



MINUTES

**Town of Weaverville
State of North Carolina**

**Town Council Special Called Meeting
Tuesday, April 23, 2018**

The Town Council for the Town of Weaverville met for a Special Called Meeting on Tuesday, April 23, 2018, at 6:00 p.m. in Council Chambers within Weaverville Town Hall at 30 South Main Street, Weaverville, North Carolina.

Council members present were: Mayor Al Root, Vice Mayor/Councilman John Penley, Councilwoman Dottie Sherrill, Councilman Doug Jackson, and Councilman Patrick Fitzsimmons. Councilman Andrew Nagle was absent.

Staff present was: Town Manager Selena Coffey, Town Attorney Jennifer Jackson, Town Clerk Derek Huninghake, Police Chief Alan Wyatt, Fire Chief Ted Williams, Town Planner James Eller, Finance Officer Tonya Dozier and Public Works Director Dale Pennell.

1. Call to Order

Mayor Al Root called the meeting to order at 6:03 p.m.

2. Overview

Town Manager Selena Coffey opened the meeting by providing Town Council with a preliminary FY 2018-2019 PowerPoint handout. She informed them that it was available to view at the Town Hall and on the Town's website. The PowerPoint highlights the FY 2019 Revenue and Expense projections for the General and Water Funds, and financing options available on the Lake Louise Community Center.

3. General Fund Revenue/ Expenditures

Town Manager Selena Coffey gave an overview of the General Fund FY 2019 Preliminary compared to the FY 2018 budget. She notified Council that not a lot has changed on the revenue projections for the FY 2019 preliminary budget from the previous budget workshop, except that Buncombe County had a deadline of April 15 for any requests for increases to the fire tax rate. She has requested a rate increase of \$0.008 to help offset expenditures, which will increase our fire tax rate to 12%. As far as expenses, each department's personnel expenses reflect the 3% merit and 2% COLA rates. The Town Council and Administration expenses include an increase in capital equipment to cover new carpet and security equipment. The Police Department expenses include the addition of a School Resource Officer position, new security equipment and replacement of two patrol vehicles. The Fire Department expenses show an increase to cover three additional Firefighter positions and vehicle maintenance due to aging fire trucks. The Public Works Department includes increases to operational expenses for staffing to maintain parks and Town Hall maintenance, due to eliminating the landscaping contract, as well as continuing the Streets Maintenance Plan and \$50,000 for rehabilitation of the Central Avenue bus garage in capital improvements. She reminded Council that the Town has over \$3 million in available Fund Balance after their fund balance policy of 40% is applied, not including the \$550,000 set aside from the Eller Cove Watershed. The whole list of General Fund revenues and expenditures is on the attached power point.

4. Water Fund Revenue/ Expenditures

Town Manager Selena Coffey covered the Water Fund FY 2019 Preliminary compared to the FY 2018 budget and mentioned that the major revenue sources for the Water Fund are projected to be higher than budgeted due to increases in water rates and Town growth. There could also be additional revenue from system development fees, if they are implemented. She noted that the key expenses for the Water Fund were increases to capital and capital improvement, which includes replacing water meters with radio read meters, two truck replacements and Ox Creek tank repairs. The fund balance for the Water Fund at the end of the fiscal year shows a balance of \$2.812 million.

5. Potential Financing Options

Town Manager Selena Coffey mentioned that some upcoming projects that Town Council needs to keep in mind going forward is the costs of the community center project, the replacement of the roof and lighting at the former bus garage and expansion of the water plant. Finance Officer Tonya Dozier has reached out to some financial advisors, who gave her some potential financing options for the community center ranging from \$500,000 to \$1.8 million. After looking at these options, it is important to note that interest rates are only going to keep increasing in today's market. Town Manager Coffey mentioned that it is important for Council to discuss these options, so we have a plan on which direction we want to go in the future with these projects.

