

**TOWN OF TRYON
BOARD OF COMMISSIONERS
BUDGET WORK SESSION
MARCH 26, 2018 9:00 A.M.
TRYON TOWN HALL – MCCOWN ROOM**

Present: Mayor J. Alan Peoples Mayor Pro Tem Bill Ingham
Commissioners: Crys Armbrust, Bill Crowell
Absent: Commissioner Chrelle Booker
Staff Present: Town Manager Zach Ollis Town Clerk Susan Bell

CALL TO ORDER

Mayor Peoples called the work session to order and turned over to the town manager.

Town Manager Ollis presented the Revenue and Expenditure statement. He stated he has budgeted \$760,000 for property tax and we have collected \$764,000. He has based our expenditures off of 98% collection rate and updated values from the county. Motor vehicles prior tax has dropped some. We are positive in all sales tax line items. Utilities tax looks good. He has zeroed out all the small things, so that we are not depending on this. The Powell Bill is about the same.

Under 61 water & sewer we have 26% remaining. The statements are received a month late, because billing is a month behind. He feels comfortable with our revenues.

We need to up our legal fees. Commissioner Armbrust asked if he was satisfied with the present situation, turnaround time. Ollis stated that he is fairly happy with e-mail and phone calls. He met with him last week and has decided that might be easier for both of them. Peoples stated we are spoiled to having Bailey upstairs.

Ollis stated not too much stands out in expenditures. The tornado will cause some line items to look out of place. The interest is coming down on the emergency loan. Zoning permits have come in a lot higher than expected. He has appropriated another \$15,000 to Powell Bill to cover projects.

The FRAC committee meets April 3rd. The fire budget is not balanced yet. They are waiting on the committee to meet to see what they decide. Harmon Field's revenue has went down on motor vehicles. The township tax has went down slightly. Rental has gone way down, but the usage has increased. He and Travis went to the county about the rates paid per child to play. They had agreed to pay \$5, but were paying \$3. He may try to ask for more money this year. The tax rates haven't changed in a very long time. We need to be take care of our equipment, buildings and fields.

He stated occupancy taxes are up. The water & sewer penalties, reconnect fees have all went up and he is working on enforcing the shut offs.

Sanitation we are going to keep it about the same, because fees are coming in as expected

Expenditures

Governing Board

- He has put in more for travel and schools.
- Telephones have decreased.
- \$3,000 to cover the Christmas parade.
- \$20,000 for capital improvement plan

The Board discussed the emergency water line and the problems that we are having with the line.

Admin

- Salaries have went down about \$20,000
- Telephone has gone down, we are going to see a decrease in the telephones overall, thanks to Blake and Jeff
- See a savings in debt, the silver car was transferred to the water department
- Putting \$37,000 into fund balance, this may change
- Consensus of the board is to put some of fund balance for FY16/17 toward projects

Police

- The police salaries are at \$352,000, down \$100,000 from 2 years ago, due to cost sharing and hiring people at a lower rate (losing officers to towns that pay higher rates) need to look at training and uniforms to get an actual cost and see if we can raise the starting pay, we lose to Hendersonville, Henderson County and Polk County
- Telephone system savings in Police is a little over \$5,000
- Contracted services has gone up because of DCI training and subscriptions
- 2 cars are coming off of debt and scheduled to put 2 more on (Explorers instead of chargers due to issues with the chargers)

Street

- Salaries have gone up in streets (1/3 of Wade's salary will come out of street) he has proven to do a lot more and he's really excited about having him
- Materials have went up a little
- Telephones have went away because there is no one at the maintenance shed to answer (cell phone stipends are given to employees since they use their personal cell phone at work)
- Parks and grounds have doubled to cover the smaller parks
- Contracted services have increased

Zoning

- Left \$15,000 in for demolition – he has to get with the attorney before they can get a contract

Powell Bill

- \$68,000 for streets and sidewalks, patching and paving

Fire waiting on the FRAC meeting. Last year fire finished around \$311,000 and this year they are projecting \$408,000. Looking at four full time firemen to cover twenty four hours for two weeks. Paying back general fund and the admin service charge are also included.

