MINUTES
BREVARD CITY COUNCIL
Regular Meeting
May 16, 2016 – 7:00 PM

The Brevard City Council met in regular session on Monday, May 16, 2016, at 7:00 p.m. in the Council Chambers of City Hall with Mayor Jimmy Harris presiding.

Present - Mayor Jimmy Harris, Council Members Maurice Jones, Ann Hollingsworth, Gary Daniel and Charlie Landreth.

Absent – Mayor Pro Tem Mac Morrow

Staff Present – City Manager and Finance Director Jim Fatland, City Attorney Mike Pratt, City Clerk Desiree Perry, Special Project Director Josh Freeman, Planning Director Daniel Cobb, Public Works Director David Lutz, Code Enforcement Officer Paul Ray, Planner Aaron Bland, HR Director Derrick Swing, HR Specialist & Deputy Clerk Jill Murray, Accounting Clerk Tom Whitlock, Fire Chief Craig Budzinski, Parks and Property Management Director Lynn Goldsmith and Police Chief Phil Harris.

Press – Kevin Fuller, 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 City Clerk.

B. Invocation – Mayor Harris 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 – Mr. Landreth moved, seconded by Ms. Hollingsworth, the Agenda be approved as presented. Motion carried unanimously.

F. Approval of Minutes – Ms. Hollingsworth moved, seconded by Mr. Jones, the April 18, 2016, meeting minutes be approved as presented. Motion carried unanimously.

G. Certificates, Awards and Recognition

Recognition of Planner Aaron Bland - Mayor Harris and Council recognized Planner Aaron Bland for his completion of the UNC School of Government County & Municipal Administration Course.

H. Public Hearing

H-1. Proposed Nonresidential Building or Structure Code – The public hearing was properly advertised on May 2nd and 9th, 2016.

Mayor Harris opened the public hearing at 7:11 P.M.

Mr. Fatland stated at Council's Retreat staff was asked to check into how the City could bring about needed repairs and perhaps demolition of nonresidential structures. He then called upon Mr. Cobb to present the staff report.

Mr. Cobb explained the City has a residential housing code. The proposed code will enable the City to address non-residential buildings or structure that fail to meet minimum standards of maintenance, sanitation and safety as established by the governing body. The code includes procedures that are to be followed with respect to the complaint, hearing, order, and ordinance. Proposed code would become City Code

Article VI, following Article V which is the City's minimum housing code. Staff recommends approval of the drafted Ordinance.

Discussion:

- The time frame an owner would be provided to make repairs to a structure found to be in violation is two years.
- If a structure is near a City street and poses an immediate safety concern, with the assistance of the City Attorney, there are options or steps that can be taken in order to bring about a quicker (than two years) remedy.
- Should the City take action and have a structure removed, if needed, the City can recover costs for its removal through the lien process.
- A structure is first deemed to be posing a public safety concern in order to be subject to the proposed Code.

Public Hearing Public Participation – None

Public Hearing Closed – There being no further questions or comments, Mayor Harris closed the hearing at 7:28 P.M.

I. Public Participation

Ms. Pamela M. Harpootlian, Director Brevard Duplicate Bridge Club, requested Council change the French Broad Community Center Use Policy to: (a) allow FBCC to be booked for continuous use on Friday, Saturday, Sunday and Monday; (b) amend to allow continuous use for up to 6 months and would also allow for renewal at the end of 6 months; and, (c) policy change that will allow Brevard Duplicate to have their own key to the FBCC rather than checking the key in and out from the Police Department.

Ms. Katinka Rennus, Pisgah Forest, understood an environmental study has recently been done on the City's new property (Tannery Park), and requested that Council soon provide an update on the status of possibility of having a Dog Park at the property.

Staff advised Ms. Rennus a meeting to discuss having a dog park has been scheduled for May 23rd at 2:00 PM at City Hall.

Mr. Bill Christie, 8 Pintail Court, spoke in opposition to proposed text changes for short term rentals. He read aloud his prepared comments:

"The Planning Board has been considering short-term rentals for some months now. City staff have worked very hard to craft compromise language that respects the rights of property owners to use their property as they wish while at the same time protecting the character of our residential neighborhoods. The document which emerged from the Planning Board and was presented to the City Council last month was a good and balanced document that met these needs.

Nevertheless, since the last meeting a radical change has been introduced into the proposed text that was not prompted by any directions I heard from the Council at that meeting. If you will look at Section 3.34.B.4 of the proposed text, you will see that an important restriction on parking has been removed. The original proposal from the Planning Board required that parking for homestays in GR districts be provided to the side or rear of the structure. There was nothing new about this requirement. It is already in effect for home bed and breakfasts as provided for in Section 3.9.G of the Unified Development Ordinance. As with bed and breakfasts, this restriction was introduced to prevent visitors' cars from being lined up I front of the property so that a General Residential neighborhood would start not start looking like a strip shopping mall. I would strongly urge that the original language, justified by experience with bed and breakfasts, be restored. The reference to Chapter 10 of the Ordinance simply does not provide enough protection. The restrictions in Section 10.7.D and E apply only to new parking lots, and the language in Section 10.8.H allowing the administrator to "impose any other condition necessary to protect the residential character of the

neighborhood in which the parking lot is located" is not the best way to do things. A good rule of thumb is that you can give administrators some authority to waive restrictions in certain cases, but you never give administrators discretionary authority to impose additional restrictions. That is just asking for trouble from our litigious society.

At the last Council meeting, a citizen raised a concern about older neighborhoods without off-street parking. This concern could easily be addressed by adding language exempting properties where off-street parking has never existed so long as no safety hazard is created by on-street parking. But the sweeping change from the language crafted by the Planning Board strips away an essential protection that experience in my own neighborhood shows that we very much need."

Mr. Richard Fallis, 25 Pintail Court, stated he agrees with Mr. Christie's request and asked Council to reinstate the previous language on short term rental off-street parking as it is essential to maintaining residential neighborhoods. Homestays are like B&B's and require additional parking for guests; parking should be provided to the side or rear and shielded by landscaping. Have heard some say these "short term rental businesses" should be left alone and not have any regulations. All other businesses in Brevard, including B&B's, have regulations to follow and believes these businesses should as well.

Ms. Jill Cutler, 116 W Probart Street, expressed concerns with short term rentals. While there are some who would operate a STR with little or no negative impact upon a neighborhood, that is not always true. There are already examples of ones that have been rented out having too many people staying in the house, who were loud and had too many cars and are a negative impact upon the neighborhood. If STR's are allowed, how many would be allowed within a block of one another or within a neighborhood? Multiple STR's will change the character of the neighborhood. If allowed and one is in violation, concerned with the time frame it would take for the City to be able to remedy any violations.

Ms. Mary Ernst, 364 Big Bend Road, spoke in favor of short term rentals. Stated she is a short term rental owner and operator, and as an operator she does not want cars parked on the yard, and does not have too many people staying at a time that would cause a negative impact upon her neighborhood. While her guests are staying here they frequent local businesses and it also enables her to get a small piece of the tourism revenue.

Ms. Susan Andersen, 111 Waterford Lane, spoke in opposition of text changes proposed for short term rentals. She stated she strongly endorses what Bill Christie said about parking, and read aloud her prepared comments: "Parking restrictions are the single most important element in preserving the character of residential neighborhoods, yet the City has softened the language on parking recommended by the Planning Board. The language that was cut out has worked for bed and breakfasts and needs to be put back in for homestays in General Residential districts. Several of these categories require special use permits issued by the Board of Adjustment. Because of the Board's schedule and the large number of operations in the City, that process could take over a year. There has been talk of allowing these rentals to stay in operation once their applications have been submitted, pending action by the Board of Adjustment. That is fine except for properties that are not in compliance with these proposed regulations. The Planning Department needs to have the means and the authority to proceed immediately with code enforcement against any properties that clearly do not meet the requirements of the ordinance. Without this authority, non-compliant properties could stay in operation for a year or more until the Board of Adjustment gets around to considering their applications. Please do not simply grant a blanket waiver while applications are pending, but give the Zoning Administrator authority to act when it is clear that properties are not in compliance."

Ms. Denise Darcy, 314 Big Bend Road, spoke in favor of short term rentals. Stated one of her neighbors operates a short term rental and it has not had any negative

impacts upon their neighborhood. Parking problems in their neighborhood are caused by the neighbors, not by the short term rental operators or their guests.

Mr. Michael Curtis, 58 Hazel Court, spoke in opposition to short term rentals. Explained he purchased his home located in a cul-de-sac in and moved to Brevard in order that he and his family could be part of a community. They now have two SRT's within their cul-de-sac. Concerned the SRT situation steals the community that Brevard has, that drew him here, and that he and his family want to be a part of and build here. Is Brevard wanting to create a transient community? He understands the SRT's interest; it is revenue to the business owner within a residential neighborhood. Asked Council to say "No" to SRT's and allow Brevard's residential neighborhoods to stay the beautiful and wonderful place they are.

Mr. Kevin Jones signed up to speak; however, declined doing so when he was called upon.

Mr. Bryan Watten stated he is an operator of a short term rental and has received letters from the City advising him of STR discussion meetings. He questioned how the City identified him as a STR owner to put him upon the mailing list.

Mayor asked staff if the information was obtained from County Occupancy Tax data. Mr. Cobb replied data was not obtained from occupancy tax information. Most, if not all, was obtained by internet searches of VRBO and Air B&B listings.

Ms. Carole Deddy requested Council consider tonight, or very soon, to amend the French Broad Community Center Policy. As a retiree she volunteers a lot and the lack of her ability to plan her volunteer schedule due to the uncertainty of whether or not the bridge club can be assured of their ability to play on Friday's poses a problem for her.

J. Special Presentation(s)

Mr. Fatland presented his proposed Fiscal Year 2016-2017 Budget, pursuant to NCGS 159-11, for Council review and consideration. A copy of the Manager's presentation and power point slides are included by reference. (Exhibit A)

The FY17 recommended budget for the General Fund totals $9,443,445 or 8.9% more than the FY16 budget of $8,668,450. State law GS 159-11 requires municipalities to publish the "revenue neutral" tax rate, which would produce the same revenue as the prior year. The City's current tax rate is $.4725. With assessed valuation declining, the revenue neutral tax rate would be $.4800.

Budget Summary:

i. Recommends ¾ Cent Tax Increase; Revenue increase of $69,174
   - Fire Department – Adding evening staffing 5 PM to Midnight
   - Extrication Equipment

ii. Utility Fund
   - Lower Minimum water/sewer to 500 gallons; revenue increased $300,000

Council members did not have any questions and thanked the Manager for his presentation.

~~ At 8:34 PM Mayor Harris called for a ten minute break. ~~

K. Consent Agenda and Information - 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 Council consider moving the New Business Items to the Consent Agenda. Mr. Jones moved, seconded by Mr. Landreth, to amend the Consent

Agenda by adding New Business Items #1, #2, #3, #4, #5, #6 and #7, and to approve the Consent Agenda as amended. Motion carried unanimously.

