



MINUTES

Regular Town Council Meeting

4:00 PM - Tuesday, June 9, 2020
Council Chambers

The Regular Town Council of the Town of Beech Mountain was called to order on Tuesday, June 9, 2020, at 4:00 PM, in the Council Chambers, with the following members present:

COUNCIL PRESENT: Mayor Barry Kaufman
Vice Mayor Jimmie Accardi
Councilmember Weidner Abernethy
Councilmember Kelly Melang
Councilmember Erin Gonyea

COUNCIL EXCUSED:

STAFF PRESENT: Attorney Stacy Eggers, IV
Town Clerk Tamara Mercer

1. **CALL TO ORDER**
2. **ADOPTION OF AGENDA**
 - 2.1. Mayor Kaufman requested a motion to adopt the agenda.
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENT- NONE**
5. **CONSENT AGENDA**
 - 5.1. Adoption of Minutes
May 12, 2020 Regular Meeting
 - 5.2. 2018 Water System Rehabilitation Report

Motion

Jimmie Accardi made a motion to approve the regular meeting minutes of May 12, 2020 and the 2018 Water System Rehabilitation Capital Project Ordinance (DWI #H-SRP-D-18-0126) and Weidner Abernethy seconded the motion. CARRIED. unanimously.

6. 2ND PUBLIC HEARING FISCAL YEAR:2020-2021 ANNUAL BUDGET

6.1. FY: 2020-21 Annual Budget 2nd Public Hearing

Mayor Kaufman requested a motion to open the second Public Hearing for the FY:2020-2021 Annual Budget and Councilmember Melang made a motion to open the Public Hearing and Councilmember Gonyea seconded the motion. The motion carried unanimously.

Per emergency protocol, Mr. Pudney read the letter verbatim that was received from Mr. Urs Gsteiger and submitted it to Council as follows:

Having reviewed the revised 2021 Town budget I note that a number of positive changes were made to the original proposal, but some issues remain. I have also been provided with additional information by Bob and Town staff which I believe would help the public better analyze the current budget proposal. These comments are therefore intended to supplement my original comments, outlined at the last Council session. As I stated previously, this budget is a huge improvement from past budgets and reflects significant progress on many needed projects.

First, the revised budget still proposes a 1% COLA and 2% merit increase. I continue to believe that the 2% be given as a bonus and not as a salary raise. I continue to be concerned about the ratchet effect of annual salary increases and the effect on future budgets. We simply cannot continue to raise salaries at 3-4% per year with flat revenues.

I continue to be concerned about health care costs. As I understand where we stand, employees currently pay \$100 per month for spouse or children coverage and \$200 per month for family coverage. In addition, if a spouse or child is eligible for coverage under another plan, they cannot be covered by ours. These amounts are not scheduled to be raised this year and are nominal amounts that are unfair to taxpayers as well as employees without dependents. With health insurance costs almost 10% of the Town's budget, something needs to give. While I support the Town paying for employee health coverage, I do not support the large subsidy we are providing dependents.

Since the last Council meeting, Bob provided me with an analysis of the cost of police take home vehicles. According to his figures, the annual additional mileage incurred is about 30,672 miles for eight vehicles. At the IRS mileage rate of .58 per mile, that equates to an annual additional cost of \$17,790. More troubling to me is that this represents about a 40% annual increase in mileage per vehicle, so I suspect the true cost to the Town will be greater than \$17,790 per year since the vehicles will wear out that much faster. I continue to be concerned that take-home vehicles have been authorized without regard to the detailed requirements in the written policy and believe this needs to be reviewed by Council.

Having reviewed the new fee structure, I believe it may be time to revisit not just base water and sewer fees, but the rates for above minimum use. Those rates have not increased in years. It may also be worth examining

whether our commercial water rates make sense. We are trying to encourage water conservation and one way to do this is to increase rates as usage goes up.

Bob and I have had several conversations about a road maintenance analysis similar to the one the Town uses for water rates. I hope Council will continue to push for such an analysis to determine if we are spending what we need for roads.

Submitted,

Urs Gsteiger

Motion

Weidner Abernethy made a motion to close the public hearing and Kelly Melang seconded the motion. CARRIED. unanimously.

