

The Signal Mountain Town Council held a worksession on Friday, May 5, 2017 at 12:30 p.m.

Those present were: Mayor Chris J. Howley
Councilmember Dick Gee
Councilmember Dan Landrum
Councilmember Robert Spalding
Councilmember Amy Speak

Others present were: Town Manager Boyd Veal
Finance Director/Town Recorder Carol White
See attached list for others present

Mayor Howley led the pledge of allegiance. A moment of silence was observed.

FY 2017-2018 Budget Follow-Up Session

Town Manager, Boyd Veal, explained that as the Council requested, he had identified additional cuts to the FY 2017-18 budget in the amount of \$40,000.00. The Council discussed the need to increase revenue and/or decrease expenditures for approximately \$841,000.00 in order to have a balanced budget that provided sufficient revenue to cover the costs of operational expenditures.

Mr. Veal again explained that the operating budget had not increased from the prior year, but that the increased financial impact is due to several factors including debt service payments for the public works facility and fire station (\$384,000 +), along with the decrease in the Hall Tax revenue (\$250,000). In addition, he reminded the Council that this proposed budget includes an additional expenditure of \$300,000.00 for repairs to the Mountain Arts Community Center (MACC). Mr. Veal pointed out that these items total \$934,000.00 in increased obligations.

The Council had extensive discussion regarding ways to increase revenue. They reached consensus to increase user fees for non-residents. The Council also requested a review of all revenue sources for potential increases.

In addition, Vice Mayor Gee made a motion to approve an increase of up to \$.33 cents for a property tax increase to be included in the next review of the budget. Councilmember Landrum seconded the motion. The motion was approved with Vice Mayor Gee, Councilmember Landrum and Councilmember Spalding in favor, with Mayor Howley and Councilmember Speak in opposition.

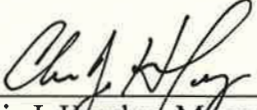
Mayor Howley suggested that an administrative position be added to the budget. He recommended duties for this position include grant application preparations and preparing and administering Request for Proposals. The Council agreed.

Vice Mayor Gee recommended adding a 2% COLA for all permanent employees who have reached the Market step in the Town's compensation plan. The Council was in agreement.

Other Business

Mr. Veal presented the Council with a draft of a resolution regarding the Centennial Celebration Committee. The Council approved the draft and it will be on the next meeting agenda.

There being no further business, the meeting was adjourned.



Chris J. Howley, Mayor



Recorder