

**TOWN OF SEVEN DEVILS
PUBLIC HEARING – BUDGET FY 21**

Thursday - June 25, 2020 - 10:00am
<https://global.gotomeeting.com/join/428228381>

You can also dial in using your phone.
United States: [+1 \(872\) 240-3212](tel:+18722403212)

Access Code: 428-228-381

- 1) CALL TO ORDER – 10:00AM
- 2) PRAYER/INVOCATION
- 3) PLEDGE OF ALLEGIANCE
- 4) ROLL CALL
- 5) FY21 BUDGET PRESENTATION HIGHLIGHTS
- 6) EXECUTIVE SUMMARY – FY 21
- 7) OPEN PUBLIC HEARING FOR BUDGET ORDINANCE FY20
 - A. Public Comments – *Public comments can be made In-Person at the time of the Public Hearing and written Public comments will be accepted until 24 hours after the Public Hearing.*
Email to: townclerk@sevendevels.net
- 8) CLOSE PUBLIC HEARING
- 9) RECESS

Friday – June 26, 2020 - 10:00am
<https://global.gotomeeting.com/join/601241989>

You can also dial in using your phone.
United States: [+1 \(408\) 650-3123](tel:+14086503123)

Access Code: 601-241-989

- 10) CALL TO ORDER FROM RECESS
- 11) ROLL CALL
- 12) EMAILED CITIZENS COMMENTS
- 13) COUNCIL COMMENTS
- 14) APPROVE MINUTES OF TOWN COUNCIL BUDGET WORKSHOP -June 16, 2020
- 15) ADOPT BUDGET ORDINANCE FY21
- 16) ADJOURN

FY21 Budget Presentation Highlights:

- Revenues:

- ↔ Property Taxes – remains steady - **NO TAX INCREASE!**
- ↓ Sales tax – 30% decrease
- ↔ ABC Revenues steady
- ↔ Utility/Franchise Tax – remains steady
- ↔ Grant Revenues steady
- ↓ Water Sales remain steady, late fees/disconnects decrease
- ↓ Powell Bill Allocation – 25% decrease

- Expenditures:

- ↓ Paving/gravel/hot patch - \$22,500
- ↓ Replace #4 of 7 Water PRV Valves @ \$38,000 ON HOLD
- ↓ Well house/booster station roof repairs - \$15,000 ON HOLD
- ↔ \$139,700 payments for New Town Hall facility
- ↓ Personnel – 2% increase & re-evaluate late fall 2020
- ↔ Parks & Rec Tech position – funded by TDA
- ↓ Reduce Debt Load: \$41,371 payoff BAB loan
\$31,472 reduction Snowcloud loan

AGENDA ITEM 6)

BE IT ORDAINED by the Town Council of the Town of Seven Devils, North Carolina, that the following anticipated fund revenues and departmental expenditures, together with certain fees and charge schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of the Town government and its activities for the Fiscal Year beginning July 1, 2020 and ending June 30, 2021.

<u>REVENUE SUMMARY</u>		<u>EXPENDITURE SUMMARY</u>	
General Fund	\$1,667,885	General Fund	\$1,667,885
Enterprise Fund	\$222,254	Enterprise Fund	\$222,254
Total	\$1,890,139	Total	\$1,890,139

<u>Section 1. General Fund</u>		<u>Section 1. General Fund</u>	
<u>Anticipated Revenues By Category-</u>		<u>Authorized Expenditures By Department-</u>	
Ad Valorem Taxes	\$806,000	Governing Board	\$16,250
State Shared Revenue	\$109,510	Administrative	\$491,534
ABC Distribution	\$100,000	Public Safety	\$466,244
Powell Bill Allocation	\$22,500	Fire Protection	\$109,098
Permits, Fees, and Licenses	\$1,000	Planning and Inspections	\$1,500
Sales Tax	\$120,000	Public Works	\$358,758
Miscellaneous Revenues	\$75,800	Powell Bill	\$22,500
Appropriated Fund Balance	\$197,075	Tourism Development Authority	\$150,000
Government Grants	\$60,000	Parks & Recreation	\$52,001
Sale of Assets	\$1,000		
From Capital Reserve Fund	\$25,000		
Occupancy Tax	\$150,000		
Total	\$1,667,885	Total	\$1,667,885

