MINUTES – WORKSHOP/RETREAT
BOONE TOWN COUNCIL
June 1, 2022

CALL TO ORDER

A special meeting of the Boone Town Council was called to order electronically on June 1st, 2022 at 9:00am. Mayor Tim Futrelle presided. Council members present include Mayor Pro-Tem Edie Tugman, Todd Carter, Virginia Roseman (arrived at 9:11am), Dalton George, and Becca Nenow. Staff present in person include Interim Town Manager and Finance Director Amy Davis, Major Shane Robins, Sustainability and Special Projects Manager George Santucci, and Administrative Support Specialist and Communications Officer Laney Pilkington. Staff present virtually include Director of Planning and Inspections Jane Shook, Deputy Director and Chief Building Inspector Stacey Miller, Chief Jimmy Isaacs, Director of Public Works Rick Miller, Deputy Director of Public Works Todd Moody, Deputy Director of Public Utilities Josh Eller, Interim Downtown Development Coordinator and Director of Cultural Resources Mark Freed, Director of Human Resources Dale Presnell, and Town Clerk Nicole Harmon. Others present include Freddy Harrill, who attended virtually, and Matty Staskel.

TENTATIVE AGENDA ADOPTION

Mayor Futrelle asked for a motion to adopt the tentative agenda. Upon the motion made by Mayor Pro-Tem Tugman, which was seconded by Council member George, Council voted unanimously to approve the tentative agenda at 9:02am.

ANNOUNCEMENTS

Mayor Futrelle asked if there were any announcements. With no announcements from staff or Council Members, Mayor Futrelle gave a brief update regarding the hiring of a new Town Manager for the Town of Boone. Mayor Futrelle stated that the search for a Town Manager is being conducted using staffing resources the Town already has, and is not outsourcing the process. He went on to explain that the process will be similar to the hiring process of the previous Town Manager, John Ward. The Boone Town Council, department heads from the Town of Boone, and a Citizen/Community council will be utilized. With no further comments, Mayor Futrelle moved to the next agenda item.

FY 2021/2022 BUDGET DISCUSSION

Interim Town Manager Amy Davis presented the proposed budget for FY 22/23 to the Boone Town Council. She highlighted the following items:

- **A Tax Neutral Rate would be 32 cents per $100 dollars, ~~which is 8 cents lower than the previous year of 44 cents per 100 dollars~~ however the proposed tax rate is 36 cents per $100 dollars, which is 8 cents lower than the 44 cents per $100 dollars from the previous fiscal year**
- The Downtown Boone Development Association recommended at 12 cents per 100 dollars tax rate for the Municipal Service District
- Increase of an equivalent to 6% across the board water rates, and 3% across the board for sewer rates

Ms. Davis indicated that the Town of Boone's Water and Sewer rates have not increased since FY 2015/2016. Mayor Futrelle thanked Ms. Davis, and asked Council for their input regarding the recommended FY 2022/2023 budget. Mr. George explained that he would like to see in future budgets funding towards social worker positions within the Boone Police Department. Major Robbins explained that they have looked into it, and that they are working with Appalachian State University in order to hire an intern through their social worker department. Additionally, officers from the Boone Police Department will be traveling to Chapel Hill's Police Department in order to learn more about their program and how they integrated social work with policing. Mr. George thanked Major Robbins, and asked if the Boone Police Department would report back to Council regarding their findings. Major Robbins agreed, and Council member Carter asked if they would also look into Austin, Texas' program. Major Robbins agreed. Council member Roseman asked if the Town had looked into a 7 cent decrease instead of an 8 cent increase, in order to provide a fund for projects, namely affordable housing. Ms. Roseman continued by saying that they have discussed this in previous meetings as well. Ms. Davis agreed that they had discussed this, and said that by decreasing the rate by 7 cents and not 8 cents would generate approximately $221,000. **Mayor Futrelle asked Ms. Davis if in the next fiscal year, Council could make an amendment to allocate funds to an affordable housing opportunity if it arose. Ms. Davis said Mayor Futrelle was correct. Mr. Carter asked if Mayor Futrelle could clarify that if federal or state grant funding became available for affordable housing, Council would amend the budget and allocate funds in order to match the grant. Mayor Futrelle agreed, and asked if Ms. Davis had any comments. Ms. Davis added that it would depend on the dollar amount for the grant and if the funds were available at that time to match the grant. Ms. Tugman reiterated the fact that this Council was in the beginning stages of working towards affordable housing, and that while she and others want it to be a possibility within 90 days, in reality it will take longer. She added that the most concrete example that was brought to discussion was in 2013, and that she doesn't want this Council to get ahead of themselves without having a concrete plan in place. Ms. Davis added that within the budget, there is an established grant match line item. Mayor Futrelle agreed with Ms. Tugman, and added that with the increase in building costs it may be a good idea to begin to plan for funding for affordable housing, with hopes that building costs will eventually decrease.** Ms. Roseman asked how much the increase would be to a household. Ms. Davis said that for a house valued at $500,000, a 7 cent decrease would result in a $50 dollar increase. **Ms. Roseman added that $50 dollars a year is less than $1 dollar a week, and that she believed a true financial backbone for affordable housing would mean a lot to the community. Ms. Tugman clarified that the tax neutral rate would be 32 cent per $100 dollars, and Council would be looking at adopting a 36 cent per $100 dollar tax rate for the 2022/2023 fiscal year, which would be an 8 cent decrease from the previous fiscal year's tax rate, and what Ms. Roseman was proposing a 37 cent per $100 dollar tax rate, which would be a 7 cent decrease from the previous fiscal year. Ms. Davis agreed.**

