

Town Council Meeting - Tuesday June 14th 2022

The Town of Blowing Rock Town Council met for their regular monthly meeting on Tuesday, June 14, 2022, at 6:00 p.m. The meeting took place at Town Hall located at 1036 Main Street Blowing Rock, NC. Present were Mayor Charlie Sellers, Mayor Pro-Tem Doug Matheson and Council Members Albert Yount, David Harwood, Melissa Pickett and Pete Gherini. Others in attendance were Town Manager Shane Fox, Town Attorney Allen Moseley, Town Engineer Doug Chapman, Police Chief Aaron Miller, Planning Director Kevin Rothrock, Finance Officer Nicole Norman and Town Clerk Hilari Hubner who recorded the minutes.

Fri, 6/17 3:52PM • 31:38

SUMMARY KEYWORDS

budget, revenues, continue, fund, department, funding, tda, watauga county, sales tax, fiscal year, replacement, recommended, year, category, increase, water sewer fund, town, area, general fund budget, moved

SPEAKERS

David Harwood, Nicole Norman, Doug Matheson, Shane Fox, Albert Yount, Melissa Pickett, Pete Gherini, Charlie Sellers

Charlie Sellers 05:53

Good evening, ladies and gentlemen. Welcome to our Town Council meeting. It's Tuesday, June 14, 2022. I'm calling this meeting to order. Roll call - All in attendance. If you would please stand for the Pledge of Allegiance. Alright Council approval of minutes May 10, 2022. Do I have a motion?

Pete Gherini 06:49

So moved

Charlie Sellers 06:49

All those in favor?

Doug Matheson 06:59

Second

Albert Yount 07:00

Yes

David Harwood 07:02

Yes

Melissa Pickett 07:05

Yes

Doug Matheson 07:05

Yes

Pete Gherini 07:05

Yes

Charlie Sellers 07:09

Approval of minutes May 17, 2022 budget workshop. Do I have a motion?

Melissa Pickett 07:16

So moved

Doug Matheson 07:23

Second

Charlie Sellers 07:23

Any discussion? How do you vote?

Albert Yount 07:28

Yes

David Harwood 07:30

Yes

Melissa Pickett 07:30

Yes

Doug Matheson 07:31

Yes

Pete Gherini 07:31

Yes

Charlie Sellers 07:32

All right. Approval of the regular agenda adoption. Do I have a motion to approve the agenda.

Pete Gherini 07:41

So moved

David Harwood 07:42

Second

Charlie Sellers 07:43

Any discussion? How do you vote?

Albert Yount 07:51

Yes

David Harwood 07:51

Yes

Melissa Pickett 07:51

Yes

Doug Matheson 07:51

Yes

Pete Gherini 07:51

Yes

Charlie Sellers 07:51

Okay. Consent Agenda, do I have a motion.

Doug Matheson 08:05

So made.

Charlie Sellers 08:06

Do I have a second?

Albert Yount 08:08

Yes

David Harwood 08:08

Second Yes

Melissa Pickett 08:08

Yes

Doug Matheson 08:08

Yes

Charlie Sellers 08:09

So consent passes. Now ladies and gentlemen, were at our public comment section. If you would like to come up to the podium and take your three minutes to speak on issues or good things or whatever. Please step over and give Hilari your name or whatever.

Pete Gherini 08:14

Yes

Charlie Sellers 08:41

All right, we have no public comments Council. All right, moving right along public hearing this is the public hearing for the 2023 budget. Mr. Fox and Ms. Norman will present.

Shane Fox 09:07

It will be just a moment while Ms. Norman is getting ready. I appreciate all the time that you all have spent reading through this document. It continues to grow obviously each year and more reading is required as we continue to add things to the budget. Thank you to Ms. Norman, for putting in all the effort and the work that it takes to get to where we are tonight. Tonight is the public hearing. So this does allow for us to move forward with potentially adopting the budget if you so choose to tonight

Nicole Norman 09:44

Hello, good evening. I'm gonna review for everyone. Just a brief summary of the recommended budget kind of tried to hit the highlights as much as we can. So the FY 22-23 recommended budget Oh, that never works for me. Okay, we're gonna start off with the general fund revenues, taking a look at the major components of the general fund revenues. So property tax, sales tax, occupancy tax, and then a category of other revenues are the main revenue contributors for the general fund. So as we move through, we are going to look at each of those components in depth and kind of see what we're looking at for the new fiscal year. This other revenues category has a couple of different components to it, we have debt proceeds, sales and service revenue, such as recycling fees, Parks and Rec program fees, as well as permits and fees with the Town. So that's what makes up that area of revenues. This is a look at our pie chart. And that's a visual representation of these revenues. So you can see property tax right over here makes up 46% of the FY 22-23 budget. Following it is occupancy tax at 18%. I'm sorry, following it is sales tax at 20%. And directly following sales taxes, occupancy tax at 18%. And then we can see right over here, other revenue section only representing 8%, but still falling in the area of a main revenue source. All right, looking at property tax. So for FY 22-23, we have our 2022 Watauga County revaluation coming into play in the new year's budget. So for Blowing Rock itself in Watauga County, so not for the entire county, but for Watauga County itself, we saw average tax base growth of 35.4%. We can kind of look at our history of tax base change. You can see the past three years, I'll just highlight those 20-21 .7% growth 21-22, 2.5% growth, and then 22-23 35.4% growth. So you can see that this year brought the greatest tax base changes that we've seen in a while. Okay, so the law requires the town to calculate and publish a revenue neutral rate each time we have a tax revaluation. So this year's revenue neutral rate is 32 cents. Now what the revenue neutral rate is, is the rate that would generate equal revenue to the prior year taking into account the new valuation. So that 35.4% growth in our tax base. This tells us what rate would we use to generate equal revenue taking that into account. So the recommended tax rate, this is a good time to let you know that this presentation, through and through will be the recommended budget, we have had a budget work session with Town

Council. And so there are changes that followed that budget work session that are going to be summarized at the end. So, Council if you're thinking wait a minute, that's a little different. We're going to see those changes at the end. So we're starting off with what was recommended. Alright, so the recommended tax rate, as I said is 36 cents. Okay, here's a look at the value of one penny on the tax rate. And how the valuations have changed that value and also the rates have changed that value. So you can see FY 21-22 the value of one penny was \$122,000. And this year, it's calculated to generate \$165,265. All right, this is the tax revenue change. So this one takes into account the recommended rate of 36 cents. So you can see last year, revenue generated from property tax was 8.8%. This year we're looking at 12.1 with the rate of 36 cents. Okay, this is just a look at how Blowing Rock compares to other areas. Tax rates now, this you can see is as of this year 21-22 because we never really know until a budget is adopted. We just looked at the most recent adopted tax year this year is going to be different for everybody. We'll see how it all shakes out next year when we're looking at this comparison. But Blowing Rock, you could see at 43 cents, which is our current tax rate, compared to Boone at 44 cents, Seven Devils 51 cents and Beach Mountain 73.2. Sales tax is our next main revenue component. We are under the ad valorem method, we are estimating a 17% increase for this year 21-22. The budget however, anticipates a 5% increase above that for next fiscal year 22-23. We generally follow the League of Municipalities estimates on our state collected revenues like this. However, we also take into account our own individual history and collection rate in conjunction with that. So based on the League estimate, as well as our history with sales tax, we are looking at a 5% increase for next year. Okay, here is a look at our total net collections of sales tax. So you can see for fiscal year 22-23, we are budgeting \$1,436,000 to be collected in sales tax that's going to be comprised of we still track under the per capita method, the revenues that we would have, and then the change in revenues due to the Watauga County ad valorem method collection. So this is net of the fee to Watauga County that we do, revert back to them. All right, this is a look at sales tax projections for the current year. So everything up to the dotted line was already collected and solid numbers, we knew that's what we would be collecting everything beyond that line. So we're looking at March through June were projections. So we kind of start with last year's baseline and where we're trending. And we produce our projections right here you can see the black area, black area represents the additional collected due to the collection method change. All right, occupancy tax, fiscal year to date, gross occupancy taxes at 23.5%. At the time of this presentation. We had not collected April we have since collected April. So I'm going to tell you that March was only up 1%. But everybody can read a little easier that April was actually back up to trend at 23%. So we're that was just a little blip, strange blip in March. So we are budgeting a conservative 3% increase in fiscal year 22-23 with a contingency plan. So this is a look just to look at March. And you can kind of see this is what's presented to the TDA Board. At their meetings, they can kind of track two things you can track fiscal year to date. Again, this is March. So you can see we were just below 1% there, but up compared to prior fiscal years. And we've kind of been trending that way as I said about 23% over last year. Okay, talking about occupancy tax, the amount remitted to the Town is \$666,768 or that's the amount budgeted to be remitted to the Town in the next fiscal year. These are just those expenditures that flow through the Town. So they're usually Town related items. So you can kind of see I won't read them all you can maybe you've already started. But we have Park restroom attendant, they contribute \$70,000 towards that, landscaping, beautification, Christmas decorations, sidewalks, and then half of the highway 321 landscaping that we all see out there. So all combined these expenditures and uses total that \$666,768. Okay, taking a look at other revenues, we'll look at a couple areas in there. One of the components of other revenues is ABC revenues. So you can

