

## **Town of Lake Santeetlah**

### **Budget Workshop Minutes**

**March 26, 2024**

Mayor Simon called the meeting to order at 12:01 PM. Councilmembers Jim Hager, Kevin Haag, Keith Predmore, and Ralph Strunk were present for the meeting. Town Administrator Kim Matheson and Town Clerk Kala Farley were also present.

**Approval of the Agenda:** Haag made a motion to approve the agenda. Strunk seconded. All approved. The motion passed unanimously.

#### **New Business:**

- 1. Discussion of Budget:** Matheson said in the Revenue we have gone from .209 to .201 in the tax collection. The Sales and Use tax was increased by \$20,000. It was \$100,000 and was increased by \$20,000. Matheson said I did slightly raise some of the columns just because we have gone over in the past. We did do a 5% increase for the employees and Farley is going to go full time in August when her kids start school. Insurance went down quite a bit because it's only me that you're paying insurance for. Matheson said Legal Fees was increased. The attorney charges \$2500 a month and some extra was added because if he uses any of his staff or associates he charges for that. Matheson said we've got \$8000 for Zoning Administrator. Haag asked about the Nantahala Regional Line item that previously had \$2400 and now has \$1000. Matheson said Franklin Shook, director of the Nantahala Regional Library, has requested another increase from the \$2400 requested last year. The \$2400 requested last year was to pay an employee to work for four hours on Mondays in order to keep the library open on Mondays. The new request was for the amount of a little over \$3500 to raise that employee's rate of pay from \$10 to \$14. Matheson said Shook will be attending the April 9<sup>th</sup> Council Meeting to go over that request so it is undecided what that line item will be at this time or if it will go to Nantahala Regional Library or Friends of the Library. Hager said the Councilmember Meeting Fees were increased from \$50 to \$100. Matheson said Audit stayed the same. Insurance was increased by \$500 and an estimate should come in before the vote on the budget.

Matheson said we did increase the Councilmember Meeting Fee to \$100 for each member. Hager said some members of the Council already donate those fees and asked why not take those fees and put them in a scholarship fund for the High School instead. Predmore suggested that the money go toward a trade school scholarship. After discussion it was agreed that Matheson make a change by taking the \$6000 from the Meeting Fees line items and rename it for donations to a scholarship for Robbinsville High School. Predmore asked if the Council could get some kind of outline from the high school's Principal David Matheson that says what the donated funds from the Town will be used for in order to share that information with the public.

Matheson said Danger Tree Removal was left at \$6000 and we do have two or three trees that are going to come down in April. There are trees every year that have to come down. Matheson said Santeetlah Fire Department donation was increased from \$5000 to \$6000. Matheson said I have gone up a little on the electricity, \$200. Predmore said if Duke Energy converted all the street lights to LED bulbs that the power bill would go down. Hager said the Town checked in to that a few years ago. There are two groups of street lights around town. One of those is an old system that would require the fixtures to be changed out in order to use LED's. Matheson said it was going to be quite a bit more expensive to do that. Matheson said Utilities Gas increased \$100. Maintenance to the buildings and Utilities Water was left the same. Contract Public Safety was the same. Predmore asked if the Town pays \$10,500 a year for Contract Public Safety. Matheson said yes, it would be the same amount for a year. Hager said that is something that the Council needs to discuss and said he would like to invite the deputy that does the patrol out to give a report of his patrol and what problems he has encountered during his patrol. After discussion, it was decided to invite a representative from the Sheriff's Department to come to the April Council meeting to give a report on the patrol done in the Town. Haag said he remembered having the discussion before, when he was a previous Council, about the reason the Town is paying additional money to the Sheriff's Department and stated the idea was to prevent break ins and things from happening and the reason was that Graham County doesn't circle around out here very often. They just don't come. So, that was our way of incentivizing to be here by paying somebody to actually show up. Haag said he didn't mind if it was made more random in terms of the times the officer came to patrol, just so people know that an officer does come into Town more frequently, but don't think \$10,000 should be spent.

Predmore agreed. Matheson said there is a current agreement with the Sherriff's Department for a certain number of hours and rate per hour and we could look at that when the agreement ends. Matheson said we can possibly lower the number of hours when it's time to renew the agreement. Hager said he would just like to hear about anything that has happened from the deputy that does the patrol. Predmore said it is all about risk and benefit. If we have an increased risk, that goes with more money. If the risk goes down, that to me, the money goes down. Matheson said we would have to look at that when the contract expires.

Matheson said we have \$8500 in paving listed under Powell Bill and \$40,000 listed just in the General Fund. Matheson said we are looking to get some bids on some paving that needs to be done but we don't have those yet, so I'm not sure if we'll have enough to do the paving projects that we want to do this year. Matheson said Capital Reserves went up from \$39,000 to \$40,000. It's 15% of the Ad Valorem tax. Matheson said we transferred the \$39,000 so we now have \$59,000 in that account. By the end of the next fiscal year we should have \$99,000, so if we did have paving that came in at \$60,000, we could use part of that reserve money if we needed to pay.

