on April 15th, with both boards recommending Council grant the Petition.

At 7:22 p.m. the properly advertised and noticed public hearing to receive comments on the proposed annexation began. Ms. Lutz presented the staff report; applicant seeks annexation for utility services, a portion of the parcel is in the City limits and no zoning changes are proposed.

Public Hearing Public Participation - None

Public Hearing Closed – With no questions or comments from Council or the public, Mayor Harris closed the hearing at 7:24 p.m.

H. Special Presentation

H-1 Manager's Recommended Budget and Fee/Rate Schedule for Fiscal Year 2015 – City Manager Joe Moore presented his budget message and recommended FY 2014-2015 budget to Council. Manager proposed a budget total of \$23,947,624. No increase in property tax or utility rate charges is proposed. (Exhibit A – City Managers Budget Message.)

Mr. Landreth asked, if possible, that before having the budget work session on utilities that Council be provided what is in the water report/study that the County commissioned.

Beginning tomorrow, copies of the proposed budget will be available for review during regular business hours in the City Administration office, Transylvania County Library and Brevard College Library.

Budget Work Sessions and Public Hearing: Work Sessions are scheduled for May 27th, June 2nd and June 9th beginning at 5:30 p.m. Public Hearing is scheduled for Monday, June 16th.

~~ At 8:15 p.m. Mayor Harris called for a fifteen-minute recess; video recording ended. ~~

H. Certificates/Awards/Recognition - None

I. Public Participation

Ms. Sue Null, 69 Grove Circle, Brevard, expressed concerned over Council's decision to abandon the Human Relations Council (HRC). White males have privilege over white women, sexual orientation discrimination and other forms of discrimination exists and HRC is here to ease the burdens of those who suffer discrimination. City does not benefit from cancelling participation in HRC and asked that Council reconsider their decision.

Ms. Carter Hayward, 556 Redbud Circle, Brevard, shared all of her life she has been committed to eliminate racism. Racism, sexual orientation discrimination and other disparities exist. Now is a time for HRC to be reinvigorated and renewed.

Dr. Clyde Brooks, 102 College Station, Brevard, representing Friends of Animal Shelter, thanked Council for their participation and for the funds provided for the new animal shelter facility. He presented the City with a gift copy of the book, "Friends of the Animal Shelter".

Ms. Jan Burroughs, 283 Cherrywood, Brevard, shared she once served as a member of HRC and appreciates what they have done, what they are doing and hope they will do even more. Wants HRC to be more involved and have the ability to provide sensible, caring, and thoughtful dialog in our community; and, that she appreciates Living Wage businesses.

Ms. Sarah Schade, 92 Pine Street, Brevard, spoke in favor of HRC. Stated she has lived in Brevard for nine year, was brought up in a segregated South, and sees Brevard very much in the same light (segregated). It is as though the African American people of our community are “invisible” and that this is something the HRC should address.

Ms. Susan Sunflower, 41 Pine Road (Pickens Highway), came in support of HRC. As a lifelong educator, she is concerned by a recent letter to the Transylvania Times Editor about a senior who did a project on diversity, and how it was trashed by some parents and other community members. This occurrence is evidence we and HRC need to get proactive in our schools.

Ms. Kathleen Barnes, 392 Sunny Acre Lane, Brevard, shared she is an Officer of NAACP. There is still racial disparity here and all over our Country. She encouraged Council to reinstate and strengthen the HRC as it is needed for common sense dialog in our community. NAACP is willing to help the City and County in this effort.

K. Consent Agenda - Consent Agenda items are considered routine and are enacted by one motion. Mayor Harris read aloud the items listed and asked if Council desired to remove an item for discussion, or, to add an item(s) to the Consent Agenda. Mayor Harris suggested adding Item M-2 Appointment to Community Appearance Commission, Item M-3 Terminix Services Annexation, Item M-4 Barnett Annexation, and Item M-6 Resolution Requesting Prepared Foods and Beverage Tax Legislation be added to the Consent Agenda. Mr. Morrow requested Item M-6 Resolution be amended to included State Senator Tom Apodaca.

Mr. Morrow moved, seconded by Mr. Landreth, the Consent Agenda be amended to add New Business Items M-2, M-3, M-4 and M-6, and that the Consent Agenda be approved as amended. Motion carried unanimously. The following nine items were approved:

K-1 March Public Services Report

K-2 March Financial Report

K-3 Police Third Quarter Report, January 1 – March 31, 2014

K-4 Ordinance No. 2014-08 Ordinance Approving the Right-of-Way Agreement with Duke Energy Carolinas, LLC, Allowing the Installation and Maintenance of New Power Poles in the Sports Complex Area.

ORDINANCE NO. 2014-08

**AN ORDINANCE APPROVING THE RIGHT OF WAY AGREEMENT
WITH DUKE ENERGY CAROLINAS, LLC,
ALLOWING THE INSTALLATION AND MAINTENANCE OF
NEW POWER POLES IN THE SPORTS COMPLEX AREA**

This matter coming before City Council upon request of Duke Energy Carolinas, LLC, for a right of way to relocate and maintain certain power poles located within the confines of the City’s Sports Complex; and

Council duly discussing and deliberating the matter, and determining that the requested right of way does not adversely affect the value of the Sports Complex property, that the relocation of the poles is consistent with the goals of the City, and that, among other things, it will allow for Transylvania Regional Hospital to receive a better power supply.

NOW, THEREFORE, City Council hereby ordains that the Right of Way Agreement attached hereto be executed by the Mayor and that it be recorded in the Register of Deeds Office, in order to fulfill the goals set forth in this Ordinance.

This Ordinance shall be effective upon the date of its adoption and approval.

Adopted and approved this the 19th day of May, 2014.

K-5 Amendment to the City Council 2014 Regular Meeting Calendar – Council amended the 2014 Meeting schedule by cancelling the July 21, 2014 regular meeting.

K-6 (M-2) Advisory Board Appointment – Appointed Mr. Keenan Richard Smith to serve upon the Community Appearance Commission, filling the un-expired term from former CAC member Ann Hollingsworth; term expires February 2016.

K-7 (M-3) Ordinance No. 2014-09 Ordinance to Extend the Corporate Limits of the City of Brevard. Terminix Services, LLC property.

ORDINANCE NO. 2014-09

**AN ORDINANCE TO EXTEND THE CORPORATE LIMITS
OF THE CITY OF BREVARD, NORTH CAROLINA**

WHEREAS, the Brevard City Council has been petitioned under G.S. 160A-31, as amended, to annex the area described herein, and,

WHEREAS, the City Clerk has investigated the sufficiency of said petition (relying on the opinion of the City Attorney); and

WHEREAS, the City Clerk has certified the sufficiency of said petition and a public hearing on the question of this annexation was held at the Brevard City Hall at 7:00 o'clock, P.M. on the 19th day of May, 2014, after due notice by publication on the 5th day of May, 2014; and

WHEREAS, the City Council does hereby find as a fact that the petition meets the requirements of G.S. 160A-31, as amended.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BREVARD, NORTH CAROLINA, THAT:

Section 1. By virtue of the authority granted by G.S. 160A-31, as amended, all of that property lying in Transylvania County, owned by Terminix Service, Inc., as described in that certain deed recorded in the office of the Register of Deeds of Transylvania County, North Carolina, in Document Book 397, pages 625-627, recorded on February 9, 1996, (Transylvania Tax Office Property Identification Number: 8596-58-5199-000) and that certain annexation plat provided by the Petitioners to be duly recorded upon annexation, is hereby annexed and made a part of the City of Brevard as of the 19th day of May, 2014.

Said property is more fully described as follows:

BEGINNING at a P-K nail set in the center of the pavement of Ecusta Road (State Road 1512) being tied to an existing nail in the centerline intersection of State Road 1533 and State Road 1512, and being located North 20 deg. 52 min. 03 sec. West 183.56 feet from said nail in the point of intersection of the centerline of said roads, and running thence with the center of the pavement of Ecusta Road (above referenced) North 19 deg. 08 min. 26 sec. West 84.87 feet, to a P-K nail set; thence leaving the center of the pavement of Ecusta Road North 63 deg. 03 min. 38 sec. East 98.96 feet to an iron rod set in the line of EEE ZZZ Lay Drain Co. (Deed Book 330, Page 439, and Deed Book 329, Page 647 Transylvania County Registry); thence with the line of EEE ZZZ Lay Drain Company South 33 deg. 08 min. 59 sec. East 79.26 feet to an existing iron stake set in the line of Houck & Sons, Inc. (Deed Book 312, Page 033 Transylvania County Registry); thence with the line of Houck & Sons, Inc. South 60 deg. 30 min. 54 sec. West 119.17 feet to a P-K nail set in the center of the pavement of Ecusta Road being the point and place of BEGINNING as shown on an un-recorded survey and plat by Robert Raxter, RLS, dated January 30, 1996, File #T-64. (Deed Reference: Book 388, Page 239, Transylvania County Registry) (This deed is a revision to Plat recorded in Plat File 6, Slide 283, Transylvania County Registry) Property Address: Ecusta Road, Pisgah Forest, NC 28768

Section 2. Upon and after the 19th day of May, 2014, the above described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the City of Brevard and shall be entitled to the same privileges and benefits as other parts of the City of Brevard. Said territory shall be subject to the municipal taxes according to G.S. 160A-58.10.

Section 3. Pursuant to G.S. 160A-29, the Mayor of the City of Brevard shall cause to be recorded in the office of the Register of Deeds of Transylvania County, North Carolina, and in the office of the Secretary of State at Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1 hereof, together with a duly certified copy of this ordinance. Such a map shall also be delivered to the Transylvania County Board of Elections as required by G.S. 163.288.1.

Section 4. Notice of adoption of this ordinance shall be published once, following the effective date of annexation, in a newspaper having general circulation in the City of Brevard.

Adopted and approved the 19th day of May, 2014.

K-8 (M-4) Ordinance No. 2014-10 Ordinance to Extend the Corporate Limits of the City of Brevard. Scott and Patricia Barnett property.

ORDINANCE NO. 2014-10

**AN ORDINANCE TO EXTEND THE CORPORATE LIMITS
OF THE CITY OF BREVARD, NORTH CAROLINA**

WHEREAS, the Brevard City Council has been petitioned under G.S. 160A-31, as amended, to annex the area described herein, and,

WHEREAS, the City Clerk has investigated the sufficiency of said petition (relying on the opinion of the City Attorney); and

WHEREAS, the City Clerk has certified the sufficiency of said petition and a public hearing on the question of this annexation was held at the Brevard City Hall at 7:00 o'clock, P.M. on the 19th day of May, 2014, after due notice by publication on the 5th day of May, 2014; and

WHEREAS, the City Council does hereby find as a fact that the petition meets the requirements of G.S. 160A-31, as amended.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BREVARD, NORTH CAROLINA, THAT:

Section 1. By virtue of the authority granted by G.S. 160A-31, as amended, all of that property lying in Transylvania County, owned by Scott Richard Barnett and wife, Patricia Lynn Barnett, as described in that certain deed recorded in the office of the Register of Deeds of Transylvania County, North Carolina, in Document Book 600, pages 774-776, recorded on January 30, 2012, (Transylvania Tax Office Property Identification Number: 8585-35-8859-000) and that certain annexation plat provided by the Petitioners to be duly recorded upon annexation is hereby annexed and made a part of the City of Brevard as of the 19th day of May, 2014.

