

Town of Sylva
CONSENT AGENDA
February 9, 2023

1- APPROVE MINUTES:

January 12, 2023, **Regular Board Meeting**; January 26, 2023,
Regular Board Meeting; January 26, 2023, **Budget Work Session**

2- BUDGET AMENDMENT:

#29 19-531-0200 FD Salaries and Wages \$ 4,000 C

19-530-3300 FD Supplies and Expense 4,000 D

REF: To reappropriate the budget for uniforms purchased for FD employees vs. a clothing allowance out of salaries and wages.

#30 10-510-0000 PD Comp/Vac Payout \$ 7,500 C

10-510-0100 PD Wages and Salaries Aux 7,500 D

REF: To cover the costs of a worker's compensation absence.

#31 10-399-0000 Fund Balance (Earmarked Substance Tax) \$10,000 C

10-510-3500 PD Substance Tax Expense 10,000 D

REF: To appropriate Substance Tax monies into the Police Department budget to fund IT upgrades, file storage solutions, and uniforms.

3- TAX RELEASE:

#2 Postmark Release ~ \$59.55 Interest

4- REPORTS:

1- Business Registration Permit as of **January 2023**

2- Vehicle Tax Report as of **December 31, 2022**

3- Ad Valorem Tax Report as of **December 31, 2022**

4- Statement of Revenues, Expenditures, Changes in Fund Balance as of
December 31, 2022

5- Financial Report as of **December 31, 2022**

6- Special Revenue Quarterly Report as of **December 31, 2022**

5- OTHER:

- **Resolution to Amend the Fund Balance Policy for the General Fund (R 2023-02) ~ The original resolution ~ (R2022-01):**

Management recommends the Fund Balance target goal be decreased from 75% to 68% due to an increase in expenditures resulting from the Sylva Fire Department adding 8 full-time employees.

- **2022-2023 ABC Alcohol Rehabilitation/Education Appropriation:**

*Management recommends that the Town allocate the \$33,955 ABC Rehabilitation and Education earmarked monies to **Hights, Inc. Addictions Prevention and***

Treatment Program. This will replace the previous ABC Grant Program. Since this is a service and not a grant, the Board will approve the disbursement in the annual budget starting with FY 2023-2024.

Summary:

The Town and Hights, Inc. will partner together to provide a service that will focus on addiction prevention and treatment with emphasis on alcohol. The proposed program will target youth by providing school-based programs, an after-school youth program, and a summer adventure program. The treatment side will offer counseling, outpatient therapy, and crisis intervention.

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	Lewy	Penalty	Subtotal	Charges	Interest	Subtotal	Total
2022							
GR Sylva Gross Receipts			0.00	356.10		356.10	356.10
Totals For Year 2022			0.00	356.10		356.10	356.10
	Lewy	Penalty	Subtotal	Charges	Interest	Subtotal	Total
Grand Totals			0.00	356.10		356.10	356.10

Business Registration Permit Application

January 2023

<u>Date Submitted</u>	<u>Business Name</u>	<u>Business Location</u>	<u>Owner</u>
1/12/2023	Jackson Tobacco & Vape Inc	366 Walmart Plaza, Ste A	Rachid Cheriet
1/17/2023	Specialities Plus of NC	25 Schulman Street	Kristina Newsome
1/24/2023	Meatballs Pizzeria	414 W Main St.	Crystal Pace

Tax Summary
as of December 31, 2022

(10-301-XX)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	Total	Current Year	TOTALS
Starting Balances	47803.82	25739.87	11355.89	7814.42	6305.23	4092.75	2964.2	2037.46	3,828.52	1,333.46	113,275.12	\$2,205,268.51	10-281-0000
July	-2875.7	-482.5	-286.21	-239.4	-239.4	-239.4	-248.36	-248.36	-248.36	-248.36	-5,356.05		-5,356.05
August	-1561.35	-389.12	-203.69	-155.9	-155.9	-155.9	-144.29	-144.29	-132.93		-3,043.37		-3,043.37
September	-2282.79	-1238.64	-1287.9	-896.66							-178,904.25		-184,610.24
October	-754.67	-150.41	-73.27								-978.35		-253,323.19
November	-506.6	-89.18	-394.56								-990.34		-331,138.18
December	-3730.74	-321.13	-239.1	-265.18	-265.18	-265.18	-191.57				-5,278.08		-858,242.65
January											0.00		0.00
February											0.00		0.00
March											0.00		0.00
April											0.00		0.00
May											0.00		0.00
June											0.00		0.00
July - June Totals	-11711.85	-2670.98	-2484.73	-1557.14	-660.48	-660.48	-584.22	-392.65	-381.29	-248.36	-21,352.18	-1,614,361.50	-1,635,713.68
Releases											0.00		0.00
Add to Original Levy											0.00		0.00
Under Appeal	-3256.02	-2439.98									-5,696.00		-5,696.00
Bankruptcy											0.00		0.00
Refund/Adj	-14,967.87	-5,110.96	-2,484.73	-1,557.14	-660.48	-660.48	-584.22	-392.65	-381.29	-248.36	-27,048.18	-1,604,135.38	-1,631,183.56
Subtotals	\$32,835.45	\$20,628.91	\$8,871.16	\$6,257.28	\$5,644.75	\$3,432.27	\$2,379.98	\$1,644.81	\$3,447.23	\$1,085.10	86,226.94	\$601,133.13	\$687,360.07
EOY Adjustment													
(10-110-XX) Balance	\$20,628.91	\$20,628.91	\$8,871.16	\$6,257.28	\$5,644.75	\$3,432.27	\$2,379.98	\$1,644.81	\$3,447.23	\$1,085.10	86,226.94	\$601,133.13	\$687,360.07
Interest	185.51	74.81	59.56	78.35	99.71	121.07	147.69	169.89	192.09	214.30	1,342.98	236.50	1,579.48
July	185.51	74.81	59.56	78.35	99.71	121.07	147.69	169.89	192.09	214.30	1,342.98	236.50	1,579.48
August	116.11	54.29	40.1	52.13	66.05	79.97	86.64	99.48	97.34		692.11		692.11
September	193.83	210.37	322.41	306.26							1,032.87		1,032.87
October	64.92	34.75	6.31								105.98		372.95
November	19.13	190.79	38.47								248.39		481.06
December	376.68	45.86	48.28	96.6	120.24	128.39	121.42				937.47		937.47
January											-		-
February											-		-
March											-		-
April											-		-
May											-		-
June											-		-
Interest Collected	\$956.18	\$610.87	\$515.13	\$533.34	\$286.00	\$329.43	\$355.75	\$269.37	\$289.43	\$214.30	\$4,359.80	\$736.14	\$5,095.94
Submitted by: Amanda Murajda, Tax Collector												Collection Rate	72.8669%