see the level contributions the past couple of years, we are expecting to receive additional funding from the ABC Store this year. They are expecting additional quarterly distributions they distribute to us quarterly and they also at the end of the year they look at their revenues and how it compared to budget and they, you know, do sometimes are able to give us a contribution from those proceeds. So they've had a couple of great years and they do expect that to continue. So the ABC Store is looking to contribute to us \$300,000 in additional revenues for this fiscal year, and they also anticipate an additional \$300,000 to next fiscal year. Since that's one time revenue we are looking towards within the fiscal year one time allocations for those. General fund expenditures, this is a look at the other side of the world. So general fund expenditures are budgeted at \$12,800,725. And you can see again, our pie chart, we have areas of central government at 32%. Police Department at 14%, Fire 11%, Planning at 3%, Street at 12%, you can look through every department has sort of a percentage within the whole. Okay, this is a look at general fund expenditures by major category of personnel operating and maintenance, and then capital and debt service. So you can see the total percentage there is a 22% increase, we're looking at an overall 17% increase in personal, 29% in operating maintenance 37% increase in capital and 12% in debt service. So we're going to dig a little deeper into some of these changes, you know, materials and supplies, I will point out something that we've been watching is the vehicle maintenance and fuel Town is feeling that like everyone else. So we have our increases budgeted in there. All right. Within the budget in the personal section, there is a two and a half percent cost of living adjustment increase in base pay to all general employees. There's also an adjustment to the pay scale and salaries to affect the final half of our minimum wage increase initiative that started last fiscal year. So we affected percentages to each grade in order to get our lowest grade to a \$15 an hour minimum. So what that amounted to is about a 7% increase, average basically an average increase for all employees. The recommended budget also recommended the addition of three new positions of Finance Accounting Support Specialist, an IT Director and a Park Attendant which is planned to be fully funded by the TDA. We would continue full Town funding of the SRO (School Resource Officer) at Blowing Rock School and continue funding a 5% 401k for all general and law enforcement employees. The Town did experience a 14% turnover rate. Again, that's kind of happening everywhere, really. We had 10 new employees for filling existing positions. So there's definitely a cost to that turnover rate. So we're seeing that in our 17% increase in personnel that we saw earlier. We added two new Dispatch Positions mid-year. So those are reflected in the recommended budget and continued funding for those. And now we'll kind of dive into the different sections of the expenditures. So we have some departments grouped together, this is going to be general government starting off looking at general government that's going to include governing body admin, finance and central government itself. So that function accounts for about 38% of the general fund budget. Okay, this is going to include insurance premiums for general liability and workers comp, continued payment to Watauga County of the 70% ad valorem versus per capita sales, tax rate, technology improvements, community library financing. And then within here, we do have those two of the new positions. The Finance and Accounting Support Specialist and the IT Director position would both be in this category. We have some directional signage that will be TDA funded. Museum improvements, Town Hall improvements. The facility study I will say that those funds are are set aside right now. But if they're not used for a facility study, they are planned to be used for actual improvements for Town Hall. We just kind of had placeholders for that. We also have our comp plan coming up. That'll be a two year expense. So the first half \$50,000 in this next fiscal year. The next half will follow that next category in general government again is going to be public buildings and grounds. There's various facility

improvements in here we do have our debt service for the emergency services building, BRAHM parking facility that's funded by the TDA. And then the Public Works building renovations, as well as holiday decorations and tree planting. These holiday decorations are not the Main Street holiday decorations, but they are really right here in the heart of Town at Town Hall. Okay, next category is going to be police and fire in public safety. This is 26% of the general fund budget and we continue to provide again, the SRO at Blowing Rock School. This includes replacement of two vehicles maintained funding for the part time parking enforcement. The budget recognizes, well, does not recognized rather anything for any paid parking to happen in the future, we decided to keep things constant. And then when the paid parking plan, you know, is further along and, you know, plans are known that will come to Town Council for a decision all together as an amendment to the budget. So right now this kind of keeps things status quo. We do have a couple of radios and DARE program funding here. Some of the capital items for this department would be replacement of two SUVs with graphics lights and cameras and to portal portable radios into radar units totaling \$140,000. Okay, transportation is our next area which is public works. The Street Department so this is about 12% of the total general fund budget. We have right away clearing, we have a master signage plan maintenance. And we also have lighting for Highway 321. Road repairs, culvert replacement, ditch line repairs and capital for this department would be replacement of a chipper replacement of a ranger and then two new traffic message signs totaling \$124,965. Next in the general fund is Public Works Sanitation and Recycling Department and this area accounts for 3% of the general fund budget. Some of the major initiatives are just continuing the residential curbside recycling program, continuing funding for residential solid waste collection and then commercial garbage pickup via contracted services with Republic. So there's no capital in this department. Next we have Planning and Inspection. So this is 3% of the general fund budget. So this is going to continue with that implementation of the 2014 Comprehensive Plan Update, and then plans to proceed with the revisions to the Comprehensive Plan update. And so we have and continued funding for the permit application review and approval and inspection process. Parks and Recreation is the final department within the general fund and they make up 13% of the budget. We have continued funding for the part time staff and Memorial Park attendance funding for the additional full time Park attendant. And then continued funding of course for landscape and beautification, which is actually partly funded by BRRAC. There's also the landscaping costs for Highway 321 are covered within this department. So looking at some of the capital that were in the recommended budget it would be new Merseyside coding probably saying that wrong but okay, Merseyside coding for the pool. A heater was proposed for the Landscape Bay and then replacement of the 1999 Ez Go golf cart and a mini excavator so their capital totals \$156,000 for their equipment. Looking at some projects within this department is New Years Creek, dredging a study for that at \$30,000 Memorial Park wall completion the wall that is in front of Memorial Park at another \$30,000, and then then Davant field, pavilion skins repair at \$16,000. Okay, BRAAC is a fund within itself. So for the BRAAC fund that represents about \$39,900 and BRAAC is a self a self supporting fund. So their revenues are from contributions and fundraisers that they do. So we're looking at funding to support landscaping and beautification of public property downtown hanging baskets and planters cleanup day and planning day and they also contribute towards town center landscaping beautification within the Parks and Rec Department in the general fund. Okay, this is a summary of our general fund capital. So these are installment purchase funded, so that \$396,965. The town will be going out for bid for these items and then trying to secure installment financing for them through a bank loan. Water Sewer Fund Revenues since moving on to the next fund, the main components of the water sewer fund are pretty simple what's water charges, sewer charges, and then

again that category of other revenues for the water sewer fund the other revenue category comprise is comprised of debt proceeds and then impact or connection fees. So this is a look at our pie chart for the water sewer fund. Water charges are at 47% sewer charges represent 41% And then the miscellaneous or other revenue is just 8% of the budget. So mainly really looking at water and sewer charges and the water sewer fund just like the BRAAC fund is self supporting. So we are on year two of have a five year rate change plan last year

