

BURNSVILLE TOWN COUNCIL
Special Meeting
Tuesday, August 14, 2018

The Town Council, with members Mayor Theresa Coletta, Judy Buchanan, Russell Fox, Shannon Peterson, and Bunnie McIntosh present, held a special meeting on Tuesday, August 14, 2018, at the Burnsville Town Hall. Also in attendance were town staff members Leslie Crowder, Shane Dale, Jon England, Fire Chief Niles Howell, and Jeanne Martin; Town Attorney Heather Hockaday; and visitors Nathan Kardulis (BFD), Isaac McCurry (BFD), former Mayor Danny McIntosh, Jamie Ray (BFD) and Phillip Smith (BFD). The Mayor, who presided, called the meeting to order, stating that the purpose of and the agenda for the meeting was to discuss future plans for the Burnsville Fire Department.

The Mayor opened the discussion with an update on our USDA application for financing the new Burnsville Fire Department facility. She reported that Mike Ledford (USDA) recently advised that it is projected we will operate at a deficit in the 4th year of the 40 year loan. Leslie Crowder explained that the numbers used for the balance sheet furnished to the USDA were derived from a method suggested by the town's auditor, Sharon Gillespie. It was noted that some restrictions imposed by the USDA have contributed to the increased cost of the project. Russell Fox commented that numbers don't lie and we are searching for a solution.

The Mayor said it is alarming to realize that at the end of a 40 year loan for \$2.7 million the town would have paid \$5 million, a debt she would hesitate to leave for future Boards. Attorney Heather Hockaday said the town cannot require future Boards to appropriate the money to pay the loan. By contrast, however, the Local Government Commission will require the Town to resolve to do whatever it takes to honor the commitment.

The group discussed:

- **Scaling the project back to bare bones with materials and/or design** - this would not be desirable if it meant having a building that did not fit our needs. Shane Dale suggested there might be quite a bit of wiggle room on site work.
- **Other local fire department projects** – it was noted that other recent projects were built before the construction boom. The Newdale facility cost \$900,000 and Spruce Pine's building was \$1.6 million. Both of these buildings are metal with a front façade, and would and would not comply with Burnsville's design guidelines. Our plan is for prefab metal in the bay area to the rear, and a painted panel office area to the front. There was conversation about the possibility of relaxing the design guidelines.

Danny McIntosh said it would be a mistake to compare our department to other rural departments. Instead we should be looking at Marion, Spruce Pine, Weaverville, etc., because of our potential for growth.

- **Increase in revenues** – It was noted that a tax increase at this point would not take effect until July of 2019; however, a tax increase could provide leverage for an increase in the fire tax.
- **Design-build construction** – the architectural drawings we have at this point are not complete enough to bid out the project, but we could contact the architect (ADW) for the rights to the plans.


- **Creative financing** – The feasibility of a bond referendum should be investigated with Attorney Paul Jacobson, a municipal finance specialist, and the USDA should be asked to put our application on hold pending bond research. The Mayor stated that this seems to be our best option.

Russell Fox made a motion for him, Niles Howell and Leslie Crowder to discuss with Mike Ledford (USDA) the impact of a bond referendum on our loan application and ask that the application be placed on hold pending bond research; and further, direct Leslie Crowder and Jeanne Martin to research the feasibility of a bond referendum with Attorney Paul Jacobson.

There being no further business, Bunnie McIntosh moved to adjourn. Judy Buchanan seconded the motion, which carried.



Jeanne Martin, Town Clerk



Theresa Coletta, Mayor