Top 10 Delinquent Accounts (2021 & prior)

Name	Balance 12/31/2022
Angela George	\$ 9,523.02
Joe Wilson	\$ 4,662.41
Dorothy Worley	\$ 3,919.15
Reginald Holland	\$ 3,416.23
Ray Worley	\$ 3,394.56
Aarons Inc Co 1117	\$ 3,202.28
Dorothy Franklin	\$ 2,961.05
Marjorie Herbert	\$ 2,869.83
Joyce Stratton	\$ 2,759.68
David Howell	\$ 2,680.15

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
12/31/2022

		General Fund				Actual to	Statement	
		2022-2023	Previously	2022-2023	Current	Budget	Period	Variance
		Budgeted	Reported	YTD Actual	Month	Budget Balance	6	
Revenues:								
Ad valorem taxes	\$	2,257,082	\$ 822,401.40	\$ 1,689,719.02	\$ 867,317.62	\$ 567,362.98	74.86%	50.00%
Other taxes and licenses	\$	6,000	5,140.00	5,140.00	-	860.00	85.67%	50.00%
Unrestricted intergovernmental	\$	2,842,708	989,122.78	1,281,769.91	\$ 292,647.13	\$ 1,560,938.09	45.09%	50.00%
Permits and Fees	\$	21,290	9,751.70	10,256.33	\$ 504.63	\$ 11,033.67	48.17%	50.00%
Restricted intergovernmental	\$	191,720	104,179.80	140,370.14	\$ 36,190.34	\$ 51,349.86	73.22%	50.00%
Investment earnings	\$	23,192	38,492.80	64,663.34	\$ 16,448.94	\$ (41,471.34)	278.82%	50.00%
Other revenues	\$	23,150	9,041.77	11,176.77	\$ 2,135.00	\$ 11,973.23	48.28%	50.00%
Total revenues	\$	5,365,142	1,978,130.25	3,203,095.51	1,215,243.66	\$ 2,162,046.49	59.70%	50.00%
Expenditures:								
General Government	\$	924,337	369,183.23	420,552.04	51,368.87	503,784.96	45.50%	50.00%
Salaries & Benefits	\$	368,560	84,385.00	182,647.82	28,301.25			
Capital outlay	\$	-	-	-	-			
All other expenditures	\$	555,777	284,798.23	237,904.22	23,067.62			
Public Safety	\$	3,303,987	1,274,781.10	1,469,452.75	194,672.65	1,834,534.25	44.48%	50.00%
Salaries & Benefits	\$	1,885,251	648,294.44	739,744.89	119,807.25			
Capital outlay	\$	208,635	84,385.00	84,385.00	-			
All other expenditures	\$	1,210,101	542,100.66	28,773.70	74,865.40			
Culture and Recreation	\$	114,899	28,289.63	31,084.96	2,795.33	83,814.04	27.05%	50.00%
Salaries & Benefits	\$	31,400	9,543.48	9,543.48	1,665.51			
Capital outlay	\$	10,000	-	-	-			
All other expenditures	\$	73,499	18,746.15	21,541.48	1,129.82			
Transportation	\$	760,523	243,147.88	251,110.22	7,962.34	509,412.78	33.02%	50.00%
Salaries & Benefits	\$	336,650	120,920.81	120,920.81	24,728.96			
Capital outlay	\$	73,664	10,464.67	(31,538.42)	(31,538.42)			
All other expenditures	\$	350,209	111,762.40	161,727.83	14,771.80			
Economic and Physical Development	\$	-	-	-	-	-	0.00%	0.00%
Salaries & Benefits	\$	-	-	-	-			
Capital outlay	\$	-	-	-	-			
All other expenditures	\$	-	-	-	-			
Environmental Protection	\$	201,315	81,438.77	92,462.05	11,023.28	108,852.95	45.93%	50.00%
Salaries & Benefits	\$	87,750	35,530.81	42,398.49	6,867.68			
Capital outlay	\$	-	-	-	-			
All other expenditures	\$	113,565	45,907.96	50,063.56	4,155.60			
Total expenditures	\$	5,305,061	1,996,840.61	2,264,662.02	267,822.47	3,040,398.98	42.69%	50.00%
Revenues over expenditures	\$	60,081	(18,710.36)	938,433.49	947,421.19	(878,352.49)	-16.56%	
Other financing sources (uses):								
Transfers in	\$	883,107	892,906.50	883,106.50	-	-		
Appropriated fund balance	\$	590,419	-	-	-	-		
Contributed Capital	\$	-	-	-	-	-		
Sale of Assets	\$	-	-	-	-	-		
Loan Proceeds	\$	-	-	9,800.00	-	-		
	\$	1,473,526	892,906.50	892,906.50	-	-		
Transfers to other funds:								
Contributed to fund balance	\$	-	-	-	-	-		
Transfers out	\$	1,533,607	-	-	-	-		
Transfer to Capital Reserve	\$	1,533,607	-	-	-	-		
Total other financing sources (uses)	\$	(60,081)	892,906.50	892,906.50	-	-		
Revenues and other sources over expenditures and other uses	\$	-	874,196.14	1,831,339.99	947,421.19	(878,352.49)		