K-1. Staff Reports:

a. Finance Department April 30, 2016 Monthly Report
b. Public Works Monthly Report, March 2016
c. Fire Department Quarterly Report
d. Police Department Quarterly Report
e. Human Resources – Status Report on County Clinic

K-2. Correspondence (No action. Offered and accepted as information only.)

a. NCLM Town Hall Day, June 8, 2016
b. White Squirrel Festival, May 27, 28 and 29, 2016

K-3. (M-1) Certificate of Sufficiency and Resolution – Council accepted the Certificate of Sufficiency on the Challenge Foundation Properties of Brevard, LLC, non-contiguous annexation Petition, and, adopted **Resolution No. 2016-09** Fixing a Date of Public Hearing on the Question of Annexation Pursuant to NCGS 160A-58.2, As Amended.

Certificate of Sufficiency

I, Desiree D. Perry, City Clerk, do hereby certify that I have investigated the petition submitted by **Challenge Foundation Properties of Brevard, LLC,** PIN 9507-02-3649-000 and 9507-02-3957-000 containing 10.98 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 160A-58.2.

In witness whereof, I have hereunto set my hand and affixed the seal of the City of Brevard this 16th day of May, 2016.

Desiree D. Perry, CMC, NCCMC
City Clerk

RESOLUTION NO. 2016-09

A RESOLUTION FIXING A DATE OF PUBLIC HEARING ON THE QUESTION OF ANNEXATION PURSUANT TO NCGS 160A-58.2, AS AMENDED

WHEREAS, a petition regarding annexation of the non-contiguous area described herein has been received; and,

WHEREAS, the Brevard City Council has by Resolution No. 2016-04 directed the City Clerk to investigate the sufficiency thereof; and,

WHEREAS, certification by the City Clerk as to the sufficiency of said petition has been made.

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

Section 1. That a public hearing on the question of annexation of the contiguous area described below as requested by Challenge Foundation Properties of Brevard, LLC, will be held at Brevard City Hall at 7:00 P.M. on the 20th day of June, 2016.

Section 2. The area proposed for annexation is described as follows:

Location: 1110 New Hendersonville Highway, Pisgah Forest, NC 28768. Tax Property Identification Numbers 9507-02-3649-000 and 9507-02-3957-000

Metes and Bounds Property Description:
Beginning at a #4 rebar and cap located in Boyd Township, Transylvania County, North Carolina, on the southern margin of the 150' right-of-way for New Hendersonville Highway (US-Hwy 64); said rebar being located S 12°53'13" E a ground distance of 54.92' from North Carolina Geodetic Survey Monument "Dill", which monument has the NC Grid NAD 83 (2005) Coordinates of N= 573,662.68' and E= 900,528.98';

thence running with the property line established in Plat File 12, Slide 378 as recorded in the Transylvania County Registry and shown on recombination Plat File 16, Page 667 as recorded in said registry S 56°00'57" E a distance of 27.01' to a #4 rebar and cap; thence N 89°17'24" E a distance of 11.85' to a #4 rebar and cap in the western margin of Glade Creek Road; thence S 13°24'31" E a total distance of 113.13' to a 2" iron pipe, passing a #4 rebar at 82.97'; thence leaving the margin of Glade Creek Road and with the line of Jack Thomas (trustee) as recorded in Deed Book 97, Page 837 in said registry the following six (6) calls: S 83°53'59" W a distance of 92.89' to a calculated point; thence S 34°50'54" W a distance of 69.11' to a calculated point; thence S 24°02'20" E a distance of 27.95' to a calculated point; thence S 02°44'42" E a distance of 60.47' to a calculated point; thence S 05°05'18" W a distance of 98.55' to a calculated point; thence S 03°47'42" E a distance of 143.87' to a calculated point; thence with the line of Larry and Rebecca Wyke (trustee) as recorded in Deed Book 613, Page 148 in said registry the following two (2) calls: S 08°24'12" E a distance of 159.86' to a calculated point; thence S 12°10'42" E a distance of 88.05' to a calculated point; thence with the line of Lionel Gash as recorded in Deed Book 295, Page 517 in said registry and with the line of Zilla Gash as recorded in Deed Book 295, Page 515 in said registry the following two (2) calls: N 83°26'09" W a distance of 43.79' to a #8 rebar; thence S 07°16'57" E a distance of 588.84' to a 2" iron pipe; thence with the line of Neal Anders as recorded in Deed Book 343, Page 201 in said register S 08°30'41" E a distance of 12.43' to a #8 rebar; thence with the line of John and Karen Kiser as recorded in Deed Book 434, Page 146 in said registry the following two (2) calls: N 72°49'24" W a distance of 113.04' to a #4 rebar; thence S 82°35'02" W a distance of 112.01' to a #4 rebar; thence with the Eugene Mathis line as recorded in Deed Book 50, Page 129 in said registry N 04°32'56" W a distance of 322.40' to a #4 rebar; thence with the Blue Ridge Gardens of Memory, LLC as recorded in Deed Book 597, Page 269 in said registry to following six (6) calls: N 23°01'20" W a distance of 18.66' to a #4 rebar; thence N 25°22'39" W a distance of 10.00' to a #4 rebar; thence N 27°48'49" W a distance of 407.23' to a #4 rebar; thence N 06°49'19" W a distance of 128.66' to a #4 rebar and cap; thence N 06°45'07" W a distance of 351.58' to a #4 rebar; thence N 05°54'38" W a distance of 135.24' to a #4 rebar being

located in the southern margin of the 150' right-of-way for New Hendersonville Highway (US-Hwy 64); thence N 00°31'27" W a distance of 75.00' to calculated point in the center of said right-of-way; thence with the center of said right-of-way to following two (2) calls: N 89°28'33" E a distance of 152.07' to a calculated point; thence N 87°27'38" E a distance of 343.81' to a calculated point; thence leaving the centerline of said right-of-way S 02°32'28" E a distance of 75.00' which is the point of beginning.
The total area for annexation is 10.98 acres or 478,113 square feet, plus or minus.

Section 3. Notice of said public hearing shall be published in the Transylvania Times, a newspaper having general circulation in the City of Brevard, at least ten (10) days prior to the date of said public hearing.

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

Adopted and approved this the 16th day of May, 2016.

K-4. (M-2) Ordinance No. 2016-08 An Ordinance Declaring a Road Closure For Olde Time Street Dances

ORDINANCE NO. 2016-08

AN ORDINANCE DECLARING A ROAD CLOSURE FOR OLDE TIME STREET DANCES

WHEREAS, Brevard City Council acknowledges the tradition of public gatherings with traditional music and dancing for the pleasure and enjoyment of its citizens and visitors; and,

WHEREAS, Brevard City Council acknowledges these gatherings provide an opportunity for the celebration of the heritage; and,

WHEREAS, Brevard City Council acknowledges these street dances require a portion of Main Street (US Highway 276) to be closed for setup, activities, and cleanup;

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

SECTION 01. Pursuant to authority granted by G.S. 20-169 the City of Brevard herby declares the following temporary road closures during the days and times set forth below on the following described portion of a State Highway System route:

Dates:	June 21st and 28th; July 5th, 12th, 19th, and 26th; August 2 and 9th
Time:	6:30PM – 9:00PM
Route Description:	Main Street (US 276) from Broad Street (US 64) to Gaston Street.

SECTION 02. This Ordinance shall be in full force and effect from and after the date of its adoption.

Adopted and approved this the16th day of May, 2016.

K-5. (M-3) Ordinance No. 2016-09 An Ordinance Amending Brevard City Code Part II – Chapter 18 Subsections 153-173 Nonresidential Building or Structure Code

ORDINANCE NO. 2016-09

AN ORDINANCE AMENDING BREVARD CITY CODE PART II - CHAPTER 18 SUBSECTIONS 153 – 173 NONRESIDENTIAL BUILDING OR STRUCTURE CODE

WHEREAS, Brevard City Council desires to adopt an ordinance granting authority to the Zoning Administrator to cause non-residential building(s) that fail to meet minimum standards of maintenance, sanitation and safety, to be repaired, closed, and/or demolished.

WHEREAS, the City of Brevard Planning Department Staff have recommended that Brevard City Code, Chapter 18, be amended to adopt a nonresidential building or structure code; and,

WHEREAS, Brevard City Council finds that these proposed amendments are consistent with the City of Brevard Comprehensive Plan and other plans and policies of the City of Brevard; and,

WHEREAS, a public hearing was conducted on Monday, May 16, 2016, by Brevard City Council, and, after hearing all persons wishing to comment, and upon review and consideration of the proposed amendments, it is the desire of the City Council of the City of Brevard that Brevard City Code, Part II, Chapter 18 be amended as shown in Attachment B.

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

SECTION 01. Brevard City Code, Part II, Chapter 18 is hereby amended to read as shown in Exhibit A.

SECTION 02. As to any conflict between this Ordinance and any parts of existing Ordinances, the provisions of this Ordinance shall control.

SECTION 03. 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 04. 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 08. This Ordinance shall be in full force and effect from and after the date of its adoption.

Adopted and approved this the 16th day of May, 2016.

K-6. (M-4) Ordinance No. 2016-10 An Ordinance Ordering the Demolition of an Unsafe Structure at 99 North Lane.

ORDINANCE NO. 2016-10

AN ORDINANCE ORDERING THE DEMOLITION OF AN UNSAFE STRUCTURE AT 99 NORTH LANE

WHEREAS, the Senior Code Enforcement Officer has determined that the building located at 99 North Lane, Brevard, NC 28712 has suffered significant structural damage due to rot and decay resulting in prolonged water infiltration, causing further damage to the walls and flooring system, the structure is both open and vacant, plumbing and electrical systems have been removed; and,

WHEREAS, the structure is both dangerous and constitutes a public nuisance as defined by City Ordinance (Chapter 18, Article V, Section 18-132); and,

WHEREAS, the owner has been given notice of the inspection, pursuant to NCGS Sec. 160A-425; has been given notice of a hearing, held pursuant to NCGS Sec. 160A-428; and was ordered to repair or demolish the building and has failed to take action; and,

WHEREAS, it is the desire of this Council, in accordance with NCGS 160A-443, to cause the building to be demolished and removed.

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

SECTION 1: That the Senior Code Enforcement Officer is hereby ordered to proceed with, arrange for, and initiate all reasonable measures, to solicit bids for demolition and removal of the unsafe structure located at 99 North Lane, Brevard, NC 28712 based on the finding of this Council that it is necessary for the City of Brevard to cause such demolition to protect the health, safety and general welfare of the citizens.

SECTION 2: That the City Manager is hereby authorized to enter an agreement with or contract for the service of a demolition contractor, as necessary to secure the services of such a demolition contractor recommended by the Senior Code Enforcement Officer, to provide for and proceed with the razing and removal of the unsafe structure located at 99 North Lane, Brevard, NC 28712.

SECTION 03. This Ordinance shall be in full force and effect from and after the date of its adoption.

Approved and adopted this the 16th day of May, 2016.

K-7. (M-5 a-d) Community Development Block Grant – Moose Tracks and D. D. Bullwinkel's Outdoors Project. Council adopted the following four **Resolution Numbers 2016-10, 2016-11, 2016-12 and 2016-13** along with their associated Exhibits.

