

**TOWN OF SEVEN DEVILS
PUBLIC HEARING & TOWN COUNCIL MEETING
June 11, 2019**

The Seven Devils Town Council met for a Public Hearing for the Budget Ordinance FY20 on Tuesday, June 11, 2019, at 5:00pm and in a Regular Meeting at 5:30pm at Town Hall. Present at the Public Hearing were Mayor Larry Fontaine, Mayor Pro Tem Brad Lambert and Council Members Tina Bailey, Kay Ehlinger, David Ehmig. Manager Debbie Powers was present; Town Attorney Rob Angle joined at the Regular Meeting; the minutes were recorded by Hillary Gropp, Town Clerk.

CALL TO ORDER

Mayor Fontaine explained the rules of a Public Hearing and then asked for a motion to open the Annual Public Hearing for FY20.

Member Ehmig called to open the Public Hearing at 5:01pm. Member Ehlinger seconded the motion. The members agreed unanimously.

PLEDGE OF ALLEGIANCE

Council members and citizens recited the Pledge of Allegiance.

PUBLIC HEARING – BUDGET ORDINANCE FY20

Manager Powers reviewed the FY20 Budget Presentation Highlights, including Revenues & Expenditures.

PUBLIC COMMENTS

Brian Davies – **299 Cliffside Lane**; inquired about the procedure for disposal of the Town’s vehicles and sale of assets. *Reply – Manager Powers answered with the steps.*

CLOSE PUBLIC HEARING

Mayor Pro Tem Lambert made a motion to close the Public Hearing. Member Bailey seconded the motion. The members agreed unanimously.

RECESS

Member Ehmig made a motion to recess. Member Ehlinger seconded the motion. The members agreed unanimously. Council went into recess at 5:13pm.

CALL TO ORDER FROM RECESS

Mayor Fontaine asked for a motion to come out of recess at 5:34pm. Mayor Pro Tem Lambert made a motion to come out of recess. Member Ehmig seconded the motion. The members agreed unanimously.

ADOPT AGENDA

Member Ehlinger made a motion to adopt the agenda. Member Bailey seconded the motion. The members agreed unanimously.

CONSENT AGENDA

Adopt minutes of Town Council Meeting – May 14, 2019

Adopt minutes of Town Council Budget Workshop – May 29, 2019

Mayor Pro Tem Lambert made a motion to adopt the Consent Agenda. Member Ehlinger seconded the motion. The members agreed unanimously.

CITIZENS COMMENTS

Kay Lambert – **430 Wildcat Rocks Road**; announced the upcoming SafetyFest on July 6, 2019 and Volunteers are needed; the Silent Auction will open on Monday July 1st at Town Hall.

Anne Fontaine – **127 West Rocky Top**; announced the promotional rack card with the Town's seasonal activities is available & it has been mailed to citizens in the water bills; extras are displayed in Town Hall. Music by the Lake will be on Friday, June 21st at 4:00pm–8:30pm. Participation is good for the bear decorating contest, winners will be announced on July 12th and bears are still available at Town Hall.

Bob Bridges – **147 Deepwood Court**; inquired about the legality and potential liability to vehicular traffic, should a collision or accident occur with skateboarders on the roads within Town limits.

Stuart Ryan – **213 Streamside Lane**; inquired about the violations of the Town's noise ordinance. *Reply by Town Manager Powers – Citizens should call the Police as the incident is occurring, so the situation can be resolved immediately.*

ADMINISTRATIVE UPDATE

Manager Powers provided the following update:

- Public Works Department received a compliment from a resident on the expeditious road clean up following the recent weekend storm that produced in excess of 9" of rainfall.
- Candidate filing for upcoming elections is July 5th – July 19th.
- The bear decorating contest has generated excitement and participation is good.
- May 3rd – Mgr. Powers met with Judy Francis-PARTF and Eric Hiegl-BRC for pre-application meeting and tour of proposed trail.
- May 9th – Due diligence of building inspection & IT contractor for new Town Hall/Skyline Bldg.
- May 17th – Police Department held candidate interviews with future graduates of BLET; Banner Elk and Sugar Mountain participated and offered input.