Analysis:

Timing of Revenues

CAPITAL RESERVE FUNDS:				REVOLVING LOAN FUND:	
General Fund		Fire Department		RLF Balance 6/30/22	
GF Res. 6/30/2022	\$218,384	FD Res. 6/30/22	\$293,107	Interest	\$103,121
Approp. to CRF	\$0	Appropriations	\$0	Investment in Real Estate	\$357.00
Interest	\$1,861	DOI Earmarked	\$14,087	Subsequent Year Approp.	-\$52,435
Other	\$0	Interest	\$2,019	Balsam West Credit (A/R)	-\$6,000
Subsequent/Approp after 7/1			\$0		
GF Available Funds	\$220,245	FD Available Funds	\$309,213	RLF Available Funds	\$45,043
FISHER CREEK ANALYSIS:				Fisher Creek Funds Available	
Bank Investments	Current Invested	FY Interest as of 12/31/2022	Current Interest Rate	Total Interest starting 10/2007	
NCCMT	\$815,330	\$11,170.26	3.92%	Fund Balance	3,059,755
Entegra/Select Bank/First Bank	\$238,813	\$2,021.42	2.50%	Subsequent/Roll Over	-71,000
Community First Bank	\$2,022,585	\$13,560.72	2.60%	Water Quality	-1,219,319
UICB	\$0			Revenues	20,414
HomeTrust	\$0			Expenditures	-10,954
Wachovia	\$0			Funds Available	\$1,778,896
1st Citizen	\$0			ARPA Funds/Interest	877,174.35
				Appropriations	-435,949.00
				Balance Remaining	\$441,225.35
	\$3,076,729	\$26,752.40			
Note: \$3,500,000 received from Clean Water Management Trust Grant 10/2007. The grant requires that \$1,400,000 (40%) be spent on water quality. Currently \$182,141 has been expended towards this purpose leaving \$1,217,859 remaining.					
Total H2O Quality Interest \$12,068.71					
PROPERTY TAX ANALYSIS				OUTSTANDING LOANS	
Budgeted	\$2,139,982	Loan	P/I	Loan Payoff Year	Annual Debt
Original Billing + Utilities	\$2,205,268	Pumper Truck - FD	\$46,059	23-24	\$30,084
Est. 97.78% Collection	\$2,166,311	Building Renovations - FD*	\$175,242	23-24	\$142,074
Collection/Releases	\$1,604,135		\$221,302		\$172,158
Discovery/Penalties	\$13,114				
Appeals (Total)	\$5,696				
Outstanding	\$601,133	* Paid by Jackson County			
Collection % Rate	72.87%				
Prior Year Collection % Rate	67.11%				
Submitted by: Lynn Bryant, Finance Officer					

Town of Sylva
Special Revenue Funds/Capital and Grant Project Quarterly Report
December 31, 2022

Public Art Fund (Fund 23) - Special Revenue Fund:

Original Ordinance (2017-01)	0
Fund Balance (6/30/2022)	3,548
Revenue - Donations/ Interest	1,631.00
Fund Balance Appropriation (Operating Budget)	-2,000
Expenditures	0
Balance to Date	\$3,179

Sidewalk SRF (Fund 27) - Special Revenue Fund:

Original Ordinance (2017-02) Note: Amended from RLF	103,713
Budget Amendment #1 (Skyland Drive 7/11/19)	174,687
Budget Amendment #2 (Skyland Drive 3/12/20 - Note: will be reapproved on 2/10/22)	2,800
GF Transfer In from GF (Hwy 107)	200,000
Budget Amendment #3 (Skyland Drive 11/12/22)	100,000
Revenue/Interest	15,796
Expenditures (Skyland Drive)	-89,200
Balance to Date	\$507,796
* Remaining DOT Contract Skyland Drive	\$292,000

ARPA Funds (Fund 28) - Special Revenue Fund:

Revenue - 1st Tranche	436,296.80
Supplanted to GF Fund Balance (10-229-0500)	-436,296.80
Transferred Interest (10-299-0500)	85.76
Revenue - 2nd Tranche	436,296.80
Supplanted to GF Fund Balance (10-299-0500)	-436,296.80
Transferred Interest (10-299-0500)	1,290.70
Balance to Date	\$0.00

Allen Street Landslide (Fund 22) - Capital Project Fund:

Original Ordinance (GF end of year - could have rolled into Capital Reserves) (5/31/2021)	426,000
Amended (GF Fund Balance - Approved 6/10/2021)	324,000
Amended (6/30/2021 Capital Transfer)	490,500
Amended (4/21/22 GF Fund Balance)	323,647
Amended (4/21/22 DOT Contingency) Reimbursement	750,000
Expenditures	-\$260,385
Encumbrances (CDC, Wurster -Design, Duke)	-\$79,321
Anticipated Wurster Contract	-\$1,426,268
Contribution to Allen Street Fund Balance	-\$349,820
Interest	18,376
Balance to Date	\$198,352.63

