



MINUTES

Regular Town Council Meeting

4:00 PM - Tuesday, February 11, 2020
Council Chambers

The Regular Town Council of the Town of Beech Mountain was called to order on Tuesday, February 11, 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
Interim Town Manager Bob Pudney
Town Clerk Tamara Mercer
Public Utilities Superintendent Daniel Davis
Building Inspector Jeff Fish
Director of Tourism and Economic Development Kate Gavenus
Public Works Superintendent Matthew Clawson
Town Planner Preston Yates
Director of Special Projects Riley Hatch
Parks and Rec Director Sean Royall
Chief of Police Tim Barnett

1. CALL TO ORDER

2. ADOPTION OF AGENDA

2.1. Mayor Kaufman requested a motion to adopt the agenda.

Motion

Weidner Abernethy made a motion to adopt the agenda and Jimmie Accardi seconded the motion. CARRIED. unanimously.

3. INVOCATION- PASTOR PAUL COLE

3.1. Interim Town Manager, Mr. Bob Pudney introduced Paul Cole, Pastor at Heaton Christian Church and added Mr. Cole was also a first responder diver

in the rescue of the trapped diver in the Buckeye Lake incident in 2018.

4. PLEDGE OF ALLEGIANCE

5. PUBLIC COMMENT - NONE

6. CONSENT AGENDA

- 6.1.** Adoption of Minutes - Reconvened meeting minutes and closed session minutes of December 23, 2019 & regular meeting minutes of January 14, 2020

Mayor Kaufman requested a motion to adopt the Consent Agenda items and Vice Mayor Accardi corrected page 10 to read Ms. Carr not Mr. Carr and Town Clerk, Ms. Mercer noted the typo would be corrected in the January 14, 2020 meeting minutes.

Motion

Weidner Abernethy made a motion to adopt the consent agenda items, reconvened meeting minutes and closed session minutes of December 23, 2019 & regular meeting minutes of January 14, 2020 and Erin Gonyea seconded the motion. CARRIED. unanimously.

7. NEW BUSINESS

- 7.1.** Audit and Financial Statements Presentation Wade Greene, CPA

Auditor, Mr. Wade Greene from Greene, PLLC Whiteville, NC, presented the audit report to Council. It is the Auditor's responsibility to express opinions of financial statements based on generally accepted accounting principles. Mr. Greene provided a summary of financial highlights and said assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$24,899,679. Net Position increased by \$539,872. The General Fund revenues and expenditures were next reviewed by Mr. Greene. He said in 2018, Revenues were \$6,686,790 and Expenditures were \$5,991,819 also for 2018. For 2019 Revenues were \$6,719,502 and Expenditures were \$6,305,597. The General Fund balances available were: 2018- \$3,296,690 and for 2019 it is \$7,769,430.

Next Mr. Wade reviewed the Sanitation Fund Revenues and Expenditures and said for 2018, Revenues were \$399,455 and Expenditures were \$365,110 and the Revenues for 2019 were \$412,545 and Expenditures were \$582,956 a loss or deficiency of \$170,411. Now the Local Government Commission or LGC has noted this water and sewer deficit on our books and in their report, this is an area of concern. The Sanitation Fund Balance for 2018 was \$508,813 and for 2019 it is \$333,669.

Mr. Wade provided a summary of the Water and Sewer Fund Revenues and Expenditures. For 2018 Revenues were \$2,176,224 and the Expenditures were \$2,540,940. For 2019 the Revenues were \$2,333,246 and the Expenditures were \$3,732,234 the Water and Sewer Fund Balance for 2018

was \$2,602,043 and for 2019 it is \$1,106,204.

He then reviewed the cash flow and long-term debt financial statements as well as the net tax levy. He noted the tax collection rate in 2018 was 97.55% and in 2019 it went down to 96.90% but the Town is still collecting for 2019 so this is still a good tax collection rate. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,036,041 or 48.15% of total general fund expenditures for the fiscal year. The Town's total debt decreased by \$750,789 during the current fiscal year. the key factor in this decrease was the debt payments in the business type activities. In Mr. Wade's opinion the Town's financial statements are within the LGC's general accounting practices guidelines.

Motion

Kelly Melang made a motion to approve the Audit Report results from the firm, W. Greene CPA and basic financial statements and Erin Gonyea seconded the motion. CARRIED. unanimously.