- May 28th – Board of Adjustment met to consider the application for variance request for sign at Hwy. 105 at Shoppes of Tynecastle; Result - variance granted.
- May 31st – Annual Fire Department dinner – 24 attendees; PBSO paid 1/3 of bill.
- The CCR 2018 is now available; it is available online or at Town Hall for citizens.
- June 18th – Planning Board will meet to discuss various ordinance updates.
- Town Hall is closed Thursday, July 4th for the Independence holiday.
- August 6th – Annual financial audit to occur.

Manager Powers provided updates on Tree Permits, Projects, Complaints & Real Estate Closings

OLD BUSINESS

Manager Powers provided an update with the timeline about the purchase of the Skyline Building. On June 25th, the LGC Coach Team will meet with Manager Powers and Finance Officer, Helga Sappington for a unit visit. Then the next step includes being included as an agenda item on the monthly LGC meeting of July 9th. Possible real estate closing with the Town and Skyline in late July or August, date TBD. Town Manager will update Town Attorney Rob Angle during the next few weeks. ~OPEN~

NEW BUSINESS

12) A. SEVEN DEVILS FIRE RATING

Mayor Pro Tem presented Fire Chief Bobby Powell an award for the tremendous work & effort that resulted in the Town’s improved fire rating after the recent inspection. The fire rating is 4/9S, effective September 1, 2019.



OSFM
NC DEPARTMENT OF
INSURANCE

For Immediate Release
May 30, 2019

RATINGS AND INSPECTIONS
Tel: 919 647,0000 Fax: 919 715,0063

MIKE CAUSEY, INSURANCE COMMISSIONER & STATE FIRE MARSHAL
BRIAN TAYLOR, CHIEF STATE FIRE MARSHAL

Contact: Maria Sink
(919) 807-6017

Fire District Receives New Rating After Inspection
State Officials Award New District Rating

RALEIGH - North Carolina Insurance Commissioner and State Fire Marshal Mike Causey announced today that the following Fire Districts completed their routine inspection and received the listed rating, on listed effective dates. The inspection, conducted by officials with the Department of Insurance Office of State Fire Marshal (OSFM), is required on a regular basis as part of the North Carolina Response Rating System (NCRRS). Among other things, the routine inspections look for proper staffing levels, sufficient equipment, proper maintenance of equipment, communications capabilities and availability of a water source.

District	Type	Rating	Effective
Seven Devils	Municipal	4/9S	09/01/2019

The NCRRS rating system ranges from one (highest) to 10 (not recognized as a certified fire department by the state), with most rural departments falling into the 0S category. While lower ratings do not necessarily indicate poor service, a higher rating does suggest that a department is overall better equipped to respond to fires in its district. Higher ratings can also significantly lower homeowners insurance rates in that fire district.

"I'd like to congratulate Chief Powell for the department's performance and for the hard work of all the department members," said Commissioner Causey. "The citizens in the Town of these districts should rest easy knowing they have a fine group of firefighters protecting them and their property in case of an emergency."

State law requires OSFM officials to inspect departments serving districts of 100,000 people or less, which makes up all but twelve of the state's fire districts.

-NCDOR-

Bob Bridges – 147 Deepwood Court; stated the importance of the improved fire rating and the benefit to homeowners with lower cost insurance premiums. ~CLOSED~

12) B. BUDGET ORDINANCE FY20

Manager Powers presented the Budget Ordinance FY20 to the Town Council and provided a review of the Revenue Summary & Expenditure Summary.

**ANNUAL OPERATING
BUDGET ORDINANCE
FY 2019 - 2020**



**TOWN OF SEVEN DEVILS
NORTH CAROLINA
Adopted – June 11, 2019**

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, 2019 and ending June 30, 2020.