Town of Sylva
Special Revenue Funds/Capital and Grant Project Quarterly Report
December 31, 2022

Bryson Park/Playground (Fund 31) - SCIF Grant Capital Project Fund:

Original Ordinance (SCIF Grant 11612) (2/24/22)	3,000,000
Expenditures	-71,650
Encumbrances (CDC Contract 7/28/2022)	-24,318
Anticipated Wurster Contract	-1,997,615
Interest	19,089
	\$906,417

Public Restrooms (Fund 30) - SCIF Grant Capital Project Fund:

Original Ordinance (SCIF Grant 11611) (2/24/22)	250,000
Amended - SWC Grant (Reimbursable) (5/12/22)	40,000
Amended - (SCIF Grant 11613) (10/27/2022)	100,000
Expenditures	-11,425
Encumbrances (Odell Contract 3/24/2022)	-20,075
Interest	2,696
	\$358,500

Bridge Park Stormwater Project (Fund 32) -

Original Ordinance (10/27/2022) ARPA Related Funds	421,000
Amended Ordinance (11/10/2022) ARPA Related Funds	-3,000
Expenditures	
Encumbrances (Equinox Contract 11/21/22)	-67,500
Interest	1,748
	\$350,500

**RESOLUTION TO AMEND
THE FUND BALANCE POLICY FOR THE GENERAL FUND**

WHEREAS, the Town of Sylva Board of Commissioners wish to maintain sound fiscal policies; and

WHEREAS, sound fiscal policy dictates that written policies exist to guide and control the level of fund balance maintained in the General Fund; and

WHEREAS, the current Fund Balance Policy section (9)(d) of the Financial Administrative Policy was adopted by the Town of Sylva Board of Commissioners February 10, 2022 by Resolution (2022-01); and

WHEREAS, the current Fund Balance Policy **Section (5) Unassigned Fund Balance Reserve Levels** and **Section (6) Use of Excess Fund Balance** state the Fund Balance target goal as **75%**; and

WHEREAS, management feels it is necessary to update the Fund Balance target goal to **68%** for **Section (5) Unassigned Fund Balance Reserve Levels** and **Section (6) Use of Excess Fund Balance**.

WHEREAS, the Town of Sylva Board of Commissioners have reviewed the proposed policy and wish to adopt it.

NOW, THEREFORE, BE IT RESOLVED BY SYLVA BOARD OF COMMISSIONERS THAT:

1. The Fund Balance Policy – General Fund, which is attached hereto and incorporated herein by reference, is hereby adopted; and
2. The Fund Balance Policy – General Fund, will be updated in the Financial Administrative Policy under section (9)(d) and will now state the target goal of the Fund Balance Reserve to be **68%** under **Section (5) Unassigned Fund Balance Reserve Levels** and **Section (6) Use of Excess Fund Balance**.
3. This policy shall be effective on the date of adoption.

Adopted this the 9th day of February, 2023.

ATTEST:

David Nestler, Mayor

Amanda Murajda, Town Clerk

Fund Balance Policy – General Fund

Financial Administrative Policy (9)(d)
Prepared by: Lynn Bryant, Finance Officer
Adopted by Board of Commissioners
Effective February 10, 2022

(1) Objectives

- a. To establish minimum and targeted goal unassigned fund balance levels for the general operating fund that will provide sufficient financial flexibility and stability to meet future obligations, take advantage of opportunities, and avoid excessive interest expense through use of capital reserves in lieu of debt;
- b. To enhance the financial position of the Town in order to maintain the highest credit and bond ratings;
- c. To maintain reserves for periods of declining revenues and for emergencies such as weather related disasters and unforeseen expenditures;
- d. To generate investment income that helps to diversify revenue streams;
- e. To ensure adequate availability of cash throughout the year;
- f. Create a shared understanding through a formal policy that clearly outlines intended use of excess fund balance.

(2) Definitions

- a. In accordance with governmental accounting standards, the total fund balance of the Town's governmental funds could be comprised of five possible components:
 - **Non-spendable Fund Balance** – resources that are physically or legally in a non-spendable form such as inventory;
 - **Restricted Fund Balance** – resources limited by state law or the provider such as grants or resources reported as "Stabilization by State Statute";
 - **Committed Fund Balance** – resources previously committed by the Board of Commissioners for a particular purpose such as sidewalks;
 - **Assigned Fund Balance** – resources assigned less formally for a particular purpose such subsequent year spending and postemployment benefits;
 - **Unassigned Fund Balance** – all remaining resources.
- b. **Available Fund Balance** is the legal Fund Balance available for appropriations of the General Fund as defined by North Carolina General Statute 159-8(a). The official Available Fund Balance shall be calculated annually on June 30th and reflected in the Town's annual audit.
- c. **Unrestricted Fund Balance** is the combination of committed, assigned and unassigned fund balances.

(3) The North Carolina State Treasurer's Performance Indicators

- a. Annually as of June 30th, an audited fund balance available will be calculated and submitted to the State Treasurer's Office as part of the audit submission process.
- b. The calculation will look at fund balance available as a percentage of expenditures (available fund balance plus debt service fund balance (if applicable) less Powell Bill. The number is then divided by the total of expenditures plus transfers out less bond proceeds).
- c. Municipalities will be grouped by General Fund Expenditures.
- d. A median fund balance available without Powell Bill will be determined for each grouping.