Nicole Norman 31:09

Last year, we made a change, I think we increased water and sewer rates 10%. And we also adjusted the base for what is included in the minimum, we had the state come in it was a great process and needed to be done hadn't been done in quite a while. And the state came in and took a look at our water sewer rates and our water sewer revenues and all the things that we needed to pay for the expenditure side. And they did a rate study for us and they helped us develop a plan. So we are in year two of the plan year two calls for a 5% increase in our water sewer rates. So you can see here we completed year one or 10% with our minimum change from 5 to 3000. In year two, we're looking at that 5% increase. Okay, looking at the expenditure side of the water sewer fund, so we have three main departments of the water sewer fund, admin, and billing 900. Or let's go with percentages 39%. plant operations is 36% of the budget and field operations is 25% of the budget. So just taking a look at the add a few initiatives within those departments. Looking at the water sewer fund, this is the water sewer fund as a whole. We cover debt service for water sewer capital, the capital improvement plan for plant upgrades, we do transfers from water sewer, we call it the water sewer general fund, to our capital fund for plant upgrades and line replacements and repairs. The Field Operations Department staff recommend maintains the water and sewer collection system and then the plant staff maintains the water and sewer plants. So this covers repairs. There is one item of capital for the water sewer fund this year. It's a new front end loader. So that is estimated to be \$187,000. I know that looks like an exact number. So when I say estimate, you probably think really, we did get quotes, we usually get preliminary quotes. So again, that will be installment purchase financed and we just have the one item for the water sewer fund there. Okay, looking ahead, there may have been some initiatives that, you know, have been talked about and we know are kind of there's a buzz about them in town, but you're not going to hear me talk about them in the budget. Well, some of those items will be will come to council individually as plans progress. One of those things are Main Street water and sewer line replacements. We're using state earmarked ARPA funds for those. So once we have you know bids and we'll follow all the process of bids and applying for the funds to actually be distributed and all that we will bring those to Council separately. So that's why they're not shown here. We don't know enough about the actual numbers to propose them in the budget yet. Plant upgrades and Mayview lift station rehab. We plan to use an SRF loan to fund those needed items. And again, similar to the Main Street water and sewer line replacements we will bring those separately to Town Council throughout the year. AMI meter reading technology upgrades much anticipated project for the town, we're looking at funding it through installment loan proceeds. And again, once we have more of the plan in place, we'll bring that to Town Council. Okay. So in the beginning, I said that this presentation represented the recommended budget. So through the budget work session, there were changes that took place. And this is a summary of those changes in the revenue that covered the changes. So we did increase the tax rate from the recommended 36 cents to 37 cents, that's \$162,776 of additional tax revenue to cover the items that I will go over with you, there was a fund balance allocation of \$60,079. That fund balance allocation is used to cover one time expenditures, that you know, were part of the budget work session. And those are all going to be listed below. So you're going to we're going to go over these revenue sources, and then we're going to see exactly what items they went to. So we did increase the ABC Store contribution, we knew that those were going to come in better than we had included in the budget. So we had that increase there. Installment purchase proceeds, we plan to use those. Well, I'm

ahead of myself. So there are two additional police officers that are a part of the amended recommended budget. So that's where the vehicles come into place. And we're recommending covering those expenditures through installment finance proceeds as we're doing the rest of the capital. Broyhill Lake spillway that was an item that was not included in the recommended budget. But we did mean too. So we included that there as a deduction to the revenue, so a cost, salary discrepancies. So we kind of continue to work with everything, even after we've submitted the recommended budget. And we did find a few differences that we needed to cover in order for everything to be correct. So that that was about \$4,000 in difference. We did remove the heater that was recommended for the landscape Bay. And there you can see the addition of two police officers. And then in central government, those are that's the equipment for the two officers and then the vehicles below it. So hopefully, that all made sense and wasn't too fast, trying to keep it as short as I could with covering everything.

Albert Yount 37:55

I have something I want to ask, it's not bothersome. But this is the book that we get, I am not sure that it's publicly distributed.

Nicole Norman 38:11

It's posted on the website. And we do have one at Town Hall.

Albert Yount 38:14

It's on page 21 fiscal outlook. And I'm going to read what? It's not troubling me I just want an explanation. And I'm sure it came from you or Shane. Due to our size and constraint, geographic borders, the Town of Blowing Rock will not likely grow its way into significant increased revenues. Even if the economy were to come roaring back. It is more apparent that we must continue to make high value choices that focus on our people and our infrastructure if we are to care, and protect this wonderful community in the way it has come to expect and deserve. And I've seen some rosy revenue projections. And then I've seen beyond that state stability. Is this statement reflecting on a mean anywhere, like an average mean average or somebody elaborating on this statement? Because it's getting upside down for me with some of the things I see.

Shane Fox 39:30

Yep. I'd be glad to if I may, so in the budget message. There's a period at the end in which I guess the best term to use there's almost it's almost a reflection that is written by myself. And the reflection there is that if you if you take out the revaluation process that we've had every eight years, our growth is fairly minimal. Each year we have 2,3,4 percent growth. We don't see a tremendous amount of growth because of new industry, we do have new hotels coming on. But we don't see huge amounts of growth. And we haven't seen huge amounts of growth, growth due to the fact that we are somewhat limited in our geographical area to grow. And so we don't have industry that's coming in and providing hundreds of millions of dollars worth of investment. So we see residential growth, through new homes, renovations, things like that. That's kind of the consistent growth that we have. And so as we look to prioritize the budget each year, we look at, obviously, our largest asset, which is our individuals that we believe we're doing a good job and taking care of, and then the infrastructure piece that we have to maintain water, sewer, things of that nature. So it's a reflection of continuing to make sure that we keep the eye on the prize, so to speak with our most valuable assets, infrastructure, things of that nature,

knowing that we're dealing with minimal growth from a geographical standpoint, and from an overall industry, lack of industry that comes in containments. We know consistently, our minimum tax base growth is fairly small, so to speak each year due to those constraints.

Albert Yount 41:10

So are some of these jumps in your graph this last year, is that an outlier?

Nicole Norman 41:17

Yes, if you look at this chart, I think that sort of depicts what that statement is saying.

Albert Yount 41:23

So you're just saying to us? Don't get too excited about an outlier?

Nicole Norman 41:28

Yeah, I mean, looking at history, you know, I don't think it's something that we should definitely shouldn't expect each year.

Albert Yount 41:35

Well that's responsibility.

Doug Matheson 41:42

I've got something it may be for you or somebody else. Is that one thing is bothering me just a little bit, is looking at inflation, looking at the possibility of a recession, looking at what right now, what lies ahead is do we need, right now, two extra police officers? Could we get by with one? I'm just looking at the cost, you know, that would probably what be a penny in the tax increase?

Charlie Sellers 42:32

Half a penny?

Shane Fox 42:33

Yeah, it's probably between a half and one I would say if we go back to the slide that shows. So this is news I shared with you just recently, today. So we did receive word today that we did not receive the North Carolina Highway Safety Grant. So we had applied for that grant to hopefully pay for some additional officers in a staggered approach. So first year was going to be 80% 60, 40, 20 as we went out five years and then full cost on us within that. So we did just hot off the press open letter today. So unfortunately, we did not receive that funding, they do tend to put the monies toward roads that have increases in fatalities, which we are fortunate not to have here, we were simply in hopes that we could receive some money. So as we looked at the overall budget, with that potential grant in mind, that was something that we discussed at the workshop. And so it was discussed about potentially adding two which we have included in here, I believe Chief is out here and may be able to if you don't mind giving your thoughts.

Charlie Sellers 43:44

Could you come up here Chief so because so the citizens can hear. Thank you.

Aaron Miller 43:53

So I think initially we were responding to some of the public would like for us to increase some of our enforcement activities and the traffic area. So in January, you know, we put some numbers together, we looked at where we were population wise, where we were staffing wise, and we came up with numbers that we could really use two additional positions. So right now, our staff is kind of at its maximum output, there is no more output with the staff we have. So if there's to be any more output as far as traffic enforcement, and those kind of things and requirements it's going to require more staff. The other issue that we deal with, consistently and the reason you know we asked for two, we try to maintain a level of two officers out at any given time. It's become more problematic lately, with you know, officers with sick time, vacation time, paternity leaves and the enormous amount of training that we're required to do now. That's becoming a little bit more problematic, so that's why we asked for two, that's one additional officer per rotation. We have two platoons that rotate, A and B. So that's one additional officer per rotation. So that's why we ask for two.

Doug Matheson 45:14

So you feel like the needs there now for the two instead of one.

Aaron Miller 45:18

I think based on the information that we gathered and presented at the retreat based on the population and visitor numbers that we're dealing with. That is, but the two different formulas that we use to decide how many staff we needed, then that's what we came up with. So that's based on some nationally recognized formulas to come up with that.

Albert Yount 45:40

My interpretation is that I thought it was the feeling of the board that these officers were not dedicated is too strong a term, because that's your job if you see need here, that's where they should be. Here, that's where they should be. What are they not? Did we not have a bias toward traffic for these two new officers?

Aaron Miller 46:07

Yes, we did have a bias for that. That's why we applied for the Governor's Highway Safety Grant. And that was one of the reasons for the biases was that if we did receive the Governor's Highway Safety Grant, it was going to restrict us substantially what we can do with these people. Unfortunately, we're not going to get the revenue from the Governor's Highway Safety Program. But we also are not quite as restricted into what those officers have to do, as far as grant compliance activities, and that sort of thing. But their primary focus is still going to be traffic, traffic safety and that sort of thing.

