

Town of Maggie Valley
Budget Meeting
May 15, 2024
MINUTES

Members Present:

Mayor Mike Eveland
Mayor Pro-Tem Jim Owens
Alderman John Hinton
Alderman Tim Wise

Members Absent:

Alderman Phillip Wight

Staff Present:

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

Others Present:

No others were present.

Media Present:

No Media were present.

Meeting Call to Order

Mayor Eveland called the Meeting to order at 10:02 am on Wednesday May 15, 2024, in the Maggie Valley Town Hall Boardroom, 3987 Soco Road, Maggie Valley, NC 28751.

Town Manager Vickie Best reviewed the PowerPoint presentation as follows:

Budget Summary:

- The proposed FY 24-25 Budget is balanced with respect to revenues and expenditures
- Meets all requirements of the North Carolina Local Government Budget & Fiscal Control Act
- Town of Maggie Valley Proposed Budget Tax Rate = \$0.40 (No change in the Tax Rate in the past four years)

Mayor Eveland spoke about property reevaluations that will impact next year's budget. He said when raising taxes five years ago, "We made sure that .40 would allow us the opportunity to go five years without raising the taxes and remain the lowest in the County."

Property Tax:

- The proposed FY 24-25 Budget is based upon a property tax rate of \$0.40 per \$100 assessed value.
- Property Tax is the largest source of revenue for the Town and is based upon real property assessments performed by Haywood County.
- Based upon a 97.2% collection rate, property tax revenue is expected to be \$2,036,753.

Manager Best said Administrative Assistant Leslie Arrington has been promoted to Tax Collector. She said with her actions thus far, she will be a “real go-getter”.

Sales Tax:

- Sales Tax is the second largest revenue source for the Town’s General Fund.
- Sales Tax distribution can occur using the Ad Valorem or Population method.
- It is each county’s prerogative to establish how sales tax is distributed.
 - Haywood County has chosen the population formula.
- Based upon Haywood County Sales Tax Projections, the Town should receive a 2.18% of total collected sales taxes= \$828,933.
- Sales Tax revenues are 1.8% lower than in FY 23-24.

Manager Best said “We think that is lower because of inflation and people not having the money to spend”.

Fees:

- Sewer Development Fees- Unchanged.
 - \$810 Per Bedroom (In Town). Minimum cost (\$1620 Per Dwelling Unit)
- Sewer User Fees increased. – Minimums increased 5%. – “Overs” increased 5.2%.
- Planning & Zoning Fees.
 - Increased Zoning Conformance permits fees and Standardized Sign fee
 - Decreased Special Exception, Variance, Rezoning.
- The Solid Waste Fee is unchanged at \$8.00 monthly.
- Motor Vehicle Fee is unchanged at \$5.00. (Helps to supplement the non-Powell bill fund).
- Festival Ground Rental Fees are \$700 and camping are \$35.00 per night.
- Administration Fees - Thumb Drive fee increased to \$5.00.

Public Works Director Mike Mehaffey said there were some things we could do in the future to require subdivisions that are granted a set amount of capacity based on their plat approval, responsible for the entire amount. He suggested the developer pay for each lot’s capacity fee when they get the plat approval or when the owner of a lot decides to recombine parcels. That way every lot in a development has paid capacity fees instead of the way it is done now, where people are buying the lot next to the house lot and the Town never receives capacity fees for the vacant lot. He said there are twenty-nine lots in Mari’s Meadow and four of those lots have been purchased separately and will not have houses on them and the Town will never receive capacity fees for those lots. He said that equates to about 1000 gallons of flow a day of capacity that is tied up in those four lots.

Planner Cullen said he would investigate an amendment to the Sewer Use Ordinance requiring the owner of a lot to pay the appropriate capacity fees before recombination or after combination is discovered.

Mr. Mehaffey and Board members continues discussions about capacity fees for subdivisions and possible amendments to the Sewer Use Ordinance.

Manager Best said in order to balance the budget, "We have taken \$35,180.00 out of the appropriated fund balance."

General Fund Summary FY 24-25

- Board of Aldermen - \$183,817
- Administration - \$730,193
- Public Works - \$966,422
- Police - \$1,681,418
- Powell Bill - \$56,774
- Festival - \$174,028
- Recreation - \$19,950
- Debt Service - \$5,550

Ms. Best said the Town of Maggie Valley is debt free, but the laws have changed, and the copier lease has to go under Debt Service.

- D.O.T. Roundabout Project - \$10,000

Ms. Best said this is MV's 5% portion of the sidewalks that will go all the way to the bridge at Jonathan Valley School.

- Contingency - \$0
- Total - \$3,828,153
- Revenues – (\$3,828,153)

Administration Requests:

- New Administration Car - \$45,000

Public Works/Sewer Request:

- Non-Powell Bill Road Fund=
 - \$42,998 – Nicholas Lane (\$12,925), Serene Trail (\$10,845), Gail Drive (\$8,997)

Mr. Mehaffey said when the last house on Serene Trail was built, they hit a spring that runs down the side of the road and has done damage to the end of the road. He has worked with the engineer that is over the HOA. A culvert and eighty feet of pipe was put in to route the water out of Valley Creek. The main part of Serene Trail has been damaged, and the Town's part is \$10,845.

Gail Drive will be "Hit or Miss" because they have no HOA and will require each homeowner's agreement to pay their part.

