



TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN  
BUDGET WORKSHOP CIP MEETING MINUTES  
May 28, 2020

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**THE BLACK MOUNTAIN BOARD OF ALDERMEN** held a budget workshop and capital improvement plan meeting on Thursday May 28, 2020 at 8:30 a.m. in the board room of Town Hall, 160 Midland Avenue, Black Mountain, NC. The purpose of the meeting was to discuss the FY2020-21 budget and capital improvement plan projects for the Town. The budget public hearing is scheduled for Monday, June 22, 2020 at 5:30 p.m. at Town Hall.

### **1. CALL TO ORDER**

*Mayor Collins called the meeting to order at 5:00 p.m. with the following members present:*

Mayor Don Collins  
Vice Mayor Maggie Tuttle  
Alderman Larry Harris  
Alderman Tim Raines  
Alderman Ryan Stone  
Alderman Jennifer Willet

The following staff members were present:

Josh Harrold, Town Manager  
Angela L. Reece, Town Clerk | Assistant to Manager

The following staff members were present via Zoom conference call:

Charlotte Sullivan/Interim Financial Services Director  
Ronald E. Sneed, Attorney  
Shawn Freeman, Police Chief  
Scottie Harris, Fire Chief  
John Wilson, Deputy Fire Chief  
Jessica Trotman, Planning Director  
Jamey Matthews, Public Services Director  
Joshua Henderson, Recreation Services Director

Mayor Don Collins called the meeting to order and opened the floor for discussion.

Town Manager Harrold began the discussion presenting the FY2020-21 Budget Overview as outlined below:

### **COVID-19**

The World Health Organization identified the novel coronavirus (COVID-19) as a global pandemic on March 11, 2020. On March 12th of 2020, Black Mountain issued an emergency declaration in response to the coronavirus (COVID-19) pandemic. Town operated facilities were closed to the public on March 16<sup>th</sup> 2020 in an effort to reduce the potential of spreading the virus.

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The financial implications of COVID-19 across the U.S. are staggering with many businesses closing due to local and state orders as well as voluntarily closing to help flatten the curve. Local governments aren't exempt from the financial implications and it continues to be challenging to predict the actual implications. Staff continues to research economic data at the local and State level as we put together the FY20-21 budget. We are preparing for decreased revenues from sales and property tax as well as decreases in golf and rental revenues. As you will see below, my recommendations are substantially different from typical years. Challenging times are ahead for the Town of Black Mountain for this upcoming fiscal year and possibly years to come. It is important that we remain as flexible as possible during these challenging times.

### **TOWN SERVICES**

The Town of Black Mountain stays committed to the continuation of all of its existing services for the upcoming fiscal year to include recreation and parks, finance, administration, planning and zoning, building inspections, public services, residential garbage and recycling, police, and fire. Garbage and recycling services will transition from contracted services to town-operated beginning October 1, 2020. All services are proposed to continue at current service delivery levels for the upcoming fiscal year; however, we may need to reexamine our levels of service depending on the impacts of COVID-19.

### **GRANTS**

We continue to look for grants during the year to supplement our programs and services for every department. In FY 2020-21 we will continue implementation of the NCDOT STP-DA funding for Phase II of the Riverwalk Greenway, PARTF Grant for improvements at Veterans Park including streambank restoration, playground, outdoor pavilion and overflow parking, PARTF Grant matching funds for Riverwalk Phase II, and NCDWR funding to continue streambank restoration at the Town's golf course. Due to NCDOT budget shortfalls, right of way acquisition and construction for Riverwalk Phase II has been delayed until further notice. The design portion of Riverwalk Phase II should be completed this fiscal year.

Manager Harrold advised the Board that design work on River Walk Phase II will be completed but right-of-way acquisition and construction has been placed on hold by NCDOT due to funding constraints. Manager Harrold noted a reduction in the Capital Improvement line item from \$80,000 to \$50,000 for the project due to projected decreases in revenues across the budget.

### **FUND BALANCE**

The total fund balance for the Town of Black Mountain General Fund is **estimated** to be \$4,503,679 or 47% of **projected** General Fund expenditures at 06/30/2020. This includes restricted fund balances, capital reserve fund and our unassigned fund balance.