Harmon Field

- Salaries have went down a little (Travis, one full-time position and one part time position)
- Materials increased by \$12,500 (due to paying off General Fund) this will help with some needed repairs

Tourism

- Nothing has really changed but may change due to the changes coming with the Polk TDA
- Balance of funds should stay with us, but he will have to double check on this
- Tourism board will be an advisory board

Water/Sewer

- Salaries have increased due to a Public Works Director or two additional employees, there is pros and cons with both
- Getting new computer and software
- Increased uniforms
- Telephones have decreased
- Meter fees have been increased to help get us out of the situation we are currently in with meters not working
- Equipment has gone up
- Admin service charge has gone up a percentage
- Capital outlay went up to replace clarifiers on the weirs at the wastewater plant

Looking at a two percent COLA. Armbrust asked what the state average of cost of living is. Ollis stated he thinks it is around three percent. Armbrust stated he feels they should attempt to do that. Peoples suggested uping the Christmas bonus. It affects us one time. Ollis stated he would research this. It has been between 2.5 and 3.5%. The audit will tell us a lot. He's all for giving employees money. We lose knowledge if we lose employees.

Armbrust asked about contracted services at the water plant. Ollis stated it was increased \$17,000 to cover the person that we had to bring in for a backup. This year testing will be contracted out instead of doing it in house. Contracted Services went up due to contracting with Deborah and Gary. Transferring \$3,000 due to depreciation.

Sanitation

- Salaries went up some
- Contributing \$5,000 to fund balance

Armbrust stated the St. Luke's Plaza bench, tables & chairs are always citizen donations. He asked about water at the cemetery. Ollis stated Jerry Soderquist has asked us not to do it right now, being that we are purchasing property for the cemetery. We can do this through a budget amendment later if needed. Cost around \$4,000. Armbrust stated if they are going to clean the headstones, they are going to need water.

Ollis stated basically where we sit right now, withholding the fire department issue, we have provided \$50,000 in small projects, giving a cost of living adjustment and balanced the budget without raising taxes. He took our budget and removed everything that had to do with salaries and necessities and left only the line items that had to be there. That left \$574,000 to divide by 12 departments. This is what we have to fund all the supplies, materials and maintenance. 85% of what we do is static. Have improved on that. At the end of the day the budget is fairly healthy, but we need to keep in mind that we have over \$1.5 million in projects that we would like to do. This doesn't include the capital improvement plan. We will have millions of dollars of infrastructure that we will need to address.

Commissioner Crowell stated the \$574,000 has to be divided by twelve. Ollis stated yes, it has to be divided to fund all departments. Each department gets a percentage. Mayor Peoples estimated 90% fixed cost and it's 85%. Ollis stated this is where we sit.

Mayor Peoples asked if we needed to take this home and think about this before the next meeting or do you have questions. Commissioner Crowell stated he had counted the culverts in town that you can see a sag in the road.

Lindy Buss stated they came to hear the budget and ask for funds to help with the playground repairs. Crowell asked how much it was going to cost. Ms. Buss stated for the entire playground about \$85,000. They could do it by sections as they raise the money. Henson's will donate the mulch. Armbrust asked how much they had raised. Ms. Buss stated about \$15,000, not including what the Dallara's have agreed to donate. Armbrust asked if she had requested funds from the Harmon Field Board. Ms. Buss stated yes. They have been in front of the board multiple times over the past four years. Ollis stated when we get the audit back, there will be money recognized properly in the Harmon Field Budget. It maybe doable then and we need to remember the current playground was built on top of the septic system. Mayor Peoples thanked Lindy for what she is doing.

Crowell asked about the sewer expansion in Lynn. He stated that Joe has decided not to do his expansion in Lynn now. Peoples asked how many would sign up for sewer. Crowell stated Grover can't sell the building because of water and sewer. Ollis stated the capital improvement plan is going to look into basic estimates on projects.

ADJOURN

Mayor Peoples entertained a motion to adjourn. Commissioner Armbrust so moved. The motion carried unanimously.

J. Alan Peoples, Mayor

Attest:

Susan B. Bell, Town Clerk