



## MINUTES

**Town of Weaverville  
State of North Carolina**

**Town Council Workshop, Budget  
Tuesday, June 9, 2020**

### **Remote Electronic Meeting**

**Zoom: <https://us02web.zoom.us/j/86933148422>**

The Town Council for the Town of Weaverville met for its regularly scheduled workshop on Tuesday, June 9, 2020, at 6:00 p.m. via a remote electronic meeting on Zoom.

Council members remotely present were: Mayor Al Root, Vice Mayor/Councilmember Doug Jackson and Councilmembers Dottie Sherrill, Patrick Fitzsimmons, Jeffrey McKenna, and Andrew Nagle.

Staff present was: Town Manager Selena Coffey, Planning Director James Eller

Staff present remotely was: Town Attorney Jennifer Jackson, Finance Officer Tonya Dozier, Fire Chief Ted Williams, Police Chief Ron Davis, Public Works Director Dale Pennell and Water Treatment Supervisor Trent Duncan.

### **1. Call to Order**

*Mayor Al Root called the meeting to order at 6:00 p.m.*

### **2. Public Hearing on Fiscal Year 2020-2021 Budget**

*Mayor Root opened the public hearing on the 2020-2021 fiscal year budget at 6:01 pm.*

Town Manager Selena Coffey began the public hearing by mentioning that she is proposing a few changes to the budget that were outlined in her recent budget memo including adding the \$10,000 NCDOT Bicycle and Pedestrian Grant matching funds and deleting \$3,000 in revenue generated by fishing permit fees.

It was noted that no member of the public provided comment via emailing [public-comment@weavervillenc.org](mailto:public-comment@weavervillenc.org), inserting into a drop box at Town Hall, or mailing to the Town's PO Box, as advertised on the public hearing for written comments; and no member of the public was in attendance in person at Town Hall or via zoom, Mayor Root asked for a motion to close the public hearing. *Councilmember McKenna motioned to close the public hearing. Vice Mayor Jackson seconded and via roll call each council member voted in favor of the motion. Motion passed unanimously 5-0.*

### **3. Budget Discussion & Potential Direction to Town Manger**

Mayor Root asked Councilmembers to discuss any issues concerning the proposed budget that they might have.

Vice-Mayor Jackson noted his position that possible pay raises should be revisited and possibly added in January rather than budgeted now. After further discussion, including a review by the Town Manager of what other jurisdictions in Buncombe County are doing, *it was the consensus of Town Council to remove all cost of living increases and merit bonuses from the budget and revisit those possible increases in December or January.*

Vice Mayor Jackson noted his position that the town should wait on potentially budgeting backup generators for the water treatment plant. *It was the consensus not to add the capital expenditure for the backup generators to this budget.*

Councilman Fitzsimmons noted that Council should reconsider the water rate increase due to current economic conditions. Vice-Mayor Jackson mentioned that no increase or half of the proposed 4% increase could be explored. Councilman McKenna suggested a one year relief from increases to water rates. Town Attorney Jackson noted that the proposed 4% rate increase is linked with the USDA loan for waterline construction which is backed solely by revenues and expressed concern over eliminating or greatly reducing the water revenues. Finance Officer Dozier noted that the proposed increase is based upon the Withers-Ravenel study conducted to secure the USDA loan. Mayor Root inquired if increased development could be used to offset a rate increase. It was confirmed that revenues are also positively affected by growth in the system from new customers. Finance Officer Dozier noted that fund balance could not be used and referred to materials that showed the monthly impact of a 4% increase on the water bills is fairly minimal for the vast majority of water customers. Councilman Nagle suggested that the rate increase would be minimal for individual payers and the town should not jeopardize the loan. Upon inquiry from Mayor Root, *the 4% water rate increase proposed by staff based on the Withers-Ravenel study linked with the USDA loan became the consensus of Council.*

Councilman Nagle inquired as to the shown increase in Town Council expenditure. Town Manager Coffey stated that this was in part due to Town Attorney compensation and a FICA increase. *It became the consensus of Council that staff should explore the possibility of breaking these expenses out in some manner to make it clearer within the governing body's budget line items.*

Councilman McKenna noted that the waiver of the fishing permit fee should be advertised as a temporary one-year arrangement so as not to appear as a permanent entitlement. Councilman McKenna also noted that Council should explore best practices for protests or demonstrations as an agenda item at a future meeting.

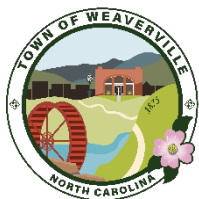
Town Manager Coffey noted that \$8,000 has been added to the budget for the first year of corrective action based on the ADA Transition Plan,

Mayor Root noted that should individual members of Council desire an additional workshop for discussion of the budget on next Tuesday, they should notify Town Manger Coffey by Friday, June 12, 2020, to allow time to provide the proper noticing of the special meeting.

