

**TOWN OF TRYON  
BOARD OF COMMISSIONERS  
JANUARY 20, 2022 6:00  
TRYON TOWN HALL – MCCOWN MEETING ROOM  
BUDGET WORK SESSION**

Present: Mayor J. Alan Peoples                      Mayor Pro Tem Chrelle Booker

Commissioners: Crys Armbrust, Bill Crowell, Bill Ingham

Staff Present: Town Manager Zach Ollis                      Town Clerk Susan Bell  
Fire Chief Josh Walton                      TDDA Director Paige Henderson

**CALL TO ORDER**

Mayor Peoples called the budget work session to order.

Town Manager Ollis presented three sheets that came directly from the County. One is the value summary report that tells us the value of the property in the areas that we can tax. There is a sheet with revenue that shows the different types of units. Our concern is for the real property assessed value inside the city limits. Everything that is inside is \$234,167,067. An exempt value that includes churches, non-profits, any kind of exempts that the county allows. Net value is after the exemptions are taken out. Looking at \$191,462,185 for the city. You go to the tax break down sheet and we are starting to build it for FY22-23. That number is \$191,462,185. Looking at the historical data, take out the appeals, which are rough estimates used off of past years, or if there is a discrepancy in what is billed and what the owner thinks it is worth. We are assuming that \$100,000 will be lost in appeals. Then we have to create the millage, we base it on \$100. The revenue is forty-eight cents per hundred dollars of evaluation, which is the tax rate and that produces roughly \$920,000. We base our collection rate at ninety-eight percent collections, unless you tell me otherwise, because not everyone pays their taxes.

Commissioner Armbrust asked what the rate was last year. Ollis stated forty-eight cents. The rate was roughly fifty cents and after the re-val, we dropped it two cents to forty-eight cents. With the ninety-eight percent collection rate, he estimates to receive \$902,043.07. You go to the sheet we are currently building, to be more conservative on it, he just plugged in \$900,000 of revenue for property tax.

Fire estimated value is \$356 million, which is basically the district, you take out appeals, come up with the millage and you have your revenue, collection rate 98% gives us \$309,000 for the township. For the city, our tax is applied to the property value and the collection rate 98%. You add both numbers together to get \$475,000 for the city and outside the district. Commissioner Armbrust replied his indication is the Fire rate will stay the same. Ollis replied when Tennant approached the FRAC Committee, four years ago, he told them he would not return for four years. This is the year if we are going to ask for a tax increase. They met with them last year and told them we were not going to ask for an increase, but he wanted an honest faithful effort if we did come back in the next couple of years. Mayor Peoples replied we are getting where he wanted to be since 2001. He received a call this week, there was something the county couldn't do and our people were called. There may have been a different outcome if we were called earlier. Ollis is going to have Chief Walton here at another meeting

to discuss the needs of the fire department. We have the second most calls in the county and we have the second lowest tax rate in the county. From the tax sheet on the county's website, it shows Saluda at eleven cents.

Mayor Peoples explained we have to have a balance, because we have so many needs at Harmon Field also. Ollis replied Harmon Field could also use the money. The county also levies Harmon Field tax rate. Two hundred thousand dollars is what we get to run Harmon Field. Mayor Peoples replied what people don't understand is, prior to 2001 the ABC Store sales helped fund Harmon Field. Once that was cut out, it was never put back. Ollis reported every time there is a re-val, the county makes an adjustment when they go revenue neutral, they try their best to project a tax that gives us the same amount of money. In theory and on paper it works, but it seems like they are doing that number before exemptions and appeals are completed, so we end up with less money than before. Mayor Peoples explained with vehicles depreciating every year, we lose there too.

Ollis explained what a penny would do for the town, a penny for the fire and a penny for Harmon Field. Our department heads are going to give you their needs and wants within the next couple of months. A lot of them are doing okay. Harmon Field is in trouble. Sanitation is doing better, but there is not room for growth. The garbage truck is four years old and will be paid off in 2034. He doesn't predict it to last that long. The last garbage truck lasted about eighteen years.

