

Town of Maggie Valley
Budget Meeting
February 21, 2025
MINUTES

Members Present:

Mayor Mike Eveland
Mayor Pro-Tem Jim Owens (In at 10:09)
Alderman John Hinton
Alderman Tim Wise

Members Absent:

Alderman Phillip Wight

Staff Present:

Vickie Best, Town Manager
Sam Cullen, Planner/Assistant Town Manager
Kathy Johnson, Town Clerk
Noah Taylor, Assistant Planner
Leslie Arrington, Tax Collector
Mike Mehaffey, Public Works Director
Misty Hagood, Finance Officer
Matthew Boger, Police Chief
Seth Boyd, Senior WWTP Operator

Others Present:

One other person was present.

Media Present:

Paul Nielson, The Mountaineer.

Meeting Call to Order

Mayor Eveland called the Meeting to order at 10:00 am on Friday February 21, 2025, in the Maggie Valley Town Hall Boardroom, 3987 Soco Road, Maggie Valley, NC 28751.

Town Manager Vickie Best said she has been Interim and now Town Manager for two years. The first year, the Finance officer left during the budget to go to work for the League of Municipalities. The second year, the Finance Officer was terminated and the Town contracted with Shayne Wheeler, a previous Finance Officer. This budget year was set to be the best year ever; then Tropical Storm Helene hit.

Ms. Best said this budget year will be "The year of needs, not wants, due to the uncertainty of FEMA reimbursements and the fear of cashflow." She expressed appreciation for Misty Hagood, Maggie Valley's Finance Officer/HR Director. Ms. Hagood is extraordinarily experienced in both departments. "Misty is everything I had hoped and prayed for."

Agenda

- Finance/Budget Review
 - Current Year Budget Overview
 - Trends/Forecasts
 - Fund Balance Review
- Personnel
 - Pay Study
 - COLA Projection
- Capital Needs
 - 1 Admin Vehicle
 - 2 Police Vehicles
 - Police LPR Cameras
 - Repaving Panoramic Loop
 - Salt Bin
- Board Discussion
 - Goals & Priorities

Replacement of Chamber Windows

Manager Best said she would like to add two things to the agenda. She referenced two estimates that had been given to Board members for the windows in the Chamber Building. She asked if Board members would be willing to pay for half of the cost of replacing the windows. The lowest bid came in from Clint Watkins at \$5,600. She asked if Board members would like to give a consensus at this meeting or wait and discuss further at the Agenda Setting meeting.

There was much discussion between Board members and staff about possible future repairs that would need to be made to the Chamber building. The consensus of the Board was to pay for half of the windows.

New Sewer Truck

Ms. Best said she would like to add the purchase of a new sewer truck to the March Agenda. There is \$60,000 in the current budget set aside for a new sewer truck. The F350 2025 Ford would be an additional \$8,748.80, which would come from the sewer fund.

Senior WWTP Operator Seth Boyd said he got bids from two different Ford dealerships and a bid from a Chevrolet dealership. Crossroads is the lowest bid at \$68,748.80. Mayor Eveland confirmed that \$60,000 was already in this year's budget and the Board would be approving the additional \$8,748.80. Manager Best said if the Board gave approval, she would add this item to the regular Board meeting agenda and Mr. Boyd could go ahead and order the truck.

Mr. Boyd answered questions from Board members about the sewer truck. There was much discussion about budgeting for vehicles, what is the best time to order new vehicles, the rising cost and how it is hard to budget due to changing prices.

Council provided a consensus that considering the turn-around times, the ever-increasing cost, and the uncertainty of the future, although not a practice that will be setting a precedence, Council will allow the cars to be ordered prior to July 1, 2025, when the budget is adopted. This will be done through a budget amendment and will be encumbered in the FY 2025/2026 Budget.

Maggie Valley Garden Club Donation

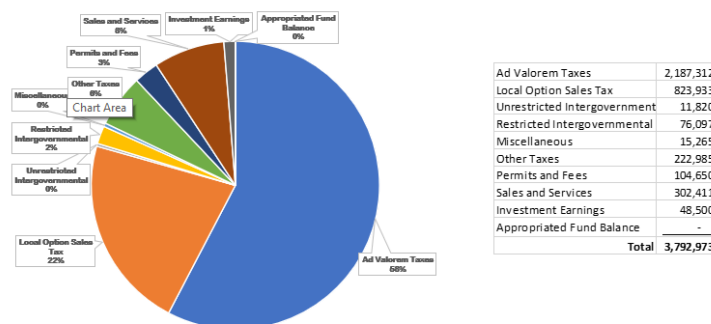
Ms. Best said Public Works Director Mike Mahaffey has taken his employees to look at the community garden. Mr. Mahaffey said the raised beds inside the fence do not warrant replacing at this time with the exception of two railroad ties. The materials to replace the timbers on all the raised beds on the inside of the fence would cost approximately \$2,000. The manhours to do the work would be between 70-100 hours. He encouraged Board members to go by and look at the community garden. Alderman Wise suggested giving a monetary donation and not replacing the raised beds. Alderman Owens said at some point the labor upkeep of the garden needs to be taken out of the equation. Alderman Wise proposed giving a \$750 donation. Mr. Mahaffey said PW would replace the two timbers that need to be replaced.