<u>Section 2. Enterprise Fund</u>		<u>Section 2. Enterprise Fund</u>	
<u>Anticipated Revenues By Category-</u>		<u>Authorized Expenditures By Department-</u>	
Water Operating Revenues	\$221,500	Water-Operating	\$119,571
Water Taps and Connections	\$0	Non Operating	\$102,683
Non Operating Revenues	\$754	Capital Outlay	\$0
From Capital Reserve for Capital Outlay	\$0		
Total	\$222,254	Total	\$222,254

TOWN OF SEVEN DEVILS
TOWN COUNCIL BUDGET WORKSHOP
Tuesday, June 16, 2020
10:00am

The Seven Devils Town Council held a Budget Workshop with the format of this meeting being dual Electronic – Go To Meeting #324342085 and In-Person at Town Hall on Tuesday, June 16, 2020. Attendance In-Person included Mayor Larry Fontaine, Mayor Pro Tem Brad Lambert & Member Wayne Bonomo. Members Jeffrey Williams & Leigh Sasse attended remotely with visible video display. A quorum was met. Also, present In-Person were Town Manager Debbie Powers; the minutes were recorded by Town Clerk Hillary Gropp.

CALL TO ORDER

Mayor Fontaine called the meeting to order at 10:04am.

INVOCATION

Mayor Fontaine gave Invocation for the Budget Workshop.

PLEDGE OF ALLEGIANCE

Council members recited the Pledge of Allegiance.

ADOPT AGENDA

Mayor Fontaine requested to amend the agenda to include Closed Session after Item 7) Discussion of Budget Ordinance FY21; Member Bonomo made the motion to adopt the amended agenda; Mayor Pro Tem Lambert seconded the motion. All members agreed.

ADOPT MINUTES OF TOWN COUNCIL MEETING – June 9, 2020

Mayor Pro Tem Lambert made a motion to approve & adopt the minutes; Member Bonomo seconded the motion. All members agreed.

BUDGET FY21/SPENDING PLAN - Discussion

Prior to discussion Mayor Fontaine stated he was in favor of a 2% increase for employees. He wanted staff to know they are appreciated for their dedication and service to the Town.

Manager Powers provided a review of revised FY21 Budget Notes as follows:

Revenues:

Property Taxes to remains steady – No Tax increase

Sales Tax – 30% decrease

ABC Revenue to remain steady

Utility/Franchise Tax – remains steady

Grant Revenue remains steady

Water Sales remains steady – Late fees & disconnections decrease due to NC EO 142

Powell Bill Allocation – 25% decrease

Expenditures:

- Paving/gravel/hot patch reduced to \$22,500 (Powell Bill)
- Replace #4 of 7 Water PRV Valves = \$38,000 – On Hold
- Well house/booster station roof repairs = \$15,000 – On Hold
- New Town Hall payments = \$139,700
- Personnel = 2% increase and to be reevaluated in Fall 2020
- Parks & Rec Tech position to be funded by TDA
- Reduce Debt load = \$41,371 payoff of BAB loan and \$31,472 payments on Snowcloud loan

BUDGET ORDINANCE FY21

Employees will be given a 2% increase at the beginning of the new FY21, with review for additional increase in the late fall. The Town will match up to 5% to the 401(K) of the employee's wage, and only applies to employees who contribute to the 401(K) plan.

The Fund Balance for the Town of Seven Devils is to strive to maintain a minimum fund balance of 50% of operating expenditures.

FEES- Additions/Revisions

Water Account Fees – as specified in the Water Ordinance:

Add – After hours re-call fee for Public Works crew = \$75.00

Building Permits: (Collected by Watauga County)

Add – Remodel Permit = \$75.00 per trade

Add – Compliance & Review = \$40.00/permit, \$100/site plan

Sign Permits:

Billboards = \$100.00 one-time

Planning & Zoning:

Revise – Variance, Waiver, and Administrative Review = \$250.00/action/lot

Revise – Petition for Annexation (Costs to advertise & Provide Notice, Additional) = \$250.00

Administrative Fees

Revise – Copier usage (Per Page) = \$.20 Color

The Town will hold a Public Hearing for the Budget FY21 on Thursday, June 25th and adopt FY21 Budget Ordinance on Friday, June 26th. Notification of both dates, with details are on the Town's website, as well all proper notices, per NC GS.

RECESS

Town Council took a Recess at 11:20am – 11:30am.