6. Questions/ Discussion

Mayor Root questioned if the additional fund balance funds were accruing interest and possibly using some of those funds to build a great community center to place the Dry Ridge Museum in. Councilman Jackson wondered if the overall cost for the community center that was brought before Council is only going to be \$1.8 million. Public Works Director Dale Pennell mentioned that the figure that was brought before them didn't include fees for site prep, engineering fees or even furnishing the community center. Town Manager Coffey noted that there is a Recreation Advisory Board meeting coming up on May 9, so maybe we can gather their input and then go back to John Legerton with it.

Mayor Root asked if we had received any additional information about the expansion to the water plant and if it would affect the budget this year. Town Manager Coffey mentioned that staff has received the draft from WR-Martin and are still reviewing it, but she doesn't see where Council will have to make major budget changes for FY 2019 related to this project. Public Works Director Dale Pennell mentioned to Council that through research the consultants found documentation from the late 1990s, when the water plant was originally built, that the Town was permitted to pull 4.0 million gallons out of the river. This will save the Town a lot of time and money in studies for approval to withdrawal more water from the river.

7. Next Steps

Town Manager Selena Coffey mentioned that the next step will be to update the fee schedule and implement any budget revisions. The next budget workshop is scheduled for May 8 at 6pm in the Training Room at the Weaverville Fire Department.

8. Adjournment

Councilman Jackson made the motion to adjourn; Councilman Penley seconded and all voted to adjourn the Council's meeting at 7:03 p.m.



Derek K. Huninghake, Town Clerk

Town of Weaverville Town Council Budget Workshop FY 2018-2019 Budget

April 23, 2018

Presenter:
Selena Coffey, MPA, ICMA-CM
Town Manager



PRELIMINARY FY 2019 BUDGET

- Part I: General Fund
- Part II: Water Fund
- Part III: Financing Options

GENERAL FUND

FY 2019 Preliminary Revenue Projections

By Source	FY 2018 Budget	FY 2019 Preliminary	% Variance
Prior Year Taxes	\$1,600	\$2,500	56.3%
Prior Year Interest & Penalties	\$200	\$200	0.0%
Ad Valorem Taxes	\$3,110,600	\$3,008,164	-3.3%
DVM Tax Revenue	\$180,000	\$250,000	38.9%
Tax Penalties & Interest	\$5,000	\$4,000	-20.0%
Utility Franchise Tax	\$480,000	\$450,000	-6.3%
Beer & Wine Excise Tax	\$16,000	\$16,000	0.0%
Powell Bill Distributions	\$100,000	\$106,000	6.0%

FY 2019 Preliminary Revenue Projections

By Source	FY 2018 Budget	FY 2019 Preliminary	% Variance
Local Government Sales Tax	\$1,127,357	\$1,290,000	14.4%
Buncombe Co Fire Protection	\$1,358,293	\$1,387,000 *	2.1%
ABC Revenue	\$91,142	\$110,000	57.1%
Cell Tower Revenue	\$16,000	\$16,000	0.0%
Miscellaneous Revenue	\$9,000	\$7,500	-16.7%
Interest Earned	\$5,000	\$26,000	420.0%

* In order to meet the County's deadline, but without having the opportunity to speak with Town Council, I have submitted a preliminary request to increase the North Buncombe fire district tax rate from 0.0112 to 0.012. This would raise the Town's revenue by approximately \$78,000 to offset the Fire Department's expenses. This request can be withdrawn if Town Council so desires.