The road must meet the constructions standard to get the Town funding for thirty percent construction cost. That means bringing the base up to six inches with two inches of asphalt. To get fifty percent of the cost, they would need to bring it up to Town Standards.

- New Sewer Truck - \$60,000
- New Diagnostic Tool - \$9,000

Police Department Request:

- One Police Vehicle with equipment - \$60,756

Festival Grounds:

- July 4th Fireworks - \$18,000

Board of Aldermen:

- Economic Development & Place Making = \$34,000
- Professional Services of \$60,000 – Lobbyist Services one-year contract.

Debt Services:

- Debt Service = Administration Copier Lease \$5,550
- Town of Maggie Valley General Fund is Debt Free for the 5th straight year. The Town has achieved this feat by being conservative.
- No new debt proposed for FY 24-25.

Powell Bill:

- Town of Maggie Valley Powell Bill Street System has remained at 6.82 miles.
- New Roads will enter the Town's system in FY 25-26.

Salary & Wages:

- FY 24-25 Budget recommends a 4% COLA = \$74,422.67.

Health Insurance:

- On April 1, 2016, the Town of Maggie Valley joined the North Carolina State Health Plan for Teachers and State Employees.
- SHP runs consistent with a calendar year (January 1- December 31) not fiscal year (July 1 -June 30)
- The Town, as at the State's recommendation, has budgeted for a 5% premium increase.
- Total budgeted amount for employee health insurance coverage is \$364,785.
- Recommended coverage amounts remain 100% employee, 80% dependent for all employees.

FY23-24 Work Force Composition:

- Four Departments – Six Administration – Thirteen Police – Five Public Works – Three Sewer. Twenty-Seven Total Full Time Employees.

Proposed FY 24-25 Work Force Composition:

- Add One Executive Assistant, One and a half Police Officers, One Public Works Technician. Thirty-One Total Employees.

Proposed Positions' Cost: (The total cost reflects salary and benefits)

- One Police Officer- Start date July 1- Total Cost \$75,564.89.
- One Police Officer – Start date January 1 – Total Cost \$37,782.44.
- One Public Works Technician – Start date July 1 – Total Cost \$71,738.22.
- One Executive Assistant – Start date July 1 – Total Cost \$54,145.01.

Manager Best reminded the Board that the Executive Assistant has been promoted to Tax Collector. She said it is not a good look for the Tax Collector to be taking the payments for Taxes.

Public Works Storage Facility:

- The building has been purchased with FY 23-24 funds.
- Proposed Completion – Late July to Early August.
- FY 24-25 \$80,000 budgeted for completion and installation of the building; including Concrete and Façade work.
- Winter decorations to be removed from leased storage units beginning late October through early November.

Mr. Mehaffey said when the winter decorations are taken out of storage in October/November we will stop renting the storage units. That will save the Town close to \$5000 a year on storage rental fees. He updated Board members on the progress of the building.

Fund Balance:

- Required to have approximately 63% of General Fund Expenditures based on the average for other municipalities with budgets similar to MV.
- The Town of Maggie Valley's estimated Fund Balance entering FY 23-24 is 93.24% (\$3,447,900) meaning the Town had enough unassigned funds on hand to operate without revenues for 11.5 months.

Sewer Fund Summary FY 24-25:

- Administration - \$653,901
- Operations - \$722,090
- Debt Service - \$176,650
- Contingency - \$0.00
- Total – \$1,552,641
- Revenues - \$1,552,641

Low Water Sewer Creek Crossing:

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- Using ARPA Funds to fund (\$390,000)
- The total project cost is estimated to be \$390,000.
- Engineering is complete – The Town is in the process of Right-of-Way acquisitions.
- Actual work begins late summer.

Finance Office Misty Hagood said the ARPA funds must be encumbered by December 2024 and spent by December 2026.

Mr. Mehaffey said he along with Senior WWTP Operator met with the engineer for the Low water Sewer Creek Crossing and changed some things that will save money on the project. There will be an advertised bidding process because of the cost of the project.

Sewer Fund Balance:

- Audited FY 22-23 – Fund Balance (Retained Earnings) = \$2,754,687 (306.44%)

Alderman Tim Wise commended staff on doing a good job on the budget. Ms. Best said the budget could not have happened without total team work of every department head and the new finance officer.

Manager Best spoke about the waterfall property and said the same people that made the original offer still want the property. They have made an offer of \$190,000, the only thing that will change with the contract is they will have to give earnest money.

Alderman Jim Owens said the property will have to go through the bidding process again. He said his opinion is to accept the contract and ask for the earnest money.

Mayor Eveland confirmed with staff the agreement could be signed and there will need to be a ten-day upset bid phase. Alderman Tim Wise asked if there needs to be a vote on selling the property. Ms. Best said there could be no vote at this meeting because it was not advertised that action would be taken. She asked the Board for a consensus on selling the property. It was the consensus of the Board to sell the property.

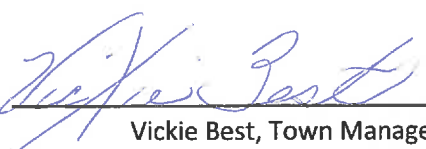
Adjournment

A motion was made by Alderman Tim Wise to adjourn the meeting at 11:02 am. The motion carried unanimously.

Attest:



Mayor Mike Eveland



Vickie Best, Town Manager



Kathy Johnson, Town Clerk