Said property is more fully described as follows:

BEING all of Tract 1 as shown on a plat recorded in Plat File 7, Slide 169, Record of Plats for Transylvania County, North Carolina and being 0.971 acres more or less as surveyed by Clarence A. Jenkins, PLS, Registration Number 2-1291.

TOGETHER with the privilege of ingress and regress to and from over a 20 foot driveway leading from the above described property to Country Club Road and also to use the said driveway for a water line; and as an easement for light line.

This conveyance is made subject to all rights-of-way of all roads which may presently traverse the property, to all road rights of way which may presently appear of record, to the rights-of-way of all utility lines which may presently traverse the property to all rights of way for public utilities which may presently appear of record.

Section 2. Upon and after the 19th day of May, 2014, the above described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the City of Brevard and shall be entitled to the same privileges and benefits as other parts of the City of Brevard. Said territory shall be subject to the municipal taxes according to G.S. 160A-58.10.

Section 3. Pursuant to G.S. 160A-29, the Mayor of the City of Brevard shall cause to be recorded in the office of the Register of Deeds of Transylvania County, North Carolina, and in the office of the Secretary of State at Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1 hereof, together with a duly certified copy of this ordinance. Such a map shall also be delivered to the Transylvania County Board of Elections as required by G.S. 163.288.1.

Section 4. Notice of adoption of this ordinance shall be published once, following the effective date of annexation, in a newspaper having general circulation in the City of Brevard.

Adopted and approved the 19th day of May, 2014.

K-9 (M-6) Resolution No. 2014-09 Requesting that the North Carolina General Assembly Enact Local Legislation Establishing a Prepared Foods and Beverage Tax

RESOLUTION NO. 2014-09

**A RESOLUTION REQUESTING THAT
THE NORTH CAROLINA GENERAL ASSEMBLY
ENACT LOCAL LEGISLATION ESTABLISHING A
PREPARED FOODS AND BEVERAGE TAX
WITHIN THE CITY OF BREVARD AND DEDICATE REVENUES
TO THE IMPROVEMENT OF PUBLIC INFRASTRUCTURE
WITHIN THE CITY OF BREVARD**

WHEREAS, the North Carolina General Assembly may enact local legislation authorizing a local jurisdiction to establish and collect a Prepared Foods and Beverage Tax to fund specified public improvements; and,

WHEREAS, the Prepared Foods and Beverage Tax may be used for tourism related projects, including improvements to public infrastructure; and,

WHEREAS, Brevard City Council has determined that public infrastructure improvements identified within the City of Brevard such as the Downtown Master Plan Infrastructure Improvements are necessary to maintain a high quality of life for the residents of Transylvania County and the City of Brevard; are necessary to maintain a profitable business environment for merchants within the City of Brevard; and are necessary to support and increase the tourism visitation within Transylvania County and City of Brevard; and,

WHEREAS, a Prepared Food and Beverage Tax for the City of Brevard must be established by local legislation enacted by the North Carolina General Assembly.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brevard, North Carolina, that:

Section 1. The City of Brevard hereby requests that the Honorable Chris Whitmire and State Senator Tom Apodaca support and sponsor local legislation that would enable the City of Brevard to institute a Prepared Foods and Beverage Tax to implement public improvements identified to support tourism related activities within the City of Brevard such as the Downtown Master Plan.

Section 2. The City of Brevard hereby requests that the North Carolina General Assembly support and enact local legislation that would enable the City of Brevard to institute a Prepared Foods and Beverage Tax to implement public improvements identified to support tourism related activities within the City of Brevard such as the Downtown Master Plan.

Section 3. The City Manager is hereby instructed to take appropriate action to implement this Resolution.

Section 4. This Resolution shall become effective upon its adoption and approval.

Adopted and approved this 19th day of May 2014.

L. Unfinished Business - None

M. New Business

M-8 Human Relations Commission Study Committee

Ms. Hollingsworth thanked folks for coming tonight and that Council was not saying there is not a need for the Human Relations Council, but are saying, there are questions. Need to update the HRC and its purpose.

Mayor Harris shared he questions whether the City has the structure to address the described issues of tolerance and diversity in the community, and offered it would be best that the controlling government in charge of human services, social services and education, to oversee or run the HRC. The question is who can best manage it.

Mr. Jones stated we've already decided (at last meeting) to back out and questioned whether there should be a HRC. Think the main issue now is what is this entity or commission, HRC, to do, and what is the structure. Hope we can start from scratch and that Council will see that a committee is formed to study to see what the needs are and to go forward from there. What the HRC was originally setup to do, its bylaws, is somewhat different from what was described earlier tonight.

Mr. Jones read aloud the drafted proposed Ordinance. Ms. Hollingsworth suggested the word “need” be removed from the title; the question is to consider/study is how the HRC is structured, and what are its goals and objectives.

Mayor Harris asked Mr. Buckley if the County Manager has affirmed his chairmanship of the HRC.

HRC Chairman Ed Buckley replied, “Yes”, and stated the HRC members appointed by the City will be relocated/reappointed as members by the County, and they will now be meeting in the County Administration building rather than at City Hall. He expressed displeasure with Council’s decision and their lack of care and understanding, and shared there are people willing to serve and are waiting to be appointed on HRC. He described the HRC has been working on plans to sponsor some community events such as a 3-on-3 basketball, a rodeo, a carnival, in addition to the annual MLK Celebration.

Mayor Harris replied he respectfully disagrees, and that Council does care enough to ask who can best administer HRC. The described HRC community events being planned are recreational. The City does not have a Recreation Department; however, the County does. This is an example of why the City feels the HRC should be structured as a County advisory board.

Ms. Hollingsworth moved the drafted Resolution to establish a committee to discuss the potential structure, objectives and goals for Human Relations Council be adopted subject to removing the word “need” from the title. (Second was not offered.)

Mr. Landreth commented on the motion he offered at Council’s previous meeting on this topic, and explained that some of the things heard tonight speak to the importance of how this organization (HRC) is structured in our community. Sometimes he comes to Council meeting prepared to know what to do, this was not one of those times. Council member Jones mentioned there were uncertainties because HRC was a City/County advisory board. At Council’s last meeting, he offered the motion in order to open up the discussion. To have the County lead the HRC, which would still include City residents, seemed a way to simplify. Tonight’s described issue of tolerance in the schools is important; however, the school system is not under authority of City Council.

Ms. Hollingsworth moved, seconded by Mr. Jones, the drafted Resolution title be revised to read, “A Resolution Establishing a Committee to Study the Potential Human Relations Council”, and, the first sentence be revised to read, “Whereas City Council recently withdrew support with understanding the County would provide all staffing”, and the Resolution to be approved as revised. Motion carried unanimously.

RESOLUTION 2014-08

**A RESOLUTION ESTABLISHING A
COMMITTEE TO STUDY THE
POTENTIAL HUMAN RELATIONS COUNCIL**

WHEREAS, City Council recently withdrew its resolution for support of the Human Relations Council with the understanding that the County will provide all staffing;

WHEREAS, in so doing, the City Council has not overlooked the fact that issues of race relations, ethnic relations and other issues which might be the subject of study, communication, education and resolution by an organization such as a Human Relations Council do exist in our community; and

WHEREAS, Council, after due deliberation and debate, has determined that a Committee should be formed to study the question of how the Human Relations Council should be structured, whether as a stand-alone City organization or as a joint organization in partnership with the County; or whether the present County Human Relations Council can handle such issues more effectively without a City Human Relations Council.

NOW, THEREFORE, BE IT RESOLVED that:

1. A Study Committee is hereby created to study the questions appearing above, with Council Member Maurice Jones as its Chairman, and such members as Council appoints serving on the Committee.

2. Upon completion of its Study, the Study Committee shall report its findings and recommendations to City Council.

3. This Resolution is effective on the date of its enactment.

Adopted and approved this the 19th day of May, 2014.

M-1 Alcohol Beverage Control (ABC Board) Appointment Consideration

Mr. Pratt reminded Council (in 2012) by Ordinance the ABC Board was expanded from three to five member, and that Chair Tracey Love membership was extended for another full term. Similar, Mr. Milton Tynch's membership was extended for an additional year. In the past few years some significant changes to management have taken place. Now three board members have only one year's experience on the board; therefore, for that reason both Chair Tracey Love and Milton Tynch have inquired if Council would extend their membership for one additional year. Part of the reasoning is that none of the three new members were willing to step up to serve as Chair. However, today he received an email from the City Clerk advising the ABC General Manager has advised that ABC Board Member Roy Cowan has expressed willingness to serve as Chair. Following this email, he (Mr. Pratt) spoke with Chair Love who expressed to him her appreciation for Mr. Cowan's willingness to do so; however, she still recommends that she and Mr. Tynch be allowed to serve for one additional year while the Board gets itself into a more settled routine. Mr. Pratt shared Council can choose to do so if they feel this is in the ABC Board's best interest.

Mr. Landreth moved, seconded by Mr. Morrow, the membership terms for both Chair Tracey Love and Milton Tynch be extended for one year. Motion carried unanimously.

M-5 Ordinance No. 2014-11 Sewer Use Ordinance and Enforcement Response Plan

Mr. Johnston presented his staff report, explained a public hearing is not required for this type of ordinance, and, that meeting sewer treatment requirements through the draft ordinance is a condition of our Permit administered through NCDENR to operate the wastewater treatment plant under the authority and within the parameters of the Clean Water Act. The City has violated its discharge eleven of the past thirteen months. We have coordinated and communicated with NCDENR to navigate through this problem and they have been most cooperative and supportive; however, in the past 45 days we were notified their patience has run out.

Mr. Landreth moved, seconded by Mr. Jones, Council accept staff recommendations as stated in Mr. Johnston's report. Discussion:

Mr. Pratt added as a point of clarification, the drafted Enforcement Response Plan identifies and includes provisions for penalties; therefore, he recommends the Plan be incorporated as a part of the Ordinance and identified as Exhibit C.

Mr. Landreth amended his previous motion. Moved Council accept staff recommendation to adopt the drafted **Ordinance No. 2014-11** amending Chapter 70, to enact the Sewer Use Ordinance (Exhibit B), and to amend to include and adopt the Enforcement Response Plan (Exhibit C). Motion was seconded by Mr. Jones and passed unanimously.