7. PUBLIC HEARING CHAPTER 50 SOLID WASTE ORDINANCE AMENDMENT

- 7.1. Mayor Kaufman requested a motion to open the Public Hearing on the proposed Solid Waste Ordinance amendment.

Motion

Jimmie Accardi made a motion to open the Public Hearing on the Solid Waste Ordinance proposed amendment to Chapter 50. Mayor Kaufman stated the Town did not receive any comments regarding the proposed amendments to the Ordinance and the hearing was closed and Kelly Melang seconded the motion. CARRIED. unanimously.

8. NEW BUSINESS

- 8.1. Chapter 50: Solid Waste Management Ordinance

Mayor Kaufman said the proposed ordinance was provided and no public comments were received for the Public Hearing regarding the amendment to Chapter 50: Solid Waste Management Ordinance. Mayor Kaufman made a motion to add an amendment to the ordinance stating there be a requirement for bear proof metal bins for new construction only.

Councilmember Melang noted that the ordinance listed the solid waste bin specifics and questioned the details such as requiring a 'complete' bear proof bin. The ordinance specs state a bear proof, all wood pressure treated bin. She pointed out the penalty fees are stated in the ordinance so there was the issue of requiring a metal or solid wood bear proof bin.

Mayor Kaufman said his request was for a bear proof metal bin for new construction only. He added the amended language would not change the current requirement on existing housing and what homeowners are using

currently. A person buying an existing house could use the existing wooden bin, the bear proof metal bin would be required for new construction only.

Councilmember Gonyea brought up the subject that in the future the Town might no longer provide trash curbside pickup at the homes. She wondered if we will only allow the convenience center garbage drop off. Mayor Kaufman said for now, the Town provides both trash residential pickup and the recycle center drop-off. We are building the new convenience center facility.

Councilmember Abernethy said he was opposed to the addendum as it is intrusive. The government should not require a metal bin. There was a lengthy discussion regarding the requirements, the violation fees and bin costs, curbside garbage service, the new Public Works facility, new construction, and satellite dumpsters on the mountain. Mr. Pudney noted he does receive phone calls from the public regarding the requirements, so we need to state the detailed specs for metal bins, so we are clear in the direction given to the public. Councilmember Melang said that since there are two options, let the people choose.

Mr. Pudney stated he understood the concern if people should spend a \$1,000 on a metal bear proof bin and then Town stops the curbside pickup, the citizens would have spent the money and not having the curbside pickup is an issue. After further discussion, Mr. Pudney noted that Sanitation workers monitors refuse scattered at houses and enforcement along the sanitation pickup routes. We check the bins in disrepair, utilize the new software system DUDE for reporting. A notification letter is generated to the homeowners, noting the improvements which need to be completed, or the crew will pick up the trash and dispose of it and administration sends a fine.

In response the Councilmember Abernethy's inquiry in the Ordinance under section 50.12 (G), there was discussion regarding the problem with the 'lids' and the language in that passage. Mr. Pudney clarified that we encourage those homeowners to dispose of bins that are in disrepair and we offer to pick them up if they cannot be repaired. Code enforcement and the aesthetic appeal of garbage bins was discussed, and Mr. Pudney offered that sanitation crews can take surveys and list the questionable bins in order to assess the problem, to which Mr. Abernethy agreed to that process.

There was further discussion regarding the regulations and including them in the utility bills, sending out reminders and the process for making language changes to the ordinance. Attorney Eggers reviewed the process for advertising the Public Hearing, which we just held on the matter and he characterized the difference between minor and major changes to the verbiage from what is proposed. Substantial changes to the ordinance would need a second public hearing and would need to be advertised.

The added the language as suggested would be placed under section 50.12 (N) regarding the option for using a metal receptacle. As long as the verbiage is consistent with the US Forest regulations that can be added as an amendment at a later date, to which Mr. Pudney requested that we allow Staff to research those specs and/or the Planning Board to review it, in order to

submit the amendment at a later date. Attorney Eggers agreed that Council could still move forward and adopt the proposed Ordinance.

Mr. Pudney reviewed the Convenience Center procedures and the permit placards needed at the dump. The homeowners will receive the blue placard at no cost to them as that is a part of the utility bill costs. Red permit placards are for rental units. He further explained the fees for usage of the facility by visitors, the procedures and fee for non-residents which will be sold for \$370 annually.

