

## PROPOSED AGENDA

Meeting of the Town of Biltmore Forest  
Board of Commissioners

To be held Tuesday, June 4, 2024 at 4:30 p.m.

A. Pledge of Allegiance

B. Roll Call

Mayor George F. Goosmann, III  
Commissioner Fran G. Cogburn  
Commissioner E. Glenn Kelly  
Commissioner Doris P. Loomis

C. Consent Agenda

1. Approval of Agenda
2. Approval of May 21, 2024 Minutes

D. Public Comment

E. Departmental Reports

1. Chief of Skyland Fire and Rescue
2. Chief of Police Chris Beddingfield
3. Public Works Director Harry Buckner
4. Town Planner Tony Williams
5. Town Manager Jonathan Kanipe

F. Public Hearing – FY 25 Annual Budget

G. New Business

1. Consideration of Resolution 2024-05 – A Resolution Amending the Town of Biltmore Forest's Personnel Policy
2. Consideration of FY24-25 Annual Budget
3. Consideration of FY24-25 Schedule of Fees
4. Consideration of FY23 Audit Agreement with Carter, P.C.

H. Adjourn

For those interested in viewing the Board meeting remotely, please utilize the following information:  
<https://us02web.zoom.us/j/82228455470?pwd=SG9WU0FwUjFSdGZveS95b3pLTUIHdz09>

Meeting ID: 822 2845 5470

Passcode: 966757

MINUTES OF THE MEETING OF THE MAYOR AND THE TOWN COMMISSIONERS OF  
BILTMORE FOREST HELD MAY 21, 2024

Be it remembered by those that follow these proceedings that the Governing Board of the Town of Biltmore Forest met and conducted the following business:

Roll call taken by the Clerk:

Mayor George F. Goosmann, III, present  
Commissioner Doris P. Loomis, present  
Commissioner Fran Cogburn, present  
Commissioner Glenn Kelly, present

Mr. Jonathan Kanipe, the Town Manager, was present. The Town Attorney, Billy Clarke, was not present.

Mayor Goosmann called the meeting to order at 4:30 pm.

The Pledge of Allegiance was conducted.

Consent Agenda

Commissioner Cogburn made a motion to approve the agenda, the minutes from April 9, 2024, the Proclamation for National Police Appreciation Week, and the Proclamation for National Public Works Appreciation Week. Commissioner Loomis seconded the motion and the Consent Agenda was unanimously approved.

Public Comment

There was no Public Comment.

Chief Trevor Lance gave the report for the Skyland Fire Department. There were a total of 26 calls. There was one windstorm assessment and there were four fire alarms. Chief Lance discussed grill safety and checking your propane tanks for any leaks. Do not leave the grill unattended. Also make sure your grill is clean and free of any debris.

Chief Chris Beddingfield gave the report for the Police Department. Chief Beddingfield thanked the Board for their support of the Police Department. Four employees went to Washington D.C. for National Police Week. Chief Beddingfield said it was a wonderful experience. There were 30,000 police officers that attended this event. Chief Beddingfield said the networking opportunity was amazing.

There were 784 calls for the month. The camera system is still being installed and working well. Officers had a multi-agency traffic enforcement operation with Fletcher. There were several arrests and many guns got taken off the street.

Chief Beddingfield went to the Chiefs' Legislatures Day in Raleigh. He said it was a very positive event as well. They expressed their concerns about laws and regulations relating back to law enforcement.

There were a lot of calls about Hendersonville Road and the traffic leading into the Town. When Hendersonville Road gets shut down, commuters cut through Biltmore Forest and drive too fast. Officers were patrolling and slowed down traffic.

Commissioner Kelly asked what percent of the calls received are assisting other agencies. Chief Beddingfield said about 5%.

Mr. Harry Buckner gave the report for the Public Works Department. Mr. Buckner appreciates the support from the Board for National Public Works week. Mr. Buckner said they are trying to acquire a garbage truck and recently got a quote on one. It will probably not be delivered until February.

The roof on the bus stop has been replaced at the intersection of Stuyvesant Road and Hilltop. They will also be working on the rest of the bus stops throughout the year.

The stormwater project at the park should be started soon. The trail project at Brooklawn Park has been completed and signage will be installed with rules. A lot of positive feedback has been received. Commissioner Cogburn asked if a handrail over the stairs going to Brooklawn could be installed. Mr. Buckner said yes.

In May, they have some additional trees that will be coming up along the walking trail. They are doing a heavy right of way clearing from Southwood Road from Brookside towards Stuyvesant (opposite the golf course). There was a lot of material that was going out in the road. They have taken out almost two brush truck loads from that area.

Public Works is working on a small project in Brooklawn Park at the pond to clean up and put plant material in this area.

Commissioner Kelly asked about the timeline for the stormwater project and the road to be repaired on Stuyvesant. Mr. Buckner said they are starting at Rosebank Park. Mr. Buckner said the road will be repaired about halfway through the project.

Mr. Tony Williams gave the Town Planning report. There were 98 land-use conferences. There were two notices of violations. There were six complaints that were resolved. There were seventeen plans reviewed and six permits were issued. Commissioner Loomis asked what the criteria is unkept grass and grass being too long. Mr. Williams said the ordinance refers to it as being "unsightly." Commissioner Loomis asked if people are responsive when Mr. Williams discusses this matter with them. Mr. Williams says most people are responsive.

Commissioner Kelly said 61 Forest Road has been unkept for a long time. Mr. Williams said last year it was cleared out and then it was sold. Mr. Williams said he has been in contact with the new owner to have it taken care of. Mr. Kanipe said this is something he is reviewing with the Planning Commission to make this Ordinance clearer.

Mr. Jonathan Kanipe gave the report for the Town. Regarding the stormwater project, Mr. Kanipe said they have begun stockpiling the pipe in the park. This project will take 180 days to finish and 210 days for full completion.

Mr. Kanipe said the Tick Reduction Committee met in the beginning of May and went through their purpose and mission. The committee reviewed a “toolkit” concept to continue education of various options to enable homeowners to make choices. They received a lot of information from the State of Connecticut with different options and ways to proceed with tick reduction as well. The committee is going to meet again in June and have a much more in-depth discussion.

Mr. Kanipe said the Town will be having a blood drive in conjunction with the Blood Connection in the social room tomorrow. Also, due to a conflict, the Board will move the June meeting to Tuesday, June 4<sup>th</sup>. This will be the Budget Public Hearing. This will be noted on the website and the listing will be amended in the Citizen Times newspaper.

### NEW BUSINESS

Consideration of Resolution 2024-04-A Resolution Adopting the Town of Biltmore Forest Local Water Supply Plan. Commissioner Loomis moved for approval of Adopting the Town of Biltmore Forest Local Water Supply Plan. Commissioner Kelly seconded the motion and was unanimously approved.

Mr. Kanipe presented the Recommended Personnel Policy Amendments. The Town began an implantation schedule and overview of needs regarding personnel policy amendments at the Board of Commissioners meeting in November 2023. At many places, revising a personnel policy is outsourced, but this was done in house by several staff. There was a lot of good discussion and feedback from employees about the revisions and what they would like to see in the updated personnel policy. Our first all-staff meeting was in February to gather feedback from staff on things they liked or disliked about the existing policy. The second meeting was held after the draft policy was completed in April with the purpose of reviewing what was recommended for amendment and once again gather employee feedback.

Mr. Kanipe the top items staff appreciated are salary, health insurance and benefits, good working conditions, flexible work hours, pension and 401(k), and their co-workers.

The focus for primary future benefits are changes in vacation accrual, Town offered personal days, fitness plan reimbursement, employee recognition, and increased employee events.

The proposed changes to the personnel policy is the vacation accrual. The new schedule beings increased accruals after year 2, not year 5. An example would be at year 5, an employee would get 13 days of vacation under the new policy and currently has 10 days under the existing policy.

Mr. Kanipe discussed the longevity pay idea for the personnel policy which is a new policy created to reward retention and length of service with the Town. It would be paid on the anniversary for each employee annually. Commissioner Kelly said the language is confusing in Section 14 of the policy and he would like to see the language in this section clearer. Commissioner Kelly said he would like to see different language used where it states it is subject to board approval depending on the financial conditions of the Town. Commissioner Loomis suggested language be changed to “subject to financial stability,” or “subject to financial conditions.” Mr. Kanipe said they can definitely work on the language and change this wording.

Mr. Kanipe also said they would like to create a compensation time policy. Employees may carry up to 40 hours for use and comp time must be used prior to June 30<sup>th</sup> each year or paid out as overtime pay, with the exception employees may choose to carry 12 hours past June 30<sup>th</sup>. This would not apply to exempt employees.

Mr. Kanipe also said a paid family leave policy would also be included since we are not an FMLA employer and do not have any FMLA requirements. This new policy would provide up to four weeks of paid family leave for “the birth and bonding with a newborn, bonding with a newly placed child for foster care or adoption and to care for a child, spouse, or parent with a serious health condition.” This may also be used in conjunction with sick/vacation leave.

Tuition assistance would also be included and has to be applicable to the employee’s job and must be approved by the department head. Tuition, registration, fees, lab fees, and student fees are eligible expenses. Employees may be reimbursed 50% of eligible expenses up to a maximum of \$4,000 per fiscal year.

We also looked into a partnership with the YMCA of Western North Carolina for employees. The most likely amount of the subsidy would be \$30/month per employee.

We also allowed 8 hours of personal day usage which has to be approved by the department head. Billy is also reviewing this personnel policy so we can have this approved for the meeting in June. Commissioner Loomis said these are great changes and improvements for Town staff.

The next item in New Business is a presentation by Ms. Megan Powell and Ms. Alison Alexander from WithersRavenel regarding the Biltmore Forest Water Rate Study. The Town of Biltmore Forest has purchased water from the City of Asheville for many years. The Town is charged a wholesale rate from the City of Asheville due to the volume of water needed within the Town.

The significant increase with the City of Asheville water rates required the Town to look into our water rate structure and work with consultants to perform a detailed analysis and provide recommendations. Ms. Powell is presenting their findings from the study and discussing recommendations for the upcoming fiscal year.

Ms. Powell said revenues have increased by an annual average of 3.8% between FY 2019 and FY 2023, partially due to rate changes. The revenue rate increases have allowed the fund to keep up with expenses, increases, and inflation before accruals in the study period. Unrestricted Net Position was \$576,291 or 72% of expenditures in the FY 2023 audit. This is a good position to be in of a fund this size. There is no outstanding debt.

Revenues have increased by 3.8%. The fund has been healthy the past couple of years.

The water costs are comprised of four costs which are the volumetric at \$1.23 per ccf, the capacity is \$77,280 per year, the base is \$7,713 per year, and the pickup is \$1,004 per year. The Asheville water projects volumetric rate to increase to \$2.89 per ccf by 2027.

The approved assumptions are there will be no water usage growth. The treated water costs increase by an average annual rate of 4% after FY 27. The operating expenditure increases by average annual rates of 4-6%. The unrestricted Net Position exceeds 75% of Budget by FY 2034. They have proposed a few different alternative rate structures. There are currently 807 water customers, of which 799 are residential. 321 customers use a 5/8" meter and 330 customers use 1" meters. There are 148 irrigation users. The average bi-monthly usage is 9,980 gallons. Nearly 72% of residential customers use 10,000 gallons or less every two months. The fixed charges yield \$147,487 and the volumetric charges yield \$367,000.

The first proposed rate change is to vary the base unit charge which is the fixed charge on the bill. This is for non-residential meters greater than 1". The charges increase by factor of the maximum meter flow. This is the best practice to push costs of potential greater water demands to those individual customers needing more capacity.

The second proposed rate change is to reduce the number of rate tiers down to three tiers. Most customers follow in the 0-5,000-gallon tier. Both of these options together total \$689,000 in revenue and is based on current usage patterns. The proposed water rates were outlined, showing a five-year study. This would propose an 8% annual increase in water revenues. This would turn into a 9% rate increase.

Commissioner Kelly asked if any water suppliers such as the Town or Asheville ever increase their rates by 9% a year. Ms. Powell said 9% is low from what we are seeing from other studies. The City of Asheville is increasing their water to 33% each year for the first three years. Mr. Kanipe said Asheville did their rate study in December and their consultant suggested they begin passing their increases on the wholesale side. It is important for us to make changes that represent what we are going to be change paying. Mr. Kanipe said for the residential users for next year the big increase is \$90 per year. From WithersRavenel standpoint it was important to have some stable revenue coming in from those fixed meter increases. Commissioner Loomis thanked Ms. Powell for presenting this information.

Mr. Kanipe presented the proposed Fiscal Year 2024-2025 Annual Budget. The total General Fund Revenue projected for FY 24-25 is \$6,633,697. The Water Fund Revenue is \$1,142,795. The Public Hearing for the Budget will be on Tuesday, June 4<sup>th</sup>. One penny on the Town's tax value brings in \$88,181. This is up a little bit from last year. We have a very high tax collection rate of 99.89%. This Budget does not propose any tax rate increase so the proposal would be to remain at .345.

The Sales Tax has leveled off and we are still doing well this year. 2% over current year amounts. We have revenues coming in from that as well. The utility taxes continue doing well and so are investment earnings. There were no intergovernmental loans for the coming year. We do have one existing loan from the Department of Environmental Quality for the stream restoration project that is included within our debt service. The Powell Bill went up a little bit from last year to about \$75,000. This is scheduled to go up a bit more but the League of Municipalities believes there is potential that the Legislature will curtail that increase.

There was an increased Zoning Permit Revenue this year and a significant number of residential remodels and significant work on the commercial side.

The Fund Balance Appropriation last year budgeted approximately \$1.2 million for the stormwater project. Because that project has not begun construction yet, we are going to roll that fund balance allocation into next year. We currently have 75% of the total General Fund Balance, which is much higher than our Town Policy of 20-35%. We are in great shape financially right now.

Regarding the General Fund Expenditures. We do our best to tie the Cost-of-Living Adjustment (COLA) to what the March CPI is. Last year the Board approved a 5.8% COLA for all employees and this year, Mr. Kanipe recommended a 3.8% COLA which is in line with CPI in March of 2024. There will also be a Merit pool which within each department is 2%.

Regarding the funding of the Personnel Policy, the Longevity Pay Program would cost \$14,250. The YMCA subsidy would cost \$12,000. This is all accounted for which is in the Budget.

Our healthcare plan remains the same. The increases are not known yet because that information is not released until October. We generally budget for at least a 5% increase. There are no changes in the vision and dental insurance. The Local Government Employee Retirement System (LGERS) will have another increase of 0.75% for non-sworn employees. This takes this to 20.28% for FY 25. Regarding Law Enforcement employees, they will have a contribution of 21.72% to their pension. This goes into the retirement system and those rates are mandated by the State of North Carolina and the Board that governs them. The Town would also provide a 5% 401(k) plan for all employees.

Mr. Kanipe said the Police Department has allocated with Enterprise two new vehicles in the coming year. These have been ordered. Officers are also receiving new service weapons this year. Next year, they will be looking into ordering new rifles for them as well. The Flock security camera program was also approved. That first year's cost is about \$48,000 and this is included in the Budget as well.

Mr. Kanipe said Public Works is continuing their improvement with parks throughout the Town. This funding has predominately come from the American Rescue Plan funding. Greenwood Park had major improvements, Brooklawn Trail was created, and part of Rosebank Park is having work done. This funding expires FY 26. We need to have it obligated by December 2024. We should also have it all spent by December 2024 with the addition of the bridge as well as the trail in Greenwood Park. The benefit to the Town is that it is five cents on our tax rate, and we've been able to utilize it for park improvements solely over the past several years.

Mr. Kanipe said the Street Department has the large stormwater project that will begin this month. This will go into most half of the fiscal year. We also have funding for additional engineering if necessary for all stormwater projects. The roadways will be milled and resurfaced and that's all included in the budget for that project. We also have our continued striping program that the Town adopted last April.

Regarding Sanitation and Recycling, we've been looking for the purchase of two new garbage trucks. The Town does not charge any solid waste fees. Our fees account for 6.63 cents on the tax rate. Our brush and leaf removal is also included in with this.

In General Government, we still have \$260,000 in Contingency Funding. This is for land acquisition as we move forward in discussion with facility needs and architectural services.

In terms of Debt Service, the Town is in great shape. The only remaining debt service is for the Public Works renovation in 2019 and the stream restoration loan we have from the State.

As Commissioner Loomis mentioned, Mr. Kanipe said Town staff will need to let residents know how and why we are increasing the water rates. The overall Revenue increase based on those charges generate an additional \$175,000 from the base unit charge and the volumetric increase. In subsequent years, the Town would generate an additional \$55,000 in 2026 and \$114,000 in 2027 which follows along with the City of Asheville increases.

There is no direct funding for Police Department and Public Works Department projects because we will move this to a Capital Project Ordinance.

Mr. Kanipe said the Town is in terrific Fiscal condition and we have a great Fund Balance and a terrific tax rate relative to other Local Governments. We also provide a very high level of service to our residents.

Commissioner Loomis said in regards to the Proclamations for the Police and Public Works, they are very appreciative of all the hard work all of them provide with excellent service to the Town.

The meeting was adjourned at 6:15 pm.

The next meeting is scheduled for Tuesday, June 4<sup>th</sup>, 2024 at 4:30pm.

ATTEST:

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Laura Jacobs  
Town Clerk

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George F. Goosmann, III  
Mayor

Biltmore Forest Police  
355 Vanderbilt Road  
Biltmore Forest, NC 28803  
828-274-0822  
Chief M. Chris  
Beddingfield



George F. Goosmann, III, Mayor  
Doris P Loomis, Mayor-Pro Tem  
E. Glenn Kelly, Commissioner  
Fran Cogburn, Commissioner  
Jonathan Kanipe, Town Manager

## **Biltmore Forest Police Department June 4th, 2024 Commission Report**

### **May 2024 Data-through 5/30/24**

#### **Total Calls For Service:**

742 (784 last month)

#### **Arrests:**

0-Felony Arrests

4-Misdemeanor Arrests-2-Driving While Impaired Both From Traffic Stops. 2-Outstanding Warrants From Other Jurisdictions Both From Vehicle Stops.

#### **Citations:**

34-Citations for various traffic violations (42 last month)

#### **Time Consumption Summary:**

*Approximations:*

Business Checks- 4 hours

House Checks- 4 hours

Radar Operation- 3 hours

Vehicle Crash Investigation- 1.5 hours

#### **Notable Calls and Projects:**

Participated in Police Memorial Week in Washington, DC. An amazing experience and networked with police departments all across the country.

New pistol/weapon system has arrived. We have begun the transition and training to move to optic mounted system. This allows officers to keep both eyes open and focus on the suspect/target and not on the sights. We are at the front of this new technology for law enforcement firearms and hope to be switched over very soon.

Bear season is in full swing. Multiple bear encounters/calls. Information sent out in newsletter and the APP for bear prevention tips.

**Biltmore Forest Police Department**  
**355 Vanderbilt Rd**  
**Biltmore Forest , NC 28803**  
**Calls for Service**  
**05/01/2024 - 05/30/2024**

<b>BILTMORE FOREST POLICE DEPARTMENT</b>	<b>Count</b>	<b>Percent</b>
ALARM	27	3.64%
ANIMAL CONTROL	12	1.62%
ASSIST MOTORIST	21	2.83%
ASSIST NON-RESIDENT	6	0.81%
ASSIST OTHER AGENCY	10	1.35%
ASSIST RESIDENT	9	1.21%
BUSINESS CHECK	283	38.14%
C&R DRIVER	1	0.13%
CRIME PREVENTION	5	0.67%
DEBRIS IN ROADWAY	2	0.27%
DEPARTMENT OTHER	4	0.54%
DISCHARGE FIREARM	1	0.13%
DISTURBANCE	5	0.67%
FOLLOW-UP INVESTIGATION	7	0.94%
FRAUD	1	0.13%
HOUSE CHECK	170	22.91%
IMPROPER PARKING	5	0.67%
JUVENILE ISSUE	1	0.13%
MEDICAL EMERGENCY	6	0.81%
MENTAL SUBJECT	1	0.13%
NOISE COMPLAINT	3	0.40%
ORDINACE VIOLATION	5	0.67%
PROPERTY DAMAGE	2	0.27%
RADAR OPERATION	14	1.89%
RECOVERED PROPERTY	3	0.40%
SPECIAL ASSIGNMENT	2	0.27%
SPECIAL CHECK	15	2.02%
SPEED ENFORCEMENT	3	0.40%
SUSPICIOUS ACTIVITY	6	0.81%
SUSPICIOUS PERSON	10	1.35%
SUSPICIOUS VEHICLE	9	1.21%
TALK WITH OFFICER	7	0.94%
TOWN HALL BUSINESS	2	0.27%
TRAFFIC CONTROL	2	0.27%
TRAFFIC STOP	67	9.03%
TREE DOWN	7	0.94%
VEHICLE ACCIDENT	3	0.40%
WARRANT SERVICE	3	0.40%
WELFARE CHECK	2	0.27%
<b>Total Records For BILTMORE FOREST POLICE DEPARTMENT</b>	<b>742</b>	<b>Dept Calls/Total Calls 100.00%</b>

**Total Records 742**

# BOARD OF COMMISSIONERS MEETING STAFF MEMORANDUM

May 30, 2024



## Agenda Item D-3

### Public Works Director Monthly Report

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#### Recurring Activities:

The Public Works Department has completed the following activities during the month of May:

- Collected 39.15 tons of garbage.
- Diverted 13.31 tons of recycled goods from garbage.
- Picked up 18 loads of brush (approximately 540 cubic yards) over 10 days.
- Responded to 84 total utility locate requests, comprised of 61 new requests and 23 updates.
- Visited 9 residences for Tree Assessments, approving the removal of 18 trees, and requiring the installation of 1 replacement tree.
- Completed daily chlorine residual tests across town and the required two (2) bacteriological tests. All tests were passed.
- Used the Beacon/Badger Meter automated meter reading system to monitor water leaks daily and attempted to contact residents of suspected leaks.
- We continue to perform litter pick-ups as needed, focusing on the entrances.
- Brush collection on the North Route began on May 15<sup>th</sup> and the South Route began on May 30<sup>th</sup>.

#### Miscellaneous Activities in May

- We continue our weekly routine maintenance of all public spaces including general clean-up and servicing of twelve (12) dog waste stations.
- We continue to use the tractor and blower to keep the roads cleared of leaf and other debris.
- It appears that the broken sewer service in Brooklawn Park that was recently repaired has additional issues. The homeowner is having their plumber come back out the first week of June to reassess the problem and make additional repairs as needed.
- I attended the American Public Works Association (APWA) North Carolina Leadership and Management Division Conference in Asheville on May 16<sup>th</sup>.
- I attended the May French Broad River Metropolitan Planning Organization (MPO) Technical Coordinating Committee (TCC) monthly meeting on May 9<sup>th</sup> via Zoom.
- We received a proposal from Enterprise for a new garbage truck and are finalizing some of the details to settle on a final proposal. We anticipate this occurring in early June.

- We removed two trees from the roadway on Hilltop Road and one on Brookside Road this month.
- Our team refreshed the mulch previously installed on the road shoulder along Westwood Road.
- Staff installed a new water service for the new home construction at 332 Vanderbilt Road.
- Staff replaced two water meters this month.
- We completed servicing and tuning up our small engine equipment (blowers and weed eaters).
- Our staff wished to let the Board know that we very much appreciate all the support we receive and specifically appreciated being recognized formally during National Public Works Week from May 19-May 24.

### Larger/Capital Projects Updates

#### Master Plan Project Area 1 & Area 9 – Vanderbilt/Stuyvesant/Lone Pine Stormwater Project

- The Contractor began work on the stormwater project on May 20, 2024. The outfall headwall is installed, and the first segments of pipe are being installed. A significant quantity of pipe is stockpiled in Rosebank Park.
- The construction contract completion date is currently November 16, 2024, for substantial completion and December 16, 2024 for final completion.

#### Streetlight LED Conversions and Service Upgrades

- No updates on this project as we continue to wait for Flock to complete equipment installations.

#### Greenwood Park Improvements

- All the bridge components are on the Contractor's site except for the two 35-foot main beams, which are in Birmingham Alabama to be cambered. Delivery back to Asheville is scheduled for Monday, June 3, and the crane to set the main beams is tentatively scheduled for the end of that week, weather pending.
- The remainder of the bridge erection (decking, handrails, etc.) should occur in the remaining weeks of June, depending on suitable weather conditions and no other unforeseen delays.
- The final paving of the walking trail is currently scheduled for early July but will occur as soon as practical after the installation of the bridge.
- Once paving is completed, additional topsoil will be imported to fine grade the site, correct any drainage issues, and provide suitable soil for additional plant material and grass.

#### Brooklawn Park Clean-up and Trail Construction

- Trail construction was completed on April 30, 2024, with final punch-list items finalized on May 15<sup>th</sup>. The trail is in service now.

- Supervisor Dale walked the entire trail with our tree service company and identified additional hazardous trees to be removed. Some tree removals occurred on May 23<sup>rd</sup>, with more to come in June.
- We plan to harvest some smaller locust trees from the site to use for a handrail along the stairs at Brooklawn Chase.
- Supervisor Dale and I are finalizing the new signage for the parks and plan to install it upon delivery, anticipated to occur in June.
- Staff will be finishing the work on the mulch bed at the pond and installing some flowering plant material to beautify that area.

#### Upcoming in June

- Staff will complete the required daily chlorine and monthly bacteriological testing.
- Normal brush collection will continue with the North Route on May 15<sup>th</sup>, 2024, and the South Route on May 30<sup>th</sup>, 2024.
- Mowing will continue under its routine weekly schedule until further notice.
- We will assist Ms. Jacobs with the June water billing cycle.
- I will be working with Manager Kanipe to assist as needed to close out the 2023-2024 FY budget.
- We will be concluding the right-of-way clearing along Southwood Road from Brookside Road to the east.
- Supervisor Dale and I will continue to monitor the stormwater project and work to expedite the work in Rosebank Park so it can be available for the Independence Day celebration.
- Hazardous tree removals will continue in Brooklawn Park.
- Staff will be working on the mulch bed at the Brooklawn Park pond to refresh it and install some flowering plant material.

As always, please do not hesitate to contact me with any questions or feedback.