RESOLUTION NO. 2016-10

RESOLUTION FOR THE CITY OF BREVARD
APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING FOR THE MOOSE TRACKS & D.D. BULLWINKEL'S OUTDOORS PROJECT

WHEREAS, Brevard City Council has previously indicated its desire to assist in economic development efforts within the City of Brevard; and,

WHEREAS, Brevard City Council has held two public hearings concerning the proposed application for Community Development Block Grant funding to benefit Moose Tracks & D.D. Bullwinkel's Outdoors; and,

WHEREAS, Brevard City Council intends for the City of Brevard to pursue a formal application for Community Development Block Grant funding to benefit Moose Tracks & D.D. Bullwinkel's Outdoors; and will invest monies into the project as committed to in the application; and,

WHEREAS, Brevard City Council certifies it will meet all federal regulatory and statutory requirements of the Small Cities Community Development Block Grant Program.

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

Section 01. City Manager of the City of Brevard is authorized to submit a formal application to the North Carolina Department of Commerce for approval of a Community Development Block Grant for Economic Development to benefit Moose Tracks & D.D. Bullwinkel's Outdoors.

Section 02. The City Manager is authorized to execute such contracts and agreements as are necessary to effectuate the purpose of this resolution.

Approved and adopted this the 16th day of May, 2016.

RESOLUTION NO. 2016-11
RESOLUTION TO ADOPT LANGUAGE ACCESS PLAN

WHEREAS, The City of Brevard has received funding through the State of North Carolina's Community Development Block Grant Program, and;

WHEREAS, The City of Brevard has agreed, by acceptance of the CDBG funds (CDBG No. _____), to abide by the various regulations governing the administration of the Community Development Block Grant Program;

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

Section 1. The City of Brevard hereby officially adopts the Language Access Plan; which is included herein and incorporated by reference as Exhibit A, whereby the City of Brevard must take adequate steps to ensure that their policies and procedures do not deny or have the effect of denying persons with limited English proficiency (LEP) equal access to benefits and services for which such persons qualify.

Section 2. This resolution shall take effect immediately and be effective for the life of the grant (CDBG No. _____).

Approved and adopted this the 16th day of May, 2016.

RESOLUTION NO. 2016-12

CITY OF BREVARD PROCUREMENT PLAN
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
MOOSE TRACKS & D.D. BULLWINKEL'S

WHEREAS, the City of Brevard is participating in the Community Development Block Grant Program under the Housing and Community Development Act of 1974 as administered through the North Carolina Department of Commerce; and,

WHEREAS, a Procurement Policy is required for the City's CDBG project;

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

Section 01. Brevard City Council hereby adopts the attached Procurement Policy (Exhibit A) to be used throughout the implementation of this Community Development Block Grant project.

Approved and adopted this the 16th day of May, 2016.

RESOLUTION NO. 2016-13

RESOLUTION ENACTING CERTAIN POLICIES PERTAINING TO THE COMMUNITY DEVELOPMENT BLOCK GRANT FOR THE MOOSE TRACKS & D.D. BULLWINKEL'S OUTDOORS PROJECT

WHEREAS, the City of Brevard must enact and adhere to certain policies to ensure compliance with Federal and State regulations associated with the community development block grant program.

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

Section 01. Brevard City Council hereby adopts and enacts the following policies:

Exhibit A. Equal Opportunity Plan

Exhibit B. Residential Antidisplacement & Relocation Plan

Exhibit C. Anti-Displacement Certification

Exhibit D. Fair Housing Complaint Procedure, English

Exhibit E. Fair Housing Complaint Procedure, Spanish

Exhibit F. Section 3 Plan

Exhibit G. Recipient's Plan to Further Fair Housing

Approved and adopted this the 16th day of May, 2016.

K-8. (M-6) Acceptance of FEMA 2015 Assistance to Firefighters Grant – Council accepted the FEMA Assistance to Firefighters Grant in the amount of $40,000. City's local match will be $2,000 to be paid from the Fire Department Special Revenue Fund Balance. Grant funding will be used to replace the City's Self Contained Breathing Apparatus breathing air compressor.

K-9. (M-7) Ordinance No. 2016-11 An Ordinance Authorizing Development of Downtown Parking Lot. (Jordan and S. Caldwell Streets)

ORDINANCE NO. 2016-11

AN ORDINANCE AUTHORIZING DEVELOPMENT OF DOWNTOWN PARKING LOT

WHEREAS, in accordance with the applicable provisions of the North Carolina Local Government Budget and Fiscal Control Act; and

WHEREAS, the City of Brevard requires certain fiscal actions to effectively provide continued and improved service to its citizens; and

WHEREAS, the Brevard City Council now desires to establish a project budget to account for the revenues and expenditures associated with the development of a Downtown Parking Lot at the corner of Jordan and Caldwell Streets; and

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

Section 1. Revenue for the Downtown Parking Lot Project is budgeted as follows:

REVENUE	
Downtown Master Plan Fund	$100,000
Transfer from General Fund	$300,000
Total Revenue	$400,000

Section 2. Expenditures for the Clemson Park reconstruction project are budgeted as follows (Fund 83-6200-4500 Clemson Park & Other Downtown):

EXPENDITURES	
Property Purchase	$300,000
Building Demolition	$20,000
Grading and Paving	$80,000

Total Expenditures $400,000

Section 3. This Ordinance shall remain in effect until the Downtown Parking Lot Project is completed.

Section 4. The City Manager is hereby authorized and instructed to take appropriate actions to implement this Ordinance, including but not limit to the execution of contracts and agreements.

Section 5. This Ordinance shall become effective upon its adoption and approval.

Approved and adopted this the 16th day of May, 2016.

L. Unfinished Business

L-1. Short Term Rentals – At Council's April 18th meeting staff made a presentation and review of the proposed text for a short term rental ordinance. Council also heard from several citizens on the subject. Staff has revised the text to include changes Council requested resulting from that meeting.

Mr. Fatland asked that the comments contained within the email addressed and sent to Mayor Harris dated Monday, May 16, 2016 at 2:16 PM from Mr. Jason Lefler, a copy of which has been provided to each member of Council, be added into the record:

"The purpose of this email is to express my concern about the substantial increase in traffic on my street. One of the main reasons my wife and I chose to purchase a home on a street terminating in a cul de sac was because we have 4 children, and we knew this would limit the amount of traffic up and down the street, thus providing a safer environment for ids on bicycles, running after basketballs, etc. Over the last few months, the traffic has increased drastically, and we have noticed a disturbing trend of driver who are speeding when they reach our end of the street in a way that has never happened in the past.

I have been informed that there is property at the end of our street that is being rented on a short term basis to large numbers of people, and this has led to the increase in traffic. As a property owner, I am gravely concerned about this, not only with regards to risks of increased traffic, but also for the future value of my home. I have heard of some nightmarish situations unfolding around overfilled short term rentals, and I hope there are some zoning restrictions in place concerning these types of arrangements.

Please feel free to share this email with whomever you deem necessary in order to address my concerns."

Mr. Fatland called upon Mr. Cobb to present the staff report.

Mr. Cobb offered the main purpose and intent of the amendments continues to be the protection of the peace and tranquility of residential neighborhoods, as well as the safety of Brevard's residents and visitors. Changes to the draft language reflect Council's desire of a simple ordinance that accomplishes this goal with the least amount of regulation, as well as, clarifying the difference between STRs that require a special use permit versus those permitted with standards (approved by Staff) and the difference between the two in terms of annual renewal of permits. (See also staff report on file.)

Review and discussion included the following:

Proposed Changes:

Chapter 3 – Additional Standards.

A. Intent. It is the intent of this ordinance and standards below to preserve and protect the long-established, traditional single-family neighborhoods within the City while allowing those desiring to operate short-term rentals or homestays to do so without detriment to those neighborhoods.

B. ~~Operational~~ General requirements

B. 3. Appearance: Dwelling units used as short-term rentals or homestays in GR or RMX zoning districts shall maintain their residential character and outside appearance. No signs shall be permitted. All exterior lighting shall be residential in nature and shall not be directed towards adjacent properties.

B. 4. Parking: Parking requirements shall be provided for the type of dwelling unit, per Chapter 10 of this ordinance.

E. Duration of Permits
E. 1. Rentals permitted with standards (PS)

E. 2. Rentals permitted with the issuance of a Special Use Permit (SUP)
a. Per 16.11.D, the effect of approval of a special use permit by the Board of Adjustment is binding on the property, and all subsequent development and use of the property must be in accordance with the approved plan and conditions. Special use permits do not need to be renewed annually.
b. Per 16.11.F, the Board of Adjustment may revoke an approved special use permit upon finding that a violation of Brevard City Code, the City of Brevard Unified Development Ordinance, or a specific condition or requirement of the Board of Adjustment has occurred.

Discussion:

a. Parking. Previously, the draft language required STR off-street parking be provided within the side or rear yard area of the property and to be buffered. Amendment still requires off-street parking is required (in accordance with UDO Chapter 10); however, will not require STR parking to be in side or rear, but will allow it to be provided in front yard area of property.
b. Residential dwelling unit requires 2 off-street parking spaces.
c. STR – One parking space per bedroom or suite is proposed.
d. Occupancy and number of bedrooms. Number is to be as specified upon the Transylvania County Tax Records. Amend to be included within draft text.
e. Issue of how to limit STR is an important piece; however, it is not included in the draft text. Believe it should be included within the draft text to allow review and discussion by Council, and for Council to then decide if it should or should not be included.
f. Discussed whether Council would like to call for a public hearing at their June 20th meeting, or, wait until a later date. City Attorney explained Council could choose to call for and hold the public hearing at their June meeting and would have the ability to make minor modifications to the draft ordinance following the hearing provided that any modification is generally included and covered within the Notice of Public Hearing. Any proposed modification not in keeping with the advertised Notice, will require re-advertising and holding another (second) public hearing at a later date.

Considerations:

g. Much has been talked about on the subject of STR and home stays. Discussed tonight was the "fabric" of our community. What happens to the fabric of our schools, teams, clubs, churches, as the community begins to accommodate tourists to the point that we are over-weighted or under-weighted with permanent residents? We at least need to consider if that matters to us as a community.
h. Interested in a policy exploration on a limit for STR; however, not necessarily to include home stays as they are owner-occupied.
i. Fabric of our community. There are questions that cannot be answered by data. Transient population. Benefit of additional lodging weighed out by impact upon residential neighborhoods. Boils down to a policy direction and the way this community wants to go.
j. Impact of STR upon rental housing market?

k. Separation requirements be it the distance between STR or number allowed within a neighborhood should be considered.
l. Parking. Should it be added back to require location be in side or rear yards? Questions and concerns arose from citizens last month and tonight with respect to the number of parking spaces needed based upon the number of bedrooms and the impact of having these additional parking spaces in the front portion of property would have upon their neighborhood.
m. Parking. UDO provides for that already; some people can only park in the front of their property. Important to allow all to have the same rights.

Mr. Landreth moved, seconded by Ms. Hollingsworth, a public hearing on the issue of Short Term Rentals be advertised and held at Council's June 20th meeting.

