

**TOWN OF SEVEN DEVILS
TOWN COUNCIL
MINUTES – REGULAR MEETING**

June 11, 2012

The Seven Devils Town Council met for regular session on Monday, June 11, 2012, at Town Hall. Present were Mayor Larry Fontaine, Mayor Pro Tem Brad Lambert, and Council Members Kay Ehlinger and David Ehmig. Member David Hooper was absent. Also present were Town Manager Ed Evans and Town Attorney Rob Angle. The minutes were recorded by Sara Miller, Town Clerk.

CALL TO ORDER

Mayor Fontaine called the meeting to order at 5:32 pm.

PLEDGE OF ALLEGIANCE

Council members and citizens recited the Pledge of Allegiance

ADOPT AGENDA

Mayor Pro Tem Lambert suggested adding agenda item “*G. Town Clerk: Guidance Regarding Minutes*” under New Business.

Member Ehlinger made a motion to adopt the agenda as amended. Member Ehmig seconded the motion. The members agreed unanimously.

CONSENT AGENDA – ADOPTION OF MINUTES

Motion for Consideration – Adopt minutes of Special Meeting/Budget Workshop, May 14, 2012

Motion for Consideration – Adopt minutes of Regular Meeting, May 14, 2012

Motion for Consideration – Adopt minutes of Special Meeting/Public Hearing for Budget and Land Exchange, June 4, 2012

Motion for Consideration—Adopt FY 2012-2013 Budget Ordinance (Tax Levy) (See Budget Ordinance below)

**ANNUAL OPERATING
BUDGET ORDINANCE
FY 2012-2013**

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 charges 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, 2012 and ending June 30, 2013:

SUMMARY	
General Fund	\$1,253,421
Enterprise Fund	\$279,350
Total	<hr/> \$1,532,771
Section 1. General Fund	
Anticipated Revenues By Category-	
Ad Valorem Taxes	\$767,000
State Shared Revenue	\$85,000
ABC Distribution	\$84,000
Powell Bill Allocation	\$26,600
Permits, Fees, Licenses	\$11,900
Sales Tax	\$40,000
Investment Earnings	\$600
Miscellaneous Revenues	\$16,960

Appropriated Fund Balance	\$64,461
Government Grants	\$14,500
Sale of Assets	\$12,000
Capital Reserve Fund	\$39,000
Capital Reserve – Powell Bill	\$26,400
Occupancy Tax	\$65,000
Total	<u>\$1,253,421</u>

Authorized Expenditures By Department-	
Governing Board	\$24,100
Administrative	\$263,700
Public Safety	\$453,538
Fire Protection	\$133,000
Planning and Inspections	\$4,500
Public Works	\$282,983
Powell Bill	\$26,600
Tourism Development Authority	\$65,000
Total	<u>\$1,253,421</u>

Section 2. Enterprise Fund

Anticipated Revenues By Category-	
Water Operating Revenues	\$230,000
Water Taps and Connections	\$6,000
Non Operating Revenues	\$43,350
Total	<u>\$279,350</u>
Authorized Expenditures By Department-	
Water-Operating	\$104,462
Non Operating	\$174,888
Total	<u>\$279,350</u>

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, 2012, is hereby levied and established as the official tax rate for the Town of Seven Devils for fiscal year 2012-2013. The rate is based upon a total valuation of \$151,060,425.00 and an estimated collection rate of 98%. 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 2012-2013, 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. Interfund 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 object 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 reduced.
- 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.

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 a one and one half percent (1.5%) merit increase at his discretion throughout the fiscal year.

The Town will continue to 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.

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 un-funded liabilities.

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 2012-2013 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 2012.

Larry Fontaine, Mayor

Sara Miller, 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)	\$50.00 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

Residential Construction

Interior floor space, heated or unheated	\$.50 per square foot
Decks, Garages, accessory, and other similar use structures	\$.30 per square foot
Remodeling/Renovation Inspections	\$ 75.00 per inspection
Mobile Home Set Up	\$ 300.00

Commercial Construction

Interior floor space, heated or unheated	\$.65 per square foot
Decks, Garages, accessory, and other similar use structures	\$.35 per square foot
All Other Construction	\$ 200.00

Building Code Related Fees

Demolition	\$ 75.00
Construction Trailer Set Up	\$ 75.00
Construction of Temporary Site Service	\$ 40.00
Electrical Permit for Sign Lighting	\$ 75.00
Re-inspections / Call Back	\$ 75.00
Electrical Service Change	\$ 75.00
Heating Unit Change Out	\$ 75.00
Air Conditioning Unit Change Out	\$ 75.00
Refrigeration Unit Change Out	\$ 75.00

Miscellaneous Building Code Fees

Reasonable Fees not specifically addressed elsewhere in this ordinance may be charged at the discretion of the Town Manager/Director of Planning or his/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	\$ 500.00
Zoning Text Amendment	\$ 500.00
Conditional Use Permit	\$ 500.00
Variance, Waiver, and Administrative Review	\$ 100.00/action/lot
Petitions 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

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
Credit Card Convenience Fee	3% of transaction amount

PRIVILEGE LICENSE

Privilege Licenses will be charged in accordance with the State of North Carolina's charge for a designated business, industry, or use.