Shane Fox 46:45

I will add due to the fact that we did not include it in the original recommended budget is the reason that the increase in the tax rate is there, obviously, you know, the only option for reoccurring cost is to look at recurring revenue. So that was the reason for the additional cent that was added to that to the budget within that. So a reduction of an officer would be somewhere around a half to three quarters of a cent give or take on the tax rate. Two officers plus equipment and the equipment pieces is obviously

substantial, is a little bit more than one cent on the tax rate for two officers. Probably a cent and a quarter.

David Harwood 47:23

The equipment does include vehicles.

Shane Fox 47:27

It does. Yeah, so the information that's been included up there includes. So we did include two, we're in a rotation of vehicles. So we do have two new vehicles in our rotation of normal officers, our current officers. Then we did add the \$96,000 for two additional vehicles.

Aaron Miller 47:47

If you approved two more police positions, it would be a total of four

David Harwood 47:51

Got it.

Shane Fox 47:53

The other two were we try to keep the two in rotation constantly within that and we were able to get about eight years, nine years.

Aaron Miller 48:00

We're trying to wait at least eight years, we've still got a 2013 and a 2012 still on the road.

David Harwood 48:07

Can get two cruisers?

Aaron Miller 48:09

It's gonna be

Shane Fox 48:11

We don't know, if we get anything that's listed up here. That is yet to be determined.

Aaron Miller 48:16

We use the Sheriff's procurement bid process. We actually we get vehicles cheaper there than we do through the state contract.

David Harwood 48:23

Sorry to go down that rabbit hole.

Albert Yount 48:30

If we do the two, I have some background in the law. For an officer to be alone is a real bad thing. Horrible?

Aaron Miller 48:43

Yeah, we try to avoid that. You know, just here in the last two, three weeks, there have been a few times on night shift where we've had half of the night shift that one officers by themselves and then if that officer in it's did happen last week a couple of times and that officer makes an arrest that pulls them dealing with that for two to four hours depends on the nature of it. And it's so essentially that can leave us with actually nobody right here in Blowing Rock at that particular time unless we call somebody back in so.

Albert Yount 49:17

When that happened, do you notify the sheriff?

Aaron Miller 49:20

Well the Sheriff will always come and help us anytime we ask them there were we all try to work together we have great working relationship with the Sheriff. So if we're if we're titling, they're more than happy to come and assist us.

Pete Gherini 49:30

I would echo what Albert and my friend Doug here said I think that looking at the budget, the monies and everything. Obviously the big item is employees and our employees definitely should be taken care of. But I think we need to be mindful that the property A lot of people and residents pay lion's share of money. So what Doug mentioned about if we're looking at a recession or a downturn, you know, we might have to be looking at tightening our belts. And so I think, recognizing, the other part of that is, we definitely need to be looking at sources of new revenue. And, you know, I don't have a magic wand on that now, but revenue drives money. So I think we have to going into the next six months be very cognizant of expenses and how the Town operates. I think y'all do a good job. But these are uncharted times that potentially could be coming our way.

Charlie Sellers 50:59

And all due respect, Council, one of the issues that has been brought up many times in front of us have been traffic enforcement. And I feel like our police have done a excellent job of enforcing speeding, and whatever has taken place. And I do I do agree with you, Doug, that, you know, we do have to watch our dollars. But the citizens are paying for this. Do they want it? You know, we all have heard from some?

Albert Yount 51:49

Well, empathise with what Doug saying and I agree with you. I agree with what you say. But I'll tell you think of one officer and an alarm goes off in one of these buildings down at 3:30 in the morning, and he's the only officer in this Town. That is a not a good situation for a human being much less a police officer.

Charlie Sellers 52:11

Okay, I'm not gonna go down the rabbit hole. But at the Blowing Rock, I've been out there a few times when we've had alarms go off two or three in the morning. And I get there a lot of times only one officer is there. I don't know, you know. And there, I'm sure more than qualified. But in today's society, I don't know what to expect. So I don't know.

Doug Matheson 52:35

I think we're I was trying to go and the Chief answered it good. Because it is our job to make sure that our department heads are furnished with everything that they deem essential and do need. And if he feels for me, I'm very strong on life safety and public safety. So if he deems that he needs two more officers, then it's kind of hard not to take that into strong consideration. I was just wanting to make aware and in layman's terms, if the manager would at 4%, and let's say, you know, we've used this example before \$500,000 home, what are we looking at an average increase in dollars?

David Harwood 53:32

\$50

Doug Matheson 53:33

You know, we talked about \$50? Is it still around that? 50%? So we were looking around what an average of \$200.

Shane Fox 53:41

Remember, we call these numbers it's, I want to say it's around \$50 per cent

Doug Matheson 53:50

That's what we thrown around

Shane Fox 53:53

On a \$500,000 I believe

Doug Matheson 53:56

It's about \$200 on a \$500,000.

Shane Fox 54:01

For four cent

Albert Yount 54:04

I just would like to say this out loud. And it's not directed to the Chief because I have known the Chief a long time. Our bias is traffic, speeding. Keep that right here for these new hires. As much as you can.

Aaron Miller 54:31

Absolutely. That's the intent.

David Harwood 54:35

Mayor, I have a question. First, Ms. Norman, fantastic presentation. Thank you so much. Made a very complicated thing simple, that even I could understand. I have a question more of a clarification. So the ABC store contribution increase. I'm trying to straighten that out. The \$24,000, am I suppose to be comparing that with the projected \$300,000.

Nicole Norman 55:09

No that's for the quarterly amount of \$84,000.

David Harwood 55:14

OK so that's a pretty conservative number, based on what we got this year and what we might get next year.

Shane Fox 55:24

Correct. So the ABC board even puts their money in two pots. So quarterly payments, which went from \$84,000 to \$108,000. So the \$24,000 is that difference between the two, then one time money that they're anticipating that is not yet guaranteed, essentially. And so as profits continue to rise, that's the one time money so they do expect for the 21-22 year that we're in right now, an extra \$300,000. They expect the same \$300,000 next year on top of the \$108,000. But it's yet to be determined. And so they wouldn't only pay that out twice a year, once at the mid point. And then second after the audit is done. This year, they did an extra \$50,000 at the mid year point. And they're anticipating a \$300,000 after the audit at this point. So we normally don't include those numbers in the budget, because they're yet to be fully determined based on profit within that, but the quarterly numbers is what we include within that. So got it, as we see in our report this month, another, you know, increase within the ABC board revenues. It does appear like that continues to be a trend that they have. But their board sets the quarterly payments, and they're very conservative within that they like seeing those numbers come to fruition, and then they dole out essentially the profit twice a year.

David Harwood 56:45

Got it. One thing I would say to Doug, and Pete's comments, and having read through this budget is that it's a conservative minded budget, that we don't know what the economy's gonna do. But I think that Ms. Norman and Mr. Fox, both taking a conservative approach to this in terms of revenues, and what we could expect from the sales and occupancy, which is 41% yeah. Remember, sales and occupancy is 41% of revenue, the total

Shane Fox 57:30

Revenue, gross revenue.

David Harwood 57:32

So that gives me some comfort.

Doug Matheson 57:40

I'm not seeing much comfort on the news.

Charlie Sellers 57:43

When you think about a Council and citizens, we didn't know what we'll get into when COVID hit. So it's all up in the air.

Doug Matheson 57:55

I'll make the motion if the Council is good to open the public hearing.

Charlie Sellers 57:58

Yes, let's open the public hearing.

Melissa Pickett 57:59

I will second.

Charlie Sellers 58:04

Opening public hearing. Ladies and gentlemen, would if you would like to come up and speak. I will let you just come up state your name and address for the record. And Tim Gupton is limited to 30 seconds. How you doing Mr. Gupton? Good to see.

