

**MINUTES OF THE TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN
BUDGET WORKSHOP
June 3, 2010**

THE BLACK MOUNTAIN BOARD OF ALDERMEN met in a budget workshop on Thursday, June 3, 2010 at 8:30 a.m. in the Board Room at Town Hall, 160 Midland Avenue, Black Mountain, NC.

Mayor Bartlett called the meeting to order at 8:30 am with the following members present:

Mayor Carl R. Bartlett
Mayor pro tem Joan Brown
Alderman Ruth Brandon
Alderman Tim Rayburn
Alderman Carlos Showers
Alderman Mike Sobol

The following staff members were present:

Marcia D. Onieal, Town Manager
Darlene Whisenant, Town Clerk
Steve Jones, Fire Chief
Jim Orr, Recreation Director
Steve Padgett, Police Lieutenant
Rick Shreve, Finance Director
Elizabeth Teague, Planning Director
Mark White, Interim Public Services Manager
Laurel Mabery, Budget Assistant

Other Attendees:

Mark Vanderhoff, Black Mountain News
Bob Pauley, Black Mountain Citizen

Town Manager Marcy Onieal reviewed the agenda for Workshop, noting the final session is scheduled for Friday, June 11, 8:30-10:00 a.m. On Monday, June 14, 6:00 p.m. the Public Hearing on the proposed budget will be held during the regular meeting of BoA, followed by adoption of the FY10-11 annual operating budget.

Finance Director Rick Shreve provided a power point presentations on the Water Fund and Golf Fund, copies of which are attached and hereby made part of these minutes.

Mr. Shreve noted very little change in the Golf budget from current year to the proposed budget, and that the only increase in expenditures were directly related to the state mandated increases in health and retirement costs and the 2.9% COLA requested by the Board.,200.

Fund Balance & Property Valuation

Mr. Shreve pointed out history of revenues, expenditures and changes in Fund Balance over the past five years, as well as Fund Balance budgeted and actual history. An additional slide showed statistics provided by the Buncombe County Tax Office with the 2009 and 2010 Valuation Estimates (including real estate, personal property, public service and motor vehicle) for the Town of Black Mountain and East Buncombe Fire District.

Water Fund-

Recommended revenues include a 5% rate increase, reflecting the increase that the Town will face from the city of Asheville on wholesale water purchase.

Due to the ongoing issue with the Datamatic meter reading equipment the Town will begin taking manual readings and will deliver letters to customers regarding this project to collect actual correct readings.

Golf Fund-

Alderman Carlos Showers asked how our rates compare to similar courses. Jim Orr, Director of Parks and Recreation stated that our rates are a little bit high for a municipal course. Alderman Showers asked how much play we have in comparison to Asheville. Mr. Orr indicated that staff had reported 34,000 rounds being played last year, but insufficient record keeping within the department made it difficult to verify that number, but in comparing month-to-month totals, there were significant signs of declining play until the marketing promotion began a couple months ago. Mr. Orr remarked that the course lost players due to problems created on the course by the MSD project a few years back, creating the perception of a “not so appealing” course to play. In addition, a reported lack of leadership, initiative, marketing and customer service focus seem to have played a role in the decline in both membership and daily play.

Alderman Michael Sobol had Mr. Orr confirm that with the current 2-year membership campaign the town would pay 20% commission to Mulligan Marketing from the revenue brought in. Mr. Orr reminded the BoA that we will continue to receive revenue even in the second year due to cart fees. He also shared that the golf pro and staff feel the marketing program has been successful.

Alderman Showers asked what was being done to correct the record keeping at the Golf Course. Mr. Orr said in the past there had never been a request to provide statistics, so staff has not been in the habit of doing so. Ms. Onieal cited technical, operational and performance issues, which have never been adequately addressed, but indicated that she will be working with the Town’s auditors and with Finance, Recreation and Golf staff over the course of the summer to implement measures to improve the overall accountability of the golf operation.

