**Town of Lake Santeetlah Public Hearing (Budget)**

**May 27, 2023**

Mayor Connie Gross called the meeting to order at 10:03AM. Councilmembers Tina Emerson, Jim Hager and Diana Simon were present for the meeting. Town Administrator Kim Matheson and Town Clerk Kala Farley were also present. Councilmember Ralph Mitchell was not present.

Mayor Gross presented Guidelines to follow for the meeting. Please see attached.

Emerson made a motion to open the Public Hearing. Hager seconded. All approved. The motion passed unanimously. Gross asked for a motion for approval of the Agenda. Emerson made a motion to approve the Agenda. Hager seconded. Simon moved to remove Alan Davidson’s assessment in that it is not relevant to the budget. Gross agreed saying it was not on the Agenda and stated it was mixed in with papers added for discussion of the Agenda and was included by accident. Simon asked if her email to Brandon Emory should have been included or not. Gross replied it should not have been included. Gross stated she thought Simon wanted the letter to and from the Zoning Administrator to be included given Simon had asked during the May 4, 2023 Council Meeting for it to be on the Agenda and discussed. Gross asked for a vote to approve the Agenda. All approved. The motion passed unanimously.

**Public Comment:**

**Roger Carlton:** Carlton stated he wanted to clarify the record that there is no correlation between evaluation based on classification of the home as being nonconforming and the word obsolescence the county uses to set evaluations. Carlton expressed it was disappointing that this year there was no budget workshop and he thinks it is important to consider for the future. Carlton hoped that it would be explained exactly what the Councils process is when the meeting is finished and where they will be with the budget. Carlton asked when the council meets in June for the final adoption of the budget what goes on there, what the state law is and what happens at that meeting and hoped it would be explained before continuing further with the rest of the budget hearing.

Kim Matheson commented that she has continued to check with Brandy Cook, tax assessor, numerous times to see how appeals were going and what the final assessment is going to be. Matheson stated she sent a copy to every one of the most recent scroll dated May 24, 2023 that she had received on that day at 9:26 AM.

Hager confirmed the number amount on the scroll stating $131,978,000.

Matheson stated that it has been hard to figure out what Tina Emerson and I have to work with as far as a final number. She said the way gone about doing the budget, by figuring out what was needed in order to balance the budget, was really the only way they could have started working on the budget in her opinion.

**Jack Gross:** Gross expressed that time factor and not having information may have been reason for the workshop not happening.

**Alan Davidson:** Davidsoncommented that functional obsolescence is always considered by the tax assessor. Davidson stated condition of a house is taken into consideration when talking about property evaluation and functional obsolescence runs with the property and it is state law, part of the disclosure requirement, upon selling, to report if property has been deemed functionally obsolescent and that is where he has suffered significantly in devaluation of his property because of the implementation of the zoning ordinance.

**Jim Pittinger:** Pittinger agreed that a workshop should have taken place to allow input from the homeowners. Pittinger stated he thinks Mayor Gross should refrain from voting on the $2400 donation line item for the library given she is on the Library board and feels the money could be used to better benefit the town and would like to see it put to use for the town and not outside the realm of the town. Pittinger stated that he feels they have to get the budget under control and referenced what he believed to occur in an audit of last year a write up of the finance director for exceeding expenditures and feels input from the most experienced people on the board for this budget process is needed.

Emerson commented on Pittinger’s reference to the write up in the audit was for the front entrance and the money was not pulled forward from the last year. Matheson stated donations were taken in over a couple years. Emerson agreed and said all the money was accounted for when it was taken in when really it should have been accounted for when it was spent.

Emerson read the Budget Narrative. See attached Narrative

Emerson reviewed the General Fund and discussed the proposed 80/20 split rather than the previous 70/30 split and explained this may be the reason the proposed numbers are higher or seem to have increased.