Tim Gupton 58:32

So I'm good. This is the budget when you print it out, by the way, so it's pretty thick. So Mayor Sellers, Council Members and Mr. Fox, thank you for allowing us to speak as residents. My name is Tim Gupton. I live at 235 Meadow Lane in Mayview Park. And I'm a permanent resident, I'm a voter. I'm a full time taxpayer. And I'm going to speak personally, I'm not speaking on behalf of anybody else except myself. And as Mr. Fox and Ms. Norman knows and they can vouch for. I'm kind of a budget nerd so I have a pretty substantial budget analytics workbook that I do every year and you know, dive into the budget and being a CPA and a CFO type person I you know, I enjoy that. So I understand the budget drivers and trends and I understand the goals of this budget pretty clearly as a citizen. I can make a lot of you know counterpoints and things that based on your discussion, but I'm not going to do that. I'll just share a couple of big picture points with you. One is you know, as you all know, our real estate tax base is the golden goose. And it's \$1.6 billion, of which 88% is residential. So, in a resort town like this, we just don't have a large commercial tax base, we all understand that. When you look at the growth in our tax rate over the last five years, it's gone up 50%, including this proposed budget increase its range from as low as 4%, up to 16. This year, so 50% is a lot, you know, over five years. So, you know, just kind of keep that in mind. And I like to calculate the percentage of residential property taxes based on what I call the spendable budget, which is the amount of money you actually have to spend. And that's around 51%. So those are just big picture, you know, observations. And we all know that in different ways. So my personal story is, we've had vacation homes here since 1999. And then, when I retired, and in 2015, we chose Blowing Rock as our permanent residents for quality of life and overall cost of living, compared to like living in Raleigh, or Charlotte, you know, somewhere like that. So, we built a great house in a great neighborhood and got a great street, we got great neighbors, and we love being in Blowing Rock. So, you know, that's why I'm here. And that's why a lot of people are here, you know, we've chosen to retire here. And there's more and more people like us that maybe have been here for many, many years, but are now here as permanent residents. So from my personal experience on this revaluation, I want to give you one person's experience with the revaluation. And some of you know this, my valuation increased 99.6%. So it doubled. So that means to me as a retired, you know, fixed income resident, that's, that's a big number. So, and I'm okay with that, I'm, you know, I, once I got over the shock, you know, my new tax bill is going to be about \$11,000 a year, county in town. And so if I lived to be 80, and pay this, you know, for another nine years, I'm going to pay, you know, \$100,000 in taxes \$36,000 of that is a result of this year's budget increase, to put into perspective. So my property taxes increased 63%, the town's piece was not 63% was actually 70% increase. So \$4,300 more a

year. You know, \$4,300 is, you know, I am on a fixed income, I do have a budget, I'm pretty well off, but I gotta make a choice. Now. I got \$4,300 less to spend. So either I'm gonna cut, I'm gonna cut something, I don't know what it's gonna be yet. But you know, I gotta come up with that money. And I think there are a lot of people, no matter what your, you know, economic statuses, you've got those choices to make. So I want to leave you just with one a few, kind of big picture long term recommendations. And this kind of reminds me made my very first budget recommended presentation years ago, relying on the residential property tax base is really not sustainable for much growth as you know, two and a half percent, just business model doesn't work. So I hope that the Council will investigate other sources of revenue that are tied to our business and our tourism economy that may or may not be available. I don't have those answers. But there probably are some options there that you can think about. And, and one kind of new idea that has come to me is, you know, without increasing our commercial tax base, it's an uphill struggle. So looking at what incentives the town can provide to encourage commercial redevelopment or development, whether that's changes in the land use code or, you know, whatever, that should be part of the equation so that we can expand our commercial tax base and help you know, share the burden of the supporting the town. So just some ideas to think about.

Charlie Sellers 1:04:46

Thank you, Mr. Gupton. And thanks for taking the time to go through that Budget. We've all been through it, at least we didn't have to put together like Nicole and Shane. Who else would like to speak? Yes, state your name and your address

Greg King 1:05:16

Not sure that this is a good idea. My name is Greg King, my address is 482 Country Club Lane. I'd like to reiterate everything that Tim Gupton just said. He knows the accounting and budget business far better than most of us, maybe with the exception of or Town Manager. I would like to use my three minutes to impress upon you two things. The first is it seems as a property taxpayer, that I have an open wallet. And that we, I've heard you go through challenging a number of things. And I think that the budget, it's been described as conservative, I'd probably agree with that, in most cases. I'm not asking you to undo that. I am reiterating what Tim asked for. And that is that we find some other revenue sources in the future so that the taxpayers are always left huffingng the balance of the bill. One of the ways that you might do that, and I don't know, any of the legalities of this would be to put a cap on how much the property tax rate goes up every year. The second thing that I would like to just share with you or impress upon you is this. I went back and looked at inflation from 2016 to 2021. And during that five year period, inflation averaged 2.46%. In 2016, it was 1.26%. In 2021, as it ended, it was 4.7. Of course, we've all heard other things lately, the cumulative over the five year period was 12.9%. So if we look at the tax rate, that taxpayers were paying over that same five year period, it began at .34 cents in 2016, 2017 .37 cents, that's an 8.8% increase. 2018 and went up a penny is 2.7% increase in 2019, it went up another penny to .39 cents, that's a 2.6% increase 2020 it remained at .39 cents 0% increase in 2021 .43 cents is a 10.25% increase. The inflation rate over that five year period for the town property taxes is a 26.47% increase. That doubles the inflation rate during that same period of time. I was mistaken I think is the recommended rate now .37 cents. I was mistaken I use the .36 cent rate and calculated with my new assessment, what my increase would be from 2016 over a six year period, including 2021. And I would have a 40.8% increase in my town property taxes more than three times

what the effective rate is. So as you think about one cent on tax rate means \$165,000 to the town, it means \$170 to me, it means \$55 to maybe the average property here, but a five cent or a six cent five cents to me is \$800. And for the additional \$800 I really liked to be able to park downtown. I'd like to be able to get a reservation at Village Cafe on a day other than Wednesday. So

Charlie Sellers 1:09:43

Aren't they closed Wednesdays?

Greg King 1:09:44

Yeah, and I think that's part of the value statement there. You know, I don't mind paying it. There are some people who are probably not as fortunate. Most of the business owners and I support every one of them. I hope they all do. wonderfully well, but every one of those people faced with an increase in cost, whether it's cost of goods sold, whether it's cost of their rent, their telephone, their utilities, their personnel, or their taxes, they can go to lunch, and come back with a new plan, a new business model in their pricing. There are a lot of us that can't do that around town. Or the decision really is whether we can go to lunch. So I'll leave it with that. Thank you.

Charlie Sellers 1:10:33

Thank you so much. Thank you for your input. Would anyone else like to speak on the budget? Okay, do I have a motion to close this public hearing?

Pete Gherini 1:10:52

So moved.

Charlie Sellers 1:10:53

Do I have a second.

Doug Matheson 1:10:55

Second.

Charlie Sellers 1:10:56

Okay. Any additional thoughts Council? Moving forward after hearing the citizen speak and knowing what you know, I know everybody went through the budget I understood with a fine tooth comb. So thoughts. Okay. Do I have a motion to approve the budget as presented?

Doug Matheson 1:11:32

I'll make that motion.

Albert Yount 1:11:34

Second.

Charlie Sellers 1:11:35

Albert seconded. Any additional discussion?

Doug Matheson 1:11:39

I think I would like to thank both comments that were afforded to us and let him know that that is something that Council is very much trying to stay in front of, and very much trying to work on. Because it reaches into my pocket book a lot, too. You know, I do thank Nicole and Shane, out Town Manager both for the job that they have done.

Charlie Sellers 1:12:25

Any other comments, Albert.

Albert Yount 1:12:27

Well, I'd like to thank two gentlemen, great remarks great thinking. And they're in conjunction with what the Manager and Nicole, put in here that I read to everybody. That hit me, right here. You know, there is an old saying by old people that when you have to raise taxes, you're out, you are spending more you take in obviously, and you're living beyond your means. Sometimes with the inflation that's going on, we have to do these things. But when I get to worrying about the economy, and it's all over television now, and it's just about quitting watching television. There's also an old saying that says, If you bet against America, you're gonna lose your money.

Pete Gherini 1:13:30

Yes, Pete. I would just like to thank Tim and Greg, also for coming up and articulating your points. You both are business people. And that's important to have your perspective and understand especially, Tim, you're an accountant. I know. I've seen your numbers, workup. Greg, also very smart business guy. So thank you for taking the time to come here. It's important to the town, the residents and everybody, it's important to all of us to have that perspective. So thank you.

Charlie Sellers 1:14:06

If I may Council, Tim and Greg, I'm not going to thank you again, because you've been thanked a bunch, but I will say we're here for the citizens. And we all have to think and I hate this analogy is think outside of the box. Okay. We have to come up with ideas. You have hit on some ideas. And I think the Council you know, in the future with the citizens help can find ways and means to make this happen. So, thank you. Okay, we have we have a first and we have a second motion. If we're finished with discussion, how do you vote?

