



MINUTES

Regular Town Council Meeting

4:00 PM - Tuesday, May 12, 2020
Council Chambers

The Regular Town Council of the Town of Beech Mountain was called to order on Tuesday, May 12, 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
Director of Special Projects Riley Hatch

1. CALL TO ORDER- COUNCIL ROLL CALL

1.1. Beech Mountain Town Council Scheduled Zoom meeting.

Join Zoom Meeting (use the following link)

<https://us02web.zoom.us/j/83381872020>

Meeting ID: 833 8187 2020

To Dial by Phone:

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2. ADOPTION OF AGENDA

- 2.1. Mayor Kaufman noted there was an addition to the agenda for the Police Week Proclamation in which there would be an amendment made in the motion.

Motion

Erin Gonyea made a motion to adopt the agenda and Kelly Melang seconded the motion. CARRIED. unanimously.

Motion

Weidner Abernethy made a motion to amend the agenda under item, New Business, section 7, to add the Police Week Proclamation which recognizes the Town of Beech Mountain Law Enforcement and Kelly Melang seconded the motion. CARRIED. unanimously.

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

- 4.1. Mr. Pudney noted that a citizen had emailed in a suggestion to add more 'No Littering' signs on the mountain.

5. CONSENT AGENDA

- 5.1. Adoption of Minutes- March 10, 2020 and April 14, 2020
- 5.2. Second Public Hearing on June 9, 2020 for FY:2020-2021 Annual Budget
- 5.3. Watauga River Intake Capital Project Ordinance
- 5.4. Tax Release Refund Requests

Motion

Kelly Melang made a motion to accept the Consent Agenda items: Council meeting minutes for March 10, 2020 & April 14, 2020, Council set the Public Hearing for the FY: 2020-2021 Annual Budget for June 9, 2020, to accept the Watauga River Intake Capital Project Ordinance, and to allow the Tax Administrator to release the requested refunds and Erin Gonyea seconded the motion. CARRIED. unanimously.

6. PUBLIC HEARING ON FY: 2020-2021 ANNUAL BUDGET

- 6.1. Mayor Kaufman requested a motion to open the Public Hearing for the FY: 2020-2021 Annual Budget.

Motion

Erin Gonyea made a motion to open the Public Hearing for the 2020-2021 Annual Budget and Weidner Abernethy seconded the motion. CARRIED. unanimously.

6.2. 1st Public Hearing for the Annual Budget Ordinance in accordance with G.S. § 159-12

Mr. Pudney read the submitted letter from Mr. Urs Gstieger and is posted in these minutes verbatim:

'Let me start my comments on this year's proposed budget by saying that overall, it represents significant progress towards the goals I have been advocating and seeking for many years. The focus on infrastructure spending, the increases in the Public Works budget and the presentation of capital spending as a separate area are all welcome. In this budget the Town will spend over \$1.5 million on infrastructure projects, but it is important to keep in mind that most of that money comes from Reserves and not current revenues. As to the remainder of the budget, I have a number of comments, many of which I have already shared with Bob, but will reiterate below. I will also try to provide some background on several issues of which some of you may be unaware.

First, I would like to address the shifting of certain employee salaries from Utility to General Fund, a move which I fully support for the following reasons. In 2012 I and a number of Town officials met with the LGC to discuss how we could finance a new water plant. At that meeting the LGC staff emphasized that the Utility Fund needed to be self-supporting, which at that time the Town's was not. Subsequently, several of us helped the Town to revise its water rate structure, suggested charging internally for water use by Town Departments and also suggested reallocating parts of some salaries from Utility to General Fund. It remained that way until Tim Holloman decided to change it. He and I had several discussions about this, and I never understood why he felt this was a good move. Given the infrastructure spending issues we face, any expense dollar moved to the General Fund is a dollar to be used by Utility to pay debt service.