## MEMORANDUM

**To:** Jonathan Kanipe, Town Manager  
Mayor and Board of Commissioners

**From:** Tony Williams, Town Planner

**Re:** May Monthly Report

**Date:** June 4, 2024

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### Recurring

- Check PD reports daily for code violations, make contact as needed to homeowners and contractors.
- Field inspections are conducted multiple times a week.
- Review plans for the Board of Adjustment for meeting packets.
- Conducted site visits with the Board of Adjustment Members for all projects to be heard.
- Attended Board of Adjustment meeting.
- Attended Planning Board meeting.
- Communicate weekly with all who submit plans for approval.
- Weekly advising homeowners and contractors of the ordinances.
- Addressing violations as needed.
- Issuing permits as needed.

### Monthly Breakdown

- Review of potential subdivisions: 0
- Land use conferences virtual/on site: 85
- Notice of violations verbal/written: 6
- Resolved violations/complaints: 7
- Complaints: 5
- Plans reviewed: 21
- Plans reviewed for BOA: 1
- Plans reviewed for Design Review Board: 2
- Permits issued: 3

### Miscellaneous

Jonathan and I, along with two members of the Planning Commission, attended a workshop put on by the UNC School of Government. The workshop went over planning and zoning in NC, the roll of the planning board, legislative zoning considerations, and legislative zoning procedures.



# Monthly Financial Report

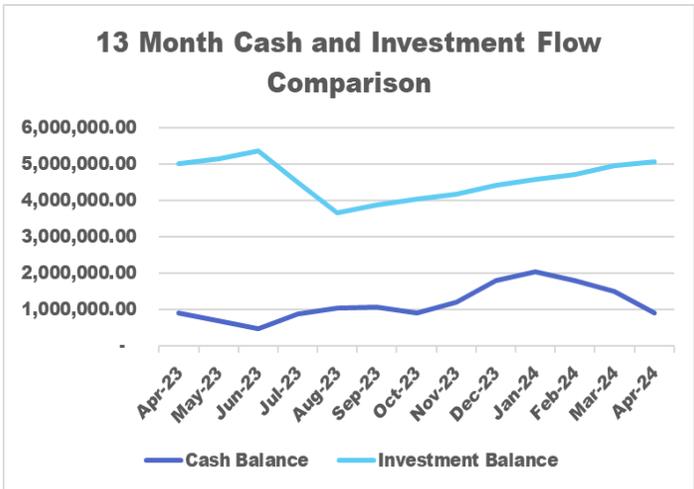
## April 2024

CASH ACCOUNTS	
First Citizens Money Market Checking	894,960.66
NCCMT General Fund Government	5,074,893.52
NCCMT Water Fund Government	105,870.50
<b>TOTAL</b>	<b>6,075,724.68</b>

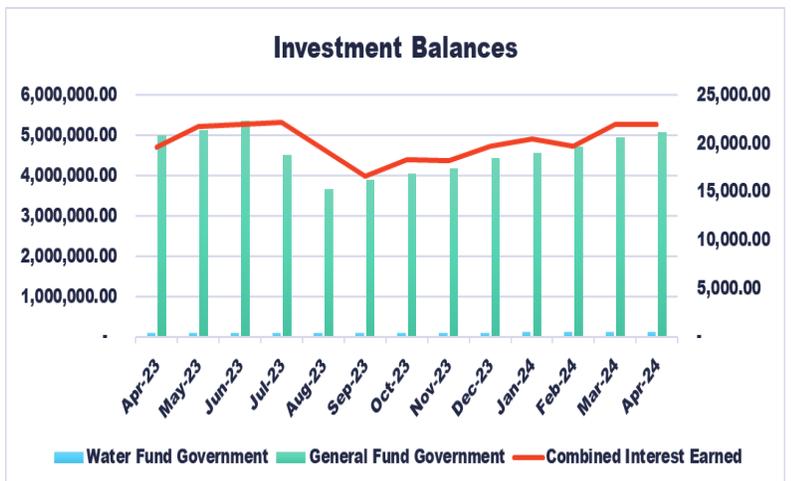
NORTH CAROLINA CASH MANAGEMENT TRUST	
<b>GENERAL FUND Government</b>	
Beginning Balance	4,944,576.65
Local Govt Distribution (NCDOR)	108,815.61
Transfer to First Citizens Checking	-
Interest Earned	21,501.26
<b>Ending Balance</b>	<b>5,074,893.52</b>
<b>WATER FUND Government</b>	
Beginning Balance	105,417.42
Interest Earned	453.08
<b>Ending Balance</b>	<b>105,870.50</b>

FIRST CITIZENS CHECKING (Monthly Transaction Report)	
<b>Beginning Balance</b>	<b>1,485,519.40</b>
Cleared Checks	(172,855.27)
Cleared Deposits	82,194.42
Cleared Credits	11,709.69
Cleared Debits	(124,152.79)
Cleared E-payments	(387,454.79)
<b>Change in Account Balance</b>	<b>(590,558.74)</b>
<b>Prelim balance</b>	<b>894,960.66</b>
<b>Outstanding Items</b>	<b>-</b>
<b>Ending Balance (F/L Balance)</b>	<b>894,960.66</b>

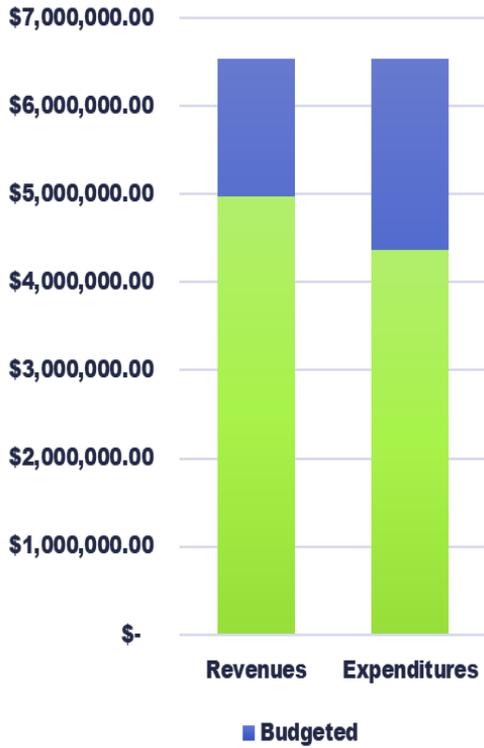
2023 PROPERTY TAXES	
Real Property	859,013,590.00
Personal Property (Including BUS & IND)	7,120,468.00
Personal Property (Public Service Companies)	5,393,345.00
Total Assessed	871,527,403.00
<b>Total Levy</b>	<b>3,006,757.20</b>
Budgeted Levy	2,980,215.00



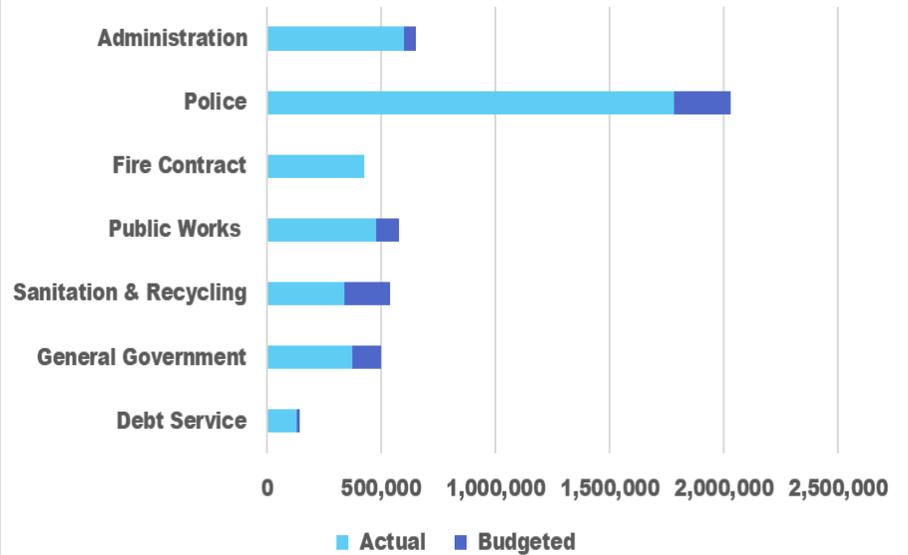
Tax Collection	Budgeted Levy	Total Levy	Amount Collected
<b>Ad Valorem (2023)</b>	2,980,215.00	3,006,757.20	<b>3,006,435.94</b>
Unpaid per Levy Type	(26,220.94)	321.26	
Percent Collected	100.88%	<b>99.99%</b>	
<b>DMV Ad Valorem</b>	122,399.00		103,632.55
Difference	18,766.45		
Percent Collected	84.67%		



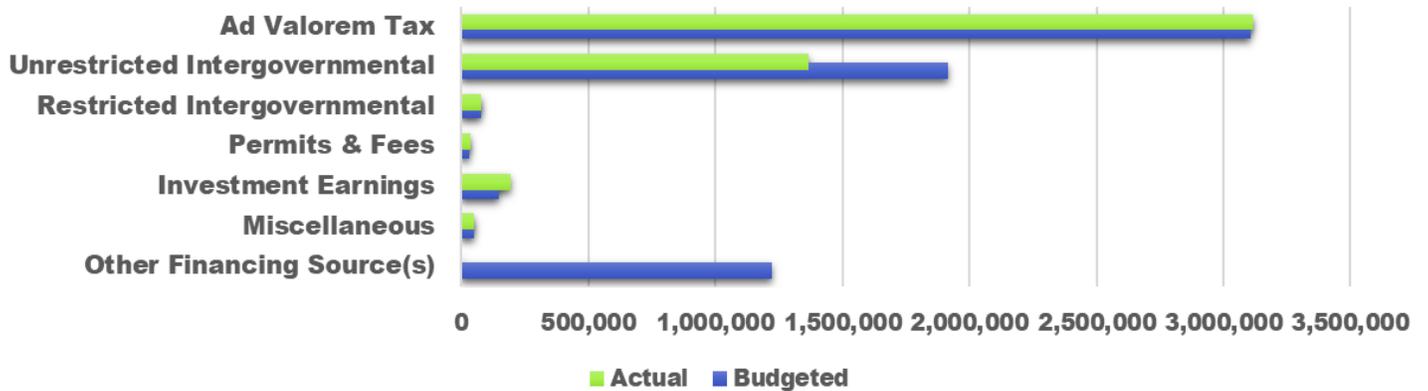
### Budget to Actual Revenues vs Expenditures FY 2023-2024



### Budget to Actual Expenditures FY 2023-2024



### Budget to Actual Revenues FY 2023-2024



**REVENUE & EXPENDITURE STATEMENT**

07/01/2023 To 05/30/2024

Town of Biltmore Forest

FY 2023-2024

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Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
<b>3010 Ad Valorem Tax</b>						
<b>Revenue</b>						
<b>3010 Ad Valorem Tax</b>						
10-3010-0000 AD VALOREM TAXES (PROPERTY)	2,980,215.00	3,006,757.20	3,006,757.20	0.00	-26,542.20	101
10-3010-0100 AD VALOREM TAXES (DMV)	122,399.00	103,632.55	103,632.55	0.00	18,766.45	85
10-3010-0200 TAX INTEREST & PENALTIES	5,000.00	5,235.47	5,235.47	0.00	-235.47	105
<b>3010 Ad Valorem Tax Subtotal</b>	<b>\$3,107,614.00</b>	<b>\$3,115,625.22</b>	<b>\$3,115,625.22</b>	<b>\$0.00</b>	<b>-\$8,011.22</b>	<b>100</b>
<b>Revenue Subtotal</b>	<b>\$3,107,614.00</b>	<b>\$3,115,625.22</b>	<b>\$3,115,625.22</b>	<b>\$0.00</b>	<b>-\$8,011.22</b>	<b>100</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$3,107,614.00</b>	<b>\$3,115,625.22</b>	<b>\$3,115,625.22</b>	<b>\$0.00</b>	<b>100</b>
<b>3020 Unrestricted Intergovernm</b>						
<b>Revenue</b>						
<b>3020 Unrestricted Intergovernm</b>						
10-3020-0000 FRANCHISE & UTILITIES TAX DIST.	235,200.00	173,152.04	173,152.04	0.00	62,047.96	74
10-3020-0100 ALCOHOL BEVERAGE TAX	6,500.00	0.00	0.00	0.00	6,500.00	0
10-3020-0200 BUNCOMBE COUNTY 1% TAX	835,550.00	645,783.37	645,783.37	0.00	189,766.63	77
10-3020-0300 1/2 CENT SALES TAX A.40	358,260.00	279,985.21	279,985.21	0.00	78,274.79	78
10-3020-0400 1/2 CENT SALES TAX A.42	443,961.00	342,912.35	342,912.35	0.00	101,048.65	77
10-3020-0600 SALES TAX REFUND	31,548.00	31,548.47	31,548.47	0.00	-0.47	100
10-3020-0700 GASOLINE TAX REFUND	5,000.00	0.00	0.00	0.00	5,000.00	0
<b>3020 Unrestricted Intergovernm Subtotal</b>	<b>\$1,916,019.00</b>	<b>\$1,473,381.44</b>	<b>\$1,473,381.44</b>	<b>\$0.00</b>	<b>\$442,637.56</b>	<b>77</b>
<b>Revenue Subtotal</b>	<b>\$1,916,019.00</b>	<b>\$1,473,381.44</b>	<b>\$1,473,381.44</b>	<b>\$0.00</b>	<b>\$442,637.56</b>	<b>77</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$1,916,019.00</b>	<b>\$1,473,381.44</b>	<b>\$1,473,381.44</b>	<b>\$0.00</b>	<b>77</b>
<b>3030 Restricted Intergovernmen</b>						
<b>Revenue</b>						
<b>3030 Restricted Intergovernmen</b>						
10-3030-0000 SOLID WASTE DISPOSAL TAX	1,133.00	852.29	852.29	0.00	280.71	75
10-3030-0100 POWELL BILL	74,012.00	74,012.36	74,012.36	0.00	-0.36	100
10-3030-0200 ILLICIT SUBSTANCE TAX	18.00	-4.00	-4.00	0.00	22.00	-22
<b>3030 Restricted Intergovernmen Subtotal</b>	<b>\$75,163.00</b>	<b>\$74,860.65</b>	<b>\$74,860.65</b>	<b>\$0.00</b>	<b>\$302.35</b>	<b>100</b>
<b>Revenue Subtotal</b>	<b>\$75,163.00</b>	<b>\$74,860.65</b>	<b>\$74,860.65</b>	<b>\$0.00</b>	<b>\$302.35</b>	<b>100</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$75,163.00</b>	<b>\$74,860.65</b>	<b>\$74,860.65</b>	<b>\$0.00</b>	<b>100</b>
<b>3040 Permits &amp; Fees</b>						
<b>Revenue</b>						
<b>3040 Permits &amp; Fees</b>						
10-3040-0000 ZONING PERMITS	30,000.00	33,401.00	33,401.00	0.00	-3,401.00	111
10-3040-0100 DOG LICENSE FEE	1,300.00	1,294.60	1,294.60	0.00	5.40	100
<b>3040 Permits &amp; Fees Subtotal</b>	<b>\$31,300.00</b>	<b>\$34,695.60</b>	<b>\$34,695.60</b>	<b>\$0.00</b>	<b>-\$3,395.60</b>	<b>111</b>
<b>Revenue Subtotal</b>	<b>\$31,300.00</b>	<b>\$34,695.60</b>	<b>\$34,695.60</b>	<b>\$0.00</b>	<b>-\$3,395.60</b>	<b>111</b>

**REVENUE & EXPENDITURE STATEMENT**

07/01/2023 To 05/30/2024

Town of Biltmore Forest

FY 2023-2024

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Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$31,300.00</b>	<b>\$34,695.60</b>	<b>\$34,695.60</b>	<b>\$0.00</b>	<b>111</b>
<b>3050 Investment Earnings</b>						
<b>Revenue</b>						
<b>3050 Investment Earnings</b>						
10-3050-0000 INTEREST EARNED	148,800.00	194,919.51	194,919.51	0.00	-46,119.51	131
	<b>3050 Investment Earnings Subtotal</b>	<b>\$148,800.00</b>	<b>\$194,919.51</b>	<b>\$194,919.51</b>	<b>\$0.00</b>	<b>-46,119.51</b>
	<b>Revenue Subtotal</b>	<b>\$148,800.00</b>	<b>\$194,919.51</b>	<b>\$194,919.51</b>	<b>\$0.00</b>	<b>-46,119.51</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$148,800.00</b>	<b>\$194,919.51</b>	<b>\$194,919.51</b>	<b>\$0.00</b>	<b>131</b>
<b>3060 Miscellaneous</b>						
<b>Revenue</b>						
<b>3060 Miscellaneous</b>						
10-3060-0100 AMERICAN TOWER AGREEMENT	46,365.00	33,218.58	33,218.58	0.00	13,146.42	72
10-3060-0200 MISCELLANEOUS	50,000.00	51,428.85	51,428.85	0.00	-1,428.85	103
	<b>3060 Miscellaneous Subtotal</b>	<b>\$96,365.00</b>	<b>\$84,647.43</b>	<b>\$84,647.43</b>	<b>\$0.00</b>	<b>\$11,717.57</b>
	<b>Revenue Subtotal</b>	<b>\$96,365.00</b>	<b>\$84,647.43</b>	<b>\$84,647.43</b>	<b>\$0.00</b>	<b>\$11,717.57</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$96,365.00</b>	<b>\$84,647.43</b>	<b>\$84,647.43</b>	<b>\$0.00</b>	<b>88</b>
<b>3290</b>						
<b>Revenue</b>						
<b>3290</b>						
30-3290-0000 INTEREST EARNED	4,000.00	4,513.20	4,513.20	0.00	-513.20	113
	<b>3290 Subtotal</b>	<b>\$4,000.00</b>	<b>\$4,513.20</b>	<b>\$4,513.20</b>	<b>\$0.00</b>	<b>-\$513.20</b>
	<b>Revenue Subtotal</b>	<b>\$4,000.00</b>	<b>\$4,513.20</b>	<b>\$4,513.20</b>	<b>\$0.00</b>	<b>-\$513.20</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$4,000.00</b>	<b>\$4,513.20</b>	<b>\$4,513.20</b>	<b>\$0.00</b>	<b>113</b>
<b>3350 Commissions, Sw Chg Coll</b>						
<b>Revenue</b>						
<b>3350 Commissions, Sw Chg Coll</b>						
30-3350-0000 COMMISSIONS, SEWER CHARGE COLL	8,000.00	5,653.87	5,653.87	0.00	2,346.13	71
	<b>3350 Commissions, Sw Chg Coll Subtotal</b>	<b>\$8,000.00</b>	<b>\$5,653.87</b>	<b>\$5,653.87</b>	<b>\$0.00</b>	<b>\$2,346.13</b>
	<b>Revenue Subtotal</b>	<b>\$8,000.00</b>	<b>\$5,653.87</b>	<b>\$5,653.87</b>	<b>\$0.00</b>	<b>\$2,346.13</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$8,000.00</b>	<b>\$5,653.87</b>	<b>\$5,653.87</b>	<b>\$0.00</b>	<b>71</b>
<b>3500 Other Financing</b>						
<b>Other Financing Source</b>						
<b>3500 Other Financing</b>						
10-3500-0000 SALE OF PERSONAL PROPERTY	10,000.00	0.00	0.00	0.00	10,000.00	0
10-3500-0300 TRANSFER FROM FUND BALANCE	1,213,866.00	0.00	0.00	0.00	1,213,866.00	0
	<b>3500 Other Financing Subtotal</b>	<b>\$1,223,866.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,223,866.00</b>
	<b>Other Financing Source Subtotal</b>	<b>\$1,223,866.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,223,866.00</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>\$1,223,866.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0</b>

**REVENUE & EXPENDITURE STATEMENT**

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Town of Biltmore Forest

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<b>3710 Water Sales</b>						
<b>Revenue</b>						
<b>3710 Water Sales</b>						
30-3710-0000 WATER CHARGES	572,382.00	344,782.37	344,782.37	0.00	227,599.63	60
30-3710-0100 MSD CHARGES	493,425.00	279,700.78	279,700.78	0.00	213,724.22	57
30-3710-0200 AMI TRANSMITTER CHARGES	7,700.00	5,448.58	5,448.58	0.00	2,251.42	71
<b>3710 Water Sales Subtotal</b>	<b>\$1,073,507.00</b>	<b>\$629,931.73</b>	<b>\$629,931.73</b>	<b>\$0.00</b>	<b>\$443,575.27</b>	<b>59</b>
<b>Revenue Subtotal</b>	<b>\$1,073,507.00</b>	<b>\$629,931.73</b>	<b>\$629,931.73</b>	<b>\$0.00</b>	<b>\$443,575.27</b>	<b>59</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$1,073,507.00</b>	<b>\$629,931.73</b>	<b>\$629,931.73</b>	<b>\$0.00</b>	<b>59</b>
<b>3730 Water Tap &amp; Connect Fees</b>						
<b>Revenue</b>						
<b>3730 Water Tap &amp; Connect Fees</b>						
30-3730-0000 WATER TAP AND CONNECTION FEES	9,980.00	13,070.00	13,070.00	0.00	-3,090.00	131
<b>3730 Water Tap &amp; Connect Fees Subtotal</b>	<b>\$9,980.00</b>	<b>\$13,070.00</b>	<b>\$13,070.00</b>	<b>\$0.00</b>	<b>-\$3,090.00</b>	<b>131</b>
<b>Revenue Subtotal</b>	<b>\$9,980.00</b>	<b>\$13,070.00</b>	<b>\$13,070.00</b>	<b>\$0.00</b>	<b>-\$3,090.00</b>	<b>131</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$9,980.00</b>	<b>\$13,070.00</b>	<b>\$13,070.00</b>	<b>\$0.00</b>	<b>131</b>
<b>4000</b>						
<b>Revenue</b>						
<b>4000</b>						
40-4000-1100 ARP DISTRIBUTION	451,275.58	0.00	0.00	0.00	451,275.58	0
<b>4000 Subtotal</b>	<b>\$451,275.58</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$451,275.58</b>	<b>0</b>
<b>Revenue Subtotal</b>	<b>\$451,275.58</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$451,275.58</b>	<b>0</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>\$451,275.58</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0</b>
<b>4200 Administration</b>						
<b>Expenditure</b>						
<b>4200 Administration</b>						
10-4200-0200 SALARIES	321,633.00	338,166.09	338,166.09	0.00	-16,533.09	105
10-4200-0300 OVERTIME	3,000.00	0.00	0.00	0.00	3,000.00	0
10-4200-0500 FICA	24,605.00	25,146.55	25,146.55	0.00	-541.55	102
10-4200-0600 HEALTH INSURANCE (MEDICAL)	42,598.00	31,150.51	31,150.51	0.00	11,447.49	73
10-4200-0650 DENTAL, VISION, LIFE INSURANCE	10,500.00	7,040.28	7,040.28	0.00	3,459.72	67
10-4200-0675 HEALTH REIMBURSEMENT ACC	7,500.00	5,000.00	5,000.00	0.00	2,500.00	67
10-4200-0700 LGERS RETIREMENT	62,815.00	66,516.51	66,516.51	0.00	-3,701.51	106
10-4200-0800 401K SUPP RETIREMENT	16,232.00	16,304.66	16,304.66	0.00	-72.66	100
10-4200-1000 ACCOUNTING & TAXES	52,689.00	52,688.06	52,688.06	0.00	0.94	100
10-4200-1200 POSTAGE, PRINTING, STATIONARY	10,140.00	9,948.70	11,286.84	1,338.14	-1,146.84	111
10-4200-1400 MILEAGE & BOARD SALARY	21,600.00	19,800.00	19,800.00	0.00	1,800.00	92
10-4200-1500 BLDG & GRNDS MAINTENANCE	35,000.00	34,531.57	34,531.57	0.00	468.43	99
10-4200-3300 SUPPLIES AND EQUIPMENT	10,000.00	10,835.78	10,835.78	0.00	-835.78	108

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10-4200-5300 DUES & FEES	10,070.00	10,109.52	10,109.52	0.00	-39.52	100
10-4200-5700 MISCELLANEOUS	1,000.00	1,735.15	2,136.40	401.25	-1,136.40	214
10-4200-6500 STAFF DEVELOPMENT	21,395.00	13,830.11	13,830.11	0.00	7,564.89	65
<b>4200 Administration Subtotal</b>	<b>\$650,777.00</b>	<b>\$642,803.49</b>	<b>\$644,542.88</b>	<b>\$1,739.39</b>	<b>\$6,234.12</b>	<b>99</b>
<b>Expenditure Subtotal</b>	<b>\$650,777.00</b>	<b>\$642,803.49</b>	<b>\$644,542.88</b>	<b>\$1,739.39</b>	<b>\$6,234.12</b>	<b>99</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$650,777.00</b>	<b>-\$642,803.49</b>	<b>-\$642,803.49</b>	<b>-\$1,739.39</b>	<b>99</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$650,777.00</b>	<b>-\$642,803.49</b>	<b>-\$642,803.49</b>	<b>-\$1,739.39</b>	<b>99</b>
<b>5100 Police Department</b>						
<b>Expenditure</b>						
<b>5100 Police Department</b>						
10-5100-0200 SALARIES	1,013,718.00	1,037,114.22	1,037,114.22	0.00	-23,396.22	102
10-5100-0300 OVERTIME	30,412.00	807.66	807.66	0.00	29,604.34	3
10-5100-0400 SEPARATION ALLOWANCE	16,445.00	15,180.24	15,180.24	0.00	1,264.76	92
10-5100-0500 FICA	77,549.00	78,927.22	78,927.22	0.00	-1,378.22	102
10-5100-0600 HEALTH INSURANCE (MEDICAL)	144,832.00	119,989.12	119,989.12	0.00	24,842.88	83
10-5100-0650 DENTAL, VISION, LIFE INSURANCE	35,700.00	18,609.44	18,609.44	0.00	17,090.56	52
10-5100-0675 HRA HEALTH REIMB ACCT	25,500.00	19,625.00	19,625.00	0.00	5,875.00	77
10-5100-0700 LGERS RETIREMENT	210,651.00	204,538.00	204,538.00	0.00	6,113.00	97
10-5100-0800 401K SUPP RETIREMENT	50,686.00	49,631.09	49,631.09	0.00	1,054.91	98
10-5100-1500 MAINT/REPAIR - BLDG/GROUNDS	20,000.00	15,279.31	16,802.81	1,523.50	3,197.19	84
10-5100-1600 MAINT/REPAIR - EQUIPMENT	5,500.00	1,685.68	4,815.43	3,129.75	684.57	88
10-5100-1700 MAINT/REPAIR - VEHICLES	22,000.00	20,680.79	20,733.48	52.69	1,266.52	94
10-5100-3100 MOTOR FUELS	24,600.00	16,657.11	16,657.11	0.00	7,942.89	68
10-5100-3300 SUPPLIES	10,080.00	9,094.04	9,094.04	0.00	985.96	90
10-5100-3600 UNIFORMS	15,000.00	8,739.17	8,739.17	0.00	6,260.83	58
10-5100-3700 SOFTWARE	18,725.00	15,480.00	15,480.00	0.00	3,245.00	83
10-5100-3800 TECHNOLOGY	58,740.00	48,968.76	48,968.76	0.00	9,771.24	83
10-5100-4000 RENTALS	505.00	501.09	501.09	0.00	3.91	99
10-5100-5700 MISCELLANEOUS	10,765.00	8,330.54	10,200.54	1,870.00	564.46	95
10-5100-5800 PHYSICAL EXAMS	2,000.00	1,846.52	1,846.52	0.00	153.48	92
10-5100-6500 STAFF DEVELOPMENT	15,000.00	11,211.28	13,248.10	2,036.82	1,751.90	88
10-5100-7400 CAPITAL EQUIPMENT PURCHASES	224,000.00	214,163.23	218,281.40	4,118.17	5,718.60	97
<b>5100 Police Department Subtotal</b>	<b>\$2,032,408.00</b>	<b>\$1,917,059.51</b>	<b>\$1,929,790.44</b>	<b>\$12,730.93</b>	<b>\$102,617.56</b>	<b>95</b>
<b>Expenditure Subtotal</b>	<b>\$2,032,408.00</b>	<b>\$1,917,059.51</b>	<b>\$1,929,790.44</b>	<b>\$12,730.93</b>	<b>\$102,617.56</b>	<b>95</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$2,032,408.00</b>	<b>-\$1,917,059.51</b>	<b>-\$1,917,059.51</b>	<b>-\$12,730.93</b>	<b>94</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$2,032,408.00</b>	<b>-\$1,917,059.51</b>	<b>-\$1,917,059.51</b>	<b>-\$12,730.93</b>	<b>94</b>
<b>5200 Fire Services</b>						
<b>Expenditure</b>						
<b>5200 Fire Services</b>						