REVENUE SUMMARY

EXPENDITURE SUMMARY

General Fund	\$1,940,712	General Fund	\$1,940,712
Enterprise Fund	\$312,663	Enterprise Fund	\$312,663
Total	\$2,253,375	Total	\$2,253,375

Section 1. General Fund

Section 1. General Fund

Anticipated Revenues By Category-

Authorized Expenditures By Department-

Ad Valorem Taxes	\$806,000	Governing Board	\$100,050
State Shared Revenue	\$120,510	Administrative	\$485,856
ABC Distribution	\$100,000	Public Safety	\$550,043
Powell Bill Allocation	\$30,000	Fire Protection	\$140,491
Permits, Fees, and Licenses	\$4,000	Planning and Inspections	\$1,500
Sales Tax	\$175,000	Public Works	\$482,772
Miscellaneous Revenues	\$123,930	Powell Bill	\$30,000
Appropriated Fund Balance	\$164,467	Tourism Development Authority	\$150,000
Government Grants	\$80,000		
Sale of Assets	\$20,000		
From Capital Reserve Fund	\$186,805		
Occupancy Tax	\$150,000		
Total	\$1,940,712	Total	\$1,940,712

Section 2. Enterprise Fund

Section 2. Enterprise Fund

Anticipated Revenues By Category-

Authorized Expenditures By Department-

Water Operating Revenues	\$244,500	Water-Operating	\$117,914
Water Taps and Connections	\$2,000	Non Operating	\$142,249
Non Operating Revenues	\$1,296	Capital Outlay	\$52,500
From Capital Reserve for Capital Outlay	\$64,867		
Total	\$312,663	Total	\$312,663

**TOWN OF SEVEN DEVILS
ANNUAL OPERATING BUDGET ORDINANCE
FY 2019-2020**

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, 2018, is hereby levied and established as the official tax rate for the Town of Seven Devils for fiscal year 2019-2020. The rate is based upon a total valuation of \$159,591,643. and estimated collection rate of 99.7%. 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 2019-2020, 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 2019-2020**

Section 8. Classification and Pay Plan

Town employees shall be given a cost of living increase of two percent (2%) and shall begin with the first payroll in the new fiscal year. The Town Manager will distribute up to two percent (2%) merit increase at her discretion throughout the fiscal year.

The Town will match an employee's 401(K) contributions up to two percent (2%) of the employee's wage. This benefit only applies to employees who contribute to their 401(K) plan. Non-LEO employees may choose to participate in an additional two percent (2%) match, as a "catch-up" Plan to LEO's.

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 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.

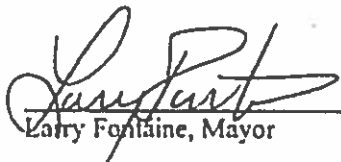
**TOWN OF SEVEN DEVILS
ANNUAL OPERATING BUDGET ORDINANCE
FY 2019-2020**

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 2019-2020 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 11th day of June 2019.


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
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
Electrical Permit	\$75.00
Trip Fee	\$75.00
Floodplain Permit	\$150.00
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	\$ 50.00
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	\$ 100.00/action/lot
Petition for Annexation	\$ 100.00

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

Faxes per page (Sent)	\$ 1.00
Faxes per page (Received)	\$.50
Copier usage (Per Page)	\$.10 B/W, \$.15 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.

Member Ehlinger made a motion to approve the Budget Ordinance FY20. Mayor Pro Tem Lambert seconded the motion. The members agreed unanimously. **~CLOSED~**