Councilmember Abernethy stated the tonnage of garbage and the construction material that is hauled off the mountain to Boone and the costs of the garbage management was hurting the taxpayer and needed to be controlled. He agreed with implementing the new procedures to curtail the costs and stop allowing others to use our dump and facilities for free.

In response to Councilmember Melang's question, Mr. Pudney stated that Staff will return with a proposed amendment regarding the metal bins but Council could consider the proposed Ordinance as submitted.

Motion

Weidner Abernethy made a motion to adopt the Solid Waste Ordinance amendments to Chapter 50 and Erin Gonyea seconded the motion. CARRIED. unanimously.

8.2. Annual Budget Ordinance FY 2020-2021

Mayor Kaufman requested a motion to open discussion on the proposed Annual Budget Ordinance and Kelly Melang made a motion for discussion and vote on the FY: 2020-2021 Annual Budget and Erin Gonyea seconded the motion. The motion passed unanimously.

Councilmember Abernethy discussed the proposed Annual Budget and commented on Mr. Urs Gsteiger's critique regarding the health insurance. In response to his inquiry, Mr. Pudney stated employees are covered 100% and families are 80%, spouse 82%, and dependents 76%. Mr. Abernethy was in favor of the budget but costs such as payroll and overhead need to mirror the private sector such as a manufacturing plant. He said Council should put this on the agenda and that the employees need to increase their payments for families and spouse. Council can look into increasing employees' costs to at least 25%.

Councilmember Abernethy said he was in favor of the take-home cars for police as it is a recruitment tool for retention. The Police Officers' take-home car pays for itself versus the costs to train, the hiring process and overtime work is worth the investment so he is in favor and will vote yes on this budget. Councilmember Melang agreed and said it's important to phase in the increase health care costs. She also agrees with Councilmember Abernethy regarding the police take-home cars.

Councilmember Gonyea was in full approval of the budget and the take-home vehicle program. She was amenable to a healthcare open discussion; however, we should be careful not to lose good employees due to healthcare benefit reductions.

Councilmember Accardi was also in support of the budget and he was in favor of the police recruitment tool for take-home vehicles for retention. All officers meet the requirements for usage of take-home vehicles. Mr. Accardi said we are not in business to make money off employees and Council can find a happy medium for the insurance costs in order to figure out the best route gradually. He was not in favor of employee bonuses and agrees with the proposed merit raise but that the verbiage on page 2 should state 'up to a 2%' merit raise.

In response to Councilman Accardi's question regarding the number of fire hydrants, Mr. Pudney stated the Town purchased six fire hydrants under the FY: 2019-2020 Budget and six more are to be purchased, nine are to be repaired so there will be 21 total. He explained the problems with a few outliers which have valve or piping issues which we will address, so this year we look to be 80% functioning.

Mayor Kaufman is in favor of police car take-home program as it's a no-brainer. He does not agree we need to change the insurance next month but in the next six months a study and task force can look into a 25% increase, but we need to check the towns around us and take our time researching the data. The fee schedule reflected that there was only 2% increase in the health insurance costs. This is a relief this year that it is not higher. Every employee should pay a portion of those costs, but he disagreed with Councilmember Abernethy's timeframe.

There was further discussion on the healthcare insurance topic. Mr. Pudney noted that the employees want stability and if the intent is to increase the employees' contribution amount for next year then Mr. Pudney proposed Council to allow him to put together a committee of employees for researching the issue, working with our healthcare provider the League of Municipalities and look at the taxpayers concerns and to find a compromise. Employees understand and they know the benefits are good. Mr. Pudney pointed out employees are doing their part to keep claims low as we have not had a huge claim to pay out. The Town just held Open Enrollment. Mr. Pudney said our rates had increased 2%. The Health and Wellness Assessments will be held June 23rd which helps keep costs down. Mr. Smith stated employees are making their decisions for coverages for their spouse and child for the upcoming Fiscal Year and we cannot change those plans during the year without a qualifying life event. As of July 1, the employees are stuck with the decisions made now, which are based on these costs now.

