MINUTES
BREVARD CITY COUNCIL
Regular Meeting
June 16, 2014 – 7:00 PM

The Brevard City Council met in regular session on Monday, June 16, 2014, at 7:00 p.m. in the Council Chambers of City Hall with Mayor Jimmy Harris presiding.

Present – Mayor Pro Tem Mac Morrow, Council Members Charlie Landreth, Maurice Jones, Ann Hollingsworth and Wes Dickson

Absent – Mayor Jimmy Harris

Staff Present – City Manager Joe Moore, City Attorney Mike Pratt, Acting City Clerk Sarah Lutz, Planning Director Josh Freeman, Finance Director Jim Fatland, Police Chief Phil Harris, City Engineer & Utility Director Jay Johnston, Fire Chief Craig Budzinski, Building and Grounds Director Lynn Goldsmith, Human Resource Director Christine Caldwell, Assistant Planning Director Brad Burton, Public Services Director David Lutz and Manager's Executive Assistant Jeanette Owen.

Press - Derek McKissock, Transylvania Times

A. Welcome and Call to Order – Mayor Pro Tem Morrow called the meeting to order, welcomed those present and introduced council members, Manager, Attorney and Clerk.

B. Invocation – City Attorney Michael Pratt offered an invocation.

C. Pledge of Allegiance - Mayor Pro Tem Morrow led in the Pledge of Allegiance

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

E. Approval of Agenda – Mr. Landreth moved the Agenda be approved as presented. Motion was seconded by Mrs. Hollingsworth and passed unanimously.

F. Approval of Minutes – None

G. Public Hearings

G-1. <u>FY '15 Budget Ordinance and Fee Schedule</u>. A Public Hearing to consider the FY' 15 Budget Ordinance for the City of Brevard.

At 7:10 p.m. the properly advertised and noticed public hearing to receive comments began. The City Manager presented his comments on the budget including the items *not* budgeted in the current fiscal year, including no provision for evening fire service, no property reinvestment program, no construction funding for Cherry Street bike/hike path, no recreation master plan funding and no funding for the co-location of City and County permitting offices. He went on to explain that not funding these things was how the budget was balanced even though Council had evinced interest in these items.

Council discussed the Cherry Street bike path including alternative funding sources and the possibility of amending the budget later in the year should more revenue become available in order to facilitate the construction of the project.

Mr. Moore concluded his budget presentation, focusing on non-profit funding, the change in water usage/rates and the implementation and cost of commercial recycling. He then asked if Council had any questions or issues that needed clarification. Council members directed some questions to staff regarding process in regards to the Cherry Street bike/hike path, which were answered.

Public Hearing Public Participation At 7:35 p.m., Mayor Pro Tem Morrow opened the public hearing for public comment. One citizen, Mr. Ken Kolb of Deerlake, spoke and complimented Staff on the budget process and presentation. Mr. Kolb mentioned that he would ask Council not to let a flat tax rate decrease the provision of services and to consider raising in taxes in order to continue to provide those services and help the community grow.

Public Hearing Closed – With no further questions or comments from Council or the public, Mayor Pro-Tem Morrow closed the hearing at 7:40 p.m.

H. Special Presentations – None

I. Certificates/Awards/Recognition

I-1. Proclamation of June 21-July 2, 2014 as Arts and Culture Week

Mayor Pro Tem Morrow recognized the Brevard Music Center and Transylvania County Arts Council specifically in regards to bringing and celebrating arts in the community.

I-2. Proclamation of July 2014 as Parks and Recreation Month

Mayor Pro Tem Morrow relayed that the proclamation would be presented to the appropriate parties since they were not present.

1-3. Recognition of Sarah Lutz's certification as Project Management Professional - Mayor Pro-Tem Morrow recognized Ms. Lutz's achievement in earning the globally recognized Project Management Professional (PMP) status through hard work dedication, and acquired experience.

I-4 Recognition of Daniel Cobb's induction into the American Institute of Certified Planners - Mayor Pro-Tem Morrow recognized Mr. Cobb's achievement in being inducted into the nationally recognized American Institute of Certified Planners (AICP) through hard work dedication, and acquired experience.

I-5 Recognition of Terrell L. Scruggs Scholarship Winners Mayor Pro Tem asked Police Chief Harris to recognize the three scholarship winners (out of four) present, Renee Martinez, Jenna McCall, and Caleb Perry. Chief Harris detailed all of their academic and extracurricular achievements and congratulated them on a job well done.

J. Public Participation

Mr. Al Mercer, of Bedford Place, introduced himself and stated that he was attending the meeting on behalf of the Bedford Homeowner's Association, of which there were seven others in attendance. Mr. Mercer presented a series of pictures to Council and detailed some history of the Bedford development, wherein he challenged Council, that the City had not met its obligations to protect its citizens by not requiring the developer to complete the project to standard and gave specific examples including paving on London Court and a drainage ditch that allegedly does not function correctly.

Mr. Martin Grove introduced himself to Council and stated that he was present to ask Council to consider allowing busking within the City limits as other neighboring municipalities such as Asheville and Hendersonville allow it.

Council did not take any action on either item.

K. Consent Agenda - Consent Agenda items are considered routine and are enacted by one motion. Mayor Pro Tem Morrow 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 Pro Tem Morrow moved, seconded by Mrs. Hollingsworth, the Consent Agenda be amended to add New Business Items M-1, M-2, M-3, M-4, M-6, M-8 and M-9, and that the Consent Agenda be approved as amended. Motion carried unanimously.

