MINUTES
BREVARD CITY COUNCIL
Budget Work Session #2
June 2, 2014 – 5:30 PM

The Brevard City Council met on Monday, June 2, 2014, starting at 5:00 p.m. with a light dinner. The scheduled budget work session started at 5:30 p.m. in City Council Chambers with Mayor Jimmy Harris presiding.

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

Staff: City Manager Joe Moore, City Clerk Desiree Perry, Planning Director Josh Freeman, Building and Grounds Director Lynn Goldsmith, Finance Director Jim Fatland, Public Service Rep. Anthony Coward, Fire Chief Craig Budzinski, HR Director Christine Caldwell, Police Chief Phil Harris, Public Service Director David Lutz, Manager's Executive Assistant Jeanette Owen and City Engineer and Utility Director Jay Johnston, PE

Press: Derek McKissock, Transylvania Times

Others: Transylvania Community Arts Council (TCarts) Executive Director Tammy Hopkins, Brevard/Transylvania Chamber of Commerce Executive Director Clark Lovelace, Heart of Brevard Executive Director Heath Seymour, and Farmer's Market Director Leslie Logemann

A. Welcome - Mayor Harris called the meeting to order and welcomed those present to the regular scheduled budget work session.

B. Quorum – City Clerk certified a quorum present.

C. Agenda – Accepted as presented.

D. Work Session Business – Budget Work Session #2

Mr. Moore provided an outline for the work session: (1) Non-Profit Funding and Parameters; (2) Capacity Recovery; (3) Commercial Recycling; (4) May 27 Follow-up on Evening Fire Service, Cherry Street and Operational Questions; and (5) Budget Ordinance Drafting.

Staff Reports and copy of power point slides are on file with the Agenda packet.

1. <u>Non-Profit Funding and Contract Expectations</u>
   a. Non-Profit funding requests not included in budget: 1. Vision; 2. Muddy Sneakers; and, 3. Heritage Museum.
   b. Non-Profit funding requests included in proposed budget: 1. Land of Sky Regional Council ($4,000); 2. Transylvania Community Arts ($10,000); 3. Chamber of Commerce ($10,000); 4. Heart of Brevard ($15,000 grant, $120,700 MSD tax revenue, and $2,000 for fireworks); and, 5. Farmer's Market ($17,000).
   c. <u>HOB</u> – Received an update on 501C3 status and that additional legal fees will be needed before completion; large part of grant funding from the City is used for the White Squirrel Festival; and concern was expressed we are not utilizing or taking advantage of HOB to their fullest potential for economic development because a lot of time and resources is having to be spent on Festivals.
      i. HOB and Chamber of Commerce are now meeting frequently and are looking for ways to partner with one another.

ii. Mr. Moore asked if Council would be interested in having City staff provide some services, perhaps legal and accounting, to the HOB to help with overhead charges/expenses. Consensus: Yes

iii. Mr. Jones recommended the contract with HOB and Chamber should be setup on a "return on investment" like the City did for the TCarts contract.

iv. Motion – Mr. Morrow moved, seconded by Ms. Hollingsworth, Council grant Heart of Brevard $30,000.

Discussion: Manager's budget recommendation was $17,000; where would the additional $13,000 come from? Briefly discussed three options to consider: (1) Release HOB ending fund balance; (2) Take some from other non-profits, or (3) Assign some of fund balance to make up difference.

Questioned if City should release HOB from obligation of 2.5 cents towards the DTMP. Perhaps money would be better spent or effective if tied to promoting activity to generate sales tax revenue.

Mr. Morrow stated he is in favor of the first option, not the second or third, and wants the motion to stand as presented.
Vote on Motion:
Aye – Mr. Morrow, Ms. Hollingsworth, Mr. Landreth, Mr. Jones
Nay – Mr. Dickson
Motion carried by a majority 4-1 vote.

Mayor Harris recommended the HOB and Chamber of Commerce contract and performance measures should be put to their Boards. When citizens ask Council why these were supported, answers need to be shared (with some specifics) of how City support/funding was an economic development impact for our community.

2. <u>Capacity Recovery Fees</u>
    a. Capital recovery fees are needed for water and sewer capital reinvestment; needs have not gone away with the change in the impact fees; staff recommendation is to consider changing the monthly minimum water amount from 2000 gallons to 1500 gallons, rather than to consider a utility rate increase; and, revenue will go towards debt and new water treatment facility.
    b. Proposed changes to residential customers would mean an additional $7.50 per month for a customer using 2,000 gallons of water.