5

FY 2019 Preliminary Revenue Projections

By Source	FY 2018 Budget	FY 2019 Preliminary	% Variance
Interest Earned – Powell Bill	\$150	\$300	100.0%
Zoning Inspection Fees	\$20,000	\$25,000	25.0%
Fire Inspection Fees	\$600	\$300	-50.0%
Sale of Property	\$5,000	\$5,000	0.0%
Appropriated Fund Balance	\$453,894	\$158,520	-65.1%
TOTAL	\$6,979,836	\$6,862,484	-1.7%

6

Town Council

Description	FY 2018 Budget	FY 2019 Preliminary	% Variance	Justification
Personnel Expenses	\$83,736	\$89,522	6.9%	• Includes merit and COLA for Atty
Operational Expenses	\$152,050	\$137,800	-9.4%	• Reduction due to codification in current year budget • No election cost in FY19
Capital Equipment	\$0	\$10,000	100%	• Town Hall carpet and security equipment
TOTAL	\$235,786	\$237,322	0.7%	

Administration

Description	FY 2018 Budget	FY 2019 Preliminary	% Variance	Justification
Personnel Expenses	\$427,985	\$428,622	0.1%	
Operational Expenses	\$188,934	\$171,420	-9.3%	• Decrease due to server upgrade in current year budget • Reduction in bank card fees
Capital Equipment	\$30,000	\$53,000	76.7%	• Town Hall carpet and security equipment
TOTAL	\$646,919	\$653,042	0.9%	

Planning & Code Enforcement

Description	FY 2018 Budget	FY 2019 Preliminary	% Variance	Justification
Personnel Expenses	\$84,197	\$87,210	3.6%	• Includes merit and COLA
Operational Expenses	\$27,000	\$19,000	-29.6%	• Decreases due to less travel expense, less various expenses
Capital Equipment	\$0	\$0	\$0	• No capital requested
TOTAL	\$111,197	\$106,210	-4.5%	

9

Police Department

Description	FY 2018 Budget	FY 2019 Preliminary	% Variance	Justification
Personnel Expenses	\$1,279,203	\$1,256,006	-1.8%	• Decreases due to former Chief's retirement • Includes addition of a School Resource Officer position
Operational Expenses	\$332,553	\$279,850	-15.8%	• Decreases due to fewer new vehicles to equip • Other reductions based on cost-savings • Cops for Kids not budgeted until received
Capital Equipment	\$121,709	\$95,000	-21.9%	• Includes replacement of 2 patrol vehicles, security equipment and digital video system server
TOTAL	\$1,733,464	\$1,630,856	-5.9%	

10

Fire Department

Description	FY 2018 Budget	FY 2019 Preliminary	% Variance	Justification
Personnel Expenses	\$1,647,476	\$1,804,829	9.6%	<ul style="list-style-type: none"> Includes 3 additional Firefighter positions
Operational Expenses	\$316,680	\$326,222	3.0%	<ul style="list-style-type: none"> Increase in vehicle maintenance due to aging fire trucks Increase in uniforms and supplies for 3 additional positions Increases in various accounts due to 10% increase in call volume
Capital Equipment	\$45,000	\$0	-100.0%	<ul style="list-style-type: none"> No capital requested
TOTAL	\$2,009,156	\$2,131,051	6.1%	

11

Public Works: All Divisions (Streets, Sanitation, Recreation and Powell Bill)

Description	FY 2018 Budget	FY 2019 Preliminary	% Variance	Justification
Personnel Expenses	\$767,066	\$801,443	4.5%	<ul style="list-style-type: none"> Increases in personnel accounts due to merit and COLA
Operational Expenses	\$435,645	\$495,268	13.7%	<ul style="list-style-type: none"> Increase to contract labor account due to additional funds for temporary/part-time staffing to maintain parks and new addition of Town Hall maintenance – Offsetting eliminated landscaping contract Increase due to refurbishment of streets holiday lighting
Capital Improvements	\$515,000	\$363,400	-29.4%	<ul style="list-style-type: none"> \$300,000 Streets Maintenance Plan \$50,000 (Half of estimated) for rehabilitation of Central Avenue bus garage \$7,900 Upfits for salt-sand spreaders
Capital Equipment	\$111,900	\$45,500	-59.3%	<ul style="list-style-type: none"> \$22,000 Security improvements \$23,500 UTV addition for parks and Eller Cove Watershed maintenance
TOTAL	\$1,829,611	\$1,705,610	-6.8%	

