

**MINUTES -SPECIAL MEETING
BOONE TOWN COUNCIL
JUNE 7, 2004**

A special meeting of the Boone Town Council was called to order at 10:00 a.m., Monday, June 7, 2004 in the Council Chambers, 1500 Blowing Rock Road. Mayor Velma C. Burnley presided. Council members present were Mayor Pro-Tem Loretta Clawson, Graydon Eggers, Lynne Mason, Bunk Spann and Dempsey Wilcox. Staff present were Town Manager Greg Young; Town Clerk Freida Van Allen; Resource Director Jim Byrne; Personnel Director Peri Moretz; Fire Chief Reggie Hassler; Planning Director John Spear; Public Services Director Blake Brown; Public Utilities Director Rick Miller; Police Chief Bill Post and Finance Director Amy Davis.

UPDATE ON HORN INTHE WEST

Town Manager Greg Young said that emergency repairs should be finished in a day or two. Town Manager Young said Greene's Construction uncovered some repairs that the Town did not anticipate, such as repairing entire roofs and the catwalk behind the state. Resource Director Jim Byrne said these unanticipated repairs will cost about \$11,000 above the \$50,000 allocated toward emergency repairs and that this would complete all the safety concerns before the season opener. Mayor Burnley said she visited the Horn last week and that it looked so much better than before. Council member Clawson said she, too, visited the Horn this weekend, that Greene's Construction did a wonderful job, and that she was very pleased with their work. Council member Mason said in the future we should have a better plan for maintenance. Council member Eggers agreed and said the Council should be proactive instead of reactive to emergencies. Town Manager Young said the Town should renegotiate the lease that clearly spells out who is responsible for maintenance. Mayor Burnley felt the Horn was at a new beginning. On a motion by Council member Eggers, seconded by Council member Clawson, Council moved to allocate \$11,000 to the Horn in the West and to prepare a budget amendment for the June 29, 2004 meeting.

VOTE: Aye-All
Nay-None

BUDGET WORK SESSION

Town Manager Greg Young presented the following budget message:

On behalf of both the staff and me, enclosed is a proposed balanced budget document for Fiscal Year 2004-2005. The entire budget totals \$15,166,585. You will see throughout the budget substantial increases in general liability (21%) and health insurance (13%), as well as gasoline and other related line items such as propane and electricity. The individual funds are outlined as follows:

GENERAL FUND

The general fund reflects an increase in service levels from previous years. New positions include an Urban Design Specialist, an Administrative Support position and a full-time maintenance worker for sidewalks. The General Fund still retains \$175,000 appropriation earmarked for the three capital projects identified by the Mayor and Council. The Board can decide how this money will be spent during our budget deliberations. Revenues and expenditures are projected with a recommended tax rate being proposed at \$0.41 per \$100 valuation, a reflected 2 ¢ increase from last fiscal year.

EMERGENCY FUND

This fund shows revenues and expenditures for the enhanced 911-telephone system for this fiscal year. It continues to recognize new E-911 wireless money.

NARCOTICS ENFORCEMENT DIVISION

This fund reflects the same activity as last year. It projects narcotic enforcement activity for the upcoming fiscal year. Revenues are derived solely from the fund balance carried over from previous years.

RURAL FIRE SERVICE DISTRICT

This fund reflects revenues and expenditures for the service district. The Town's Fire Department serves this district, located outside the corporate limits. Recommended expenditures represent priorities set by the Service District Board and reflect an increase in driver/operator positions.

DOWNTOWN MUNICIPAL SERVICE DISTRICT

This year reflects a continuation from the previous years in budget appropriations for the MSD. The budget reflects only taxes appropriated as revenue, and expenses are allocated back to the DBDA. Now that the DBDA is a non-profit organization, it is no longer necessary for us to approve each line item in its budget. However, Council needs to set its tax rate and account for the taxes received and expended. The DBDA is recommending a \$0.21 per \$100 valuation tax rate this year.

WATER AND SEWER FUND

Service levels are maintained in the Water and Sewer Fund in this proposed budget. The only capital project identified in the budget this year is the Hill Street Sewer replacement that is financed by a transfer from reserve funds. Increases in insurance, gasoline and electricity are reflected in this fund as well. I am recommending an 8¢ per 1,000 gallon increase to balance the proposed water and sewer budget.

CONCLUSION

Overall the budget calls for a 2.3% CPI increase for our contract service providers. For employees there is a recommended 3% COLA, merit funding for each department and an increase in 401K appropriation by 1%. I submit to you, according to the Fiscal Control Act, a recommended budget for fiscal year 2004-2005. I await your instructions at our upcoming budget workshops and public hearing.

Council discussed at length the increase in general liability insurance. Town Manager Young said the Town went out to bid for insurance and that the NC League of Municipalities was the low bidder. Council member Wilcox suggested that we have the League provide a quote for general liability insurance that includes a deductible that may, in turn, lower the premium. Council then discussed the Howard Street Project. Council member Wilcox suggested funding the design of the Howard Street Project in this year's budget because the infrastructure is substandard. Council member Wilcox said we are at a critical point with the Howard Street project. Council member Mason agreed and felt the return to the community would be great. Council member Eggers suggested property acquisitions before paying for the design because it will cost the Town less. Town Manager Young said we must finish the design first in order to know what property to acquire. Downtown Boone Development Association Director Randy Feimster said he is really close to having all the property owners on board for granting rights-of-way. After a lengthy discussion, Council agreed to commit \$183,350 towards the Howard Street Project design. Town Manager Young said he would have a contract ready for the design work by the July meeting.

Council then began discussing the budget page-by-page. Council agreed that the tax rate should be lowered by 1¢ whether by cutting expenditures or by accessing the fund balance to a greater degree. Town Manager Greg Young said he would email Council concerning his recommendations.

ADJOURNMENT

On a motion by Council member Eggers, seconded by Council member Clawson, Council moved to adjourn the meeting at 4:25 p.m.

VOTE: Aye-All
Nay-None

Town Clerk

Mayor