Simon asked if the 80/20 split is covering the Payroll or is it all lumped together. She asked if the $23,100.00 in Payroll in the Water Fund is just for Scott Kamps, Town Technician. Emerson answered that it is for all staff because the office staff spends time doing water tasks so their time is also accounted into the Water Fund along with Scott Kamps.

Simon referenced Postage under the Water Fund and asked if all postage is being considered in the Water Fund because there was no postage under the General Fund.

Emerson stated that postage in the General Fund from last year was included in Office Supplies so that is why it is not a separate line item.

Hager inquired where the other $20,000 from the $40,000 from the settlement was transferred. Emerson replied $20,000 to General Fund and $20,000 to Water Fund. The entire $40,000 is no longer in escrow and has been deposited.

Emerson stated that last year the library asked for coverage of an employee’s salary for half a day in order to keep the library open on Monday and has since lost the funding to cover the rest of that day. She asked the Town to consider an increase in funding to cover the entire day, explaining the increase to $2400 from $1200.

Simon asked if it is known where the money given to them last year was used. Emerson replied that it was supposed to go to the employee for half a day.

Simon inquired if it was known how much Graham County gives to Nantahala Regional. Emerson did not know.

Hager asked Mayor Gross if she was still on the libraryBoard. Gross confirmed she was. Hager stated according to the School of Government that budget item must be voted on at a separate meeting where Gross would have to be recused. Hager commented he had just gone through ethics training and that item was specifically brought up and any questions on this matter should be addressed with the School of Government. Gross stated it would be directed to the attorney, Bo Carpenter.

Simon asked if the contract with the library stated any set amount or if this was just a recommendation. Emerson responded saying it is just a recommendation, a proposal.

Simon questioned Line Item #28 Meals and Allowance Entertainment and asked how the money was spent. Matheson stated she used funds from it for meals when she went for training in Raleigh.

Emerson stated the Payroll looks to be increased due to the change in the spilt from 70/30 to 80/20 and because of the proposed 10% increase of the Total of both General and Water, from $105,000 to $115,500.

Emerson discussed the proposed additional Employee Health Insurance, Long/Short term Disability, Dental, and Vision, through the League of Municipalities.

Hager questioned if the insurance was accepted locally. Matheson responded she would check to see if the local dentist accepted it and said we would have to go out of town for vision due to no local eye doctor being in the area.

Simon expressed disability insurance is usually federal and wondered if this was going to be confusing or difficult to use.

Kim Matheson explained the difficult, time consuming process regarding how the roads used to be salted. She stated that hopefully the new salting equipment will make the salting process easier and more efficient.

Emerson pointed out that part of a previous question was how we came up with some of the numbers in the budget and what the process was. Emerson expressed that the budget process was based on what is broken, what needs fixed, and what can make the employee’s job easier and more efficient and focused the whole budget on Capital Assets, Roads, Water, and Employees.

Hager suggested changing Line Item 44 from Zoning Administrator to Zoning Expense.

Simon questioned if zoning would be talked about more later as the agenda doesn’t seem to be clear and stated the Zoning Administrator really is required to do a bit more than review application.

Emerson responded that at the last meeting Simon had asked for the Zoning Administrator to come out and take a look and according to the email it would cost about $1000 to do that. If he came out every quarter, at $1000 that is $4000 for the four quarters plus $1100 which still puts it under budget.

Simon stated there were other Planning Board Items that needed to be completed such as a nuisance ordinance and review of the rate sheets and a number of other items. Emerson stated the Planning Board doesn’t get any salary so that would not fall under this. Simon said she felt these would be under zoning expense rather than regular legal expense.