Discussion: Staff asked Council for clarification on what they desire to have included in the draft Ordinance for the public hearing.

1. Potential number limiting of STR;
2. Text indicating the County Tax Office data will be used to determine number of bedrooms is to be added; and,
3. Spacing needs to be addressed. The fabric of our City needs to be protected. Separation and number go hand in hand.

Mayor Harris called for a vote on the motion. Motion carried unanimously.

M. New Business – All items were moved and approved upon Consent Agenda.

N. Remarks by Officials / Future Agenda Considerations

Mayor Harris shared Dr. Ephraim Brevard was one of the original signers of the Mecklenburg Declaration of Independence, and our City was named in his honor. On Friday, May 20th at Noon he will be attending the unveiling of a statute in honor of Dr. Brevard, ceremony will take place at the Settlers' Cemetery in Charlotte, NC.

Mr. Jones asked if the "free speech zone" has been identified for the White Squirrel Festival.

Chief Harris replied, "Yes". The area is located upon the County Courthouse lawn.

Mr. Jones shared he had been planning for the NC Black Elected Officials Summer Retreat to be held here this summer; however, because of occupancy issues it cannot be held in Brevard. Disappointed as it would have been historic to hold the summer conference here in our small town.

Mr. Landreth shared pieces of the French Broad Community Center Use Policy need to be changed and he desires staff to be authorized to do so. Bridge Club should be supported. We value organizations in our community and we want to assist them with their regular and ad hoc events. If they need more time then provided by a 3-month reservation, what's the matter with allowing booking of a 9-month or 1-year continuous reservation? Why is Sunday excluded? Would add some flexibility to some groups that would like to meet on a Sunday. However, there may be some staffing issues on having it open on Sundays.

Ms. Hollingsworth suggested rather than provide a key to the Bridge Club to consider having a key pad installed to allow access for users of the FBCC.

Mr. Landreth moved, seconded by Ms. Hollingsworth, the matter be referred to staff to review and suggest policy changes. The motion carried unanimously.

City Clerk shared the two-hour NC State Ethics Training requirements have been met by Council Members Landreth, Jones and Daniel.

O. Closed Session – Mayor Harris asked the City Attorney if it would be appropriate for Council to hold two closed sessions to discuss a matter of economic development and a potential litigation matter. City Attorney advised pursuant to **GS § 143-318.11. (a)(3) (4)** it would be appropriate to convene provided separate closed sessions on the matters are held. Closed sessions 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 9:37 p.m. Mr. Jones moved, seconded by Mr. Landreth, Council go into closed session to discuss an economic development matter. Motion carried unanimously. (A seven minute break was taken to allow Council Chambers to be cleared.)

Council Returned to Regular Session – At 10:20 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 10:20 p.m. Mr. Landreth moved, seconded by Mr. Jones, Council go into a second closed session to discuss a potential litigation matter. Motion carried unanimously.

Council Returned to Regular Session – At 10:34 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.

P. Adjourn – There being no further business, Mr. Landreth moved, seconded by Mr. Jones, the meeting be adjourned. Motion carried unanimously. Meeting adjourned at 10:35 P.M.

Jimmy Harris
Mayor

Desiree D. Perry
City Clerk

Minutes Approved: June 20, 2016

Provided to Council and public at Council's May 16, 2016, meeting.
D Perry
City Clerk

Brevard
North Carolina

May 16, 2016

The Honorable Mayor Jimmy Harris
Members of the City Council
Brevard, North Carolina 28712

Dear Mayor Harris and Members of the City Council,

Pursuant to North Carolina General Statute 159-11, I am pleased to present the Fiscal Year 17 Budget (2016-2017) for your review and consideration.

BUDGET OVERVIEW

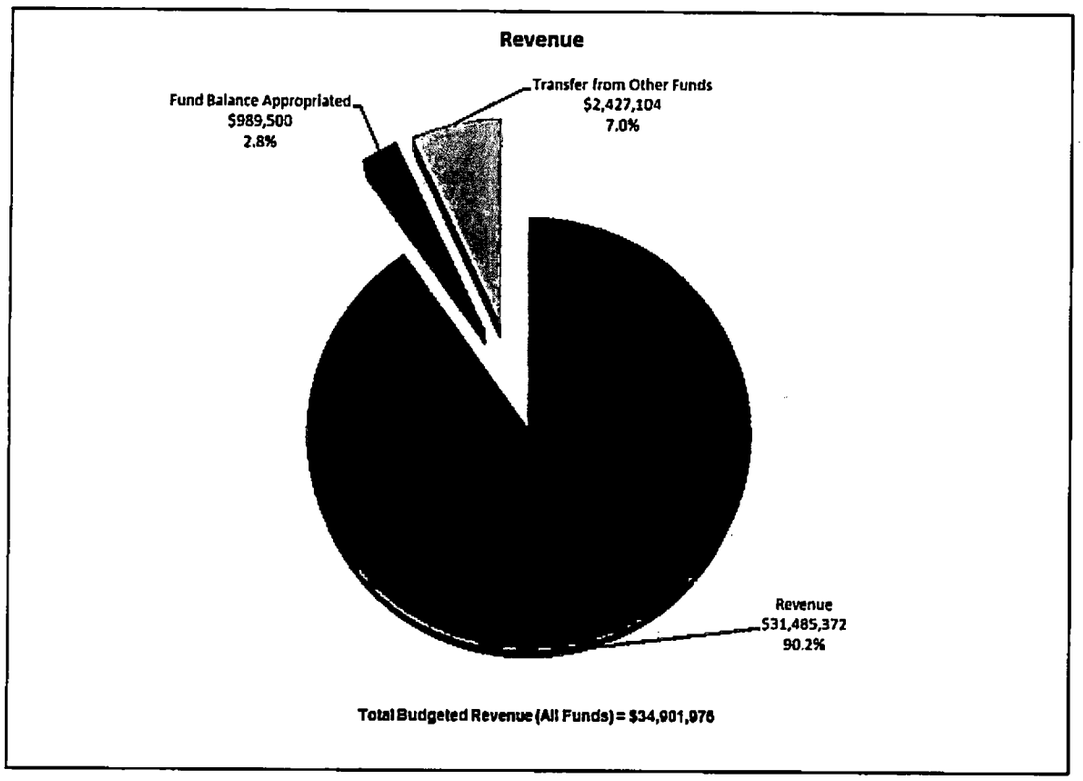
Presented herein is the FY17 Budget for all funds totaling $34.9 million. The FY17 Recommended Budget funds city operations, capital improvements, and debt service requirements.

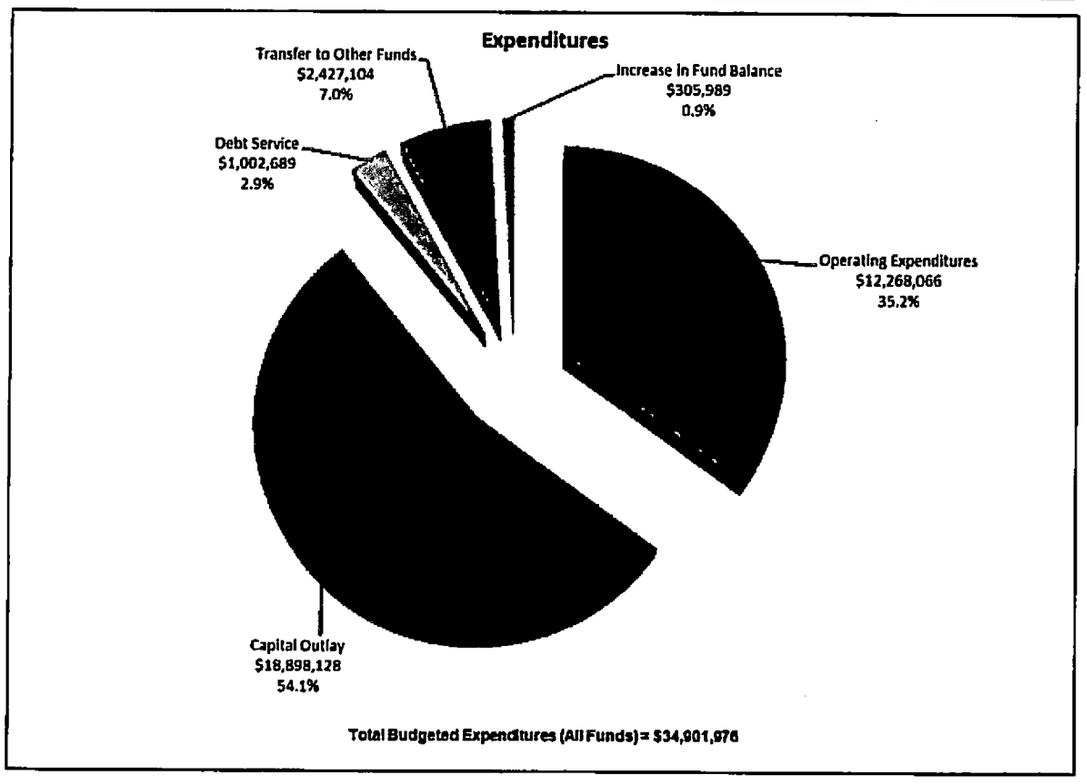
GENERAL FUND

The General Fund is used to account for resources that are not required legally or by sound financial management to be accounted for in another fund. Typically the General Fund includes services that cannot be operated as a business enterprise and rely on tax dollars as their primary source of revenue.

General Fund Departments include Governing Board, Administration, Finance and Information Technology, Legal, Planning, Police Department, Parks and Property Management, Recreation, Public Works Administration, Vehicle Maintenance, Streets, Sanitation, Community Development and Non-Departmental Expenditures.

The FY17 Recommended Budget for the General Fund totals $9,443,445 or 8.9% more than the FY16 Budget of $8,668,450.


Revenue
Fund Balance Appropriated
$989,500
2.8%
Transfer from Other Funds
$2,427,104
7.0%
Revenue
$31,485,372
90.2%
Total Budgeted Revenue (All Funds) = $34,901,976


Expenditures
Transfer to Other Funds
$2,427,104
7.0%
Increase in Fund Balance
$305,989
0.9%
Debt Service
$1,002,689
2.9%
Operating Expenditures
$12,268,066
35.2%
Capital Outlay
$18,898,128
54.1%
Total Budgeted Expenditures (All Funds) = $34,901,976

GENERAL FUND REVENUE

This section highlights the major revenues for the General Fund. General Fund Revenue detail is shown in Tab 6 of the Budget Document.