Council member Nenow expressed support for the 7 cent increase, with the condition that the funds generated would be used towards affordable housing. Mr. George agreed, **and added that this conversation had been had at all the budget meetings held within the past two months**. Ms. Tugman stated that with the tax revaluation, it may cause more harm than good to some citizens, which may include raising rent. Mr. George agreed with Ms. Tugman, however, stated

that landlords would use any excuse to raise the rent. Even if the increase to the property owner is $50 dollars, landlords would still increase the price. Mr. Carter agreed with Ms. Tugman, **and expressed worry that landlords may take the opportunity to use this tax increase to increase rent for their tenants exponentially. Ms. Roseman expressed dismay towards landlords who would take this potential 37 cent tax rate and use it to hurt their tenants further. Mayor Futrelle said that he still did not agree with the 37 cent tax rate, due to the fact that Council cannot control what landlords can do, however they can control what the tax rate is. By lowering the tax rate as much as possible, it is in some way helping affordable housing, especially for the homeowners within the town. He added that not all homeowners are multi-millionaires or landlords, they are neighbors and citizens struggling to figure out how they can pay the new tax on their property. He then added that there was money available to appropriate funding in the current proposed 2022/2023 fiscal year budget to affordable housing, if there was an affordable housing project to fund, through the grant match line and the general funds line. He then voiced his support for the 8 cent decrease instead of the 7 cent decrease. Ms. Roseman said that the only way she would support the 8 cent decrease would be if right then, 1 cent from the revenue collected through the taxes would be set aside in general funds, with a line item dedicated to affordable housing. Ms. Roseman said that if Council would be willing to set aside funds, she would be willing to go with the 8 cent decrease, however if not she would still be in support for the 7 cent decrease. Ms. Tugman asked if Ms. Roseman meant that what she believed Council should do is set aside money currently in the general fund and allocate funds towards an affordable housing line item. Ms. Roseman agreed. Ms. Davis added that she would need to bring an amendment to Council during a June Town Council meeting appropriating $220,000 from the fund balance and establishing a line item within the general fund for affordable housing, and anything unspent from that line item would carry forward year to year. Ms. Tugman thanked Ms. Davis, and said that she could support that. Ms. Roseman asked if by taking these funds from the general fund, if there would be enough to cover additional costs that departments within the Town may need to order to function properly. Ms. Davis said that based on the last fiscal year, there would be. Ms. Davis then added that due to Covid-19, requests had been lower than previous years. Ms. Roseman reiterated that she would support an 8 cent decrease if funds were allocated today. Ms. Tugman asked what Council believed the perception from the community would be if they reallocated funds versus lowering the tax rate by 7 cents instead of 8 cents. Ms. Roseman said she would be happy with a 7 cent decrease or a reallocation of funds, and that she wanted the rest of Council to decide which they agreed with more. Mayor Futrelle said he did not necessarily support taking funds out of the general fund now, because there is no project currently taking place, however he understood the sentiment. With that said, in an effort to maintain an appropriate adjustment of an 8 cent decrease, he would be willing to compromise and reallocate funds. Mr. George agreed with compromise, and added that three council members were in support of the 7 cent decrease. He then said that the fund balance line-item would be a tangible way for the community to see that Council is in support of affordable housing. Ms. Roseman agreed with Mr. George, and added that she wanted this Council to feel comfortable with their choice, and that her opinion is that a 5 person vote is better than a 3 person vote.** Ms. Nenow asked Ms. Davis how much money was in the grant

