



MINUTES

Regular Town Council Meeting

4:00 PM - Tuesday, February 9, 2021
Council Chambers

The Regular Town Council of the Town of Beech Mountain was called to order on Tuesday, February 9, 2021, 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 Manager Bob Pudney
Town Clerk Tamara Mercer
Director of Special Projects Riley Hatch
Finance Officer Steve Smith

1. CALL TO ORDER

2. ADOPTION OF AGENDA

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

Motion

Jimmie Accardi made a motion to adopt the February 9, 2021 agenda and Weidner Abernethy seconded the motion. CARRIED. unanimously.

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

4.1. Public Comments

5. CONSENT AGENDA

5.1. Adoption of Minutes- January 12, 2021

5.2. Shane Park Budget Amendment

Councilmember Melang inquired if the Shane Park budget amendment included the original plan costs to which Mayor Kaufman said 'yes this was the original cost, and the amendment closes out the project as budgeted.

Motion

Approve

5.3. FY: 2019-2020 Audit and Financial Report

Motion

Kelly Melang made a motion to adopt the consent agenda which included the Town Council minutes of January 12, 2021; the Shane Park Budget Amendment from the Finance Department; and the FY:2019-2020 Audit report from Cindy Randolph, LLC and Weidner Abernethy seconded the motion. CARRIED. unanimously.

6. NEW BUSINESS

6.1. Charter Amendment to High Country Council of Governments

Mr. Pudney presented the resolution from the High Country Council of Governments which recommends adopting the changes to their Charter as presented in the proposed language.

Motion

Kelly Melang made a motion to adopt the Charter amendment to the High Country Council of Government's Charter which updates language consistent with the current laws and established procedures and practices for the COG and Erin Gonyea seconded the motion. CARRIED. unanimously.

6.2. Town Services Planning Group Report

Mr. Pudney reviewed the Planning Group report drafted by the Town Planner, Mr. Preston Yates. He recapped the need for the report due to the increase in real estate sales and occupancy rates which were at 80 - 90% and is currently at 100% for the last six weeks. The group of Staff department heads, chaired by Mr. Yates, analyzed the effects of this continuous population and occupancy rate increases the impacts on the levels of services provided by the Town. Mr. Yates compiled the research and trends, analyzing the output from the staff provided data which has been meeting since the past summer of 2020.

Mr. Pudney noted that typically the mountain's occupancy rate on average is 52% over the year, with peaks and valleys. Usually over the summers and winters rates increase, but we have lower occupancy in the early spring and fall wherein the Town has the opportunity to re-set, complete projects, catch up and make repairs, but with the pandemic there has been an unprecedented move of people from the cities up here to the high country. This move of the

population has had an immediate impact on the town's services. Moving forward, if we have at least 75% of continuance occupancy that means increase usage and culmination of increases across all departments such as treatment of water and solid waste, police, and emergency responder calls. The TDA has corroborated this information as rental occupancy is at 100% sold out. Overtime, we must understand what this means from a planning perspective at a continuance of 75% occupancy rate over the year and how this impacts and effects service and departments across the town. Evaluating increases in personnel, vehicle traffic patterns, equipment and maintenance would need to be reflected in the budget projections and planning this gets us ahead of the curve stated Mr. Pudney.

In response to Councilmember Melang's question regarding the revenue increases received by the TDA which could off-set costs, Mr. Pudney noted that the tax revenues received by the TDA have positively increased which are set at 6% occupancy tax, but that money is restricted and is regulated by State statute and specific to what they can spend it on in the By-laws. The Town Manager's Office is meeting with the TDA putting together a shared projects list as directed by Town Council from the Council's Budget Retreat goals. We are requesting to partner with the TDA on those immediate expenditures. The increase in occupancy tax moneys cannot pay for police overtime or push snow with it, etc. said Mr. Pudney.

We do anticipate that our sales taxes revenues will increase. We receive sales tax in arrears by several months said Mr. Pudney. We anticipate an increase in sales tax, but we will not receive that for several months, whereas occupancy tax is received every 30 to 40 days. Lastly another source of revenue is from ad valorem property tax. The property sales over the last year has rocketed and there is virtually no inventory left but we have to wait for Watauga and Avery County's' Tax Assessors Offices and their reevaluation in 2022 from the County appraiser to understand where property values will be headed. Council can decide either to maintain the tax rate or to increase the tax for extra revenue. Mr. Pudney reiterated that he would meet with the TDA, which has a legal criteria and those dollars can't be used for solid waste or repairing the roadways, but they can offset the costs from tourism which would free up line items in the General Fund.

In response to Councilmember Abernethy question regarding the offset costs in the budget, Mr. Pudney said the revenue streams such as the sales tax can pay expenditures and help offset those costs. There was a discussion on property taxes, personnel staff, last year's projects and this year's new projections, and funding and revenues for next year's budget. Mr. Pudney said the funding proposals will be in the budget and we will look at the partnership with the TDA, ad valorem taxes, sales tax, and other revenues in order to remain fiscally responsible, this will be listed in the budget analysis.

In response to Vice Mayor Accardi's question regarding the personnel needs, Mr. Pudney said this is for informational purposes for now in order for Council to deliberate how the data impacts growth which should help council plan for the future trends.