ORDINANCE NO. 2014-11

AN ORDINANCE AMENDING BREVARD CITY CODE, CHAPTER 70. UTILITIES, TO ENACT A SEWER USE ORDINANCE AND ENFORCEMENT RESPONSE PLAN

FOR THE CITY OF BREVARD

WHEREAS, North Carolina Department of Environment and Natural Resources requires that the City of Brevard enact a sewer use ordinance and establish a wastewater pretreatment program, thereby enabling the City to comply with all applicable State and Federal laws, including the Clean Water Act (33 United States Code §1251 *et seq.*) and the General Pretreatment Regulations (40 CFR, Part 403); and,

WHEREAS, Brevard City Council intends to achieve the following objectives:

- (1) To eliminate from the sewer system, uncontaminated water, groundwater and storm water which does not require extensive treatment and unnecessarily increase the operating cost of the sewer system; and,
- (2) To ensure a fair allocation of the cost among the users of sewer system, and the recovery of capital cost contributions of public monies from industrial and commercial users of the system; and,
- (3) To prevent the introduction of pollutants and wastewater discharges into the sewer system which will interfere with the operation of the system or contaminate the resulting sludge; and,
- (4) To prevent the introduction of pollutants and wastewater discharges into the sewer system which will pass through the system, inadequately treated, into any waters of the State or otherwise be incompatible with the system; and,
- (5) To promote reuse and recycling of industrial wastewater and sludges from the municipal system; and,
- (6) To protect both municipal personnel who may be affected by sewage, sludge, and effluent in the course of their employment as well as protecting the general public; and,
- (7) To provide for equitable distribution of the cost of operation, maintenance and improvement of the sewer system; and,
- (8) To ensure that the municipality complies with its NPDES or Non-discharge Permit conditions, sludge use and disposal requirements and any other Federal or State laws to which the municipal wastewater system is subject; and,

WHEREAS, NCDENR and City Staff have prepared certain amendments to Brevard City Code which, if enacted, will achieve the aforementioned objectives; and,

WHEREAS, it is the desire of the City Council of the City of Brevard to approve the amendments as recommended.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BREVARD, NORTH CAROLINA THAT:

SECTION 01. Brevard City Code, Chapter 70. Utilities, Article III. Sewer System, is hereby amended as set forth in Exhibit A of this Ordinance, which is attached hereto and incorporated herein.

SECTION 02. Brevard City Code, Chapter 70. Utilities, Article IV. Water Shortage Response Plan, is hereby amended as set forth in Exhibit B of this Ordinance, which is attached hereto and incorporated herein.

SECTION 03. Brevard City Code, Chapter 70. Utilities, Article V. Sewer Use Ordinance, is hereby established and enacted, and shall read as set forth in Exhibit B of this Ordinance, which is attached hereto and incorporated herein.

SECTION 04. Brevard City Code, Chapter 70. Utilities, Article VI. Enforcement Response Plan, is hereby established and enacted, and shall read as set forth in Exhibit C of this Ordinance, which is attached hereto and incorporated herein.

SECTION 05. Any person violating the provisions of this Ordinance shall be subject to the penalties set forth in Chapter 18 of the City of Brevard Unified Development Ordinance.

SECTION 06. As to any conflict between this ordinance and any parts of existing Ordinances, the provisions of this Ordinance shall control.

SECTION 07. If any section, subsection, paragraph, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed severable and such holding shall not affect the validity of the remaining portions hereof.

SECTION 08. The enactment of this Ordinance shall in no way affect the running of any Amortization provisions or enforcement actions, or otherwise cure any existing zoning violations.

SECTION 09. This ordinance shall be in full force and effect from and after the date of its adoption.

Adopted and approved this 19th day of May, 2014.

M-7 Resolution No. 2014-10 A Resolution Offering Comment Upon Alternative Alignments to the Brevard Bypass / Sylvan Valley Parkway.

Mr. Freeman shared his staff report (on file) that included background on the adoption of the Joint City and County 2007 Comprehensive Transportation Plan (CTP), and the proposed development of a bypass around Brevard, often referred to as the Brevard Bypass or the Sylvan Valley Parkway. The discussion before Council is whether the Bypass alignments represented in NCDOT's Memorandum dated April 22, 2014; Subject: R-2702Re: New Route (US 64 Brevard Bypass) from US 64 to NC 280 would contribute to an efficient multi-modal transportation system and would foster economic development and enhance the quality of life in Brevard and Transylvania County.

On May 6th, City and County staff and members of various appointed boards met to formulate a recommendation regarding the proposed Bypass alignments, and offer their recommendation of Alternative 3A which minimizes impact to the French Broad River, agricultural lands, scenic views, and private property, and therefore represents the locally preferred alternative, and further recommend some modifications and exceptions as more fully described in the staff report (on file).

Mayor Harris shared Council will offer comment and a recommendation on NCDOT's April 22nd memorandum. However, he finds it unfortunate that NCDOT is not allowing sufficient time for the City to gather public input.

Mr. Morrow shared this is not on TIP or within the top 10, it is a Plan at this stage, and it is therefore important to communicate to NCDOT what we really want to accomplish, and, what we see as our need.

Council questioned how folks along Wilson Road would make access, and, commented they feel NCDOT has not provided to the City sufficient data to help bring understanding to why they have proposed the various Alternatives 1, 2, 3A, 3B, and 4.

Following discussion, Mr. Morrow moved, seconded by Mr. Landreth, Council adopt **Resolution No. 2014-10** offering comment upon alternative alignments to the Brevard Bypass/Sylvan Valley Parkway as presented. Motion carried unanimously.

RESOLUTION NO. 2014-10

**A RESOLUTION OFFERING COMMENT
UPON ALTERNATIVE ALIGNMENTS TO
THE BREVARD BYPASS / SYLVAN VALLEY PARKWAY**

WHEREAS, City Council recognizes that the efficient provision of a multi-modal transportation system is a necessity in maintaining quality of life and economic development within Transylvania County.

WHEREAS, the North Carolina Department Transportation has solicited comment from the City of Brevard and Transylvania County regarding alternative alignments to the Brevard Bypass / Sylvan Valley Parkway.

WHEREAS, a subcommittee including representatives the Transylvania County Transportation Advisory Committee, the Transylvania County Planning Board, the City of Brevard Planning Board, Land-of-Sky Rural Planning Organization Technical Coordinating Committee, and City and County Staff, recommend endorsement of Alignment Alternative 3A, with certain modifications and exceptions.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BREVARD THAT:

Section 1. The City of Brevard hereby endorses Alternative Alignment 3A as the locally preferred alternative.

Section 2. The City of Brevard offers the following modifications and exceptions to its endorsement of Alternative 3A:

- a) The extension of the Bypass from US Highway 276 at Wilson Bridge, to US Highway 64 West, as shown on the fourth page of Alternative 3A, is not supported at this time; and,
- b) The Bypass project should be modified to include replacement and upgrading of the US Highway 64 / US Highway 276 bridge across the Davidson River at Lowes; and,
- c) The Bypass project should be modified to include improvements to the US Highway 64 / US Highway 276 / NC Highway 280 intersection; and,
- d) The Bypass project should be modified to incorporate the Davidson River Connector Road into the Bypass project, and the Davidson River Connector Road be continued through to Deavor Road, Deavor Road improved, and the intersection of NC 280 and Deavor Road be improved; and,
- e) The Bypass project should be modified such that the portion of the project that follows Wilson Road be designed as two-lane, scenic byway; and,
- f) Access to private properties and residential subdivisions along Wilson Road (e.g., Glenn Cannon) be addressed in the Bypass project design; and,
- g) The Bypass project should be modified such that the portion of the project that follows Ecusta Road be shifted south and east to prevent any impacts to Davidson River School; and,
- h) US Highway 276 should be rerouted to follow the alignment of Alternative 3A, and US Highway 276 be designated as a Scenic Byway from Interstate 40 in Haywood County to the South Carolina State boundary.

Section 3. The City Manager is hereby directed to forward this Resolution, along with any necessary supporting documentation, to the North Carolina Department of Transportation.

Section 4. This Resolution shall become effective upon its adoption and approval.

Adopted and approved this the 19th day of May, 2014.

N. Remarks By Officials

Mayor Harris encouraged folks to attend the Memorial Day ceremony at the Court House, the parade and the White Squirrel Festival.

Mr. Pratt shared he didn't think it possible to get Resolution No. 2014-09 (foods and beverage tax) before our legislature in time for consideration this year; however, thanks to the efforts of Mayor Harris and Representative Chris Whitmire and State Senator Tom Apodaca, it is being done.

City Clerk reminded Council members that the NCLM Town Hall Day is scheduled for Wednesday, June 4th, and if anyone is interested in attending to let her know so she can register them.

O. Closed Session – Mayor Harris asked the City Attorney if it would be appropriate for Council to hold closed sessions to discuss matters of economic development, property acquisition, potential litigation and pending litigation. City Attorney advised pursuant to **GS § 143-318.11. (a)(4) (5) and (3)** it would be appropriate to convene provided separate closed sessions on the matters are held. Each closed session will require a separate motion, second and vote to discuss the matter. Council will enter and exit regular session for each closed session.

Closed Session #1 - At 10:55 p.m. Mr. Jones moved, seconded by Mr. Landreth, Council go into closed session to discuss a property acquisition matter. Motion carried unanimously. Authorized to remain for the closed session with Council and the Attorney were the City Manager, Clerk, Mr. Fatland, Mr. Johnston, Mr. Lutz, Chief Harris, and Mr. Burton. (A five minute break was taken to allow citizens and staff to leave Council Chambers.)

Council Returned to Regular Session – At 11:07 p.m. Council resumed the meeting in regular session. No official action was taken in closed session and the Minutes of the closed session are authorized to be sealed.

Closed Session #2 - At 11:07 p.m. Mr. Dickson moved, seconded by Mr. Morrow, Council go into a second closed session to discuss an economic development matter. Motion carried unanimously. Authorized to remain for the closed session with Council and the Attorney were the City Manager, Clerk, Mr. Johnston, Mr. Burton and Chief Harris.

Council Returned to Regular Session – At 11:16 p.m. Council resumed the meeting in regular session. No official action was taken in closed session and the Minutes of the closed session are authorized to be sealed.

Closed Session #3 – At 11:16 p.m. Mr. Landreth moved, seconded by Mr. Dickson, Council go into a third closed session to discuss a pending litigation matter. Motion carried unanimously. Authorized to remain for the closed session with Council and the Attorney were the City Manager, Clerk, Chief Harris, Mr. Burton, Ms. Lutz and Mr. Freeman.

Pending Litigation: United States District Court for the Western District of North Carolina at Asheville; No. 1:14-cv-00122 Jury Demand; Michael A. Kitchen, Lisa

Charlene Honeycutt and Natasha Marie Sinclair v. Patrick Barton, Shawn Miller, Jason Page, Chad Farmer, Aaron Whitmire, Aaron Thompson, Phil Harris, City of Brevard N.C., Greg Holden, Harry Holden, Brian Sizemore, Barry Gallaway, Brad Woodson, David Mahoney, Transylvania County N.C., and John Does Nos. 1-20.