Emerson stated that the annual legal fees were coming up

Simon stated the reason she sent the email to Brandon Emory, Zoning Administrator, was in response to homeowners public comments at the April 13, 2023 Council Meeting and the concerns were actually for zoning compliance rather than zoning enforcement. Simon stated Brandon Emory had mentioned that for on-site visits estimated 10 hours at $50 an hour and travel time at $25 an hour. Emory had estimated they usually book 10 hours per month so his estimate was $1000 a month. Simon expressed that the steps a Zoning Administrator should take, first, a plan approval, reviewing the application, making sure of required approval for septic, two parking places, and shows the building isn’t over 35ft in height. A Second visit would be required to inspect the poured footers are in compliance with any setbacks. There would be a visit to inspect the roof to ensure it was within height compliance and then a final inspection to be approved for the zoning certificate. Simon suggested that maybe it can be that whoever is making the application can help pay for some these expenses and wasn’t sure if we actually have a zoning certificate cost set up and that’s one of the items that needs to be updated.

Hager questioned where the money from the fee for the building application is. Matheson replied that the fee is $50 per application and has not yet been collected but will begin to be. There was some debate on the amount of the fee because you can only charge a minimal fee and was decided $50 was a minimal amount unless it was a variance which would be more due to the work that has to be done. Matheson expressed that some of the houses came in before the fee schedule was set. Hager stated those fees have to be reviewed as part of our budget process this year and he did not see them on there.

Simon stated it is likely they would not require anyone monthly but at least quarterly or as some of the before mentioned steps happen they should have a zoning administrator. She suggested searching for someone closer like Asheville that is more convenient for them to come visit our city. Matheson stated they had a difficult time finding the current zoning administrator and thinks it is better to have someone who had no connections with anyone, residence or builders, in order to make a fair and unbiased determination.

Emerson stated last year they spent $6600 on the prior zoning administrator and this year for a certified administrator they spent $1100.

Matheson stated that Brandon Emory is willing to come out monthly, however doesn’t think he will be needed monthly.

Mayor Gross stated that Tina Emerson had said if the numbers are correct it is believed to have the funds in the budget to have the zoning administrator come out quarterly.

Matheson stated Brandon Emory has said he is willing to come in to a Zoom meeting for a Variance Hearing and we have one scheduled for June 12, 2023.

Simon stated we have Brandon Emory visiting the Town on June 22, 2023.

**Roger Carlton:** Carlton stated there is a backlog of things the Zoning Administrator needs to look at and to limit yourself to $6000 for zoning cost this year is short sighted. Carlton felt that the catch-up review is going to take more than 8 hours on-site. Carlton stated that due to the public opinion of the previous meeting that the people of the Town want zoning and he thinks it important to adequately fund it. Carlton referenced the discussion of equipment needed for staff to do their work and suggested that the truck be leased rather than paying cash in order to free up those funds to apply elsewhere.

Emerson replied that the $10,000 cash for the truck is to go toward the down payment. Also included in the budget is monthly payments.

Hager stated that you do not have to have approval from the LGC to purchase a vehicle.

**Jack Gross**: Gross stated in regards to zoning there are only certain steps that the zoning administrator is required for and once he issues the zoning certificate compliance and does not come out to inspect every step of the building process, such as roof rafter inspection, unless there is an official complaint.

Simon asked if we had issued the zoning certificates with the applications. Matheson replied yes.

**Mark Deverges**: Stated he would like to thank the council for all the hard work and effort on the budget.

**Greg Conner:** Conner referred to the increase in Payroll and directed attention to Page 2 of the Budget, Items 37-44 add up to $111,430 from last year and $120,348 for this year which is a 28% increase. Conner questioned if the $2400 for the library was going to the local Graham County Library or was it going to Nantahala Regional Library.

Mayor Gross replied that the money is going to Nantahala Regional Library but specified to be spent to keep the Graham County Library open on Mondays.

Greg Conner asked to refer to the Water Fund Line Item 47 Contract Operator $15,000 and inquired if once Scott Kamps completes his training what will happen to that money.

Emerson stated it would still be some time before Kamps will be finished with all the training necessary, but it will be discussed once he is.

Greg Conner asked if there could be some form of impact fee when large construction projects are being done in the Town. Matheson stated that it is illegal.