CLOSED SESSION

PERSONNEL

Member Bonomo made a motion to enter into Closed Session at 11:30am, pursuant to G.S. 143-318.11(a)(6) to discuss Personnel; Mayor Pro Tem Lambert seconded the motion. All agreed.

General Account:

Town Council members present In-Person included: Mayor Fontaine, Mayor Pro Tem Lambert & Member Bonomo. Members Sasse & Williams participated remotely. Town Manager Powers & Town Clerk Gropp were dismissed.

Town Council Member Bonomo requested Town Manager Powers come into the Closed Session.

Member Bonomo made a motion to end Closed Session at 12:02pm; Mayor Pro Tem Lambert seconded the motion. The members agreed. **~CLOSED~**

COUNCIL COMMENTS

Member Williams thanked Town Manager Powers for her work on the FY21 Budget.

Member Sasse agreed, and also thanked Town Manager Powers for all her efforts. Member Sasse also commented the audio was much improved for her remote participation.

Mayor Fontaine commented that in regard to budgetary priorities, that replacement of the PRV#4 takes precedence over a new police vehicle. Member Williams agreed with the comment.

Mayor Pro Tem Lambert suggested the Town Council meet for a mid-year FY21 Budget Review. Mayor Fontaine suggested meeting Tuesday – December 1st, the week before the regular scheduled Town Council meeting, all agreed. Details of time & place to be announced at a later date.

ADJOURN

Mayor Pro Tem Lambert made a motion to adjourn; Member Bonomo seconded the motion. All members agreed. The meeting adjourned at 12:13pm.

Larry Fontaine, Mayor

Hillary Gropp, Town Clerk

ANNUAL OPERATING BUDGET ORDINANCE FY 2020-2021



**TOWN OF SEVEN DEVILS
NORTH CAROLINA
Adopted – June 26, 2020**

BE IT ORDAINED by the Town Council of the Town of Seven Devils, North Carolina, that the following anticipated fund revenues and departmental expenditures, together with certain fees and charge schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of the Town government and its activities for the Fiscal Year beginning July 1, 2020 and ending June 30, 2021.

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**TOWN OF SEVEN DEVILS
ANNUAL OPERATING BUDGET ORDINANCE
FY 2020-2021**

Section 3. Levy of Taxes

An Ad Valorem tax rate of \$0.51 per one hundred (\$100) valuation of taxable property, as listed for taxes as of January 1, 2020, is hereby levied and established as the official tax rate for the Town of Seven Devils for fiscal year 2020-2021. The rate is based upon a total valuation of \$159,361,899. and estimated collection rate of 99.6%. The purpose of the Ad Valorem tax levy is to raise sufficient revenue to assist in financing necessary municipal government operations in Seven Devils.

Section 4. Fees and Charges

There is hereby established, for Fiscal Year 2020-2021, various fees, charges, and bonds as contained in this document.

Section 5. Capital Reserve Fund

Capital reserve funds are used to accumulate resources for ongoing or future projects. The Capital Reserve Fund established by this ordinance is to be used to finance the Town's Capital Improvement Plan. The Town Council shall use the budget process to expend Capital Reserve Funds.

Section 6. Restrictions

- A. Inter-fund and interdepartmental transfer of moneys, except as noted in Section 7(B) and (C), shall be accomplished only with specific advanced approval of the Town Council.
- B. The utilization of any contingency appropriation, in any amount, shall be accomplished only by the prior authorization from the Town Council. Approval of a contingency appropriation shall be deemed a budget amendment, which transfers contingency funds from the contingency appropriation to the appropriate line item of expenditure.

Section 7. Special Authorizations, Budget Officer

- A. The Town Manager shall serve as the Budget Officer.
- B. The Budget Officer shall be authorized to reallocate any appropriations within departments.
- C. The Budget Officer is authorized to effect interdepartmental transfers of funds not to exceed ten percent (10%) of the appropriated funds for the department's allocation that is being increased or decreased.
- D. Notification of all such transfers and reallocations shall be made to the Town Council at the next regular meeting of that body following the transfers. Approval of the minutes of the Town Council meeting in which such notification is given shall be deemed a budget amendment.

**TOWN OF SEVEN DEVILS
ANNUAL OPERATING BUDGET ORDINANCE
FY 2020-2021**

Section 8. Classification and Pay Plan

Town employees will be given a 2% increase at the beginning of the new fiscal year. The Council shall review the economic climate and current expenditures in late fall 2020 to determine if any additional increases are warranted.