- e. A minimum threshold fund balance available as of expenditures will be determined for each grouping.
- f. If the Town does not meet the median and minimum threshold for its expenditure grouping, they will likely be required to communicate a corrective plan of action to the State Treasurer's Office.

(4) Unassigned Fund Balance Reserves

Internally, the Town will look at unassigned fund balance divided by current year expenditures when determining minimum and target goal fund balances. Management feels this is a better indicator of the Town's financial needs and more restrictive than the North Carolina State Treasurer's performance indicators which encompass a broad range for their groupings. Past performance indicators tend to reflect that smaller municipalities like the Town of Sylva need higher fund balances.

(5) Unassigned Fund Balance Reserve Levels

- a. The Town shall maintain an unassigned **minimum** threshold of **40%** of the general operating budget.
- b. The Town's **target goal** is to maintain an unassigned balance of **68%** of the general operating budget.

(6) Use of Excess Fund Balance

If upon completion of the annual audit of Town finances, there is an unassigned fund balance above the **68%** target goal, the Finance Officer with the approval of the Town Manager will make a recommendation to the Town Board of Commissioners to transfer the excess funds to the General Fund Capital Reserve Fund, a Capital Project Fund or other capital needs. Additionally, any fund balance remaining in the Fire Department budget at year end will be transferred into the Fire Department Capital Reserve Fund.

(7) Fund Balance Below Policy Limits

- a. Unassigned Fund Balance may not go below the minimum established in section (6)(a) except at the discretion of the Board of Commissioners and based on a dire financial circumstance such as unforeseen revenue shortfalls due to a downturn in the economy or emergency expenditures needed during a disaster.
- b. When adopting appropriations reducing Unassigned Fund Balance below the minimum level, the Board of Commissioners shall first look at expenditure reductions. If this is not feasible, then a plan of specific actions shall be adopted that will allow for the restoration of the Unassigned Fund Balance to the minimum set forth in this policy.

Notes:

Amended (75% Target Goal to 68%) February 9, 2023 by Resolution (R2023-02)



TOWN OF SYLVA BOARD OF COMMISSIONERS REGULAR MEETING

Thursday, January 12, 2023 at 5:30 PM

Board Room, 83 Allen Street Sylva, North Carolina

MINUTES

PRESENT: Mary Gelbaugh, Commissioner
Ben Guiney, Commissioner
Greg McPherson, Commissioner
David Nestler, Vice-Mayor
Natalie Newman, Commissioner

Paige Dowling, Town Manager
Amanda Murajda, Town Clerk
Eric Ridenour, Town Attorney

ABSENT: Lynda Sossamon, Mayor

CALL TO ORDER

Vice-Mayor Nestler called the meeting to order at 5:30 p.m.

STAFF PRESENT: Lynn Bryant (Finance Officer), Jake Scott (Public Works Director), and Chris Hatton (Police Chief).

VISITORS: None.

APPROVAL OF AGENDA

Commissioner Gelbaugh made a motion to approve the agenda. The motion carries with a unanimous vote.

APPROVAL OF CONSENT AGENDA

Commissioner McPherson made a motion to approve the consent agenda. The motion carries with a unanimous vote.

PUBLIC COMMENTS

None.

MAYOR'S REPORT: None.

COMMISSIONER'S REPORT

Commissioner Nestler reported he recently met with Sarah Thompson with the Dogwood Health Trust to discuss the need for a coworking space in Sylva and the possibility of funding through grants for a feasibility study and rehabilitation of a meeting space. They also discussed money for housing to purchase a parcel of land for housing. He would like for it to be a 3-way partnership between Dogwood Health Trust, Jackson County and the Town of Sylva. Commissioner Guiney thanked staff for all of their work on holiday activities in the Town. He requested that the Public Works department look at repair needs on Ripple Run. Commissioner McPherson also asked the Public Works departments to look at repairing holes in the Cogdill parking lot. He thanked staff for working on the skate park. McPherson noted that he and Bernadette Peters, Main Street Director, attended a county commissioner meeting to present a grant application request for the Municipal Grant. County Commissioners requested further information before they would consider the application. McPherson noted that he was not pleased with the Commissioner's responses.

McPherson made a motion to add an item to the agenda to discuss the Municipal Grant application. The motion carried with a unanimous vote.

MANAGER'S REPORT: Manager Dowling reported the following:

Project Updates:

- **Allen Street:** CDC is finalizing the contract with Wurster, and the Town should be receiving the draft for final review in the coming days. Duke Energy has completed their relocation of overhead power lines, and Frontier is waiting on the appropriate cable to start their relocation, which will begin as soon as it is received. NCDEQ has received the permit application for Soil and Erosion Control measures, and they asked that we make a couple

changes to clarify the excavation plan and include construction designs for the soil nail walls. CDC will be submitting these additional items, however that process is still on track. Kessel has conducted inclinometer readings that show that slope failure is still moving, though these are extremely small movements, they are significant enough to tell us that the slope has not stopped moving and isn't likely to stop on its own.

- **Depot Bathroom:** Odell Thompson has submitted more detailed renderings, and we are at the phase of the project where he and the engineers are ready to discuss fixtures, specific design, building material etc. This meeting will occur in the coming weeks. Once stamped plans are completed those will be submitted to Blue Ridge Southern/Watco for approval of the lease application.