Council Returned to Regular Session – At 11:27 p.m. Council resumed the meeting in regular session. No official action was taken in closed session and the Minutes of the closed session are authorized to be sealed.

Closed Session #4 – At 11:27 p.m. Mr. Jones moved, seconded by Mr. Landreth, Council go into a fourth closed session to discuss an economic development matter. Motion carried unanimously. Authorized to remain for the closed session with Council and the Attorney were the City Manager, Clerk, Mr. Freeman, Mr. Burton and Ms. Lutz.

Council Returned to Regular Session – At 12:00 midnight Council resumed the meeting in regular session. No official action was taken in closed session and the Minutes of the closed session are authorized to be sealed.

Closed Session #5 – At 12:00 midnight Ms. Hollingsworth moved, seconded by Mr. Dickson, Council go into a fifth closed session to discuss a property acquisition matter. Motion carried unanimously. Authorized to remain for the closed session with Council and the Attorney were the City Manager, Clerk, Mr. Freeman, Mr. Burton and Ms. Lutz.

Council Returned to Regular Session – At 12:16 a.m. Council resumed the meeting in regular session. No official action was taken in closed session and the Minutes of the closed session are authorized to be sealed.

Closed Session #6 – At 12:16 a.m. Mr. Landreth moved, seconded by Mr. Morrow, Council go into a sixth closed session to discuss a potential litigation matter. Motion carried unanimously. Authorized to remain for the closed session with Council and the Attorney were the City Manager and Clerk.

Council Returned to Regular Session – At 12:22 a.m. Council resumed the meeting in regular session. No official action was taken in closed session and the Minutes of the closed session are authorized to be sealed.

Closed Session #7 – At 12:22 a.m. Mr. Morrow moved, seconded by Mr. Jones, Council go into a seventh closed session to discuss a property acquisition matter. Motion carried unanimously. Authorized to remain for the closed session with Council and the Attorney were the City Manager and Clerk.

Council Returned to Regular Session – At 12:30 a.m. Council resumed the meeting in regular session. No official action was taken in closed session and the Minutes of the closed session are authorized to be sealed.

Adjourn - There being no further business before Council, Mr. Dickson moved, seconded by Ms. Hollingsworth the meeting be adjourned. Motion carried. Meeting adjourned at 12:30 a.m.

s/_____
Jimmy Harris
Mayor

s/_____
Desiree D. Perry, CMC, NCCMC
City Clerk

Minutes Approved: August 18, 2014



The Submitted Operating and Capital Budget Fiscal Year 2014 – 2015

Outline

- I. Submit the Budget Message (G.S. 159-11)
 - Explain the goals fixed by the budget
 - Explain important features of budgeted activities
 - Provide reasons for changes from Previous Year
- II. Budget Ordinance Development Schedule
 - Workshops to craft an Ordinance
 - Public Hearing on Ordinance
 - Adoption of Ordinance

Budget Goals

VISION

The City of Brevard is a safe, friendly, family-oriented community with small-town charm, outdoor recreation, arts, and culture that bring investment opportunities, environmental consciousness, and economic diversity

Budget Goals



- Council Retreat 2010
 - The Compelling Story
 - The Latest Fad
 - The Red Herring
 - The Hot Topic
 - The Pivot Point
- Branding Task Force 2011
 - People from entire community
 - Local people who grew up here & stayed here
 - People who have moved here
 - Long term business leaders
 - People who moved here and invested here

Budget Goals

Vision:

Brevard is a safe, friendly, family-oriented city with small town charm, outdoor recreation, arts & culture that bring investment opportunities, environmental consciousness, and economic diversity.

Opportunity Case (Rights):

Brevard is uniquely positioned geographically and by reason of our diverse citizenry to promote the natural, cultural, historic assets unique to this city

Compelling Imperative (Wants and Needs):

Leverage cultural/heritage hub, outdoor opportunities, and connectedness of community to foster economic development and enhanced quality of life

City of
Brevard

Vision:

Brevard is a safe, friendly, family-oriented city with small town charm, outdoor recreation, arts & culture that bring investment opportunities, environmental consciousness, and economic diversity.

Compelling Imperative (Wants and Needs):

Leverage cultural heritage/hub, outdoor opportunities, and connectedness of community to foster economic development and enhanced quality of life

Opportunity Case (Rights):

Brevard is uniquely positioned geographically and by reason of our diverse citizenry to promote the natural, cultural, historic assets unique to this city

Strategy: Foster Economic Development

Foster economic diversity while enhancing the quality of life in an environmentally friendly way by creating an environment that promotes and encourages businesses, and business owners, attracted to and utilizing our natural assets of woods and water and our cultural/historic assets of music, arts, and outdoor recreation

Strategy: Enhance Quality of Life

Enhance the quality of life in our community by bringing people of all ages together through physical connections within our community to our natural assets of woods and water and personal connections to each other and to our cultural/historic assets of music, arts, and outdoor recreation

Important Features of Budgeted Activities

- Water Intake Alternative Analysis
 - This project will develop the costs and benefits of a variety of water intake points along the French Broad River
 - We fund this project because we create investment opportunities by having enough water capacity to meet future demand
 - We fund this project because we promote environmental consciousness by cleaning up the French Broad River to make it safe enough to drink
 - We fund this project because we produce economic diversity by expanding existing industries through greater access and use of the French Broad River.

Important Features of Budgeted Activities

- Downtown Master Plan
 - This project rehabilitates aging streets, sidewalks, and utility lines with wider sidewalks, landscaped medians, street trees and benches, and buried powerlines.
 - We fund this project because we produce economic diversity by allowing our pedestrian-based business to grow.
 - We fund this project because we create investment opportunities when we showcase our City
 - We fund this project because we create investment opportunities when we increase the marketability, and lower the upgrade costs, of adjacent private development.
 - We fund this project because we are a “safe, friendly, family-oriented community with small-town charm” when our infrastructure is designed towards a pedestrian scale and pace.

Important Features of Budgeted Activities

- Farmers Market Performance Contract
 - This project will further develop the market through attainment of 501-c-3 status and marketing for vendors and consumers
 - We fund this performance grant because they perform.
 - We fund this program because we create economic diversity when we offer the opportunities and support for home-grown businesses to become sustainable.
 - We fund this program because we create investment opportunities when we allow opportunities for business to safely try spin-offs of products, and when we allow regional business an opportunity to expand and gain a Brevard presence.
 - We fund this program because we promote environmental consciousness when people can tangibly connect where their food comes from and why its important to protect our natural assets of woods and water.

Submitted Budget Changes from Previous Year

FY '14

- General Fund = \$9,123,707
 - Property Tax = \$4,309,700
 - Fund Balance Appropriated = \$902,847
 - Loan Proceeds = \$127,910
 - Sales Tax = \$1,135,000

FY '15

- General Fund = \$8,419,450
 - Property Tax = \$4,309,700
 - Fund Balance Appropriated = \$188,000
 - Loan Proceeds = \$0
 - Sales Tax = \$1,245,000

Submitted Budget Changes from Previous Year

FY '14

- Utility Fund = \$5,687,600
 - Water Charges = \$1,995,000
 - Sewer Charges = \$1,840,000
 - Meter Charges = \$130,000
 - Fund Balance Appropriated = \$434,600
 - Loan Proceeds = \$1,215,000

FY '15

- Utility Fund = \$4,525,632
 - Water Charges = \$1,995,000
 - Sewer Charges = \$1,840,000
 - Meter Charges = \$130,000
 - Fund Balance Appropriated = \$488,132
 - Loan Proceeds = \$0

Submitted Budget How it was balanced

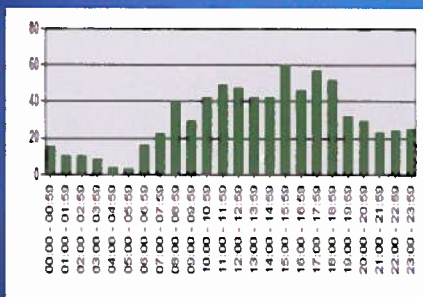
- Budget Preparation Guidelines (February 18, 2014)
 - Goal 1: Focus on service delivery
 - Fund Career Development and Performance, not new positions
 - Develop a performance-based budget
 - Goal 2: Don't let the flat tax base control service delivery or discussions
 - Trim budgets 3% to account for increases in consumer and producer price indices
 - Don't live off savings, we will reduce our use of fund balance
 - If a service is desired (expanded fire, "business co-location") it must come from an increased tax rate or a service cut
 - Maintain infrastructure maintenance levels, it's more cost effective than the cost of delay
 - Invest in projects that can grow our tax base (private property loans, non-profits, DTMP I, SAPs)
 - Don't fund those projects not yet underway (DTMP II +, Pedestrian Plan Sidewalks, Railroad Avenue Streetscape)

Submitted Budget How it was balanced

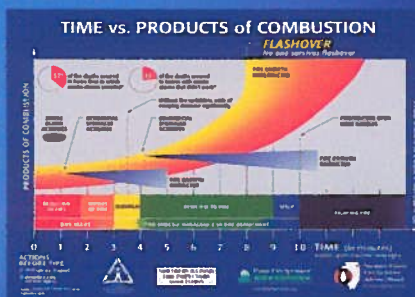
- Internal vetting
 - Fire
 - Evening Fire service not submitted
 - Planning
 - “One-stop shop” not submitted
 - Property and Building re-investment not submitted
 - Cherry Street Bike/Hike construction not submitted
 - Buildings and Grounds
 - Park Shelter not recommended
 - Recreation Master Planning not submitted
 - Public Input Requests
 - New budget requests not recommended
 - Previous budget requests scaled back
 - Deferred Investments
 - Material, Equipment, and Labor needs outpacing Tax Base support
 - Career Development and Performance Pay Program stunted

Submitted Budget: No Evening Fire Service

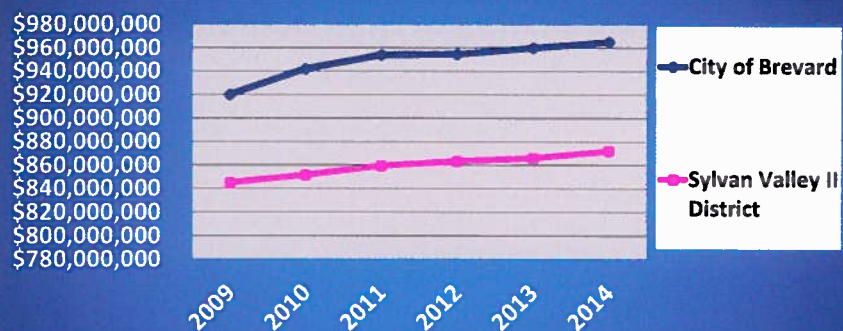
Calls for Service



Response Time



Submitted Budget: No Property Reinvestment



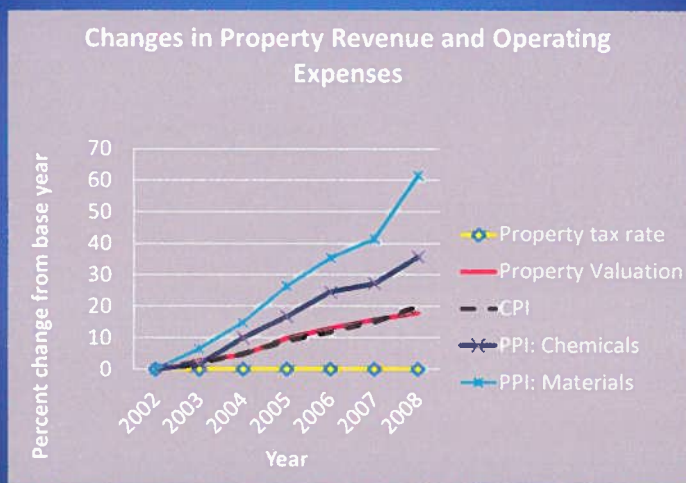
Brevard: \$5 M value increase (0.52% growth):

