

**MINUTES**  
**BREVARD CITY COUNCIL**  
**Budget Work Session #1**  
**June 3, 2019 – 5:30 P.M.**

The Brevard City Council met on Monday, June 3, 2019, for a budget work session. The scheduled budget work session was held in City Council Chambers to discuss the proposed FY20 budget. Mayor Jimmy Harris called the work session to order at 5:30 P.M.

Present: Mayor Jimmy Harris, Mayor Pro Tem Mac Morrow, Council Members Charlie Landreth, Maurice Jones, Gary Daniel and Maureen Copelof.

Staff Present: City Manager and Finance Director Jim Fatland, City Clerk Jill Murray, Planning Director Daniel Cobb, Police Chief Phil Harris, HR Director Kelley Craig, Fire Chief Bobby Cooper, WWTP ORC Emory Owen, Water Plant ORC Dennis Richardson, Public Works Director David Lutz, Executive Assistant to City Manager Denise Hodsdon and Deputy Finance Director Tom Whitlock.

Press: Matt McGregor, Transylvania Times

**A. Welcome** – Mayor Harris called the meeting to order and welcomed those present to the regular scheduled budget work session.

**B. Quorum** –City Clerk certified a quorum present.

**C. Agenda** – Mr. Morrow moved, seconded by Mr. Landreth the Agenda be accepted as presented. Motion carried unanimously.

**D. Proposed FY 2019-20 Budget Review**

The proposed budget was presented to Council members at their May 20<sup>th</sup> regular meeting. The agenda was given to each Council member and Department Directors prior to this meeting. Mr. Fatland offered in an effort to cover most, if not all, of the items listed upon the Agenda, he would like for Council to review each item as listed. Department Directors are in attendance to answer any questions specific to their Departments. Upon review and discussion, if there are no requested changes they will move on to the next item. Council agreed.

The City Manager began by handing out the agenda and stated that staff is prepared to discuss items in detail if necessary.

Mayor Harris opened by saying that the Pisgah Forest and Brevard Rotary Clubs give monies to our local charities and they put a clock on Domokur's Plaza and I spoke to Nick and he asked if I could present a proclamation called Brevard Rotary Day. Mr. Morrow moved, seconded by Mr. Jones to approve the proclamation. Motion carried unanimously.

The City Manager gave the following opening comments:

“At the May 20<sup>th</sup> Council meeting, I presented an overall summary of the budget. We recommend a 4% increase for the water and sewer fund. We adopted a meter read system several years ago but the larger meters don't read very well so we'd like to replace them. Zaxby's had a 280% increase after we replaced the meter. Also, if we could have renegotiated our fees with the County for tax collection, we'd stay with them but the County did not agree to that so we are going to do it. As a result, our part-time employee, Tina Tanner, will become a full-time employee. The County Manager also asked that we collect for the Heart of Brevard at the rate of ½ of 1%. Sales tax is also up.

Mr. Landreth said that our fund balance is creeping up. Our budget shows a modest increase. The State statutory requirement is 8% and by ordinance we have a 30% goal. I would like to ask the Finance Committee to study a new fund balance goal that reflects the change since we're doing tax collection now.

Mr. Landreth added that for at least 8 years, Council and Mayor pay has been the same and I feel like my time commitment has grown extensively but I am concerned it takes a particular type of person and particular type of financial situation and I think the City should look at at least cost of living increases, otherwise we're going to find ourselves in a hole that we can't get out of. Mr. Fatland added that we need to find out what other cities our size are paying their Council and Mayor and get back to you.