Other Updates:

- Town offices will be closed Monday, January 16th in observance of Martin Luther King, Jr. Day.
- NCLM legislative goals were emailed to board members and a response is needed with your top 10 out of the 16 goals. Those will be sent to NCLM.
- The GUTM planning process has started. Tammy and Mark Haskett will be the festival coordinators this year.
- Sylva was voted as the location for a Tesla supercharger. Details are forthcoming about the project.
- Employment Update: Ty Foxx has resigned to accept a position with the Sheriff's Department. Albin Gashi has been working reserves for several months and is going to fill the vacant officer position.

NEW BUSINESS

FUNDING FOR BRIDGE PARK STORMWATER PROJECT: Manager Dowling reported that the Town of Sylva, unfortunately, did not receive the Rural Transformation Grant for this project so the board will need to discuss funding to move forward on the project. The total cost of the project is now estimated at \$758,357 and the Town previously committed \$418,000 to the project. There is a shortfall of \$340,357 that the board will need to address. Commissioner Nestler suggested that the Town apply for the TDA grant where the cycle is due by June 30, 2023. Commissioner McPherson agreed with Nestler about the TDA grant. Nick Breedlove, Director of the TDA, believes that this project is a good fit for this type of grant. The board discussed the timing of other projects in the Town and funding awards. Commissioner Newman made a motion to direct staff to apply for the \$400,000 TDA grant for the Bridge Park Stormwater Project. The motion carried with a unanimous vote.

AMENDED FY 2023-2024 BUDGET CALENDAR: Manager Dowling explained that the agenda had been amended to add a discussion of non-budget priorities on March 23, 2023, and the balanced draft budget submitted to the Board will be on April 19th. *Commissioner Guiney made a motion to approve the amended FY 2023-2024 budget calendar. The motion carried with a unanimous vote.*

JACKSON COUNTY MUNICIPAL GRANT APPLICATION DISCUSSION: Commissioners discussed the recently submitted municipal grant application for public art related items and whether or not to withdraw the application due to requests from the Jackson County Commissioners. The County decided not to proceed with approval of the application and instead ask for further clarification. The board discussed options for the art project. The consensus was to continue with the application for the municipal grant offered by Jackson County.

ADJOURNMENT: *Commissioner Guiney made a motion to adjourn the meeting at 6:24 p.m. The motion carried with a unanimous vote.*

David Nestler
Vice-Mayor

Amanda W. Murajda
Town Clerk



TOWN OF SYLVA BOARD OF COMMISSIONERS MEETING

Thursday, January 26, 2023 at 9:00 AM
Board Room, 83 Allen Street Sylva, North Carolina

MINUTES

PRESENT: Mary Gelbaugh, Commissioner
Ben Guiney, Commissioner
Greg McPherson, Commissioner
David Nestler, Vice-Mayor
Natalie Newman, Commissioner

Paige Dowling, Town Manager
Amanda Murajda, Town Clerk
Eric Ridenour, Town Attorney

ABSENT: Lynda Sossamon, Mayor

CALL TO ORDER

Vice-Mayor Nestler called the meeting to order at 9:00 a.m.

STAFF PRESENT: Jake Scott (Public Works Director), Mike Beck (Fire Chief), Keith Buchanan (Asst. Fire Chief), Bernadette Peters (Main Street Director), and Chris Hatton (Police Chief).

VISITORS: Shannon Queen and Dave Russell.

APPROVAL OF AGENDA

Commissioner McPherson made a motion to approve the agenda. The motion carried with a unanimous vote.

APPROVAL OF CONSENT AGENDA

Commissioner Newman made a motion to approve the consent agenda. The motion carries with a unanimous vote.

PUBLIC COMMENTS

None.

MAYOR'S REPORT

Manager Dowling read a resignation letter from Mayor Sossamon. She is resigning as Mayor of Sylva due to health-related issues. Board members thanked Sossamon for her dedication and service to the Town of Sylva.

Following this, Commissioner Nestler called for a motion to add an item to the agenda to discuss replacement of this vacancy.

Commissioner Guiney made a motion to add an item to the agenda to discuss board vacancies, including the mayor. The motion carried with a unanimous vote.

COMMISSIONER'S REPORT

Commissioner Gelbaugh requested an update on the Highway 107 project at a future meeting. Commissioner Guiney thanked Public Works for fixing pavement issues on Ripple Run. Commissioner McPherson noted that a location had been selected for the purr pod that will be on loan to the Town of Sylva. Commissioner Nestler attended a meeting with Dogwood Trust on a coworking space in the Town of Sylva. He would like to request a joint meeting with the county on housing.

MANAGER'S REPORT: Manager Dowling reported the following:

- Budget Work session: A budget planning work session will follow this regular morning meeting.
- Allen Street: Frontier will begin setting poles the next few days for the utility relocations. The cable that has been backordered should ship this week. The Town is close to signing the contract for the slope repair. Staff have been reviewing the latest draft. The Town is still waiting on approval from HUD for the grant documents and project scope submitted for the Cawthorn grant.
- Skyland drive contract has been approved and is underway. Completion is expected in August 2023.

PUBLIC WORKS DEPARTMENT REPORT: Jake Scott reported the following:

- Erosion and soil control permits have been approved for Allen Street.
- Ward's Plumbing & Heating completed their day of service and replaced mulch in bump outs in town and painted bathrooms at Poteet Park.
- Repairs of potholes are being completed in town.
- Scott thanked Mayor Sossamon for her service to the Town of Sylva.

