

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 4th. 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 30th each year or paid out as overtime pay, with the exception employees may choose to carry 12 hours past June 30th. 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 fall 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 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 4th. 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.

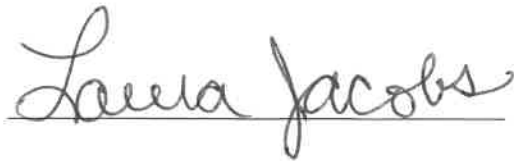
Mr. Kanipe said the Town is in terrific Fiscal condition and we have a great Fund Balance and a terrific tax rate relative to other Local Governments. We also provide a very high level of service to our residents.

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.

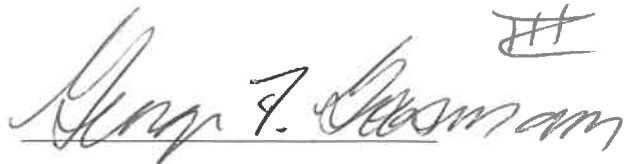
The meeting was adjourned at 6:15 pm.

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

ATTEST:

A handwritten signature in cursive script that reads "Laura Jacobs". The signature is written in dark ink and is positioned above a horizontal line.

Laura Jacobs
Town Clerk

A handwritten signature in cursive script that reads "George F. Goosmann, III". The signature is written in dark ink and is positioned above a horizontal line. There is a small "III" written above the end of the signature.

George F. Goosmann, III
Mayor