The budget proposes a 1% COLA and 2% merit increases. I suggest that the 2% be given as a bonus and not as a salary raise. As currently proposed, the ratchet effect of annual salary increases continues. Spending on Town salaries has increased over 16% from 2017 to this budget. This is simply unsustainable. Our revenues are essentially flat and have been for many years. Given the Town's other needs, salaries simply cannot continue to grow at 4 or 5% per year. The only way to control this ratchet effect is to make the merit increases bonuses, which do not affect future salaries.

Insurance costs are now almost \$600,000 annually. I understand some changes have been made regarding dependent coverage, but it appears the Town is still paying the vast majority of health insurance coverage costs for dependents. This is unfair both to taxpayers and to those employees who do not have dependents.

The Recreation budget is too high, at around \$716,000, all without the debt service of Buckeye Recreation Center, which was paid off two years ago. As late as 2017, the Recreation budget was \$622,000 and that included \$146,000 in debt service. Thus, the actual budget (minus debt service) has

increased about \$200,000 in four years with about \$130,000 of that in personnel costs. While recreation is an important part of the Town, I believe we can accomplish the same mission with less money.

I continue to have concerns about the Police budget, but at least that budget appears stable. One area of concern, however, is take home vehicles. When this idea was first proposed, it was sold as a cost savings measure. I met with Chief, Steve Smith and Tim and showed them this was impossible since the cost per mile does not change. Nonetheless, the Council agreed to a one-year trial. We have never heard back on any cost savings and the program is now touted as an employee benefit. This raises a number of other questions. When the program was first adopted, we were told there would be strict guidelines and that only a few officers would qualify for take home vehicles. I learned this week that all officers now have take home vehicles. I would like an audit to determine which officers actually qualify under the guidelines. I would further suggest that the authority to grant a take-home vehicle be moved from the Chief to the Town Manager, a more impartial decision maker. I would further like to see a yearly comparison of actual miles driven in Police vehicles over the last 5 years to see how much this is costing taxpayers in increased mileage.

The Sanitation budget now exceeds \$640,000. I believe it may be time to revisit the issue of discontinuing trash pickup and moving to neighborhood trash centers. At a minimum it may be time to study the issue and see if there would be cost savings with that approach.

The budget proposes a new Public Safety building in the 2024 budget year, at a cost of some \$3.4 million dollars. Can we really afford this luxury? While a new building would be nice, we confront a \$20 million dollar Intake project that is vital to the Town's survival. Until we figure out how to pay for that project, I believe a new Public Safety building is a luxury we cannot afford.

Debt service is an important part of any budget and at present the General Fund's debt service is about \$430,000 (about 7% of the budget) and the Utility Fund about \$540,000 (about 22% of the budget, a fairly high percentage). Estimated debt service on the Intake is about \$800,000. How can we afford this unless we increase our focus on cutting costs in other areas of the budget?

Several years ago, the Council ordered a future infrastructure cost projection model be created. That model has been instrumental in planning and paying for water and sewer improvements. A number of us have been asking that a similar model be created for road paving, upkeep and maintenance and I was under the impression that this had been done. I learned this week that this is not the case. We desperately need such a model. Simply allocating some dollars each year to paving and graveling roads is not a plan. While this year's expenditures are useful, a more comprehensive plan for roads is still needed.

Finally, we are still the beneficiaries of our "deal" with Watauga County on sales tax distribution. I trust the Council understands this deal could evaporate at any time and the Town would need to make up a revenue shortfall of at least \$400,000 to \$500,000.

Signed, Urs Gsteiger'

Next, Mr. Pudney read the letter submitted by Mr. Brian Barnes and is posted in these minutes verbatim:

'Since Urs has requested our comments, I'll offer the following. Please understand that I am making these comments as a taxpayer and resident. I'm sure most of you know I normally don't comment in such a forum, but I feel like with the current climate with Bob Pudney managing the Town and with the new Town Council seeking input we have an opportunity that we have not had in a number of years. I'm thankful and hopeful for the future of our Town.

I applaud Urs for identifying a number of areas for the Town Council to focus on, review and/or respond to relative to the budget. All of this is healthy for our Town. These are my observations based on the 110 pages in the proposed budget.