City Manager, Council and Department Directors reviewed all items as described on the agenda and the following was discussed:

Below are discussion/action items and/or changes to the proposed budget that resulted from the budget work session:

1. **Finance/IT (Tab 9)** - Mr. Landreth stated that in the IT budget he noticed there were a lot of computer expenses and I'm wondering if we have enough. There's a point where you set up an IT budget and I feel like we have an unknown mass of expense and I know we have an IT budget, but we don't see everything in it. I would like to see it broken down. Planning's budget gets inflated because they carry the web expense for the whole City. In future budgets, I'd like to allocate reasonable amounts of money for contracted work so that our staff is not put in the position to do a whole lot of work and it not be quick enough.
2. **Planning Department (Tab 11)** - Daniel Cobb said that the planning department added a new employee Bryan Brightbill. He started in mid-April and is doing very well. Also in our Professional Services budget we set aside \$100,000 and a large portion of that goes towards but strategic expenses with regards to the bike path or the skate park or the Tannery project. Things like that that that we don't know exactly when it's going to come due so rather than take money from the pedestrian plan, we're housing it there.
3. **Building and Grounds (Tab 12)** - Mr. Landreth said he would like to allocate a reasonable amount of money to do outside work rather than us doing it in house and not be able to do it. Our guys can do a lot of things, but I also know there's times to sub it out.
4. **Streets (Tab 16)** - Mr. Lutz said the completion date for the Railroad Avenue Bridge is set for August, 2020. Mr. Fatland added that we have money set aside for paving King Street, French Broad, Whitmire that whole area, and we want to get it done when the bridge is complete. The contract for the pedestrian bridge has already been awarded so they should be starting shortly. Also, this community gets really upset over storm water. Small towns are not required to have a storm water fee but we're going to be working with the public works committee to look at maybe doing a master plan for storm water. Also a year from now HCA will be paying property taxes of \$220,000. That will be new income coming in to help deal with these storm water issues.
5. **Community Development/Non-Profit (Tab 21)** - The State requires that when we make a contribution to a non-profit, we must have a contract with them to account for what they're using the money for. For instance, the Sharing House works with our water department to work with people who may not be able to pay their utility bill. Mr. Landreth said that maybe a topic for the finance committee is what does the pie look like and the percentage of the budget so we have that for next year. After much discussion and some changes, below is the final agreement of City Council:
  - Bread of Life - \$5,000
  - Farmer's Market - \$20,000 (up from suggested \$17,000 to account for SNAP)
  - Boys/Girls Club - \$5,000
  - Sharing House - \$12,500 (up from suggested \$10,000)
  - TC Arts Council - \$10,000
  - Heart of Brevard - \$30,000 (up from suggested \$20,000)
  - Fireworks Participation - \$15,000
  - Chamber of Commerce - \$3,000 (up from suggested \$500)

~~ At 7:11 PM Mayor Harris called for a ten minute break ~~

**6. Capital Equipment Replacement (Tab 39) -**

- a. **Police** – Police Chief Harris has requested three vehicles for the police department @ \$45,000 each, as well as, a radio system upgrade.
- b. **Public Works** - David Lutz has requested a rear loader truck, 1 set of cart tippers, easy dump satellite body/Parkan 6 yd., Franklin Park Pool Main Pool Renovations, and a Polaris Ranger 570 Mid-Size Utility Vehicle.
- c. **WWTP** – Emory Owen has requested Clean & Install new Aeration System, replace washer compactor at stationary screens and cabinet style servers for SCADA system with program.
- d. **Fire Department** – Bobby Cooper has requested a service truck.

**7. {Action Item} – Merit and Cost of Living (COLA)** - The City Manager is recommending that COLA be at 1 ½% for full and part time employees and merit be at 2% for full time employees for a total compensation plan of 3 ½% for full time employees. There will be no evaluations this year but rather across the board increases for employees that are satisfactory or above average. However, if any employees are not worth the merit, then they don't get it and they get 6 months to change it.

**8. Compensation Study** - Kelley Craig explained that she completed a compensation study in order to make sure that the City remained competitive. She also did a salary survey. She looked at pay practices and career ladders for job growth and for the most part, our salaries were in line, but there were a few that needed to go up a grade or two.