Alderman Showers asked for clarification regarding the snack shop lease at the golf course. Mr. Orr stated that the town was in the final year of a three year contract, under which the operator has been in default since the contract was executed. The contract called for a \$500 per month lease, but until March of this year, the operator had failed to make payment. A recent verbal agreement for partial payment required the lessee to begin paying \$100 monthly starting in March of this year. The operator claims she was under the impression that she didn't have to pay because of the decline in her business revenue. At the board's request, staff will pursue additional conversation with the operator and bring this item back to the Board for discussion at a future date..

Discussion arose regarding free golf privileges for elected officials. Ms. Onieal indicated that records show that former Town Manager Al Richardson and former Mayor Mike Begley are the only two individuals ever having been specifically authorized by the Board of Aldermen to receive free privileges. Fire Chief Steve Jones stated that the volunteer firemen have been using the privilege for years and Alderman Rayburn remarked that auxiliary police officers have as well. Mayor Bartlett noted that employees have long enjoyed free golf privileges and that given his long hours as mayor and the fact that he receives a monthly expense check that he felt justified in being treated in the same manner as employees. Ms. Onieal reminded the board of the request by ABC Board for privileges for board and staff just last fall and that, at the time, the Board affirmed its position that this perk was intended for full-time employees and volunteers of the golf course only. Alderman Brown requested that staff research the background further and propose a policy for Board adoption to clarify once and for all, who may enjoy free golf privileges, and under what conditions.

Gaming Machine Fee-

Per a previous request from Mayor Bartlett, Elizabeth Teague, Director of Planning and Development Services stated that staff and the Chief of Police toured the town for gaming machines and reported a total of six (6) locations with twenty-six (26) machines. The proposed gaming machine fee is included in the proposed budget and is anticipated to generate approximately \$25,000 in revenue if adopted.

Transit Considerations-

Ms. Onieal stated that NCDOT has agreed to continue funding for existing transit service between Asheville and Black Mountain until December 31, 2010. The proposed budget includes \$18,000 for transit expense, as previously approved by the Board. Alderman Sobol made a suggestion for the Town to consider purchasing its own bus and customize to code knowing that it would require upfront cost as a capital expense. Black Mountain Cab may also be available for a possible public/private agreement. Both Ms. Onieal and Ms. Teague are actively involved in the ongoing discussions between Asheville Transit, Mountain Mobility, Land of Sky Regional council and NC Department of Transportation, and will keep the Board informed.

Budget Discussion-

Alderman Brown asked the staff if there was a way to get the proposed 7 cent rate increase down to at least 4 cents. Ms. Onieal said that the town staff is already stretched thin and in order to maintain current service levels, while accommodating the commitments already made by the Board during the previous year, would need this 7 cent rate increase. She reminded the Board that there is a state-mandated increase in healthcare and benefits and the Town has committed to the planned sewer project with extremely low-interest loans obtained through the State. Ms. Onieal also reminded the Board of their desire and announced intent to provide the Town employees with a 2.9% COLA this year, but acknowledged that a reduction in the amount or delay in paying out COLA could save a small amount on the proposed rate increase.

Aldermen Brandon brought up the proposal to sell all or part of the downtown property that was purchased last year. Ms. Onieal reminded the Board that the first required payment of \$210,000 comes due in July no matter what future decisions might be made.

Aldermen Tim Rayburn and Mr. Sobol indicated they are opposed to the 7 cent increase and would not support a 4 cent increase either. Mayor Bartlett and Mr. Sobol asked for a budget that would require no tax increase.

The next scheduled Budget Workshop is on Friday, June 11, 2010 at 8:30 a.m.

There being no further business, the meeting was adjourned at 10:35.

Carl R. Bartlett, Mayor

Marcia D. Onieal, Town Manager

ATTEST:

Darlene R. Whisenant, Town Clerk