

MINUTES
Town of Marshall Board of Aldermen
Regular Meeting
June 17, 2024
6:00 p.m.

In attendance were Mayor Aaron Haynie, Aldermen Billie Jean Haynie, Aileen Payne, and Laura Ponder Smith. Also in attendance were Town Administrator Forrest Gilliam and Town Attorney Jamie Stokes.

Mayor Haynie called the meeting to order at 6:01 p.m.

Item 1

Upon motion by Alderman Smith, seconded by Alderman Payne, the Board voted 3-0 to approve the agenda as presented.

Item 2

Upon motion by Alderman Payne, seconded by Alderman Haynie, the Board voted 3-0 to approve the minutes from the May 20, 2024 Regular Meeting and the May 30 Special Meeting.

Item 3

Upon motion by Alderman Haynie, seconded by Alderman Smith, the Board voted 3-0 to open the public hearing regarding the proposed budget for Fiscal Year 2024-2025.

Forrest Gilliam, Town Administrator, presented the proposed budget and draft budget ordinance. The combined General Fund and Water and Sewer Fund budgets total \$2,042,900, an increase of approximately one percent over the combined budgets for the current fiscal year of \$2,021,514. The budget is made up of the General Fund, which includes administration, streets, sanitation, police, parks and recreation, fire, and other town services, as well as personnel, as well as the Water and Sewer Fund, which is an enterprise fund for water and sewer personnel, operating expenses, and capital expenses. General Fund revenues come from a variety of sources, with the Ad Valorem (property) Tax and the Sales and Use Tax comprising 80 percent of General Fund revenues. The Water and Sewer Fund operates independently of the General Fund, funded by charges to customers for water and sewer service.

The proposed General Fund budget of \$1,204,628 is approximately 3.2 percent higher than the current year's adopted budget of \$1,167,109. The budget decreases the property tax rate to the revenue neutral rate of \$.37 per \$100 in valuation. The budget maintains all existing positions and services, adjusts for inflationary costs for items purchased by the Town, includes a five percent cost-of-living adjustment for employees, and funds cost increases for retirement and health insurance benefits. The budget includes \$33,259 in Contingency to cover any unanticipated expenses that occur throughout the year.

The FY 2024-2025 budget follows the general reappraisal of all real property in Madison County. The revenue-neutral tax rate, as defined by G.S. 159-11(e), is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue for the current fiscal year if no reappraisal had occurred. The rate is then adjusted by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal in 2020.

The reappraisal produced a tax base of \$171,631,564 for the Town of Marshall. The tax levy for the current fiscal year is \$623,744, and the growth factor since the last general reappraisal is two percent. Using the formula mandated by state

law, the revenue-neutral tax rate is \$.37. The proposed property tax rate for FY 2024-2025 is \$.37, which represents a decrease from the property tax rate of \$.49 for FY 2023-2024.

Mr. Gilliam advised that the Madison County Tax Office is still finalizing values for the 2024 revaluation before mailing new value notices to taxpayers. This work includes a final review of estimates for commercial and mixed-use properties, which may lead to higher overall values for the town and have an impact on the calculation of the revenue neutral tax rate. In addition to these possible increases, there will be an appeals process following the mailing of new value notices that will likely lead to a reduction in overall values. Initial review by the town staff of new values indicates a large increase for residential properties but an overall decline in values for commercial properties in the central business and highway business areas. This discrepancy leads to average bill increases for residential properties, even after reducing to the revenue neutral rate, with average bill decreases for commercial and mixed-use properties. The town has flagged several commercial properties that have been significantly renovated since the last revaluation or which recently sold for substantially larger sums than are indicated in the new values, and shared those concerns with the county. Mr. Gilliam advised that the board may wish to wait to adopt the budget until the last few days of June to see if any adjustments are made to commercial values that would allow a lower revenue-neutral rate.

The proposed Water and Sewer Fund budget of \$838,272 is 1.9 percent lower than the adopted budget for FY 2022-2023 of \$854,495. The Water and Sewer budget includes a 1.5 percent increase to water and sewer charges, implements an industrial pre-treatment surcharge for certain large customers, and increases tap fees for new water and sewer connections to appropriately recover the Town's costs with installation. The budget anticipates a slight reduction in use and billing by some larger industrial customers. The budget maintains all existing positions funded through the Water and Sewer Fund, funds inflationary increases to benefits and goods purchased, funds a five percent cost-of-living adjustment for Water and Sewer positions, and sets aside funds for routine maintenance and repair of the water and sewer system.