**REVENUE & EXPENDITURE STATEMENT**  
07/01/2023 To 05/30/2024

Town of Biltmore Forest  
FY 2023-2024

\*100 in the % Used column indicates that no budget exists

Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
10-5200-0000 FIRE CONTRACT	425,000.00	425,000.00	425,000.00	0.00	0.00	100
<b>5200 Fire Services Subtotal</b>	<b>\$425,000.00</b>	<b>\$425,000.00</b>	<b>\$425,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>100</b>
<b>Expenditure Subtotal</b>	<b>\$425,000.00</b>	<b>\$425,000.00</b>	<b>\$425,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>100</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$425,000.00</b>	<b>-\$425,000.00</b>	<b>-\$425,000.00</b>	<b>\$0.00</b>	<b>100</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$425,000.00</b>	<b>-\$425,000.00</b>	<b>-\$425,000.00</b>	<b>\$0.00</b>	<b>100</b>
<b>5600 Public Works</b>						
<b>Expenditure</b>						
<b>5600 Public Works</b>						
10-5600-0200 SALARIES	211,888.00	221,308.16	221,308.16	0.00	-9,420.16	104
10-5600-0300 OVERTIME	5,000.00	0.00	0.00	0.00	5,000.00	0
10-5600-0500 FICA	16,209.00	15,892.78	15,892.78	0.00	316.22	98
10-5600-0600 HOSPITAL INSURANCE (MEDICAL)	68,156.00	26,971.42	26,971.42	0.00	41,184.58	40
10-5600-0650 DENTAL, VISION, LIFE INSURANCE	10,500.00	5,411.40	5,411.40	0.00	5,088.60	52
10-5600-0675 HRA HEALTH REIMB ACCT	7,500.00	4,375.00	4,375.00	0.00	3,125.00	58
10-5600-0700 LGERS RETIREMENT	41,382.00	42,549.82	42,549.82	0.00	-1,167.82	103
10-5600-0800 401K SUPP RETIREMENT	10,594.00	9,958.04	9,958.04	0.00	635.96	94
10-5600-1300 STREETLIGHTS ELECTRIC	17,000.00	15,199.71	15,199.71	0.00	1,800.29	89
10-5600-1500 MAINT/REPAIR - BLDG/GROUNDS	9,600.00	8,296.80	8,522.46	225.66	1,077.54	89
10-5600-1600 MAINT/REPAIR- STREETLIGHTS	35,000.00	13,195.55	13,195.55	0.00	21,804.45	38
10-5600-1700 MAINT/REPAIR - VEHICLES	15,000.00	14,407.39	14,407.39	0.00	592.61	96
10-5600-3100 MOTOR FUELS	20,000.00	13,323.94	13,323.94	0.00	6,676.06	67
10-5600-3300 SUPPLIES	10,000.00	9,391.99	9,671.81	279.82	328.19	97
10-5600-3400 STREET SIGNS & NUMBERS	1,000.00	812.25	812.25	0.00	187.75	81
10-5600-3600 UNIFORMS	8,650.00	5,345.55	6,506.60	1,161.05	2,143.40	75
10-5600-3800 TECHNOLOGY	9,500.00	1,370.60	1,370.60	0.00	8,129.40	14
10-5600-5200 PARKS	60,000.00	75,697.25	76,777.05	1,079.80	-16,777.05	128
10-5600-5800 PHYSICAL EXAMS	500.00	0.00	0.00	0.00	500.00	0
10-5600-5900 MISCELLANEOUS	2,000.00	1,092.13	1,595.03	502.90	404.97	80
10-5600-6000 CAPITAL OUTLAY	18,000.00	21,892.77	21,892.77	0.00	-3,892.77	122
10-5600-6500 STAFF DEVELOPMENT	2,500.00	2,297.44	2,297.44	0.00	202.56	92
40-5600-7401 ARP CAPITAL PROJECTS	451,275.58	231,423.91	231,423.91	0.00	219,851.67	51
<b>5600 Public Works Subtotal</b>	<b>\$1,031,254.58</b>	<b>\$740,213.90</b>	<b>\$743,463.13</b>	<b>\$3,249.23</b>	<b>\$287,791.45</b>	<b>72</b>
<b>Expenditure Subtotal</b>	<b>\$1,031,254.58</b>	<b>\$740,213.90</b>	<b>\$743,463.13</b>	<b>\$3,249.23</b>	<b>\$287,791.45</b>	<b>72</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$1,031,254.58</b>	<b>-\$740,213.90</b>	<b>-\$740,213.90</b>	<b>-\$3,249.23</b>	<b>72</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$1,031,254.58</b>	<b>-\$740,213.90</b>	<b>-\$740,213.90</b>	<b>-\$3,249.23</b>	<b>72</b>
<b>5700 Streets &amp; Transportation</b>						
<b>Expenditure</b>						
<b>5700 Streets &amp; Transportation</b>						
10-5700-1700 VEHICLE REPAIRS - STREET DEPT.	5,000.00	717.00	717.00	0.00	4,283.00	14

**REVENUE & EXPENDITURE STATEMENT**  
07/01/2023 To 05/30/2024

Town of Biltmore Forest  
FY 2023-2024

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10-5700-2200 CONTRACTS- PAVING & STRIPING	255,000.00	58,622.95	58,622.95	0.00	196,377.05	23
10-5700-2300 SUPPLIES	10,000.00	6,079.92	6,399.42	319.50	3,600.58	64
10-5700-2400 TRAFFIC SIGNS	500.00	0.00	0.00	0.00	500.00	0
10-5700-2500 STORM WATER DRAINAGE	1,273,881.00	30,654.63	30,654.63	0.00	1,243,226.37	2
10-5700-3800 TECHNOLOGY	5,000.00	0.00	0.00	0.00	5,000.00	0
10-5700-6500 STAFF DEVELOPMENT	2,000.00	1,401.15	1,401.15	0.00	598.85	70
10-5700-7400 CAPITAL EQUIPMENT PURCHASES	19,200.00	10,129.71	10,129.71	0.00	9,070.29	53
10-5700-7500 ENGINEERING	50,000.00	49,056.35	49,056.35	0.00	943.65	98
<b>5700 Streets &amp; Transportation Subtotal</b>	<b>\$1,620,581.00</b>	<b>\$156,661.71</b>	<b>\$156,981.21</b>	<b>\$319.50</b>	<b>\$1,463,599.79</b>	<b>10</b>
<b>Expenditure Subtotal</b>	<b>\$1,620,581.00</b>	<b>\$156,661.71</b>	<b>\$156,981.21</b>	<b>\$319.50</b>	<b>\$1,463,599.79</b>	<b>10</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$1,620,581.00</b>	<b>-\$156,661.71</b>	<b>-\$156,661.71</b>	<b>-\$319.50</b>	<b>10</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$1,620,581.00</b>	<b>-\$156,661.71</b>	<b>-\$156,661.71</b>	<b>-\$319.50</b>	<b>10</b>
<b>5800 Sanitation &amp; Recycling</b>						
<b>Expenditure</b>						
<b>5800 Sanitation &amp; Recycling</b>						
10-5800-0200 SALARIES	141,376.00	143,284.06	143,284.06	0.00	-1,908.06	101
10-5800-0300 OVERTIME	5,000.00	0.00	0.00	0.00	5,000.00	0
10-5800-0500 FICA	11,198.00	10,853.94	10,853.94	0.00	344.06	97
10-5800-0600 HEALTH INSURANCE (MEDICAL)	68,156.00	20,917.07	20,917.07	0.00	47,238.93	31
10-5800-0650 DENTAL, VISION, LIFE INSURANCE	6,300.00	3,349.20	3,349.20	0.00	2,950.80	53
10-5800-0675 HRA HEALTH REIMB ACCT	4,500.00	3,750.00	3,750.00	0.00	750.00	83
10-5800-0700 LGERS RETIREMENT	27,611.00	26,678.18	26,678.18	0.00	932.82	97
10-5800-0800 401K SUPP RETIREMENT	7,069.00	6,748.23	6,748.23	0.00	320.77	95
10-5800-1500 GENERAL REPAIRS & MAINTENANCE	100.00	87.30	87.30	0.00	12.70	87
10-5800-1700 MAINT/REPAIRS - VEHICLES	80,000.00	81,365.96	81,365.96	0.00	-1,365.96	102
10-5800-3100 MOTOR FUELS	30,000.00	19,837.54	19,837.54	0.00	10,162.46	66
10-5800-3300 SUPPLIES	1,000.00	872.10	872.10	0.00	127.90	87
10-5800-3600 UNIFORMS	1,000.00	348.78	348.78	0.00	651.22	35
10-5800-3800 TECHNOLOGY	3,000.00	572.02	784.95	212.93	2,215.05	26
10-5800-5800 PHYSICAL EXAMS	500.00	0.00	0.00	0.00	500.00	0
10-5800-5900 MISCELLANEOUS	1,000.00	1,000.00	1,000.00	0.00	0.00	100
10-5800-6000 CAPITAL OUTLAY	80,000.00	0.00	0.00	0.00	80,000.00	0
10-5800-8000 TIPPING FEES & BRUSH REMOVAL	50,000.00	41,955.72	41,955.72	0.00	8,044.28	84
10-5800-8100 RECYCLING	20,000.00	5,269.89	5,269.89	0.00	14,730.11	26
10-5800-8200 BRUSH & LEAF DISPOSAL FEES	31,200.00	30,856.00	30,856.00	0.00	344.00	99
<b>5800 Sanitation &amp; Recycling Subtotal</b>	<b>\$569,010.00</b>	<b>\$397,745.99</b>	<b>\$397,958.92</b>	<b>\$212.93</b>	<b>\$171,051.08</b>	<b>70</b>
<b>Expenditure Subtotal</b>	<b>\$569,010.00</b>	<b>\$397,745.99</b>	<b>\$397,958.92</b>	<b>\$212.93</b>	<b>\$171,051.08</b>	<b>70</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$569,010.00</b>	<b>-\$397,745.99</b>	<b>-\$397,745.99</b>	<b>-\$212.93</b>	<b>70</b>

**REVENUE & EXPENDITURE STATEMENT**

07/01/2023 To 05/30/2024

Town of Biltmore Forest

FY 2023-2024

\*100 in the % Used column indicates that no budget exists

Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used	
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$569,010.00</b>	<b>-\$397,745.99</b>	<b>-\$397,745.99</b>	<b>-\$212.93</b>	<b>70</b>	
<b>6600 General Government</b>							
<b>Expenditure</b>							
<b>6600 General Government</b>							
10-6600-0400 OUTSIDE PROFESSIONAL SERVICES	45,959.00	47,651.59	47,651.59	0.00	-1,692.59	104	
10-6600-0401 LEGAL SERVICES	35,000.00	21,212.64	21,212.64	0.00	13,787.36	61	
10-6600-1100 TECHNOLOGY	105,937.00	107,335.05	107,335.05	0.00	-1,398.05	101	
10-6600-1300 MUNICIPAL UTILITIES	40,000.00	21,753.63	21,753.63	0.00	18,246.37	54	
10-6600-1500 GE. REPS. AND MAINT.	40,000.00	39,564.16	39,564.16	0.00	435.84	99	
10-6600-2800 ELECTIONS	6,000.00	157.95	157.95	0.00	5,842.05	3	
10-6600-5400 INSURANCE	117,000.00	116,751.96	116,751.96	0.00	248.04	100	
10-6600-6000 CONTINGENCY	25,000.00	0.00	0.00	0.00	25,000.00	0	
10-6600-6100 MISCELLANEOUS	10,000.00	8,277.71	8,277.71	0.00	1,722.29	83	
10-6600-6300 COMMUNITY EVENTS	55,000.00	19,453.61	21,605.06	2,151.45	33,394.94	39	
10-6600-6400 WILDLIFE MANAGEMENT	5,000.00	2,240.00	2,240.00	0.00	2,760.00	45	
10-6600-6500 FOREST MANAGEMENT	60,000.00	58,700.00	58,700.00	0.00	1,300.00	98	
	<b>6600 General Government Subtotal</b>	<b>\$544,896.00</b>	<b>\$443,098.30</b>	<b>\$446,339.89</b>	<b>\$3,241.59</b>	<b>\$98,556.11</b>	<b>82</b>
	<b>Expenditure Subtotal</b>	<b>\$544,896.00</b>	<b>\$443,098.30</b>	<b>\$446,339.89</b>	<b>\$3,241.59</b>	<b>\$98,556.11</b>	<b>82</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$544,896.00</b>	<b>-\$443,098.30</b>	<b>-\$443,098.30</b>	<b>-\$3,241.59</b>	<b>81</b>	
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$544,896.00</b>	<b>-\$443,098.30</b>	<b>-\$443,098.30</b>	<b>-\$3,241.59</b>	<b>81</b>	
<b>6700 Debt Service</b>							
<b>Expenditure</b>							
<b>6700 Debt Service</b>							
10-6700-0100 Police Dept Renovations-Principal	23,334.00	23,333.52	23,333.52	0.00	0.48	100	
10-6700-0200 Street Improvements-Principal	6,667.00	6,666.48	6,666.48	0.00	0.52	100	
10-6700-0500 Public Works Building-Principal	84,211.00	84,210.52	84,210.52	0.00	0.48	100	
10-6700-0600 NCDEQ LOAN STRM REST	14,600.00	14,630.00	14,630.00	0.00	-30.00	100	
10-6700-1100 Police Dept Renovations-Interest	556.00	555.55	555.55	0.00	0.45	100	
10-6700-1200 Street Improvements-Interest	159.00	158.90	158.90	0.00	0.10	100	
10-6700-1500 Public Works Building-Interest	14,855.00	14,854.73	14,854.73	0.00	0.27	100	
	<b>6700 Debt Service Subtotal</b>	<b>\$144,382.00</b>	<b>\$144,409.70</b>	<b>\$144,409.70</b>	<b>\$0.00</b>	<b>-\$27.70</b>	<b>100</b>
	<b>Expenditure Subtotal</b>	<b>\$144,382.00</b>	<b>\$144,409.70</b>	<b>\$144,409.70</b>	<b>\$0.00</b>	<b>-\$27.70</b>	<b>100</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$144,382.00</b>	<b>-\$144,409.70</b>	<b>-\$144,409.70</b>	<b>\$0.00</b>	<b>100</b>	
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$144,382.00</b>	<b>-\$144,409.70</b>	<b>-\$144,409.70</b>	<b>\$0.00</b>	<b>100</b>	
<b>8100 Water Dept.</b>							
<b>Expenditure</b>							
<b>8100 Water Dept.</b>							
30-8100-0200 SALARIES	169,693.00	144,215.93	144,215.93	0.00	25,477.07	85	
30-8100-0400 PROFESSIONAL SERVICES	53,980.00	15,482.57	16,065.87	583.30	37,914.13	30	

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Town of Biltmore Forest  
FY 2023-2024

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30-8100-0500 FICA	12,981.00	10,866.50	10,866.50	0.00	2,114.50	84
30-8100-0600 HEALTH INSURANCE (MEDICAL)	0.00	18,484.82	18,484.82	0.00	-18,484.82	*100
30-8100-0650 DENTAL, VISION, LIFE INSURANCE	0.00	3,091.28	3,091.28	0.00	-3,091.28	*100
30-8100-0675 HRA HEALTH REIMBURSEMENT ACCT	0.00	3,125.00	3,125.00	0.00	-3,125.00	*100
30-8100-0700 LGERS RETIREMENT	27,611.00	28,480.42	28,480.42	0.00	-869.42	103
30-8100-0800 401K SUPP RETIREMENT	8,485.00	8,540.95	8,540.95	0.00	-55.95	101
30-8100-1200 POSTAGE, PRINTING, & STATIONARY	5,000.00	2,053.63	3,898.85	1,845.22	1,101.15	78
30-8100-1500 GENERAL REPAIRS	25,000.00	403.75	3,103.75	2,700.00	21,896.25	12
30-8100-3300 SUPPLIES & EQUIPMENT	20,000.00	17,798.87	17,798.87	0.00	2,201.13	89
30-8100-3800 TECHNOLOGY	5,000.00	0.00	0.00	0.00	5,000.00	0
30-8100-4800 WATER PURCHASES	204,750.00	136,407.36	136,407.36	0.00	68,342.64	67
30-8100-4900 SEWER PURCHASES	396,000.00	289,158.45	289,158.45	0.00	106,841.55	73
30-8100-5000 AMI TRANSMITTER FEES	7,700.00	8,624.95	8,624.95	0.00	-924.95	112
30-8100-5700 MISCELLANEOUS	6,196.00	0.00	0.00	0.00	6,196.00	0
30-8100-6000 CAPITAL RESERVE	128,891.00	0.00	0.00	0.00	128,891.00	0
30-8100-6500 STAFF DEVELOPMENT	5,000.00	1,958.18	1,958.18	0.00	3,041.82	39
30-8100-7400 CAPITAL IMPROVEMENT	19,200.00	0.00	0.00	0.00	19,200.00	0
<b>8100 Water Dept. Subtotal</b>	<b>\$1,095,487.00</b>	<b>\$688,692.66</b>	<b>\$693,821.18</b>	<b>\$5,128.52</b>	<b>\$401,665.82</b>	<b>63</b>
<b>Expenditure Subtotal</b>	<b>\$1,095,487.00</b>	<b>\$688,692.66</b>	<b>\$693,821.18</b>	<b>\$5,128.52</b>	<b>\$401,665.82</b>	<b>63</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$1,095,487.00</b>	<b>-\$688,692.66</b>	<b>-\$688,692.66</b>	<b>-\$5,128.52</b>	<b>63</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$1,095,487.00</b>	<b>-\$688,692.66</b>	<b>-\$688,692.66</b>	<b>-\$5,128.52</b>	<b>63</b>

# BOARD OF COMMISSIONERS MEETING STAFF MEMORANDUM

June 4, 2024



Agenda Item F-5

Town Manager's Monthly Report

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## **Stormwater Project**

The Town's stormwater project began last week with the initial phase occurring in Rosebank Park. The construction team is anticipated to be through the park prior to the Town's Independence Day Celebration. As a reminder, the project is being funded directly by the Town with proceeds for the remainder of the project being included in the proposed FY25 budget. The project will take an estimated 6-7 months.

## **Joint Meeting with Planning Commission**

The Board of Commissioners and Planning Commission will hold a joint meeting on Tuesday, June 25<sup>th</sup> at 4pm. This is the regular meeting time/date for the Planning Commission. The purpose of this meeting is for the Commission to receive feedback from the Board regarding their plan of work for upcoming months, discuss zoning and land use issues that have arisen, and generally just gather input from the Board on issues for focus. The meeting is open to the public.

## **Municipal Bridge Inspections**

Every two years, the Town is required to have two municipal bridges inspected as part of a cost-sharing enterprise with the State of North Carolina. The reason for these two bridges being inspected is due to their height and span length. In addition to the two required bridges this year, the Town is also going to have all municipal bridges inspected to ensure that they are in appropriate order. This will result in a total of twelve (12) bridges being inspected.

## **Biltmore Forest LEADS (Ad-Hoc Tick Reduction) Committee**

This committee is meeting on Friday, May 31. This month's meeting will include a review of chemical treatments by Buncombe County Cooperative Extension officer Luke Owen. Mr. Owen has prepared a spreadsheet that breaks down all chemical treatments, the appropriate treatment method, and when to appropriately spray/treat. In addition, Phyllis Stiles from Bee City will be present to discuss the impact of spraying on pollinators. Further discussion will occur regarding the spray/treatments as well. As this committee continues moving forward, they will begin finalizing some recommendations for the Board to consider.

**BOARD OF COMMISSIONERS MEETING  
STAFF MEMORANDUM**

June 4, 2024



**Agenda Item F-1**

**Public Hearing – FY25 Annual Budget**

*Jonathan Kanipe, Town Manager*

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Background

The Town must conduct a public hearing prior to consideration of a new fiscal year budget, as required by the NC Local Government Budget and Fiscal Control Act. This Act requires the Town to provide a forum for any public comment on the proposed budget. The public hearing notice was appropriately advertised in the Asheville *Citizen-Times* on Sunday, May 26, 2024 and Sunday, June 2, 2024.

<b>Account Number:</b>	948792
<b>Customer Name:</b>	Town Of Biltmore Forest
<b>Customer Address:</b>	Town Of Biltmore Forest 355 Vanderbilt Rd Attn Helen Stephens Asheville NC 28803-2950
<b>Contact Name:</b>	EST TOWN OF BILTMORE FOR
<b>Contact Phone:</b>	
<b>Contact Email:</b>	
<b>PO Number:</b>	

<b>Date:</b>	05/22/2024
<b>Order Number:</b>	10208373
<b>Prepayment Amount:</b>	\$ 0.00

<b>Column Count:</b>	1.0000
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**Print**

Product	#Insertions	Start - End	Category
ASH Asheville Citizen-Times	2	05/26/2024 - 06/02/2024	Govt Public Notices
ASH citizen-times.com	2	05/26/2024 - 06/02/2024	Govt Public Notices

As an incentive for customers, we provide a discount off the total order cost equal to the 3.99% service fee if you pay with Cash/Check/ACH. Pay by Cash/Check/ACH and save!

Total Cash Order Confirmation Amount Due	\$172.36
Tax Amount	\$0.00
Service Fee 3.99%	\$6.88
Cash/Check/ACH Discount	-\$6.88
Payment Amount by Cash/Check/ACH	\$172.36
Payment Amount by Credit Card	\$179.24

<b>Order Confirmation Amount</b>	<b>\$172.36</b>
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## Ad Preview

### NOTICE OF PUBLIC HEARING CONCERNING TOWN OF BILTMORE FOREST FY 24-25 BUDGET

The Fiscal Year 2024-2025 proposed budget was submitted to the Board of Commissioners for the Town of Biltmore Forest on Tuesday, June 4th, 2024. This proposed budget is available for public inspection in the office of the Town Clerk at Town Hall and online at [www.biltmoreforest.org](http://www.biltmoreforest.org). A public hearing on the proposed budget will be held on Tuesday, June 4th, 2024 at 4:30 pm, or as soon thereafter as the Board can reach the matter, in the Town Hall at 355 Vanderbilt Road, Biltmore Forest, NC. Persons wishing to be heard on this matter may appear at said time and place or may submit written comments to the address below.

Town of Biltmore Forest  
ATTN: FY24-25 Budget  
Hearing  
PO Box 5352  
Biltmore Forest, NC 28813  
May 26, June 2, 2024  
#10208373

**BOARD OF COMMISSIONERS MEETING  
STAFF MEMORANDUM**

June 4, 2024



**Agenda Item G-1**

**Consideration of Resolution 2024-05 – A Resolution to  
Amend the Town of Biltmore Forest Personnel Policy**

*Jonathan Kanipe, Town Manager*

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Background

Last month, the Board reviewed proposed amendments to the Town's personnel policy. Several suggestions were made specifically related to the longevity section of the policy, and Town Attorney Billy Clarke has crafted language to improve that section. Mr. Clarke has fully reviewed the document and all his recommended changes were incorporated in the newly attached document.

Action Requested

If approved by the Board, this new policy is effective July 1, 2024. Staff recommends approval of the resolution and amending the Town's Personnel Policy.