By consensus it was determined that the healthcare insurance was to be addressed at the next budget retreat stated Mayor Kaufman. He said that can be the target as the staff report would be completed, and Council can make decisions for pricing based on the NC League of Municipalities updates and that will be well in advance of open enrollment.

Mr. Pudney added that with regards the police take-home cars, he said the program costs \$17,000 per year, and he explained this was based on the IRS 58 cents per mile factor, which is used to include not only mileage but gas, tires, repairs, depreciation and replacement costs of vehicles so it is a conservative calculation. The budgeted \$17,000 per year broken down per vehicle, is \$2,200. Mr. Pudney further explained this benefit per officer as a recruitment tool pays for itself if it were to be given as a higher salary. From a management perspective, the \$2,200 per officer would be more than that if given as a salary annually, so the savings is worth the recruitment and retention benefits.

Lastly Mr. Pudney took a citizen's phone call and he wanted to stress that the Town is not raising taxes. The tax rate remains same but there are fee schedule increases. The fee schedule increases are in solid waste and in Parks and Recreation fees, which are all outlined in the Manager's Budget message.

Motion

Kelly Melang made a motion to approve and accept the FY: 2020-2021 Budget Ordinance and Fee Schedule and Weidner Abernethy seconded the motion. CARRIED. unanimously.

8.3. Order to Advertise

Mayor Kaufman explained the Council must approve the Tax Department's request to advertise the tax liens for property owners who have not paid the taxes which were unpaid at approximately \$128,000. Mr. Pudney added the procedure is the same every year, where Council approves the request and the delinquent tax bills are advertised in the newspapers of general circulation as tax liens. The department gives sufficient notice to the property owners that taxes must be paid and lastly the advertisement is posted. Administration sends out three courtesy notices. We are at a 98% collection rate so far as reported by Tax Administrator, Rebecca Ward. Mayor Kaufman remembers one year it was 92%.

Motion

Barry Kaufman made a motion to allow the Tax Department to advertise the delinquent taxes and Weidner Abernethy seconded the motion. CARRIED. unanimously.

9. TOWN MANAGER AND STAFF REPORTS

9.1. Mr. Pudney reviewed the various projects and status on COVID-19 pandemic as follows:

- Budget Fee Schedule – increases for Sanitation, Parks and Recreation, and utility charge changes, the increase utility fee is increased for the Watauga River Intake water project. The increase in Public Works

Sanitation is for the aggressive roadway paving schedule and well as the hiring of seasonal work crews and for grader equipment and infrastructure improvements.

- New Public Works facility status update
- Covid-19 update – the Town is under phase 2 as mandated from the State, masks and social distancing directives for health and wellness.
- Retail and restaurants at 50% occupancy
- Short-term rental at 50% occupancy
- Playgrounds closed
- Recreation centers closed
- Town Hall is open with masks required
- Boards and Committee meetings cancelled
- Summer camp cancelled; alternate programming being provided
- Exercises classes being provided in the Buckeye Lake Pavilion
- The Town is attempting to accommodate the needs of the residents and visitors under the pandemic restrictions.
- Solid waste/Convenience Center – new permit access system will be in place starting July 1st. Mailing all sanitation customers two (2) mirror placards at no charge. Rental agencies will be issued a red temporary placard. Permits for use of the convenience center for rental units issued and should be returned with the house keys to property managers. Convenience Center attendants are being trained to provide assistance with the implementation of the program. Yearly permit for non-resident customers will be sold at a 25% premium.
- Lake Coffey bathroom – completed
- Lake Coffey maintenance building – being painted.
- Water and sewer line replacement going well, the contractor is very methodical and closing all ditches ever day to allow for traffic flow. New fire hydrants are being installed.
- Shane Park –construction underway/ foundation completed.
- Public Works Facility – moving ahead now the weather has cleared, construction is behind schedule about 60 days.
- Beech Mountain Parkway Green-scape and multi-use walkway is expected to be completion by the end of June
- Beautification – Beech Mountain Parkway medians are graded and seeded, and mowing schedule by the vendor is an ongoing job
- Beech Mountain Parkway maintenance striping between the Ski Resort and Pine Ridge Road is underway
- Addressing Project- numbers have been mailed with directions to those found to be not in compliance at a cost savings over violation notices. Thank you to Kelsey Wise
- Hyden Park- old pump building to be demolished. Mr. Pudney explained he told the Council last month we were planning to repaint the building, after a careful analysis it was determined to remove the structure and return the area to more park green-space and open space.
- Buckeye Creek Road paving, completed, next is striping. Planning a dedication and business expo for August 27th at the Buckeye Creek Recreation Center. More details to come.
- Paving of Lake Road underway, all water services were replaced by the Public Works Department and two substantial leaks were found and

eliminated.