The following ten Consent Agenda items were approved:

K-1. Public Services Department Monthly Staff Report

K-2. Finance Department Monthly Staff Report

K-3. Resolution No. 2014-11 A Resolution Amending the City of Brevard Personnel Policy. City of Brevard Personnel Policy Changes: Family Medical Leave Act.

RESOLUTION NO. 2014-11

A RESOLUTION AMENDING THE CITY OF BREVARD PERSONNEL POLICY

WHEREAS, it is the desire of the Brevard City Council to amend the City of Brevard's Personnel Policy addressing the section of the Family Medical Leave Act.

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

Section 1. Article VII, Section 18 of the City of Brevard Personnel Policy shall be amended as follows:

Section 18. Family and Medical Leave Policy
As explained below, City Employees who are Eligible Employees have the right to take leave and certain other rights pursuant to the Family and Medical Leave Act ("FMLA").

Eligible Employees
Eligible Employees are regular full-time and part-time employees who: (1) have been employed with the City for at least 12 months; (2) have worked at least 1,250 hours during the 12 months immediately prior to the commencement of the leave; and (3) are employed at a worksite where 50 or more employees are located within 75 miles of the worksite.

Basic FMLA Leave
Eligible Employees may take up to 12 weeks of unpaid leave during any 12-month period for any one or a combination of the following reasons:

- to care for the employee's child after birth or placement for adoption or foster care;
- to care for the employee's spouse, son or daughter or parent with a serious health condition;
- for the employee's own serious health condition (including any period of incapacity due to pregnancy, prenatal medical care or childbirth) which makes the employee unable to perform one or more of the essential functions of his/her job; and/or
- because of any qualifying exigency arising out of the fact that the employee's spouse, son, daughter or parent is a covered military member on active duty or has been notified of an impending call or order to active duty in support of a contingency operation.

Rules and definitions pertaining to basic FMLA Leave.
- Serious Health Condition. A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that
either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider (generally within 30 days of the first day of incapacity) or one visit and a regimen of continuing treatment under the supervision of the health care provider; incapacity due to pregnancy or for prenatal care; incapacity or treatment due to a chronic serious health condition; permanent or long-term conditions; or conditions which require multiple treatments. Other conditions may also meet the definition of continuing treatment.

- The amount of basic FMLA Leave an eligible employee is entitled to will be calculated based on a rolling 12-month period. This means that any FMLA Leave an eligible employee has used during the preceding twelve (12) months will be counted to determine the amount of available FMLA Leave remaining. Thus, each time an employee uses FMLA Leave, the amount of FMLA Leave which the employee has available is the balance of the twelve (12) weeks that the employee has not used during the immediately preceding twelve (12) months.
- FMLA Leave for the birth, placement for adoption or foster care of a child is available only during the first twelve (12) months after the birth or placement of the child for foster care or adoption.
- When both spouses work for the City and are both Eligible Employees, the total leave in any 12-month period for both spouses will be limited to 12 weeks if the leave is taken for the birth, care after birth, placement for adoption or foster care of a child, or to care for a sick parent.
- In the case of FMLA Leave for the birth, placement for adoption or foster care of a healthy child, intermittent leave or working reduced hours is not ordinarily permitted.

Military Family Leave Entitlements

Eligible employees whose spouse, son, daughter or parent is on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

Rules Applicable to Special Injured Service member Leave
- A Covered Service member is a current member of the Armed Forces, including a member of the National Guard or Reserves, is (1) undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness or (2) A covered veteran is an individual who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran.
- Leave to care for a Covered Service member must be taken within the single 12 month period following the date the Eligible Employee first commences leave to care for a Covered Service member. Any leave remaining after the single 12 month period expires is forfeited.
- Leave to care for a Covered Service member, when combined with another FMLA qualified leave may not exceed 26 weeks during the single 12 month period.
- When both spouses work for the City and are both Eligible Employees, the total leave in any single 12-month period for both spouses will be limited to a combined total of 26 weeks if the leave is taken for the birth, care after birth, placement for adoption or foster care of a child, to care for a sick parent, or to care for a covered service member with a serious injury or illness.

Intermittent and Reduced-Schedule Leave
Intermittent leave and reduced work schedules may be permitted: (1) when medically necessary due to the employee's serious medical condition; (2) when medically necessary to care for a parent, son, or daughter with a serious health condition; (3) when medically necessary to care for a Covered Service member with a serious injury or illness; (4) to provide care of psychological comfort to a covered family member with a serious health condition or a Covered Service member with a serious injury or illness; or (5) due to a Qualifying Exigency.

Rules Applicable to Intermittent/Reduced Leave Schedule
- In the case of FMLA Leave for the birth, placement for adoption or foster care of a healthy child or care of a parent, intermittent leave or working reduced hours is not ordinarily permitted.
- If and eligible employee requests intermittent leave or leave on a reduced work schedule for planned medical treatment, the employee must make a reasonable effort to schedule the treatment so as not to unduly disrupt City operations.
- If an eligible employee requests intermittent leave or leave on a reduced hours basis, the City reserves the option in the City's sole discretion, to require the employee to transfer, at their current pay and benefit level, to an alternative job for which the employee is qualified and which better accommodates the employee's need for intermittent leave or reduced hours than the employee's regular job.

