

Town of Maggie Valley  
Budget Workshop  
March 9, 2011  
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Members Present: Mayor Pro-Tem Scott Pauley, Aldermen: Saralyn Price and Phil Aldridge  
Members Absent: Mayor Roger McElroy  
Staff Present: Manager Tim Barth, Finance Director Shayne Wheeler, Festival Director Audrey Hagar, Planning Director Nathan Clark, Public Works Director Mike Mehaffey, Chief Scott Sutton, and Town Clerk Vickie Best  
Others Present: Reporter Beth Pleming, Captain Jason Moody, and Tim Carver

Mayor Pro-tem Pauley called the workshop to order at 9:00 a.m. in the Town Hall Boardroom.

The following information was provided to Council on Friday March 4 for their review prior to the workshop.

***INFORMATION PACKET MATERIAL: MEMO FROM MANAGER TO COUNCIL***

The state budget deficit that was projected at \$3.7 million has shrunk to \$2.7 million. The deficit was revised downward in early February based primarily on growth in sales tax. The State General Fund forecast for sales tax was raised by \$600 million. The other \$400 million comes from improved tax collections, lower projected cost in Medicaid and the State Health Plan, and a few other small savings measures. The Governor's proposed budget did not affect local revenue, but the General Assembly has yet to put together their budget.

The only information we have heard from Haywood County regarding property tax projections is that the Town's tax base will be shrinking. We will not know the exact amount until the latter part of March, which is when the Tax assessor's office expects to have some preliminary numbers. What the Town has anticipated at this point is a 10% reduction in the value of the Town's local property tax base. The Real property line is where the reduction will occur. The Real property value for the current year is \$391,329,165. The 10% reduction shows that the Town would lose \$39,132,917 in tax value. This equates to losing \$164,358.25 in property tax revenue. That \$164,358.25 is ultimately, what we are looking for in reductions.

The Town staff has met to discuss what reductions could be made in next year's budget that would have the least impact on Town services. The total reductions that are listed represent \$159,451 in reductions from the current year budget. There are some necessary additions that are listed and those total \$10,850. Therefore, the net total reduction is \$148,601. The amount remaining to be cut is \$15,757.25. We believe that this figure can be made up by bidding out our health insurance and getting competitive quotes. However, because health insurance companies will not go out further than 90 days on their quotes, we cannot get quotes until after April 1. In addition, the Town staff has identified a number of street lights that do not add to driving safety and we believe those lights can be removed without having a bad effect.

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The amount of annual savings on streetlights, if all of the ones identified were removed, would be \$5,717.

Because there will be some additional savings from health insurance and street lights, and because the Town does not yet know the actual reduction in the tax base and does not know what the General Assembly is going to do, the Town staff believes that the proposed cuts are an appropriate level of cuts at this time.

### **Administration**

The major reduction in Administration is a \$12,000 reduction in the contribution to the Festival Grounds. The two items in the Festival Grounds Budget that would be affected are Labor Day Fireworks and Capital Outlay - Sign. The proposed cut would eliminate the Labor Day Fireworks and reallocate \$5,000 of the \$7,000 budget to The Trout Festival and to Red, White, & Boom. That would leave \$2,000 to be cut. The other \$10,000 in reductions comes from the exhibit booth signage, which was included in this year's budget and therefore not needed next year.

### **Planning**

The major reduction is in Professional Services. Periodically this department needs professional help, especially with mapping. Most of these funds are to help convert the Land Use Plan to a new zoning map.

### **Public Works**

The major reduction in Public Works is in Part Time Pay, which was the account where the contract cleaning of Town Hall was paid. In addition to eliminating the contract cleaning, Public Works is trying to minimize the use of professional electrical help. They do this by working on certain projects, like the lighting and fire alarm projects in Town Hall, and having an electrician check to make sure it is done correctly after installation.

### **Police**

There are four major line items with significant reductions. The first two are Crime Commission Block Grant and Governor's Highway Safety Grants. The amounts in these line items served as match money for grants in the current year. The only grants the Town is interested in next year are 100% grants that have no match. Any grant having a match will have to come before the Town Board before application could be made. The third major reduction is in Small Equipment - Non Capital. This line item is used to buy small equipment that is not capitalized. The fourth major reduction is in Capital Outlay. The \$8,000 in the current budget is for in-car cameras for the two new vehicles that are on order. The entire amount would be cut next year, meaning no new in-car cameras would be purchased next year.

### **Board of Aldermen**

The only reduction in this account would be to reduce the annual amount of donations to other groups or agencies. It would reduce the amount from \$6,000 down to \$2,000.

### **Greenways**

Very little money is used in this account on an annual basis. These cuts would zero out the Greenways budget.