= \$22,625 (43.25 cents per \$100 value) for general fund

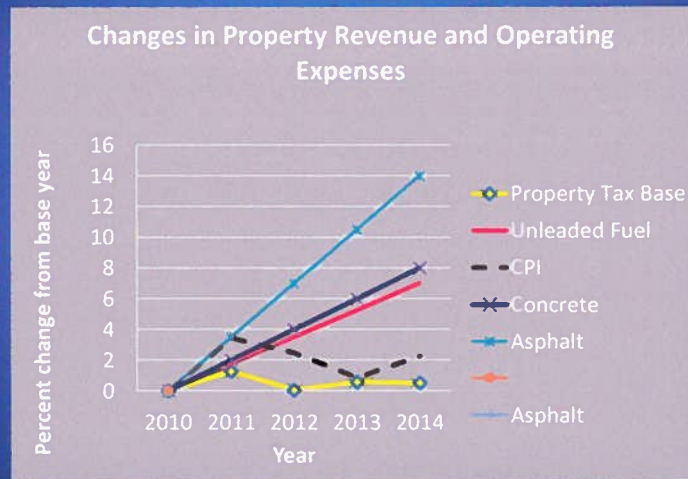
= \$1,000 (2 cents per \$100 value) for DTMP

Sylvan Valley II: \$6M value increase (0.69% growth) = \$1896 (3.16 cents / \$100)

Submitted Budget: Deferred Investments

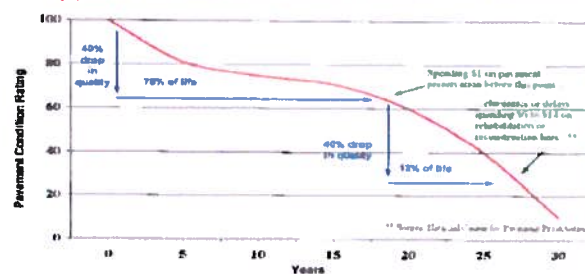


Submitted Budget: Deferred Investments



Submitted Budget: Deferred Investments

Typical Pavement Deterioration Curve



Proactive vs. Reactive Pavement Maintenance Program

Budget Ordinance Development: What to fund

- What services best meet your community's goals?
 - Fire
 - Evening Fire service not submitted
 - Planning
 - "One-stop shop" not submitted
 - Property and Building re-investment not submitted
 - Cherry Street Bike/Hike construction not submitted
 - Buildings and Grounds
 - Park Shelter not recommended
 - Recreation Master Planning not submitted
 - Public Input Requests
 - New budget requests not recommended
 - Previous budget requests scaled back
 - Deferred Investments
 - Material, Equipment, and Labor needs outpacing Tax Base support
 - Career Development and Performance Pay Program stunted

Budget Ordinance Development: How to fund

Cut services

- Special Events
- Recreation Facilities
- Emergency Responses
- Code Enforcement
- Do not scale a service

Raise Revenue

<u>Revenue Source</u>	<u>Revenue Raised</u>
Property Tax	\$90,000 / 1 cent

1 cent property tax increase on ...	Changes the annual property tax
\$100,000 value home and property	\$10
\$200,000 value home and property	\$20
\$300,000 value home and property	\$30

Budget Ordinance Development: How to Fund



Charge Type	Average Use (gallons)	Monthly increase
All Users – Flat Fee	N/A	\$3
All Users - Rate	3000	\$0.84
All Users - Flat fee based upon use	Hotel: 200,000	\$?
	Grocery: 500,000	\$?
	Campus: 1,200,000	\$?
New users only		\$12,500

Budget Ordinance Development: Calendar

- May 19: Budget Submitted
- May 27: Work-session - General Fund & Fees
 - Fire Service
 - Planning: Co-location, Capital Projects, Tax base
 - Building and Grounds: Recreation Master Planning
 - Animal Control

Budget Ordinance Development: Calendar

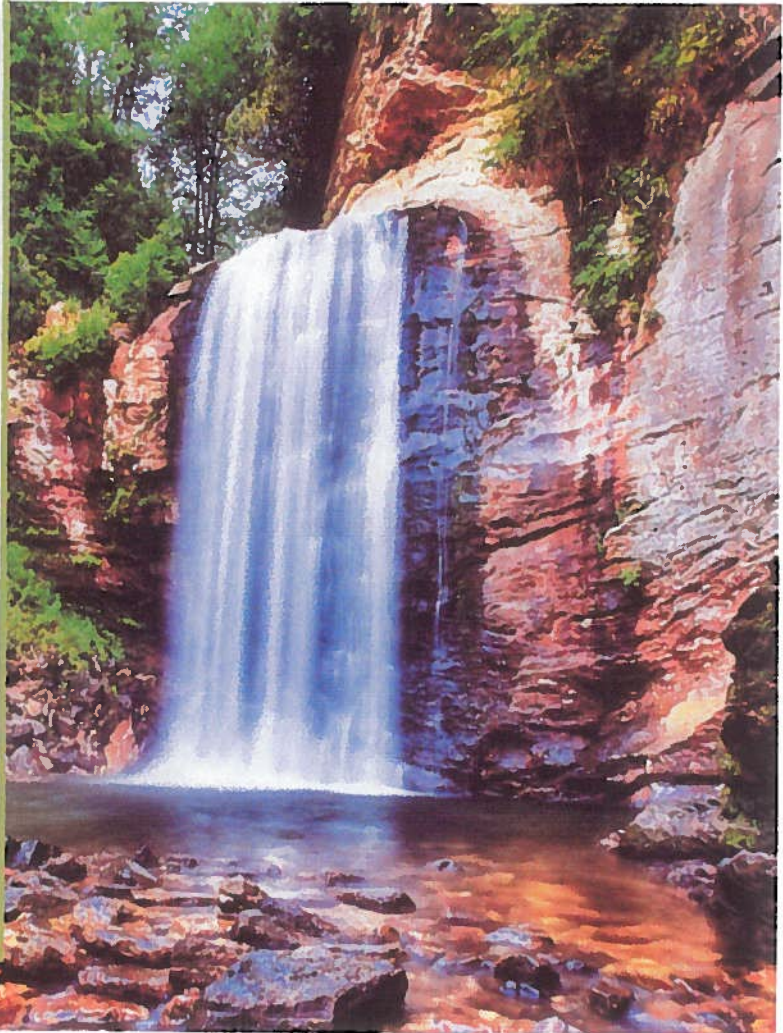
- June 2: Utility & E.D. Work-session
 - Public Service: Neely Road Force Main
 - Engineering and Utilities: Water Capacity
 - Finance: Utility Rates & Fees
 - E.D. Non-profits
 - Motion to prepare Budget Ordinance
- June 9: Budget Reconciliation (if necessary)
- June 16: Public Hearing (adoption possible)

Acknowledgements and Questions

- Thank you to Staff for their hard work and hard decisions
- Thank you to Finance for expertise, loading budget, and assembling document
- Do you have any questions regarding the presentation?
- What information do you need for the upcoming worksessions?

BUDGET MESSAGE

Fiscal Year 2014 - 2015



In accordance with the Local Government Budget and Fiscal Control Act (North Carolina General Statute 159-11), herein lies a concise explanation of the City of Brevard's goals fixed by the budget for coming fiscal year 2014-2015



The City of
Brevard
North Carolina

95 West Main Street
Brevard, North Carolina 28712
(828) 885-5600
www.cityofbrevard.com

BUDGET MESSAGE FISCAL YEAR 2015

Mayor Harris, Mayor Pro-Tem Morrow, and Council Members Landreth, Dickson, Jones, and Hollingsworth:

Submitted herein, in accordance with the Local Government Budget and Fiscal Control Act, is the proposed City of Brevard Budget for Fiscal Year 2015.

The recommendations proposed within the FY 2015 Operating and Capital Budget reflect a prioritized investment of community resources into the public goods and services offered by the City of Brevard in order to see returns that advance upon and achieve the Brevard's Community Development Vision.

VISION

The City of Brevard is a safe, friendly, family-oriented community with small-town charm, outdoor recreation, arts, and culture that bring investment opportunities, environmental consciousness, and economic diversity

BACKGROUND

The development of Brevard's Community Development Vision began at Council's Annual Retreat on February 5, 2010. During this two-day meeting, the Mayor and Council initiated a process to define a vision for their community and a pathway by which this vision could be achieved. In the summer of 2010, Council tasked a group of civic and business leaders to identify the community's strengths, and thereby its opportunities, and the community's weaknesses, and thereby its threats. This group, the Branding Task Force, reported back to Council's Annual Retreat in February 2011. The results of this report initiated a series of community input sessions that resulted in the creation and adoption of a Community Development Vision (above) at Council's Annual Retreat in February 2012.

At their February 2012 Retreat, Council also adopted strategies focused on "Fostering Economic Development" and "Enhancing Quality of Life" as means to achieve this vision of community development. Council then charged their Planning Board with overseeing the development of a Comprehensive Plan to define and coordinate the tangible actions and investments necessary to progress towards and achieve the Vision. The draft of this document is complete and currently under Council review.

Per statute, this message highlights important features of some budgeted investments necessary to progress towards Brevard's adopted Vision. The accompanying appendix offers insight into changes from the previous year.

Community Development Investments: The "Fostering Economic Development" Strategy

INVESTMENTS (Expenditures)

Budget development is not an annual rite of balancing expenditures and revenues, but rather a consciously prioritized summary of the investment of public funds intended to meet a community's goals. The following is a description of how some of these investments meet our community's goals.

We create investment opportunities, promote environmental consciousness, and produce economic diversity when we protect and promote our natural assets of woods and water, because our business community is both directly and indirectly dependent upon the sustainability of these assets for their growth.

- **Stream Reclassification and Water Intake Alternative Analysis**

This project is the next step in our effort to increase Brevard's drinking water capacity, and clearly marks the start of financial investments ultimately resulting in the construction of a water treatment facility. The deliverables of this project will define how the French Broad River must be protected in order to serve as a safe and reliable source of drinking water, and will analyze the economic benefits and impacts of a variety of intake points along the river.