7.2. FY: 2019 Semi Annual Financial Reports

Mr. Pudney provided the Financial Report from July 1, 2019 through December 31, 2019 and the statements are reconciled including the fuel allocations. The Council will receive the monthly report, as it's important that Council know where the funds are. He provided the balance sheet showing the enterprise fund and general fund looking at cash and investments. He noted the budget summary and that the Auditor also pointed out which accounts are insured by the Federal Government. A majority of the Town's investments are in the North Carolina Trust Funds.

In response to Councilmember Abernethy question as to how the funds are invested, Mr. Smith, Finance Officer answered that we adhere to General Statute §159 which limits investments to treasuries and Capital Management Trust, which is the only mutual fund we are allowed to invest in, this fund is also controlled by the State Treasure's Office.

The growth rate for the past 3 to 5 years in these funds, is approximately a rate growth of 2.75-3.25 %. Mr. Smith explained the terms for the funds and liquidity for the funds. The term fund requires a two days advance notice in order to liquidate.

In response to Mayor Kaufman's inquiry, Mr. Smith said the Branch Bank Pooled fund is the Town's checking account at BB&T. The pooled account does contain monies from the Town's Water and Sewer funds and General Fund which is in one bank account and the amounts increase or decrease substantially at tax time. Mr. Smith stated that he has transferred a substantial amount into the investment funds, and he will, in the future list those transfer amounts and activities as he does this periodically.

In response to Ms. Melang's question regarding the Shane Park monies, Mr. Smith said those separate accounts are not actually shown here, his

software program can however, report the actual Shane Park donations.

Motion

Jimmie Accardi made a motion to accept the financial report and financial statements and Weidner Abernethy seconded the motion. CARRIED. unanimously.

- 7.3.** Buckeye Lake Protection Ordinance to call for Public Hearing for March 10, 2020

Motion

Kelly Melang made a motion to call for a Public Hearing at the next regular meeting on March 10, 2020, to hear public comments on amendments to the Buckeye Lake Protection Plan and Ordinance and Weidner Abernethy seconded the motion. CARRIED. unanimously.

8. OLD BUSINESS

- 8.1.** Council FY:2020-2021 Planning Retreat

Mr. Pudney presented an overview of the Town Council's Planning Retreat held on January 23, 2020. He reviewed the brainstorming session where input was given for a mayor, council member and manager's best attributes. Topics discussed throughout the day were: roadways, paving and gravel roadways, water lines, fire hydrants, Watauga River Intake Project, roadside improvements, ditch cleaning, beatification, social media and the Town's website, trash debris, temporary workers for street maintenance, code enforcement, facilities maintenance, way-finder signage, visitor center expansion, speed indicator signs, Oz Road paving, 5% Budget reduction, employee safety and training, dry tubing, open burning, convenience center controls and ordinance enforcement, public transportation- shuttle service, bike trails contingency plans, parks and playground improvements, sidewalks on Beech Mountain Parkway, Shane Park, Restrooms at Coffey Lake.

Council's Top Priorities:

- 1) Infrastructure: Water Lines, Sewer Lines, fire hydrants, Watauga River Intake

Champions: Vice Mayor Accardi and Councilmember Gonyea

- 2) Roadways: paving schedule, maintenance & resurfacing, striping, pave Buckeye Road (back gate), roadside improvements, paved ditches and landscaping

Champions: Councilmember Abernethy and Councilmember Melang

- 3) Website/ Social Media presence: user friendly site, consistent content across all platforms, relevant content and event updates

Champions: Councilmember Melang and Councilmember Gonyea

- 4) Cost Savings Incentives: budget, efficiency analysis, incentive opportunities

Champion: Vice Mayor Accardi

5) Gravel roadways: maintenance grading stabilization, ditch and maintenance schedule

Champion: Mayor Kaufman

Mr. Pudney reviewed the next steps and noted Council pledged to work as a team and focus on the main priorities which were reached by a consensus of the members for betterment of the community. Staff and the Manager's Office will work on the up-coming budget plan in order to meet these goals and implement the plan.

Motion

Erin Gonyea made a motion to accept Council Planning Retreat Report and Weidner Abernethy seconded the motion. CARRIED. unanimously.