12

General Fund Debt Service

Description	FY 2018 Budget	FY 2019 Preliminary	% Variance
Loan Payment-Fire Truck 09/14	\$53,541	\$53,541	0.0%
Loan Payment-Fire Trucks	\$149,413	\$74,707 *	-50.0%
Loan Payment-Fire Station	\$255,021	\$250,145	-1.9%
TOTAL	\$457,975	\$378,393	-17.4%

* This represents one final bi-annual payment

13

General Fund Contingency

Description	FY 2018 Budget	FY 2019 Preliminary	% Variance
Contingency	\$20,000	20,000	0.0%
TOTAL	\$20,000	\$20,000	0.0%

14

General Fund Fund Balance

• Available fund balance at 6/30/2017:	\$5,591,623
• Council's fund balance policy (40% target)	<u>\$2,548,636</u>
• Amount over fund balance policy *	\$3,042,987

* These figures do not include \$550,000 in Eller Cove Watershed proceeds

15

WATER FUND

16

Water Fund Revenue

Description	FY 2018 Budget	FY 2019 Preliminary	% Variance	Justification
Water Revenue	\$1,800,000	\$1,845,000	2.5%	<ul style="list-style-type: none"> Increase in revenue due to growth Increase in water rates by 2%
Miscellaneous Revenue	\$20,000	\$17,000	-15.0%	
Water Taps	\$18,000	\$35,000	94.4%	<ul style="list-style-type: none"> Increase due to growth
Capacity Depletion Fees	\$36,000	\$70,000	94.4%	<ul style="list-style-type: none"> System Development Fees if implemented
Fees for MSD Collection	\$45,000	\$50,000	11.1%	<ul style="list-style-type: none"> Increase due to growth
Interest Water Revenue	\$2,500	\$12,000	380.0%	<ul style="list-style-type: none"> Earnings from investment accounts
Appropriated Fund Balance	\$186,416	\$174,221	-6.5%	
TOTAL	\$2,107,916	\$2,203,221	4.5%	

17

Water Fund Expenses

(Includes Administration, Production, Maintenance, Contingency & Debt Service)

Description	FY 2018 Budget	FY 2019 Preliminary	% Variance	Justification
Personnel	\$969,529	\$1,006,001	3.8%	<ul style="list-style-type: none"> Includes merit and COLA
Operational	\$631,881	\$556,850	-11.9%	
Capital	\$261,900	\$40,000	-84.7%	<ul style="list-style-type: none"> \$40,000 Replacement of water meters with radio read meters
Capital Improvements	\$20,000	\$381,100	857.5%	<ul style="list-style-type: none"> \$73,600 2 truck replacements with related equipment \$50,000 (Half) for rehabilitation of Central Ave bus garage \$60,000 Ox Creek tank repairs \$16,000 Rebuild raw water pumps \$115,000 Replace filter bed media \$15,000 Rebuild chlorine gas delivery syst \$29,500 Replace raw water flow valve \$13,000 Repaint building \$9,000 Water system improvements
Contingency	\$15,000	\$15,000	0.0%	
Debt Service	\$209,607	\$204,270	-2.5%	
TOTAL	\$2,107,916	\$2,203,221	4.5%	

18

Water Fund Fund Balance

- Water fund balance at 6/30/2017: **\$2,812,547**

19

POTENTIAL FINANCING OPTIONS: COMMUNITY CENTER

Important Note: Interest rates are increasing in today's market.

Amount Financed	Interest Rate	Term	Average Annual Debt Service
\$1,800,000	3.25%	10 years	\$212,175
	3.75%	15 years	\$156,000
	4.25%	20 years	\$130,163
\$1,000,000	3.25%	10 years	\$117,875
	3.75%	15 years	\$86,604
	4.25%	20 years	\$72,313
\$500,000	3.25%	10 years	\$58,937
	3.75%	15 years	\$43,271
	4.25%	20 years	\$36,156

20