

Town of Maggie Valley

Budget Workshop Meeting

June 2, 2011

MINUTES

Members Present: Mayor Roger McElroy, Aldermen: Phil Aldridge, Danya Vanhook, Saralyn Price, and Scott Pauley

Staff Present: Manager Tim Barth, Finance Director Shayne Wheeler, Planning Director Nathan Clark, Festival Director Audrey Hagar, Public Works Director Mike Mehaffey, Chief Scott Sutton, and Town Clerk Vickie Best

Others: None

The budget workshop began at approximately 4:30 p.m. in the Town Hall Boardroom.

It was discussed at the last budget workshop bringing the festival director on staff full time and increasing the monthly pay rate for council. The budget has been revised to reflect these increases. Approximately \$21,431 will need to be taken from the Fund Balance.

Next fiscal year, the residents in the health care facility will be counted in Maggie Valley's population, thus increasing the amount of sales tax that is returned to the town.

Providing retiree insurance was also discussed at the last budget workshop. Maggie Valley is the only municipality in Haywood County that does not offer retiree insurance. Haywood County also provides retiree insurance. Manager Barth compared all retiree insurance policies, and developed a "middle of the road" proposal.

Maggie Valley has such a small staff that the effects of providing retiree insurance can be managed starting in next year's budget by putting funding in a separate account and preparing for those costs.

The proposal:

Number of years worked	Retirement Age	% of Health Insurance Paid
30 years	Any age	100%
25 years	Age 55	100%
20 years	Age 60	100%
20 years	Age 55	75%
15 years	Age 60	50%

The employee will cease to receive coverage from the town at age 65 or when Medicare becomes available. The coverage is for employees only. The employee will have the ability to purchase spousal coverage.

Having health insurance for retirees does two important things. It is an incentive for good employees to stay long enough to take advantage of the benefit and it allows employees who are older (and possibly less productive) to have a means to retire and still have health insurance.

Haywood County will continue to bring leaches (garbage juice) from the White Oak facility. The 2010/11 revenue line item is over approximately \$13,000 over due to the increased amount of leaches brought

to the waste water treatment plant for treatment. It is anticipated that the town will receive between \$6,000 and \$7,000 for the treatment of fluids from the NCDOT bridge work on I-40. Haywood County also purchased two loads of gravel for the road leading into the treatment plant.

No sewer line extensions are allocated for the next fiscal year.

The proposed budget also includes a 2% pay-raise for employees. The consumer price index is at 3.9%. Waynesville has a 3% pay-raise included in their 2011/12 budget.

Mayor McElroy felt that the employees on the low-end of the pay scale, a 2% raise is very little. The difference between giving all employees a \$1,000 a year raise or a 2% raise is \$4,442.

Alderman Aldridge opposed a raise for the employees because money is tight, the economy is hard, and the business owners throughout the valley have not gotten a raise. "The tax payers are concerned about employees getting a raise. It is a real eye-opener when you get out and start talking to the business owners that are struggling. The employees got a raise last year."

A discussion followed regarding all council members needing to talk with the citizens and business owners and how everyone should attempt to be positive and proactive in seeking to generate tourism, providing services to the residents, and not smearing Maggie Valley's name in the media. Often the media calls people that they know will provide sensational comments. The town leaders should show by example by respecting Maggie Valley, the employees and each other. Everyone is entitled to their opinions; a difference of opinion should not be taken personally.

Last year \$40,000 was allocated for advertising/ promotional. The funding from the 1% committee was decreased to \$12,500. It is difficult to properly advertise the grounds on \$12,500.

The festival grounds serve both the business community and the residential community. Other than Alderman Aldridge, it was the consensus that \$30,000 should be allocated to promote the festival grounds. Alderman Aldridge felt the town was gambling on the carnival and that it was Ms. Hagar's job to find promoters to bring events to Maggie Valley. It is Council's hope that the carnival "breaks even". It is also Council's desire that the 4th of July event becomes Maggie Valley's signature event. In other municipalities these types of activities would fall under Parks and Recreations.

Alderman Pauley felt the Trout Festival could be eliminated and those funds used to promote the Festival Grounds to promoters. Alderman Price agreed.

Director Hagar felt that the Brew-Fest was a solvent concept. Asheville Brewery wants to partner with Maggie Valley. Staff has already decided that the 2012 Trout Festival be cut back to focus only on the catch clinic, educational, and heritage portion of the event.

Alderman Aldridge stated that he thought the rental fees should be eliminated. "People want to feel like they have gotten something for free. Anything will help if it generates traffic."

Director Hagar informed Council that she was working on a concept with the Orange Peel to begin an advertising campaign on the Festival Grounds' website. More details and discussions will follow at a later date.

The remaining members of Council were not in favor of eliminating the rental fee for the festival grounds for fear of being bombarded with low quality events.

The workshop ended at approximately 5:40 p.m.

Mayor Roger McElroy

Vickie Best, CMC, Town Clerk