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 3.2 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.

Mayor Pro Tem Lambert pointed out that the line in the 5th paragraph of the minutes of Special Meeting/Public Hearing for Budget and Land Exchange of June 4, 2012 stating "Brief discussion ensued, resulting in Mayor Fontaine and Town Manager Evans agreeing that this subject needed further discussion and evaluation at a future meeting..." needed to be removed.

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

CITIZEN COMMENTS

Bill Diercksen, 265 Tangle Lane, stated that he and another resident have both almost hit deer between Lilian Drive and Chalet Drive. He suggests putting up deer crossing signs.

Anne Fontaine, 127 Rocky Top Trail, stated that the May Bird Hike and the June Sensory Hike went very well, and reminded those present of the Bat Workshop on July 12, from 1 to 4 PM.

Kay Lambert, 430 Wildcat Rocks Road, wanted to remind everyone that SafetyFest is fast approaching on June 30th. She urges everyone to volunteer. She also announces that they will be selling ½ turkey breasts for \$10.00 and 1lb of pork for \$7.00. The Silent Auction will be set up in Town Hall on Monday the 25th, and will be there until 2:30 PM on the day of SafetyFest.

ADMINISTRATIVE UPDATE & CALENDAR

OLD BUSINESS—None

NEW BUSINESS

Swearing in of new Town Clerk

Mayor Fontaine administered the Oath of Office to Sara Miller, officially swearing her in as Town Clerk. ~ CLOSED~

Resolution—Land Exchange (pursuant to G.S.§ 160A-271)

Member Ehmig made a motion to adopt the Land Exchange Resolution as presented. Mayor Pro Tem Lambert seconded the motion. The members agreed unanimously. (See Resolution below) ~CLOSED~

**RESOLUTION TO AUTHORIZE THE EXCHANGE OF REAL PROPERTY
BELONGING TO THE TOWN OF SEVEN DEVILS FOR
REAL PROPERTY BELONGING TO
ALAN K. ANDRE AND SHARON I. ANDRE**

WHEREAS, the Town of Seven Devils owns a 1.17 acre tract of land, known as a recombination of lots 315-316, 401-402, 403, 404, and 405 and referenced in Plat Book 42, Page 215, recorded at the Avery County Register of Deeds, North Carolina, located along the southeast side of Bridle Path Road, and previously valued at \$35,000 according to the Avery Tax Assessor; and

WHEREAS, Mr. Alan K. Andre and Sharon I. Andre of Titusville, Florida own three lots in the Peregrine Pointe Subdivision in the Town of Seven Devils, known as Lots 16, 17, and 18 of Peregrine Pointe, and referenced in Plat Book 10, Page 197, recorded at the Watauga County Register of Deeds, North Carolina, and valued at \$18,000 according to the Watauga County Tax Assessor; and

WHEREAS, the Town of Seven Devils and Mr. and Mrs. Andre wish to make an even exchange of the two described properties; and

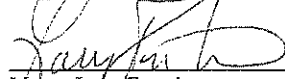
WHEREAS, North Carolina General Statute § 160A-271 authorizes the town to make such an exchange if authorized by the Town Council by a resolution adopted at a regular meeting of the board upon at least 10 days public notice; and

WHEREAS, the Town has given the required public notice, and the Council is convened in a regular meeting.

THEREFORE, THE TOWN COUNCIL OF THE TOWN OF SEVEN DEVILS RESOLVES THAT:

1. The exchange of properties described above is authorized.
2. The appropriate town officials are directed to execute the instruments necessary to carry out the exchange.

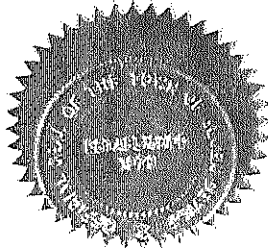
Adopted Monday, June 11, 2012.