The board discussed the budget and timeline for adoption by June 30. The board agreed to hold a special meeting on Tuesday, June 25 for final consideration of the budget. There was no public comment regarding the budget.

Upon motion by Alderman Haynie, seconded by Alderman Smith, the Board voted 3-0 to close the public hearing.

Item 4

Action on the contract for the Marshall Community Volunteer Fire Department was deferred until final budget approval on June 25.

Item 5

Action on the contract with Land of Sky Regional Council for zoning technical services was deferred until final budget approval on June 25.

Item 6

Upon motion by Alderman Haynie, seconded by Alderman Smith, the Board voted 3-0 to appoint Mayor Aaron Haynie as one of the Town's representatives on the Madison County Tourism Development Authority Board.

Item 7

A report the Tax Collection and Water/Sewer collection rates for the month of May was presented to the Board.

Upon motion by Alderman Smith, seconded by Alderman Haynie, the board voted 3-0 to approve 2023 tax releases and discoveries (See Attachment A)

The financial report for the month of May was presented to the Board.

Reports from Boards and Community Organizations

Downtown Marshall Association – Hollie West and Alexandra Arden attended on behalf of the Downtown Marshall Association. The group presented a check to Beacon of Hope, a portion of the proceeds from the seafood cookoff that was part of the Mermaid Festival. Discussion took place regarding the Mermaid Festival. There were improvements to crowd control in certain areas of the parade, including barricades and bleachers to encourage a viewing area around the courthouse and Bailey’s Branch intersection. While there were improvements in this area, problems may have been shifted to the bridge itself as a result. The deployment of additional off-duty officers was also beneficial. While the crowd was generally respectful and there were not widespread major issues, Police and town staff continue to have concerns about the size of the crowd and the challenge of crowd control in a small area where there are limited personnel for crowd management.

Alderman Haynie complimented the group for their work in organizing the event, but questioned the use of water in the parade. After receiving complaints about safety and nuisance concerns from parade participants, spectators, and town residents following the 2021 parade, town staff asked event organizers not to use water in the parade in 2022. In spite of this request, water was widely used in the 2022 parade, which led staff to more forcefully prohibit the use of water in the 2023 parade. Event organizers encouraged the replacement of water guns with bubbles in 2023, which was largely adhered to by participants and addressed the complaints from 2021 and 2022. DMA attended a Board of Aldermen meeting in February, 2024 at which they asked for consideration of water being allowed in the parade but be limited only to Jerry Plemmons Way. Discussion took place during that meeting and no decision was made to change the existing directive of staff that there be no water in the parade. It was stated during that meeting that more discussion could take place. DMA representatives attended a subsequent meeting but did not bring the issue up. In response to questioning from Alderman Haynie, Hollie West stated that she did not understand that the answer was a clear “no” from the town, and Alexandra Arden stated that she reviewed the town’s ordinances and did not see anything that said the group had to get permission. Mr. Gilliam advised that the town’s authority regarding water in the parade comes from the town’s discretion to issue or deny an event permit.

DMA and town staff are working on the town’s upcoming Independence Day Ceremony, scheduled for Friday, July 5. DMA has gotten the large flag repaired and cleaned so it will be ready for display at the event.

DMA is also holding its first “Island Nights” summer concert on the island on Saturday, July 20.

Board of Adjustment – Met June 10

Planning Board – Met June 3

Parks and Recreation – Meeting August 14

Department Reports

Fire Department – No report

Police Department – Chief Mike Boone referred to his written monthly report in board member packets.

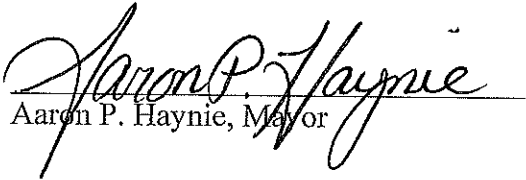
Public Works Department – Jamie Chandler, Maintenance Director, referred to his written monthly report in board member packets.

Public Comment – No one signed up for public comment.

Upon motion by Alderman Haynie, seconded by Alderman Smith, the Board voted 3-0 to enter into closed session for the purposes of attorney-client privilege and personnel.

Upon motion by Alderman Smith, seconded by Alderman Haynie, the Board voted 3-0 to return to open session.

Upon motion by Alderman Haynie, seconded by Alderman Smith, the Board voted 3-0 to adjourn at 7:41 p.m.



Aaron P. Haynie, Mayor



Forrest Gilliam, Town Administrator