Increasing Brevard's drinking water capacity will create investment opportunities by meeting the expected water demands of developments already planned and those planned to arrive. Increased capacity will also diversify the economy by supporting Brevard's diverse Land Use Plan, and resultantly, a diverse network of the business-types that will occupy that land. A community built upon a diverse network of business types weathers economic downturns more effectively than a community built upon a single business or a group of similarly-oriented businesses.

Classifying the French Broad River to meet the requirements of a safe drinking supply will promote environmental consciousness by making the community aware of the means and need to protect the river from misuse and pollution. Classification will also diversify the economy by creating a new resource for the expansion of existing businesses in outdoor recreation and education/research. Anecdotally, the expansion of existing businesses is thought to account for seventy percent of economic development. In a community constrained in the resources necessary for large-scale external recruitment, the expansion of the existing business network is both essential and prudent.

We produce economic diversity when we create opportunities and support networks for our citizens to become financially self-sufficient and ultimately create the entrepreneurial-businesses known for their rapid growth and wealth creation. We also create investment opportunities when we offer opportunities and support networks for established businesses to expand their service area or product line.

"Foster economic diversity while enhancing the quality of life in an environmentally friendly way by creating an environment that promotes and encourages businesses, and business owners, attracted to and utilizing our natural assets of woods and water and our cultural/historic assets of music, arts, and outdoor recreation"

- **Transylvania Farmers Market Performance Contract**

This grant stems from Council's adoption of the Farmland Preservation Policy and revives Brevard's historic role as an economic marketplace for Transylvania County's produce. Last year's grant helped establish the legal structure necessary to create this organization and market its services to vendors and consumers. The market has served as a "stepping stone" for local home-grown businesses to expand, as a "beach head" for regional businesses to gain a Brevard presence, and as a test venue for established business to spin-off new products.

We create investment opportunities and produce economic diversity when our property tax base is incentivized to develop because free-market development in our community is hindered by limited local capital, limited local development expertise, and a variety of risks and uncertainties presented to outside capital.

- **Co-locating Planning and Building Inspections**

Building permit transactions can be made more efficient by co-locating planning and inspection services. The additional staff necessary to achieve this goal will also create an opportunity to more effectively prepare, and more efficiently guide, larger development projects. Larger development projects, even capital projects, by their nature are long-term, complex and iterative. Tasking staff to meet the needs of both the short-term, less complex, and terminal needs of building permits, and the larger development and capital projects is disruptive and results in poor service. In a community lacking, and unlikely to attract, many professional developers who understand how to prepare and guide these larger development projects, this service appears particularly relevant.

- **Downtown Master Plan**

Streetscape improvements to public right of way (sidewalks, streetlights, benches, landscaping, utility relocations, etc.) lowers private development costs by eliminating the obligation of developers to improve the public right of way fronting their property. Streetscapes also increase a property's marketability by increasing the property's "street appeal". It is unlikely properties inherited by non-developers and/or used for rental income will re-develop on their own initiative without the assistance of outside developers whose interest is sparked by increased visibility and enticed by an improved bottom-line.

- **Building Renovation and Upgrade Loans or Grants**

The capital costs associated with renovating and upgrading buildings is typically cost or risk prohibitive to owners relying on revenue from rent or retail sales. These funds would manage the costs of the renovations and upgrades necessary to meet State Building and Fire Codes.

- **Property Redevelopment Loans or Grants**

The risk and uncertainty for some properties within our jurisdiction is too high to realistically expect them to exchange on the private market. The process and the return on investment to remove this uncertainty, is respectively complex and limited by the properties' size and location. These funds would help manage the costs of the Environmental Assessments necessary to both clarify the risk and qualify for both investor protection and property remediation funds.

Community Development Investments: Enhance Quality of Life

We enhance our quality of life when we bring people of all ages together to make their community safer, friendlier, and family-oriented

“Enhance the quality of life in our community by bringing people of all ages together through physical connections within our community and to our natural assets of woods and water, and personal connections to each other and our cultural / historic assets of music, arts, and outdoor recreation.”

- **Transylvania Farmers Market Performance Contract**

A county's use of land drives a city's land use. Historically, Brevard was a marketplace of grist mills, saw mills, and stockyards to serve the economic needs of a Transylvania County using its land to grow produce, harvest timber, and raise livestock. This marketplace not only spurred complimentary economic land uses, such as feed and seed stores and banks, but also developed social and cultural land uses as well, such as parks and festivals. This symbiotic relationship between the City and County was severed when mass-production manufacturing changed how the County's land was used, changed the skill sets and perceptions of those who used the land, and offered competing social and cultural services. The resulting decline of mass-production manufacturing revealed a confusion, and produced a competition, over the traditionally symbiotic roles and relationships between cities and counties. The Transylvania Farmers Market in downtown Brevard is an effort to reintroduce the economic marketplace that resultantly helps to satisfy the social and cultural needs of our entire community to gather and thereby produces a “safe, friendly, family-oriented community with small-town charm”.

- **Expanded Fire Service (Fire)**

Our long-term records show a consistent increase in evening service calls. The response time to these evening calls is noticeably slower because we do not staff the fire station in the evenings. Keeping the station open later will improve response times and increase Staff presence downtown. Council will consider expanding fire station staffing hours.

- **Career Development and Performance Review**

A public service agency's primary commodity is service. Service delivery rests in large part on employees who lead by example to deliver professional, ethical, accountable and transparent service to our citizens. Last year, the City of Brevard initiated a new program in how it trains, supports, and develops employees and rewards their performance in meeting these service delivery expectations. This budget continues the lump sum merit awards of last year, but requests Council consideration to expand the merit awards system to include base pay merit awards.

- **Public Education, Outreach, and Engagement**

A public service agency's primary commodity is service. Successful service delivery rests in part on the expectations of the citizens receiving that service. Expectations are based upon a citizen's understanding of the limits, focus, and historic intent of their government's service areas, and a realization that they can engage their government to change those service levels. This budget continues the efforts of the Assistant to the Manager – Public Education, Outreach, and Engagement to strengthen our efforts to communicate and engage our citizens to participate in the government that represents them.

- **Rosenwald Small Area Plan and Park**

This program funds community organizing/neighborhood capacity building. Unlike the other small area plans focused on infrastructure improvement, this plan is gaining infrastructure improvement through the engagement of the community. The success of this model may serve to engage and galvanize the residents in other small area plans throughout the community.

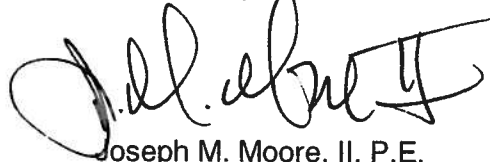
SUMMARY

The FY 2014 – FY 2015 Budget is balanced in accordance with the N.C. State Statutes and advances on the goals expressed by our Community Development Vision.

I wish to recognize and extend sincere thanks to Staff for sharing their invaluable subject matter expertise, their inexhaustible capacity for long and hard work, and their commitment to each other to work selflessly as a team to meet the needs of our community; and to express my special appreciation to the Finance Department who worked tirelessly through long days and extended weeks to prepare this budget for public consideration.

Finally, I would also like to express my appreciation to this community, and the Mayor and Council who represents them, for sincerely and thoughtfully working together to make our community a better Brevard.

Respectfully submitted,

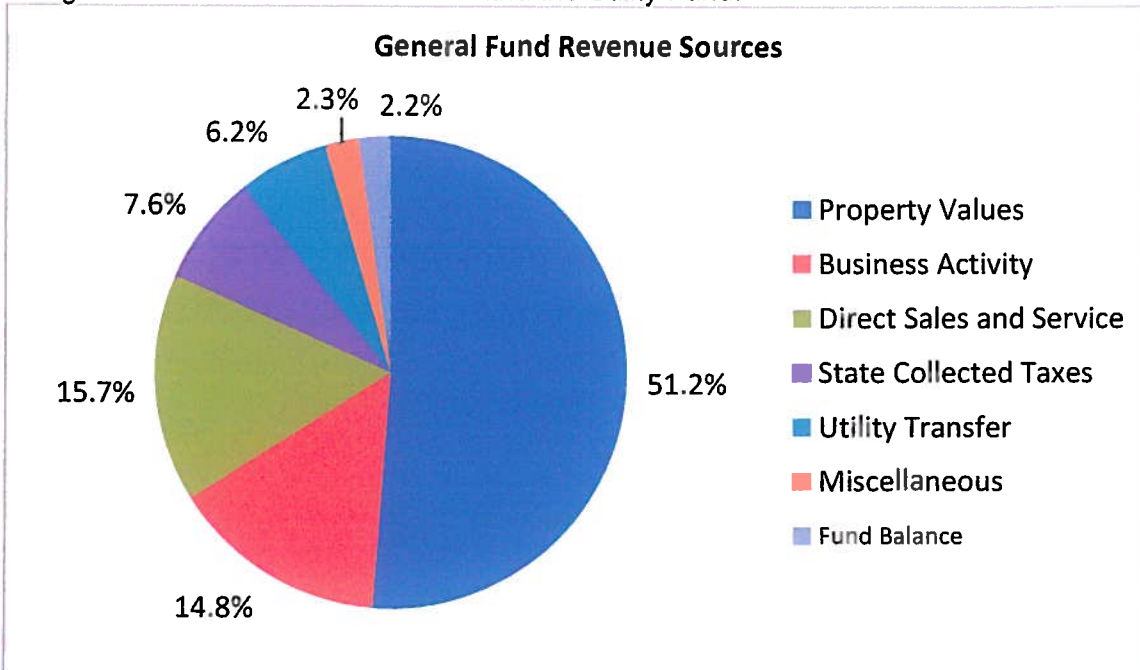
A handwritten signature in black ink, appearing to read "J.M. Moore II", written over a horizontal line.

Joseph M. Moore, II, P.E.
City Manager

Community Development Returns: The economic status of our community

RETURNS ON INVESTMENTS (Revenues)

The public goods and services provided by the City of Brevard both depend upon, and affect, the community's health and wealth. The returns on those investments are categorized under the General Fund and the Utility Fund.