	Proposed F17 Budget		
Property Taxes	$4,603,700	INCREASE OVER LAST YEAR	$90,000
Sales Taxes	$1,325,000	NO CHANGE	
Franchise Sales Tax	$595,000	INCREASE OVER LAST YEAR	$205,000
Refuse & Recycling	$877,000	NO CHANGE	
County Vehicle Maintenance	$431,650	NO CHANGE	
Utility Fund Reimbursement	$575,000	NO CHANGE	
Powell Bill Street Allocation	$222,000	NO CHANGE	
Brevard ABC	$150,000	INCREASE OVER LAST YEAR	$25,000
Proceeds from Borrowing	$323,995	INCREASE FROM LAST YEAR	$323,995
All Other Sources	$212,600	INCREASE OVER LAST YEAR	$88,500
Fund Balance Appropriation	$127,500	INCREASE OVER LAST YEAR	$42,500
Total General Fund Revenue	$9,443,445	INCREASE OVER LAST YEAR	$774,995

A discussion of the major General Fund Revenue Sources follows:

Ad Valorem Tax (Property Taxes): $4,603,700

The General Fund is balanced with a property tax rate of $0.4875 per $100 valuation which is $0.0150 higher than the current tax rate of $.4725. The estimated property taxes total $4.6 million which reflects 48.7% of General Fund Revenue. Assessed Valuation for the City of Brevard is $950,000,000 compared to $965,000,000 a year ago. This reflects a decrease of only 1.56%. This is a result of revaluation netted against taxable improvements.

Since this is a revaluation year, State Law G.S. 159-11 requires counties and municipalities to publish the "revenue neutral" tax rate, which would produce the same revenue as the prior year. The City's current tax rate is $.4725. With assessed valuation declining, the revenue neutral tax rate would be $.4800.

Sales Taxes: $1,325,000

Sales taxes have grown each year from 2011 through 2015. However, the current year FY16 sales taxes are slightly behind the previous year by 1.0%. Please refer to Sales Tax Graph for the period 2011 through 2016. The FY17 sales tax revenue is budgeted at the same level as FY16.

FY16 Estimated Actual	$1,334,000
FY15	$1,347,759
FY14	$1,290,446
FY13	$1,252,380
FY12	$1,201,030

Franchise Sales Taxes: $595,000

Effective July 1, 2014, the general sales tax rate was applied to the sale of electricity and natural gas. Cities receive a franchise share and ad valorem share of these proceeds. The franchise sales tax share has exceeded traditional franchise fees in prior years by an estimated $205,000.

Refuse and Recycling: $877,000

Refuse and recycling fees remain the same as last year. Residential customers pay $17.00 per month for refuse plus $3.00 per month recycling fee.

County Vehicle Maintenance: $431,650

The City garage provides vehicle maintenance services to Transylvania County on a contractual basis. The County reimburses on a monthly basis the cost of personnel, parts, and materials.

Utility Fund Reimbursement: $575,000

The City has reimbursed the General Fund for services provided the Water & Sewer Utility Fund. This amount was increased last year to more closely reflect the actual cost of services. No increase is proposed for FY17.

Powell Bill Allocation: $222,000

These funds represent a State Distribution of a portion of the motor fuels tax. The use of these funds is restricted to maintaining, repairing, constructing, streets, curbs and gutters, drainage improvements, and sidewalks. No city street employee costs are funded from Powell Bill monies.

Brevard ABC: $150,000

This revenue is derived from annual net sales profits generated from the two Brevard ABC stores. Figures are based upon audited financial records with the City receiving 75% of the distribution and the County receiving 25%. FY17 Brevard ABC Store Revenue budgeted revenue is $25,000 higher than the prior year budget.

Privilege Licenses: $0

Effective July 1, 2015, the City of Brevard no longer collects privilege licenses. This reflected in an estimated $35,000 loss in revenue for the General Fund. However, franchise sales tax revenue has more than offset this lost revenue source.

All Other Sources: $212,600

Other sources of General Fund Revenue include court costs, parking citations, zoning administration, interest earnings, wine and beer taxes, and recreation fees and concessions, cell tower rent, 911 funding, police grant, and miscellaneous.

Fund Balance Appropriation: $127,500

The North Carolina Local Government Commission recommends that local governments maintain a minimum undesignated fund balance of no less than 8% of expenditures. The City of Brevard has an adopted minimum fund balance of 30%. The recommended appropriation for the FY17 General Fund Budget is $127,500 for the purchase of three patrol vehicles for the Police Department. Last year, the fund balance appropriation was $85,000 for two patrol vehicles.

GENERAL FUND EXPENDITURES

General Fund Departments	$8,477,554	INCREASE OVER LAST YEAR $624,732
		2.5% Merit Salary Increase $111,218
		(Including FICA & Retirement)
		Capital Equipment $366,495
		Employee Medical $107,946
		Other Expenditures $39,073
		$624,732

Non Departmental:

Debt Service	$164,236	INCREASE OVER LAST YEAR $39,438
Transfers to Other Funds		
Brevard Fire Department	$409,004	INCREASE OVER LAST YEAR $69,174
DTMP	$180,000	NO CHANGE
Pedestrian/Bike Paths	$90,000	NO CHANGE
OPEB	$12,000	NO CHANGE
Total Non- Departmental	$855,240	INCREASE OVER LAST YEAR $108,612

Community Development:

The FY17 Budget for Community Development is at the same level as last year.

Transylvania Arts Council	$10,000	NO CHANGE
Chamber of Commerce	$3,000	DECREASE FROM LAST YEAR $7,000
Heart of Brevard	$30,000	NO CHANGE
Farmers Market	$17,000	NO CHANGE
Fireworks	$2,500	INCREASE FROM LAST YEAR $500
Total	$62,500	DECREASE FROM LAST YEAR $6,500
Contingency	$48,151	INCREASE FROM LAST YEAR $48,151
Total General Fund Expenditures	$9,443,445	INCREASE OVER LAST YEAR $774,995

WATER AND SEWER UTILITY FUND

The Water and Sewer Fund accounts for all revenues and expenditures incurred in the city's enterprise fund for its water treatment plant, water distribution system, wastewater treatment plant, and sewer collections system. The sources of revenue are user charges paid by Residential, Commercial, Institutional, and Industrial customers. Because it is an enterprise fund, it must generate revenue to support operations, capital improvements, and debt service.

The FY17 Recommended Budget for the Water and Sewer Fund totals $5,122,699 compared to $4,678,500 last year. Last year we shared with the City Council that annual percentage rate increases were not generating sufficient revenue to meet rising costs and incurred debt for master plan utility improvements. To address this problem, the minimum gallons have been reduced by 500 gallons the past two years. The proposed FY17 Budget reduces the minimum gallons from 1,000 gallons to 500 gallons. This change will increase utility fund revenue by an estimated $300,000.

Water and Sewer Capital Projects Fund

Capital Projects included in the FY17 Budget are as follows:

Sewer Collection System:

The City of Brevard continues to focus emphasis on protecting our natural resources by addressing rain-attributed sanitary sewer overflows (SSOs). Sewer projects that have been completed and under construction addressing this problem have totaled over $19.3 million. The City Council has awarded contracts the past few months on Kings Creek Phase II, Kings Creek Phase III and the Neely Road Force Main, Pump Station and Equalization Tank. These projects will be under construction in FY17 and FY18.

Kings Creek Sewer Phase II Project $1,435,784: The design for this project has been completed. NCDENR has approved a loan at 2.0% for this project. Construction contract has been awarded.

Kings Creek Sewer Phase III Project: $1,484,150: The design for this project has been completed. NCDENR has approved a loan at 0% interest rate for this project. Construction contract has been awarded.

Neely Road Force Main, Pump Station & EQ Tank Project: $13,666,000. Contracts were awarded at the City Council meeting on April 16, 2016. NCDENR reduced the loan rate from 2.24% to 1.83% after city requested reconsideration. Construction contracts have been awarded.

Water Distribution System:

Advanced Metering Infrastructure Project: FY17 Expenditure $200,000; City Council approved $1,360,000 contract award on April 20, 2015 for purchase and installation of radio read meters. Estimated project completion is early summer. NCDENR approved a loan at 0% interest rate for this project. Final payment of $200,000 estimated to be paid in summer 2016. This past year the City installed a new meter at the Water Treatment Plant to account for water leaving the plant into the water distribution system. Once the radio read system is on line there will be improved accountability to determine unaccounted for water losses.

Water Treatment Plant:

After reviewing the fiscal impact of a $40 million new water plant and intake on the French Broad River on city customers, the Public Works Committee re-evaluated the existing water treatment plant and Cathey's Creek water capacity. The estimated monthly utility bill for the lowest customer would have been $133.80.

The Public Works Committee during the past year made recommendations to the City Council on investing in the existing Water Treatment Plant. According to McGill and Associates, water engineering consultant, the WTP has several more years of useful life. McGill and Associates completed a report "Cathey's Creek Water Supply Evaluation" dated December 17, 2015 which was presented to the City Council on January 18, 2016 in advance of the annual retreat. This report presented extremely good news in that adequate water capacity is available at the confluence of Cathey's Creek and the French Broad River to allow expansion of the existing WTP if needed in the future.

Wastewater Treatment Plant:

The City Council at its regularly scheduled meeting last August approved the Public Works Committee recommendation not to accept a $9.0 million loan to rehab the WWTP with an activated sludge process. Instead, the City proceeded to invest monies in rehabilitation of the existing WWTP which included the purchase and installation of used Rotating Biological Contactors (RBCs). The WWTP is now been incompliance with our NPDES permit and has been since November 30, 2015. If the City had accepted the loan as mentioned above, we would have been several years away in meeting our NPDES Permit requirements and incurred a $450,000 annual loan repayment for 20 years.

In summary, the City of Brevard decision to reinvest in its current assets saved its ratepayers an estimated $50 million in capital improvements plus additional cost that would be necessary for borrowed funds.

Brevard Fire Department Special Revenue Fund

The proposed FY17 Brevard Fire Department Special Revenue Fund budget totals $898,098. Transylvania County contracts with the City of Brevard for fire protection services for Sylvan Fire District No. 2. The cost sharing, based upon assessed valuation, is 52.7% City and 47.3% County.

The proposed budget includes evening service at an estimated cost of $65,793. Currently, the Brevard Fire Station is manned 8:00AM to 5:00PM seven days per week. With the addition of evening service, two firefighters/EMTs will be at the station from 5:00PM to MIDNIGHT. Also included in the FY17 Budget is the purchase of new extrication equipment at an estimated cost of $122,000 to be financed over a five years.

The cost breakdown is shown below.

City of Brevard	$409,004
Transylvania County	$367,094
Loan Proceeds	$122,000
Total	$898,098

The assessed valuation for the City and Sylvan District No. 2 is as follows:

City of Brevard	$950,000,000	52.7%
Sylvan District No. 2	$852,500,000	47.3%
Total	$1,802,500,000	100.0%

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County Commissioners Take Action on Brevard Fire Department Budget May 12, 2016

The Transylvania County Board of Commissioners decided at their Budget Work Session held on Thursday May 12, 2016 not to fund any additional personnel staffing requests for all fire departments pending completion of the county-wide study on fire services. Therefore, the Brevard Fire proposal for evening services was not approved. The remainder of the Brevard Fire Department Budget, including the purchase of new extrication equipment was approved. A revised budget for the Brevard Fire Department will be presented at the City Council Budget Work Session on May 23, 2016.

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Brevard Trust Funds

The City of Brevard has the following trust funds.