Albert Yount 1:15:00

Yes

David Harwood 1:15:02

Yes

Melissa Pickett 1:15:03

Yes

Doug Matheson 1:15:04

Yes

Pete Gherini 1:15:05

Yes

Charlie Sellers 1:15:07

So the new budget is approved as presented.

Shane Fox 1:15:12

If I may, Mayor and Council, one, obviously starting with my gratitude towards Nicola Norman, for putting together the majority of this work. So a lot of times I get credit because it does say managers recommended budget, but your name, but the work, the work that goes into it starts and just about ends with Nicole. And our department heads are truly second to none and spending their time to continue to look at ways to help the budgeting process as well. I would just add, and I think everybody in this room, including Tim and Greg that spoke, understand budgeting is difficult process. And we've been faced with a revival in a year, following two years of COVID, that has almost flipped our town upside down in a lot of ways. We've seen numbers that we've never seen before, and infrastructure and operational needs that have, you know, lagged behind because of some of those increases within that. So we will absolutely look forward into the coming years of looking at alternative revenue sources, looking at other ways to do things maybe differently, as we probably catch our breath, hopefully a little bit from this COVID Wave and get back to a little bit more of a new normal that I guess we're been faced with with the volume and quantity of needs that we have within the town. So again, thank you to Nicole and department heads for all the work they put into it takes a takes a lot of effort to get to this point and appreciate you all taking the time to work through and workshops and questions and time that's been exerted to put to where it is tonight. I appreciate that. Thank you.

Charlie Sellers 1:16:51

Thank you. All right, moving right along. We have under the regular agenda. We have BRAHM Public Art request Ms Jennifer Brown. Hello, Ms Brown. How are you?

Jennifer Brown 1:17:10

Good evening, Mayor and Council. Blowing Rock Art and History Museum has selected an artists to exhibit a new outdoor sculpture through the 36 outdoor Rosen sculpture exhibition. BRAHM will carry insurance and will be bolted down to the existing concrete pad outside of BRAHM. They present it to BRRAC during the May BRRAC meeting and BRRAC approved the sculpture at that time. This happens every year. They didn't do it last year because of COVID. So the current piece that's been there has actually been there for two years. So now they're asking to switch it out to a new one.

Shane Fox 1:17:49

And I apologize, it won't pull up so here is the picture. It's in your packet.

David Harwood 1:18:07

I did have one question. There is an artist release or liability. They had, does BRAHM get that or do we get it?

Jennifer Brown 1:18:19

I think that's all on BRAHM. We just have to accept this sculpture because it's public art. It's outside.

Shane Fox 1:18:25

It is on BRAHM

Jennifer Brown 1:18:26

So it's all on BRAHM.

Shane Fox 1:18:28

You mean from the sculpture that the piece itself the liability of the art work itself, if something were to happen, that type of thing, who receipt responsibility for that?

David Harwood 1:18:36

That's correct.

Shane Fox 1:18:36

Yes, it's on BRAHM.

Pete Gherini 1:18:38

So Jennifer, the town doesn't have any liability for that, is that in writing somewhere.

Jennifer Brown 1:18:45

Yes

Pete Gherini 1:18:45

Okay, thank you

Albert Yount 1:18:46

Well, I just just want to thank the participation tonight, the two gentleman and the staff. We had no knock down drag outs. We have some good input. That's always good. Every now and then a little great knockdown drag out in the sun too.

Charlie Sellers 1:19:14

Okay, that being said, do you want make a motion on this. Approval of this artwork.

Albert Yount 1:19:24

David is the BRAHM expert.

Charlie Sellers 1:19:30

David would you to move this.

David Harwood 1:19:32

Yes, if there's no further discussion I move to accept the sculpture.

Charlie Sellers 1:19:37

We have a motion. Do we have a second?

Melissa Pickett 1:19:39

I will second.

Charlie Sellers 1:19:41

Okay, Melissa seconded. Any further discussion on this?

Doug Matheson 1:19:47

I'll just have to say based on the read their recommendation. I'm no art critic. So

Charlie Sellers 1:20:00

We've seen your yard at Christmas. It looks pretty good.

Doug Matheson 1:20:02

Exactly, when you look like the Griswold at Christmas you definately don't want to be an art critic.

Charlie Sellers 1:20:11

All right, we have them first we have a second. How do you vote?

Albert Yount 1:20:16

Yes

David Harwood 1:20:16

Yes

Melissa Pickett 1:20:16

Yes

Doug Matheson 1:20:19

Yes

Pete Gherini 1:20:19

Yes

Charlie Sellers 1:20:19

Okay. Moving right along, audit contract Mr. Fox.

Shane Fox 1:20:25

Thank you, Mayor and Council. So if you recall back to 2019. The council at that time, which included several of you approved the contract for a new audit firm, Martin Starnes and Associates. So 2019 - 2021 was their three year contract period that was approved at that time. So expectation going into this

year was that we were going to potentially rebid that contract that we do tend to do from time to time as the contracts coming to an end. Prior to us getting to that point, we did receive notice from Martin Starnes that they would like to increase our annual audit contract amount moving forward by 96%. So that's a substantial increase. I will say that the reason for that increase, unfortunately, is due to the fact that there are less and less audit firms doing Governmental work in North Carolina. Doug knows from sitting on the League of Municipalities, the State Treasurer's Office, along with Local Government Commission has continued to add requirements and needs to the auditors, which has caused a number of firms, especially smaller firms to get out of doing Government auditing. So the increase was a shock for the amount but was not shocking that they were looking to obviously increase to some extent. So staff did put out for bid our audit work to see what type of feedback we may receive. We did receive two responses back, we did send out should say, a total of 15 to 15 different firms with only two respondents. I think that's telling in itself that individuals, individual firms are pretty much non-existent. Even your smaller firms are not existing Government work right now. Two firms did respond. Blackburn, Childers and Steagall of Boone and Thompson, Price, Scott and Adam which is in Whiteville North Carolina. Both do Government auditing, Blackburn, Childers and Steagall does not have a current audit client in North Carolina. They are primarily a Tennessee based firm that has opened a location here. Thompson, Price, Scott and Adams does have dozens of audit clients within North Carolina, of which I have worked with him personally and the past the two amounts that were put within the bid. The first amount was from Blackburn, Childers and Steagall Childers is \$24,025. The second was from Thompson, Price, Scott and Adams was \$26,500. So roughly a \$2,400 difference between the two firms. Our current audit rate going into the increase for Martin Starnes was around \$23,000. That's right \$23,000. So these two bids are very comparable to what we're paying, we're paying for the Martin Starnes increase, we're paying roughly 23,000 bids at \$24,000, the second was at \$26,000. The increase in Martin Starnes obviously was almost doubling that. So they were going from \$23,000 to \$45,000 or \$44,000 or \$45,000, so substantial increase within that. So our recommendation, I feel like I'm rambling this point recommendation is to move forward with a new audit firm, that firm being Thompson, Price, Scott and Adams, even though they are \$2,400 higher, they do have a history within North Carolina. And they do have a history in local government, which given the complexities that continue to be put down by local government commission and the State Treasurer's Office. We feel like that's a very important aspect to look at is their experience level within that we did put out an RFQ I didn't mention that already versus an RFP. So we are allowed under qualifications to make this decision not based solely on price. That being one factor, but also base that upon things like experience level and references. Ms Norman, is here as well. And she can speak to the fact she has called multiple references of Thomson, Price all have given the same positive glowing review of the firm's work itself. So our recommendation at this point is to move forward with a three year contract with Thomson, Price, Scott and Adams out of Whiteville, giving not only the amount that they've bid, but their qualifications and experience that they have exhibited across the state and I'd be glad to answer questions and Nicole is here as well and answer questions.

Albert Yount 1:24:42

Isn't one of their principles a former employee of Martin Starnes to conduct or have some experience with that.

Shane Fox 1:24:53

That is correct.

David Harwood 1:24:57

If I remember correctly, we had budgeted \$36,000 for the audit,

Shane Fox 1:25:01

I think \$32,000 comes to mind. No, and I apologize. That is correct. So we required under open our push to point benefits to have an actuary study performed and that amount does go to that. So thank you to go I'd hit a blank when you said that I thought we were paying for someone else's on it. But no, that's that's included within that. Apologize for the blank.

Doug Matheson 1:25:52

So I will say that I see that there are saying that even for the three years, and I'm glad that we do do our audits and get them in because there was a town just outside of Kingston that the state dissolved just last week. And they lost, the town is no longer known by its name it it's been given back to the land, the buildings, everything has been given to the county because of not doing their audits and not send them in. And so the state dissolves and gave everything back to the county.