Speaking to Town Council members, I suggest you approach your budget looking both at revenues/income and expenses. An approach that only addresses one side of the equation does nothing but move funds between expense accounts. The bottom line has no impact, all you will do is argue about who gets the bigger piece of the same pie. Every successful business (whether or not you think the Town is a business) seeks more income/revenue and control/containment/reduction of expenses to improve the bottom line.

On page three of the proposed budget, the Tax Base and Rate chart is revealing. This is not a popular topic, but clearly the property valuation for 2019 is less than it was in 2008. I don't recall a tax increase in the 19+ years I have lived on Beech Mountain, and I'm not suggesting that you should increase taxes but this means we have less to invest in the Town than we were investing in 2008. Page 7, while I'm certain is not intended to be misleading, only identifies 4 actual and one budget year of the previous 11.

I am suggesting, however, that you have an opportunity to increase total property valuation in a number of ways which will increase the total tax revenue for the Town. In my opinion, the best opportunity you have is to piggyback on your own investment in paving Buckeye Creek Road. You should look for ways to incentivize development with utilities extended to the North side of Town, and you will see the same development that paving Pine Ridge and Pinnacle Ridge loop provided to the Town 15+ years ago. Your second opportunity is with economic development which has been largely ignored for years despite the Town's and TDA's investment in staff who were supposed to focus on this as part of their annual goals. A third opportunity appears on Page 8 when you take a look at the negative trend with local sales tax revenues.

I agree with the move to unload utility fund salaries' burden, and with Urs' suggestion to bonus rather than increase salaries in all departments. I question why there is no history in the Visitor Center budget for comparison. I question how the substantial increase in Public Works, Page 39, will be evaluated cost/benefit wise. The justification is "desired projects". More detail might be helpful. Could TDA fund the Special Project on Page 43 rather than adding this to Town taxpayers? Agree with study of curbside vs. neighborhood recycling centers with trash compactors but looks like a good portion of the

increase is Watauga landfill fee per ton plus debt in Sanitation Pages 65-69.

From a Capital Expenditures standpoint, it would be difficult to argue that many/most of these projects starting on Page 75 are hard to justify when held up against the infrastructure needs (water/sewer). It would seem Council should request justification and perhaps prioritization with only emergency needs being funded. A number of these identified requests seem like wish list items, but perhaps more information will reveal a true need. Is there a priority list for resurfacing roads associated with the \$1,156,090 on Page 92?

Please accept these as "public comment". I'm not certain how the process is going to work with limited gatherings, but I am confident that Bob Pudney will be open and honest with all communication. Again, I am thankful for the new direction I am seeing with the Town.

Signed, Brian Barnes'

After the public comments were recited by Mr. Pudney and he stated that no other public comments were received for the Annual Budget for fiscal year 2020-2021.

7. NEW BUSINESS

7.1. Proposed Solid Waste Ordinance Amendment to Chapter 50.

Mayor Kaufman requested a motion to hold a Public Hearing on June 9, 2020, to review the proposed amendment to the Ordinance.

Motion

Weidner Abernethy made a motion to schedule the public hearing on the proposed Chapter 50: Solid Waste Ordinance amendment for June 9, 2020 and Erin Gonyea seconded the motion. CARRIED. unanimously.

7.2. Proclamation for Police Week

Mr. Pudney read the Proclamation for Police Week which reviewed the history of the first Police Week established by President Kennedy in 1962 and acknowledging our Law Enforcement professionals sacrifices and honoring their service.