12) C. BUDGET AMENDMENT FY19

	Current Budget	Actual 5/31/2019	Proposed FINAL	FINAL BALANCE
Section 1. General Fund				
Ad Valorem Taxes	\$ 803,500	\$ 807,992	\$ 4,500	\$ 808,000
State Share Revenues	\$ 120,510	\$ 104,876	\$ 3,554	\$ 124,064
ABC Distribution	\$ 100,000	\$ 79,500	\$ -	\$ 100,000
Powell Bill Allocation	\$ 30,000	\$ 28,906	\$ (1,094)	\$ 28,906
Permits & Fees	\$ 4,000	\$ 1,208	\$ (2,704)	\$ 1,296
Sales Tax	\$ 175,000	\$ 126,336	\$ -	\$ 175,000
Miscellaneous Revenues	\$ 23,880	\$ 36,854	\$ 96,376	\$ 120,256
Appropriated Fund Balance	\$ 15,000	\$ -	\$ -	\$ 15,000
Government Grants	\$ 194,225	\$ 42,357	\$ (151,868)	\$ 42,357
Sale of Assets	\$ 15,000	\$ 21,236	\$ 6,236	\$ 21,236
Capital Reserve Fund	\$ 28,217	\$ -	\$ -	\$ 28,217
Occupancy Tax	\$ 120,000	\$ 156,880	\$ 45,000	\$ 165,000
Total GF Revenues	\$ 1,629,332	\$ 1,406,145	\$ -	\$ 1,629,332
Authorized Exp by Dept.				
Governing Board	\$ 85,125	\$ 16,703	\$ 5,900	\$ 91,025
Administrative	\$ 332,872	\$ 337,593	\$ 95,998	\$ 428,870
Public Safety	\$ 474,171	\$ 415,375	\$ (25,446)	\$ 448,725
Fire Protection	\$ 173,196	\$ 80,735	\$ (84,886)	\$ 88,310
Planning/Zoning	\$ 1,500	\$ 1,061	\$ (438)	\$ 1,062
Public Works	\$ 412,468	\$ 333,067	\$ (36,128)	\$ 376,340
Powell Bill	\$ 30,000	\$ 30,000	\$ -	\$ 30,000
TDA	\$ 120,000	\$ 156,880	\$ 45,000	\$ 165,000
Total GF Expenditures	\$ 1,629,332	\$ 1,371,414	\$ -	\$ 1,629,332
Section 2. Enterprise Fund				
Water Operating Revenues	\$ 244,500	\$ 208,243	\$ -	\$ 244,500
Water Taps/Connections	\$ 4,000	\$ -	\$ -	\$ 4,000
Non-Operating	\$ 2,750	\$ 1,461	\$ -	\$ 2,750
From Capital Reserve	\$ 97,778	\$ -	\$ -	\$ 97,778
Total EF Revenues	\$ 349,028	\$ 209,704	\$ -	\$ 349,028
Authorized Expenditures				
Water Operating Exp	\$ 119,908	\$ 92,650	\$ -	\$ 119,908
Water Non-Op Exp	\$ 144,620	\$ 58,222	\$ -	\$ 144,620
Capital Outlay	\$ 84,500	\$ 70,203	\$ -	\$ 84,500
Total EF Expenditures	\$ 349,028	\$ 221,075	\$ -	\$ 349,028

Mayor Pro Tem Lambert made a motion to approve the Budget Amendment FY19. Member Ehlinger seconded the motion. The members agreed unanimously.

~CLOSED~

COMMITTEE REPORTS


- Board of Adjustment – May minutes**
- Planning Board – No meeting**
- Public Works – No meeting**
- Public Safety Committee – May & June minutes**
- Parks & Recreation Committee- May minutes**
- TDA – May minutes**
- ABC Board – April minutes**
- Tree Committee – No meeting**
- Public Safety Department**
 - Police Report**
 - Fire Report**

COUNCIL COMMENTS


Mayor Pro Tem Lambert provided feedback to the inquiry by Bob Bridges during the Citizens Comments, as this issue has been researched in the past by the Town.
Reply by Mayor Pro Tem Lambert – Skateboards are considered vehicles and have to abide by laws on State Road & Town Roads. Violations can be issued by Police, but violators have to be caught in action.

ADJOURN

Mayor Pro Tem Lambert made a motion to adjourn. Member Ehlinger seconded the motion. The members agreed unanimously. The meeting adjourned at 6:15pm.


Larry Fontaine, Mayor




Hilary Gropp, Town Clerk