Quick View: Fund Totals

- General Fund - \$3,792,973
- Sewer Fund - \$1,556,641
- Total Budget - \$5,349,614

Manager Best reviewed the Budget Summary slide. Mayor Eveland asked if the County has decided when the tax re-evaluation will be in effect? What is the County doing about adjusting taxes? Ms. Hagood said the numbers in today's presentation are current year numbers. She has heard 2027 for the re-evaluations from the County. There was much discussion about the I-40 closure and the impact on sales tax.

FY2024-2025 Budget Summary - Revenues



Ms. Best said the property tax is the largest revenue source for the Town and will remain at \$0.40 cents on the \$100 and that allows us to have the lowest tax rate in the County.

Property Tax

- **Tax rate - \$0.40 per \$100 assessed value**
 - Tax Rate is Lowest Municipal Rate in Haywood County
 - Canton (Current) = \$0.55
 - Clyde (Current) = \$0.43
 - Waynesville (Current) = \$0.479
- Property Tax is the largest source of revenue for the Town and is based upon real property assessments performed by Haywood County

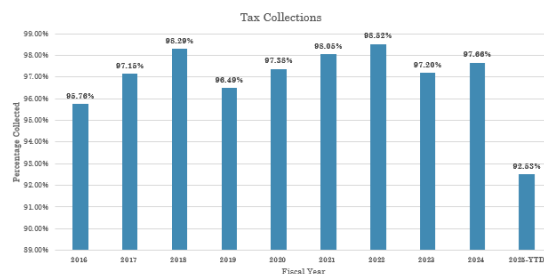
Ms. Best asked Tax Collector Leslie Arrington to speak about the tax collections. Ms. Arrington said as of yesterday, 92% of 2024 taxes have been collected. This is close to the same amount that was collected last year at this time. With time to proactively research and find people a significant amount of back taxes since July 2024 have been collected. This has made the past years tax collection rate increase. Ms. Arrington has been in touch with the Haywood County Tax Collector and their attorney about helping to collect some of these back taxes.

Manager Best said this is the first time Maggie Valley has ever had a tax collector. In the past, tax collections were part of the Finance Officer's job. The town has grown so much that tax collections need to be a separate position. Ms. Best commended Ms. Arrington on the job she was doing in the tax collections position and stated, "She is doing a phenomenal job."

Alderman John Hinton asked if Ms. Arrington knew how the 92% compared to the neighboring municipalities. Ms. Arrington said she did not know but she would investigate.

Ms. Arrington will be sending out tax delinquent notices next week with March interest applied and will send out Advertisement notices on April 1st to be advertised the last week of April.

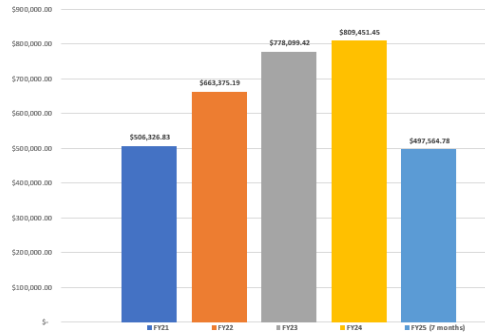
Tax Collection Rate By Budget Year



Manager Best said sales tax is the second largest revenue source for the Towns General Fund. Sales tax growth has slowed back to a normal trend after record growth during Covid. We only expect to see around 2.5 percent growth this fiscal year and 2% in the fiscal year 2026. Ms. Hagood said she thinks there will be some growth next year, it will depend on what happens over the next few months.

Sales Tax

- Sales tax is the second largest revenue source for the Town's General Fund.
- Sales Tax growth has slowed back to a normal trend after record growth during Covid.
- We only expect to see around 2.5% growth this fiscal year and 2% in FY26.



Forecast for the Economy

- Inflation rates have declined to around 3%, but the Fed's goal is 2%. This may limit further cuts in interest rates. Expecting to budget 3.75% for investment earnings.
- The probability of a US recession remains low for 2025 and 2026.
- Unemployment rates remain low in NC. The rate was 3.7% in December 2024.
- CPI over the 12 month period January to December 2024 was 2.9%.