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Based on our most recent audit for the period ending June 30, 2019, *unassigned* fund balance was \$2,778,006 or 32.1% of General Fund expenditures. This compares with \$2,812,979 or 30.5% at the end of fiscal year 2018, a decrease of \$34,973. The Town has a fund balance policy requiring a percentage of 30%.

### **DEBT**

The Town is currently budgeted to expend \$467,528 on debt service in FY 20-21. This amount includes debt in the amount of \$151,765 related to the Police Department communications upgrade approved in the FY18-19 budget, \$90,000 for the Sanitation Department for equipment and infrastructure, and \$225,763 in Public Buildings. At 6/30/20, the Town will have outstanding debt of \$3,588,795. The Town will be taking on \$624,500 in debt for sanitation services. The debt is for sanitation trucks and infrastructure. Due to the unknown revenue shortfalls, it is critical to maintain as much cash on hand as possible.

### **CAPITAL RESERVE FUNDS**

It is estimated that the Capital Reserve Fund for the General Fund will have a balance of \$530,000 at June 30, 2020. This represents money for building renovations and vehicle replacement at the Fire Department. The Water Capital Reserve Fund currently has a balance of \$450,000 which is designated for automated water meter replacement.

Capital Project Funds, which differ slightly from Capital Reserve Funds, have been set up for the, Swannanoa Watershed Restoration, Riverwalk Greenway Phase II, Tomahawk Stream, Veterans Park, and Commerce Park Infrastructure because the Town anticipates expending funds on these projects in FY 20-21 and future years.

### **GENERAL FUND HIGHLIGHTS**

The FY 20-21 recommended General Fund budget is \$9,414,965 a 1.37% increase from FY 19-20.

### **PERSONNEL**

Five new positions are proposed for the Sanitation department at an average salary of \$47,000 per year including benefits.

A 1.0 % COLA salary adjustment accounts for an increase of \$22,000. This will take effect in January 2021.

Four part time positions have been eliminated in order to balance the budget. These positions are in the Recreation department. The community garden positions account for \$44,189 and will be absorbed by existing full time Recreation department employees and volunteers. One and a half janitorial positions have been eliminated at Lakeview and account for \$10,080.

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**OPERATING**

Police – \$10,750 has been budgeted to replace eight tasers for the department. \$7,000 has been budgeted for uniforms.

Fire - \$25,000 has been budgeted for turnout gear. The Town's goal is that every full time firefighter should have two sets of turnout gear. \$14,400 has been budgeted to replace nine AED's in all departments. \$5,000 has been budgeted for testing air packs. \$10,400 has been budgeted to purchase two battery powered ventilation fans. \$5,000 has been budgeted for fire hose replacement.

Sanitation – This is a new department for FY 20-21. Due to increased rates from our private contractor the Town will now be providing this service internally. The operating budget is \$419,400 for FY 20-21. This is approximately nine months due to the contract with Waste Pro ending on September 30, 2020. Disposal charges have also increased from \$132,000 to \$168,000. The increase is a result of recycling and yard waste disposal increases.

Manager Harrold discussed the sanitation budget stating he has proposed \$419,400 for the remainder of Fiscal Year 20-21 and reminded the Board of Aldermen the town will still be under contract with Waste Pro until September 1, 2020. Mayor Collins clarified providing sanitation services in-house will save Black Mountain Tax payers approximately \$300,000.

Recreation – Pool – Chemicals and assorted equipment replacement have increased expenses by \$14,000.

Manager Harrold clarified these expenses are for maintenance of the pool and for operating costs to open the pool in spring of 2021. Manager Harrold discussed preferences for opening the pool later in the summer and all Board members conceded it was unwise to attempt this due to COVID19 and the logistics and liability of doing so.

**CAPITAL**

Public Buildings - \$48,137 has been budgeted for IT needs, repair and painting at Town Hall, and replacement of HVAC at Black Mountain Center for the Arts.

Planning - \$50,000 has been budgeted for Riverwalk Greenway matching funds. This is a reduction of \$30,000 from FY 19-20. \$120,000 has been budgeted for Lake Tomahawk Dam repair.

Streets - \$20,000 has been budgeted for construction of Cherry Street pedestrian curb extensions.

**DEBT**

In spring 2020, the Town ordered four new sanitation trucks for \$572,000. Due to COVID-19, experts are projecting a substantial shortfall in revenues. Without knowing the impacts to the

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fourth quarter of FY19-20 and beyond, assuming debt is the more prudent option instead of spending fund balance. The principal and interest payment associated with this debt increase the FY20-21 budget by \$90,000.