The Town will match an employee's 401(K) contributions up to five percent (5%) of the employee's wage. This benefit only applies to employees who contribute to their 401(K) plan.

Section 9. Travel Costs

Upon prior authorization by the Town Manager, Town employees and Officials may be reimbursed for the cost involved with official travel. Travelers may be authorized actual costs of lodging and meals plus mileage up to the maximums and provisions set forth in the Town's Personnel Handbook.

Section 10. Budget Amendments

The North Carolina Local Government Budget and Fiscal Control Act allows the Town Council to amend the budget ordinance any time during the fiscal year, so long as it complies with the North Carolina General Statutes. The Town Council must approve all budget amendments.

Section 11. Fund Balance Policy

The Fund Balance Policy for the Town of Seven Devils is to strive to maintain a minimum fund balance of 50% of operating expenditures. These funds will be used to avoid cash-flow interruptions, generate interest income, eliminate the need for short term borrowing, and assist in obtaining and maintaining an investment-grade bond rating.

Section 12. Debt Limit Policy

The general obligation debt of the Town of Seven Devils will not exceed eight percent (8%) of the assessed valuation of the taxable property of the Town. Capital projects financed through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project. The Town of Seven Devils shall not knowingly enter into contracts creating significant unfunded liabilities.

**TOWN OF SEVEN DEVILS
ANNUAL OPERATING BUDGET ORDINANCE
FY 2020-2021**

Section 13. Utilization of Budget Ordinance

This ordinance shall be the basis of the financial plan for the Town of Seven Devils municipal government during the 2020-2021 fiscal year. Any change to this Budget Ordinance upon approval and entry into the minutes of a Town Council meeting, shall be deemed a Budget Amendment. The Budget Officer shall administer the Annual Operating Budget and shall insure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the budget.

The Finance Officer shall establish and maintain all records that are in compliance with this ordinance, and the appropriate state statutes of the State of North Carolina.

Adopted this the 26th day of June 2020.

Larry Fontaine, Mayor

Hillary Gropp, Town Clerk

WATER ACCOUNT FEES – as specified in the Water Ordinance

Reconnection Fee after non-payment	\$ 50.00
Request for Disconnection and Reconnection of Service. (First Four Sets Free)	N/C
Request for Disconnection and Reconnection of Service. (Each Set Thereafter)	\$ 20.00
Short Notice Fee for Disconnection or Reconnection (less than 48 hours' notice)	\$10.00 each
After hours re-call fee for Public Works crew	\$75.00 each
Additional Meter Readings, per homeowner request	\$10.00 each

WATER (per month) – as specified in the Water Ordinance

Minimum Bill (3,500 gallons)	\$ 35.00
Additional gallons:	
3,501 to 6,000	\$.01/gal
6,001 to unlimited	\$.02/gal
Water Bill for Well Users	\$ 15.00

WATER TAP FEES – as specified in the Water Ordinance

Residential Tap Fee (3/4" Tap)	\$2,000.00
Any Larger Size Tap	Cost plus 15%
	With a \$ 2,500 minimum

BUILDING PERMITS – Collected by Watauga County Planning and Inspections

Interior heated space	\$.30 per square foot
Unheated space	\$.15 per square foot
Modular Home	\$ 300.00 + \$.15/sq. ft. for basement
Penalty for Building without Permit	Double permit fees
Alteration Permit	\$75.00
Electrical Permit	\$75.00
Trip Fee	\$75.00
Remodel Permit	\$75.00 per trade
Floodplain Permit	\$150.00
Compliance & Review	\$40.00/permit, \$100/site plan
Road Name Change	\$500.00
Wireless Communication Tower Site	\$750.00
Wireless Co-Location Permit	\$150.00
Wind Energy Systems	\$150.00 small \$750.00 large
Administrative Fee for Refunds	\$30.00 plus \$75.00/inspection

Miscellaneous Building Code Fees

Reasonable Fees not specifically addressed elsewhere in this ordinance may be charged at the discretion of the Town Manager/Zoning Administrator or her designee, and may not be less than: \$ 75.00

Renewing Expired Permits

If any building permit expires or is revoked by Watauga County Planning and Inspections or any other permit issued by Seven Devils becomes invalid because of no activity, the applicant must apply for a new permit to be issued by the respective authority and pay the appropriate fees.