The budget you have is on the screen. He will adjust as the year goes on and we see if we are going to collect more money or less with the sales tax. If things continue the way they are your General Fund budget will be around \$1.6 million. Powell Bill doesn't change. Looking at the Fire Department, one change is that we made our case with the Foothills Fire Commission in South Carolina, because of the number of calls we receive. They have agreed to up what they are paying us another \$15,000. We are probably at \$575,000 for the fire.

#### Harmon Field

The rental fees have gone down, because of COVID. People are not gathering like they used to. The usage rate is not as vibrant as it used to be. We are looking at \$242,000 for Harmon Field.

#### Occupancy Taxes

Occupancy Taxes are doing really well. Last year our budget was at \$31,000. This year we have already made around \$35,000 and still have five months to go. During COVID, the Airbnb's did well, because people were not staying in hotels. Also, people were not traveling as far due to safety. Smaller towns saw an increase all over the country.

#### Water

This is the current proposed water rates, that was passed in 2020. In year 2023 the inside minimum water rate is \$17.45. Outside will be \$38.20 and industrial will be \$1400.60, plus the increase for additional gallons over 1,000. This is the projection, but he has not projected it in the budget as of yet. He will be looking at that and try to get collections plugged in before the next meeting. Even doing so, water will be decent this year. Sewer will need some changes.

#### Sanitation

Rates-we are going to ask for an increase in rates this year. He showed sanitation charges as \$250,000 with what he is proposing. We have other revenue and solid waste tax of \$4,000. We can't count on this. He would like expenditures to be covered by the rates only. The FY20/21 rate was \$56 for the A rate which is business. Business rates will all be raised one dollar. Residential rates will be raised thirty-five cents. This will create a sanitation department that is standing on its own. The rate he is proposing is \$22.85. Currently it is \$22.50. He will go over this with public works when they are here.

### Administration

Election cost-he is pulling because there is not an election this year, probably leave it in so he doesn't forget it next year. This budget includes 2% COLA increase for the employees. Property-liability he will have to adjust once everyone gets sorted out. Jody is checking his equipment. Jeff is checking his equipment and the towers on the mountain. Then we will get the information to the insurance company to figure out how to disburse the cost.

Police-the salary includes the change that was discussed earlier. It includes the salary for a couple of months. It also covers the open position that we are having trouble filling.

The health insurance is up to date where we are at. If it goes up, he will have to adjust. The 401k, FICA and health insurance is automatically calculated. Everything is up to date at this time.

Streets-Admin pays for their health insurance-nothing is changing in streets.

Zoning-he is keeping \$40,000 for demolition so that Tim can have houses torn down and cleaned up.

Powell Bill-Is staying the same.

Fire Dept – nothing changes, except the money owed to GF, this is the last payment. The installment payments have been decreased.

HF-nothing has changed-they need more money, but the county has to approve it, with your permission of course.

Tourism – no changes, tourism can opt to spend the money how they see fit throughout the year.

Distribution - no changes, still recognizing the meter expenditure, we are spending money to replace the meters as they go bad.

Water – chemicals are through the roof-hoping they don't go higher.

Sewer – no real changes, hopefully we can save some money if we can find a carrier to take the samples to Asheville, currently Michael Fife is delivering samples, the carrier that we had retired and no one does this anymore.

Collections – nothing is really changing in this department.

Some of the debt service has changed.

Sanitation – equipment is bad, they just don't have the money to purchase anything.

Armbrust asked what do they need. Ollis replied a dump truck. When the town purchased the F-250 for Jody and Andrew, he's not sure if that was the right vehicles to purchase. We could have used different vehicles. Michael Fife's truck that he drives to Asheville needs work.

What we are looking at having left at this time is: GF-\$40,000, Powell Bill-\$3,000, Fire-\$46,000, HF-in the hole \$3,200, Tourism-\$3,800, W/S - \$52,000, and Sanitation-\$4,200 contingent on accepting the proposed rates. This is a generic overview of where we sit so far.

The CARES ACT money came in and we put that towards salary. The sale of the Melrose could allow us to have around \$130,000 extra. Depending on the audit. Armbrust asked when the audit was due. Ollis replied we lost our accountant and Greg Isley's company has taken over. Bell responded we have new software that we are all trying to learn, we have a new accountant and the auditor's that started last year. The accountant is trying to figure out what our previous accountant did. He did the appropriations. The new accountants want everything appropriated to the line as we are processing the payments. We are about to get this all straightened out. We have met by phone, in person and hopefully we are all on the same page now. It has taken a while.