Fund Balance

- "Fund balance available" is the statutory concept that describes the amount of funds local governments legally have available to be appropriated in the coming fiscal year.
- Best practice is to utilize fund balance for one-time expenditures, not recurring operating expenses.
- The average for units with budgets \$1,000,000 to \$9,999,999 for FY2023 was 98.78%
- For the fiscal year ending June 30, 2024, Maggie Valley's Unassigned Fund Balance was \$4,356,743 or 116.29%

There was much discussion about the cashflow loan from the state, reimbursement from FEMA and the FY2025 projected fund balance. Ms. Hagood projects the fund balance to be 119% by the end of the fiscal year. Mayor Eveland confirmed that this does not include any of the things being paid out for Hurricane Helene.

FY2025 Fund Balance Projection

Fiscal Year Ending June 30, 2024 - Available Fund Balance	\$	5,329,782.00	
Restricted Amounts:			
Powell Bill	\$	147,590.00	
Stabilization by state statute	\$	337,083.00	
Public Safety	\$	75,609.00	
Current & Future Projects:			
Soco Road - Pedestrian Safety Action Plan	\$	300,633.00	
Bethel Village Street Paving	\$	109,163.00	
Additions:			
Sale of Waterfall Property	\$	174,375.00	
Remaining Unassigned Fund Balance Projected	\$	4,534,079.00	119.54%

Capital needs for the 2025-2026 Budget:

Ms. Best said the transmission is coming out of the Administration 2016 Ford Explorer and we will be putting it on Gov deals to sale. The new vehicle is estimated to be between \$33,000-\$38,000. Mayor Eveland asked if this would be like the explorer that was purchased last year. Assistant Town Planner Noah Taylor said it would be like the Ford Escape. Alderman Wise asked if we could just transfer the money to buy it now. Manager Best said it wasn't budgeted now. Alderman Owens said he agrees with Alderman Wise if you could find one then buy it. Mayor Eveland asked if it would be better to also buy the police vehicles now. Alderman Wise said he recommends looking at buying the vehicles now to save money.

New Admin Vehicle

- New vehicle will replace 2016 Ford Explorer
- Estimated cost is \$33,000-\$38,000
- Necessary for Admin staff to do inspections, post public notice signs on properties, travel to classes and meetings.

Police Chief Matthew Boger said the Board graciously gave the extra staffing last budget. He said one vehicle has now gone completely down. We have a cadet that graduates in June. The option of buying a vehicle now would have him a vehicle when he graduates. The ones that are requested in the budget are Durango's with Hemi's. Alderman Owens questioned how long it usually takes to get a vehicle in after it is ordered. Police Chief Boger said it depends on the stock, what takes so long is the upfit of the vehicle. The \$124,850 price includes the purchase of both police vehicles and the upfitting of both vehicles.

Two Police Vehicles

- Requesting one patrol vehicle and one K-9 vehicle at a total cost of \$124,850. This includes upfitting.
- Patrol vehicle necessary due to addition of new officers in current fiscal year.
- Replacing one K-9 vehicle will give a spare vehicle to use when vehicles are being serviced.

Manager Best asked for clarity on what the board is proposing about purchasing the vehicles. Alderman Wise said he thinks we need to look at the cost of all the vehicles now compared to the anticipated cost in six months and weigh that toward the interest we make in the fund balance and see if it is a cost savings. Mr. Mehaffey said if we wait until after the budget is approved, we will have to order 2026 vehicles and that will affect the price. Mr. Mehaffey said in the future it would be a good idea to order the vehicle early in the year.

Police License Plate Reader Cameras

- Estimated cost for first year = \$7,300
- Yearly subscription beginning year 2 = \$6,000
- Balance of DAR funds = \$41,824
 - DAR is State Unauthorized Drug Funds we receive from drug cases the police work
- Equipment and initial setup to be paid with DAR money and yearly subscription to be paid out of the General Fund

Police Chief Boger explained that the camera reads the license plate number and puts it in a database. He said the cameras will help on the investigative side of things. He gave background where these cameras have helped with missing people, stolen vehicles, drug trafficking, etc. Alderman Owens said officer safety is a plus to the cameras. Chief Boger said the proposed cameras are the minimal buy in to get access to the county, regional and national network sites. They are two solar operated cameras. He has spoken with some property owners that will allow these cameras to be placed on their property. The County has one of their cameras in operation near Tube World if the Board would like to see one in operation. The initial cost is \$1,300 for the two cameras and \$6,000 for the subscription. Bringing the total to \$7,300 the first year, which will be paid for out of the DAR money. It is a required 2-year subscription and the second-year cost of \$6,000 would not be paid for out of DAR money and would need to be budgeted. Alderman Hinton said he likes the Officer Safety aspect of it.