### **Recreation**

The reduction here is the amount that was budgeted this year for Parham Memorial Park. We hope to have a parking area, walking trail, and river deck completed before

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next year. The only major item left would be bathrooms and a pavilion, which would have to wait until more funds are available.

### Contingency

There is \$15,000 included in the Contingency line item this year. There is no requirement to have any money in a contingency account, so the proposal is not to have any funds in that Account next year. The Town always has its Undesignated Fund Balance in case it needs extra funds.

## Potential Budget Reductions for FY2011-12

### Administration

<u>Line Item Description</u>	<u>FY2010-11 Budget Amount</u>	<u>Amount of Reduction</u>
Small Equipment Non-Capital	\$ 4,500	\$ 2,500
Advertising	4,000	1,000
Recording Fees	1,000	500
Miscellaneous Expense	1,250	500
Vehicle Fuels & Lube	3,000	500
Festival Grounds	120,000	<u>12,000</u>
	<b>Subtotal</b>	<b>\$17,000</b>

### Planning

Professional Services	\$10,000	\$5,000
Training – Employee	2,685	<u>1,185</u>
	<b>Subtotal</b>	<b>\$6,185</b>

### Public Works

Part Time Pay	\$27,220	\$20,220
Construction Maint. & Repair Supplies	10,000	2,000
Street Maintenance	10,000	2,000
Building Maintenance & Repair	10,000	2,000
Dumping/Landfill Fees	5,000	1,500
M & R Sidewalks	2,500	1,000
M & R Landscape	1,000	250
M & R Recreation	1,000	250
Directional Signs	1,000	500
Small Equipment – Non Capital	5,000	1,000

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Seasonal Decorations	4,000		<u>1,500</u>
		<b>Subtotal</b>	<b>\$32,220</b>
 <u>Police</u>			
	FY2010-11		Amount of
<u>Line Item Description</u>	<u>Budget Amount</u>		<u>Reduction</u>
Holiday Special Events	\$ 4,000		\$ 1,000
Professional Services	5,500		3,000
Safety Supplies	2,500		1,000
Crime Commission Block Grant	14,995		7,058
Governor's Highway Safety Grants	5,000		5,000
Uniforms & Accessories	10,000		2,000
Other Vehicle Supplies	2,500		500
Office Supplies	2,500		500
Data Processing Supplies	1,000		250
KARE Donation	300		300
Bottled Water	575		575
Printing & Binding	700		300
Small Equipment – Non Capital	16,500		10,000
Training – Employee	1,800		200
Miscellaneous	3,000		500
Computer & Equipment	3,000		250
Capital Outlay – Equipment	8,000		<u>8,000</u>
		<b>Subtotal</b>	<b>\$40,433</b>
 <u>Board of Aldermen</u>			
Donations	\$6,000		<u>\$4,000</u>
		<b>Subtotal</b>	<b>\$4,000</b>
 <u>Greenways</u>			
M & R Landscape Trail	\$1,000		\$1,000
Capital Outlay – Recreation	1,000		1,000
Capital Outlay – Greenways	2,000		<u>2,000</u>
		<b>Subtotal</b>	<b>\$4,000</b>
 <u>Recreation</u>			
Capital Outlay- Recreation	\$40,613		<u>\$40,613</u>
		<b>Subtotal</b>	<b>\$40,613</b>
 <u>Contingency</u>			
Contingency	\$15,000		<u>\$15,000</u>
		<b>Subtotal</b>	<b>\$15,000</b>

**Grand Total of Potential Cuts                      \$159,451**

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Necessary Budget Additions for FY2011-12

Administration

<u>Line Item Description</u>	<u>FY2010-11 Budget Amount</u>	<u>Amount of Addition</u>
Election Contract	\$0	<u>\$5,500</u>
	<b>Subtotal</b>	<b>\$5,500</b>

Police

K-9	\$1,000	\$ 500
DCI/Terminals	1,800	<u>4,850</u>
	<b>Subtotal</b>	<b>\$5,350</b>

**Grand Total of Necessary Additions            \$10,850**

**Potential Cuts – Necessary Additions = Total Reductions**

**\$159,451        -            \$10,850            =        \$148,601**

The Maggie Valley collection rate for the 2010/11 budget is 93%. \$1,764,430 was levied for 2010. 86.16% has been collected on the total levy.

The Town is working with citizens setting up payment plans. Letters have been mailed notifying property owners that the delinquent taxes will be advertised in the newspaper. Both Haywood County and Maggie Valley are actively seeking delinquent taxes.

**Administration:** The exhibit booth has been designed, constructed, and purchased out of the current year's budget. The Maggie Valley Festival Ground Brand has been designed and paid for out of the current year's budget.

Staff is proposing to discontinue the Labor Day Fireworks that began last year due to the cost verses the return. The cost for the Labor Day Fireworks was approximately \$6,000.