General Rules for FMLA Leave

Employee Obligations

- All requests for FMLA Leave should be submitted to the Human Resources Director, and all questions regarding potential FMLA leaves of absence, eligibility, availability, etc. should be directed to the Human Resources Director.
- If FMLA Leave is planned in advance (expected or foreseeable) the employee must submit a request for leave at least thirty (30) days before the leave is expected to begin.
- If FMLA Leave is unexpected, or if an employee has less than thirty (30) days before the leave is scheduled to begin, the employee should notify his/her Supervisor and the Human Resources Director as soon as the employee is aware they will need leave. In this case an employee should submit their request for leave as soon as possible. Except in emergency situations, all employees will be expected to comply with the City's normal call-in policies for absences.
- If an employee fails to give a 30 day notice for foreseeable leave without a reasonable excuse for the delay, or fail to comply with the City's call-in requirements, the employee's FMLA leave request may be denied or delayed.
- Employees must provide the City with sufficient information for the City to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. An employee may do this by either requesting FMLA leave specifically or explaining the reasons they need leave sufficiently so that the City can ascertain that the leave is FMLA qualifying.
- An employee must advise the City if the reason they are requesting leave is for a reason for which FMLA leave was previously taken or certified.
- Employees must also respond to questions and provide requested information to Human Resources to enable us to determine if they qualify for FMLA leave.
- It is the employee's responsibility to provide the City with complete and sufficient medical certification to support their need for leave because of their own or a covered relative's serious health condition. Calling in "sick" without providing the reasons the employee needs leave, is not sufficient. Failure to provide the information requested or to authorize your health care provider or family member's health care provider to provide the required information may result in denial of the employee's request for leave.
- The City reserves the right to require an employee to obtain a second opinion from a health care provider selected by the City if we deem it appropriate. If there is disagreement between the health care providers with respect to an employee's need for leave, the City may require the opinion of a third, mutually agreed upon health care provider. In certain circumstances the City may also contact an employee's health care provider for clarification or authentication of the employee's leave certification form.
- It is the employee's responsibility to provide the City with complete and sufficient certification and supporting documentation supporting the employee's need for military family leave. This may include copies of relevant active duty orders or other documentation issued by the military, a certification from the employee setting forth the reasons the leave is needed and /or certifications completed by an authorized health care provider of the Covered Service member.
- If the City determines that the reason an employee is out on leave is FMLA qualified, the City will designate the leave as FMLA leave at the City's discretion even if the employee has not specifically requested FMLA leave. In some cases the City may designate this leave retroactively as FMLA leave with written notice to the employee of this designation.
- Employees should initiate a discussion with the Human Resources Director if the employee questions whether any absence should have been considered as a FMLA leave.

While an Employee is on FMLA Leave:

- The City may require the employee to report periodically on the employee's status and intention to return to work, and the City may also require periodic reports from the employee or the employee's family member's health care provider.
- Employees should notify the Human Resources Director as soon as they become aware of any change in the circumstances of the original FMLA Leave request, (i.e. the employee is able to return to work earlier than expected, or the employee will require FMLA Leave for longer than originally expected). Additional health care provider certifications/recertification may be required for extensions of FMLA Leave or situations where an employee will be returning to work prior to the expiration of your original certification.
- An employee will be required to use all of their accrued and unused sick and vacation days as a part of their twelve (12) weeks of FMLA leave, unless they are out on workers' compensation leave. Vacation time must be used in increments of no less than 1 hour increments. (See Article VII, Section 9) If an employee's request is for less than an equal increment of one (1) hour(s), the employee may elect to take unpaid leave for the time required, or take paid leave in one (1) hour increments. Once the employee's vacation days have been exhausted, the balance of FMLA Leave will be unpaid unless the employee is eligible for paid leave such as worker's compensation.

- If an employee is out on FMLA Leave as a result of a Worker's Compensation injury, the employee's FMLA Leave and Worker's Compensation leave will run concurrently (i.e. Worker's Compensation leave will count against the employee's FMLA Leave entitlement).
- Employees will not be eligible to receive Holiday pay while the employee is out on FMLA Leave.
- Employees will not be permitted to take another job while the employee is on FMLA Leave. Should an employee do so, this will be grounds for immediate termination to the extent permitted under applicable law.

The City's Obligations

- The employee is entitled to receive written notice telling the employee: 1) whether the employee is eligible for FMLA leave; 2) the amount of leave to which the employee is entitled; 3) any additional information that will be required; 4) the employee's rights and responsibilities; and 5) if the City has determined the employee is not eligible for FMLA leave, the reasons why.
- During an employee's FMLA leave, all of the employee's group health benefits (e.g., major medical, hospitalization, and dental insurance) will continue, provided the employee continues to make the regular employee contributions to these plans, if any. Other benefits, such as pension, 401(k), life insurance, and long-term disability, will be governed in accordance with the terms of each benefit plan.
- Vacation, other employment benefits and seniority will not accrue during FMLA Leave, but employees will not lose any employment benefits or seniority that accrued before the FMLA Leave and the employee will begin earning vacation, other employment benefits and seniority again, in accordance with City Policy, when the employee returns to work. For purposes of vesting in pension or other retirement plans, an employee's service will be treated as continuing without a break during your FMLA Leave.
- When an employee returns from FMLA Leave, the employee is entitled to be reinstated to his/her former or an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. Exceptions to this provision may apply: (a) if business circumstances have changed during the FMLA Leave (e.g. the employee's job is no longer available due to a downsizing or job elimination); (b) the employee is a highly compensated employee; (c) the employee's leave has exceeded the amount of FMLA leave to which the employee was entitled; or (d) the employee has been on light duty in excess of 12 months.