Paving of Panoramic Loop

- Estimated cost of \$165,000 to come out of Powell Bill funds
- We currently have \$216,225 in Powell Bill restricted funds

Salt Bin

- Estimated cost of \$30,000
- To be located at WWTP for more efficient access to maintain roads in four major developments along Jonathan Creek Road.
- Includes 4 major subdivisions currently in construction whose roads will be taken into the town's street system as the developments are complete and Brannon Forest.
 - Wildbrook Village
 - Valleyview Estates
 - Mountain View Estates
 - Bethel Village

Mr. Mehaffey said over the next few years, there are going to be a considerable number of roads on Jonathan Creek for snow and ice removal. There has been some discussion in the past of a salt bin placed at the treatment plant to be able to manage these roads. It is a good idea to go ahead and budget for the salt bin this year in preparation and then in the next few years buy the equipment (dump truck, loader, salt spreader etc.). He said the cost can be shared between the enterprise fund and public works fund. The Town currently has a salt bin located at the maintenance building. An additional salt bin would be able to service the Jonathan Creek Corridor. There was much discussion about development and growth on Jonathan Creek.

Salary Study

- Estimated cost \$11,000 plus expenses with MAPS who is a preferred vendor of NCLM
- Recommendation is for a salary study to be done every 3-5 years to remain competitive with the market
- Last one was done in 2019-2020 but not implemented because of covid
- Doing the study early in the fiscal year will give us an opportunity to plan for implementation in the 2026-2027 budget

Assistant Town Manager Sam Cullen reviewed the slide and explained if approved, the company will be able to do the study in August/September. The study will show the current classification scale and the proposed pay scale. They will also review policies and give implementation ideas. Mayor Eveland said this pay study would give some idea of cost in the future as the town grows. Mr. Cullen and Manager Best answered questions from Board members about past pay studies.

Proposed COLA

- CPI over last 12 months was 2.9%
- Proposed COLA 2.5%
- No merit proposed while we work on the Salary Study

Manager Best said the Board has been very generous giving employees 4% COLA the past two years. This year the proposed COLA is 2.5% with no merit while the pay study is done.

Mr. Mehaffey answered questions from Board members and gave updates on FEMA and Hurricane Cleanup. Discussion on:

- Repairs and maintenance to the parks.
- Stream bank repairs.
- Walking trails at Town Hall.
- Deck at Parham Park
- Johnson Branch Bridge on Campbell Creek.
- Evans cove bridge.

Mr. Mehaffey spoke about sealing the restroom flooring at the Pavilion, Parham and R&R Park with epoxy containing color chips. The two options are to do just the floors or do the floors and 32" up the walls.

- It would cost approximately \$5,480 to do the flooring only in all the restrooms.
- The estimated cost is around \$15,000 to do the floors and 32" up the wall in all the restrooms in the Pavilion, Parham Park and R&R Park.
- To do only the flooring in the pavilion restrooms and the flooring and up the walls 32" in the restrooms at Parham Park and R&R Park will be around \$10,000. This would make it easier to clean the restrooms.

Alderman Wise questioned what could be put down on the pavilion floor? Mr. Mehaffey said the only thing that will stick to concrete will be epoxy. There was discussion on which budget line item could be used for the repairs. The consensus of the Board was to do the project.

Alderman Wise said, "Thank you so much, it seems like the budget is very conservative." There is a lot of work going into the budget and he would like to see the difference in cost for a 3% COLA. He said the TDA is coming to speak at the meeting in March on their 10-year plan. He suggested having another visioning meeting like the current meeting to discuss possible future plans and projects.

Alderman Owens spoke about the TDA and grants that may be available. He agrees with Alderman Wise about having a meeting to discuss future projects.

Mayor Eveland said that meeting would need to be separate from the regular Budget meeting.

Alderman Wise spoke about the need of replacing the chair racks in the Pavilion. It was determined the money for the purchase of the chair racks would be taken from the Alderman budget.

There was continued discussions about TDA grants and what improvements could be done using grant money.

Adjournment

A motion was made by Alderman Tim Wise to adjourn the meeting at 12:35 am. The motion carried unanimously.

Attest:

s/Mike Eveland
Mayor Mike Eveland

s/Vickie Best
Vickie Best, Town Manager

s/Kathy Johnson
Kathy Johnson, Town Clerk