Shane Fox 1:26:40

If I may, that's that's an important note for the public to hear as well. So we we in North Carolina, the local government commission is essentially the the big brother that oversees all local government within North Carolina, so 552 towns, 100 counties, they oversee all the financial arrangements. They're a third party to this contract. So when we sign this contract, and the Council approves this contract, the Local Government Commission also signs the bottom line to approve that contract. The audit is done the same way. So Local Government Commission in North Carolina is a tremendous asset for us to have because they are constantly providing overview. If there's findings, if there's letters of recommendation that goes to the Town Council, they're aware of all that third party to that we've had none of those. So no findings within the audit no letter of recommendation. So our audit is essentially clean is how they describe it. No issues no contact, the increase by Martin Starnes, and I did speak to individual and individual at Martin Starnes was simply due to the fact that we're a very small audit, and they're looking to maximize their business with their larger counties that they maintain. So it's probably not correct for me to say, but it's firing us without firing us, so to speak. So if you would like for us to stay, here's your price. And so we decided at that point to go see what the market did hold for an audit like ours, a smaller audit, but a clean audit, with experienced staff, we were happy to see that what we saw that was out there was two firms willing to bid one's very experienced, very comparable rates to what we were paying. So it does tell us a little bit about that increase as well and where that was coming from but clean audit, no issues, no findings, no recommendations. It's been that way. It's been a very clean process. We're very proud of that. And I know Nicole is proud of the work that goes into that. So I wanted to make that point.

Charlie Sellers 1:28:31

Do I have a motion?

Melissa Pickett 1:28:33

I make a motion we accept the Audit Contact.

Charlie Sellers 1:28:37

Any further discussion? How do you vote?

Pete Gherini 1:28:37

Second

Albert Yount 1:28:46

Yes

David Harwood 1:28:47

Yes

Melissa Pickett 1:28:48

Yes

Doug Matheson 1:28:48

Yes

Pete Gherini 1:28:48

Yes

Charlie Sellers 1:28:49

All right. Moving right along. Parking update, Chief Aaron Miller. Twice in one night, Chief.

Aaron Miller 1:28:59

I expect the parking that day will be going on for quite some time. Solving the parking issue in Blowing Rock is not easy. And first of all, I just wanted to say I appreciate all the community members and Mr. Matheson, and Ms. Pickett for serving on our committee. I'm gonna call that phase one. I think we're coming to the close of phase one in this process, and I do truly appreciate their input. And as a reminder, the reason we started this discussion about a pay to park plan was to try to alleviate the parking problem that we have in Blowing Rock. That's a concern to everyone. And we wanted to try to look at a way to do that. That didn't put the financial burden of the parking program on the backs of the property tax the property owners and pay property tax. So that sort of goes along with sort of in line with some of the public comments we've heard tonight. So that is one of our goals is to try to find ways To generate revenues to offset the cost of some of these, these needs. So as I say, our committee wrapped up their work or advisory committee in phase one, and came up with a few recommendations. Just some of the there, they were tasked with coming up with recommendations broadly about our parking program, what it might look like, some of the things that they concluded was that our parking rate should probably be \$2 an hour on Main Street, on our on street parking \$1.50 an hour on some of our off street parking areas, and then provide a option for free parking until such time that we're able to build some additional satellite parking areas. And then maybe we'll reevaluate that. Some of the other recommendations that they came up with was that they felt like our parking should be enforced seven

days a week, from 9am until 5pm, with the exception of Sunday, and not began enforcement until 1pm, in the afternoon, after church hours. So that was just some of the things. Most of the committee was in favor of a pay to park plan. It was not unanimous there is, you know, there were some voices in the room or are not completely on board with pay to park or maybe opposed. And that's okay, we were glad to hear from them and their perspectives. There was some discussion about a phased in approach, that'll be something that we'll be looking at the feasibility of that before we make a formal recommendation to Council. So there were some other recommendations if you want me to I don't know how deep you want me to go into this, are they? Okay? So they identified a few goals for our parking program. Some of the goals that they came up with was to provide funds to be used for the building of additional parking, to keep our parking program financially self sufficient to ensure that there's adequate parking available downtown for business customers, to help with traffic flow through town. And in doing all that while we continue to provide positive customer service. The next thing I already covered the dates and times, parking rates, I think all the parking, on street parking \$2 an hour. One thing that I did mention that a minute ago, there'll be automatic increases, we we anticipate that most of our parking customers will be paying through some sort of app, or through our pay station, which is a credit, which most of which would be credit card transaction. So rather than having a timed parking, which we will, instead of having a timed parking, where at the end of that time period, the police or the parking enforcement people come out and write you a citation, it was decided that it would be better if we had that we control that by the amount that you pay. So for the first four hours, that you park on street, it would be two hours, after four hours, the rate would increase to \$3 an hour at that time. The off street parking lots were identified as the BRAHM parking deck, the Wallingford parking deck, the Maple Street lot and the swimming pool lot. That'd be \$1.50 an hour with an increase to \$2 an hour after four hours. We also had representation from some of our businesses and our churches. Two of our churches that were very active in our committee were Rumble Presbyterian and St. Mary's Episcopal both of which have some parking and they they seem to be in favor. I'll be speaking to both of their their church congregations and some of their committees. Obviously, it'll be up to their congregations to make final decisions, but they seem to be on board with the idea of utilizing some of their existing parking and the town manage that for some percentage of the of the income. The Davant Field parking area, it's recommended that it remain free. At this time, that'll be the free option for any employees in town who don't want to pay or any other visitors who might be financially disadvantaged, would be able to use that until we are able to build some more parking areas. One thing that was brought up is that the need to reserve some parking spaces that were resident only. Now the recommendation was not that these parking spaces be free to residents, but they at least be available to residents. So we will consider recommending that there be a section. Some number of parking spaces maybe in the Maple Street parking lot that may be identified as Resident parking only. We would control that through registration through our permit system, our back end permit system. You'd have to register the vehicle that you wanted to park there as a resident, that sort of thing. But that would be how we kept up with it and enforced that. No restriction for employee parking. So it's, it's impossible to determine who's an employee and who's not. So employees can park anywhere they want if they're willing to pay the money. So if you start talking about pay as parking eight hours on Main Street, that adds up. To help me with the math Tim how much that ends up a day, that's a lot around 54. That's about it's over \$20 a day. So if you want to pay \$20 a day to park and the other recommendation was to increase our fines for people who failed to pay at all, to \$25 per occurrence. So that was some of the recommendations that they came up with. We needed these this information, so that we could move

forward with talking to some vendors. Some of the questions our vendors ask, whenever we start talking about parking is how much do you charge? How many days a week they park and some of those things. So we kind of needed to have some answers to those questions. But phase two, we're in the process of trying to, to work on we're we're trying to come up with some way to come up with some concrete figures on what our parking volumes are, what our turnover rates look like, and that kind of thing. So we have a more educated idea of what kind of revenues that we can expect. Because right now, that's sort of been educated guesses at this point. So that's, that's what we're working on now. And then we'll move forward with putting together some staff to start looking at some vendors and hopefully make a recommendation for complete package to Council sometime in late fall. Questions, comments, or to Council? Members that said on the committee?

Charlie Sellers 1:36:58

Chief, thank you.

Aaron Miller 1:37:00

Yes sir.

David Harwood 1:37:00

Thank you so much.

Charlie Sellers 1:37:03

All right. Well, first of all, as Mayor, I will to say we lost another very noted individual, in our community last week, Butch Triplett that started Woodlands, and find man, pillar of the community, his wife Gina as well we're very much involved in the community. And I'm sure our hearts and prayers will go out to their family and their friends. On a bright note, brighter note. Shane and I did a little Shane did the presentation. I just introduced him yesterday. And, you know, I came to I finally realized after listening to Shane, what has taken place for the last five or six years in our little town. And I want to thank the citizens, the council's for what has been done in our town. Over the past five, six years. We've achieved a lot. And it's been a group effort. So thank you citizens. Thank you, Council. I am done.

Albert Yount 1:38:21

I am just speechless This is going to probably tame me, but I will thank you because you are genuinely interested in the Town. Now I always say there are three people at crossroads in town, and you will be there singing.

Charlie Sellers 1:38:52

He is not running for re-election? Yet. Thank you Albert.