PERSONNEL POLICY  
Town of Biltmore Forest

I.	GENERAL PROVISIONS	1
	a. Section 1. Purpose of the Policy	
	b. Section 2. Employer/Employee Relationship	
	c. Section 3. Merit Principle	
	d. Section 4. Responsibility of the Board of Commissioners	
	e. Section 5. Responsibility of the Town Manager	
	f. Section 6. Responsibility of the Department Head	
	g. Section 7. Coverage	
	h. Section 8. Definitions	
II.	The Position Classification Plan	6
	a. Section 1. Adoption	
	b. Section 2. Administration of the Position Classification Plan	
	c. Section 3. Authorization of New Positions and the Position Classification Plan	
III.	The Pay Plan	7
	a. Section 1. Adoption	
	b. Section 2. Maintenance of the Pay Plan	
	c. Section 3. Transition to Pay Plan	
	d. Section 4. Use of Salary Ranges	
	e. Section 5. Payment at a Listed Rate	
	f. Section 6. Salary of Trainee	
	g. Section 7. Pay Rates in Promotion, Demotions, Transfer, and Reclassification	
	h. Section 8. Pay Rates in Salary Range Revisions	
	i. Section 9. Pay for Part-Time Work	
	j. Section 10. Overtime	
	k. Section 11. Compensatory Time (Comp Time)	
	l. Section 12. Call-Back and Stand-By Pay	
	m. Section 13. Payroll Deductions	
	n. Section 14. Longevity Pay	
	o. Section 15. Work Week and Pay Period	
	p. Section 16. Effective Dates of Salary Adjustments	
	q. Section 17. Salary Reductions	
	r. Section 18. Pay for Interim Assignments in a Higher-Level Classification	
IV.	Recruitment And Employment	13
	a. Section 1. Equal Employment Opportunity (EEO) Policy	
	b. Section 2. Implementation of EEO Policy	
	c. Section 3. Recruitment	
	d. Section 4. Job Announcements	
	e. Section 5. Applications for Employment	

- f. Section 6. Application Reserve File
- g. Section 7. Qualification Standards
- h. Section 8. Testing/Physical Exams
- i. Section 9. Appointments
- j. Section 10. Employment of Relatives
- k. Section 11. Probationary Period of Employment
- l. Section 12. Performance Evaluation
- m. Section 13. Promotion
- n. Section 14. Demotion
- o. Section 15. Transfer
- p. Section 16. Reinstatement

V. Work Conditions and Expectations

20

- a. Section 1. Work Period and Schedule
- b. Section 2. Reporting for Work
- c. Section 3. Gifts and Favors
- d. Section 4. Political Activity Restricted
- e. Section 5. Outside Employment
- f. Section 6. Dual Employment
- g. Section 7. Conformance to Immigration Law and Selective Service Requirements
- h. Section 8. Confidential Information
- i. Section 9. Use of Town Owned Equipment
- j. Section 10. Reimbursement for use of Personal Vehicle
- k. Section 11. Harassment Prohibited
- l. Section 12. Surrender of Property
- m. Section 13. Substance Abuse Policy
- n. Section 14. Disruption of the Workplace
- o. Section 15. Employee Safety and Health
- p. Section 16. Media Contact
- q. Section 17. Attitude and Common Courtesy

VI. Type of Leave

28

- a. Section 1. Policy
- b. Section 2. Holidays
- c. Section 3. Effect of Holidays on Other Type of Leave
- d. Section 4. Holidays: Compensation When Work is Required or Regularly Scheduled Off for Shift Personnel
- e. Section 5. Vacation Leave
- f. Section 6. Sick Leave
- g. Section 7. Leave Pro-Rated
- h. Section 8. Funeral Leave
- i. Section 9. Leave Without Pay
- j. Section 10. Family and Medical Leave Act
- k. Section 11. Parental Leave

	l. Section 12. Worker’s Compensation Leave	
	m. Section 13. Temporary Disability Leave	
	n. Section 14. Military Leave	
	o. Section 15. Civil Leave	
	p. Section 16. Education Leave	
	q. Section 17. Paid Family Leave	
	r. Section 18. Short Term Disability Leave	
	s. Section 19. Shared Leave	
	t. Section 20. Personal Leave	
	u. Section 21. Calculation of Holiday Leave, Vacation Leave, and Sick Leave	
VII.	Separation, Discipline, and Reinstatement	37
	a. Section 1. Types of Separation	
	b. Section 2. Disciplinary Actions	
	c. Section 3. Employee Appeal	
	d. Section 4. Reinstatement	
VIII.	Grievance Procedure	43
	a. Section 1. Policy	
	b. Section 2. Grievance Defined	
	c. Section 3. Purpose of the Grievance Procedure	
	d. Section 4. Procedure	
	e. Section 5. Grievance and Adverse Action Appeal Procedure for Discrimination	
IX.	Insurance/Retirement/Benefits	46
	a. Section 1. Insurance Benefits	
	b. Section 2. Unemployment Insurance	
	c. Section 3. Old Age and Survivor’s Insurance	
	d. Section 4. Worker’s Compensation	
	e. Section 5. Credit Union Membership	
	f. Section 6. Retirement Benefits & 401K Contribution	
	g. Section 7. Separation Allowance/Law Enforcement 401K	
	h. Section 8. Tuition Assistance Program	
	i. Section 9. Fitness Membership Subsidy	
X.	Personnel Records and Reports	49
	a. Section 1. Personnel Records and Maintenance	
	b. Section 2. Access to Personnel Records	
	c. Section 3. Confidential Information	
	d. Section 4. Records of Former Employees	
	e. Section 5. Remedies of Employees Objecting Material in File	
	f. Section 6. Penalty for Permitting Access to Confidential File by Unauthorized Person	

- g. Section 7. Penalty for Examining and/or Copying Confidential Material Without Authorization
- h. Section 8. Destruction of Records Regulated

XI. Implementation of Policy

52

- a. Section 1. Conflicting Policies Repealed
- b. Section 2. Separability
- c. Section 3. Violations of Policy Provisions
- d. Section 4. Effective Date
- e. Section 5. Amendments

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## Article I. General Provisions

### Section 1. Purpose of the Policy

It is the purpose of this policy and the rules and regulations set forth to establish a fair and uniform system of personnel administration for all employees of the Town under the supervision of the Town Manager. This policy is established under authority of Chapter 160A, Article 7, of the General Statutes of North Carolina. Each employee of the Town serves an important function. Not only are they entrusted with the responsibility of performing a specific job to the best of their ability, but they also serve as a representative of the Town to the general public. Their speech and behavior can give the citizens and visitors a good or bad impression of Town government, and staff is therefore expected to conduct themselves in a manner that is above reproach at all times.

This personnel policy contains information about the responsibilities and benefits which apply to all full-time employees of the Town of Biltmore Forest. Part-time employees may have different benefits and conditions of employment and should refer any questions about their employment to their supervisors.

### Section 2. Employer/Employee Relationship

The employment relationship between the Town and employee is terminable at the will of either at any time and with or without cause and with or without notice. No employee, officer, agent or representative of the Town has any authority to enter into any agreement or representation, verbally or in writing, which alters, amends, or contradicts this provision or the provisions in this policy. Any exceptions to this policy of at will employment must be expressly authorized in writing, approved by the Board of Commissioners, and executed by the officers designated by the Board of Commissioners.

None of the benefits or policies set forth in this policy are intended because of their publication to confer any rights or privileges upon employees or to entitle them to be or remain employed by the Town. The contents of this document are presented as a matter of information only. Although the Town believes wholeheartedly in the plans, policies, and procedures described herein, they are not conditions of employment.

These personnel policies are not a binding contract, but merely a set of guidelines for the implementation of personnel policies. The Town explicitly reserves the right to modify any of the provisions of this policy at any time and without any notice to employees.

### Section 3. Merit Principle

The Town shall embrace the following merit system principles in administering its personnel program:

- (a) Applicants and employees shall be assured of fair treatment in all aspects of personnel administration without regard for political affiliation, religious creed, sex, sexual orientation, national origin, color, race, or disabilities. Individuals shall

likewise be treated with proper regard for their privacy and constitutional rights as citizens.

- (b) Employees shall be recruited, selected, trained, and advanced on the basis of their ability, knowledge, and skills, including open consideration of qualified applicants for initial appointment. Employees shall be trained as needed to assure high quality performance.
- (c) Employees shall be retained on the basis of the adequacy of their performance. They shall be guided in ways to correct inadequate performance and separated when inadequate performance cannot be corrected.
- (d) Employees shall be protected against coercion for partisan political purposes and are prohibited from using their official authority for the purpose of interfering with or affecting the result of an election or a nomination for office.
- (e) Employees shall receive equitable and adequate pay and benefits and eligible employees shall receive merit pay increases based upon their performance subject to the availability of funds.

#### Section 4. Responsibility of Board of Commissioners

A Town Board of Commissioners shall establish personnel policies and rules, including the classification and pay plan, and make and confirm appointments when so specified by law.

The Board of Commissioners shall adopt or provide for rules and regulations, or resolutions concerning personnel policies and other measures that promote the hiring and retention of capable, diligent, and honest employees under the authority of Chapter 160A-164 of the North Carolina General Statutes, to be administered by the Board or its designee. The Board of Commissioners shall prescribe the office hours, workdays, and holidays to be observed by the various offices and departments.

#### Section 5. Responsibility of the Town Manager

The Town Manager is appointed by the Board of Commissioners and shall, among other things: be responsible to the Board of Commissioners for administration and technical direction of the personnel program; maintenance of the position classification plan and the pay plan; and perform such other duties in connection with a modern personnel program as is required by this policy. All matters dealing with personnel shall be routed through the Town Manager who shall maintain a complete system of personnel files and records.

The Town Manager shall:

- (a) See to the collection of municipal taxes and that the required records are maintained.
- (b) Serve as director of personnel for the Town.

- (c) Be responsible for the administration of all budgetary items related to personnel and the operation of the Town.
- (d) Make all employment appointments except the Town Attorney.
- (e) Recommend revisions of the personnel system to the Board of Commissioners for consideration;
- (f) Recommend revisions of the position classification plan to the Board of Commissioners.
- (g) Prepare and recommend revisions of the pay plan to the Board of Commissioners for approval.
- (h) Advise the Board of administrative, professional, and managerial positions to be excluded from overtime compensation as provided for in Article III, Section 10.
- (i) Establish and maintain a roster of all persons in municipal service, setting forth each officer and employee, class title of position, salary, any changes in class title and status, and such data as may be deemed desirable or useful.
- (j) Develop and administer such recruiting programs, as may be directed by the Board, to obtain an adequate supply of competent applicants to meet the needs of the Town.
- (k) Investigate periodically the operation and effect of the personnel provisions of this policy and at least annually report findings and recommendations to the Board of Commissioners.
- (l) Perform such other duties as may be assigned by the Board of Commissioners not inconsistent with this policy.

#### Section 6. Responsibility of Department Head

A department head shall meet his/her responsibility as directed by the Town Manager, being guided by the Charter, ordinances, and policies of the Town. The head of each Town department, shall recommend to the Town Manager, the appointment and removal of Town employees assigned to the department.

#### Section 7. Coverage

The provisions of this policy shall be applicable to all regular and probationary full and part-time employees except as provided below:

1. The Town Attorney and elected officials shall be exempt from the provisions of this policy.
2. Part-time officials appointed by the Board of Commissioners and employees of advisory or special boards and commissions who work an irregular schedule, shall be exempt from all provision of this policy except where specifically included.

## Section 8. Definitions

**Probationary Employee.** A person appointed to a budgeted position who has not satisfactorily completed the probationary period (See Article V, Section 11 of this policy).

**Regular Part-time Employee.** An employee, who is regularly scheduled and who works no more than 1,000 hours or less per year.

**Temporary Part-time Employee.** A temporary part-time employee is one whose term of employment is usually intended to last more than 3 weeks, but ordinarily not more than 9 months, or who is engaged for a specific project involving a period of not more than 12 months.

**Full-time Employee.** An employee, either regular or temporary, who is regularly scheduled to work the number of hours per work week, designated by the Board of Commissioners as full-time.

**Regular Employee.** An employee who has successfully completed the prescribed probationary periods shall be considered regular. However, all Town positions are subject to budget review and approval each year by the Board of Commissioners, and all employees' work and conduct must meet standards of performance and behavior. Therefore, reference to regular employees or permanent positions should not be construed as a contract or right to perpetual funding or employment.

**Completed Month.** Any month in which an employee works at least half the workdays.

**Class of positions.** A position or group of positions which have the same generic title and class specification (e.g., police officer).

**Class specification.** A statement of general duties, responsibilities, distinguishing features, illustrative examples of work, required knowledge, skills and abilities and training for a class of positions.

**Grievance.** A claim or complaint based upon an event or condition which affects the circumstance under which an employee works, allegedly caused by misinterpretation, unfair application, or lack of established policy pertaining to employment conditions.

**Adverse Action.** A reprimand, demotion, dismissal, reduction in pay, layoff, suspension, or an undesirable transfer.

**Standby Status.** When a non-exempt employee is required to limit their normal off duty activities to be available for emergencies which may arise in his/her area of employment or to tend to the needs of the Town. Normally they will be required to be contacted and respond within a designated period of time.

**Trainee.** A Trainee is an employee that does not possess all of the qualifications that a position requires but can be trained to meet these required qualifications. The salary paid a Trainee is below the entry level of the position that they are being trained for as stipulated in Article IV Section 6.

Immediate Family. Immediate Family is defined as spouse, child, parents of employee or spouse, grandparents, grandchild, brother, or sister.

Position/Job Description. A detailed statement of job duties and activities pertaining to a specific position. It is differentiated from a class specification by being more detailed and covering only one position.

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## **Article II. The Position Classification Plan**

### Section 1. Adoption

The position classification plan, as set forth in this article, is hereby adopted as the position classification plan for the Town. The position classification plan provides a complete inventory of all authorized and allocated positions within the Town service, and an accurate description and specification for each class of employment. The plan standardizes job titles, each of which is indicative of a definite range of duties and responsibilities.

### Section 2. Administration of the Position Classification Plan

The Town Manager or his/her designee shall be responsible for the administration and maintenance of the position classification plan so that it will accurately reflect the duties performed by employees in the classes to which their positions are allocated. The Town Manager shall be responsible for bringing to the attention of the Board of Commissioners the need for new positions, and material changes in duties, responsibilities, working conditions or other factors which may affect the classification of any existing positions.

### Section 3. Authorization of New Positions and the Position Classification Plan

New positions shall be established upon recommendation of the Town Manager and approval of the Board of Commissioners. New positions shall be recommended to the Board of Commissioners with a recommended class title after which the Town Manager shall either allocate the new position into the appropriate existing class or revise the position classification plan to establish a new class to which the new position may be allocated. Copies of this position classification plan are available to all Town employees for review upon request.

## Article III. The Pay Plan

### Section 1. Adoption

The rules and regulations contained in this Article and other Articles of this policy are hereby adopted as the pay plan for the Town. The Pay Plan shall include all authorized classes of positions included in the Classification Plan.

### Section 2. Maintenance of the Pay Plan

The Town Manager shall be responsible for the administration and maintenance of the pay plan. The pay plan is intended to provide equitable compensation for all positions, reflecting differences in duties and responsibilities, the comparable rates of pay for positions in private and public employment in the area, changes in the cost of living, the financial conditions of the Town, and other factors. To this end, the Town Manager shall, each year prior to preparation of the annual budget solicit information affecting the levels of salary ranges, including internal relationships between classes to reduce or eliminate any inequities, and shall present to the Board of Commissioners such changes in salary ranges as appear to be warranted.

### Section 3. Transition to Pay Plan

No employee shall receive a salary reduction because of the transition to a new pay plan.

### Section 4. Use of Salary Ranges

Salary ranges are intended to furnish administrative flexibility in recognizing individual performance among employees holding positions in the same class by rewarding employees for extraordinary effort. The following general provisions will govern the granting of increases within the pay range:

- (a) The minimum rate established for the class is the normal hiring rate, except in those cases where unusual circumstances appear to warrant appointment at a higher rate. Appointments above the minimum rate may be made when deemed necessary and in the best interest of the Town. Above-the-minimum appointments will be based on such factors as the qualifications of the applicant being higher than the desirable education and experience for the class, a shortage of qualified applicants available at the minimum rate, the refusal of qualified applicants to accept employment at the minimum rate, or other similar factors.
- (b) Upon successful completion of the probationary period, or six months of satisfactory employment, an employee shall receive a five (5) percent increase in base salary.
- (c) Additional base salary increases are reserved to reward employees for extraordinary effort. The Town Manager, in coordination with respective department heads, shall consider all factors affecting employee performance and shall submit their reasons whether to advance or retain the employee at the same rate.

## Section 5. Payment at a Listed Rate

All employees covered by the salary plan shall be paid at a listed rate within the salary range established for their respective job classes except for employees in a “trainee status”, or employees whose present salaries are above the established maximum rate following transition to a new pay plan.

## Section 6. Salary of Trainee

An applicant hired or an employee promoted to a position in a higher class, who does not meet all the established requirements of the position, may be appointed at a rate in the pay plan below the minimum established for the position. In such cases, a plan for training, including a time schedule, will be prepared.

Trainee salaries may be no more than ten (10) percent below the minimum salary established for the position for which the person is being trained. An employee will remain at the trainee rate until the department head determines that the trainee is qualified to assume the full responsibilities of the position. The department head shall review the progress of each employee in a trainee status every three (3) months, or more frequently as necessary, to determine when the trainee is qualified to assume the full responsibilities of the position. Provided, however, that a trainee shall not be in such status for longer than one (1) year.

## Section 7. Pay Rates in Promotion, Demotions, Transfer, and Reclassification

When an employee is promoted, demoted, transferred, or reclassified, the rate of pay for the new position will be established in accordance with the following rules:

- a. Promotion: An employee who is promoted shall receive a five (5) percent pay increase in base salary or an increase to the minimum rate of the new pay range, whichever is higher.
- b. Demotion: An employee who is demoted may have the salary remain the same if the demotion is voluntary (deemed a reassignment), except that the salary cannot exceed the maximum for the class, or reduced to a rate in the lower range, if the demotion is for cause.
- c. Transfer: An employee transferring from a position in one class to position in another class assigned the same pay range shall continue to receive the same salary.

## Section 8. Pay Rates in Salary Range Revisions

When the Board of Commissioners approves a change in salary range for a class of positions, the salaries of employees whose positions are allocated to that class shall be affected as follows:

- a. When a class of positions is assigned to a higher pay range, employees in that class shall receive a five (5) percent pay increase or an increase to the minimum rate of the new range, whichever is higher.
- b. When a class of positions is assigned to a lower pay range, the salaries of employees in that class will remain unchanged. If this assignment to a lower pay range results

in an employee being paid at a rate above the maximum established for the new class, the salary of the employee shall be maintained at that level until such time as the classification's pay range is increased above the employee's current salary or the employee is promoted into a classification with a pay range maximum above their salary rate.

- c. General salary range adjustments (market adjustments) to the salary schedule shall be affected by adjusting the Town's overall salary schedule up (or down) by the same percentage amount. Market adjustment shall normally be considered by the Town Board prior to adopting a new fiscal year budget. When a rate adjustment is made to a pay range, to reflect market changes, employees in classes within that pay range may or may not receive the rate adjustment, depending on the Town's financial condition. If financial conditions do not permit the Town to pass those rate changes to employees, it is better to raise the salary schedule rates and not pass the rate adjustment on to employees than to ignore market changes. Ignoring market changes will cause pay schedules to lose competitiveness and increase difficulty in recruitment and retention of good employees.

#### Section 9. Pay for Part-Time Work

The pay plan established by this policy is for full-time service. An employee appointed to a class of position for less than full-time service shall be paid a pro-rated amount determined by converting the established salary of that classification to an hourly rate.

#### Section 10. Overtime

Employees of the Town can be requested and may be required to work in excess of their regularly scheduled hours as necessitated by the needs of the Town and determined by the Department Head. Overtime work should normally be approved in advance by the Department Head, Town Manager, or other designated Town official.

To the extent that local government jurisdictions are so required, the Town will comply with the Fair Labor Standards Act (FLSA). The Town Manager shall determine which jobs are "non-exempt" and are therefore subject to the Act in areas such as hours of work and work periods, rates of overtime compensation, and other provisions.

Non-exempt employees will be paid at a straight time rate for hours up to the FLSA established limit for their position (usually 40 hours in a 7-day period; 171 hours for police and 212 hours for fire personnel in a 28-day cycle). Hours worked beyond the FLSA established limit will be compensated in either time or pay at the appropriate overtime rate. When time off within the "work period" cannot be granted, overtime worked will be paid at a time-and-one-half rate or taken as compensatory time at a time-and-one-half rate, in accordance with FLSA regulations. Salaried employees in positions with fluctuating work schedules whose salary covers straight time pay for all hours scheduled or required to work, however many or few, may receive half-time pay for any overtime worked.

In determining eligibility for overtime in a work period, only hours actually worked shall be considered; in no event, will Compensatory Time, vacation leave, sick leave, or holidays be included in the computation of hours worked for FLSA purposes.

#### Section 11. Compensatory Time (Comp Time)

Compensatory leave balances may not exceed forty (40) hours except for public safety employees (sworn law enforcement officers) who may not accrue more than 48 hours. Any overtime worked after such maximum balances are accrued must be compensated in pay.

Employees are required to use or be paid for comp time before the start of each fiscal year, by June 30<sup>th</sup>. Employees may retain and carry over up to twelve (12) hours of comp time each fiscal year. All other comp time will be paid out, in accordance with FLSA standards, upon the last pay period of the fiscal year. Department heads may exercise discretion in the manner in which employees accrue comp time or are paid for overtime.

Whenever practicable, departments will schedule time off on an hour-for-hour basis within the applicable "work period" for non-exempt employees, instead of paying overtime.

Employees in positions determined to be "exempt" from FLSA (as Executive, Administrative, or Professional staff) will not receive pay for hours worked in excess of their normal work periods. These employees may be granted flexible time by their supervisor on an hour-for-hour basis where the convenience of the department allows. Such flexible time is not guaranteed to be taken and ends without compensation upon separation from the organization.

#### Section 12. Call-Back and Stand-by Pay

The Town provides some services on a twenty-four hour basis, seven days a week, to its citizens. Therefore, it is necessary for certain employees to respond to any reasonable request for duty at any hour of the day or night. One of the conditions of employment with the Town is the acceptance of a share of the responsibility for twenty-four hour service, in accordance with the nature of each job position. If an employee fails to respond to reasonable calls for emergency service, either special or routine, the employee shall be subject to disciplinary action, up to and including, dismissal by the Town Manager.

Call-back. Non-exempt employees will be guaranteed a minimum payment of two hours of wages for being called back to work outside of normal working hours. "Call-back" provisions do not apply to previously scheduled overtime work (scheduled one or more days in advance).

Stand-by. Stand-by time is defined as that time when an employee must carry a communication device and must respond immediately to calls for service. Non-exempt employees required to be on "stand-by" duty will be paid for two hours of work for each day of stand-by time they serve. Hours worked while on stand-by are calculated beginning when the employee leaves for the work site and are added to the regular total of hours worked for the week.

#### Section 13. Payroll Deductions.

Only payroll deductions specifically mandated or authorized by federal, state, or Town act may be deducted at each period from each employee's pay. Additional deductions may be made upon the request of the employee on determination by the Town Manager as to capability of payroll equipment, associated increase in workload, and appropriateness of the deduction.

Section 14. Longevity Pay

Full-time employees of the Town may be compensated for years of continuous service by payment of a supplement based on their years of service. Compensation for years of continuous service is subject to available funding, and inclusion in the Town's annual budget. For any year in which the Board of Commissioners fund and authorize payments for years of continuous service, such payments shall be made according to the following schedule.

<b>Years of Service</b>	<b>Longevity Amount</b>
2 to 4 Years	\$250.00
5 to 9 Years	\$500.00
10 to 14 Years	\$750.00
15 to 19 Years	\$1,000.00
20 or more years	\$1,250.00

The payment, if any, shall be included in the payroll that include the anniversary date of employment with the Town.

Payment for years of service is subject to annual approval by the Board of Commissioners, is dependent upon the financial condition of the Town and shall not be considered a part of any employee's annual base pay. Appropriate federal, state, retirement and any other deductions will be made from payment for years of service.

Section 15. Work Week and Pay Period

The standard seven day work week for the Town of Biltmore Forest is 12:01 a.m. Thursday to 12:00 midnight on the following Wednesday. The Town's administrative office hours are Monday through Friday from 9:00 a.m. to 5:00 p.m. The Public Works Department hours of work are from 7:00 a.m. to 5:30 p.m. Monday through Thursday. Many services performed by Town employees are essential and must be provided 24 hours each day, every day of the year. Therefore, Town employees may be required to work changing shifts and the number of hours per day may differ.

All employees shall be paid on a bi-weekly basis with the pay day being every other Thursday. When a holiday falls on Thursday the pay day will be the day preceding the holiday. Paychecks are received in arrears one week after the end of the pay period.

## Section 16. Effective Dates of Salary Adjustments

Approved salary adjustments shall become effective at the beginning of the next pay period or at such a later date as may be provided.

## Section 17. Salary Reductions

Salary reductions may be necessitated by a shortage of funds or other valid and appropriate reason(s). In such instances, all classes of positions shall be given due consideration, and the nature and extent of such reduction determined by the Town Board.

## Section 18. Pay for Interim Assignments in a Higher-Level Classification

An employee who is formally designated by the Town Manager to perform the duties of a job that is assigned to a higher salary grade than that of the employee's regular classification shall receive an increase for the duration of the Interim assignment. The employee shall receive a salary adjustment to the minimum level of the job in which the employee is acting or an increase of 5%, whichever is greater. The salary increase shall be temporary and upon completion of the assignment, the employee shall go back to the salary he or she would have had if not assigned in the Interim role, taking into account any increases the employee would have received if they had not been placed in the Interim role.

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## **Article IV. Recruitment And Employment**

### Section 1. Equal Employment Opportunity Policy

It is the policy of the Town to foster, maintain, and promote equal employment opportunities. The Town shall recruit, screen, appoint, and promote employees on the basis of job-related experience the candidates' qualifications, job related skills, the quality of past performance, and the candidates general suitability to perform the required work, without regard to political preference, age, sex, sexual orientation, race, color, creed, religion or national origin or disability. The Town of Biltmore Forest will make reasonable accommodations to the known physical or mental impairments of otherwise qualified individuals, unless the result would create an undue hardship on the Town. Throughout its recruitment and employment efforts the Town will do whatever is required and legally permissible to maintain a "drug free workplace".

### Section 2. Implementation of EEO Policy

All personnel responsible for recruitment and employment shall review periodically the implementation of this personnel policy and relevant practices to assure that equal employment opportunity based on reasonable performance-related job requirements is being actively observed to the end that no employee or applicant for employment shall suffer discrimination because of age, sex, sexual orientation, race, color, creed, religion, national origin, or disability. Notices regarding equal employment matters shall be posted in conspicuous places on Town government premises in places where notices are customarily posted.