Conditions on Return to Work/Failure to Return after Leave.

- In the case of FMLA Leave taken for an employee's own serious health condition, before the employee will be permitted to return to work from FMLA Leave, the employee will be required to present the City with a certification that he/she is capable of returning to work. (No certification will be required in the case of intermittent leave unless there are safety concerns).
- If an employee is able to return to work earlier than expected, the employee will be required to give the City at least two business days' notice prior to the date the employee intends to report back to work if feasible, and the employee will be required to present the City with a medical certification that he/she is capable of returning to work on that date.
- If an employee fails to return to work after the expiration of his/her FMLA Leave, the employee will be required to reimburse the City for the group health benefits premiums paid on his/her behalf during the FMLA Leave, unless the reason for the employee's failure to return to work is the continuation or presence of a serious health condition or circumstances beyond the employee's control.

Enforcement Information.

Under the FMLA, it is unlawful for any employer to interfere with, restrain or deny the exercise of any right provided under the FMLA or to discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

An employee may file a complaint with the United States Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

In the event of any conflict between the provisions of the FMLA and this policy or any other leave policy of the City, the FMLA shall prevail.

Section 2. This resolution shall become effective upon its adoption and approval on June 16th, 2014.

K-4. (M-1) Resolution No. 2014-12 Authorizing Grant/Loan Financing for City Wide Six Inch Sewer Upgrade.

RESOLUTION NO. 2014-12

AUTHORIZING GRANT/LOAN FINANCING FOR CITY WIDE SIX INCH SEWER UPGRADE

WHEREAS, the North Carolina Clean Water Revolving Loan and Grant Act of 1987 has authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment works, wastewater collection systems, and water supply systems, water conservation projects, and

WHEREAS, the North Carolina Department of Environment and Natural Resources has offered a State Revolving Loan, Grant, or State Bond Loan in the amount of $1,680,000 for the construction of the city wide six inch (6") sewer upgrade, and

WHEREAS, the City of Brevard intends to construct said project in accordance with the approved plans and specifications.

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

Section 1. That the City of Brevard does hereby accept the State Revolving Loan, Grant, or State Bond Loan offer of $1,680,000.

Section 2. That the City of Brevard does hereby give assurance to the North Carolina Department of Environment and Natural Resources that all items specified in the loan or grant offer, Section II-Assurances will be adhered to.

Section 3. That Joseph M. Moore II, P.E., City Manager, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

Section 4. That City of Brevard has substantially complied or will substantially comply with all Federal State and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted and approved this the 16th day of June, 2014.

K-5. (M-2) Certificate of Sufficiency for Voluntary Contiguous Annexation of Transylvania County Board of Education Property. Property is located on Country Club Road.

Certificate of Sufficiency

I, Desiree D. Perry, City Clerk, do hereby certify that I have investigated the petition submitted by Transylvania County Board of Education, PIN 8585-35-5436-000 containing 22.54 acres more or less, and PIN 8585-45-1339-000 containing 2.84 acres more or less**,** and have found as a fact that said petition is signed by all owners of real property lying in the area described therein, in accordance with NCGS 160-A-31.

In witness whereof, I have hereunto set my hand and affixed the seal of the City of Brevard this 16th day of June, 2014.

(Seal)

Desiree D. Perry, CMC, NCCMC
City Clerk

K-6. (M-3) Resolution No. 2014-13 Amending the City of Brevard Personnel Policy. City of Brevard Personnel Policy Changes: Longevity Pay

RESOLUTION NO. 2014-13

A RESOLUTION AMENDING THE CITY OF BREVARD PERSONNEL POLICY

WHEREAS, it is the desire of the Brevard City Council to amend the City of Brevard's Personnel Policy addressing the section of longevity.

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

Section 1. Article III, Section 17 of the City of Brevard Personnel Policy shall be amended as follows:

Section 17. Longevity Pay
Full-time employees of the City may be compensated for years of continuous service by payment of a longevity supplement based on the following table. Annual longevity amounts are based on years of service and amount listed as outlined below. The date of eligibility will be set as of January 1st of each year. Payments shall be made on the first pay date in December of each year.

Employees hired after July 1, 2014 will use the following guidelines:

Years of Service	Longevity Amount
0-4	$0
5 -9	$500.00
10-14	$750.00
15-20	$1,000.00
21 yrs. and over	$1,250.00

Maximum longevity payment shall have a ceiling of $1,250.00.

Employees hired before July 1, 2014 will maintain a grandfathered status and will use the following guidelines:

Years of Service	Longevity Amount
0-4	$150.00
5 -9	$500.00
10-14	$750.00
15-20	$1,000.00
21 yrs. and over	$1,250.00

Maximum longevity payment shall have a ceiling of $1,250.00.

Longevity pay is not guaranteed, but rather is subject to the approval of the City Council and may or may not be approved each fiscal year depending upon the financial conditions of the City and other factors. Longevity pay would not be considered a part of the annual base pay. Appropriate federal state, retirement, etc. deductions will be made.

Former employees returning to the City of Brevard for employment will be subject to the new Longevity Pay schedule and will not qualify under grandfathered status.