Mayor Pro-Tem Pauley felt the town reaped more from the July 4 event than the Trout Festival. Mostly local people attend the Trout Festival, which is of little benefit to the hotel/motel owners.

The 2011 Trout Festival will have two components. An Americana Roots Festival will be held Friday night highlighting microbrewers and a concert by Balsam Range (a local bluegrass sensation). Festival Director Hagar has partnered with an on-line ticket company to presale tickets at a lower cost than at the gate.

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Vehicle fuels and lubes have been reduced in Administration because travel will be extremely limited in the next fiscal year.

**Planning:** The Planning Department has a limited budget to make cuts from; therefore, employee training will be cut in the coming year. Professional Services, among other uses is needed to complete the Maggie Valley Land Use Plan map. Haywood County mapping has been updated/improved so the Planning Department will try to use local resources to lower cost(s).

Planning Director Clark asked that Council consider setting a date for a goal-setting meeting with the Planning Board members in April.

**Public Works:** The Public Works Department, along with each employee has begun cleaning their own offices. Public Works employees will clean the common areas throughout Town Hall, the pavilion, and the Festival Grounds. This will provide a savings of approximately \$20,000. This course of action may be more difficult during the summer due to the amount of mowing Public Works must complete regularly. This is a joint effort by all employees.

Street Maintenance is proposed to be reduced. In the past, this line item has been used to do minor street repairs on Non-Powell Bill streets and as assistance for Subdivisions that are bringing their roads up to Town Standards so that in the future Maggie Valley will be able to take the road into the Town Street System.

The reduction in street maintenance concerned Alderman Aldridge due to the bad weather that Western North Carolina has encountered the last two years. "Moody Farm Road is in terrible shape."

Moody Farm Road is a State road and has not been resurfaced since the early 1990s. NCDOT has Moody Farm Road slated to be resurfaced in the spring of 2011.

The Dumping/Landfill fees can be reduced due to the chipper being put back into service. The chips are stored or given to people making a request for woodchips. If hauled away the cost is still cheaper because of the wood being chipped.

**Police Department:** The Police Department will only seek 100% grants; not matching grants.

Alderman Price agreed that in-car cameras have become a necessity, rather than a luxury. Maggie Valley Police Department has five vehicles with in-car cameras. The two new vehicles will have in-car cameras installed.

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Alderman Aldridge questioned how much it cost to equip a new police vehicle. The cost is approximately \$6,500 per car. The cars are on vehicle rotation. The cars are rotated every four years. The cost of a new police vehicle is approximately \$21,000. The resale value is higher even with the higher mileage. An example given was that four years ago a vehicle was purchased for \$21,000 and just sold for \$8,000. Minor repairs and maintenance is done in-house by the Public Works Department. The police department also provides administration with vehicles. The trend among most police departments is to rotate vehicles. This reduces maintenance cost. The officer's take more pride in their vehicles and keep them clean and waxed. The Town of Waynesville would like to adopt a vehicle take home policy for their officers.

The Town gains approximately 30-minutes per day per officer working due to them checking into service when leaving home for their shift.

Haywood County is in the process of changing to a mobile dispatch CAD system. When the County changes, Maggie Valley will need to change, due to Haywood County dispatching for Maggie Valley. After the transition, each police car will be tracked through a GPS system and the dispatcher will know what each officer is doing. It is anticipated that 911 will help fund some of the cost.

The cost of everything has increased i.e. a traffic vest cost \$49.

Chief Sutton explained that this is a tourist/resort town and as the police department, the officers represent the town in the tourist's eyes. The Maggie Valley Police Department tries to be proactive, instead of reactive. The department must maintain a certain level of service to be proactive. Crime in Maggie Valley has increased, but as a resort town, it is not very good publicity.

During slow times two officers will ride together to save fuel. It takes a total of four-hours and fifteen-minutes to drive the entire town limits. Any time there is an arrest, the officer must go to Waynesville to process the person.

**Board of Aldermen:** The donation line item is proposed to be reduced to \$2,000. Donations are not a core function of the Town, although non-profits are in need as well as the number of people in need has increased immensely. Alderman Aldridge felt the donation made last year to the Maggie Valley Lodging Association for their annual turkey drive is wonderful way to help people in need. The veterans and their needs are also important to Alderman Aldridge.

Alderman Aldridge asked that Council wait until cost(s) are submitted for employee insurance, and the numbers are received from the State and county before cutting the donation line item. Mayor Pro-Tem Pauley concurred. Alderman Aldridge went as far as to say that he had rather see Council give up their pay than see the donation line item be depleted.

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Alderman Price asked that Council consider eliminating the annual \$2,400 charged to the Maggie Valley library for rent and utilities. The County has made drastic cuts to the library system. Alderman Price added that she would hate for Maggie Valley to lose the library. During the summer months, the library is very busy. During the entire year, people use the Wi-Fi internet both inside the library and from the parking lot.