Ollis has informed the state where we sit, but they already know. He feels the only issue will be the water that took a hit, because of the dam inspection that was required by the State of South Carolina. That will take their fund balance down some. Commissioner Crowell asked if any of the money was for the work the inspection suggested. Ollis replied no, not yet. Some of the stuff that we have to do is pretty minor in terms of cost. We are going to squeeze that in once we calculate the water revenues.

Mayor Pro Tem Booker asked where our ARP was. Ollis replied the money is sitting in the account. We have one payment and are expecting another. Booker asked if we applied for the build back money. Ollis replied he has not. He can look at it, but most of it is state driven. They came out with a ten-million-dollar exception in the ARP money and it boils down to, you can do whatever you want with it. He wants to spend every dollar he can in water/sewer. We have projects that we have designated on the list and he wants to put the money towards those. We did get money in the governor's budget this year. We will have to work on the loan offer on the grant that we are receiving from the state. We are still applying for the AIA grant and trying to get some of the other grants.

Mayor Pro Tem Booker asked if Dr. Carson could speak concerning the Eastside. Dr. Carson replied he is not prepared to give an overview, but he did ask about grants and the ARP money going to water/sewer, is that for infrastructure. Ollis replied the money that is being proposed is for broadband, water & sewer and a couple of other things. They just have given the final ruling. Say we get \$500,000 he doesn't want to start a \$600,000 project and have to come up with \$100,000 that we could use elsewhere. They have identified projects that would fit underneath the funds that we are supposed to receive. With the \$10 million dollar exception, we could do whatever we wanted to with it, but he wants to put it in water & sewer.

Dr. Carson's concern is with the crumbling infrastructure. His question is, will the money be spent on those type of expenditures. The guys are always working on the lines. Ollis explained when we didn't know what the ruling would be, we didn't want to put the money toward something that wouldn't be used, so it was decided to put the money toward salaries. This money can be put toward infrastructure. Dr. Carson asked what do we do or how do we handle the continuing problem with crumbling infrastructure. Ollis explained we have started a water/sewer capital improvement plan and you will

find option E is a 15- year plan and we are looking at doing certain projects like replacing sewer mains. Our public works crew went through and found the worst problems. They originally identified over \$14 million dollars in things that need to be done. This package includes \$14.8 million in debt over the next fifteen years. With the water rate increase over the next fifteen years, it should cover the debt. Off of Melrose there is tree roots growing into water lines.

Crowell asked if the state is giving this money. Ollis replied the state gets the money. They give it to the different departments, such as DEQ, then it will be up to them to do what they want. We are grateful to be getting any money. They gave \$30 million to Waynesville County Economic Development that is not even associated with the county to get it started. They gave the City of Clayton \$20 million dollars to build a sewer plant. We need it, but they look at it in terms of size, instead of need. They will be giving it to the agencies to distribute and giving some money to the counties to be distributed. We just got part of the money and it was agreed on a year ago.

Carson asked about the streets, Powell bill money, can't get a lot done with \$68,000. There are several roads that are traveled a lot. Are there funds available to augment the Powell bill monies. Ollis explained this board has decided to spend money for roads out of general fund. It is also used for sidewalks. The state has different committees, such as the STIP projects and projects are ranked by different committees. The state didn't have the money and now they are behind. The STIP system has failed. It was prepared years ago.

Armbrust responded they have a prioritized list of streets that need maintenance and you are welcome to give us ideas at any time.

Crowell asked when can we talk about our wish list? Ollis replied whenever. Crowell wants the downtown bathrooms (cost \$60,000, he thinks we can come in under that) and kayak dock at \$20,000, he knows we can come in under that. Peoples replied until we get our audit back, we still don't know what we have to spend.

Armbrust feels we need to buy the Zuchlag's building. Use one of the units for restrooms and sell the other portions. Crowell replied you should look under that building before you think about that idea.

#### ADJOURN

Mayor Peoples entertained a motion to adjourn. Commissioner Armbrust so moved. The motion carried unanimously.

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J. Alan Peoples, Mayor

Attest:

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Susan B. Bell, Town Clerk