### Section 3. Recruitment

Each department head shall be responsible for assisting the Town Manager in recruiting employees for vacancies in their respective departments. All opportunities for employment shall be publicized, including applicable salary ranges and employment qualifications. Individuals shall be recruited from a geographic area as wide as is necessary to ensure that well qualified applicants are obtained for Town service. The Town shall consider among its recruitment sources organizations and news media which are utilized by and are available to minority group applicants and applicants with disabilities, to the extent that these organizations service the Town's labor market. The Town shall ensure that communications with applicants with disabilities are as effective as communications with other applicants.

### Section 4. Job Announcements

Employment announcements shall contain assurances of equal employment opportunity and shall comply with federal and state statutes regarding discrimination in employment matters.

### Section 5. Applications for Employment

All persons expressing interest in employment with the Town shall be given the opportunity to file an application for employment when a position is vacant or when the Town is attempting to fill such positions. Equal consideration shall be given to promoting from within for each job vacancy.

### Section 6. Application Reserve File

The Town Manager shall establish a system of maintaining up-to-date records which reflect the town efforts in equal employment opportunity. Such records shall include data necessary to accomplish required reports under the provisions of the Equal Employment Opportunity Act of 1972. Applications shall be kept in a reserve file for two (2) years, in accordance with Equal Employment Opportunity Commission guidelines.

The EEO form 4, when completed, shall provide for an analysis of the status of actual equal employment opportunity with the Town government and for an evaluation of progress made in this regard.

#### Section 7. Qualification Standards

- (a) Employees shall meet the employment standards established by the position classification plan and such other reasonable, job-related minimum standards of character, aptitude, knowledge, skills, abilities, and physical condition as may be established by the Town Board with the advice and recommendation(s) of department heads.

The Town may condition an offer of employment on the result of a medical examination, including a drug test, required post-offer, and before the applicant begins employment duties, if all entering employees in the same job category are subjected to the same such examination. However, if the applicant's medical examination reveals a disability, the Town may not refuse to hire the applicant if the disability can be reasonably accommodated.

Additionally, all applicants shall furnish proof of legal status to work in the United State and fill in the required I-9 form before beginning work.

- (b) The Town's policy includes the responsibility for ensuring that qualifications for both entry level and promotional level jobs shall be reviewed periodically to assure that requirements are fair, will be fairly administered and conform to the actual job performance requirements.
- (c) In keeping with both these responsibilities, the Town may employ an applicant in a trainee capacity who does not meet all minimum qualifications for a particular job if the deficiencies can be eliminated through orientation and on-the-job training.

#### Section 8. Testing/Physical Exams

It is the policy of the Town to employ according to merit and fitness. To that end, the Town shall use all available means to attract qualified candidates for employment and make such investigations and have conducted such examinations as deemed appropriate to assess fairly the aptitude, education and experience, knowledge and skills, character, physical fitness, and other qualifications required for positions in the service of the Town. These examinations may consist of medical, drug screening, skills based, job knowledge and/or physical strength and agility tests. All selection devices administered by the Town, or by persons or agencies for the Town, shall be valid measures of bona fide occupational qualifications.

- (a) Tests administered by the Town or by the North Carolina Employment Security Commission for the Town will conform to applicable legal requirements.
- (b) All tests given to applicants shall be administered and evaluated by qualified employees, or by Employment Security Commission personnel who are fully acquainted with the Town's policy on equal employment opportunity.
- (c) Upon becoming aware of the need of accommodation, disabled applicant(s) shall inform the Town before testing begins. The Town shall ensure that the testing site is accessible to and reasonably accommodates those disabled applicants who notify the Town.

### Section 9. Appointments

It is the Town's policy to create career opportunities for its employees when possible. Therefore, when a current employee applying for a vacant position possesses the best qualifications of all applicants, that applicant may be appointed to that position. However, if other applicants possess comparable qualifications and if the Town would continue any perceived historical discriminatory employment practices by automatically promoting or transferring the current employee without considering other applicants, then the Town must carefully consider the qualifications of other applicants in filling this position.

When positions are to be filled, department heads shall notify the Town Manager concerning the number and classifications of positions which need to be filled. The Town shall publicize opportunities as outlined in this policy. If selections cannot be made from current employees wishing to be considered for the vacant position(s), available lists of qualified applicants and/or applicants responding to media advertisements, then the Town Manager shall assist department heads with recruitment of qualified applicants.

Each department head shall be responsible for recommending for hire such employees as are authorized by the budget for their department. Before any commitment is made to an applicant or employee, the department head shall submit a completed application form to the Town Manager with a recommendation as to the position to be filled, the salary to be paid, and the reasons for selecting the particular applicant over others. After review, the Town Manager may act on the recommendation of the department head.

The Town Manager shall make the final appointment.

### Section 10. Employment of Relatives

Members of an immediate family shall not be employed within the same department if such employment will result in one member supervising another member of the employee's immediate family, or if one member will occupy a position which has influence over another member's employment, promotion, salary administration or other related management or personnel considerations. This does not apply to seasonal or temporary employees. The term immediate family includes spouse, child, parent, brother, sister, grandparent, grandchild, son-in-law, daughter-in-law, parent-in-law, brother or sister-in-law, aunt, uncle, of the employee or spouse or guardian

of the employee. This also includes various combinations of “step”, “half”, and adopted relationships. For these purposes, it also includes other people living in the same household, who share a relationship comparable to immediate family members, if either occupies a position which requires influence over the other's employment, promotion, salary administration or other related management or personnel considerations.

Exceptions may only be granted by the Town Manager and only when a subject employee or applicant possesses a unique set of skills or experience needed by the Town and the employee's spouse or relative will not be involved in any personnel decisions regarding that employee. The Manager will note the reasons for making the exception in writing to be maintained in the employee's personnel file and may note appropriate limitations on transfers and promotions for that employee as a condition of initial employment, in order to reduce the likelihood of future problems.

This provision shall not apply retroactively to anyone employed when the provision is adopted by the Town.

#### Section 11. Probationary Period of Employment

An employee appointed to an authorized regular position shall serve a probationary period of not less than six (6) months. The initial probationary period for law enforcement employees shall be twelve (12) months. This time is to be considered a continuation of the selection process, and is a time when the employee determines if this is the career they want, and the employer determines if the employee is right for the position.

During the probationary period, supervisors shall monitor an employee's performance and communicate with the employee concerning performance progress. Employees serving twelve-month probationary periods shall have a review at the end of six months as well as before the end of twelve months.

Before the end of the probationary period, the supervisor shall conduct a performance evaluation conference with the employee and discuss accomplishments, strengths, and needed improvements. A summary of this discussion shall be documented in the employee's personnel file. The supervisor shall recommend in writing whether the probationary period should be completed, extended, or the employee transferred, demoted, or dismissed. Probationary periods may be extended for a maximum of six additional months.

Disciplinary action, including demotion and dismissal, may be taken at any time during the probationary period of a new hire without following the steps outlined in this policy.

A promoted employee who does not successfully complete the probationary period may be transferred or demoted to a position in which the employee shows promise of success. If no such position is available, the employee shall be dismissed. Promoted and demoted employees who are on probation retain all other rights and benefits such as the right to use grievance procedures.

All probationary employees may accumulate sick leave and earn vacation leave but may not be permitted to use paid vacation leave during the first six (6) months of employment unless the denial of such leave will create an unusual hardship. Vacation leave may be taken during this period only with prior approval of the Town Manager.

Before the completion of the probationary period, the department head shall indicate in writing to the Town Manager:

1. That the new employee's progress, accomplishments, strengths, failures, and weaknesses has been discussed with the new employee, and
2. Whether the new employee is performing satisfactory work,
3. Whether the employee should be retained and given a probationary increase or have the probation extended,
4. Whether the employee should be retained in the present position, transferred, demoted, or discharged.

Upon successful completion of the prescribed probationary period, the employee shall be granted a five percent (5%) probationary pay increase.

#### Section 12. Performance Evaluation

A supervisor shall evaluate an employee's performance to assess his/her fulfillment of basic performance requirements for continued employment, recommendation for a merit increase, and recommendation for promotion or transfer. Through open communication from his/her supervisor, the employee shall obtain a clear understanding of what is expected of his/her performance. At least once each year, employees shall have their performance evaluated and goals and objectives reviewed. Any area of needed improvement will be discussed, and a course of action outlined. The completed evaluation shall be placed in the employee's permanent personnel file.

The performance evaluation system provides a history of work progress of the individual employee with the Town. The performance evaluation system may also be used as a tool to determine eligibility for promotion, as a basis for demotion or discharge of an employee. The supervisor should use the evaluation system as a tool for counseling employees and as a communications piece for discussing work progress, problems, and opportunities.

While the work progress of an employee is formally evaluated on a periodic basis, the supervisor should continuously counsel employees about work progress, job expectations, performance, strengths and weaknesses. This serves to open communications between the supervisor and the employee and to build a better work environment.

#### Section 13. Promotion

- a) The Town shall seek qualified applicants for vacant positions giving first consideration to promoting from within and across departmental lines. Employees shall be considered for promotion on the basis of job experience, the quality of past performance, and the candidate's general suitability to perform the required work. Candidates for promotion shall be chosen on the basis of existing or anticipated job openings, on their qualifications, and on their work records. Performance appraisals and work records of

all personnel shall be carefully examined when openings for positions in higher classifications occur.

- b) Vacancies in positions shall be filled as far as practicable by the promotion of employees in the service of the Town, subject to the limitations of Article V Section 9.
- c) When a vacancy occurs, the department head in whose department the vacancy occurs shall review all applications received, including those from current Town employees wishing to be promoted into the position. If a current Town employee is chosen for promotion, the department head shall forward the employee's name to the Town Manager with recommendations for classification and salary and the reasons for selecting the employee over other applicants. After receiving the supervisor's comments, the Town Manager shall make an appointment if appropriate and determine the starting salary.

#### Section 14. Demotion

Demotion is the movement of an employee from one position to a position in a class assigned to a lower salary range. Demotion may be voluntary or involuntary. A voluntary demotion may be called a "reassignment." An employee whose work or conduct in the current position is unsatisfactory may be demoted provided that the employee shows promise of becoming a satisfactory employee in the lower position. Such disciplinary demotion shall follow the disciplinary procedures outlined in this Policy.

An employee who wishes to accept a position with less complex duties and reduced responsibilities may request a reassignment. A reassignment is not a disciplinary action and is made without using the above-referenced disciplinary procedures.

#### Section 15. Transfer

If a vacancy occurs and an employee in another department is eligible for a transfer, the employee should make the request in writing to the receiving department head. If selected, the department head wishing to hire the employee shall request the transfer, subject to the approval of the Town Manager.

An employee who has successfully completed a probationary period may be transferred to the same or similar class in a different department without serving another probationary period.

It is the policy of the town to transfer employees temporarily or permanently from one department to another, and when doing so will serve the Town's best interest. This policy permits maximum utilization of manpower during unanticipated emergency situations, during peak workloads and for shifting staff to where it is needed most.

#### Section 16. Reinstatement

An employee who has been separated because of a reduction in force or who resigned while in good standing may be reinstated within one year of the date of separation and credited with all

previously accrued benefits that have not been paid to them. An employee who has been suspended for cause may be reinstated at the end of the suspension period at the same or a lower pay grade occupied by them at the time of the suspension.

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## Article V. Work Conditions and Expectations

### Section 1. Work Period and Schedule

The work week is defined as seven consecutive days beginning at 12:01 a.m. on Thursday and ending at 12:00 midnight on the following Wednesday.

Full-time, non-exempt, employees are subject to the overtime provisions set forth in Article IV, Section 10 of this policy. Law enforcement employee's work schedule(s) will be established and maintained in accordance with Title 29 Code of Federal Regulations, Part 500 through 899.

Exempt employees in administrative, professional, or managerial positions shall work the number of hours necessary to assure the satisfactory performance of their duties.

When the activities of a particular department require some other schedule to meet work needs, the Town Manager may authorize a deviation from the normal schedule.

### Section 2. Reporting For Work

Because of the nature of Town work, regular attendance by each employee is mandatory. If an employee is going to be unable to report for work as scheduled, the employee must notify their immediate supervisor immediately. Such notice must be given as far in advance of the time assigned for reporting to work as possible. An employee absent from work because of illness or injury should advise their supervisor immediately of their work status and estimated return to work date daily. Frequent absence or tardiness for any reason may subject an employee to disciplinary action, up to and including dismissal. Unscheduled absences fall into two (2) categories:

- a. Excused absence. Absence for reasons which are necessary and compelling. The supervisor or department head, upon notification of the absence, is responsible for determining if it is excused. As appropriate, sick or other leave time may be utilized to cover the absence, with the approval of an employee's supervisor or department head.
- b. Unexcused absence. Absence which results when an employee does not report for work or notify their supervisor or department head of their absence; or an absence which the supervisor, after notification, determines does not result from compelling reasons. An employee who remains away from his/her job for more than five (5) working days without approved leave will be considered to have resigned from their position with the Town. The five days are cumulative and do not have to be consecutive for this policy to take effect.

If an employee has transportation problems due to weather, they may use vacation leave, take leave without pay, or make up the time lost. Any request to make up the time lost must be approved by the supervisor or department head and may not result in overtime.

Essential services must always be kept at an adequate level. Therefore, these departments cannot always allow employees to report late or leave early during adverse weather.

### Section 3. Gifts and Favors

- (a) No official or employee of the Town shall accept any valuable gift, whether in the form of service, loan, things, or promise from any person, firm or corporation which, to the employee's knowledge is interested directly or indirectly in any manner whatsoever in business dealings with the Town.
- (b) No official or employee shall accept any gift, favor or thing of value that may tend to influence that employee in the discharge of duties.
- (c) No official or employee shall grant in the discharge of duties any improper favor, service, or thing of value.

### Section 4. Political Activity Restricted

Each employee has a civic responsibility to support good government by every available means and in every appropriate manner. Each employee may join or affiliate with civic organizations of a partisan or political nature, may attend political meetings, may advocate and support the principles or policies of civic, social, fraternal, or political organizations in accordance with the Constitution and laws of the State of North Carolina and in accordance with the Constitution and laws of the United States of America. However, no employee shall:

- (a) Engage in any political or partisan activity while on duty or within any period of time during which they are expected to render services for which they receive compensation from the Town;
- (b) Use official authority or influence for the purpose of interfering with or affecting the result of an election or nomination for office;
- (c) Be required as a duty of employment or as a condition for employment, promotion, or tenure of office to contribute to, solicit for, or act as custodian of funds for political or partisan purposes;
- (d) Coerce, solicit, or compel contributions, while on duty, for political or partisan purposes by another employee of the Town; or
- (e) Use any supplies or equipment of the Town for political or partisan purposes;
- (f) Display any political advertisement in or on Town property;
- (g) Be a candidate for or hold elective office while in a pay status with the Town of Biltmore Forest. Should an employee decide to be a candidate for elective office, they must take an unpaid leave of absence or resign their employment. If they take an unpaid leave of absence and are elected to an elective office, they must resign as an employee of Biltmore Forest.
- (h) Shall seek or attempt to use any political endorsement in connection with any appointment to or preferment or advantage in connection with a position in the Town's service.

Town employees in certain federally aided programs are subject to the Hatch Act as amended in 1975. This federal act, in addition to prohibiting (b), (c) and (g), also prohibits candidacy for elective office in a partisan election.

All constitutional and elected officers are exempt from this entire section, but no such officer shall use any public funds, goods, supplies, or materials for partisan political purposes.

Any violation of this section shall subject such employee to disciplinary action up to and including dismissal.

#### Section 5. Outside Employment

The work of the Town will take precedence over other occupational interests of employees. All outside employment for salaries, wages, or commission and all self-employment must be approved by the department head and recommended to the Town Manager for final approval. Employees are expected to work only on Town business when on Town time. Conflicting outside employment will be grounds for disciplinary action up to and including dismissal. Documentation of the disapproval or approval of outside employment will be placed in the employee's personnel file.

Examples of conflicts of interest in outside employment include but are not limited to:

- a) Employment with organizations or in capacities that are regulated by the employee or employee's department; or
- b) Employment with organizations or in capacities that negatively impact the employee's perceived integrity, neutrality, or reputation related to performance of the employee's Town duties.

Employees are prohibited from performing outside employment while on Workers' Compensation Leave or any Leave Without Pay status from Town employment.

#### Section 6. Dual Employment

A full or part-time employee of the Town may simultaneously hold another temporary position with the Town if the temporary position is in a different department and clearly different program area from that of the full or part-time position. The work of the temporary position must also be performed on an occasional or sporadic basis as identified in Fair Labor Standards Act regulations. However, the work of the full or part-time position shall take precedence over the temporary position, and such temporary work will not count toward the calculation of overtime for pay or time off.

#### Section 7. Conformance to Immigration Law and Selective Service Requirements

All employees are required to furnish proof of citizenship or other required documents indicating a legal right to work in the United States. Copies of the completed form I-9 shall be a permanent part of their personnel file.

All male employees and applicants for employment between the ages of 18 and 25 must furnish proof that they are registered for selective service and a copy of such proof shall be a permanent part of their personnel file.

#### Section 8. Confidential Information

No official or employee shall, without the approval of the department head and Town Manager or by court order, disclose confidential information concerning the property, government, or affairs of the Town. Nor shall they, under any circumstance, use such information to advance the financial or other private interest of themselves or others.

#### Section 9. Use of Town Owned Equipment

The Board of Commissioners specifically forbids the personal use of any Town owned equipment, facilities, or supplies by any employee, official, or individual unless authorized by the Town Manager. Should authorization be granted, use will be limited to the use specified in the authorization.

Use of Town owned vehicles are governed by the Town Policy below. Further clarifications are covered in paragraphs (c) through (f).

- (a) Vehicles Owned by the Town may be provided to one or more employees in connection with Town business and shall be used only on Town business. The employee operating the Town vehicle must have the appropriate valid operator's license; operate the equipment in a safe manner and in compliance with all vehicle operation laws. When the vehicle is not used in the Town's business, it is kept on the Town's business premises. The Town's premises and residence of any employee using the vehicle are at different locations. Pursuant to Federal and State law, the employee, nor an individual whose use would be taxable to the employee, may use the Town vehicle for personal use. The Board of Commissioners reasonably believes, based on Town policy and state law, that no employee or any individual uses these vehicles for personal use. Failure to comply with these requirements or loss of driving privileges may result in the employee being re-assigned or dismissed.
- (b) For bona fide non-compensatory business reasons, the Town may require certain employees to commute to and from work in Town vehicles that are not exempted by IRS regulations. In accordance with federal and state law, an employee may not use the Town owned vehicle for personal use other than commuting. The Town has a written policy forbidding personal use of any Town vehicle and the employee using the vehicle is not an elected or appointed official. Under these conditions the Town will account for commuting use by including an appropriate amount in the employee's gross income, as specified in IRS regulations.
- (c) Certain vehicles may be used to commute without any income being added to the employee's gross income. For example, a "qualified specialized utility repair truck" used to commute to enable the employee to respond in emergency situations to

restore or maintain water services and not used for personal reasons is exempt from having an adjustment made to the employee's gross income.

- (d) Use of clearly marked police vehicles to commute, and not used for personal use, are also exempt from the requirement to adjust the employee's gross income. Under certain conditions an unmarked police vehicle used to commute and not for personal use may also qualify for this exemption.
- (e) Only Town employees are authorized to operate Town vehicles.
- (f) Only authorized persons are to be transported in Town vehicles. The only exceptions are emergency situations or authorized ride along programs.

#### Section 10. Reimbursement for use of Personal Vehicle

The Town will reimburse an employee for use of their personal vehicle for Town business when authorized by the Town Manager or Department head. The rate of reimbursement will be equal to the amount allowed for tax deduction purposes by the IRS at the time of use. When required to travel overnight, the Town will reimburse the employee for meals and lodging when the appropriate forms have been submitted.

#### Section 11. Harassment Prohibited

The Town prohibits and will not tolerate sexual harassment or harassment on the basis of sex, race, color, religion, sexual orientation, national origin, age, non-disqualifying disability, political affiliation, marital status or veteran status. Harassment complaints or allegations will be investigated promptly and where, it is determined that such inappropriate conduct occurred, the Town will act immediately to eliminate the conduct and impose such corrective action as is necessary, including disciplinary action up to and including dismissal.

Harassment is defined as conduct that culminates in tangible employment action or is sufficiently severe or pervasive to create a hostile work environment. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when 1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; 2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or 3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment. Sexual harassment includes repeated offensive sexual remarks, continual or repeated comments about an individual's body and offensive sexual language.

Any employee who believes that he or she may have a complaint of harassment may follow the Grievance Procedure described in this Policy or may file the complaint directly with the Town Manager or Department Head. The employee may file the complaint directly with the Town Manager if it involves a Department Head. The Town Manager will insure that an investigation is conducted into any allegation of harassment and advise the employee and appropriate management officials of the outcome of the investigation.

Employees who are found to be engaged in harassment are subject to disciplinary action up to and including dismissal. Employees making complaints of harassment are protected against retaliation from alleged harassers or other employees.

#### Section 12. Surrender of Property

An employee who is suspended or discharged shall be required to return all items of equipment and supplies, including uniforms, owned by the Town. Return of such equipment must precede the issuance of such an employee's final salary check.

#### Section 13. Substance Abuse Policy

The Town may establish policies and procedures related to employee substance abuse in order to ensure the safety and well-being of citizens and employees, and to comply with any state, federal, or other laws and regulations. The Town provides a drug-free workplace for all employees.

The Town declares its intention to be a “drug-free workplace.” No employee shall manufacture, distribute, dispense, use or be under the influence of intoxicating beverages or non-prescribed controlled drugs of any kind while on duty. An employee shall not report for duty while under the influence of any alcoholic beverage or non-prescribed controlled or illegal drug. Any employee using medication or a controlled drug by prescription which may affect job performance or safety, shall notify their supervisor upon reporting to work. Any employee convicted or pleading guilty under any criminal drug statute must notify their supervisor or department head no later than five (5) days after such conviction. Any employee who violates this condition of employment may be disciplined up to and including dismissal or may be required to participate in a drug abuse assistance or rehabilitation program approved by the Town.

#### Section 14. Disruption of the Workplace

The Town has a responsibility to maintain a productive and professional work environment conducive to conducting the Town’s business. To that end, employees are expected to keep any workplace disruptions and distractions to a minimum. This includes personal visits and phone calls, texting, receiving personal mail or packages, charitable solicitations, or other activities that distract an employee or coworkers from the work of the Town. Supervisors will provide feedback to employees on any actions that are becoming distracting.

#### Section 15. Employee Safety and Health

The personal safety and health of every employee is important to the Town of Biltmore Forest, and it is Town policy to meet this responsibility by providing safe and healthful places and conditions of employment and by constantly striving to improve the quality of the workplace.

The protection of one’s fellow employees and the public on Town property is a responsibility shared by all. If an employee knows of safety or health conditions that could be improved where

he works, he should notify his supervisor or department head. All Town employees are fully covered by the North Carolina Workers' Compensation Act and are required to report all accidents and injuries on the job to the Town Manager's office within 24 hours so that appropriate action can be taken, and the necessary forms filed.

The following Safety Program Policy governs the activity of all Town employees:

“The Town of Biltmore Forest considers the safety of its employees a major responsibility. The Town will constantly endeavor to encourage safe working habits and provide safe working conditions for its employees. It is recognized that accident control can only be successful when support comes from top management, when adequate coordination and advice comes from staff members, when supervisors accept safety responsibilities, and when employees participate in the elimination of unnecessary safety hazards.”

The principles of our safety programs are as follows:

- (a) Management and supervisory personnel shall provide support for the prevention of accidents and for the implementation of this policy.
- (b) All accidents and safety incidents shall be investigated to determine their causes and the remedial action required to prevent recurrence.
- (c) Supervisors shall be responsible for the safe condition of equipment and materials, for encouraging good housekeeping practices, and for promoting overall safe working conditions. Regularly scheduled inspections of workplaces shall be conducted to identify safety hazards, and corrective actions shall be initiated to control unsafe acts, conditions, or procedures.
- (d) Accident prevention principles shall be incorporated into both training for new employees and on-going training programs for all employees.
- (e) Department heads shall analyze hazardous working conditions and develop standard operating procedures to ensure that hazardous conditions are minimized and that safe work practices are used.
- (f) Personal protective equipment shall be used by employees to reduce the probability of injury.
- (g) Each employee shall be charged with the responsibility of making safety a daily concern. This responsibility must be accepted by everyone, regardless of his/her position in the organization.

Any employee who fails to use proper safety equipment required by and furnished by the Town, shall be subject to disciplinary action by the department head or Town Manager. Failure to use proper safety equipment as directed may constitute a basis for denial of a claim for workers' compensation benefits.

Section 16. Media Contact

Biltmore Forest personnel shall make every effort to maintain good working relationships with the media. All requests for information shall be handled with respect and referred to the appropriate personnel that has the information requested. The Town Manager or Department Head shall be notified, as soon as practical, as to the nature of the request and the organization making the request. If possible, any reply should come from the Town Manager or Department head.

Employees should ascertain that the requesting person is in fact representing a media organization. Employees should also be mindful of their personal liability for providing information on employees, former employees, Town policy, projects, or events.

#### Section 17. Attitude and Common Courtesy

When contacting the public in any manner, especially on public business, Town employees shall do so in a courteous manner. Every employee shall endeavor to conduct themselves in a manner that reflects credit upon his/her department and the government of the Town of Biltmore Forest.

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## Article VI. Types of Leave

### Section 1. Policy

The policy of the Town is to provide vacation leave, sick leave, and holiday leave to all full-time and part-time employees, and to provide proportionately equivalent amounts to employees having average work weeks of different lengths. Employees shall accrue leave proportionately with each payroll.

### Section 2. Holidays

The Town of Biltmore Forest follows the holiday calendar utilized by the State of North Carolina. In addition, each full-time employee is granted their birthday as a holiday.

In order to be eligible for holiday pay, an employee must have been in pay status for a full regularly scheduled workday before and after the holiday, unless excused by the Town Manager or Department head.

### Section 3. Effect of Holidays on Other Types of Leave

Regular holidays which occur during a vacation, sick, or other leave period of any officer or employee of the Town shall not be considered as vacation, sick or other leave.

### Section 4. Holidays: Compensation When Work is Required or Regularly Scheduled Off for Shift Personnel.

Employees required to perform work on regularly scheduled holidays shall be compensated at their regular pay for the hours worked on the holiday, in addition to the pay for the holiday, or given time off equivalent to the hours worked on the holiday. The holiday hours paid shall be eight (8) hours.