Terrell L. Scruggs Scholarship Fund: This fund was established in the memory of its former Finance Director. Annually, the Scholarship fund awards scholarships to graduating seniors from Brevard High School, Davidson School, and Rosman High School. This fund is used to account for the collection of donations and the payment of scholarships. The proposed FY17 Budget is $15,000.

Bjerg Trust Fund: This fund is a non-expendable trust fund accounts for assets held in a trustee capacity. The principal is invested with interest earnings applied to maintenance and upkeep of the French Broad Community Center. The investment amount as of June 30, 2015 was $60,143. The gift establishing this fund was from the Estate of Dorothy S. Bjerg. The proposed FY17 Budget is $100.

OPEB Trust Fund: This fund (an irrevocable trust) is used to account for the City's contributions and trust earnings for other post-employment benefits. This plan provides post-employment healthcare benefits to retirees of the City. The proposed FY17 Budget is $18,750.

Housing Trust Fund: This fund is used to account for the Broad River Terrace and The Cottages Developer annual payments on a twenty-year loan. The proposed FY17 Budget is $26,600 reflecting the developer loan repayments.

Self-Funded Employee Medical Fund

The Self-Funded Employee Medical Fund was established as an internal service fund to account for the accumulation and allocation of costs associated with the City's group health insurance revenue, and expenditures. The proposed FY17 Self-Funded Employee Medical Fund Budget totals $1,195,250.

Revenue is generated from departmental charges, retiree premiums, dependent dental premiums, and fund balance appropriation. Expenditures are for broker fees, third party administrator, aggregate insurance premiums, paid claims, wellness programs, employee assistance program, life insurance, and short term disability premiums paid by the City.

The City of Brevard has requested consideration of city employees using the County Medical Clinic at an estimated annual cost of $44,000. A memorandum of understanding will be presented to the City and County in June 2016. The City expects significant savings in claims paid during the year. There will be no cost to the employees and their families utilizing the clinic. Annual physical examinations are included, again, at no cost to the employee.

In addition, the City is making changes to the design of the high deductible and health savings account plan. No medical changes have been made by the City since 2007 when City Council Resolution adopted the current plan. City of Brevard employees have not seen an increase in employee medical costs since 2008-2009, despite rising medical costs and increased high cost of medical claims. Specifically, the City will increase the deductible amount and out-of-pocket amount for employees. This additional contribution, along with the partnership with the County Clinic, will make great strides toward balancing the self-funded medical plan.

Heart of Brevard Municipal Services District (HOB MSD)

The City of Brevard receives tax collections from Transylvania County for the HOB MSD. The current tax rate is $.225. Tax collections are remitted on a monthly basis to the HOB. The FY17 Budget totals $125,000. The assessed valuation for the HOB is $57,500,000 which is up $3,000,000 from the prior year.

Since this is a revaluation year, State law requires counties and municipalities to publish the "revenue neutral" tax rate, which would produce the same revenue as the prior year. The HOB current tax rate is $.2250. With assessed valuation increasing for the HOB, the revenue neutral tax rate would be $.2133.

Staff recommendation is to set the tax rate for the HOB MSD to be $.2250 which would be a tax increase of $.0117. This would allow the HOB MSD to benefit from new growth and reinvest additional monies back into the Downtown Area.

Multi-Use Pedestrian/Bike Path Fund

The Multi-Use Pedestrian/Bike Path Fund accounts for project improvements for sidewalks and pedestrian/bike paths. Projects included in the FY17 Budget Recommendations include funding for West Loop Phase I and Railroad Avenue projects along with an emphasis on new sidewalk construction. The proposed FY17 Budget includes the continuation of a one-cent tax increase to be earmarked annually for new sidewalks and pathways. One cent tax generates approximately $90,000 for the Multi-Use Pedestrian/Bike Path Fund. The FY17 Proposed Budget is $303,000.

The original pedestrian and bike plan was adopted by the City Council in 2006 and is under revision by the Parks, Trails and Recreation Committee.

The City Council at its regularly scheduled meeting April 16, 2016 authorized the submittal of a State PARTF grant application for improvements for the Estatoe Trail. The grant application was submitted on May 2, 2016.

Narcotics Task Force Fund

This is a fund to administer restricted cash for drug forfeiture funds for the Transylvania County Sheriff and Brevard Police Department. The FY17 Proposed Budget is $45,100.

Rosenwald Revitalization Fund

This fund was established for revitalization programs within the Rosenwald Community. The City of Brevard was awarded a State of North Carolina PARTF Grant for 50% of the $447,000 cost for park land acquisition. The acquisition of approximately 28 acres was completed this past year, and the grant was closed out. Funds have been spent on environmental clean-up on the property. The FY17 Proposed Budget is $134,000.

On the State PARTF application for the Estatoe Trail, improvements on the Rosenwald Park Property include extension of the Estatoe Trail, a community garden, and a dog park along with pedestrian benches.

Downtown Master Plan Fund

This fund was established to account for revenue and expenditures for the Downtown Master Plan.

Revenue sources include a General Fund Transfer of $180,000 representing a 2-cent tax increase approved in a prior year and an annual contribution from the Heart of Brevard. A summary of FY17 revenue, fund balance appropriation and expenditures are shown below.

Transfer from General Fund (Annual)	$180,000
HOB	$11,000
Fund Balance Appropriation	$540,000
Total Revenue	$731,000
DTMP Design/Construction	$191,000
Clemson Plaza Improvements	$300,000
Caldwell St. Improvements	$200,000
Total Expenditures	$731,000

The City has approved the purchase of property located on the corner of Jordan and Caldwell Streets for the purpose of a downtown parking lot. Funds for grading, paving, and demolition of existing building will be paid from the Downtown Master Plan Fund. The City will be exploring various paid parking options for this property.

Clemson Plaza Project Budget Ordinance was approved by the City Council at its retreat held on January 28-29, 2016. Project is estimated to be under construction this summer. The design consultant is Destination by Design.

The NCDOT Caldwell Street widening project is underway with the City local share estimated at $200,000.

The City also will work on utility relocations and right-of-way acquisition in preparation of streetscape improvements on North Broad Street. This is part of the streetscape plan prepared by ColeJenest & Stone.

City Council Committees Established

Last year the City Council approved the establishment of the following committees. Council appointments are shown below.

Public Works Committee	Mac Morrow & Maurice Jones
Parks, Trails & Recreation	Gary Daniel & Ann Hollingsworth
Downtown Master Plan Committee	Ann Hollingsworth & Charlie Landreth
Public Safety (Police & Fire)	Maurice Jones & Mac Morrow
Finance and Human Resources Committee	Charlie Landreth & Gary Daniel

The Committees have played a key part in implementing the FY17 Budget Recommendations that will enable the City to be responsive and accountable to the community in which we serve.

The FY17 Proposed City of Brevard Budget represents the combined efforts and guidance of the City Council, Department Heads and Staff. We look forward to working with you, City Committees and our citizens as we implement this financial plan and document.

I would like to acknowledge Finance Department Staff who assisted in the budget document preparation. I would like to specifically thank Tom Whitlock who coordinated the budget process with City departments and prepared the budget financials and supporting documentation.

Respectfully submitted,

Jim Fatland, CPFO, NCCLGFO,
City Manager and Finance Director

cc: City Attorney
City Clerk
Department Directors

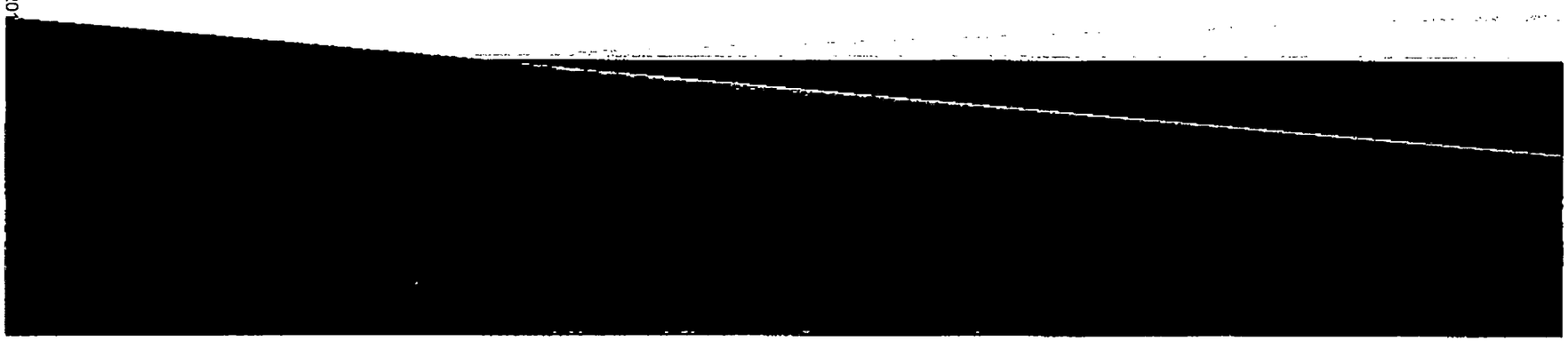
Hard Copies of the power point were also printed and provided to public in attendance at May 16th meeting. DP

Provided to Council at their May 16, 2016 Meeting.

D Perry
City Clerk

The City of Brevard
North Carolina

Proposed FY17 Budget
Budget Ordinance and Fee Schedule



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Outline

- May 16 FY17 Budget Presented to Council
- May 23 Budget Work Session #1
- June 6 Budget Work Session #2 (if necessary)
- June 13 Budget Work Session #3 (if necessary)
- June 20 Public Hearing on Proposed FY17 Budget
  Budget Ordinance & Fee Schedule

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Revenue Neutral
State Law G.S. 159-11

..."requires each taxing unit to publish a revenue-neutral property tax rate as part of its budget for the fiscal year following the re-evaluation of its real property."