Board members agreed assuming debt would be wise due to COVID-19 but preferred to pay it off with proceeds from the sale of the old public works building on Highway 70 as soon as possible.

### **GENERAL FUND REVENUES**

Ad Val/DMV Taxes - Budgeted 98% or \$3,965,595 for Ad Val and 95% or \$214,797 for DMV taxes. These revenues make up 45% of all General Fund revenues. I don't anticipate much of an impact from COVID-19 on these revenues.

Sales tax – Budgeted \$199,655 lower than FY19-20 levels, based on COVID-19 projections. FY19-20 revenue is projected to be down by over \$100,000. FY18-19 projections fell short of the budgeted amount by \$11,670.

Franchise Taxes – Budgeted \$25,000 lower than FY19-20 levels, based on State projections. Similar situation as sales tax mentioned above, except that actual franchise taxes peaked in FY14-15, and have actually slightly decreased since.

Buildings Permits – Budgeted \$2,500 higher than FY19-20 levels based on relatively flat construction projections. Building permit revenue has exceeded budgeted amounts in recent years.

Fund Balance Appropriated – Currently a balanced budget. In the last five fiscal years, the Town has averaged appropriated fund balance of \$234,000.

### **WATER FUND HIGHLIGHTS**

The FY 20-21 Water Fund is recommended at \$1,814,500, a 4.62% increase from FY 19-20.

### **PERSONNEL**

A 1.0 % COLA salary adjustment accounts for an increase of \$3,750. This takes effect in January 2021.

### **OPERATING**

Total water operating expenses have increased by \$76,874 mainly related to an increase in the amount of capital needed by the department because of the 600 water accounts the Town is expected to take over from the City of Asheville.

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**CAPITAL**

Capital is budgeted at \$413,000. Major budgeted items include, Asheville water line transfer infrastructure (\$300,000) and well pumps (\$113,000).

Alderman Larry B. Harris recalled discussions at the previous board meeting clarifying of the \$700,000 Project Engineer estimate \$250,000 was for upgrades to the pumping station near the Country Food Store.

**DEBT**

Decrease of \$2,828. The Water Fund is responsible for one half of the debt payment on the Foam and Fabric building.

**WATER FUND REVENUES**

The Town has budgeted a 5% rate adjustment for FY 20-21. For a resident of the Town using 5,000 gallons of water per month, this would equate to a monthly increase of \$1.63.

**GOLF FUND HIGHLIGHTS**

The FY 20-21 Golf Fund is recommended at \$629,300, a 2.3% increase from FY 19-20. This includes a 1.0% COLA salary adjustment at \$983. This will take effect in January 2021.

**PERSONNEL**

No full time positions are anticipated for the Golf Course in FY 20-21. Two part-time positions have been eliminated. The operations division continues to spend wisely while keeping the course well maintained.

**OPERATIONS**

The total operating cost of the golf course is \$6,700 higher than FY 19-20 levels. This is due to fuel and utility increases.

**CAPITAL**

There are no capital improvements budgeted for the golf course in FY 20-21.

**GOLF FUND REVENUES**

In May 2020, golf course rates for individual and family memberships will be increased effective May 15<sup>th</sup>. Green fees are also being increased. Additional options such as a Player's Pass and a walking fee will provide more options for golfers and provide us the opportunity to make the golf course self-sufficient.

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Manager Harrold discussed mass gatherings for town sponsored events such as the Fourth of July Fireworks and Park Rhythms events. He also asked for guidance on summer camps. Board members conceded to make a decision on the fireworks at a later date but decided to cancel summer camps and Park Rhythms events for this year citing the same safety and liability reasons for not opening the pool. The fireworks show could be held later in August or September with a 30 day notice to the vendor if COVID19 restrictions are lifted by that time.

***The Board will hold the Budget Public Hearing on Monday, June 22, 2020 at 5:30 p.m. at Town Hall.***

There was no further discussion.

***There being no further business, on a motion by Vice Mayor Maggie Tuttle and with a vote of 5-0, Mayor Don Collins adjourned the meeting at 9:45 a.m.***

ATTEST:

  
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Angela L. Reece, Town Clerk

  
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Don Collins, Mayor

  
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Josh Harrold Town Manager