### Section 5. Vacation Leave

Vacation leave shall be used for rest and relaxation, school appointments, and other personal needs. It shall be used at the discretion of the employee and at the convenience of the appropriate supervisor. Vacation leave may also be used by employees who wish to observe religious holidays other than those granted by the Town. Employees who wish to use leave for religious observances must request leave from their respective Department Heads. The Department Head will attempt to arrange the work schedule so that an employee may be granted vacation leave for the religious observance. Vacation leave for religious observance may be denied only when granting the leave would create an undue hardship for the Town. Vacation Leave may be donated to other employees according to procedures published by the Town Manager.

#### (a) Vacation Leave: Use by Probationary Employees

- a. Employees serving a probationary period following initial employment may accumulate vacation leave but shall not be permitted to take vacation leave during the first six months of employment unless approved in a pre-employment agreement.

(b) Vacation Leave - Amount of Allotment and Maximum Accumulation

- a. When calculating vacation leave for employees whose yearly base hours are 2080, the employee's normal workday expressed in hours, up to a maximum of eight (8) hours, shall be used.

Those employees shall earn vacation leave at the following rate:

Years of Service	Accrual Rate (Days per Year)
0-2	10
3	11
4	12
5	13
6	14
7	15
8	15
9	16
10	16
11	17
12	17
13	18
14	18
15	19
16	19
17+	20

Vacation leave may be accumulated without any applicable maximum until the last payroll in December. However, if the employee departs from service, payment for accumulated vacation leave shall not exceed thirty (30) days prorated as shown in Section 16. Effective December 31st, any employee with more than thirty (30) days of accumulated leave shall have the excess accumulation removed so that only thirty (30) days are carried forward to January 1 of the next calendar year. Those hours, in excess of thirty (30) days, shall be converted to the employee's sick leave account.

Employees are cautioned not to retain excess accumulated vacation leave until late in the year. Because of the necessity to keep all functions in operation, large numbers of employees cannot be granted vacation leave at any one time. If an employee has excess leave accumulation during the latter part of the year and is unable to take such leave because of staffing demands, the employee shall receive no special consideration either in having vacation leave scheduled or in receiving any exception to the maximum accumulation.

Vacation Leave - Manner of Taking Leave

Employees shall be granted the use of earned vacation leave upon request in advance at those times designated by the Department Head which will least impact normal operations of the Town. Department Heads are responsible for ensuring that approved vacation leave does not hinder the effectiveness of service delivery. Vacation may be taken in one half

(1/2 hour) increments. Employees may “sell back” vacation days to the Town. The amount of vacation days sold back to the Town may not exceed ten (10) days or eighty (80) hours per fiscal year.

#### Vacation Leave - Payment Upon Separation

An employee who has successfully completed six months of the probationary period will normally be paid for accumulated vacation leave upon separation not to exceed 40 days prorated as shown in Section 16, provided notice is given to the supervisor at least two weeks in advance of the effective date of resignation.

Any employee failing to give and work the two-week notice required by this section shall forfeit payment for accumulated leave. The notice requirement may be waived by the Town Manager when deemed to be in the best interest of the Town. Employees who are involuntarily separated shall be ineligible to receive and shall forfeit payment of any accrued vacation leave hours.

#### Vacation Leave - Payment for Accumulated Vacation Upon Death

The designated beneficiary of an employee who dies while employed by the Town shall be entitled to payment for the balance of vacation leave credited to the employee's account, up to a maximum of 240 hours.

### Section 6. Sick Leave

Sick leave may be granted to a probationary or regular employee absent from work for any of the following reasons: sickness, bodily injury, required physical or dental examinations or treatment, or exposure to a contagious disease, when continuing work might jeopardize the health of others. Sick leave may be taken in half-hour (30 minutes) increments.

For these purposes, “immediate family” shall be defined as spouse, child, parent, brother, sister, grandparent, grandchild, son-in-law, daughter-in-law, parent-in-law, brother or sister-in-law, aunt, uncle, of the employee or spouse or guardian of the employee. This also includes various combinations of “step”, “half”, and adopted relationships. Sick leave may be used when an employee must care for a member of his or her immediate family who is ill.

Sick leave may also be used to supplement Workers' Compensation Disability Leave during the waiting period before Workers' compensation benefits begin.

Notification of the desire to take sick leave should be submitted to the employee's supervisor prior to the leave or according to departmental procedures.

#### a. Sick Leave - Manner of Allotment

- i. Full-time employees shall accrue sick leave at the rate of eight hours per month. When sick leave credits are inadequate to cover absence caused by the employee's illness, the time lost will first be charged to vacation leave, if any, and next to leave without pay. For calculating sick leave compensation, the actual hours taken as sick leave will be used.

- b. The Town will accept sick leave balances when documented by a previous employer when the employee worked for a previous employer covered by the State or Local Government Retirement System and the employee did not withdraw accumulated contributions from that employer when leaving employment. The sick leave will be treated as though it were earned with the Town of Biltmore Forest. The sick leave amount must be certified by the previous employer, and it is the employee's responsibility to provide documentation from his or her previous employer within three (3) months of employment. Transferred sick leave will be credited to the employee upon their hire date. For those employees who are currently employed with the Town at the approval of this policy, any previously earned sick leave from prior employers in the State and Local Government Retirement System will be credited to their account.
- c. Sick Leave - Maximum Accrual
  - i. Unused Sick leave shall accumulate or carry forward from year to year.
- d. Sick Leave - Physician's Certificate
  - i. The employee's supervisor or department head may require a physician's certificate concerning the nature of the illness and the employee's physical capacity to resume duties for each occasion on which an employee uses sick leave of forty (40) or more hours. Such request for a physician's certificate may be requested at any time that the department head feels the need.

The department head shall be responsible for the enforcement of this provision to the end that (1) employees shall not be on duty when their presence may endanger their health or the health of other employees, and (2) there will be no abuse of sick leave privileges.

Claiming sick leave under false pretense to obtain a day off with pay shall subject the employee to disciplinary action up to and including dismissal.

Under Family and Medical Leave act guidelines, the Town may require that a request for leave because of a serious illness of the employee or the employee's child, spouse or parent, be supported by a doctor's certification, which shall include the following:

1. The date on which the serious health condition began;
2. The probable duration of the condition;
3. Appropriate medical facts regarding the condition;
4. A statement that the leave is needed to care for a child, spouse or parent and an estimate of the amount of time that is needed; or,
5. That the employee is unable to perform the functions of the position, whichever applies.

Where certification is necessary for intermittent leave for planned medical treatment, the dates on which the treatment is expected to be given and the duration of the treatment, shall be provided.

If the Town has reason to doubt the validity of medical certification, the Town may require the employee to get a second opinion from a doctor designated by and paid for by the Town. If the second opinion differs from the original medical opinion, the Town may require the employee to get a third opinion from a doctor jointly approved by the Town and the employee but paid for by the Town. The Third opinion is final and binding on both the Town and the employee. The Town may require and pay for the employee to obtain periodic re-certification on a reasonable basis, usually no more frequently than every thirty (30) days.

(d) Sick Leave on Separation

Employees who resign and who are not reinstated within one (1) year, or are dismissed from Town employment, shall lose all sick leave credit. No employee shall be paid for any sick leave balance.

### Section 7. Leave Pro-Rated

Holiday, annual, and sick leave earned by full-time employees with fewer or more hours than the basic work week (forty hours) shall be determined by the following formula:

- 1) The number of hours worked by such employees shall be divided by the number of hours in the basic work week (forty hours).
- 2) The proportion obtained in step 1 shall be multiplied by the number of hours of leave earned annually by employees working the basic work week.
- 3) The number of hours in step 2 divided by 12 shall be the number of hours of leave earned monthly by the employees concerned or divided by 26 shall be the number of hours if leave earned biweekly.

### Section 8. Funeral Leave

Eligible employees scheduled to work eight (8), ten (10), or twelve (12) hour shifts who have a death in the Immediate Family (as defined in Section 4 of this Article) are eligible to receive up to twenty-four (24) working hours of paid funeral leave. Permanent part-time employees are eligible for leave, prorated by the average number of hours in the work week (Section 16). Any additional time or for deaths that are not covered by the Immediate Family designation, vacation leave or accrued compensatory time may be taken. Funeral leave pay cannot duplicate any other compensation of the same period. The Town may request documentation for this leave whenever there is a pattern of absenteeism demonstrated by the employee or for other reasons as needed.

### Section 9. Leave Without Pay – Policy

A regular or probationary employee may be granted a leave of absence without pay for up to one (1) year by the Town Manager. The leave shall be used for reasons of inability to report to work, personal or family disability, continuation of education or special work that will permit the Town to benefit by the experience gained or the work performed, or any absence that is not covered by one of the provided paid leaves.

For extended leave without pay absences, the employee shall apply in writing to the Town Manager for leave and may be carried on the Town's books in a non-pay status during their absence. The employee is obligated to return to duty within, or at the end of, the time determined appropriate by the Town Manager or Department head. Failure to report at the expiration of a leave of absence, unless an extension has been requested, shall be considered a resignation. When on such extended leave without pay, the employee must assume payment of all Town paid benefits, including health insurance and neither vacation nor sick leave shall be earned or accrue. Upon returning to duty after being on leave without pay, the employee shall be entitled to return to the same position held at the time leave was granted or to one of like classification, seniority and pay. If the employee decides not to return to work, the supervisor should be notified immediately.

(a) Leave Without Pay - Effect on Benefits

An employee shall retain all unused vacation and sick leave while on leave without pay. An employee ceases to earn or accrue leave credits on the date leave without pay begins. The employee may continue to be eligible for benefits under the Town's group insurance plans, subject to any regulations adopted by the Board of Commissioners and the regulations of the respective insurance carriers.

Section 10. Family and Medical Leave Act

*The Family and Medical Leave Act* was passed by Congress to balance the demands of the workplace with the needs of families, to promote stability and economic security of families and to promote national interests in preserving family integrity; to minimize the potential for employment discrimination on the basis of sex by ensuring generally that leave is available for medical reasons (including maternity related disability) and for compelling family reasons; and to promote the goal of equal employment opportunity for women and men. At the adoption of this policy, the Town is not a covered employer under the provisions of the Family Medical Leave Act.

Section 11. Parental Leave

Full-time regular employees who are parents, guardians, or persons "standing in loco parentis" of a school-aged child shall be granted four hours per year of unpaid leave to attend or otherwise be involved at their child's school. However, Parental leave is subject to the following conditions:

- (a) The leave shall be at a mutually agreed upon time between the supervisor and the employee;
- (b) A written request must be submitted to the supervisor for the leave at least 48 hours before the time desired for the leave;
- (c) Written verification from the child's school that the employee attended or was otherwise involved at the school during the time of the leave.

For the purposes of this section, "school" means any public school, private church school, church of religious charter, non-public school, preschool and child daycare facilities.

Section 12. Workers' Compensation Leave

An employee absent from duty because of sickness or disability covered by the North Carolina Workers' Compensation Act may receive benefits and elect to use accumulated vacation and sick leave as a supplemental payment for the difference between his regular net salary and the net payments received under the Workers' Compensation Act. However, under no circumstances can Biltmore Forest require the employee to endorse his Workers' Compensation check over to the Town. Upon reinstatement, an employee's salary will be computed on the basis of the last salary earned plus any increment or other salary increase to which the employee would have been entitled during the disability covered by Workers' Compensation.

To protect his/her interest under the law, the employee has the responsibility for promptly reporting all injuries resulting from on-the-job accidents in accordance with the N. C. Workers' Compensation Act. All injuries shall be reported immediately to the supervisor of the department.

Temporary employees and employees without any leave balances will be placed in a leave without pay status and will receive only benefits for which they may be adjudged eligible under the Workers' Compensation Act.

### Section 13. Temporary Disability Leave

Accumulated sick leave is available to employees for the period of medically necessary temporary disability in the same manner as for any other illness.

Leave without pay may be available for a period of time before the employee is medically/mentally disabled, when known in advance, and a period of time after the medical/mental disability ends. Normally this leave shall not exceed three (3) months. However, upon the attending physician's advice and in consultation with and approval of the department head and Town Manager, the employee may alter the duration of this disability leave.

The employee may elect to use accumulated vacation leave (1) before going on sick leave, (2) after accumulated sick leave has been exhausted, and/or (3) after the temporary disability has ended. If an employee is temporarily disabled and has exhausted all accumulated sick leave, that employee may be eligible to receive leave without pay for personal disability under the provisions of Section 6 of this Article. If an employee wishes to retain all accumulated sick leave and vacation leave, leave without pay may be taken for the entire period.

Reinstatement to the same position or one of like classification, seniority and pay shall be made upon the employee's return to work within the approved time period.

### Section 14. Military Leave

Regular employees who are members of the National Guard or Armed Forces Reserve will be allowed fifteen (15) calendar days military training leave annually with adjusted pay. Adjusted pay means that the Town will make up the difference between military pay and regular Town base pay. If the military net pay is greater than the Town's net pay, there shall be no Town compensation for

this leave. If such military duty is required beyond this fifteen (15) calendar days period, the employee shall be eligible to take accumulated vacation leave or be placed in a leave without pay status. While taking military leave with pay or without pay, the employee's leave credits and other benefits shall continue to accrue as if the employee physically remained with the Town during this period. Regular employees who are guardspersons and reservists have all job rights specified in the Veterans Readjustment Assistance Act.

#### Section 15. Civil Leave

A Town employee called for jury duty or as a court witness for the federal or state government or a subdivision thereof, shall receive leave with pay for such duty during the required absence without charge to accumulated vacation or sick leave. While on civil leave, benefits and leave shall accrue as though on regular duty. No employee shall receive or keep any witness fees for appearing in court in connection with their official duties.

#### Section 16. Education Leave

An employee of the Town of Biltmore Forest may be granted an unpaid leave of absence when voluntarily requested and not job required for job training, certification, or other job-related training or education. Arrangements for expenses and compensation shall be made prior to the leave of absence on a case-by-case basis, as recommended by the Department Head and approved by the Town Manager.

#### Section 17. Paid Family Leave

The Town of Biltmore Forest believes that strong families benefit both the local community and the workplace. For this reason, the Town offers the option to its employees of a maximum of four (4) weeks Paid Family Leave for the birth of and bonding with a newborn, bonding with a newly placed child for foster care or adoption and to care for a child, spouse, or parent with a serious health condition. This leave may be utilized in conjunction with other vacation or sick leave as necessary.

#### Section 18. Short Term Disability Leave

The Town offers full-time and permanent part time employees working 30 or more hours short term disability leave. Eligibility for and the amount of disability benefits available are subject to the terms of the applicable plan. During the disability period under certain circumstances there are no contributions to the retirement system, or 401(k). Other employee deductions from regular paychecks such as credit union or supplemental insurance payments and group life, health and dental insurance premiums will need to be addressed to the vendor's satisfaction by the employee. Employees cannot receive more than 100% of their basic salary between all benefits.

Short-term disability (STD) leave assumes worker's compensation will be helping employees with job-related injuries or illnesses, and therefore, does not cover work-related disabilities.

#### Section 19. Shared Leave

An employee may request donated leave from fellow employees if they are facing a prolonged absence from work and insufficient accrued leave hours to pay him/ her during that time. Reasons for which the request may be granted are listed below in Recipient Guidelines, parts a, b, and c.

#### General Guidelines

- a) An employee requesting donated leave shall file a request with the Town's Finance Director. The Finance Director, Department Head of the employee requesting leave, and Town Manager shall review the application. Employees who volunteer to donate leave shall file the attached form verifying the voluntary donation and acknowledging they will not receive any payment for donated leave.
- b) Information presented to and used by the Town in determining qualification of this program shall be kept confidential.
- c) If the request is granted, sick leave may be donated to a named employee. The hours donated by the employee shall be for the use of the employee of their election only.
  - A catastrophic illness of self or immediate family member (mother, father, sibling, child, and/or spouse - as legally recognized by the State of North Carolina), requiring life threatening surgery or treatment, which has been documented in writing by the attending physician.
  - An extended period of sickness or treatment for self or immediate family member, documented in writing by the attending physician.
  - Injuries or illnesses caused as a direct result of illegal acts on the part of self or immediate family member will not qualify.
- d) To qualify for this program, an employee must anticipate being unable to attend work for a minimum of thirty (30) calendar days.

*\*Elective, nonessential surgeries and/ or treatments do not qualify under this program.*

#### Eligibility

Participation in this program shall be based on the employee's past compliance with leave policies. All employees (other than temporary employees) shall be eligible to participate, but no employee is guaranteed a right to participate in this program.

#### Application Procedure

An employee may request donated leave by making a written request on the Shared Leave Form available in the Town Hall.

#### Recipient Guidelines

- a) In order to qualify for donated leave, an employee must exhaust all his/her available leave, and use the leave accruing while they are out, before using donated leave.
- b) Donated leave will be used as needed until the donated leave bank is no longer available or the employee returns to work.
- c) Participation in this program and use of paid time off under this program shall end upon the recipient's resignation or separation from the Town employment, or upon the death of a currently participating recipient.
- d) When the recipient has exhausted, or anticipates exhausting their donated leave, they may reapply for additional donated leave.
- e) Donor Guidelines
- f) Leave is to be donated on a voluntary basis. No employee shall be coerced or required, as a condition of employment, to donate paid leave to any another Town employee.

- g) The amount of sick leave donated by an employee cannot reduce the donor's sick leave balance below five (5) days of sick leave. There is no corresponding prohibition regarding the maximum amount of annual leave or compensatory time that an employee may voluntarily donate.
- h) Employees donating leave will not receive remuneration for the leave they donated.
- i) Unused donated leave shall be returned to the donor.

#### Section 20. Personal Leave

An employee of Biltmore Forest shall be allowed up to twenty-four (24) hours per fiscal year of personal leave. Personal leave should typically be taken in increments of fifteen (15) minutes, up to a maximum of two (2) hours per occasion per month with permission of their supervisor. Personal leave is to be used for personal matters that cannot be transacted outside of normal work hours, medical appointments, and absences due to adverse weather conditions. Any time used beyond two (2) hours in a day will be charged to another appropriate leave, with the exception noted below.

An employee may use up to 8 hours of personal leave on three separate occasions within each fiscal year. In no instance will the total number of personal hours used for each fiscal year exceed twenty-four (24) hours. This allowance recognizes that at some points Town staff may need a longer period to transact business and/or time off for other reasons not accounted for in other leave types.

A request for personal leave shall be submitted to the department head for their approval or disapproval. The request must state the purpose and time requested. The department head may require that the leave be charged to vacation, sick or leave without pay if in his/her opinion it is not justified as personal leave. The employee will be notified prior to taking leave of the department's head's decision. Abuse of personal leave privilege may result in disciplinary action against the individual if warranted. Personal leave may be used by Public Works employees to supplement a standard eight (8) hour holiday.

#### Section 21. Calculation of Holiday Leave, Vacation Leave, and Sick Leave

Holiday leave, vacation leave, and sick leave earned by full-time employees will be based on an 8-hour workday.

## Article VII. Separation, Discipline and Reinstatement

### Section 1. Types of Separation

All separations of employees from positions in the service of the Town shall be designated as one of the following types and shall be accomplished in the manner indicated: resignation, reduction in force, disability, retirement, dismissal, or death.

- (a) **Resignation:** A minimum of two (2) weeks' notice for most employees is expected of all resigning personnel. Such notice should be given to the department head or Town Manager.

Employees who do not give proper notice (2 weeks for most employees) shall be deemed a resignation without notice and will not be paid for their accumulated vacation leave balance upon termination. Failure to comply with this requirement may be the cause for denying reference to potential employers.

Five (5) consecutive days without reporting to work or contacting the appropriate official shall be considered a resignation.

All letters or notes of resignation received by department heads shall be forwarded to the Town Manager on the completion of the workday following the date of receipt.

- (b) **Demotion:** A regular employee whose performance of duties is unsatisfactory over a period shall be notified in writing by the supervisor or department head how their performance is deficient and what must be done for their performance to be satisfactory. The employee will be given up to three months to improve their performance to a satisfactory level. If at the end of the three months the appraising official determines that the performance is still unsatisfactory, a recommendation to demote to a position for which the employee is more suited or to dismiss shall be made to the Town Board of Commissioners by the appraising official.
- (c) **Reduction in Force:** In the event that a reduction in force becomes necessary, consideration shall be given to the quality of each employee's past performance, organizational needs, and seniority, in that order, in determining those employees to be retained. Employees who are laid off because of reduction in force shall be given at least two (2) weeks' notice of anticipated layoff. No regular employee shall be separated while there are temporary employees serving in the same class in the department, unless the regular employee is not willing to transfer to the position held by the temporary employee.
- (d) **Disability:** An employee who is injured on or off the job, who becomes ill, or suffers any other condition that meets the American with Disabilities Act definition of disability, is protected by the Act, if they can perform the essential functions of the job, with or without reasonable accommodations.

The Town shall make reasonable accommodation to the known physical or mental impairment of an otherwise qualified employee with a disability, unless the Town can demonstrate that the accommodation would impose an undue hardship on its operations.

An employee may be separated for disability when the employee cannot perform the required duties because of a physical or mental impairment and reasonable accommodations, as required by the American with Disabilities Act (ADA), cannot be made. Action may be initiated by the employee or the Town, but in all cases, it shall be supported by medical evidence as certified by a competent physician. The Town may require an examination at its expense and performed by a physician of its choice. Before an employee is separated for disability, a reasonable effort shall be made to locate alternative positions within the Town's service for which the employee may be suited.

- (e) Dismissal: Dismissals shall be preceded by an automatic three (3) day suspension without pay pending completion of an investigation or placed in a administrative leave status not exceeding 30 days. The investigation shall include an opportunity for the employee to explain their side of the situation. If performance is not substantially improved during the administrative leave status or the investigation provides sufficient cause, after a hearing of the employee by the Town Manager, the employee may be dismissed and discharged. If the Town Manager determines that a dismissal action is appropriate, such dismissal shall be effective at the end of the three (3) day suspension or the end of the administrative leave status. If a dismissal is made at the end of this period, a written summary giving the circumstances and facts leading to the dismissal shall be prepared. A copy of the summary shall be mailed to the employee by certified mail and one copy shall be filed in the employee's personnel folder.
- (f) Death: All compensation due in accordance with Article VII, Section 4 of this policy will be paid to the designated beneficiary of a deceased employee. The date of death shall be recorded as the separation date for computing compensation due.

## Section 2. Disciplinary Actions

The Town establishes rules so that each department can operate in an orderly and efficient manner in order to better serve the public. An employee who engages in activities which disrupt or impair the operation of any department, violates rules, regulations, policies or procedures or orders from a supervisor, is subject to disciplinary action. Disciplinary action may take the form of a verbal or written warning, probation, suspension, demotion, or dismissal depending on the nature of the offense and the work record of the employee in question. Disciplinary action can be taken by the Town Manager because of failure in performance of duties or failure in personal conduct. The department head shall provide the employee with a written notice including the recommended effective date, reasons for the action, and appeal rights available to the employee.

- (a) Failure in Performance of Duties

Failure in the performance of duties includes any aspects of the employee's job which are not performed as required to meet the standards set by the Town Manager or Department head.

The following causes relating to failure in the performance of duties are representative, but not all inclusive, of those considered to be adequate grounds for suspension, demotion, or dismissal:

- (1) Inefficiency, negligence or incompetence in the performance of duties;
- (2) Careless, negligent or improper use of Town property or equipment;
- (3) Demonstrates incapacity or inability to perform duties.

Prior to making a decision to terminate employment, the employee will have the opportunity to discuss the dismissal and the reasons for the dismissal recommendation with the supervisor and Town Manager or Department head.

(b) Failure in Personal Conduct

An employee may be suspended, demoted, or dismissed for causes relating to personal conduct detrimental to Town service without warning in order to avoid undue disruption of work, to protect the safety of persons or property, or for other serious reasons.

The following causes relating to failure in personal conduct are representative, but not all inclusive, of those considered to be adequate grounds for suspension, demotion, or dismissal:

- (1) Fraud in securing appointment;
- (2) Conduct unbecoming a public officer or employee;
- (3) Conviction of a felony or of a misdemeanor which would adversely affect performance of duties, or the entry of a plea of no contest: to either;
- (4) Misappropriation of Town funds or property;
- (5) Falsification of Town records for personal profit or to grant special privileges;
- (6) Reporting to work under the influence of alcohol or narcotic drugs or partaking of such things while on duty or while on public property, except that prescribed medication may be taken within the limits set by a physician so long as medically necessary;
- (7) Willful damage or destruction of property;
- (8) Willful acts that would endanger the lives and property of others;
- (9) Acceptance of gifts in exchange for "favors" or "influence";
- (10) Incompatible outside employment or conflict of interest;
- (11) Violation of political activity restrictions;
- (12) Insubordination;
- (13) Discourteous treatment of the public or other employees;
- (14) Absence without approved leave;
- (15) Habitual improper use of leave privileges;

- (16) Habitual pattern of failure to report for duty at the assigned time and place.

Following are explanations of various types of disciplinary actions which may be taken:

- (1) Verbal Warning: Informal counseling of an employee by the immediate supervisor, department head or Town Manager.
- (2) Written Warning: Formal counseling of an employee by the immediate supervisor, department head or Town Manager, written and signed by both the employee and their supervisor and included in the employee's personnel file.
- (3) Disciplinary Probation: A period, usually not to exceed 90 calendar days, during which the employee is expected to improve job performance or behavior with regard to rule infractions. An employee is informed by their immediate supervisor, department head or Town Manager of the terms and length of such disciplinary probation, written and signed by both the employee and their supervisor, and included in the employee's personnel file.
- (c) Disciplinary Suspension: A period of time, usually one to ten days, during which an employee is not permitted to work and is not paid. An employee placed on suspension is informed of same by their immediate supervisor, department head, or Town Manager, written and signed by both the employee and their supervisor, indicating the dates of the suspension, and included in the employee's personnel file.
- (d) Immediate Disciplinary Suspension: Such suspension may be enacted without pay and without notice by the Town Manager, department heads, and/or Town Board of Commissioners for causes related to personal conduct in order to avoid undue disruption of work, to protect the safety of persons or property, or for other serious reasons. When such occurs, the employee shall be told to leave Town property at once and remain away until further notice. A written summary giving the circumstances and facts leading to the suspension shall be prepared with one copy being sent to the employee by certified mail and a copy filed in the employee's personnel folder.