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General Fund

	FY-16	FY-17
Assessed Valuation	$965,000,000	$950,000,000
Current Tax Rate	$0.4725	
Revenue Neutral Tax Rate		$0.4800

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Revenue Neutral Calculation

<u>FY-16</u>

0.4725 X 965,000,000/100 = $4,560,000

<u>FY-17</u>

0.4800 X 950,000,000/100 = $4,560,000

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Heart of Brevard

	FY-16	FY-17
Assessed Valuation	$54,500,000	$57,500,000
Current Tax Rate	$0.2250	
Revenue Neutral Tax Rate		$0.2133

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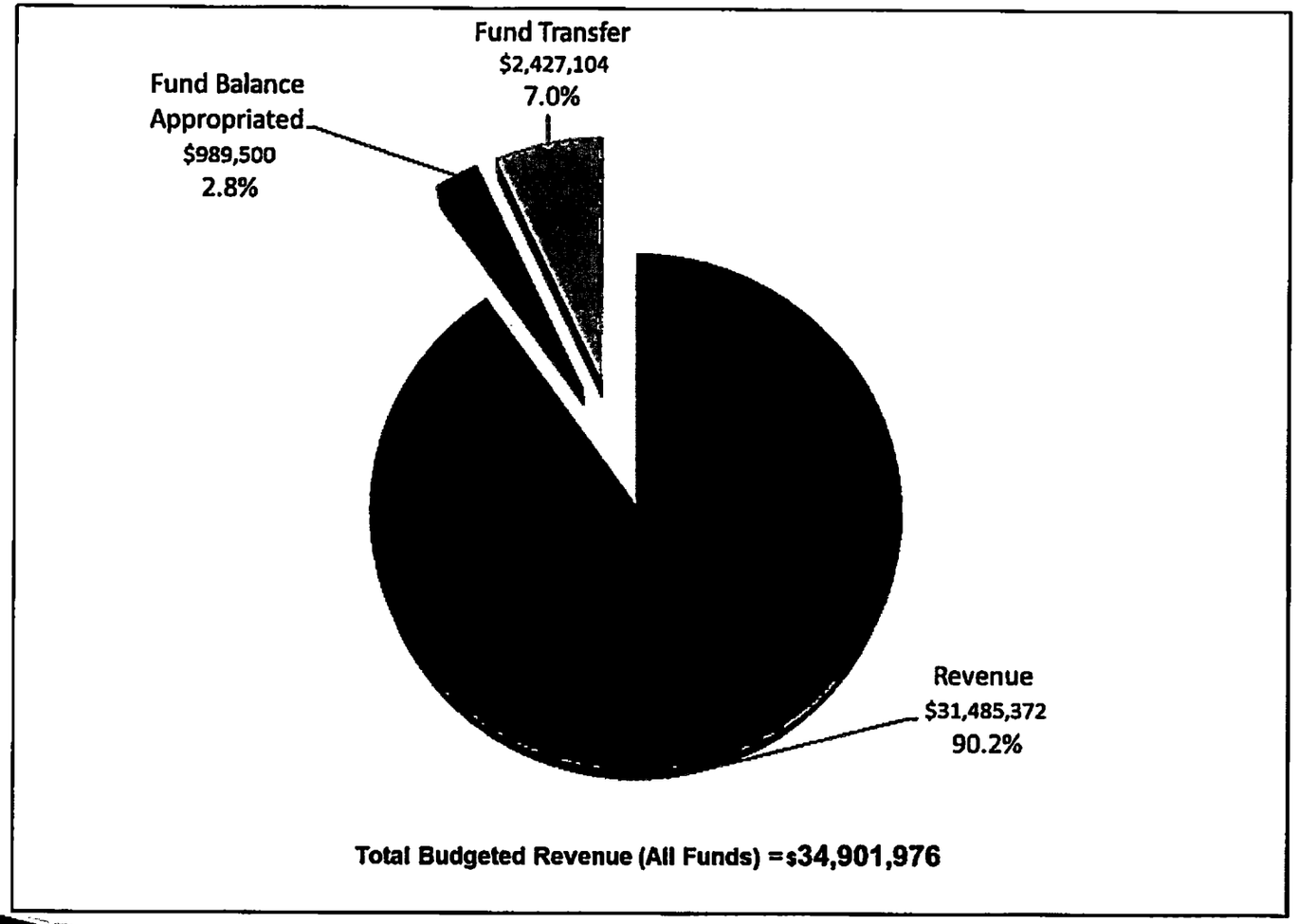
All Funds – Revenue



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All Funds – Expenditures

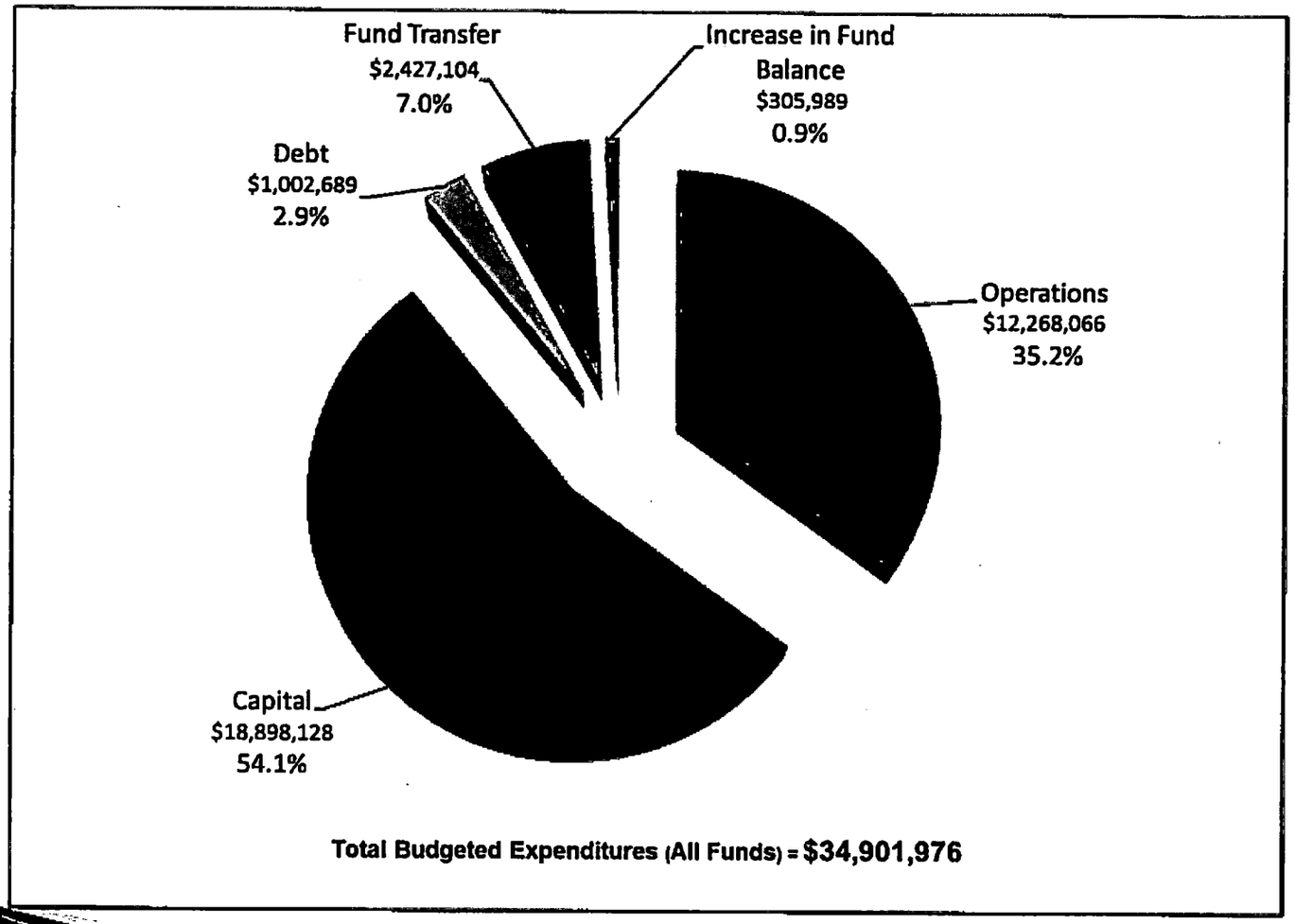


EXHIBIT A - Minutes Brevard City Council Meeting - May 16, 2016

Budget Summary

General Fund

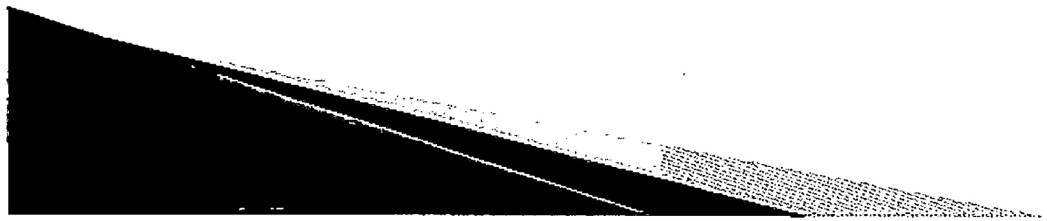
3/4 Cent Tax Increase $ 69,174

- Fire Department
  - Adding evening staffing
    - 5 pm to midnight
- Extrication Equipment