**9. Medical Fund (Tab 32)** - Kelley Craig said we are in the black so far but we have two months to go still. There is only one change to our health insurance and that is employees who have more than individual coverage (for example, employee/child, employee/spouse or family coverage) are going to see an increase in premiums by \$10 per pay period beginning on July 1<sup>st</sup>.

**10. Public Safety –**

**Fire (Tab 30)** – Mayor Harris implored and begged Council to consider maintaining the free water benefit for the firemen. I know that we are not voting on this tonight but I'd like for you to consider it.

Mr. Landreth asked Chief Cooper to explain the "trade".

Chief Cooper explained that they looked at the Firefighters Relief Fund. It costs the firemen \$10 a month and after 20 years and 55 years of age you can start drawing from that pension which right now is in the sum of \$170 a month. Brevard firefighters have always paid that themselves. One of the proposals was that that those monies come from our budget. You can still draw it even if you're 55 years old and have been a firefighter for 20 years and you're still working.

Mr. Landreth said that's not a dollar for dollar trade thought correct?

Mr. Fatland said correct. There are 41 firefighters and 17 of them are getting free water. Also, we went to the County a couple of years ago to fund it. We're not actually funding it right now. We're not reimbursing the water plant or the water system for this free water. It's just not accounted for. So of the 46% that get it, it ranges from \$45 a month to \$180 a month so even among the 17 of them, it's not the same benefit. The County said, they can't support funding that because you're not giving all of the firemen the benefit.

Chief Cooper added that 46% were receiving this benefit and 54% were not.

Kelley Craig added that the way it's written in the ordinance it's a retiree benefit not a training allowance.

Mr. Landreth confirmed that the retiree benefit will still be honored. Basically if we want to provide a benefit that's sufficient and fair, the cleanest way to do it is to put it in the wages.

Kelley Craig said she can do some projections and see if we can do anything with their shift rates and beginning firefighter's rates and see if we could make them a little higher. Mr. Landreth wants staff to keep working on this to come to a resolution.

**11. Police Department (Tab 13)** – Chief Harris went over the goals for the police department which are replacing their crime reporting system, upgrading their radio systems, investigate a police drone program, begin remote live monitoring program and complete the firearms range which were all listed in the FY19-20 budget.

**12. Multi-Use Paths Fund Budget (Tab 34)** - We have \$300,000 next year to pay for trails and construction and we have \$540,000 for the depot project. We opened bids recently and we had five bidders and the low bid was \$533,833, so it's pretty close to budget. Staff is going to meeting with the contractor later this week for the architect to go through everything with a fine-toothed comb. Also, as far as fundraising goes, as of this morning we're short \$12,000 so it appears we are going to have to raise that last bit of money.

**13. Rosenwald Fund Budget (Tab 37)** - Now that we have clear title, the plan is to get the design done and then open bids and then we can get a loan for it. We already raised the tax rate last year to fund the payment. The schematic design is pretty much done. We expect to go to bid sometime this year.

**14. Fee Schedule (Tab 40)** - The only change is under Solid Waste Removal. All TV's are \$15.00.

Mayor and Council Members thanked Mr. Fatland and staff for their hard work on the budget.

Mayor asked Council members if they want Staff to respond to the various action items/staff reports discussed at the next scheduled workshop, or, if receiving at the June 17<sup>th</sup> regular meeting would be all right. All agreed.

**Budget Work Sessions #2 Cancelled** - Mayor Harris suggested since Council has completed review of the proposed budget that the Budget Work Session scheduled for June 10<sup>th</sup> will be cancelled.

**E. Adjourn** - There being no further business or discussion, a motion was made by Mr. Landreth and seconded by Mr. Morrow the meeting be adjourned. Work Session was adjourned at 9:02 p.m.

  
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 Jimmy Harris  
 Mayor

  
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 Jill Murray  
 City Clerk

Minutes Approved: June 17, 2019