Permit Fees for Entities of Government

No permit fees shall be charged to any Federal, State, or Local Governmental entity, or its department within the Town of Seven Devils jurisdiction.

Failure to Secure Permits

For the failure to secure any required permits prior to starting construction, double fees will be charged in order to cover extra administrative costs associated with enforcement actions.

SIGN PERMITS

Freestanding Signs on premise/Billboards	\$ 50.00/\$100.00 one-time
Temporary Signs	\$ 15.00
Real Estate Signs	\$ 15.00
Off-Premise Signs	\$ 50.00

Failure to obtain required sign permits or allowing sign permits to be displayed after they expire will result in a civil penalty of \$50.00 plus the cost of the required permit. Failure to pay the civil penalty will result in being unable to obtain a new sign permit until such penalties are paid.

PLANNING & ZONING

Zoning Permits/Site Plan Review	\$ 250.00
Rezoning (Costs to Advertise and Provide Notice are additional)	\$ 500.00
Zoning Text Amendment	\$ 500.00
Conditional Use Permit	\$ 500.00
Variance, Waiver, and Administrative Review	\$ 250.00/action/lot
Petition for Annexation (Costs to Advertise & Provide Notice add'l)	\$ 250.00

DEVELOPMENT FEES

Subdivision Plat Review	\$ 250.00
Re-submittal of Preliminary Plat	\$ 125.00
Driveway Permit	\$ 200.00
Grading Permit	\$ 200.00
Town Engineer Review Fees	\$1,000.00

Review of Construction plans: To be determined at the time of approval for the preliminary plat.

Inspections: To be determined at the time of approval for the preliminary plat.

FIRE DEPARTMENT FEES

Fire Inspection	\$ 30.00
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ADMINISTRATIVE FEES

Copier usage (Per Page)	\$.10 B/W, \$.20 Color
Returned Check or Denied Draft Fee	\$ 25.00
Notary Fee (per document)	\$ 5.00
Email (Send/Receive) each	\$ 5.00

OTHER FEES

High Weeds or Grass	\$50.00 + cost of cutting
Tree Permits	N/C

Non-Moving Violation Fees

\$50.00 Violation:

- Blocking Intersection
- No Parking Area
- Parking in Travel Lane

\$250.00 Violation:

- Fire Hydrant
- Fire Lane
- Handicapped Zone
- Other _____

SINGLE-FAMILY DWELLING BUILDING BOND \$ 2,500.00

Prior to issuance of a building permit for a single family dwelling, a deposit is collected to cover the cost the Town may incur, such as: water loss, road damage, job cleanups, or legal fees incurred by the Town that are the result of construction of the dwelling. Additionally, the deposit serves as a guarantee by the property owner to meet all requirements of the Town of Seven Devils regarding the completion of the site including drainage issues and landscaping.

SUBDIVISION PERFORMANCE GUARANTEE 125% of costs

The Subdivision Ordinance requires a Performance Guarantee prior to approval of a permit for construction of the improvements required by the Ordinance. Such guarantee must be in the form of a surety bond made by a surety company licensed to do business in North Carolina or other guarantee acceptable to the Town of Seven Devils.

SUBDIVISION IRREVOCABLE LETTER OF CREDIT 10% of estimated costs

Prior to approval of the Final Plat the Town requires an irrevocable Letter of Credit guaranteeing utility taps, curbs, gutter, street pavement, sidewalks, drainage facilities, water and sewer lines and other improvements against defects for two (2) years. The developer shall submit either an engineer's certified estimate of cost of install all improvements or a copy of the executed contract for the installation of all improvements.

CONSTRUCTION PERFORMANCE BOND 125% of costs
(\$2,500.00 minimum)

Prior to the issuance of a construction permit, Section 2 of the Construction Ordinance requires a performance bond to be made to the Town of Seven Devils naming Seven Devils as the beneficiary, to insure completion of work related to the project including, but not limited to, grading, drainage, erosion control measures, driveway construction, landscaping, and retaining walls. The bond shall be in the form of a surety bond made by a surety company licensed to do business in North Carolina, for 125% of the cost based upon either an engineer's estimate or cost or copy of a contract to perform the work. The minimum shall be \$2,500. If the work is not completed within one year, the Town of Seven Devils may make demand on said guarantee/bond. The Town may grant the contractor up to one additional year to complete the improvement if justified.