Matheson said if we take the cash out of all the accounts at United Community Bank there's a total of \$724,606.15. There is a loan for the water fund that the current balance on is \$136,666.54. If you take that amount from the current available balance we would have \$587,939.61. Also, at First Citizens, we do have a General Fund savings account that's got \$11,395. Matheson said Hager and Mayor Simon took \$100,000 out of the General Fund and put it in a CD and it earned \$238 last month. Predmore asked where all the reserve money is. Matheson replied in the General Fund Savings Account or the Water Fund Money Market Account. The General Fund has got the savings account, then we got the CD, and the Operating Water and Operating General Fund are both interest bearing. Predmore asked if the money was in the right interest bearing account and what is the interest. Matheson said it is, but the interest rate is not good anywhere and that's why they did the CD. Simon said the CD is paying more than we were getting from the bank. On our CD we got 3.75%, which is still lower than what your personal CD would get. Mayor Simon said you have investment earnings here at \$250, we were making that on the CD in one month, and so, do we need to increase that. The CD is only for seven months. Hager said the problem with the CD is that you lock money in for X number of months and

if you need that money you might not be able to get it out. Matheson said you would have to do a forfeit on it. Mayor Simon asked can we do smaller amounts, like \$50,000. Matheson said you could, but with the Water Fund you never know. Matheson said over the last couple years we've not had any big water main breaks that have taken a lot of money and we've not had to replace any of the well pipes. Mayor Simon said it seems like previously we made something like \$57 for a whole year of money sitting in there, so having putting it in the CD was a big move.

Matheson said Truck Gas was left at \$500 and that was basically it on the General Fund.

Strunk asked to make a comment and said he had concern about the safety of the office staff, Matheson and Farley, in that they are in the office alone most of the time and suggested that a security camera be installed somewhere. There was discussion of possibly having a camera installed outside, with warning signs saying there are cameras recording that captured only video of people outside of the building.

Matheson said the only thing done on the Water Fund was there is two proposals on there. One raised the base rate to \$155.00 and the other raised consumption \$4.50. The difference at the bottom line, if we leave it the way it is, we've got \$16,405.21. If we increase it, it will give \$30,000 to move to reserves. Mayor Simon asked for clarification on the amount. Matheson said it would be increasing the water rate from \$140 to \$155 and increasing consumption to \$4.50. Hager said one thing he would like to say about the Water Fund is the Town has somewhere around \$126,000 left on a ten year loan and you can't pay it off early, or, if you have the money you can pay it off with cash, but you can't make extra payments. The problem is the Town is just in 3 or 4 years of this loan and before this loan is paid off we're going to have other major issues to deal with. So, raising the quarterly fee by \$15 brings in an extra \$12,000 a year. Matheson said coming up we're going to have to start replacing the batteries in the water meters and those are expensive. Hager said we need to consider the long term in Water. Matheson said there's just no room to wiggle in the Water Fund and it is like this every year. The Water Fund right now has \$70,000 in it and that is the most that I can remember ever being in the Water Fund. Mayor Simon said we are dropping our millage rate so our taxes will be going down. Hager said we will make that up in the Sale and Use tax distribution. Mayor Simon said so an increase of \$15 a quarter on water is not that drastic compared to dropping

your property taxes. Matheson said we definitely will see a difference in the \$155, but not as much with the consumption. The quarter from June to September we might have \$6000 in consumption, then, the next quarter might be \$1500. We have that one quarter in the year that we have a lot of money coming into consumption because we have a lot of people here, but then after that there's not a whole lot of consumption.

Mayor Simon said Computer Tech Support had \$1500 and thought the Town was paying \$250 a month so that would be \$3000. Matheson said that would need to be changed and increased to \$3000.

Haag asked about Elections and the amount being taken out. Mayor Simon said that is because the election is only every two years and the next election will be in an election year where other people are having elections. Matheson said we will share the charges with Robbinsville then. Haag asked about Advertising, Line 20. Matheson said anytime we have a public hearing or our budget hearing, we have to advertise it in the newspaper. Haag asked about Dues and Subscriptions. Matheson replied we are a part of the League of Municipalities, and we have to pay them annually because we have insurance. We are part of the Clerks Community where anyone in the state of North Carolina that has a question within the League of Municipalities, they email that in, and we can see all that and if we need help we can also do that. In Water, we have some different things too. Haag asked if the internet web page was still up and running and saw it went up a couple hundred dollars. Matheson said it is and if you don't pay that they shut it down. Mayor Simon asked if we were still in line with everything for our Edmunds software. Matheson replied our renewals, yes. Matheson said Edmunds is hosted and we do have support, and we do use it. They can remote in and fix whatever is needed. Haag said the mileage that is currently on there, went from \$2700 to \$1000. Matheson stated that was because we are just not taking classes as much. I've tried to go to two and I've not been able to get in, but I do have one that I want to go to in Chapel Hill.

### **Request for Public Comment**

**Alan Davidson:** Davidson said he liked the idea of a Trade School Scholarship. Davidson said there aren't many people now that are learning trades and liked the idea of giving money to help encourage and promote people to learn a trade.

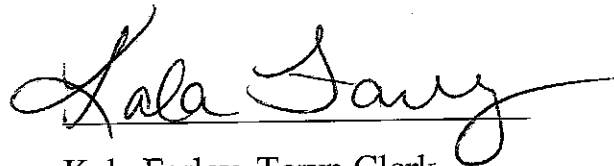
Haag asked a question about Line 41 Payroll Service and stated I know that you're doing it on Edmunds. Is there an additional charge to have that block put in there and it's that much per month. Matheson said per year and that is the charge for the service from Edmunds to have that software.

**Motion to Adjourn**

Hager made a motion to adjourn the meeting. Haag seconded. The meeting was adjourned at 1:14PM.



Diana Simon, Mayor



Kala Farley, Town Clerk