Mayor, Larry Fontaine



Town Clerk, Sara Miller



Budget Amendments FY 2011-2012

Member Ehlinger made a motion to approve the Budget Amendments for FY 2011-2012. Member Ehmig seconded the motion. The members agreed unanimously. ~CLOSED~

AGENDA ITEM VIII C

Budget Amendment
FY 12 #1

	Current Budget	Proposed Amendment	Amended Budget	Actual Amount	Final Amend
Section 1. General Fund			6/11/2012	on 6/30/12	
Ad Valorem Taxes	767,000	0	767,000		
State Share Revenues	81,200	0	81,200		
ABC Distribution	84,000	0	84,000		
Powell Bill Allocation	21,000	5000	26,000		
Permits & Fees	9,400	-5000	4,400		
Sales Tax	36,000	0	36,000		
Investment Earnings	350	0	350		
Miscellaneous Revenue	90,580	0	90,580		
Approp Fund Balance	53,669	-53669	0		
Capital Reserve Fund	0	0	0		
Occupancy Tax	58,000	7000	65,000		
Total GF Revenues	1,201,199	-46669	1,154,530	0	0
Authorized Exp by Dept.					
Governing Board	30,985	0	30,985		
Administrative	266,926	-500	266,426		
Public Safety	363,677	0	363,677		
Fire Protection	159,700	-58,669	101,031		
Planning Dept	2,000	500	2,500		
Public Works	298,911	0	298,911		
Powell Bill	21,000	5,000	26,000		
TDA	58,000	7,000	65,000		
Total GF Expenses	1,201,199	-46,669	1,154,530	0	0
Section 2. Enterprise Fund					
Water Operating Revenue	229,000	-15,000	214,000		
Water Cap Imp Fund	30,000	0	30,000		
Water Taps/Connections	6,000	-6,000	0		
Non Operating	16,521	4,000	20,521		
Total EF Revenues	281,521	-17,000	264,521	0	0
Water Operating Expenses	125,725	0	125,725		
Water Non-operating Ex	155,796	-17,000	138,796		
Total EF Expenditures	281,521	-17,000	264,521	0	0

Appointment of ABC Board member (alternate)

Mayor Fontaine presented the sole candidate, Sarah Manning. Mayor Pro Tem Lambert made a motion to approve the reappointment of ABC Board member Sarah Manning. Member Ehlinger seconded the motion. The members agreed unanimously. ~CLOSED~

School request (UNC SOG)—Town Manager

Town Manager Evans presented a request for supplemental education, stating that the course offered by UNC SOG greatly benefits administration of towns with small numbers of staff. Mayor Pro Tem Lambert thinks the class is beneficial, however, stated it seemed too

high a price to approve at the moment. He suggests having a plan in advance for education expenses. Member Ehmig and Member Ehlinger also mention a preemptive plan for education expenses. The education request was not approved. ~CLOSED~

Water Consumption rate options

Mayor Fontaine started a brief discussion regarding water consumption rates. He discussed the possibility of billing residents for their 3,500 gallons per month or 42,000 gallons per year, giving the Town more operating money in advance, and preventing small overages at the end of a months use. Mayor Fontaine requests that Town Manager Evans further investigate this issue. ~OPEN~

Town Clerk: Guidance Regarding Minutes

Mayor Pro Tem Lambert opened a brief discussion and provided a hand-out regarding Clerk's minutes to Council members and staff. He expresses the desire for a uniform system or expectation of how the minutes are to be configured, since there is now a new Clerk. Both Mayor Pro Tem Lambert and Mayor Fontaine agree that the minutes should be shorter and consist of actions taken by the Council or Board. ~CLOSED~

COMMITTEE REPORTS

Planning Board—No Meeting

Public Works—No Meeting

Public Safety Committee

Recreation Commission

ABC Board—Town Manager Evans says to please disregard the ABC Budget included within the Agenda packet, as it is only preliminary.

TDA—No Meeting

Public Safety Department

Police Report

Fire Report

Financial Report

COUNCIL COMMENTS

Mayor Fontaine stated that he received an email from Kelli Kukura at the NCLM asking what towns would like the NCLM to bring forward to our legislators. Mayor Fontaine mentioned the issue of a disparity in how sales taxes are distributed. Seven Devils, because it is a resort town, receives a small proportion of sales tax revenue since sales taxes in Watauga County are based on population rather than ad valorem taxes. Mayor Fontaine stated that he will write a letter in return to Kelli Kukura expressing this sales tax issue.

Mayor Fontaine noted that he had completed a summary of changes that are proposed for the Unified Development Ordinance and asked Council to review for a future meeting.

ADJOURN

Member Ehmig made a motion to adjourn. Member Ehlinger seconded the motion. The members agreed unanimously. The meeting was adjourned at 6:32 pm.

Larry Fontaine, Mayor

Sara Miller, Town Clerk