Utility Fund

Lowered minimum water/sewer to 500 gals

Revenue increased $300,000



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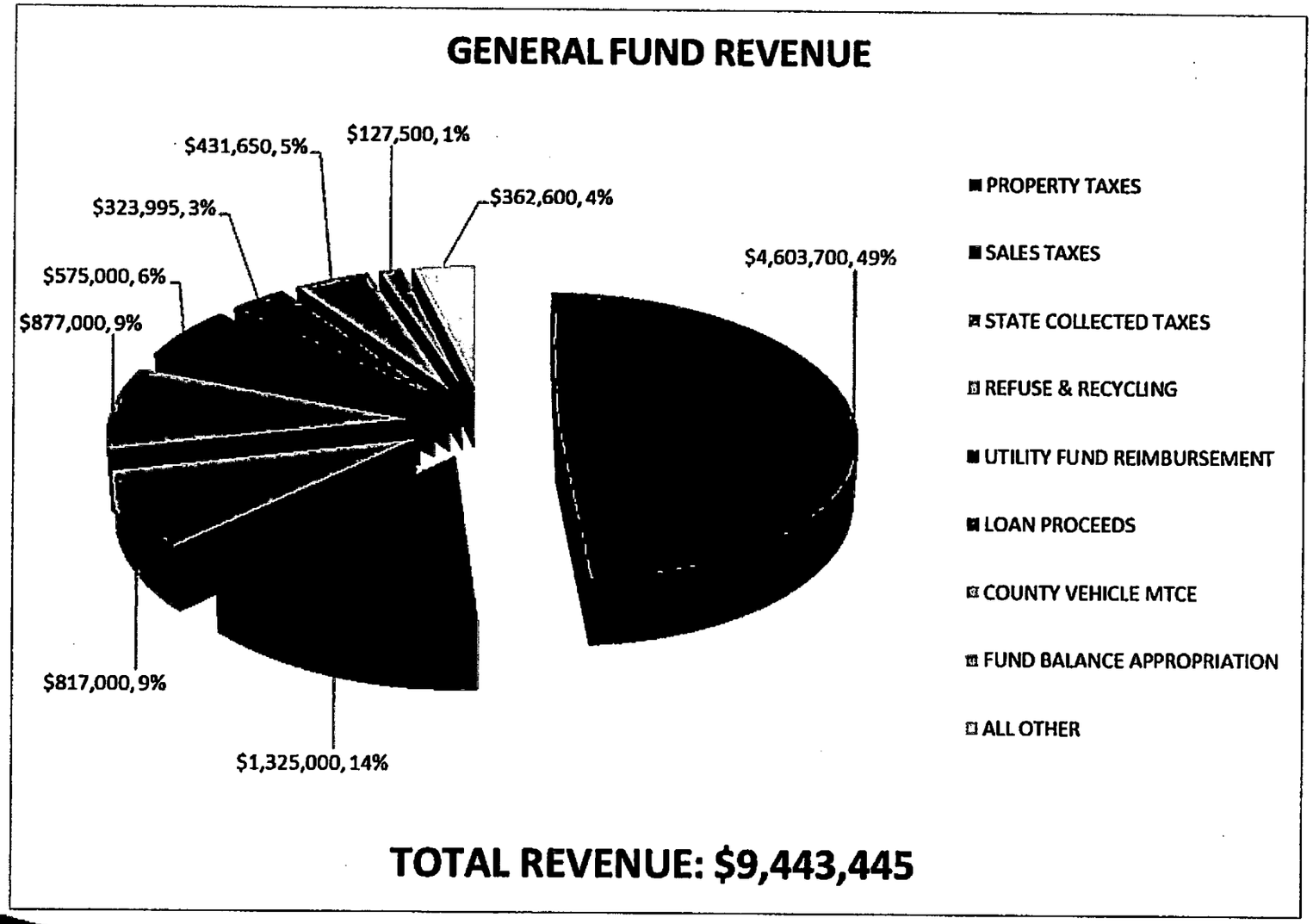
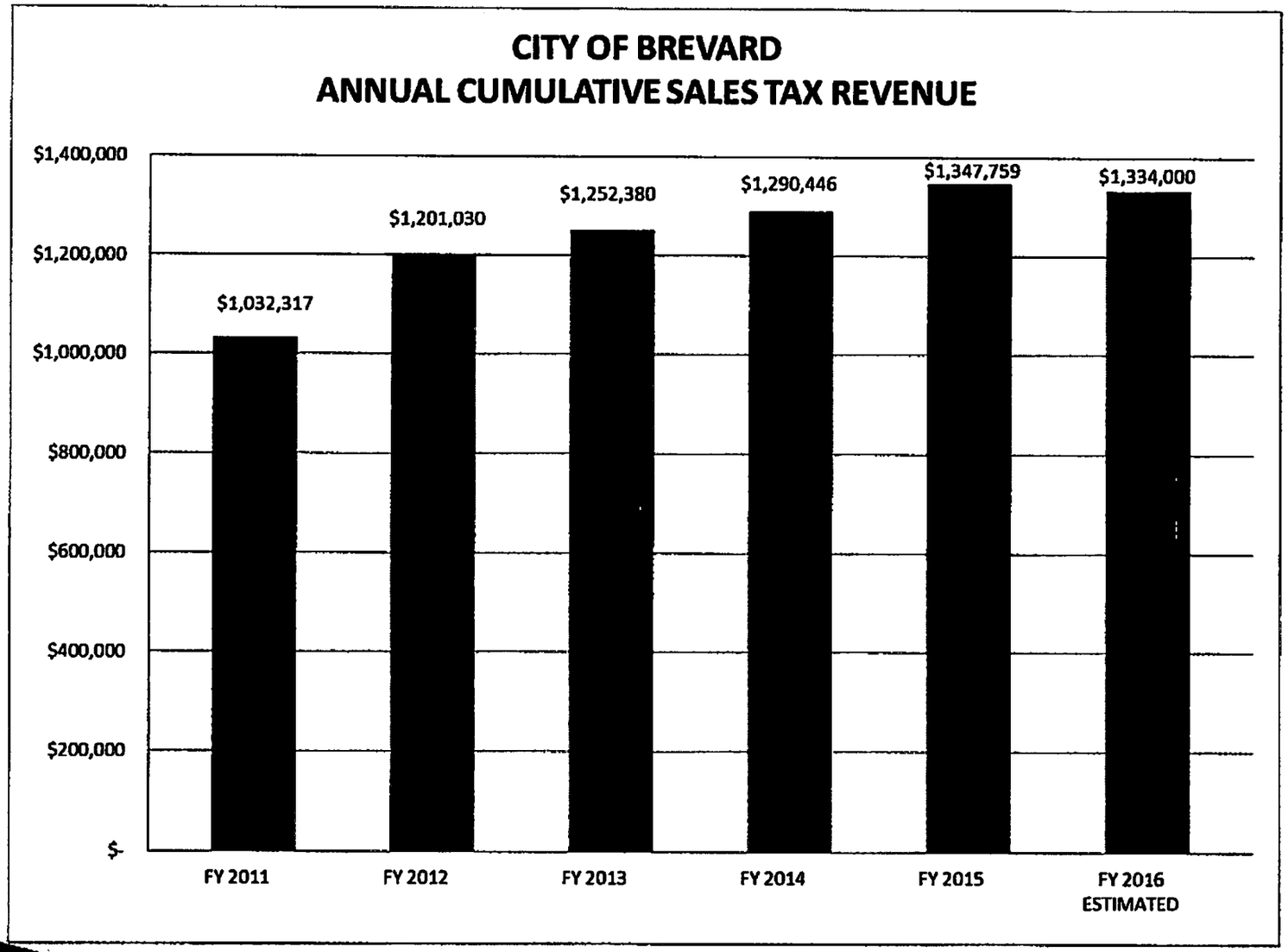

GENERAL FUND REVENUE
$431,650, 5%
$127,500, 1%
$323,995, 3%
$362,600, 4%
$575,000, 6%
$4,603,700, 49%
$877,000, 9%
$817,000, 9%
$1,325,000, 14%
PROPERTY TAXES
SALES TAXES
STATE COLLECTED TAXES
REFUSE & RECYCLING
UTILITY FUND REIMBURSEMENT
LOAN PROCEEDS
COUNTY VEHICLE MTCE
FUND BALANCE APPROPRIATION
ALL OTHER
TOTAL REVENUE: $9,443,445


CITY OF BREVARD
ANNUAL CUMULATIVE SALES TAX REVENUE
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
$1,032,317
$1,201,030
$1,252,380
$1,290,446
$1,347,759
$1,334,000
FY 2011
FY 2012
FY 2013
FY 2014
FY 2015
FY 2016 ESTIMATED

General Fund – Revenue Increase

Property Tax	$ 90,000
Franchise Sales Tax	205,000
Brevard ABC	25,000
Loan Proceeds	323,995
Fund Balance Appropriation	42,500
All Others	88,500
	$774,995

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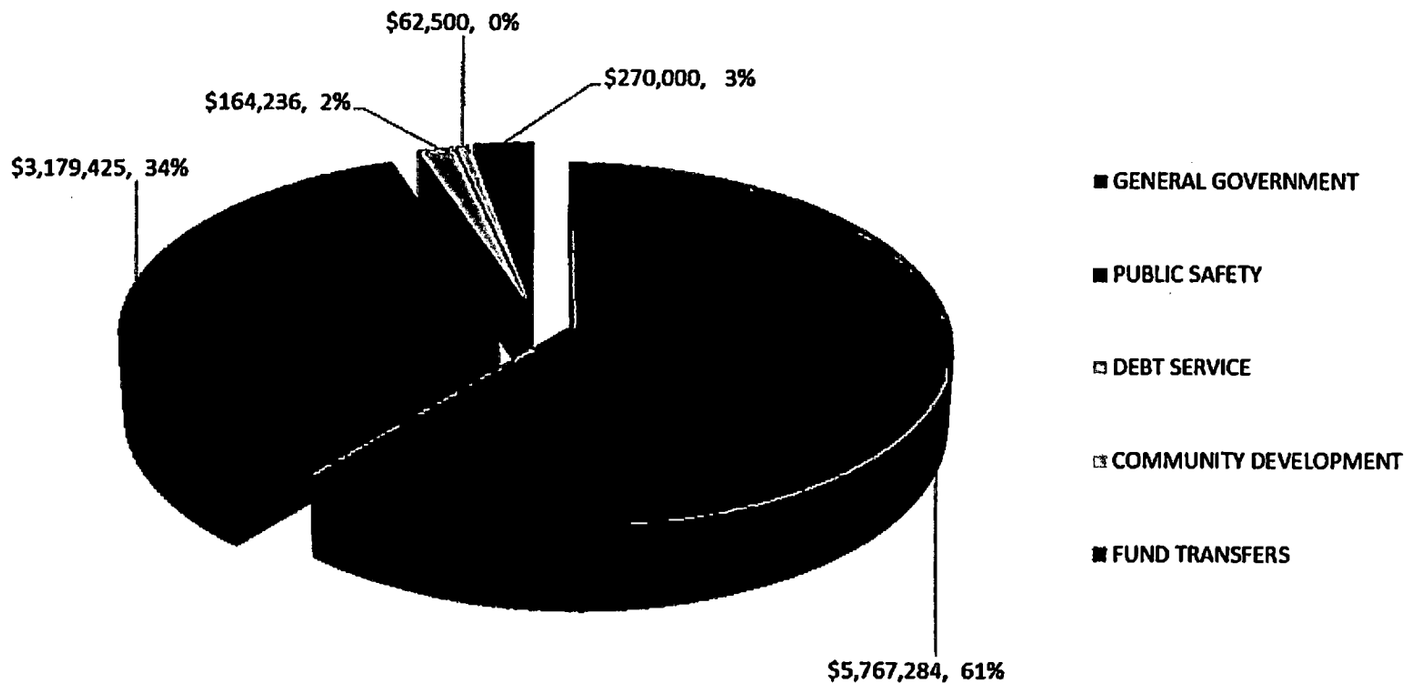
GENERAL FUND EXPENDITURES



TOTAL EXPENDITURES: $9,443,445

General Fund - Expenditures Increase Over Prior Year

▸ Capital Equipment	$ 366,495
▸ Fire Department	69,174
▸ Debt	39,438
▸ Employee Salary & Benefits:	
COLA %	-0-
Merit 2.5%	111,218
Medical Fund	107,946
Contingency	48,151
Other	32,573
	$ 774,995

EXHIBIT A - Minutes Brevard City Council Meeting - May 16, 2016

General Fund
No Change From Prior Year

- DTMP $180,000
- Pedestrian Fund $ 90,000
- Powell Bill $222,000

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Significant Milestones . . .

- Water Treatment Plant
  - Rehab existing Cathey's Creek WTP instead of new WTP and Intake at French Broad River
    - **SAVINGS: $40 MILLION**

      Engineer reports adequate water capacity at Cathey's Creek and French Broad River
  - Rehab existing WWTP instead of new activated sludge process
    - **SAVINGS: $9 MILLION**

      WWTP in compliance since November 30, 2015, 3 years earlier than original schedule

EXHIBIT A - Minutes Brevard City Council Meeting - May 16, 2016

Closing Comments

- City Council Organizational Changes
  - City Manager Hired
  - City Council Committees:
    - Public Works and Utilities
    - Parks, Trails, and Recreation
    - Downtown Master Plan
    - Public Safety (Police and Fire)
    - Finance and Human Resources

EXHIBIT A - Minutes Brevard City Council Meeting - May 16, 2016

Closing Comments

- City Manager Organizational Changes
  - Human Resources Director Hired
  - WTP ORC Promoted to Management Team
  - WWTP ORC Promoted to Management Team
  - City Engineer Position Deleted
  - Planning Director Transferred to Administration

EXHIBIT A - Minutes Brevard City Council Meeting - May 16, 2016

Closing Comments

- City Manager Organizational Changes (cont'd)
  - Assistant Planning Director Promoted to Planning Director
  - Accountant Promoted to Accounting Supervisor
  - Accounting Technician Hired
  - Code Enforcement Officer Hired
  - Executive Assistant Hired in Administration Department

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Closing Comments

- New Direction
- Investment in Current Assets and Human Resources

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