David Harwood 1:39:01

I think everybody in Blowing Rock realizes just the fantastic customer service that our Town staff gives. And lately, I have been the recipient of that great customer service. I'm involved in two projects here in town. And on one project, John Warren and Kevin Rothrock have just given exceptional customer service in terms of some planning and inspections, expertise. And then on the other project, Mr. Blackburn has been fantastic in helping us determine some utility questions with a particular customer

before the project can move forward and I'm not usually on that side of the fence. And it's just been fantastic and I just reminded me of what a great in special town this is.

Doug Matheson 1:40:14

Like, or Mayor to one of the reflections that I've had, as been about, well, the loss of Butch being the owner of Woodlands and being a local. We've lost so many of them lately. It's just but it's nice to know that we have some employees here on town that I think are due any day now. And thanking the staff for the well job they have did with the budget, and the town crew and everybody else that the town is starting to look nice for the summer, the hanging baskets, everything is you know, Blowing Rock has opened its arms up with the staff that we have and ready.

Pete Gherini 1:41:31

A couple of comments on the TDA meeting that we had a week ago, we passed a budget. We talked or Tracy talked a lot about the time of the parade, there was some grumbling about the fact that the parade was at two o'clock. And usually town parades are at 10 o'clock. And some of the merchants were Yapping on a little bit. But anyway, Tracy then talk a lot about a calendar major calendar. And I think his point was, he thought that there should be better communication and say you are there. And I think that maybe with the concurrence of the Mayor and Town Manager, maybe we should invite Tracy to kind of do the mid summer retreat and let him talk to us about that. And so if that's agreeable, then I think we should do that. And then finally in thanks to Tim, who forward forwarded to me some information on how Asheville keeps track of their money and everything. And we asked Tracy to articulate on that, which he did. And then I asked Tracy to write a letter to the Mayor and to the Council explaining and writing how that were so we have it documented. But anyway, it was that was the sole point of the conversation. Thank you

Shane Fox 1:43:31

I've got a few so bear with me your time and I didn't give you an estimate. First let me introduce our newest interns. We had Ellie during last semester. We have Ms Abby Napier here from Hickory her dad works up the mountain I think she's able to catch a ride with him a lot. Sophomore soon to be sophomore at UNCG. Thinking about this career. So we'll see how that turns out after a few few days. And working in this town. So she got a she got a good day today, seeing how things change on a dime here pretty quickly within that. So welcome Abby, to the staff this summer. Want to congratulate and I've done this before. So that sounds like a little bit of a broken record but gratulate Doug, so he will not get to congratulate himself but just found out yesterday that he's been named to the North Carolina League of Municipalities Risk Management Board of Trustees. So that's one of 14 members that establish overall policy set rates and approved services with regards to our insurance services. So it's a big deal. It's the money maker, so to speak for the League of Municipalities. And so, if our rates go up next year and Nicole knows exactly who to speak with and what complaints to give within that. Thanks ahead of time for keeping the rates low. That is exactly right. So congratulations, Doug. A couple of dates I had, we do have our mid year retreat Tuesday the 28th. That's two weeks from today, one to five in this room. So that's a daytime meeting. And I'll be sending out list of topics probably tomorrow as you all to give me some feedback on including Tracy has been a part of one of those time slots as well. Our July 4 festivities are on July 2 this year. So those are posted and will continue to be posted with the parade. It's been a busy month want to give just a couple of updates staff has been busy. Just couple

weeks ago, Mr. Blackburn switch gears as a dad and invited our first and second graders here at the local elementary school down to the American Legion, where we had a come and meet your town staff and see the very cool fire trucks, police cars, bucket trucks, etc. That was that was done just a couple of weeks ago, our first and second graders here at one Blowing Rock Elementary School had chance to come as their teachers were winding up the year to field trips to see what town staff does. And so I had a chance to speak with them and primarily let them spend the next hour climbing over vehicles. Doug from a risk management standpoint inside of police cars and fire trucks and things of that nature, so thank you for Matt helping put that on. Last week had a chance to attend a roundtable with the North Carolina Secretary of State Elaine Marshall at BREMCO. Kind of giving an update of how COVID has affected their staff and their increases in the number of businesses that have been filed. Interesting enough over the last five years, they have more than doubled their number of businesses being filed. COVID had huge spikes. During that lots of lots of entrepreneurship going on in the state probably COVID driven they believe individuals leaving corporate America to start their own businesses has seen a tremendous increase across North Carolina. Number three in the country based on number of businesses that are being opened up. New businesses percentage increase or not overall, but a percentage increase within that also had a chance to attend the Blowing Rock and Boone Chambers joint venture calls call it called vision with western North Carolina. That was held back in mid May. And Ron Hedrick, who is author of the demographic drought was there as the guest speaker, we talked about all things workforce development, and how again, COVID has completely flipped the workforce on its head. From a needs standpoint, the number of baby boomers that left instantly as COVID came on, has disrupted the job market, so to speak with the number of openings that are out there that were somewhat anticipated, versus a plateauing effect, it was a spike. And then with the number of individuals, especially female workers that have left the job market during COVID, to either stay home, educate or do a combination of other things, entrepreneurship. And so it was interesting. It was a full day worth of individuals about 170 total, from all over northwest North Carolina, really talking about how the job market and the workforce has really changed in the last two or three years. Childcare is a big topic that's out there. Workplace housing obviously continues to be a huge topic, and then how can we continue to maintain the employees that we have? How can we continue to do obviously internal recruiting with them, while recruiting for the positions that open up was the topic of that conversation. We are one of the full, very few people that were there. They're fully employed at this point. We continue to be that way so we truly don't have any openings. At this point. We always have openings that are kind of white with us so to speak in public safety, but we continue to have full employment here with the town which is a good pat on our backs and councils for putting together the efforts that have been put together this week last night to block civic associations group sorry, spoke to a camera with a few members of the board. So I don't know how that turned out. I guess the video will be coming out in the next couple of days within that so COVID related nine crowd that took place. Tomorrow I will be attending a affordable housing seminar that is a co host collaboration between the UNC School of governments and hot country camps like that. But that'll be put on tomorrow. So I'll be attending that real quick. And as a lot as we finish up just real quick on our project updates. crosswalks are just about that close to being done, we can get the rest of them painted. I think they're, they look good. I think they're working well. A lot of other projects from the Main Street water and sewer plants and are part of is still within the planning phases. So McGill's working, working on the permitting and working on the planning phases of that a lot is going to happen between probably the months of July and about September. So there's gonna be a lot of activity that's going to be coming your way, as those are

starting to wind down with some deadlines in the coalition some of that as she was talking about the budget. So next 90 to 120 days, a lot of activity is going to be coming your way as we discuss some some of those projects and putting those out to bid so to speak. Within that part of Project, we did have a preliminary meeting with McGill last week, just to essentially start putting potential placeholders where things fit. So when we put together our part of overall view, for our application process, which was successful, which was tremendous, this is really looking at it from a true standpoint, how much room do we need and what may better maximize the location of some of these things based on terrain and things like that. So that's coming back on which we'll need to get with the park and rec group, once they kind of come back with some different options of maybe the cornhole needs to be moved from one place to the other horse, huge wherever the case may be. So we're working on that type of detail. So nothing's set in stone. We are looking at some different options there like pickleball, and things of that nature as well. Within within that project, and then the underground utilities project is the last one that I had here, without answering any of your questions continues to move along. It's still within the design and engineering phases. I think they're getting close to having, you know, some some battle reports over the next you know, 30 days, 60 days, again, and they will be looking for some bid documents as well to kind of get a finalized or close to a final last number and what that project may look like. So a lot of things as busy as the tableland may be and what you see on Main Street and side streets with the number of people. The projects have have seemed to be slow moving along. But there are a lot going on behind the scenes with planning and design work within some of these, but be glad to answer any questions. I'm sure I missed some things. You have some questions on, give updates on?

Charlie Sellers 1:53:06

Okay, ladies and gentlemen, we're gonna take a 10 minute recess, and then we will go into closed session to discuss issues or something like that. So thank you so very much for coming. We will go back into open session after we conclude the closed session. And there does not appear to be I don't think there'll be any major decisions made. There. What do you perceive? Direction, direction. Okay. So thank you so very much. And thank you for coming. And thank you for those that are viewing from afar. Hope you have a great week.

MAYOR _____

Charlie Sellers

ATTEST _____

Hilari Hubner, Town Clerk

ATTACHMENTS:

- Budget Amendment – Attachment A**
- Laurel Lane Contract – Attachment B**
- Audit Contract – Attachment C**