match line of the budget. Ms. Davis said that currently in the proposed budget, it was approximately $39,000-$40,000 dollars, **and it was a revolving line item. Ms. Nenow asked how often that line item was adjusted. Ms. Davis said it hasn't been adjusted in a while. Mr. Carter asked if this was the line item in which Mr. Santucci would pull from for grant matches. Ms. Davis said it was, and also that Mr. Santucci would also pull from the sustainability line item. She said the most this line item was used was when the police department needed grant matches. Mr. Carter said that he didn't want to handicap other departments and other projects for grant matching if this line item was solely dedicated towards affordable housing, stating that $40,000 dollars was not a lot. He then asked Ms. Davis what would need to be done if a department needed $100,000 dollars for a grant match. Ms. Davis said that for grant matches of that size, it would need to go back to Council for reallocation of funds.** Mr. Carter asked if **Council did propose a motion to reallocate $220,000 dollars towards an affordable housing line item out of the general fund balance, and something did happen in which the $220,000 dollars would need to be used elsewhere in case of an emergency, could the money be moved back to general funds. Ms. Davis clarified that the affordable housing line item would be in general funds, so transferring the money out of the proposed affordable housing line item would not be difficult. Ms. Tugman reiterated Ms. Roseman's statement that she would be willing to allocate $220,000 dollars out of the general fund balance in order to establish an affordable housing line item instead of reducing the tax rate by 7 cents, and asked if Council could support this agreement. Mr. Carter agreed, and wanted to reiterate that if there was an emergency, those funds could be reallocated elsewhere. Ms. Davis agreed. Mayor Futrelle agreed, and said that this was a direction from Council and it did not need a motion. Council agreed.** Mr. Carter asked if Ms. Davis could bring an amendment of the budget to the next meeting regarding funding of affordable housing projects. Ms. Davis agreed.

Mr. George asked Mr. Santucci if grant funding regarding river restoration in Boone would be consistent. Mr. Santucci said it was. There is federal and state funding through the Land and Water Conservation fund which accept both monetary and in kind grant matching. Ms. Davis added that there is also $20,000 dollars allocated towards stream bank restoration in the proposed budget. Mr. George thanked Mr. Santucci and Ms. Davis. Ms. Nenow added that she felt that the grant match line needed more funding. Ms. Davis asked if she could look into adding funds to that line after the audit is complete. Ms. Nenow agreed.

With no further discussion, Council moved to allocating funds to Outside Agencies. The following allocations were discussed:

- App Theater: $20,000 dollars
- Blue Ridge Women in Agriculture: $15,600 dollars
- The Children's Playhouse: $8,000 dollars
- Community Care Clinic: $34,000 dollars
- Daniel Boone Native Garden: $1,000 dollars
- F.A.R.M. Cafe: $20,000 dollars
- Friends of the Watauga County Public Library: $5,000 dollars
- Hospitality House: $30,000 dollars

- Hunger and Health Coalition: $13,000 dollars
- LIFE Village: $5,000 dollars
- Mediation and Restorative Justice: $12,000 dollars
- Mountain Alliance: $13,000 dollars
- OASIS: $14,000 dollars
- Southern Appalachian Historical Association: $17,000 dollars
- WAMY Community Action, Inc.: $9,000 dollars
- Watauga County Parks and Recreation: $0 dollars
- Watauga County Project on Aging: $3,000 dollars
- Watauga Food Council: $1,000 dollars
- Watauga Humane Society: $1,000 dollars
- Western Youth Network: $13,000 dollars

All Council members agreed to these allocations. Ms. Roseman asked if the Town of Boone could sponsor up to four teams at the Watauga County Parks and Recreation Center. All Council members agreed. With no further discussion, Mayor Futrelle asked for a motion to adjourn.

ADJOURNMENT

Upon the motion of Ms. Roseman, seconded by Mayor Pro-Tem Tugman, Council voted unanimously to adjourn at 12:00pm.