POLICE DEPARTMENT REPORT: Chris Hatton reported the following:

- Hatton thanked Mayor Sossamon for her service to the Town of Sylva.
- Planning for the next event season including Greening Up the Mountains.
- Working on a complete audit of all files of evidence and will be working towards a new filing system.
- 2nd intern with Heights Program has completed their term.
- Working on a potential grant to fund a community care liaison.

FIRE DEPARTMENT REPORT: Mike Beck reported the following:

- Beck thanked Mayor Sossamon for her support of the department and service to the Town of Sylva.
- Reviewed calls for service for December and January. December had 134 calls for service that included 2 calls for CPR, four calls for Narcan, and zero structure fires inside city limits. In their district outside of city limits there were 3 calls for CPR, eight calls for oxygen, 3 calls for Narcan and seven structure fires. January to date had 84 calls that included 2 calls for oxygen, four structure fires and zero Narcan inside city limits. In their district outside of city limits there were three calls for oxygen, one call for CPR, three structure fires and one call for Narcan.

MAIN STREET REPORT: Bernadette Peters reported the following:

- Peters expressed her appreciation to Mayor Sossamon.
- JC Municipal grant application denied, and they are working on resubmitting with additional information.
- Greening Up the Mountains planning committee underway; exceeded goal for sponsorship.
- Sylva Brew Hop April 1, 2023, and advance tickets can be purchased.
- Apprentice program for downtown culinary participants is growing.

TWSA BOARD REPORT: Commissioner Nestler commended TWSA on their outstanding work during the recent major freeze in the area. Staff worked well to prevent major issues.

PINNACLE BOARD REPORT:

Commissioner Nestler reported that there will be a meeting next week.

NEW BUSINESS

Discussion on Board Vacancies: Manager Dowling explained how the process will work for fill the seat of Mayor due to the resignation of Mayor Sossamon. Commissioner McPherson added that he would like David Nestler to serve at Mayor. Dowling explained that the mayor would be sworn in on February 9, 2023 and will serve until the next election in November 2023. That election will then be for a two-year term. Upon the appointment of Nestler, there will need to be an appointment of a Mayor Pro-Tem at the February 9, 2023, meeting. *Commissioner McPherson made a motion to appoint David Nestler as Mayor of the Town of Sylva. The motion carried with a unanimous vote.*

Manager Dowling also explained the process for filling the vacant seat of Commissioner for David Nestler.

NC Governor's Highway Safety Program—Local Government Grant: Chris Hatton explained that Shannon Queen was the Governor's Highway Safety Liaison for western NC. That position came with a \$25,000 annual grant award that went to the Sheriff's Department. Since the Town is now holding Shannon's law enforcement certification, the Town can apply for the grant for traffic related expenses if Shannon is the project director. Chief Hatton explained that \$5,000 is for travel expenses to conferences and \$20,000 is for traffic related expenses that can be used on anything up to \$6,000 that doesn't have wheels. *Commissioner Guiney made a motion to approve the NC Governor's Highway Safety Program agreement of conditions and contract for federal funding for traffic safety in the amount of \$25,000 and approve the resolution authorizing Shannon Queen to file on behalf of the Town of Sylva, the application contract. Furthermore, if awarded, approve appropriation of the \$25,000 into the Sylva Police Department budget for expenditures. The motion carried with a unanimous vote.*

Special Event Request—Innovation Brewing—Beer Garden at Greening Up the Mountains: Manager Dowling reported that Innovation Brewing is working with the MSSA to sponsor the Beer Garden at Greening Up the Mountains in

Regular Board Meeting January 26, 2023

April 2023. *Commissioner Guiney made a motion to approve the application to hold a Beer Garden at the 2023 Greening Up the Mountains festival. The motion carried with a unanimous vote.*

Special Event Request—Innovation Brewing—Concerts on the Creek —Request for Alcohol: Manager Dowling explained that Innovation Brewing has requested to sell alcohol at all events for Concerts on the Creek. *Commissioner Newman made a motion to approve the request from Innovation Brewing. The motion carried with a unanimous vote.*

ADJOURNMENT: *Commissioner Guiney made a motion to adjourn the meeting at 10:06 a.m. The motion carried with a unanimous vote.*

David Nestler
Vice-Mayor

Amanda W. Murajda
Town Clerk

BUDGET WORK SESSION
Town of Sylva Board of Commissioners
January 26, 2023

The Town of Sylva Board of Commissioners held a budget work session on January 26, 2023 at 10:15 a.m. hosted in the Board Room of Municipal Hall, 83 Allen Street, Sylva, N.C. and held electronically by Zoom meeting.

PRESENT:	Mary Gelbaugh, Commissioner Ben Guiney, Commissioner Greg McPherson, Commissioner David Nestler, Vice-Mayor Natalie Newman, Commissioner	Paige Dowling, Town Manager Amanda Murajda, Town Clerk
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ABSENT: Lynda Sossamon, Mayor

Vice-Mayor Nestler called the budget work session to order at 10:19 a.m.

STAFF PRESENT: Lynn Bryant (Finance Officer), Jake Scott (Public Works Director), Bernadette Peters (Mainstreet Director), Mike Beck (Fire Chief) and Keith Buchanan (Assistant Fire Chief) and Chris Hatton (Police Chief).

VISITORS: None.

Manager Dowling reviewed the budget schedule for the upcoming months as well as the Town's assets, vision and mission. Dowling also reviewed what individual departments are responsible for.