#### **4. Adjournment**

*Councilmember Nagle made the motion to adjourn; Councilmember McKenna seconded and via roll call each remaining member of Council affirmed the motion. Motion passed unanimously 5-0.*

  
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**James Eller, Interim Town Clerk**



## BUDGET MEMO

To: Mayor and Town Council Members

From: Selena D. Coffey, Town Manager

Date: June 8, 2020

Subject: Follow-up Budget Information

I am writing to provide you follow-up to your last budget discussion. Please find information as you requested below:

**Bike-Ped Planning Application:** Per your discussion and consensus at your last budget workshop, we have added \$10,000 to the fiscal year 2020-2021 budget. These funds are budgeted in the Planning Department professional services account.

**Grant-Writer Funding:** Per your discussion and consensus, Councilman Fitzsimmons received quotes for grant writer services. These quotes from individual grant writers ranged from \$25 per hour to \$65 per hour. I am proposing that we include \$15,000 within the budget for a “project” employee to be paid per grant award by contract. These funds have been included in the Administration professional services account.

**ADA Transition Plan:** As you are aware, we have been working on the required ADA Transition Plan. You will see the Plan itself at your next regular meeting on June 22. I am adding \$8,000 to the fiscal year 2020-2021 budget for year one to address accessibility barriers that have been identified in the Plan. Again, I want to make sure everyone is aware that this is only for year one and we expect more significant funding necessary in the following five fiscal years in order to be in complete compliance. These funds are budgeted in Public Works, as this year’s remediation can be completed in-house.

**Emergency Generators:** At your last meeting, you requested that staff evaluate the potential installment purchase terms for \$900,000 for emergency generators for the water treatment plant. While we requested terms from First Citizens, BB&T, and First Tryon Financial Advisors, we only received a response from First Tryon. First Tryon suggested that, given banking volatility, we might

expect a 2.75% rate. This would bring our annual debt service payment to \$102,500 for a 10-year term and \$74,000 for a 15-year term. I would ask that you discuss this and give direction to staff as to whether you wish to begin this purchase now or wait until we begin the water treatment plant expansion.

**Waiving Fishing Licenses:** I am proposing that the Town waive Town fishing licenses for one year (until June 30, 2021). This is not reflected in the actual budget numbers because I feel that we can absorb the estimated \$3,000 that we will lose in waiving these fees. I do recommend that we continue to enforce the State fishing license, however.

**Merit and COLA Survey:** Per your request, I have surveyed neighboring jurisdictions regarding their proposed merit pay or COLA. The resulting information is below:

Organization	COLA	Merit	Additional Notes
Asheville	n/a	n/a	Recently completed Comp and Class Study to be implemented; Also recommending a minimum starting salary and adjusting all employees making less than \$31,200 to that amount except for public safety employees.
Biltmore Forest	2.0%	0.0%	Revisiting merit pay in November/December
Black Mountain	2.0%	0.0%	----
Buncombe County	TBD	0.0%	Do not have a merit policy; COLA is based on the CPI at year-end and paid in April 2021.
Woodfin	0.0%	0.0%	----
MSD	0.0%	0.0%	Originally recommended 2.5% increase for employees along with a 2.5% increase in customer rates but revised this to no employee increase and no rate increase; Plans to revisit in January 2021.

**Water Rates:** Some of Town Council questioned the water rate increase proposed within the budget. While I feel that our water customers may need some relief during these difficult times, I urge you to be cautious about removing the rate increase altogether. Our current USDA loan will be in the form of Revenue Bonds once the project is complete and our interim financing is converted to the USDA loan. Revenue bonds require that the Town be able to pay the debt service through revenue generated from the sale of water, not from savings in the Water Fund. In essence, our revenue stream serves as collateral for the loan. As part of the approval process with USDA and the LGC, we had to show that we will be generating sufficient revenues when the first payment on the USDA bonds is due (which falls in fiscal year 2021-2022). In addition to the debt service payment itself, we are required to deposit funds into a reserve

each year, for the first 10 years. For the USDA and LGC applications, we estimated a 5% increase in water rates for the upcoming fiscal year. The calculations showed we would have enough to cover the debt service and reserve deposits, with a little room to spare. As you saw in the brief water rate analysis I sent earlier, a 4% increase in water rates only yields an estimated additional \$63,000 in revenue. We could possibly reduce the increase for fiscal year 2020-2021 to 2% but I think anything lower than that puts us in danger of violating the loan agreement. In addition, the last 10-year timeline Withers Ravenel provided called for a 4% increase in fiscal 2020-2021 and a 5.5% increase the following year, along with increases between 2-5% each year after. Any year we don't increase will force a much larger increase at some point in order to make up.