Director Wheeler informed Council that the library has paid the same \$2,400 yearly for the last ten years. This helps offset the cost of utilities.

Alderman Price asked that the Labor Day Fireworks be included in the budget.

**Greenways:** The Public Works Department has a spraying program to maintain the walking trail for very little expense to the Town. The greenways trail will not be extended in the next fiscal year.

**Recreation:** The line item was going to be used for Parham Park. The Wild Life Resources have agreed to assist with the building of the river deck by June 30, 2011. Through the Maggie Valley Beautification Program, the landscaping will be accomplished at Parham Park.

Council questioned if the Town needed to begin saving money for restrooms and a pavilion to be constructed. Council will further discuss this option as the budget process continues.

Director Mehaffey informed Council that the entrance to Parham Park off Highway 19 will be closed until the standing water /grade can be resolved. The park will reopen in late spring.

After the completion of the Moody Farm Sidewalk, Parham Park, and McCracken Park (at the east entrance to Moody Farm Road), a 3.8 mile walking loop/sidewalk will be created. Restrooms will be located at Parham Park (halfway around the walking loop) and parking will be provided at McCracken Park. This should be a great asset to Maggie Valley and the county.

**Contingency:** This line item has always been used for expenses by Council approval only. State law does not require a municipality to have a contingency fund. If an unexpected expense were to arise, Council could draw from the un-appropriated fund balance.

Council will have to budget for the 2011 election estimated to cost \$5,500. The K-9 program will be assigned a line item in the budget for veterinarian cost. The food for the K-9 is donated to the town. \$1,000 should be allocated to the K-9 line item.

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As earlier stated, \$1,800 should be allocated for DCI/ Terminals. A grant from the Sheriff's department will pay for the system. These funds will be used for the license fees.

Approximately \$148,601 can be provided in reduction to the 2011/12 fiscal budget if Council follows the suggested budget cuts.

**Proposed Reduction in Street Lighting**

Approximately \$65,000 was paid out last year in street lighting. The Manager, Planner, Public Works Director, and Police Chief did a windshield survey of all street lighting being paid for through the Town budget. Many of the lights serve no purpose other than security lighting for a residence or two. The Town should only pay for street lighting needed for safety i.e. at intersection and cul-d-sacs, and limited sight distance in certain areas. Six lights are being proposed to be removed from Town owned property. During the windshield survey, it was discovered that some of the lights have been painted on one side or in some cases, the entire light blacked out to prevent light shining on homes. Light pollution is troublesome to many residents.

Due to the downturn in the economy, removing streetlights has become a common practice across the state. The poles will remain for six months before being removed to allow time for the surrounding residents to determine if they would like to take over the monthly payment as a security light. There will be no lights removed from Soco Road. Some streetlights will need to be added to Moody Farm Road after the completion of the sidewalk project. The Town currently pays for 290 streetlights.

Director Mehaffey informed Council that Moody Farm Road would be swept after the completion of the sidewalk.

**Festival Grounds/ Advertising**

Director Hagar informed Council that a Spyder Motorcycle Rally has approached the Town about bringing their event to Maggie Valley in June 2011. The group has a rather large budget for the rally. Friday and Saturday night concerts are being proposed.

Director Hagar also has a 1980's Cover Band that Supports the Troops interested in coming to Maggie Valley.

Director Hagar stated that we are beginning to see results from the past year of contacts, advertising, and conferences.

The current website is not interactive and should be redesigned. Maggie Valley needs to be more active in the social media.

Council agreed that the website should be updated with links to other businesses in town. Alderman Aldridge questioned if the town could sell links off the website. Alderman

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Pauley felt the business owners were already paying through tax dollars. Alderman Price agreed.

Director Hagar went on to address the July 4 celebration. The fireworks cost the town approximately \$9,000. Ms. Hagar proposed extending the event to 4 days with the fireworks being the grand finally. It would cost between \$30,000 and \$50,000 to bring in carnival rides. If only blowups were brought in, the company would offer a 80/20 split. In order for the town to break even 1,000 people would be need to attend daily.

Alderman Aldridge felt the economy would dictate attendance.

The other side of a down-turned economy is people looking for places closer to home to visit for shorter periods of time. Alderman Pauley felt the amusement rides would provide people something to do. Amusement rides would be an enhancement to the fireworks show. The cost of the July 4 one-day event last year was approximately \$22,179.

Council asked that Director Hagar renegotiate and seek other bids from companies that provide amusement rides.

There being no further business to discuss, the workshop adjourned at 11:32 p.m.

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Mayor Pro-Tem Scott Pauley

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Vickie Best, CMC, Town Clerk

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