Non-Disciplinary Suspension: During the investigation, hearing, or trial of an employee on any criminal charge or during the course of any civil action involving an employee, the Town Manager may suspend the employee without pay for the duration of the proceedings as a non-disciplinary action. However, the investigation, hearing, trial, or civil action must involve matters that may form the basis for disciplinary suspension, demotion, or dismissal in order for the non-disciplinary suspension to be allowed.

Full recovery of pay and benefits for the period of non-disciplinary suspension may be authorized by the Town Board of Commissioners if the suspension is terminated with full reinstatement of the employee.

Demotion: Failure in personal conduct may be cause for the employee to be demoted as a disciplinary action. An employee demoted as a disciplinary action, is informed of same by their immediate supervisor, department head, in writing and signed by both the employee and their supervisor, indicating the effective date, and included in the employee's personnel file.

Dismissal: Termination of employment at the instigation of the Town. An employee demoted or dismissed for causes relating to personal conduct shall be given a statement of the charges, be allowed to respond in writing, have a hearing and no sooner than the day following the hearing, be given a prompt written statement of the hearing, and the decision of the Town Manager. A copy of the statement shall be signed by the employee and supervisor and one (1) copy shall be filed in the employee's personnel file.

### Section 3. Employee Appeal

A regular employee wishing to appeal a demotion, suspension or dismissal may present the matter in accordance with the provisions of the grievance procedure prescribed in Article VIII of this policy.

### Section 4. Reinstatement

An employee who resigns while in good standing or who is dismissed because of a reduction in force may be reinstated within one (1) year of the date of separation, with the approval of the Town Board of Commissioners. An employee who enters extended active duty with the Armed Forces of the United States, the Public Health Service or with a Reserve component of the Armed Forces will be granted reinstatement rights commensurate with Chapter 43 of Public Law 93-508.

An employee who is reinstated shall be credited with previous service and previously accrued sick leave and will receive all benefits provided in accordance with this policy and state law. The salary paid a reinstated employee shall be as close as reasonably possible, given the circumstance of each employee's case, to the salary rate previously attained by the employee in the salary range for the previous class of work, plus any approved "across-the-board" pay increases.

## Article VIII. Grievance Procedure

### Section 1. Policy

The Town shall provide a just procedure for the presentation, consideration, and disposition of employee grievances. The purpose of this article is to outline the procedure and to assure all employees that a response to their complaints and grievances will be prompt and fair.

Employees utilizing the grievance procedures shall not be subjected to retaliation or any form of harassment from supervisors or employees for exercising their rights under this policy. Supervisors or other employees who violate this policy shall be subject to disciplinary action up to and including dismissal from Town service.

### Section 2. Grievance Defined

A grievance is a claim or complaint by a current or a former employee based upon an event or condition which affects the circumstances under which an employee works, allegedly caused by misinterpretation, unfair application, or lack of established policy pertaining to employment conditions.

### Section 3. Purposes of the Grievance Procedure

The purposes of the grievance procedure include, but are not limited to:

- 1) Providing employees with a procedure by which their complaints can be considered promptly, fairly, and without reprisal;
- 2) Encouraging employees to express themselves about the conditions of work which affect them as employees;
- 3) Promoting better understanding of policies, practices, and procedures which affect employees;
- 4) Increasing employees' confidence that personnel actions taken are in accordance with established, fair, and uniform policies and procedures;
- 5) Increasing the sense of responsibility exercised by supervisors in dealing with their employees.
- 6) Encouraging conflicts to be resolved between employees and supervisors who must maintain an effective future working relationship, and therefore, encouraging conflicts to be resolved at the lowest level possible of the chain of command; and
- 7) Creating a work environment free of continuing conflicts, disagreements, and negative feelings about the Town or its leaders, thus freeing up employee motivation, productivity, and creativity.

### Section 4. Procedure

When an employee has a grievance, the following successive steps are to be taken unless otherwise provided. The number of calendar days indicated for each step should be considered the maximum, unless otherwise provided, and every effort should be made to expedite the process. However, the time limits set forth may be extended by mutual consent. The last step initiated by an employee shall be considered to be the step at which the grievance is resolved. A decision to rescind a disciplinary suspension or demotion must be recommended by the Department Head and approved by the Town Manager.

Informal Resolution. Prior to the submission of a formal grievance, the employee and supervisor should meet to discuss the problem and seek to resolve it informally. Either the employee or the supervisor may involve the respective Department Head as a resource to help resolve the grievance. In addition, the employee or supervisor may request mediation from a local mediation services or other qualified parties to resolve the conflict, upon approval of the Town Manager. Mediation may be used at any step in the process when mutually agreed upon by the employee and relevant Town supervisor or Manager. Mediation is the process where a neutral party assists the parties in conflict with identifying mutually agreeable solutions or understandings.

Step 1. If no resolution to the grievance is reached informally, the employee who wishes to pursue a grievance shall present the grievance to the appropriate supervisor in writing. The grievance must be presented within fifteen calendar days of the event or within fifteen calendar days of learning of the event or condition. The supervisor shall respond to the grievance within ten calendar days after receipt of the grievance. The supervisor should, and is encouraged to, consult with any employee of the Town in order to reach a correct, impartial, fair and equitable determination or decision concerning the grievance. Any employee consulted by the supervisor is required to fully cooperate as possible.

The response from the supervisor for each step in the formal grievance process shall be in writing and signed by the supervisor. In addition, the employee shall sign a copy to acknowledge receipt thereof. The responder at each step shall send copies of the grievance and response to the Town Manager.

Step 2. If the grievance is not resolved to the satisfaction of the employee by the supervisor, the employee may appeal, in writing, to the appropriate Department Head within ten calendar days after receipt of the response from Step 1. The Department Head shall respond to the appeal, stating the determination of decision within ten calendar days after receipt of the appeal.

Step 3. If the grievance is not resolved to the satisfaction of the employee at the end of Step 2, the employee may appeal, in writing, to the Town Manager within ten calendar days after receipt of the response from Step 3. The Town Manager shall respond to the appeal, stating the determination of decision within ten calendar days after receipt of the appeal. The Town Manager's decision shall be the final decision. The Town Manager will notify the Town Board of any impending legal action.

Department Heads. In the case of Department Heads or other employees where the Town Manager has been significantly involved in determining disciplinary action, including dismissal, the Town may wish to obtain a neutral outside party to act as a mediator to assist in resolving the conflict.

The filing of a lawsuit by an employee on an issue while there is a grievance on the same issue will end the appeal(s) under the Town's grievance procedure.

## Section 5. Grievance and Adverse Action Appeal Procedure for Discrimination

When an employee, former employee, or applicant, believes that any employment action discriminates illegally (i.e. is based on age, sex, race, color, national origin, religion, creed, political

affiliation, or non-disqualifying disability, marital status, or veteran status), he or she has the right to appeal such action using the grievance procedure outlined in this Article (Section 4 above).

While such persons are encouraged to use the grievance procedure, they shall also have the right to appeal directly to the Town Manager. Employment actions subject to appeal because of discrimination include promotion, training, classification, pay, disciplinary action, transfer, layoff, failure to hire, or termination of employment. An employee or applicant should appeal an alleged act of discrimination within thirty calendar days of the alleged discriminatory action, but may appeal for up to six months following the action. Nothing in this policy is intended to discourage or prevent an employee, former employee or applicant from filing a formal charge of discrimination or other illegal action with the appropriate state or federal agency having jurisdiction.

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## **Article IX. Insurance/Retirement/Benefits**

All employee benefits outlined in this policy including Article III (Pay Plan), Article VI (Types of Leave), and this Article IX (Employee Benefits) are contingent on the financial condition of the Town and the provision for such funding in each Annual Budget.

### Section 1. Insurance Benefits

The Town offers group hospitalization, dental insurance, short term disability, and life insurance. Such provisions and costs shall be as determined by the Town Board and budgeted. Optional dependent coverage shall be provided at the expense of the employee. Employees are eligible for the above benefits after the completion of thirty (30) days of employment.

### Section 2. Unemployment Insurance

In accordance with Public Law 94-566 and Chapter 1124 of the Session Laws of 1977 of the North Carolina General Assembly, local governments are covered by unemployment insurance effective January 1, 1978. Town employees who are laid off or released from the Town service may apply for unemployment compensation through the local office of the Employment Security Commission who will determine the employee's eligibility for this benefit.

### Section 3. Old Age and Survivor's Insurance

The Town, to the extent of its lawful authority and power, has extended social security benefits for its eligible employees and eligible groups and classes of such employees. Each Town employee shall be included in the Social Security program as a condition of employment.

### Section 4. Workers' Compensation

All employees are covered with workers' compensation insurance as required by the General Statutes of North Carolina.

### Section 5. Credit Union Membership

Employees of the Town of Biltmore Forest are eligible for membership in the Local Government Federal Credit Union or its successor.

### Section 6. Retirement Benefits & 401K Contribution

Each full-time employee who has completed at least one (1) month of continuous employment with the Town and works 1000 or more hours per year participates in the following retirement programs:

- (a) North Carolina Local Governmental Employees' Retirement System (LGERS).

All eligible employees will participate in the North Carolina LGERS in accordance with the rules and regulations adopted by the State of North Carolina. Employees contribute 6% of their salary to this plan. The Town contributes to the retirement system for its eligible employees as provided by law and also makes available the death benefit option offered therein.

(b) Supplemental Retirement Plan of North Carolina 401(k).

The Town contributes amounts equal to five percent (5%) of each eligible employee's base salary to the Supplemental Retirement Plan of North Carolina-401(k) as administered for the State of North Carolina. All rules and regulations of the Plan apply.

Section 7. Separation Allowance/Law Enforcement 401K

Law Enforcement Employees of the Town of Biltmore Forest receive a Town contribution of five (5%) into a 401K, and those law enforcement employees who meet the following requirements shall receive, beginning on the last day of the month in which he or she retires, a special separation allowance equal to eighty-five hundredths percent (0.85%) of the average final compensation as determined by the LGERS. To determine the amount of this special separation allowance, multiply eighty-five hundredths percent (0.85%) times the employee's most recent final base compensation, then multiply this product by the number of creditable years of service as determined by LGERS. The resulting product equals the annual payment of the separation allowance. This amount divided by 12 is the amount that will be paid on the last day of each month. The requirements for this separation allowance are as follows:

1. The employee must be eligible to retire at full benefits from the LGERS; and
2. The employee must not have attained sixty-two (62) years of age; and
3. At least 50% of creditable service is as a law enforcement employee and must be employed in a law enforcement position with the Town of Biltmore Forest at time of retirement. No employee shall receive the Special Separation Allowance if he/she retires on disability; and
4. Payment of this Separation Allowance shall cease at the death of the employee or on the last day of the month in which he/she attains sixty-two (62) years of age, or on the last day of the month in which he/she receives social security, or upon the first day of employment of the employee by any North Carolina governmental body. Should the special separation allowance for law enforcement officers, now required by law, be rescinded, this separation allowance shall be rescinded all at the same time; and
5. The Special Separation Allowance does not replace any benefits to which a retired employee may be entitled from state, federal, or private retirement systems.

Section 8. Tuition Assistance Program

Full-time employees who have completed initial probation may apply for tuition reimbursement for courses taken on their own time, which will improve their skills for their current job or prepare them for promotional opportunities within the Town service. Tuition, registration, fees, laboratory fees, and student fees are eligible expenses. Employees may be reimbursed for 50% of eligible expenses up to a maximum of \$4,000.00 per fiscal year. Satisfactory completion of the courses will be required for reimbursement. Requests for tuition assistance shall be submitted to the Department Head prior to course registration and are subject to the review and approval of the Town Manager, subject to availability of funds.

#### Section 9. Fitness Membership Subsidy

Town staff are encouraged to maintain a healthy and active lifestyle. To that end, the Town may choose to offer a fitness subsidy and/or discounted membership to the YMCA of Western North Carolina. The cost of this subsidy and/or discounted membership shall not exceed \$30.00 per month and is made available to all full-time employees only.

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## Article X. Personnel Records and Reports

### Section 1. Personnel Records Maintenance

Such personnel records as are necessary for the proper administration of the personnel system will be maintained by the Town Manager or Department head or his designee. The Town shall maintain, in personnel records, only information that is relevant to accomplishing personnel administration purposes.

In accordance with GS 160A-168(b), the following information with respect to each Town employee as a matter of public record:

- (a) Name;
- (b) Age;
- (c) Date of original employment or appointment to Town service;
- (d) The terms of any contract by which the employee is employed whether written or oral, past and current, to the extent that the Town has the written contract or a record of the oral contract in its possession;
- (e) Current position title;
- (e) Current salary;
- (f) Date and amount of most recent change in salary;
- (g) Date of most recent promotion, demotion, transfer, suspension, separation, or other change in position classification;
- (h) Date and general description of the reasons for each promotion within the Town;
- (i) Date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the municipality. If the disciplinary action was a dismissal, a copy of the written notice of the final decision of the municipality setting forth the specific acts or omissions that are the basis of the dismissal; and

### Section 2. Access to Personnel Records

As required by G. S. 160A-168, any person may have access to the information listed in Section 1 of this Article, except item (i), for the purpose of inspection, examination, and copying, during the regular business hours, subject only to such rules and regulations for the safekeeping of public records as the Board of Commissioners may adopt. Access to such information shall be governed by the following provisions:

- (a) All disclosures of records shall be accounted for by keeping a written record (except for authorized persons processing personnel actions) of the following information: name of employee; information disclosed; date information was requested; name and address of the person to whom the disclosure is made; and purpose for which information is requested. This information must be retained for a period of two years.
- (b) Upon request, records of disclosure shall be made available to the employee to whom it pertains.

- (c) An individual examining a personnel record may copy the information. Any available photocopying facilities may be provided and the cost may be assessed to the individual.
- (d) Any person denied access to any record shall have a right to compel compliance with these provisions by application to a court for a writ of mandamus or other appropriate relief.

### Section 3. Confidential Information

All information contained in a Town employee's personnel file, other than the information listed in Section 1 of this Article, except that Article XI, Section 1 (i) "current mailing address" shall be confidential), shall be maintained as confidential (in accordance with the requirements of G. S. 160A-168 and shall be open to public inspection only in the following instances:

- (a) the employee or his duly authorized agent may examine all portions of his personnel file, except, (1) letters of reference solicited prior to employment, and (2) information concerning a medical disability, mental or physical, that a prudent physician would not divulge to his patient.
- (b) A licensed physician designated in writing by the employee may examine the employee's medical record.
- (c) A Town employee having supervisory authority over the employee may examine all material in the employee's personnel file.
- (d) By order of a court of competent jurisdiction, any person may examine all material in the employee's personnel file.
- (e) An official of an agency of the State or Federal government, or any political subdivision of the State, may inspect any portion of a personnel file when such information is deemed by the department head to be necessary and essential to the pursuance of a proper function of the inspecting agency, but no information shall be divulged for the purpose of assisting in a criminal prosecution of the employee or for the purpose of assisting in an investigation of the employee's tax liability. However, the official having custody of such records may release the name, address, and telephone number from a personnel file for the purpose of assisting in a criminal investigation.
- (f) An employee may sign a written release, to be placed with his personnel file, that permits the person with custody of the file to provide, either in person, by telephone, or by mail, information specified in the release to prospective employers, educational institutions, or other persons specified in the release.
- (g) Each individual requesting access to confidential information will be required to submit satisfactory proof of identity.

- (h) A record shall be made of each disclosure and placed in the employee's file (except of disclosures to the employee and the supervisor).

#### Section 4. Records of Former Employees

The provisions for access to records apply to former employees as they apply to present employees.

#### Section 5. Remedies of Employees Objecting to Material in File

An employee who objects to material in his file may place in the file a statement relating to the material they consider to be inaccurate or misleading. The employee may seek the removal of such material in accordance with established grievance procedures.

#### Section 6. Penalty for Permitting Access to Confidential File By Unauthorized Person

G. S. 160A-168 provides that any public official or employee who knowingly and willfully permits any person to have access to any confidential information contained in an employee's personnel file, except as expressly authorized by the designated custodian, is guilty of a misdemeanor and upon conviction shall be fined in an amount not to exceed five hundred dollars.

#### Section 7. Penalty for Examining and/or Copying Confidential Material Without Authorization

G. S. 160A-168 provides that any person, not specifically authorized to have access to a personnel file designated as confidential, who shall knowingly and willfully examine in its official filing place, remove, or copy any portion of a confidential personnel file shall be guilty of a misdemeanor and upon conviction shall be fined in the discretion of the court but not in excess of five hundred dollars.

#### Section 8. Destruction of Records Regulated

No public official may destroy, sell, loan, or otherwise dispose of any public record except in accordance with G. S. 121-5, without the consent of the State Department of Cultural Resources. Whoever unlawfully removes a public record from the offices where it is usually kept, or whoever alters, defaces, mutilates or destroys it will be guilty of a misdemeanor and upon conviction will be fined not less than ten dollars, not more than five hundred dollars as provided in G. S. 132-3.

## **Article XI. Implementation Of Policy**

### Section 1. Conflicting Policies Repealed

All policies, ordinances, or resolutions that conflict with the provisions of this policy are hereby repealed.

### Section 2. Separability

If any provision of this policy or any rule, regulation, or order thereunder of the application of such provision to any person or circumstances is held invalid, the remainder of this policy and the application of such remaining provisions of this policy of such rules, regulations or orders to persons or circumstances other than those held invalid will not be affected thereby.

### Section 3. Violations of Policy Provisions

An employee violating any of the provisions of this policy shall be subject to suspension and/or dismissal, in addition to any civil or criminal penalty, which may be imposed for the violation of the same.

### Section 4. Effective Date

This policy shall become effective upon adoption.

### Section 5. Amendments

This policy may be amended by action of the Board of Commissioners and by a formal action appropriately approved. Notice of any suggested amendment to the policy, or any portion thereof, shall be provided to employees and opportunities for employee comment and reaction shall be made available prior to the amendments going to the Board of Commissioners for action. Proposed amendments should be posted on bulletin boards in all employee work locations and/or in employee newsletters. Any revisions or amendments adopted in conformance with this procedure shall become effective as of the date of such adoption.



# BOARD OF COMMISSIONERS MEETING STAFF MEMORANDUM

June 4, 2024



## Agenda Item G-2

### Consideration of FY24-25 Annual Budget

*Jonathan Kanipe, Town Manager*

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#### Background

The Mayor and Board of Commissioners received the public budget message and proposal during their regular meeting on May 21, 2024. A public hearing will be conducted per state law at the regular meeting on June 4, 2024. Staff reviewed the previously submitted budget document and offers the attached ordinance for the Board's approval. Some highlights from the FY25 budget are included for the Public and Board's review below.

#### FY24-25 Budget Highlights

- Proposed tax rate remains at 34.5 cents per \$100 valuation
- Cost of living adjustment (COLA) salary increase of 3.8% for all full-time employees
- 2 percent merit pool available within each department
- Implementation funding for new personnel policy initiatives, if approved by Board of Commissioners
- Approximately \$1.2 million in fund balance appropriation rolled over from FY24 to FY25 for stormwater project
- New vehicle acquisition within the Police Department
- Full implementation of security camera project throughout Town
- New garbage truck acquisition in the Solid Waste Department
- Significant changes to water rate structure
  - Base meter charge for residential customers increases from \$30.00 bi-monthly to \$45.00 bi-monthly
  - Base meter charge increases dramatically for non-residential customers
  - Water rates relatively unchanged in year 1 for low-volume water users
  - Cost increases necessary to account for wholesale water cost increases from the City of Asheville

**BUDGET ORDINANCE**

**BUDGET ORDINANCE FOR THE TOWN OF BILTMORE FOREST  
NORTH CAROLINA FOR THE FISCAL YEAR 2024-2025**

BE IT ORDAINED by the Board of Commissioners of the Town of Biltmore Forest, North Carolina, that in accordance with NCGS 159-13(b)(16) the 2023-2024 Budget be approved as follows:

**SECTION 1. GENERAL FUND REVENUES**

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2024 and ending June 30, 2025:

Ad Valorem	3,170,293
Unrestricted Intergovernmental	1,805,135
Restricted Intergovernmental	76,000
Permits & Fees	31,300
Investment Earnings	233,333
Miscellaneous	58,800
Other Financing Source	1,258,836
<b>TOTAL General Fund Revenues</b>	<b>6,633,697</b>

**SECTION 2. GENERAL FUND APPROPRIATIONS**

The following amounts are appropriated in the General Fund for the operation of the Town government and its activities for the fiscal year beginning July 1, 2024 and ending June 30, 2025 in accordance with the chart of accounts heretofore established for this Town on June 4, 2024:

Administration	695,921
Police Department	2,049,731
Fire Contract	425,000
Public Works	623,503
Streets & Transportation	1,339,100
Sanitation & Recycling	612,899
General Government	776,708
Debt Service	110,836
<b>TOTAL General Fund Expenditures</b>	<b>6,633,697</b>

**SECTION 3. WATER FUND REVENUES**

It is estimated that the following revenues will be available in the Water Fund for the fiscal year beginning July 1, 2024 and ending June 30, 2025:

Operating Revenues	1,142,795
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**SECTION 4. WATER FUND APPROPRIATIONS**

The following amounts are appropriated in the Water Fund for the operation of the enterprise fund and its activities for the fiscal year beginning July 1, 2024 and ending June 30, 2025:

Operating Expenditures	1,142,795
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**SECTION 5. LEVY OF TAXES**

There is hereby levied a tax at the rate of \$0.345 per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2024, as listed as “Ad Valorem Taxes” in the General Fund section 1 of this ordinance. The rate is based on an estimated valuation of \$881,988,781 and an estimated rate of collection of 99.98%.

**SECTION 6. FEES & CHARGES**

There is hereby established, for fiscal year 2024-2025, various fees and charges as contained in the Schedule of Fees attachment to this document.

**SECTION 7. SPECIAL AUTHORIZATION OF THE BUDGET OFFICER**

The Budget Officer is authorized to transfer appropriations of up to \$5,000 between line items within the same department. Reallocations of appropriations transferred shall be reported to the Town Board monthly.

**SECTION 8. CLASSIFICATION & PAY PLAN**

The Cost-of-Living Adjustment (COLA) for all full-time Town employees shall be 3.8% and shall begin the first payroll in the new fiscal year.

**SECTION 9. RE-APPROPRIATION OF ENCUMBERED FUNDS**

Operating funds encumbered on the financial records as of June 30, 2024 are hereby re-appropriated to fiscal year 2024-25.

SECTION 10.COPIES OF THIS BUDGET ORDINANCE

Copies of this Budget Ordinance shall be furnished to the Finance Director of the Town of Biltmore Forest to be kept on file for the disbursement of funds.

Adopted this 4th day of June, 2024.