**Jack Gross**: Gross asked to please consider if a new truck was purchased to have a tool bed on it so he can carry his equipment with him. Emerson stated she thought Scott Kamps had mentioned that along with the bed liner so the salt wouldn’t damage the bed.

Greg Conner asked for clarification of Line Item 85 Contact Public Security if that is to the Graham County Sheriff's Office. Matheson responded it is for a police officer to patrol the Town and usually for a total of 32 hours a month.

**Kim Matheson** stated that she would like to make a comment about changing to the new system and the split. With the current system credit card payments must be manually entered and a 3% processing fee must be figured and added. Matheson said due to the 70/30 split the numbers didn’t always seem to flow over or divide out correctly in the current Quickbooks software and feels we won’t have this issue with the new Edmunds software. Matheson said the new software would be more time efficient with water operations such as billing and feels it is going to be good for the Town.

Emerson continued with the review of the budget and discussed line items.

Hager asked if Scott Kamps had put together a list of priority roads. Emerson replied we have looked at that.

Simon questioned why the Available to move to Fund Balance/Reserve amount of $1,427.20 at the bottom of the last page of the General Fund was so low.

Emerson replied that it was because of trying to keep the Ad Valorem tax at a reasonable number. Matheson added they are transferring the Capital Reserve money.

Emerson reviewed the budget of the Water Fund and discussed the line items.

Emerson commented that an estimate for the Security Fencing around the water tanks was still needed but it was on the radar.

**Final Public Comment:**

**Alan Davidson**: Davidson stated that he wanted to acknowledge Councilperson Emerson’s dedication in her role as financial officer for the town and thank her for the hard work on the budget.

**Roger Carlton:** Carlton stated he feels it is critical to budget for and install the security fence. He suggested leasing the entire price of the truck to save cash flow to put towards something else.

**Francis Conner:** Ms. Conner asked for clarification of the difference of the Office Financial Software Hosting Fee that is split between the General Fund and the Water Fund and the Edmunds Software Annual Fee. Emerson replied saying the Hosting Fee is a flat fee that we pay for services and then we pay a subscription fee. Conner stated the hosting fee went down from $12,240 to $2,560 and asked if the $2,560 is going to be the continuation fee. Conner asked for clarification of Edmunds. Emerson responded that Edmunds is the entire financial systems including utility water billing system, payroll, and a part that allows the customer to view and pay water bill online. Conner questioned if all the annual fees are hitting the General Fund. Emerson explained that they were not, some are only from the Water Fund, and some are split between the General Fund and the Water Fund as well.

**Jack Gross:** Consider adding for one year $30 to the quarterly General Fee for water and that would be $25,000 in one year and that should put a good dent in fencing.

**Jim Hager:** Hager stated we should have workshops, so more people have time to review the numbers and make input.

**Roger Carlton**: Carlton suggested there be some sort of compilation of items discussed and proposed action to be taken.

**Jack Gross**: Gross referred to the Robbinsville Ground Radar that Scott Kamps was training with their operator, would it be possible to approach them to ask if he would still be able to use it in the Town. Mayor Gross replied she had approached the Mayor of Robbinsville about this, and the answer was no due to being short staffed. Gross expressed his thanks for thinking of the employees during the budget process.

**Diane Simon:** Simon stated that she feels Graham County should contribute to the salary of the library employees and feels like the donation should go to Friends of the Library and objects to this funding of the Regional library.

Mayor Gross stated that as a municipality they need to make donations to the Regional Office then it’s earmarked only for Graham County use. It was a part of an interlocal agreement that was voted on and passed.

Simon stated she made a personal objection to the Insurance.

Mayor Gross stated that she thought having workshops without knowing numbers to work with was not a good idea and the way Tina Emerson and Kim Matheson went about the process was smart.

Mayor Gross asked for a motion to close the hearing. Hager made a motion to close the hearing. Hager seconded. All approved. The meeting was adjourned at 12:12PM.

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Connie Gross, Mayor Kala Farley, Town Clerk