9. TOWN MANAGER AND STAFF REPORTS

9.1. Business Acknowledgement- Beech Meadow Ski Shop, 405 Beech Mountain Parkway

Mr. Pudney pointed out that the adjacent ski shop and Realty business, owned by Mr. Wilson King has been in existence before the Town was incorporated.

Wilson King reminisced and stated there was an actual 'back-gate' and there was a 'pole yard' on the back side of Beech Mountain. Mr. King has been conducting a 're-recycling' program for 9 years, called the Big Sale. Where they rent the National Guard Armory in Boone, donations of new materials and goods fill up the square footage of the Armory and all proceeds and sales benefit the Humane Society.

Mr. Wilson said he opened the Beech Meadow Ski Shop in 1978 and he recounted how over time, more and more businesses have joined the Ski Shop to donate to the Humane Society. The once a year Big Sale has become a year-round collection and donation effort by the Ski Shop coordinating with others to give to the Humane Society. They collect and distribute with Rams Rack in Newland for the Avery Humane Society. Towels and sheets are the most popular item for animal shelters, so they accept sheets, quilts any sort of bedding, harnesses, and leashes. Mr. Wilson listed all items accepted by the Thrift Shops. Donations are a sound business and we throw away so much. These efforts not only support animals and people but is a direct benefit to the Town. As taxpayers we know the Recycling Center consists of the 'solid waste stream' this 'solid waste stream' costs the Town money to haul off the mountain and is a direct expense to the Town and hence an indirect expense to the taxpayer.

Not only does recycling cut costs and expenses but our trash is not filling up landfills. So, less garbage disposal fees, less in landfills, advantages to the environment, this is a tax write off to donors and we are providing services to

help animals. Mr. Wilson encouraged the public to donate their items that others could use, and he encourages others to take up collections to compete with him. Let's protect and preserve our mountain not just for two-legged creatures but four-legged creatures as well.

- 9.2.** The Clerk's Office has partnered with the State Archives of North Carolina Office, in the preservation of the Town of Beech Mountain's minute books.

Books in the vault, such as minutes, resolutions, and Sanitary District books, have been inventoried and micro-filmed by the State Office in Raleigh. This ensures public access to Beech Mountain's historically significant archival materials for now and into the future. Beech Mountain's permanent public record is now a part of the Statewide records system, preserving our rich history and historical value.

- 9.3.** Mr. Pudney submitted the departmental reports and provided an update from the Manager's Office. He said a national and regional search by the Human Resources Office has begun for a new Town Manager and Mr. Pudney will keep the Council apprised of that search.

As to the request for submissions for Town Attorney, Mr. Pudney noted we have two proposals, we received responses from three attorney's offices of conflicts of interest and we are waiting on two proposal submission from other attorney offices.

Mr. Pudney reported that we have not received a permit from the State Department for the project at Shane Park. Mr. Pudney said Parks and Recreation nor Planning Department had applied, and the Staff will follow-up with the necessary permitting required to continue the project. There are many records stored at the Lake Coffey building. There are issues with the building such as the facility roof leaks, and we need to repair shingles. We are replacing the shingles on the roof at a cost of \$8,000, which includes painting the building. At this time, we won't require replacement, but the building has outlived its purpose.

The Pond Creek Bridge was repaired by Public Works and the Recreation Department. The two departments worked together and installed a new foundation and bridge repair costs are \$560 for total repairs. The Public Works Department is continuing to replace fire hydrants on the list and Pinnacle Ridge North is complete. We have our 2018 Water and Sewer Main Project advertised for bids. This is a major project as all the water and sewer mains will be dug up. The streets will be dug up and sewer and water lines will be replaced and services to homes will be disrupted and we plan to begin the major project in April. That bid will be brought before Council for review and/or approval. Sections of repair will be by Overbrook Trail and Creekside by Charter Hills.

The new Public Works building project is underway, but some substantial changes have been made to reduce costs, such as the vehicle wash system. We are still trying to close the loan, which hopefully will close in April. One issue was receiving the audit report which took longer and the Audit Report has now been presented to Council and Council accepted it. Mr. Smith has been

working with LGC every day in order to secure the bank's loan for the Public Works building project.

Winter salting and sanding is ongoing and site specific issues with the thawing and refreezing causes roadway problems. Street Maintenance crews are targeting those sites. Plowing occurs in zones, and an area plan is in place. The priority areas are first and crews are plowing as to the schedules. The agreement with DOT is in place and working well.