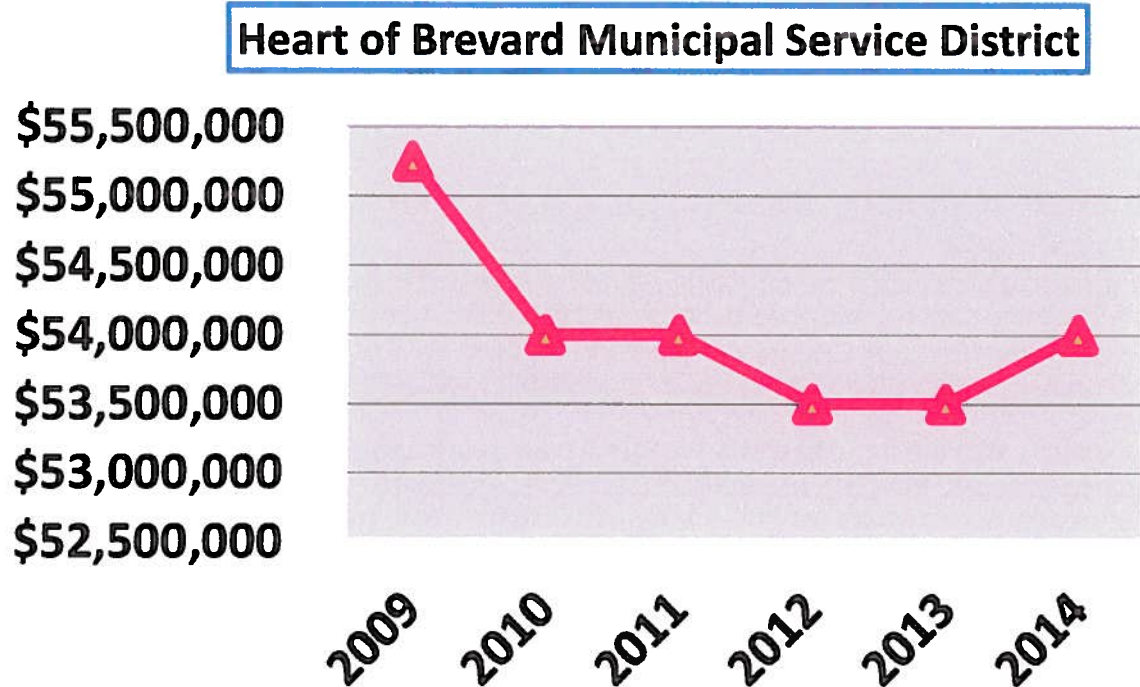
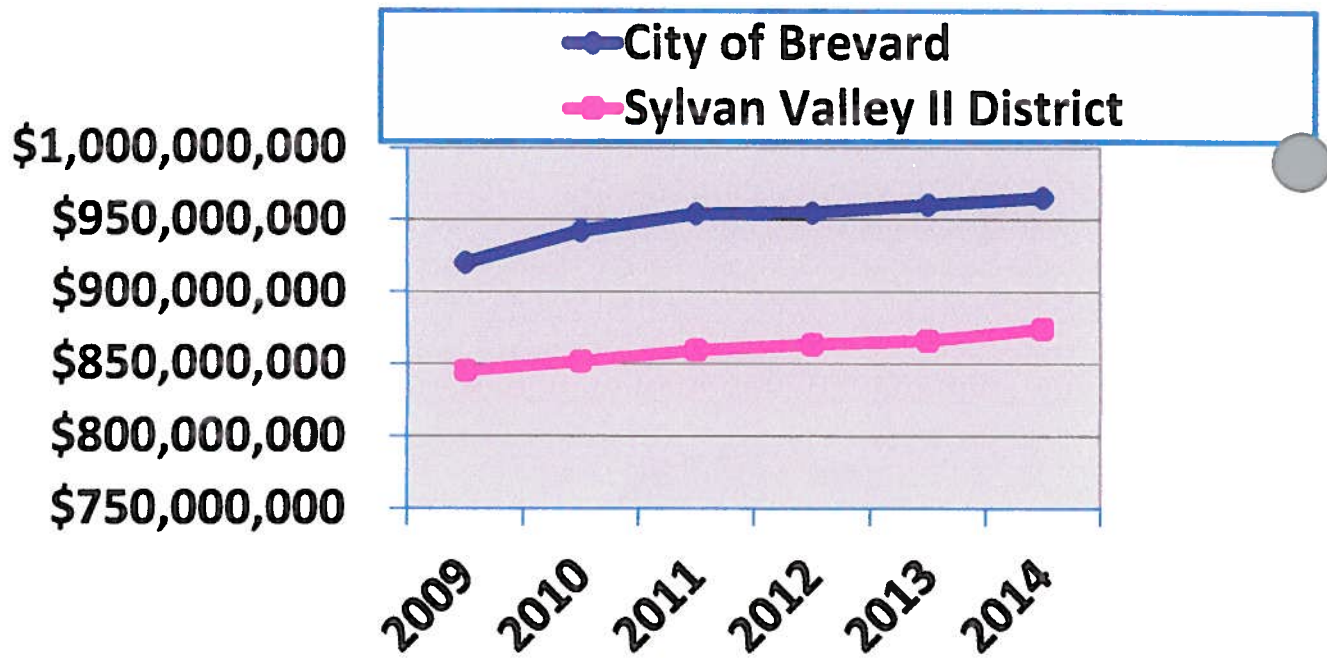


Property Values

The largest percentage of community wealth to fund public goods (e.g. parks or public parking) and public services (e.g. police and fire) come from a tax on the City's property values. Property tax is the only means North Carolina local governments have to adequately support these broad services available to all citizens.

In keeping with the trend seen for five successive years, the growth of property values significantly lags the pace of inflation on existing services (e.g. personnel, equipment, and supply costs) much less provide the ability to fund new public goods and services (e.g. Bracken Preserve). Concerns over stagnation remain as the tax base valuation within the City of Brevard increased 0.5% (a 0.08% decline over last year's rate), Sylvan Valley II Fire District increased 0.69% (a 0.37% increase over last year's rate), and the Heart of Brevard Municipal Service District increased 0.9% (an improvement over last year's flat rate).

- ☐ In response to the stagnation of property values, it's estimated Council would need to raise the property rate 1 cent per year until this trend improves. City Council has not raised the property rate to support operational expenses since 2010. Despite the continuance of this stagnation, Council successfully staved off tax increases while maintaining service level by 1) updating decades-old fees and assigning them to discrete service delivery (e.g. Sanitation and Recycling Fees), 2) realized considerable savings in insurance premiums through the funding of health, wellness, and safety programs, and 3) benefited from a strengthening business sector.

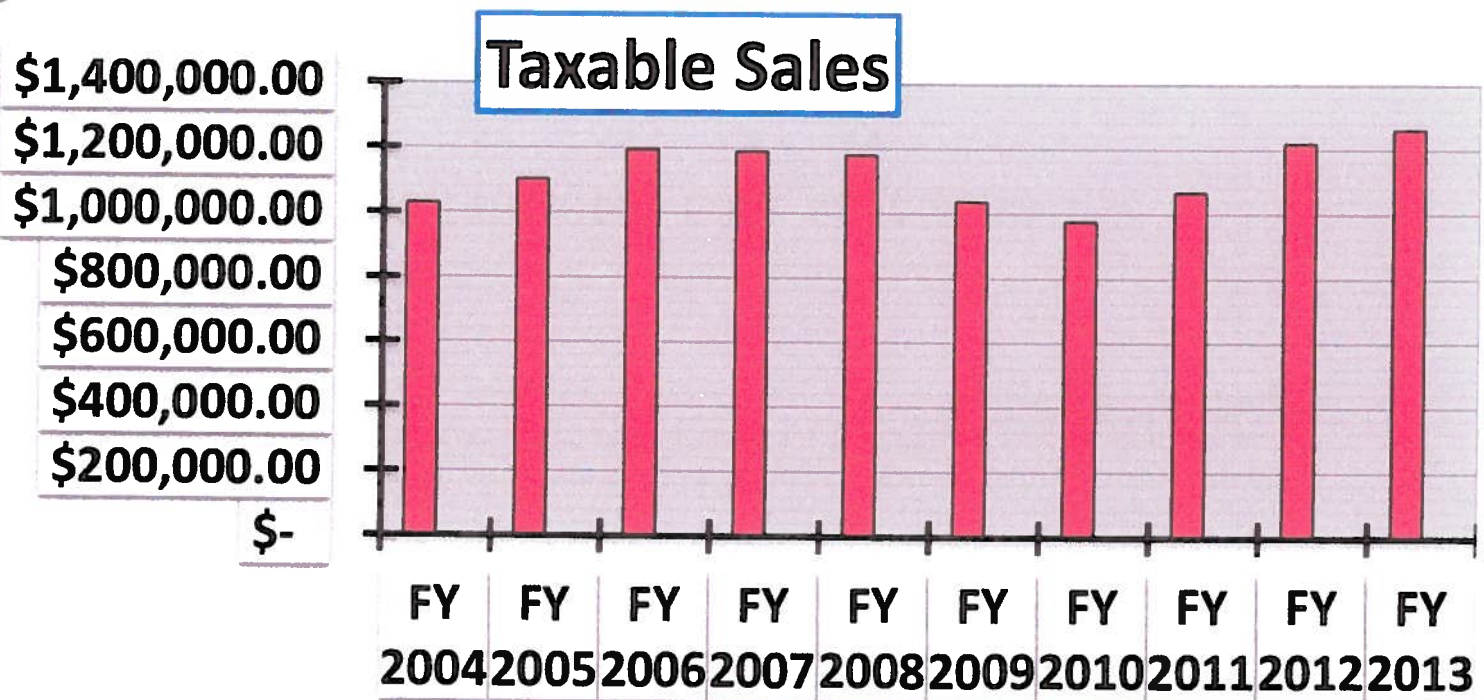


 The Sylvan Valley II Fire District includes several retirement and second residences. The growth and decline of its value may be a useful indicator for how the housing market, most notably in other regions, is recovering and impacting our community.

Business Activity

Sales tax revenues should fund those services that protect and support the marketplace. Services such as Police and Fire certainly play a part in physically protecting the marketplace, but other services support and protect the marketplace by both direct and indirect means. Infrastructure maintenance, such as street and sidewalk maintenance through Public Services, facilitate business transactions. Infrastructure re-investment, such as streetscapes, and land use designation and compliance, such as zoning and code enforcement through Planning, protect business investment and viability. Professional networking and marketing, through contracts with Chamber of Commerce, Heart of Brevard, TCart and Farmer's Market, maintain the necessary relationships between the public and private sector, and assist in marketing the success of the private sector.

Slowing but continuing to grow from recent lows, the performance of this revenue stream has helped offset losses in the property market. While this performance is a welcome relief, sales tax revenue should not be viewed as a consistent revenue stream for future budgets because it fluctuates with the highs and lows of any business cycle. To what degree a community responds to this cycle is dependent upon the aggregate of all businesses types within a community. By example, college towns and government centers do not see a large degree of fluctuation in sales tax revenue because their institutions tend to be long-standing; whereas those communities focused on tourism or high-end retirement tend to respond pro-cyclically with good economic indicators producing very good sales revenue and poor economic indicators producing very poor sales revenue. The fluctuation in Brevard's sales tax revenue is shown on the following graph.