The Human Resources Department will maintain records of those employees who qualify as grandfathered and those who will follow the new Longevity Pay schedule.

Section 2. This resolution shall become effective upon its adoption and approval on July 1, 2014.

K-7. (M-4) FY '14 Audit Contract. Contract enters the City into an agreement with Gould Killian CPA Group, PA for the fiscal year ending June 30, 2014 to perform audit services.

K-8. (M-6) Comprehensive Plan Adoption Schedule. Adopted a schedule of work sessions in which Council will consider different elements of the Comprehensive Plan prior to its eventual adoption.

Chapters	Discussion Date
Economic Development	October 6, 2014
Transportation & Infrastructure	October 6, 2014
Housing	November 3, 2014
Health	November 3, 2014
Cultural Resources	December 1, 2014
Recreation	December 1, 2014

K-9. (M-8) Republic Services Contract Amendment for Commercial Recycling. Contract amendment adds commercial recycling pick-up to the Republic Services contract with the City.

K-10. (M-9) City of Brevard's Appointment to the Economic Development Organization Board of Directors. Council appointed Mr. David Watkins to represent the City of Brevard on the Board of Directors responsible to create the next steps toward forming a new Economic Development Organization (EDO). Term will be for up to three years.

L. Unfinished Business - None

M. New Business

M-5. Ordinance No. 2014-12 An Ordinance Amending the FY 2013-2014 Budget – Amendment No. Three

Mr. Fatland explained the proposed budget amendment to Council, which included additional income from the Patton donation as well as monies set aside for property acquisition. Mrs. Hollingsworth made the motion to approve the amendment as presented and Mr. Jones seconded that motion. The motion passes unanimously.

ORDINANCE NO. 2014-12

AN ORDINANCE AMENDING THE FY 2013-2014 BUDGET AMENDMENT NO. THREE

WHEREAS, the City Council of the City of Brevard has previously approved the annual budget (Ordinance No. 2013-07), Budget Ordinance Amendment No. One (Ordinance No. 2013-10); and Budget Ordinance Amendment No. Two (Ordinance No. 2013-12); and

WHEREAS, it is necessary to make amendments to the budgets to reflect additional revenue, appropriation of fund balance, and expenditures for Fiscal Year 2013-2014; and

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

SECTION 01) General Fund Expenditures are hereby increased $969,384 from $9,123,707 to $10,093,091 as shown below:

Administration Department	$30,000
Finance Department	$45,000
Tax Collections Department	$8,000
Planning Department	$100,000
Building and Grounds Department	$30,000
Police Department	$40,000
Public Services-Streets Department Powell Bill	$9,917
Non Departmental Department	$631,467
Public Services Garage	$75,000
TOTAL EXPENDITURES	$969,384

SECTION 02) General Fund Revenue is hereby increased $969,384 from $9,123,707 to $10,093,091 as shown below:

Privilege Licenses		$15,000
Miscellaneous Revenue		$5,785
Zoning Administration		$8,000
Patton Donation		$360,167
Powell Bill		$9,917
Sales Taxes		$112,800
County Vehicle Maintenance		$75,000
Refuse & Recycling		$40,000
Sale of Fixed Assets		$5,600
Donations to Police Department		$3,615
Fund Balance Appropriated		
State PARTF Grant Match	$223,500	
Rice Building Demolition	$200,000	
Wayfinding	-$90,000	$333,500
TOTAL REVENUE		$969,384

SECTION 03) Utility Fund Expenditures are hereby increased $225,000 from $5,687,100 to $5,912,100 as shown below:

Transfer to Capital Projects Fund	$225,000
TOTAL EXPENDITURES	$225,000

SECTION 04) Utility Fund Revenue is hereby increased $225,000 from $5,687,100 to $5,912,100 as shown below:

Fund Balance Appropriated	$225,000
TOTAL REVENUE	$225,000

SECTION 13) Multi –Use Paths Fund Expenditures are hereby increased $100,000 from $150,000 to $250,000 as shown below:

Railroad Avenue Project	$100,000
TOTAL EXPENDITURES	$100,000

SECTION 14) Multi-Use Paths Fund Revenue is hereby increased $100,000 from $150,000 to $250,000 as shown below:

Transfer from General Fund	$100,000
TOTAL REVENUE	$100,000

SECTION 17) Downtown Master Plan Expenditures are hereby increased $360,167 from $237,153 to $597,320 as follows as shown below:

Clemson Park and Downtown Improvements	$360,167
TOTAL EXPENDITURES	$360,167

SECTION 18) Downtown Master Plan Revenue is hereby increased $360,167 from $237,153 to $597,320 as shown below:

Patton Donation	$360,167
TOTAL REVENUE	$360,167

SECTION 19) Wayfinding Project Fund Expenditures are hereby decreased $90,000 from $345,062 to $255,062 as shown below:

Design, Fabrication & Installation	-$90,000
TOTAL EXPENDITURES	-$90,000

SECTION 20) Wayfinding Project Fund Revenue is hereby decreased $90,000 from $345,062 to $255,062 as shown below:

Transfer from General Fund	-$90,000
TOTAL REVENUE	-$90,000

SECTION 23) Health Insurance Fund Revenue is hereby increased $187,800 from $967,800 to $1,155,600 as shown below:

Transfer from General Fund	$37,800
Fund Balance Appropriated	$150,000
TOTAL REVENUE	$187,800

SECTION 24) Health Insurance Fund Expenditures are hereby increased $187,800 from $967,800 to $1,155,600 as shown below:

Health Insurance Expenditures	$187,800
TOTAL EXPENDITURES	$187,800

SECTION 34A) Rosenwald Revitalization Fund is hereby established to account for State PARTF Grant Revenue and required local match as shown below:

State PARTF Grant	$223,500
Transfer from General Fund	$223,500
TOTAL REVENUE	$447,000

SECTION 34B) Rosenwald Revitalization Fund is hereby established to account for State PARTF Grant Expenditures as shown below:

Land Acquisition Expenditures	$447,000
TOTAL EXPENDITURES	$447,000

SECTION 27) Capital Projects Fund Revenue is hereby increased $225,000 from $3,065,800 to $3,290,800 as show below:

Transfer from Utility Fund	$225,000
TOTAL REVENUE	$225,000

SECTION 28) Capital Projects Fund Expenditures are hereby increased $225,000 from $3,065,800 to $3,290,800 as show below:

Kings Creek Sewer Project Phase II	$50,000
Upgrade 6 Inch Sewer Project	$175,000
TOTAL EXPENDITURES	$225,000

SECTION 33) T.L. Scruggs Scholarship Fund Revenue is hereby increased $10,000 from $3,000 to $13,000 as shown below:

Donations	$10,000
TOTAL REVENUE	$10,000

SECTION 34) T.L. Scruggs Scholarship Fund Expenditures are hereby increased $10,000 from $3,000 to $13,000 as shown below:

Scholarships Awarded	$2,500
Operation Expenditures	$5,000
Increase in Fund Balance	$2,500
TOTAL EXPENDITURES	$10,000

SECTION 35) That Revenue and Expenditures set forth in Sections 1, 2, 3, 4, 13, 14, 17, 18, 19, 20, 23, 24, 27, 28, 33, 34, 34A, 34B, and 35 of the Ordinance Amendment are hereby summarized as follows:

General Fund	$10,093,091
Water & Sewer Fund	5,912,100
Utility Capital Projects Fund	3,290,800
Capital Reserve Fund	150,000
Heart of Brevard MSD Fund	120,950
Bjerg Trust Fund	100
Fire District Fund	1,205,547
Multi-Use Paths Fund	250,000
Narcotics Task Force Fund	50,100
Downtown Master Plan Fund	597,320
Wayfinding Fund	255,062
Other Post-Employment Benefits Fund	18,750
Bracken Mountain Project Fund	140,308
Health Insurance Fund	1,155,600

Housing Trust Fund	13,332
CDBG Cottages Fund	225,000
T.L. Scruggs Scholarship Trust Fund	13,000
Rosenwald Revitalization Fund	447,000
TOTAL BUDGET APPROPRIATION	$23,938,060

Adopted and approved this 16th day of June, 2014.

M-7. Ordinance No. 2014-13 City of Brevard FY 2014-2015 Budget Ordinance.

Mr. Moore explained some proposed changes in the fee schedule, which he showed were depicted in the proposed fee schedule. (Exhibit A) Some of those fee changes included changes in fee for food truck vender permits, utility fees and fees for commercial recycling.

Mayor Pro Tem Morrow moved to approve the budget and fee schedule as presented. Mrs. Hollingsworth seconded the motion. After a brief discussion, the motion passed unanimously at 8:10 p.m.

ORDINANCE NO. 2014-13

CITY OF BREVARD
FY 2014-2015 BUDGET ORDINANCE

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

Section 01) The following amounts are hereby appropriated in the General Fund for the operation of the City Government and its activities for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015 in accordance with the Chart of Accounts heretofore established for the City of Brevard:

	Budget
Governing Body	88,769
Administrative	639,222
Finance	685,806
Legal	60,000
Planning	657,420
Building & Grounds	509,091
Police	2,551,324
Public Services	
Administration	304,028
Garage	571,778
Streets Local	630,712
Streets Powell Bill	215,000
Sanitation	744,264
Total Public Services	2,465,782
Recreation	95,792
Non-Departmental	632,244
Economic Development	69,000
Total Expenditures	**$ 8,454,450**

Section 02) It is estimated that the following revenues will be available to the General Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Taxes, Licenses/Permits	4,344,700
Inter-government Revenues - NC	1,888,585
Refuse Collection Fees	842,000
Transfer from other funds	12,515
Contractual Fees	431,650
Charges to Utility Fund	520,000
ABC Revenue	150,000

Other Revenue	77,000
Fund Balance Appropriated - Capital Budget	188,000
Total Revenues	**$ 8,454,450**

Section 03) The following amounts are hereby appropriated in the Water and Sewer Utility Fund for the operation of said utilities for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Water Plant Operations	904,186
Water Distribution	492,469
Utilities Admin/Engineering	352,794
Sewer Plant Operations	1,112,720
Sewer Collection	771,617
Non-Departmental	1,038,714
Total Expenditures	**$ 4,672,500**

Section 04) It is estimated that the following revenues will be available to the Water and Sewer Utility Fund

Water Billings	2,350,000
Sewer Billings	2,120,000
Meter Fees	130,000
Other Revenue	72,500
Total Revenues	**$ 4,672,500**

Section 05) The following amounts are hereby appropriated in the Heart of Brevard Municipal Service District Tax Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Contract Services	118,000
Transfer to General Fund	12,415
Total Expenditures	**$ 130,415**

Section 06) It is estimated that the following revenues will be available to the Heart of Brevard Municipal Service District Tax Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Service District Tax – Current & Prior Years	120,700
Fund Balance Appropriated	9,715
Total Revenues	**$ 130,415**

Section 07) The following revenues will be continued for the Capital Reserve Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Fund Balance Appropriated	130,000
Impact Fees & Interest Income	20,000
Transfer from Utility Fund	146,868
Total Revenues	**$ 296,868**

Section 08) The following expenditures will be continued for the Capital Reserve Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Transfer to Utility Capital Projects Fund	150,000
Incorporate in Fund Balance	145,868
Total Expenditures	**$ 296,868**

Section 09) The following amounts are hereby appropriated in the Bjerg Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Transfer to General Fund	100
Total Expenditures	**$ 100**

Section 10) It is estimated that the following revenues will be available to the Bjerg Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Interest on Investments	100
Total Revenue	**$ 100**

Section 11) The following amounts are hereby appropriated in the Fire District Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Operations, Capital & Debt Expenditures	620,058
Total Expenditures	**$ 620,058**

Section 12) It is estimated that the following revenues will be available to the Fire District Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Transfer from General Fund	325,530
Fire District Tax	294,528
Total Revenue	**$ 620,058**

Section 13) The following amounts are hereby appropriated in the Multi-Use Paths Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Engineering & Construction (West Loop Phase I)	107,000
Engineering & Construction (Railroad Avenue)	100,000
Total Expenditures	**$ 207000**

Section 14) It is estimated that the following revenues will be available to the Multi-Use Paths Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Fund Balance Appropriated	207,000
Total Revenue	**$ 207,000**

Section 15) The following amounts are hereby appropriated in the Narcotics Task Force for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Operating Expenses	50,100
Total Expenditures	**$ 50,100**

Section 16) It is estimated that the following revenues will be available to the Narcotics Task Force for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Transylvania County	15,000
Transfer from General Fund	15,000
State Controller Payments	10,000
Federal Asset Fund - Sheriff	5,000
Federal Asset Fund - Police	5,000
Interest on Investments	100
Total Revenue	**$ 50,100**

Section 17) The following amounts are hereby appropriated in the Downtown Master Plan for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Design & Construction Costs	720,167
Total Expenditures	**$ 720,167**

Section 18) It is estimated that the following revenues will be available to the Downtown Master Plan for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Fund Balance Appropriated	529,167
Heart of Brevard	11,000
Transfer from General Fund	180,000
Total Revenue	**$ 720,167**

Section 19) The following amounts are hereby appropriated in the Rosenwald Revitalization Fund for the Fiscal Year beginning July 12, 2014 and ending June 30, 2015:

Property Acquisition	447,000
Total Expenditures	**$447,000**

Section 20) It is estimated that the following revenues will be available to the Rosenwald Revitalization Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Fund Balance Appropriated	223,500
State PARTF Grant	223,500
Total Revenue	**$ 447,000**

Section 21) It is estimated that the following revenues will be available to the Other Post-Employment Benefits Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Transfer from General Fund	12,000
Transfer from Utility Fund	6,750
Total Revenue	**$ 18,750**

Section 22) The following amounts are hereby appropriated in the Other Post-Employment Benefits Fund for Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Increase in Fund Balance (Transfer to Irrevocable Trust)	18,750
Total Expenditures	**$ 18,750**

Section 23) The following revenue amounts are hereby appropriated in the Health Insurance Fund for Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Transfer from General Fund	745,500
Transfer from Utility Fund	231,000
Dental Dependent Premiums	65,000
Total Revenue	**$ 1,041,500**

Section 24) The following amounts are hereby appropriated in the Health Insurance Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Health Insurance Costs	1,041,500
Total Expenditures	**$ 1,041,500**

Section 25) It is estimated that the following revenues will be available to the Bracken Mountain Project Fund for Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Fund Balance Appropriated	30,000
Total Revenue	**$ 30,000**

Section 26) The following amounts are hereby appropriated in the Bracken Mountain Project Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Trail Construction & Start-Up Costs	30,000
Total Expenditures	**$30,000**

Section 27) It is estimated that the following revenues will be available to the Utility Capital Projects Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Transfer from Capital Reserve	150,000
NCDENR Construction Grants & Loan	7,084,884
Total Revenue	**$7,234,884**

Section 28) The following amounts are hereby appropriated in the Utility Capital Projects Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Total Expenditures	**$ 7,234,884**

Section 29) It is estimated that the following revenues will be available to the Housing Trust Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Developer Loan Payment	13,332
Total Revenue	**$ 13,332**

Section 30) The following amounts are hereby appropriated in the Housing Trust Fund for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015:

Increase in Fund Balance	13,332
Total Expenditures (Increase in Fund Balance)	**$ 13,332**

Section 31) It is estimated that the following revenue will be available to the Terrell L. Scruggs Scholarship Fund beginning July 1, 2014 and ending June 30, 2015:

Contributions & Donations	10,500
Total Revenue	**$10,500**

Section 32) The following amounts are hereby appropriated in the Terrell L. Scruggs Scholarship Fund beginning July 1, 2014 and ending June 30, 2015:

Scholarships, expenses & fund balance increase	10,500
Total Expenditures	**$10,500**

Section 33) The Revenues and Expenditures set forth in Section 1 through Section 32 of this Ordinance are hereby summarized as follows:

General Fund	8,454,450
Water and Sewer Utility Fund	4,672,500
Utility Capital Projects Fund	7,234,884
Capital Reserve Fund	296,868
Heart of Brevard MSD Fund	130,415
Bjerg Fund	100
Fire District Fund	620,058
Multi-Use Paths Fund	207,000
Narcotics Task Force Fund	50,100
Downtown Master Plan Fund	720,167
Rosenwald Revitalization Fund	447,000
Other Post-Employment Benefits Fund	18,750
Bracken Mountain Project Fund	30,000
Health Insurance Fund	1,041,500
Housing Trust Fund	13,332
CDBG Cottages	0
Terrell L. Scruggs Scholarship Fund	10,500
Total Budget Appropriations	**$ 23,947,624**

Section 34) There is hereby levied a tax at the rate of forty-five and one-fourth cents ($0.4525) per one hundred dollars ($100) valuation of property as listed for taxes as of January 1, 2014 for the purpose of raising the revenue listed as Taxes in the General Fund in Section 2 of this Ordinance. This rate is based on an estimated total valuation of property for the purposes of taxation of $965,000,000 and an estimated collection rate of 99.6%.

Section 35) There is hereby further levied a tax at the rate of twenty-two and one-half cents ($0.2250) per one hundred dollars ($100) valuation of property as listed for taxes as of January 1, 2014 within the boundaries of the Heart of Brevard Municipal Service District for the purpose of raising the revenue listed as Taxes in the Heart of Brevard Municipal Service District Tax Fund in Section 6 of this Ordinance. This rate is based on an estimated total valuation of property for the purposes of taxation of $54,000,000 and an estimated collection rate of 99%.

Section 36) There is hereby further attached (Exhibit A) to said Ordinance a schedule of taxes, fees and charges for the General and Utility Funds.

Section 37) The Budget Officer shall be authorized to reallocate departmental appropriations among the various line item expenditures of that department, as said officer believes necessary. The Budget Officer shall be authorized to effect

interdepartmental transfers, in the same fund, provided that no departmental budget shall be reduced by more than ten percent without the prior approval of the City Council. Any such transfers shall be reported to the City Council as its next regular meeting and shall be entered in the minutes.

Section 38) Copies of the Budget Ordinance shall be furnished to the Budget Officer and Finance Officer of the City to be kept on file by them for their direction in the collection and disbursement of funds. Said officials are hereby authorized to receive and expend funds as herein set forth in accordance with the Brevard City Code and the General Statutes of the State of North Carolina.

Adopted and approved this the 16th day of June, 2014.

N. Remarks By Officials

Mr. Jones shared his thanks to Staff for the hard work on the budget as well as recognizing Council for their hard work in reaching a budget decision. Mayor Pro Tem echoed Mr. Jones' sentiments.

O. Closed Session – Mayor Pro Tem Morrow asked the City Attorney if it would be appropriate for Council to hold closed sessions to discuss one property acquisition matter, one pending litigation matter and one potential litigation matter. City Attorney advised pursuant to **GS § 143-318.11. (a)(3) (5)** and **(6)** it would be appropriate to convene one closed session for the purpose to discuss property acquisition, and separate closed sessions to discuss pending and potential litigation. 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 8:15 p.m. Mr. Landreth moved, seconded by Mr. Dickson, 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, Acting Clerk, Mr. Freeman, Mr. Lutz, Mr. Harris, and Mr. Fatland. *(A five minute break was taken to allow citizens and staff to leave Council Chambers.)*

Council Returned to Regular Session – At 8:32 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. While in open session, Mr. Pratt suggested that if it were the pleasure of Council, that they might authorize Mayor Pro Tem Morrow and Mr. Moore to sign an offer on a property contract as it had been amended and send such documentation to Mrs. Perry. Mrs. Hollingsworth moved to do so and Mr. Jones seconded the motion. The motion passed unanimously at 8:34PM.

Closed Session #2 - At 8:36 p.m. Mr. Jones moved, seconded by Mrs. Hollingsworth, Council go into a second closed session to discuss a pending litigation matter, specifically "Michael A. Kitchen and Lisa Charlene Honeycutt, Plaintiffs v. Patrick Barton, Shawn Miller, Jason Page, Chad Farmer, Aaron Whitmire, Aaron Thompson, Phil Harris, City of Brevard NC, Greg Holden, Harry Holden, Brian Sizemore, Barry Galloway, Brad Woodson, David Mahoney, Transylvania County, NC and John Does Nos. 1-20, Defendants". Motion carried unanimously. Authorized to remain for the closed session with Council and the Attorney were the City Manager, Acting Clerk, Mr. Freeman and Mr. Harris.

Council Returned to Regular Session – At 8:49 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 8:50 p.m. Mr. Landreth moved, seconded by Mr. Jones moved that Council go into a second 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, Acting Clerk, Mr. Freeman and Mr. Harris.

Council came out of closed session at 8:55 p.m. No official action was taken in closed session and the Minutes of the closed session are authorized to be sealed.

Adjourn – After reconvening in Open Session at 8:56 p.m., Mr. Jones moved to adjourn the meeting. Mr. Dickson offered a second to the motion, which passed unanimously.

s/_____
Mac Morrow
Mayor Pro Tem

s/_____
Sarah Lutz, CFM, CZO, PMP
Acting City Clerk

Minutes Approved: September 15, 2014