8. OLD BUSINESS

8.1. OLD BUSINESS - COVID-19 UPDATE as of May 12, 2020

Mr. Pudney provided an update report on the COVID-19 State of Emergency and status of Town Hall business:

1. Covid-19 update-
 - a. Watauga County and North Carolina State requirements in effect: 14-day quarantine and 'Short Term Rental' ban. These restrictions remain in effect and the Watauga County

- Commission meeting on May 19th, will address this. North Carolina State maintains the restrictions possibly till May 22nd. Avery County has lifted certain restrictions and contact the Avery County authorities to research their regulations.
- b. Education and training activities continue, Staff is trained to address the concerns of travelers as we have a larger influx of out of the area visitors.
 - c. The Town is working with our neighboring towns, counties and health departments to adjust to the ever-changing conditions. Expect additional positive cases in both counties.
 - d. Town outdoor trails, parks, playgrounds open with groups of no more than 10 person restrictions.
 - e. Town Hall lobby is open with face masks required. We still encourage remote access. All employees are working full-time.
 - f. Buckeye Recreation Center, Visitor Center and Public Works facilities are closed to the public.
 - g. Staff is working with and planning for businesses opening as permitted, Staff are communicating closely with businesses. Beech Mountain Resort and Beech Mountain Club have extensive plans to phase opening. Check their websites for the specific information.
 - h. Tourism Development Authority continues to assist all town businesses with State and Federal funding programs, regularly communicating current information.
 - i. Town's website is used to communicate accurate and timely information regarding the pandemic.
 - j. All Town Hall employees have been trained to answer calls regarding the pandemic.

Mr. Pudney reiterated that the Town is actively working to responsibly provide for the opportunity for the community and businesses to re-open as soon as possible. Management is working with Boone, Blowing Rock, Seven Devils, and Watauga County in a comprehensive manner. Calls received by Mr. Pudney and citizens' issues and questions are being transmitted to the Governor's Office, working with representatives in conjunction with other regional towns. These concerns are transmitted and garnered by the decision makers and the Town participates with the Governor's staff in the remote meetings.

Mr. Pudney explained the Phase I and Phase II restrictions and the relaxing of some of those restrictions as per the Governor's Office announcement and reviewed the latest openings scheduled for Saturday at 8:00 a.m., such as the town parks, playgrounds, and courts which will have a limit of 10 persons or less. Mr. Pudney stressed the strategy is to work on a comprehensive approach partnering with the businesses, staff, and the local task force. He stressed there has been cooperation with the Ski Resort's manager, Mr. Ryan Costin and with the Beech Club's manager, Mr. Brian Barnes to responsibly open in the most prudent manner. The Golf Open is planned for June 6th.

The TDA and Business Task Force are working closely with local businesses to help them receive the Stimulus Funds and Mr. Pudney discussed the short-term rental ban which is in place and expected to be allowed later in the Phase II timeframe. He pointed out that there are no events scheduled anyway and until restaurants open up, we are not encouraging visitors. He added that there is still nothing more important than the re-opening of facilities and we are working towards providing that and posting this information on the website, on social media and training employees to give out the most current information.

9. TOWN MANAGER AND STAFF REPORTS

9.1. Administration Department Monthly Report

Mr. Pudney reviewed the Manager's Office Report and said that the new website for the Watauga River Intake project was live and can be accessed at www.beechmtnwater.com. Analytic reports will help staff track usage on the site.

The new website was specifically designed to provide accurate information and for transparency to the public regarding the Water Intake Project. The Manager's Office is working with the County Commissioners and they have received the packet of information as well as the direct link to the website.

In response to Vice Mayor Accardi's question regarding feedback from the public, Mr. Pudney said a resident has inquired about future water rates and how the Intake Project will affect fees. He replied that Staff and Council are reviewing rates and fees.

Councilmember Melang suggested we include a 'frequently asked questions' area on website page, to which Mr. Pudney agreed and said we will add that.

Mr. Pudney noted that a 'Speakers Bureau' has been assembled of off the mountain stakeholders including the Riverkeepers and other environmental protection groups, citizens and Watauga and Avery County to reach out and vet community concerns. He thanked our volunteers who serve on the Task Force, Urs Gsteiger and Sandy Carr, who are working on the project devoting hours to the town.