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George F. Goosmann, III  
Mayor

ATTEST:

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Laura Jacobs  
Town Clerk

## GENERAL FUND REVENUES

REVENUES		2021-22 BUDGET	2022-23 BUDGET	2023-24 BUDGET	2024-2025 ESTIMATED
10-3010-0000	Ad Valorem Taxes (Property)	2,956,098	2,920,559	2,980,215	3,042,253
10-3010-0100	Ad Valorem Taxes (DMV)	108,759	109,396	122,399	123,040
10-3010-0200	Tax Interest & Penalties	5,314	5,000	5,000	5,000
10-3010-0300	Tax Collection Prior Years			-	-
<b>Total Ad Valorem</b>		<b>3,070,171</b>	<b>3,034,955</b>	<b>3,107,615</b>	<b>3,170,293</b>
10-3020-0000	Franchise & Utilities Tax	221,240	211,384	235,200	233,800
10-3020-0100	Alcohol Beverage Tax	5,594	6,450	6,500	6,750
10-3020-0200	Sales Tax-Article 39	743,407	793,429	835,550	789,576
10-3020-0300	Sales Tax-Article 40	292,188	330,137	358,260	340,912
10-3020-0400	Sales Tax-Article 42	365,732	419,847	443,961	419,097
10-3020-0600	Sales Tax Refund	(22,449)	15,000	15,000	15,000
10-3020-0700	Gasoline Tax Refund	2,315	3,500	5,000	
<b>Total Unrestricted Intergovernmental</b>		<b>1,608,029</b>	<b>1,779,747</b>	<b>1,899,471</b>	<b>1,805,135</b>
10-3030-0000	Solid Waste Disposal Tax	804	975	1,133	1,000
10-3030-0100	Powell Bill	67,822	66,849	67,210	75,000
10-3030-0200	Illicit Substance Tax		-	-	-
<b>Total Restricted Intergovernmental</b>		<b>68,625</b>	<b>67,824</b>	<b>68,343</b>	<b>76,000</b>
10-3040-0000	Zoning Permits	73,729	45,000	30,000	30,000
10-3040-0100	Dog License Fee	1,220	1,300	1,300	1,300
<b>Total Permits &amp; Fees</b>		<b>74,949</b>	<b>46,300</b>	<b>31,300</b>	<b>31,300</b>
10-3050-0000	Interest Earned	7,227	2,000	148,800	233,333
<b>Total Investment Earnings</b>		<b>7,227</b>	<b>2,000</b>	<b>148,800</b>	<b>233,333</b>
10-3060-0100	American Tower Agreement	31,044	45,600	46,365	33,800
10-3060-0200	Miscellaneous	43,174	20,000	20,000	25,000
<b>Total Miscellaneous</b>		<b>74,218</b>	<b>65,600</b>	<b>66,365</b>	<b>58,800</b>
10-3500-0000	Sale of Personal Property	26,020	10,000	10,000	14,970
10-3500-0200	Installment Agreement	-	292,000	-	-
10-3500-0300	Transfer from Fund Balance	-	-	1,213,866	1,213,866
10-3500-0500	Governmental Grant (NCLWF)	-	-	-	30,000
<b>Total Other Financing Source</b>		<b>26,020</b>	<b>302,000</b>	<b>1,223,866</b>	<b>1,258,836</b>
<b>TOTAL General Fund Revenues</b>		<b>4,929,239</b>	<b>5,298,426</b>	<b>6,545,759</b>	<b>6,633,697</b>

**GENERAL FUND EXPENDITURES (Administration & General Government)**

GENERAL FUND EXPENDITURES		2021-22	2022-23	2023-24	2024-2025
ADMINISTRATION		BUDGET	BUDGET	BUDGET	RECOMMENDED
10-4200-0200	Salaries	217,543	226,063	321,633	357,385
10-4200-0300	Overtime	85	3,000	3,000	-
10-4200-0500	FICA	15,497	17,293	24,605	27,340
10-4200-0550	Unemployment Insurance			-	-
10-4200-0600	Health Insurance	23,189	24,158	42,598	41,748
10-4200-0650	Dental, Vision, Life Insurance	4,650	4,935	10,500	10,500
10-4200-0675	Health Reimbursement Acct	3,750	3,750	7,500	7,500
10-4200-0700	LGERS Retirement	37,671	41,231	62,815	72,478
10-4200-0800	401k Supplemental Retirement	10,638	11,453	16,232	17,869
10-4200-1000	Accounting & Taxes	51,381	51,400	51,400	60,000
10-4200-1200	Postage, Printing & Stationary	6,204	10,140	10,140	12,500
10-4200-1400	Mileage & Board Salary	21,600	21,600	21,600	21,600
10-4200-1500	Bldg & Grounds Maintenance		20,000	20,000	15,000
10-4200-3300	Supplies & Equipment	8,264	7,722	10,000	15,000
10-4200-5300	Dues & Fees	7,656	5,070	5,070	12,000
10-4200-5700	Miscellaneous	2,986	1,000	1,000	5,000
10-4200-6500	Staff & Board Education	7,357	16,000	21,395	20,000
10-4200-6600	Capital Improvements			-	-
<b>TOTAL</b>		<b>418,470</b>	<b>464,815</b>	<b>629,487</b>	<b>695,921</b>

GENERAL FUND EXPENDITURES		2021-22	2022-23	2023-24	2024-2025
GENERAL GOVERNMENT		BUDGET	BUDGET	BUDGET	RECOMMENDED
10-6600-0400	Outside Professional Services	-	-	45,959	50,000
10-6600-0401	Legal Services	27,278	35,000	35,000	24,000
10-6600-1100	Technology	99,374	92,120	105,937	125,000
10-6600-1300	Municipal Utilities	37,079	25,000	40,000	24,000
10-6600-1500	General Maintenance	35,851	28,200	40,000	40,000
10-6600-2800	Elections		6,000	6,000	1,000
10-6600-3300	Supplies & Equipment				-
10-6600-5400	Insurance	82,911	105,000	110,000	120,000
10-6600-6000	Contingency	-	181,444	50,000	260,708
10-6600-6100	Miscellaneous	11,209	10,000	10,000	5,000
10-6600-6201	Corporate Wellness	900	2,000		12,000
10-6600-6300	Community Events		50,000	55,000	50,000
10-6600-6301	4th of July	6,343	10,000		
10-6600-6302	National Night Out	3,841	7,000		
10-6600-6303	Holiday Lighting	10,843	21,500		
10-6600-6304	Arbor Day Event	205	2,000		
10-6600-6400	Wildlife Management	977	5,000	5,000	5,000
10-6600-6500	Forest Management	32,131	60,000	60,000	60,000
<b>TOTAL</b>		<b>348,941</b>	<b>640,264</b>	<b>562,896</b>	<b>776,708</b>

**GENERAL FUND EXPENDITURES (Police Department & Fire Contract)**

GENERAL FUND EXPENDITURES		2021-22	2022-23	2023-24	2024-2025
POLICE DEPARTMENT		BUDGET	BUDGET	BUDGET	RECOMMENDED
10-5100-0200	Salaries	987,949	951,387	1,013,718	1,100,444
10-5100-0300	Overtime	16,585	26,000	30,412	-
10-5100-0400	Separation Allowance	30,617	38,117	16,445	16,445
10-5100-0500	FICA	72,632	72,781	77,549	84,184
10-5100-0550	Unemployment Insurance				-
10-5100-0600	Medical Insurance	146,901	164,272	144,832	141,944
10-5100-0650	Dental, Vision, Life Insurance	19,168	35,558	35,700	35,700
10-5100-0675	Health Reimbursement Account	25,250	25,500	25,500	25,500
10-5100-0700	LGERS Retirement	171,654	185,598	210,651	239,016
10-5100-0800	401K Supplemental Retirement	48,002	48,996	50,686	55,022
10-5100-0900	Short Term Disability				-
10-5100-1500	Maint/Repair -Building & Grounds	1,017	20,000	20,000	10,000
10-5100-1600	Maint/Repair - Equipment	793	1,000	1,000	5,000
10-5100-1700	Maint/Repair - Vehicles	8,374	10,000	10,000	25,000
10-5100-3100	Motor Fuels	21,596	24,600	24,600	18,000
10-5100-3300	Supplies	5,828	20,080	10,080	10,000
10-5100-3600	Uniforms	7,508	15,000	15,000	15,000
10-5100-3700	Software	70,448	18,725	18,725	18,725
10-5100-3800	Technology	51,504	58,740	58,740	102,250
10-5100-5700	Miscellaneous	13,023	8,265	8,265	10,000
10-5100-5800	Physical Exams	951	2,000	2,000	2,500
10-5100-6500	Staff Development	13,144	15,000	15,000	10,000
10-5100-7400	Capital Equipment Purchases	98,891	102,500	169,000	125,000
<b>TOTAL</b>		<b>1,811,835</b>	<b>1,844,119</b>	<b>1,957,903</b>	<b>2,049,731</b>

GENERAL FUND EXPENDITURES		2021-22	2022-23	2023-24	2024-25
FIRE CONTRACT		BUDGET	BUDGET	BUDGET	RECOMMENDED
10-5200-0000	Fire Contract	425,000	425,000	425,000	425,000
<b>TOTAL</b>		<b>425,000</b>	<b>425,000</b>	<b>425,000</b>	<b>425,000</b>

**GENERAL FUND EXPENDITURES (Public Works)**

<b>GENERAL FUND EXPENDITURES</b>		<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-2025</b>
<b>PUBLIC WORKS</b>		<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>RECOMMENDED</b>
10-5600-0200	Salaries	238,121	244,822	211,888	221,831
10-5600-0300	Overtime	-	5,000	5,000	-
10-5600-0500	FICA	17,194	19,111	16,209	16,970
10-5600-0500	Unemployment Insurance	-	500		-
10-5600-0600	Medical Insurance	34,260	43,484	68,156	41,748
10-5600-0650	Dental, Vision, Life Insurance	3,937	8,883	10,500	10,500
10-5600-0675	Health Reimbursement Account	6,313	6,750	7,500	7,500
10-5600-0700	LGERS Retirement	41,002	44,968	41,382	48,182
10-5600-0800	401K Supplemental Retirement	11,097	12,491	10,594	11,092
10-5600-1000	Outside Services	1,109	10,000	-	-
10-5600-1300	Streetlights Electric	1,773	7,000	7,000	16,800
10-5600-1500	Maint/Repair-Building & Grounds	3,564	9,600	9,600	10,000
10-5600-1600	Maint/Repair - Streetlights	24,696	35,000	35,000	15,000
10-5600-1700	Maint/Repair-Vehicles	5,748	10,000	10,000	16,800
10-5600-3100	Motor Fuels	17,351	20,000	20,000	15,000
10-5600-3300	Supplies	5,779	10,000	10,000	9,600
10-5600-3400	House Number Signs	285	1,000	1,000	1,000
10-5600-3600	Uniforms	3,472	8,650	8,650	10,000
10-5600-3800	Technology	7,115	9,500	9,500	1,680
10-5600-5200	Parks	20,328	60,000	60,000	75,000
10-5600-5202	Stream Restoration Planning Grant	-	-		60,000
10-5600-5800	Physical Exams	-	500	500	1,000
10-5600-5900	Miscellaneous	773	1,000	1,000	5,000
10-5600-6000	Capital Equipment Purchases			8,000	22,800
10-5600-6500	Staff Development	1,386	8,000		6,000
<b>TOTAL</b>		<b>445,302</b>	<b>576,259</b>	<b>551,480</b>	<b>623,503</b>

**GENERAL FUND EXPENDITURES (Streets & Transportation and Sanitation & Recycling)**

<b>GENERAL FUND EXPENDITURES</b>		<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-2025</b>
<b>STREETS &amp; TRANSPORTATION</b>		<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>RECOMMENDED</b>
10-5700-1600	Maint/Repair - Equipment	-	-	-	5,000
10-5700-1700	Maint/Repair - Vehicles	5,325	10,000	5,000	1,000
10-5700-2200	Contracts-Paving & Striping	225,735	210,000	255,000	75,000
10-5700-2300	Supplies	10,178	10,000	10,000	9,600
10-5700-2400	Traffic Signs	560	500	500	1,000
10-5700-2500	Storm Water Drainage Repairs	212,276	275,000	1,400,000	1,100,000
10-5700-3800	Technology	2,284	5,000	5,000	-
10-5700-6500	Staff Development	287	1,000	1,000	2,500
10-5700-7400	Capital Equipment Purchases	(0)	5,000	19,200	25,000
10-5700-7500	Engineering	22,610	100,000	50,000	120,000
<b>TOTAL</b>		<b>479,255</b>	<b>616,500</b>	<b>1,745,700</b>	<b>1,339,100</b>

<b>GENERAL FUND EXPENDITURES</b>		<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-2025</b>
<b>SANITATION &amp; RECYCLING</b>		<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>RECOMMENDED</b>
10-5800-0200	Salaries	123,571	125,190	141,376	142,326
10-5800-0300	Overtime	286	5,000	5,000	-
10-5800-0500	FICA	9,238	9,960	11,198	10,888
10-5800-0550	Unemployment Insurance				-
10-5800-0600	Medical Insurance	20,591	28,989	68,156	25,012
10-5800-0650	Dental, Vision, Life Insurance	1,968	5,922	6,300	6,300
10-5800-0675	Health Reimbursement Account	4,500	4,500	4,500	4,500
10-5800-0700	LGERS Retirement	21,809	23,435	27,611	48,182
10-5800-0800	401K Supplemental Retirement	6,236	6,510	7,069	11,092
10-5800-1700	Maint/Repair - Vehicles	25,461	25,000	40,000	86,400
10-5800-3100	Motor Fuels	22,376	30,000	30,000	24,000
10-5800-3300	Supplies	43,667	1,000	1,000	1,000
10-5800-3600	Uniforms	1,022	1,000	1,000	-
10-5800-3800	Technology	553	600	3,000	1,000
10-5800-5800	Physical Exams	-	500	500	
10-5800-5900	Miscellaneous	532	1,000	1,000	
10-5800-6000	Capital Equipment Purchases	(1)	55,000	80,000	150,000
10-5800-8000	Landfill Tipping Fees	60,122	30,000	50,000	27,000
10-5800-8100	Recycling Disposal Fees	-	6,000	20,000	8,000
10-5800-8200	Brush & Leaf Disposal Fees		31,200	31,200	43,200
10-5800-8300	Dumpster Fees	-	-	-	24,000
<b>TOTAL</b>		<b>341,931</b>	<b>390,806</b>	<b>528,910</b>	<b>612,899</b>

**GENERAL FUND EXPENDITURES (Debt Service)**

<b>GENERAL FUND EXPENDITURES</b>		<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-2025</b>
<b>DEBT SERVICE</b>		<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>RECOMMENDED</b>
10-6700-0100	Principal Police Dept Renovations	23,333	23,334	23,334	
10-6700-0200	Principal Street Improvements	6,667	6,667	6,667	
10-6700-0500	Principal Public Works Bldg	84,564	84,211	84,211	84,211
10-6700-0600	NCDEQ Loan Strm Rest			14,600	14,600
10-6700-1100	Interest Police Dept Renovations	2,334	1,445	556	
10-6700-1200	Interest Street Improvements	667	413	159	
10-6700-1500	Interest Public Works Bldg	20,160	17,685	14,855	12,025
10-6700-1600	Interest 2020 Police Cars	1,579	801		
<b>TOTAL</b>		<b>139,303</b>	<b>134,556</b>	<b>144,382</b>	<b>110,836</b>

**WATER FUND**

<b>WATER FUND</b>		<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-2025</b>
<b>REVENUE</b>		<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>RECOMMENDED</b>
30-3290-0000	Interest Earned		50	4,000	4,400
30-3350-0000	Commissions (Sewer Collection Fee)		8,000	8,000	8,000
30-3710-0000	Water Charges	434,705	369,000	572,382	641,000
30-3710-0100	Sewer Charges	350,217	248,284	493,425	422,240
30-3710-0200	AMI Transmitter Charges	6,814	7,700	7,700	8,867
30-3730-0000	Water Tap & Connection Fees	4,870	6,000	6,000	10,000
	<b>TOTAL</b>	<b>796,606</b>	<b>639,034</b>	<b>1,091,507</b>	<b>1,094,507</b>
30-3710-0000	Transfers from General Fund	-	-	-	-
	<b>TOTAL</b>	<b>796,606</b>	<b>639,034</b>	<b>1,091,507</b>	<b>1,094,507</b>

<b>WATER FUND</b>		<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-2025</b>
<b>EXPENDITURES</b>		<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>RECOMMENDED</b>
30-8100-0200	Salaries	108,247	144,572	169,693	199,205
30-8100-0300	Overtime			-	-
30-8100-0400	Professional Services	4,845	5,000	5,000	20,000
30-8100-0500	FICA	8,192	11,060	12,981	15,239
30-8100-0550	Unemployment Insurance			-	-
30-8100-0600	Medical Insurance	16,527	19,326	-	-
30-8100-0650	Dental, Vision, Life Insurance	2,533	3,948	-	-
30-8100-0675	Health Reimbursement Account	2,938	3,000	-	-
30-8100-0700	LGERS Retirement	83,084	26,023	27,611	40,399
30-8100-0800	401K Supplemental Retirement	6,273	7,229	8,485	9,960
30-8100-1200	Postage, Printing & Stationary	4,340	5,000	5,000	2,000
30-8100-1500	General Repairs	-	10,000	25,000	15,000
30-8100-3300	Supplies & Equipment	16,592	15,000	15,000	15,000
30-8100-3800	Technology	2,284	5,000	5,000	-
30-8100-4800	Water Purchases	158,705	179,580	204,750	215,545
30-8100-4900	Sewer Purchases	350,492	185,400	396,000	422,240
30-8100-5000	AMI Transmitter Fees	8,529	7,700	7,700	8,867
30-8100-5700	Miscellaneous	-	6,196	6,196	-
30-8100-6000	Contingency			178,891	
30-8100-6500	Staff Development	4,943	5,000	5,000	2,500
30-8100-7400	Capital Improvement	18,244	29,939	19,200	128,552
	<b>TOTAL</b>	<b>796,767</b>	<b>668,973</b>	<b>1,091,507</b>	<b>1,094,507</b>

## 2024-2025 BUDGET SUMMARY

GENERAL FUND REVENUE	2024-2025 RECOMMENDED
Ad Valorem	3,170,293
Unrestricted Intergovernmental	1,805,135
Restricted Intergovernmental	76,000
Permits & Fees	31,300
Investment Earnings	233,333
Miscellaneous	58,800
Other Financing Source	1,258,836
<b>TOTAL General Fund Revenues</b>	<b>6,633,697</b>

GENERAL FUND EXPENDITURES	2024-2025 RECOMMENDED
Administration	695,921
Police Department	2,049,731
Fire Contract	425,000
Public Works	623,503
Streets & Transportation	1,339,100
Sanitation & Recycling	612,899
General Government	776,708
Debt Service	110,836
<b>TOTAL General Fund Expenditures</b>	<b>6,633,697</b>

<b>GENERAL FUND REVENUES</b>	<b>6,633,697</b>
<b>GENERAL FUND EXPENDITURES</b>	<b>6,633,697</b>

WATER FUND REVENUE	2024-25 RECOMMENDED
Operating Revenues	1,142,795

WATER FUND EXPENDITURES	2024-25 RECOMMENDED
Operating Expenditures	1,142,795

<b>WATER FUND REVENUE</b>	<b>1,142,795</b>
<b>WATER FUND EXPENDITURES</b>	<b>1,142,795</b>

**BOARD OF COMMISSIONERS MEETING  
STAFF MEMORANDUM**

June 4, 2024



**Agenda Item G-3**

**Consideration of FY24-25 Schedule of Fees**

*Jonathan Kanipe, Town Manager*

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Background

The Board of Commissioners sets a schedule of fees prior to the beginning of each fiscal year. The proposed schedule of fees for FY25 is attached to this memorandum for the Board's review and consideration.

Recommended Changes

The recommended changes for this year's water fee schedule are significant and result from the increases being imposed by the City of Asheville on wholesale water users. The purchase cost for the Town will increase by 33 percent in FY25, and then increase another 33 percent in FY26, and FY27. The increases in the fee schedule reflect the Town's efforts to respond to these increases and ensure the viability of the Town's water fund now and in the future. Staff recommends approval of each change and the overall fee schedule.

The sewer costs presented in this recommended schedule of fees represent those fees passed on to the Town from the Metropolitan Sewerage District (MSD). As of this writing, MSD has proposed a five (5) percent increase throughout their fee schedule. The Town's fee schedule reflects this change as well.

Town of Biltmore Forest  
 FY24-25 Schedule of Fees

Effective July 1, 2024

Amounts due are based upon the Schedule of Fees in effect at the time payment is due. It is the Town Board of Commissioners' intention that the Schedule of Fees be revised as needed by July 1 of each year. However, some fees may be adjusted during the year as circumstances change.

ADMINISTRATIVE	
<b>Ad valorem tax</b>	\$0.345 per \$100 assessed valuation
<b>Dog License Fee</b>	\$5 sterile; \$10 fertile
<b>Return Check/Draft Charge</b>	\$25.00
<b>House Number Signs (Re-Order)</b>	\$100.00

PLANNING AND ZONING	
<b>Zoning Permit</b>	\$50 first \$1,000 of construction value plus \$2 for each additional \$1,000 of construction value
<b>Special Use Permit</b>	\$100 due with application
<b>Variance</b>	\$300 due with application
<b>Demolition Permit</b>	\$100 due with application
<b>Zoning Permit Extension</b>	Half original zoning permit fee
<b>Non-permitted Construction</b>	Double original zoning permit fee

WATER CHARGES	
<b>New/Transfer Account</b>	\$30.00
<b>AMI Transmitter Fee</b>	\$1.82 per bill
<b>Meter Rental Fee</b>	
<i>5/8" meter</i>	\$ .10 per bill
<i>1" meter</i>	\$ .18 per bill
<i>1 1/2" meter</i>	\$ .50 per bill
<i>2" meter</i>	\$ .65 per bill
<b>Base Unit Charge (Meter Size)</b>	<b>Cost Per Meter (bi-monthly)</b>
<i>5/8"</i>	\$45.00
<i>1"</i>	\$45.00
<i>1.5"</i>	\$180.00
<i>2"</i>	\$288.00
<i>3"</i>	\$576.00
<i>4"</i>	\$900.00
<i>6"</i>	\$1,180.00
<i>8"</i>	\$2,880.00
<b>Consumption Charges (Gallons Used)</b>	<b>Rate per Thousand Gallons</b>
<i>0-5,000</i>	\$10.00
<i>5,001 – 40,000</i>	\$9.00
<i>&gt;40,000</i>	\$8.00

<b>Water Tap Fee</b>	<b>Cost</b>
5/8" Meter	\$3,000.00 per tap installation
1" Meter	\$3,500.00 per tap installation
>1" meter	All costs borne by customer

<b>SEWER CHARGES (AS SET BY METROPOLITAN SEWERAGE DISTRICT)</b>	
<b>Base Rate</b>	
<i>5/8" meter</i>	\$19.97 per bill
<i>1" meter</i>	\$46.91 per bill
<i>1 1/2" meter</i>	\$103.47 per bill
<i>2" meter</i>	\$180.75 per bill
<i>8" meter</i>	\$2,817.83 per bill
<b>Treatment Fee</b>	\$7.38 per 1,000 gallons

**BOARD OF COMMISSIONERS MEETING  
STAFF MEMORANDUM**

June 4, 2024



**Agenda Item G-4**

**Consideration of FY23-24 Audit Contract with Carter, PC**

*Jonathan Kanipe, Town Manager*

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Background

Carter, PC continues to provide a high level of service for the Town in auditing our financial statements. Their proposed agreement for FY24 is attached to this memorandum. Please note, this amount is consistent with last year's cost and reflects the continuing need for a Yellow Book audit to be conducted for the Town. A Yellow Book audit applies to any unit of government that expends \$100,000 or more in state or federal funds in a given fiscal year. The Town continues to utilize ARP funds which pushes us over this limit.

State law requires the Town to undertake an audit of all financial statements at the conclusion of each fiscal year. The audit firm must perform this review in accordance with Generally Accepted Accounting Principles (GAAP).

Audit Services for FYE23

The attached engagement letters and audit contract will allow Carter P.C. to perform this work for the fiscal year that concludes June 30, 2024. Staff recommends approval.

May 28, 2024

To the Honorable Mayor and Members of the Board of Commissioners  
Town of Biltmore Forest, North Carolina  
Biltmore Forest, North Carolina

We are pleased to confirm our understanding of the services we are to provide Town of Biltmore Forest, North Carolina (the Town) for the year ending June 30, 2024.

### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of the Town as of and for the year ending June 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Biltmore Forest's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town of Biltmore Forest's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide on any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of the Proportionate Share of the Net Pension Liability - Local Government Employees' Retirement System
3. Schedule of Contributions - Local Government Employees' Retirement System
4. Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special Separation Allowance
5. Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance
6. Schedule of Town's Proportionate Share of the Net OPEB Liability - Retiree Health Benefit Fund
7. Schedule of Town Contributions - Retiree Health Benefit Fund

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Biltmore Forest's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditors' report on the financial statements:

1. General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
2. Enterprise Fund - Water Fund: Schedule of Revenues and Expenditures - Budget and Actual
3. Schedule of Ad Valorem Taxes Receivable
4. Analysis of Current Tax Levy

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are

free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks.

Planning for the current year engagement has not concluded and additional risks could be added.

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

#### **Audit Procedures - Internal Control**

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope that would be necessary to render an opinion on internal control and, accordingly no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, and *Government Auditing Standards*.

#### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Town of Biltmore Forest’s compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

## **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with GAAP. You agree to include our report on the supplementary information and any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

### **Other Services**

We will assist in preparing the financial statements and related notes of Town of Biltmore Forest in conformity with accounting principles generally accepted in the United States of America based on information provided by you. We will also prepare the Annual Financial Information Report (AFIR) for the year ending June 30, 2024, based on information provided by you. In addition, we will maintain your property and equipment listing, based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services, AFIR, and maintenance of your property and equipment listing services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes, maintenance of your property and equipment listing, AFIR, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with the preparation of the financial statements and related notes, maintenance of your property and equipment listing, and AFIR and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

We will provide copies of our reports to the North Carolina Local Government Commission; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Carter, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Carter, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency, oversight agency, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Levonía B. Reese, CPA is the audit managing director and is responsible for supervising the engagement and signing the reports. We expect to begin our audit in August 2024 and to issue our reports no later than October 31, 2024.

To ensure that Carter, P.C.'s independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement director before entering into any substantive employment discussions with any of our personnel.

To the Honorable Mayor and Members of the Board of Commissioners  
Town of Biltmore Forest, North Carolina  
Page 8

We estimate our fees for the audit and other services will approximate \$30,435. You will also be billed for travel and other out-of-pocket costs such as mileage, report production, postage, travel, copies, etc. Out-of-pocket expenses will not exceed \$350. Preparation of the AFIR will approximate \$800. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered as work progresses and are payable on presentation.

In accordance with our firm policies, work may be suspended if your account becomes 45 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Liscio, our client portal system, is used solely to transmit data and exchange information and is not intended to store the Town's information. Upon completion of the engagement, Carter, P.C. will provide Town of Biltmore Forest with a copy of deliverables and data related to the engagement. Information and data in Liscio will only be stored for 60 days after issuance of the report.

## **Reporting**

We will issue a written report upon completion of our audit of Town of Biltmore Forest's financial statements. Our report will be addressed to the Honorable Mayor and Members of the Board of Commissioners of Town of Biltmore Forest. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We appreciate the opportunity to be of service to Town of Biltmore Forest and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return it to us.

To the Honorable Mayor and Members of the Board of Commissioners  
Town of Biltmore Forest, North Carolina  
Page 9

Very truly yours,



Levonía B. Reese, CPA  
Vice President & Audit Managing Director

This letter correctly sets forth the understanding of the Town of Biltmore Forest.

Management signature \_\_\_\_\_

Title \_\_\_\_\_

Governance signature \_\_\_\_\_

Title \_\_\_\_\_

The of and	Governing Board The Honorable Mayor and Members of the Board of Commissioners
	Primary Government Unit Town of Biltmore Forest, North Carolina
	Discretely Presented Component Unit (DPCU) (if applicable) NA

*Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)*

and	Auditor Name Carter, P.C.
	Auditor Address 301 College St., Suite 320 Asheville, NC 28801

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/24	Date Audit Will Be Submitted to LGC 10/31/24
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*Must be within four months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.
24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.
25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.
- All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.
28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:
- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
  - b) the status of the prior year audit findings;
  - c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
  - d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.
29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

**FEEES FOR AUDIT SERVICES**

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

<b>Name:</b>	<b>Title and Unit / Company:</b>	<b>Email Address:</b>
Krystal Curtis	Finance Director	kcurtis@biltmoreforest.org

**OR Not Applicable**  (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

<b>Primary Government Unit</b>	Town of Biltmore Forest, North Carolina
Audit Fee (financial and compliance if applicable)	\$ 22,825
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$ 7,610
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$ 30,435</b>

<b>Discretely Presented Component Unit</b>	NA
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	\$

**SIGNATURE PAGE**

**AUDIT FIRM**

Audit Firm* Carter, P.C.	
Authorized Firm Representative (typed or printed)* Levonía Reese	Signature* 
Date* 05/30/24	Email Address* levonia.reese@carter.cpa

**GOVERNMENTAL UNIT**

Governmental Unit* Town of Biltmore Forest, North Carolina	
Date Governing Board Approved Audit Contract* <b>(Enter date in box to right)</b>	
Mayor/Chairperson (typed or printed)*	Signature*
Date	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

**GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

Sum Obligated by This Transaction:	\$ 30,435
Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Date of Pre-Audit Certificate*	Email Address*

**SIGNATURE PAGE – DPCU  
(complete only if applicable)**

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU*	
NA	
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

**DPCU – PRE-AUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT