

**MINUTES
BREVARD CITY COUNCIL
Budget Work Session #1
May 26, 2015 - 5:30 P.M.**

The Brevard City Council met on Tuesday, May 26, 2015, 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 and Ann Hollingsworth. Absent: Council Member Maurice Jones

Staff Present: Interim City Manager and Finance Director Jim Fatland, City Clerk Desiree Perry, Planning Director Josh Freeman, Assistant Planning Director Daniel Cobb, Fire Dept. Captain Mark Norton, Parks and Property Management Director Lynn Goldsmith, Public Service Director David Lutz, Police Chief Phil Harris, Water Plant ORC Dennis Richardson, WWTP ORC Emory Owen, HR Director Derrick Swing and HR Specialist/Deputy City Clerk Jill Murray.

Press: Derek McKissock, Transylvania Times

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 – Mr. Landreth moved, seconded by Mr. Morrow the Amended Agenda be accepted as presented. Motion carried unanimously.

D. Proposed FY 2015-16 Budget Review

Mr. Fatland provided to Council and Staff the Amended Agenda with the various proposed budget tabs listed, along with a handout highlighting some changes or purchases included within the proposed budget (Tabs 38, 6, 7, 11, 12 and 21). Council will review the proposed budget tab by tab as indicated on the Agenda. If the review is not completed tonight then Council will continue where left off at the next scheduled Budget Work Session (June 1st).

Chief Harris needed to soon leave for another meeting, so Council began by reviewing the Police Department proposed budget and request to purchase two new vehicles (Tab 38).

1. GENERAL FUND BUDGET

Item D-1 (b) 7. Police (Tab 13) and Capital Equipment Replacement (Tab 38)

- Chief Harris shared he would like to replace two of their vehicles, A-23 and A-22 (2005 Ford Crown Victoria's), and replace them with the purchase of two pursuit rated vehicles. The Ford Explorers they currently use provide gas mileage and have 4-wheel drive allowing a broader service to the community during winter weather. An Explorer, with the added cost of patrol equipment, will be about \$42,500 per vehicle. At present the Department has 16 fleet vehicles with a few others to spare.
- Chief Harris explained it is important the City offer preventative vaccinations to protect our Officers as they deal with domestic animals; vaccination costs about \$800 per officer and therefore \$13,000 has been included in the proposed budget.
- Correction: Tab 13, 5100.3200 Office Supplies. Total \$10,000 is correct; however, the breakdown should be: General Office Supplies \$7,000; Printing \$3,000

Item D-1 (a) Revenue (Tab 6)

- Mr. Fatland explained that within his proposed budget he recommends Council adopt a two cent (\$0.02) Ad Valorem (property) tax increase, bringing the tax rate from the current \$0.4525 to a rate of \$0.4725 per \$100. If adopted, the two cent tax increase would increase revenue by approximately \$180,000. He further recommended that one cent be designated for pedestrian paths, and one cent to the General Fund to provide needed additional revenue for operating expenses.
- Mayor commented he would like to know the amount of sales tax generated by businesses within the Heart of Brevard District; however, not aware of a way to do so.

Item D-1 (b) 1. Governing Body (Tab 7)

- Allocation of \$17,000 for November 2105 Election expenses.
- Allocation of \$4,500 as Mayor's Donation/Discretionary Funds for unexpected expenses that may take place throughout the year, such as an event that requires catering, etc.
- Brevard Music Center donation was mentioned as a possible expenditure in the Mayor's Fund. Mr. Morrow offered BMC is a qualifier as a non-profit and therefore should not be provided funds from the Mayor's Fund.

Item D-1 (b) 2. Administration (Tab 8) – No comments or questions.Item D-1 (b) 3. Finance (Tab 9) – No comments or questions.Item D-1 (b) 4. Legal (Tab 10) – No comments or questions.Item D-1 (b) 5. Planning (Tab 11)

4900.0400 Professional Services

- Form Based Code – Council initiated project. Staff ready to sign contract on this project, some funding coming from this current year budget. Contracted Planners and Attorneys will be working closely with Council on the Form Based Code; focus is on design.
- Pisgah Forest Small Area Plan – Plan to bid out to a consultant with a contract in the Fall.
- Safe Routes to School – Continuation of the Program including the Kids Go Festival at the end of the year.
- Rosenwald Area Plan – Have been helping the Mary C Jenkins Board on plans to revitalize their community center; plans on how to revitalize their neighborhood, and plans for a future park. Anticipate the Plan to be closed out during this coming fiscal year.

4900.4500 Contracted Services

- Permit Management System – Software will be customized to meet the City's needs and will allow citizens to apply for Permits on-line. Coordination with the County Inspection Department has been discussed. At this time, the County is not interested in making switch from their current software.
- Ms. Hollingsworth shared the Website Maintenance charge seems high. Mr. Freeman explained the City contract is with Civic Plus; fee includes in part the set-up charges, and that the City website is required to be ADA compliant and thus charges may be higher than for a private business website.
- Comprehensive Plan – Council was of the understanding that following their review of the Cultural Resources section that Staff had received enough direction to proceed with a Final Draft. Mr. Morrow added he feels the Comp Plan is the foundational Plan and should be completed before going forward with the Pisgah Forest and Railroad Area Plans.
 - Mr. Freeman explained the former Manager's direction to Staff was to wait for further instruction from Council before proceeding with the Final Draft; however, as requested, Staff will proceed to complete the Final Draft.

Item D-1 (b) 6. Parks & Property Management (Tab 12)

- Ms. Goldsmith explained in June an assessment of the playground equipment will be held to verify the City is in compliance for use by the public; Maintenance on the Little League lights is planned; and, Franklin Pool sand filter is scheduled to be replaced.
- Mr. Morrow requested the City consider providing year-round restroom facilities at the Park, rather than using portable-toilets.

Item D-1 (b) 8. Public Works Administration (Tab 14) – No comment or questions.

Item D-1 (b) 9. Vehicle Maintenance (Tab 15) – No comment or questions.

Item D-1 (b) 10. Streets (Tab 16) – No comment or questions.

Item D-1 (b) 11. Powell Bill (Tab 17) – No comment or questions.

Item D-1 (b) 12. Sanitation (Tab 18) – No comment or questions.

Item D-1 (b) 13. Recreation (Tab 19)

- Revenue from Franklin Park User Fees (Acct. 10-3650-000, Tab 6). Council requested, in addition to the per-visit use fee, that a Family Plan or an annual/seasonal user rate be included in the City's Fee Schedule.
- Revenue – Cell Tower Lease (Acct. 10-3310-000, Tab 6). Mr. Fatland was asked if the cell tower lease will soon be negotiated. He replied, no, the City is in the midst of a long-term lease.
- Correction: Acct 10-3590.0100, Tab 6. Refuse Collection Fees – Second sentence should read, "It does not however completely cover the cost of the service."

Item D-1 (b) 14. Non Departmental (Tab 20) – No comment or questions.

Item D-1 (b) 15. Community Development (Tab 21) – No comment or questions.

2. WATER AND SEWER FUND

Item D-2. Water and Sewer Fund, (a) Revenue (Tab 22)

- Mr. Fatland recommended the City budget Fee Schedule include reducing the water/sewer minimum number of gallons from 1,500 to 1,000 gallons; as was done a while back when the City's minimum gallon rate was lowered from 2,000 to 1,500. Lowering the minimum gallons, not lowering of the rate. Doing so would result in an additional \$7.50 per month per household, with the revenue to be used towards debt.

Item D-2. (b) 1. Non Departmental (Tab 23) – No comment or questions.

Item D-2. (b) 2. Water Treatment Plant (Tab 24)

- Mr. Richardson explained the current budget has funds for the pipe galley to be coated. He believes a contract with Carolina Management Team (CMT) will be soon completed for the project to be paid for and begun this June. However, if a contract cannot soon be completed then funds will need to be provided in the FY 2015-16 budget for the project.
- A water meter will soon be placed at the plant in order to discover actual gallons that leaves the plant to compare to gallons billed to customers.

Item D-2. (b) 3. Water Distribution (Tab 25) – No comment or questions.

Item D-2. (b) 4. Wastewater Treatment Plant (Tab 26)

- Transylvania County has made a decision to take their leachate to the Town of Rosman Plant, rather than to City's WWTP as in the past. County on occasion may bring leachate to Brevard; Fee Schedule includes proposal to charge a nickel (\$.05) per gallon for leachate brought to City's WWTP.
- Transylvania County will soon begin charging the City tipping fees for sludge we haul to their facility. Staff is checking to see if hauling our sludge to Hendersonville, which is closer, would result in a cost savings to the City.

Item D-2. (b) 5. Sewer Collections (Tab 27)

- 8280.3500 Special Use Fees – Norfolk Southern Corporation. Fee for City sewer line that is under rail ROW. Update record to show payment is now being made to Watco Transportation Services, LLC, a subsidiary of Blue Ridge Southern Railroad (BLU), not to Norfolk Southern.

Item D-3. Water and Sewer Capital Projects (Tab 28)

- Upon completion of the new reservoir (Burrell Mountain), the City system as a whole will have the ability to store approximately 3 million gallons of water.

Item D-4. Capital Reserve Budget (Tab 29)

- Ms. Hollingsworth asked how the budget has been affected by the City's decision to change the way capacity impact fees were being charged. Mr. Fatland responded by saying the amount of revenue received has dropped off significantly thus affecting the amount of revenue collected for water and sewer projects.

Item D-5. Fire Department Budget (Tab 30) – No comment or questions.

Item D-6. Trust Funds (Tab 31)

- Bjerg is a permanent trust. Interest can only go towards recreation.
- T Scruggs Scholarship Fund - \$9,000 to be given out this year.

Item D-7. Health Insurance Fund Budget (Tab 32)

- City has had some expensive/large claims this year.
- HR will provide education to employees on impact of using hospital ER rather than urgent care – encouraging when possible to seek medical attention at a doctor's office or urgent care.
- Depending upon the hour care is needed, sometimes ER is the only option. Potential to partner with Transylvania County's employee medical services? Potential to partner with a physician's office on health care?

Item D. Heart of Brevard Fund (Tab 33) – No comment or questions.

Item D-8. Pedestrian/Bike Path Fund Budget (Tab 34)

- Pedestrian Plan on hold due to limited staffing. Once Planning Department positions are filled work will resume on the project.
- Bridge Replacement Project & West Loop– CDM Smith is moving forward; Staff is finishing negotiation on West Loop Phase I project. Important the designs are coordinated. CDM Smith will be contracted for both projects. NCDOT is paying 80% and City is paying 20% for the City-owned bridge project.
- Cherry Street Pedestrian Path Dedication – Mr. Fatland announced the Cherry Street Pedestrian Path Dedication has been scheduled for Thursday, June 11, 2015, at 4:00 P.M.

Item D-9. Narcotics Task Force (Tab 35)

- Mr. Morrow questioned why such a large fund balance. Mr. Fatland explained the City is the custodians of the funds; however, they are not City funds and are restricted for use by the TC Sheriff's Office and Police Department.

Item D-10. Rosenwald Fund Budget (Tab 36) – No comment or questions.

Item D-11. Downtown Master Plan Budget (Tab 37)

- Fund balance will allow to get started on the street scape earlier than previously thought.
- Mr. Dickson asked if the proposed one cent tax increase will be designated for pedestrian improvements year after year, or, would it go into the general

fund at some point in the future? Mr. Fatland replied that decision would be up to Council.

Item D-12. Budget Ordinance

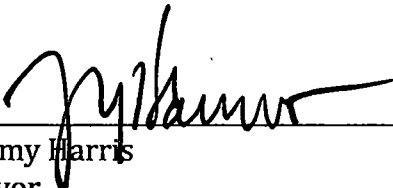
- Mr. Fatland advised a FY 2014-2015 Budget Amendment Ordinance will be presented at the June 15th meeting for adoption consideration.
- The proposed FY 2015-2016 Budget Ordinance will be included in the June 15th Agenda packet for review and adoption consideration.

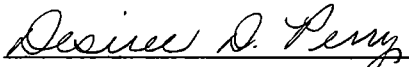
Special Event Permits - Concerns have been expressed by citizens and business owners alike to Council Members over the increased number of Special Events and street closures and its impact upon them. Mayor suggested perhaps a matrix could be created that will help the City to determine the impacts and cost to the City. Events like the White Squirrel, Halloween Fest, Christmas Twilight, July Fourth and Assault of Carolinas are clearly of benefit to the citizens and businesses; however, other events have brought the question of the costs to the City and what benefit does the community at large receive?

FY 2015-2016 Fee Schedule - Council requested the proposed FY 2015-16 Fee Schedule be forwarded (emailed) to them for review prior to the June 15th Public Hearing and meeting.

Budget Work Sessions #2 and #3 Cancelled - Mayor Harris suggested since Council has completed review of the proposed budget that the other two Budget Work Sessions scheduled for June 1st and June 8th be cancelled. Council members unanimously agreed with his recommendation and directed the Clerk to cancel the work sessions.

E. Adjourn - There being no further business or discussion, a motion was made by Mr. Landreth the meeting be adjourned. Work Session was adjourned at 8:08 p.m.


Jimmy Harris
Mayor


Desiree D. Perry, CMC, NCCMC
City Clerk

Minutes Approved: June 15, 2015