~~ At 6:52 p.m. Mayor Harris called for a ten minute break. ~~

    c. Motion - Mr. Landreth moved, seconded by Mr. Morrow, City to lower the monthly minimum from 2,000 to 1,500 gallons.

    Vote on the motion:
    Ayes: Mr. Landreth, Mr. Morrow, Ms. Hollingsworth and Mr. Dickson
    Nay: Mr. Jones
    Motion carried by a majority 4-1 vote.

3. <u>Commercial Recycling</u>
    a. Discussed expansion of City's recycling to include commercial recycling; staff recommends if program is adopted that it be mandatory, same as residential is mandatory; some businesses would need multiple containers – restaurants likely will want separate containers for glass, etc. ; and, if adopted services could be offered starting July 1st.
    b. City's current recycling contractor, Republic Services, has presented a proposal for providing commercial recycling collection as follows:
        i. 96 gallon cart collection once per week at $4.00 per container;

ii. Customers requiring more than one cart, fee would adjust $4.00 for every additional container;
iii. Routes would be Thursday or Friday, similar to existing residential routes;
iv. Minimum total customers required for this price quote – 480 customers; and
v. This fee would be in addition to the current cardboard collection fee of $10.

c. Motion – Ms. Hollingsworth moved, seconded by Mr. Morrow, City accept proposal from Republic Services to provide commercial recycling services as presented. Motion carried unanimously.

4. May 27 Follow-up
   a. Evening Fire Service – Manager provided an update explaining a presentation was made to the Board of County Commissioners and there did seem to be some support from a couple of the Commissioners to consider providing some financial assistance; however, has not heard back from the County Manager. This would be a good opportunity for City-County partnership.
      i. City would be offering improved fire service to both City residents and to County residents within the Sylvan Valley. Tax increase could provide needed funds. If County is not willing to pay to help make this possible, would mean City residents (by a tax increase) would bear all of the financial burden for evening fire service.
   b. Cherry Street – At Council's last budget work session voted to fund $50,000 and seek partners. Broader issue on how to move forward on Pedestrian Plan needs to be considered.
      i. Discussed considering a tax increase; doing the project in-house like on Elm Bend Road sidewalk project to save on costs should be considered, as well as any grant possibilities; and, important for the Pedestrian Plan bike/hike paths (not just Cherry Street) to continue.
   c. Motion - Mr. Landreth moved, seconded by Mr. Morrow, the City enact a one cent property tax increase for the purposes (dedicated) to the Bike Hike Path/Pedestrian construction and for Evening Fire Service.

      Discussion:
      i. If County decides to not provide financial assistance for evening fire service, then this tax increase will not be enough money to do both – evening fire service and Cherry Street.
      ii. One-half cent for Evening Fire Service, and, one-half cent for Cherry Street project.
      iii. Intention is to get City committed to these two projects; allow staff to work out the percent rather than designated ½ to one project and ½ to the other.
      iv. Questioned if this motion for a one-cent tax increase could be removed before the Budget Ordinance is adopted in June? Answer: Yes
      v. One approach could be to raise the tax 1 cent and to put the $90,000 into a contingency fund.

   d. Amended Motion - Mr. Landreth moved, seconded by Mr. Morrow, his previous motion be amended, and that the City enact a one cent property tax increase with the money to be earmarked for Pedestrian Plan and Evening Fire Service and funds are to be held in contingency. Motion as amended carried unanimously.
   e. Operational Questions and Budget Ordinance Drafting. Council was provided some information/handouts by staff for their review. Due to the late hour, Council will discuss these at the Budget Work Session #3 scheduled for June 9th at 5:30 p.m.

Closing Comments

Mayor Harris asked about some line items within Tab 17, 19, 23, 24, 27 and 29. Staff had information available to answer his questions with the exception of Tab 17 where he had asked for a listing of the specific resurfacing project(s) proposed for the $163,000; information to be provided at next work session.

E. Adjourn – There being no further discussion, Mr. Jones moved, seconded by Mr. Dickson, the budget work session be adjourned. Motion carried and the meeting adjourned at 9:04 p.m.

s/	s/
Jimmy Harris	Desiree D. Perry, CMC, NCCMC
Mayor	City Clerk

Minutes Approved: September 15, 2014