



TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN  
FY20-21 BUDGET PUBLIC HEARING MEETING MINUTES  
June 22, 2020

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**THE BLACK MOUNTAIN BOARD OF ALDERMEN** held a budget public hearing on Monday June 22, 2020 at 5:30 p.m. in the board room of Town Hall, 160 Midland Avenue, Black Mountain, NC. The purpose of the meeting was to discuss approval of the FY2020-21 Budget and Capital Improvement Plan projects for the Town.

**1. CALL TO ORDER**

*Mayor Collins called the meeting to order at 5:30 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  
Jennifer Tipton, Zoning Administrator

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 Budget Public Hearing at 5:31 p.m.

The following addressed the Board of Aldermen:

Jennifer Billstrom of 825 North Oconeechee Avenue , Paul (inaudible) of 109 4th Street, Cortney Smith of Lakey Gap, Ms. Finley (inaudible) of South Cotton Ave.

Manager Harrold read comments received online.

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Town Manager Harrold began the discussion again discussing revenue projections stating there will be significant shortfalls in revenues due to the COVID19 Pandemic. Manager Harrold stated sales tax revenues are currently projected to come in around 30% or lower depending on the economy. Manager Harrold discussed the part-time Community Garden and Golf Course positions stating he has added them back into the proposed budget. Manager Harrold stated Black Mountain's total budget for FY 2020-21 is \$11,858,765, an increase of 2.30% from the previous fiscal year. Personnel, capital and debt costs show increases from the FY19-20 adopted budget, while operating costs shows a decrease. The increase in personnel costs is mainly due to a 0.5% COLA adjustment for all full time employees, five new sanitation positions and an increase in LGERS contribution to the retirement system.

### **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.

### **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. 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.

## **Operating**

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

Police Chief Shawn Freeman addressed comments regarding specific line items for safety equipment and body armor stating these items were partially paid for with asset forfeiture funds in the last fiscal year and stressed the need for proper equipment for the safety of officers in performing their statutory duties. Chief Freeman discussed the use of force continuum and the need for less than lethal options such as tasers, gas and pepper spray as well as the amount of ammunition necessary to keep on hand for annual trainings which are mandated by the State.

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*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 WastePro 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. Alderman Larry B. Harris reminded everyone that this amount is a cost savings over the proposed contract pricing Waste Pro submitted in the RFP process earlier this year. It is a significant savings to tax payers to bring sanitation services in house.

Alderman Larry B. Harris discussed the remainder of the proceeds from the sale of the old Public Works building on Highway 70 stating this is approximately \$500,000 and said he has proposed appropriating these funds toward the debt of the purchase of the new public works facility on Black Mountain Ave. Alderman Ryan Stone stated he was in agreement and recalled a number of public requests asking to utilize the proceeds to pay down debt on the new facility. Mayor Don Collins stated he was also in favor.

***Alderman Larry B. Harris moved to appropriate the remaining sale proceeds of the former public works facility located on Highway 70 toward the principal debt on the new public works facility located at 304 Black Mountain Avenue. The motion was unanimously approved by a vote of 5-0.***

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

**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 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.

**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 FY1415, 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**

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.

**Capital**

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

#### 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. 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 15th. 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.

Manager Harrold stated the tax payers of Black Mountain should be proud of our emphasis on fiscal responsibility with a regionally competitive tax rate, a low level of debt service and the continued strengthening of our fund balance. The budget for FY 2020-21 proved to be a difficult budget due to the ongoing pandemic in the United States. In addition, we continue to pursue grant opportunities, streamline our service levels and make wise capital investments. Our commitment to excellence makes the Town of Black Mountain one of the greatest places to live, work and raise a family. Manager Harrold thanked staff for their work on the budget. Board of Aldermen

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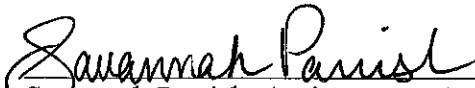
members thanked Manager Harrold for the difficult task of preparing this budget given the extraordinary circumstances all municipalities have faced due to the COVID19 Pandemic and social unrest. Alderman Ryan Stone expressed appreciation of the Manager and of staff for their recommendations which resulted in the addition of a new department and positions while maintaining the same tax rate and services to the citizens of Black Mountain.

***Alderman Larry B. Harris moved to adopt Fiscal Year 2020-21 Annual Budget and Capital Improvement Plan as presented. The motion was unanimously approved by a vote of 5-0.***

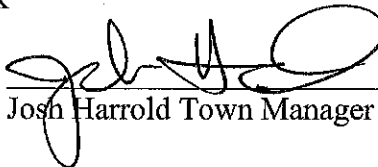
There was no further discussion.

***There being no further business, on a motion by Alderman Ryan Stone and with a vote of 5-0, Mayor Don Collins adjourned the meeting at 6:37 p.m.***

ATTEST:

  
Savannah Parrish, Assistant to Manager/Town Clerk

  
Don Collins, Mayor

  
Josh Harrold Town Manager