I thought it might be helpful for you to have the following information as you consider water rate increases. The following information is based on a 3-month average bill as of January 2020:

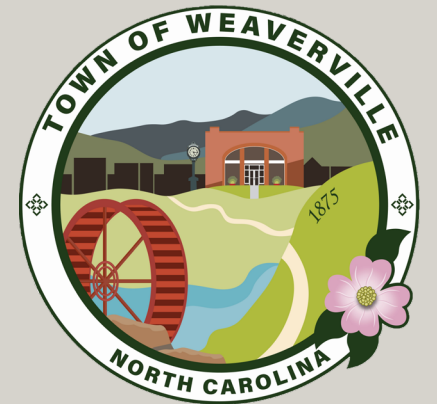
<i>3 mo average at Jan-2020 :</i>	Gallons	*Cost	<i>[Increase in average water bill]</i>		
			<b>2% Increase</b>	<b>3% Increase</b>	<b>4% Increase</b>
Inside Residential	5,006	\$ 44.45	\$ 0.89	\$ 1.33	\$ 1.78
Outside Residential	3,648	\$ 63.36	\$ 1.27	\$ 1.90	\$ 2.53
Increase in budgeted revenue:			\$ 31,600	\$ 47,400	\$ 63,200
Minimum monthly bill:					
Inside Residential		\$ 17.04			
Outside Residential		\$ 34.08			

\* Cost is water only. The total customer bill includes: a flat sewer fee based on meter size, MSD fee based on usage, recycling, any line/leak protection. For example, a minimum bill with \$17.04 in water becomes \$37 total when including the aforementioned.

# Public Hearing on the FY 2020-2021 Proposed Budget

## *Town of Weaverville*

June 9, 2020



FY 2020-2021  
Proposed  
Budget

General Fund Budget  
\$7.28 million

- 7.0% decrease
- \$547,066 decrease

# General Fund Revenue Highlights

- Ad valorem taxes
  - No rate change, \$0.38 per \$100 valuation
  - 2.6% increase (+\$83,000)
- North Buncombe Fire District taxes
  - No rate change, \$0.12 per \$100 valuation
  - 4.2% decrease (-\$67,765)
- Sales taxes
  - 25% loss in last quarter for current year anticipated (-\$90,000)
  - \$1.1 million in upcoming fiscal year, 20% decrease (-\$279,200)



# General Fund Revenue Highlights

- No new fees
- Waiving fishing license fees for one fiscal year (until June 30, 2021)
- Recycling grant
  - \$87,500 total project cost
  - \$30,000 grant from the NC Department of Environmental Quality
  - Applied for additional \$13,000 grant, no notice of award to date
- Interest earnings income
  - Approximate \$150,000 loss
- Fund balance
  - \$279,668 to balance operational expenses
  - \$7.2 million currently
  - \$3.6 million for community center construction (phases I and II)

# General Fund Expenditure Highlights

- General liability insurance, 6.0% increase
- Health and dental insurance, 6.5% increase
- Debt Service
  - Final debt service payment for fire station, \$125,000 reduction due to final payment
  - Offsets loss in North Buncombe Fire District tax revenue and funds \$28,000 for extraction tools for Weaverville Fire Department
- Grant-writer project position funds, \$15,000
- Bike-Ped Plan application funds, \$10,000
- ADA Transition Plan year one remediation expenses, \$8,000

# Expenditure Highlights, Continued

- Police Department
  - Funds for succession planning restructuring, \$8,200
  - 2 hybrid patrol vehicles, \$111,200
- Fire Department
  - Extrication tools, \$28,000
- Public Works
  - Main Street striping, \$9,000
  - Minimal minor street repairs, \$100,000 using Powell Bill funds only
  - Grant match for recycling carts, \$57,500
  - Replacement of swing set at Lake Louise Park, \$9,000
  - Replacement trailer for hauling equipment, \$5,000

# Water Fund

Water Fund budget  
\$2.3 million

- 3.2% decrease
- \$77,500 decrease

# Water Fund Revenue Highlights

- Unrestricted Net Position
  - \$2.95 million as of June 30, 2019
  - Transfers \$271,685 to Capital Reserve Fund for water treatment plant expansion
- Water rates
  - Proposed rate aligns with 2<sup>nd</sup> year of Withers-Ravenel water rate analysis for expansion of water treatment plant
  - Recommend further discussion of potential for increase in water rates
- System Development Fees
  - Estimates revenues at \$147,312 for 828 North apartments, Greenwood Park homes, and some of the Northridge Commons townhomes expected to be constructed in upcoming fiscal year

# Water Fund Expenditure Highlights

- Replacement of gas and diesel dispensing pumps, \$14,600
- Replacement of fluorescent bulbs with LEDs at Public Works, \$7,000
- Upgrade of fire alarm system at Public Works, \$9,500
- Sealcoat and re-stripping of parking lot at Public Works, \$5,000
- Replace 1986 air compressor at water plant, \$28,500
- Continuation of radio-read meter change-out program, \$40,000
- Waterline improvements, \$75,000
  - Shuford Road waterline
  - Coleman Street waterline
  - Abandonment of last section of asbestos-cement waterlines

# Looking Forward

- Major projects
  - Community Center
  - Water Treatment Plant Expansion
  - Reems Creek Greenway
  
- Pivot points throughout the fiscal year

- Additional Workshops TBD
- Adoption of Budget on Monday, June 22 at 7pm



Thank you!