Mr. Pudney reviewed the status of the various projects as following:
Projects

1. Shane Park, foundation and concrete pouring underway.
2. Lake Coffey bathroom, to be completed by June 1st in time for the fishing derby.
3. Lake Coffey maintenance building – concrete removal completed, overhead door to be installed and the building will be painted.
4. Paving Buckeye Creek Road is underway, contractor adding gravel, grading and compacting, completing the paving soon.

5. Greenway – light posts installed, rock work underway, completion expected by mid-June.
6. Replacing water service lines on Lake Road, getting ready for paving.
7. Public works complex– well underway, structural steel going up. Need some dry weather for the site work.
8. Water sewer project underway, thanks to Ryan Costin for the use of parking lot for materials staging. Waterlines installation underway on Creek Ridge as well as Public Works is installing the door hangers on residences for notifications.
9. Beatification underway all over the mountain.
10. Beech Mountain Parkway shoulders, fill and grading underway, seeding this week.
11. Right of way mowing, first cut last week by the vendor, pleased with the look which will only get better as the grass grows in.
12. Painting of Hayden park pumphouse to begin soon.
13. Street signs, working with Michael Holland to present a unified/ standardized street sign design with specifications and controls.

- 9.2. Fire Department Monthly Report
- 9.3. Police Department Monthly Report
- 9.4. Department of Infrastructure Reports
- 9.5. April 2020 Recreation Report
- 9.6. TDA Report May 2020
- 9.7. March 2020 Financial Reports
- 9.8. Planning and Inspections Report 2020-04

10. TOWN COUNCIL COMMENTS

- 10.1. Vice Mayor Accardi noted that the Watauga Water Intake Project website looked good. He said the Economic Stimulus Package funds are available for small businesses and to work with the TDA to apply for the funding.

Councilmember Melang noted the positive changes in the Town and acknowledged the hard work of the staff and said "well done" to which Councilmember Gonyea agreed. The Town's infrastructure projects are in progress and are not inconveniencing people. She thanked Mr. Ryan Costin for letting the Town use the Resort's parking lot for storage of construction material. It is a central location and the use of the lot helps us work together.

Councilmember Abernethy also thanked Urs and Sandy for working on the Intake Water Project website which provides the accurate information. He said the work of the First Responders, the Fire Department and the Police Department's support does not go unnoticed. The beautification in the parks and on the streets looks great, and Mr. Abernethy thanked the staff and employees. He thanked the positive united Council as this is a team effort.

Mayor Kaufman agreed and he reviewed the upcoming Annual Budget calendar and thanked the citizens for submitting the public comments. The

proposed budget indicates Council's wishes to move forward addressing infrastructure issues such as the Capital Project for the Water Intake Project.

11. CLOSED SESSION - PURSUANT TO NC GS 143-318.11 (A)(3) ATTORNEY CLIENT MATTERS

- 11.1. Mayor Kaufman requested a motion to move into Closed Session under Attorney Client matters.

Motion

Erin Gonyea made a motion to move to Closed Session in accordance with § G.S. 143-318.11 (a)(3) and Kelly Melang seconded the motion. CARRIED. unanimously.

- 11.2. Mayor Kaufman requested a motion to reconvene the regular portion of the meeting.

Motion

Jimmie Accardi made a motion to reconvene the regular portion of the meeting and Kelly Melang seconded the motion. CARRIED. unanimously.

- 11.3. Mayor Kaufman requested a motion to accept the reduction in the Ordinance fine, as cited by Code Enforcement to Mr. Herman and Ms. Alper, the parties cited under the violation.

Motion

Erin Gonyea made a motion to accept the negotiated settlement agreement by the parties in the amount of \$3,000, related to the cited property violations under the Tree Ordinance, the parties do forfeit the \$350 application fee previously paid for a Board of Adjustment hearing and Kelly Melang seconded the motion. CARRIED. unanimously.

12. ADJOURNMENT

- 12.1. There being no further business, Mayor Kaufman requested a motion to adjourn.

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

Motion

Erin Gonyea made a motion to adjourn at 5:20 p.m. and Weidner Abernethy seconded the motion. CARRIED. unanimously.

Town Clerk

Mayor, Town of Beech Mountain