The Budget process is underway and department heads are including detailed descriptions for all line items.

The Planning Board is working on the street addressing project. The Zoning Official working with the Police Department have identified approximately 1,000 buildings in non-compliance. Letters will notify homeowners and will be mailed out, but we are working towards voluntary compliance for addressing. It's important for emergency services to find the buildings and homes so letters will step up the addressing project in order to achieve compliance.

Watauga Water Intake Project meeting is February 25, 2020 at 2:00 p.m. at Town Council Chambers to be attended by Staff, the project engineers, who will explain the study report, State Water Quality representatives, as well as the Financial experts in order to conduct the workshop the Town's options and Staff will be looking for direction from Council.

The next business task force is scheduled for March 3rd at White Wolf Lodge at 11:30 a.m. Mr. Pudney discussed the weekend traffic backups at the overflow parking lot and he met with Ryan Costin and we deployed the Town's electronic mobile sign to prewarn people of the traffic pattern. The attendants worked with the Town to keep traffic flowing and we had fewer delays.

- 9.4. Fire Department Monthly Report
- 9.5. Police Department Monthly Report
- 9.6. TDA February Report
- 9.7. January Recreation Report
- 9.8. Planning and Inspections Report 2020-01
- 9.9. Public Works January 2020 monthly reports

10. TOWN COUNCIL COMMENTS

- 10.1. Councilmember Abernethy observed that the traffic flow solutions are working, and thanked the Manager's Office for coordinating with the Police Department and with the Ski Resort. He inquired into the occupancy tax and the gross receipts, and Mr. Pudney acknowledged we have had record revenues reported by the Tourism Development Authority, and the TDA Director, Ms. Gavenus projects these numbers will keep growing.

Councilmember Gonyea thanked Mr. Wilson King in his involvement and efforts volunteering for the region and donating to the Humane Society and noted that she was very pleased with the Town's direction and the Manager's leadership.

Vice Mayor Accardi thanked Staff and the Police Department, specifically Parks and Recreation Director, Sean Royall for a successful Martin Luther King Jr. weekend as the 'nerf gun wars' attracted over 200 people to the event.

Councilmember Melang reiterated that the Watauga Water Intake Project is an open meeting on February 25th. Also Parks and Recreation is holding a Shane Park meeting, which is also open to the public, on Thursday, February 13, 2020 at 9:00 a.m. Ms. Melang thanked the Public Works Department for continued work on the snow removal schedule, and she suggested that this schedule should be posted on the website in order so the public can see when their street will be plowed. She reminded everyone that gravel roads do not get salt only sanded.

Councilman Abernethy agreed that we are seeing positive results.

Mayor Kaufman noted that the Manager's Office holds a Monday morning staff meeting at 9:00 a.m. every week.

11. CITIZENS' AGENDA COMMENTS

11.1. Mr. Frank Steele inquired into the Buckeye Lake Protection Ordinance, to which Mayor Kaufman said that Staff is researching the ordinance and presenting the ordinance at the next Council meeting, Council will review it based on our long-term water plan. Council is holding the Public Hearing on March 10th and Staff is preparing the verbiage.

Mr. Peter Patton stated he was concerned with the salt use on the mountain. He asked what the impact of crushing and spreading salt has been on the environment since we began salting. He believed an impact study should be conducted, for example on Tamarac Road, since that hill runs into Pond Creeks and streams. As outdoorsman, Mr. Patton believes we need to study the watershed to understand the fish impact to streams and aquatic life.

Mayor Kaufman did not know of a study and noted that he had not heard from the State Department and was not aware of issues concerning environmental protection. Mr. Pudney said before Public Works began salting we met with the State. Mr. Pudney was also not aware of a study but he will conduct more research on the issue and report back.

Mr. Wilson agreed and was concerned with the salt use. He said previously the Town used chad, gravel and dirt as it was determined that salt was unhealthy and not needed.

It was also noted, by Ms. Mercer that Mr. Wilson's business, Beech Meadow Ski Shop is also a proud sponsor of the Lees-McRae Ski and Snowboard Team and provides the team with sports equipment and donations.

12. ADJOURNMENT

12.1. There being no further business, Mayor Kaufman requested a motion to adjourn at 5:15 p.m.

Note: the minutes are not a verbatim transcript of the proceedings.

Motion

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

Town Clerk

Mayor, Town of Beech Mountain