- Watauga River Water Intake Website is up and running
- Watauga River Water Intake meeting with stake holders and people who may oppose the project in order to get the correct information out
- Watauga River Water Intake Engineering and planning for the project is underway and we would like to discuss a change in the special assessment fee to be more transparent on the actual costs.
- Watauga River Water Intake status delay due to County Commissioners feedback
- Town website upgrade was delayed but will be put back on-track in the upcoming fiscal year
- Street sign design and upgrading.
- Fireworks event are set to go on July 4th
- Lake Coffey fishing derby and Lake Coffey bathroom dedication went well, finally able to get some outdoor programming done with 50-60 participants
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After much discussion on the implementation of the new budget and Council goals, Mr. Pudney expressed his thanks to Frank Steele for his idea to include a 'Welcome Back' sign welcoming our summer residents which is now posted.

Mr. Pudney stated that the Town was in violation of our Buckeye Lake State permit. We met with the engineer and will be responding to the State directly and work with them to fix the matter. Mr. Pudney explained the situation and how the flow data corresponded to the output and how the violation occurred. The plant will make the necessary adjustments to the gage readings to reduce the immediate impact on the lake flow.

The pump at Shane Park is also working and this will help supplement the lake during low levels and we have rerouted the pump. The State Department is aware of our mitigation efforts and conservation measures. The potential fines by the State are a maximum of \$25,000 per day and we understand this and will address this going forward. The State has acknowledged that Buckeye Lake is not large enough and does not have enough capacity entering the lake so they will work with us and the Manager's Office will keep Council advised of the status of this issue. The plant operators' procedures were discussed.

Mr. Pudney addressed the Town Manager search and process and it was determined the Town Council would consider this in a few months.

- 9.2.** Fire Department Monthly Report
- 9.3.** Department of Infrastructure Reports
- 9.4.** TDA June Report
- 9.5.** Recreation Report May 2020
- 9.6.** Activity Monthly Summary Totals/BMPD

9.7. Finance Department Reports

Motion

Review

9.8. Planning and Inspections Report 2020-05

10. TOWN COUNCIL COMMENTS

10.1. Town Council members all agreed the Staff and Council goals and accomplishments were on track. Vice Mayor Accardi commended Mr. Pudney and Staff for the various projects; for the Lake Coffey Bathroom completion to the Parks and Recreation Department Director, Sean Royall beginning the guided hikes. The Buckeye Creek Road paving will bring money to the mountain. The Zoom meetings have been challenging for Council and the public.

Councilmember Gonyea welcomed the summer residents and thanked Sean and Parks and Recreation Staff for the fishing tournament, summer programs and fun videos. She thanked Bob and Staff for the infrastructure progress. The cleaning and mountain maintenance is obvious.

Councilmember Abernethy agreed with the progress from Shane Park to Lake Coffey bathroom, building maintenance and the paving of Buckeye Creek Road, Greenways, water service lines and the Public Works Complex and beautification projects such as hydro seeding are completed and with no excuses. He thanked Bob and said financially we had an excess of 13 budget amendments last year due to poor planning. To which Councilmember Melang agreed that the Town Manager has done an outstanding job. Buckeye Lake Road paving is a great drive off the mountain, and she complimented Staff on the 'alien' on the outhouse at the Lake Coffey bathroom. These are creative solutions.

Mayor Kaufman thanked Council for working together on these aggressive goals and for approving the new budget for the upcoming fiscal year and for giving the Manager the authority to accomplish the new goals. They will continue to work together.

11. ADJOURNMENT

11.1. There being no further business, Mayor Kaufman requested a motion to adjourn at 5:59 p.m.

Motion

Weidner Abernethy made a motion to adjourn the meeting and Kelly Melang seconded the motion. CARRIED. unanimously.

Town Clerk

Mayor, Town of Beech Mountain