DISCUSSION:

Lynn Bryant, Finance Officer, reviewed the Town's Financial Report as of 12/31/22. She noted areas of interest on the financial report presented to the board. Bryant reviewed the Town's investment accounts and explained the quarterly finance report. She also reviewed the general capital reserve funds for equipment, the Fisher Creek Analysis, state revenues, fund balance and the Revolving Loan Fund. Bryant added that management would like to recommend a change to the Fund Balance Policy and reduce the required percent to 68% based on the addition of the Fire Department paid staff and other expenditures. A revised policy will be presented at a future meeting for approval.

Bryant discussed current predictions from financial analysts about an upcoming recession. Sales tax revenue, currently at a high rate, and other categories of revenue could decrease considerably in the near future. The Town will need to be cautious in planning for future expenditures. A recession could be harmful. During the last recession in 2008 sales tax revenue was reduced 13% in the first year and by the second year it was down 33%. That equates to \$344,000 in revenue loss in the 2nd year. Therefore, the Town will need to adjust spending.

Amanda Murajda, Tax Collector, reported that the 2021-2022 tax collection rate was 97.96%. To date, the collection rate for the 2022 taxes was 91.79%, also up just slightly from the previous January. Murajda advised the board that tax collections are directly affected by the economy. As the town prepares for a projected recession, a decrease in collections will not happen immediately. Most likely, collections affected by the recession will not be recognized for a couple of tax cycles. Coupled with the recession will be the Highway 107 project which stands to take a large portion of our tax value. Therefore, budget planning should be cautious.

Budget Review:

Accomplishments 2022-2023 Budget

- Maintaining current level of services
- Imperative equipment replacement
- Additional Public Works Employee
- Transition to a split paid/volunteer Fire Department with 8 paid staff
- Salary study and pay classification plan update
- Use of \$3M for Bryson Park Capital Improvements & playground equipment (ongoing)

Budget Priorities 2022-2023 Budget

Post-employment benefits

Capital and Equipment

Additional Personnel

1. Maintenance Employee
2. Full-time Fire Department (8 paid personnel)

Ongoing:

Up to 2.5% merit will be proposed annually to keep up with salary study
CPI proposed COLA of 6.4% for the FY 2023-2024

OPEB Concerns—Items reviewed by the manager:

- Retiree medical insurance
- Separation allowance
- Aging workforce
- Increasing costs of medical insurance for current employees
- Savings is imperative

Allen Street Slope Repair

-Approved budget ordinance of \$2,314,147

-Expenditures & Encumbrances:

-To date--\$339,709

-Anticipated Wurster Contract--\$4,426,268

Bryson Park Playground Equipment & Capital Improvements

-Approved budget ordinance--\$3,000,000

-Expenditures & Encumbrances:

-To date--\$95,968

-Anticipated Wurster Contract--\$1,997,915

Additional Budget Issues

1. R5600/NC107 Sidewalks
 - a. \$200,000 Committed
 - b. \$100,000 budgeted in FY 2018-2019
 - c. \$50,000 budgeted in FY 2019-2020
 - d. \$20,000 budgeted in FY 2021-2022
 - e. \$30,000 budgeted in FY 2022-2023
2. Skyland Drive Sidewalk
 - a. Total town portion of project is \$381,200
 - b. 2011 Pedestrian Plan estimated \$400,000 for project and the current estimate is \$1,906,000.

Public Restroom Location

-State capital infrastructure grand capital project ordinance--\$390,000

-Expenditures & Encumbrances--\$31,500

-To be determined—lease amount and utility relocation estimate of \$50,000

Bridge Park Stormwater Project

-Approved budget ordinance--\$390,000

-Expenditures & Encumbrances--\$67,500

-Estimated project cost--\$690,857

Department Needs

Manager Dowling asked for department needs from each department head for the 2023-2024 budget:

Public Works:

- Replacement vehicle schedule—F150 \$41,525
- Paint Town Hall and Public Works buildings--\$23,500
- 52-inch mower--\$11,000 based on replacement schedule of equipment
- Diagnostic computers for vehicle maintenance--\$3,250

Police

- Maintain vehicle replacement schedule of 1 vehicle--\$58,000

Fire Department

- Replace the 1st Responder vehicle--\$70,000 (includes truck and all medical equipment)
- Paint inside of building--\$20,000

Department Wants**Public Works**

- Air compressor--\$3,200
- Snow equipment--\$9,000
- Tire balancer--\$8,000

Police

- Temperature controlled equipment for records storage--\$20,000
- Employee wellness program with Quartico--\$6,000 initial year; \$3,000 thereafter annually

Administration

- Make the Mainstreet Director a full-time position—additional \$50,000
Manager Dowling explained that this addition would require a tax increase if approved.

Fire Department

- Trucks: 4WD Pumper in FY 2023-2024--\$450,000
- Addition personnel of 4 employees

Board:

- Full-time Mainstreet Director
- Crosswalk flashing signs
- Way for communication between board and community
- Prioritize a significant COLA
- Master Plan-Pinnacle Park
- Entry sign coming in to Town from Dillsboro
- Landis Street ramp to sidewalk/will require an ADA study
- Pedestrian Plan
- Murals on Mill--\$3,000
- Upgrades/beautification of the closed land on Spring Street
- Tree removal/replacement at the Ritz Lot
- "SYLVA" sculpture—letters spelled out--\$30,000
- Poteet Bathrooms--\$95,000
- Depot bathroom/landscaping /sitework
- Redo zoning map--\$40,000

David Nestler requested that department heads review their future need and prioritize before there is a loss in revenue due to the Highway 107 project.

ADJOURNMENT: *Commissioner Guiney made a motion to adjourn the meeting at 1:17 p.m. The motion carries with a unanimous vote.*

Lynda Sossamon
Mayor

Amanda Murajda
Town Clerk