State Collected Taxes

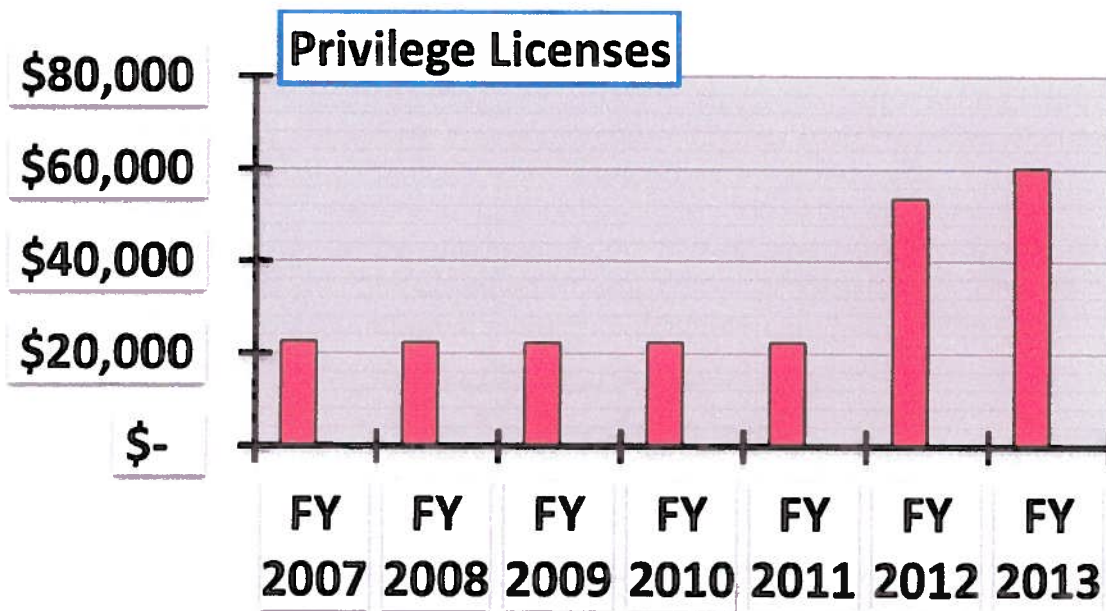
The Utilities Franchise Tax, Gas Tax, and Wine and Beer Tax are the most notable revenue sources from this category.

- ▢ The Utilities Franchise Tax receipts for cable TV is down from last year and may be an indication of dropping re-investment in that infrastructure.

Miscellaneous

The major contributions within this stream include ABC Revenue, Privilege License, and Interest earned. The Privilege License Fees increased significantly last year and have remained strong. It is unclear how much this reflects the impact of the sweepstakes industry.

- ▢ Another notable trend is the decline in ABC revenue. This profit loss may be the result of increased overhead and personnel in opening the Pisgah Forest store.



Direct Sales and Service

This revenue reflects the charges for discrete and definable services such as Refuse Collection and Recycling, County Vehicle Maintenance, Rental Income, Zoning Administration, and Recreation.

- ▢ Zoning Administration is up 44% to \$39,492 and may be a reflection of increased development activity. If true, the workload capacity of the Planning Department to take on project management of capital projects and special studies will be limited, and may impact if code enforcement becomes more reactive than proactive.

Utility Transfer

The City of Brevard transfers funds from the utility fund to cover those utility based positions within General Fund departments, and to cover the proportional support costs from departments assisting the Utility Fund. This budget proposes an increase to \$520,000 (increased by \$20,000) to cover the cost of these positions.

Debt Proceeds

The City of Brevard has debt for the following projects. This year, fire equipment was re-financed at a lower rate and rolling stock, such as garbage vehicles, were purchased.

Project	FY '15 Payments	Retirement Date
City Hall Annex	\$324,550	October 2015
Fire Ladder Truck		2020
Fire Pumper & Tanker		2020
Wayfinding Signs		2019
Rolling Stock		
Tanker Truck		2022

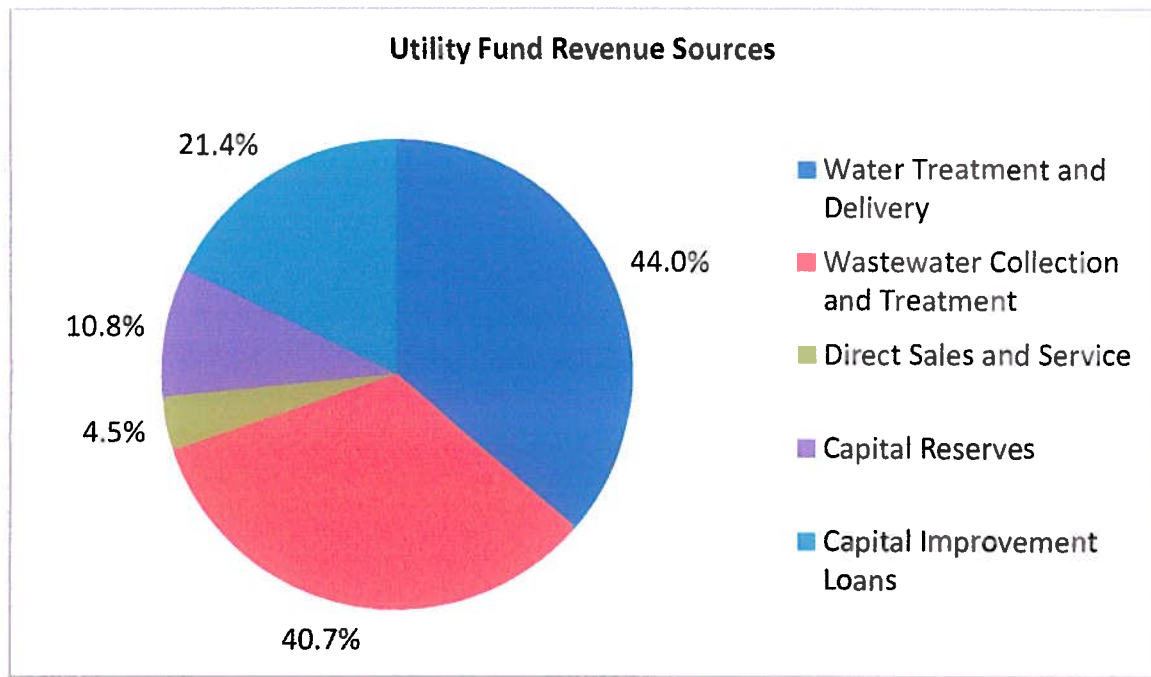
- ▢ The tanker truck serves the Sylvan Valley II Fire District. The County Commissioners raised the rate of this district to cover the cost of this vehicle. Currently, the City/County participation stands at 53%/47% for service out of the fire station. The County Commissioners are not expected to receive a request to increase the tax rate to cover potential evening service.

Reserves (Fund Balance)

Reserves, whether through the accumulation of annualized savings (fund balance), or capital project savings and capital recovery fees (capital reserves), are set aside for those one-time expenses related to capital projects. They should never be used for annualized operational costs.

This budget dramatically reduces the reliance upon these funds and were confined to replacement of vehicles.

- ▢ The Unassigned Fund Balance fell from 47% to 37% this year. Examples of projects funded through Unassigned Fund Balance were Bracken Preserve's start-up costs, Wayfinding Phase II, Railroad Avenue Small Area Plan, Street paving, and vehicle replacements.



Water Treatment and Delivery Charges

The rate charged for water treatment and delivery is a self-sustaining charge covering only the operational costs of treating the water out of Cathey's Creek and delivering it through approximately 80 miles of waterlines to roughly 4000 customers. With the exception of the meter replacement fee, these charges do not cover depreciation of capital equipment (e.g. pumps), infrastructure (e.g. pipes), or facilities (e.g. tanks, plants), and certainly do not generate "profit" for the City as is a general misconception.

- ▢ No changes to the water rates are recommended in this budget, but Council will begin discussing how it plans to phase in the cost of increased water capacity. An increase in rates will probably result in decreased demand, and the options left to raise funds in the short-term will probably be different variations of a flat fee with discussions on who bears what portion of that cost.

Wastewater Collection and Treatment

The rate charged for wastewater collection and treatment is a self-sustaining charge covering the operational costs of collecting wastewater from roughly 4000 customers and delivering it through approximately 80 miles of pipe to the treatment plant near the French Broad River. These charges do not cover depreciation of capital equipment (e.g. pumps), infrastructure (e.g. pipes), or facilities (e.g. tanks, plants), and certainly do not generate "profit" for the City as is a general misconception.

- ▢ No changes to the sewer rates are recommended in this budget, but depending upon the results for state assistance, Council will begin discussing how it plans to phase in the cost of financing force main delivery along Neely Road.

Sales and Service

This revenue reflects charges for septage pre-treatment, tap connection and re-connections, and meter installations.

Reserves (Capital Reserves)

Reserves, whether through the accumulation of annualized savings (fund balance), or capital project savings and capital impact fees (capital reserves), are set aside for those one-time expenses related to capital projects. They should never be used for annualized operational costs. This budget does include the transfer of capital reserves to fund utility projects.

Debt Proceeds

The City of Brevard has debt for the following projects. This year, rolling stock for Public Services and Engineering and Utilities were purchased.

Project	FY '15 Payments	Retirement Date
Utility Annexations	\$140,884	2015
Rolling Stock	\$132,303	2018
King's Creek Sewer Rehabilitation and Replacement	\$149,418	2032
WWTP: Belt Press and Grit Removal		2030

- The debt to make improvements to our sewer system to address the Sanitary Sewer Overflows produced from stormdrain inflow and rainwater infiltration is coming on-line.

OPERATING BUDGET HIGHLIGHTS

EXPENDITURES

Major Projects

- Water Intake Feasibility and Alternative Analysis: This study will present the reasonability and feasibility of several intake points along the French Broad River.
- Annual infrastructure and maintenance projects: These projects assess and prioritize the construction of various infrastructure projects (street paving, sidewalks, water lines, and sewer lines) throughout the City. This is a continuation of ongoing efforts with the following highlights:
 - + Street Repaving holding steady on funding.
 - + Inflow and Infiltration holding steady on funding
 - + Rolling stock needs are funded out of fund balance
- Downtown Master Plan:
 - + Phase I design near completion, property acquisition scheduled

Major Programs and Partnerships

- Entrepreneur, Small-Business, and Community Development: This budget funds the Farmer's Market efforts to create and expand business as well as serve as a community center.

- Hand Made In America (TCarts): This budget funds TCart to support the 4th Friday Gallery Walks, the Main Street Gallery, hosting film crews, and economic surveys such as the National Study on the Arts and serve as liaison for the Hand Made in America program
- Main Street Program (Heart of Brevard): This budget funds HOB to administer the N.C. Main Street Program
- Networked and Legislatively Engaged Business Community (Chamber): These funds support the Chamber's efforts to be more than a membership number driven organization.

Positions

No new positions in submitted budget

REVENUES

1. Growth

- Property value = \$0 increase in submitted budget
- Business activity = \$110,000 increase in submitted budget

2. Property Rate

- No increase budgeted

3. Sales and Service

- See Fee Schedule for changes

4. Utility Rates and Charges

- No change in rates in submitted budget

5. Savings/Grants

- Use of fund balance limited to \$188,000

6. Contingency

- None budgeted