In response to Councilmember Gonyea's questions regarding the EMS services and specifically the ALS service, Mr. Pudney said at the retreat he mentioned Advanced Emergency Transport and the various model options we have moving forward. The most efficient cost is to increase the existing service and current system which is we partner with Avery County. It is reasonable to dedicate a Beech Mountain ambulance within the county systems and we need an advanced EMS transport to increase mobility to the mountain. Avery County has asked the town to contribute more and invest in additional resources to an ALS (advanced life support) on Beech Mountain. Mr. Pudney added, or we could work with Watauga County's private contractor to work with us, which is more expensive. The model that is most costly is if we do it ourselves.

There was further question-and-answer period of the growth needs, the growth in the surrounding areas such as Eagles Nest, incorporating the ETJ (extraterritorial jurisdiction), the Parks and Recreation Department, and the trail system. Councilmember Abernethy was concerned with removing programs that do not make money. He suggested a daycare on the mountain in the Recreation Center. Families need such a program, and a daycare can make money and we would be family friendly. To which Mr. Pudney replied that would come down to dollars and staff resources, and he questioned if that was a goal of council for the town to be in the daycare business.

He has analyzed our services provided to the community and at this increase in occupancy rates, there will be a point where the services we provide will decline with the same number of crews, personnel staff, public safety responders and Public Works capacity. Every weekend the mountain is full and sold-out staff is on overtime. Our personnel on overtime will exceed our ability to do it well as our crews are tired stated Mr. Pudney.

Mr. Pudney added that he was in negotiations with Avery County and with Watauga, the best model would be to increase the Avery County partnership system model and enhance that to benefit the town. Mayor Kaufman said in his opinion the town can facilitate partnerships with the private sector for emergency transportation. The town not in the daycare business nor transportation business. We have to consider the liability of programs too to the town. The private sector can supply services and the town can lease-out to the private sector such as daycare services, making it advantageous to both the town and the private sector.

7. TOWN MANAGER AND STAFF REPORTS

7.1. Planning and Inspections Report 2021-02

7.2. December 2020 Financial Report

Mr. Pudney stated that we are at the 50% benchmark in the budget and he requested that everyone turn their attention to page 158 in the Financial Revenue and Expense Report for the General Fund, he explained the reason for the Shane Park line item and budget adjustment request. The Parks and Recreation budget was listed at 91.4 %, but with the Shane Park budget adjustment submitted by the Finance Officer, this will bring that back in-line to

show the expenditures on that project is completed. That means once adjusted that department is back in-line for half the year's expenditures. We will do the same for the Planning Department, and once we submit the budget adjustment for the 'greenway multi-use path' that line item will also be adjusted to close out the project and bring that department back in-line for the year's budgeted expenditures.

In response to Councilmember Abernethy's question regarding Shane Park and the audit report, Mr. Pudney said the funds are allocated once the project is completed. Shane Park was funded at \$200,000 last year and an appropriation of the project costs were funded. Once it was built and now is completed, the budget adjustment needs to be made. The project came in under budget by \$13,000. Mr. Pudney explained where the funding came from including the public donations, the Town's portion and now this item not coming out of Parks and Recreation Department budget and it is closed out, so the Parks and Recreation Department is back in-line with the 50% mark for the rest of the year as that is accounted properly.

7.3. Department of Infrastructure Reports

7.4. Town Manager's Report

Mr. Pudney stated the Covid-19 vaccine distribution has begun and he had contacted the health department stating that we wish to put a clinic on the mountain and offered our services.

The FY: 2021-2022 Budget Retreat took place on January 28th and this information is invaluable to staff. We have begun developing the budget on the five priorities as directed by Council and we are producing those cost estimates and project options and the budget continue to be worked on at the next Council retreat in April. Some issues can be completed such as the fencing and other smaller projects that we don't need to wait on to accomplish in house.

Mr. Pudney requested a special called work session on the topic of solid waste and there was a general consensus by Council to call the special work session on February 25, 2021 at 2:00 p.m. for discussion on the topic of 'solid waste'. The Clerk will send out the appropriate notifications.

Mr. Pudney next discussed the Lake Coffey/ Lake Santis reservoir plan and estimated the costs at approximately 10 million dollars. This water source does not replace Watauga Water Intake but would put the town in a better position. It is not a secondary water source for times of draught protection. Administration has researched the preliminary plan and engineered the preliminary plan. Mr. Pudney reviewed the project costs, for building and operating the facility, and the expected production capacity. In response to Councilmember Abernethy's question, Mr. Pudney said we average about 500,000 of usage. He noted the ordinance requirements and the permit regulations. In the 2011 severe draught, Mr. Davis the Public Works Utilities Director can provide the permit water release numbers on average and in the event of a draught when those release numbers decrease.

Currently Buckeye Lake water capacity is 35 million gallons and Lake Coffey would be adding another 30 million gallons but in a different watershed and is a surface water source, so there are no release requirements to the State permit. Mr. Pudney added that the State still must sign off on such a project and then a cost analysis for building and an operation model for budgeting is what staff is researching currently. Further discussion regarding the project expenses, pumping, treating, Beech Mountain weather, and drilling water wells followed.

The Town of Beech Mountain incorporated 40 years ago and the 40th birthday celebration announcements throughout the year can be found at: https://beechmtn.com/40th/?et_fb=1&PageSpeed=off

7.5. Fire Department Monthly Report

7.6. TDA February Report-

Mr. Pudney pointed out that the TDA report included an in-depth marketing and economic report this month on the recent economic development projects. Mr. Pudney said report included the BEAT, the Business Expansion and Attraction Toolbox and the town attorney reviewed the plan. It was noted that there is very little commercial property within the Town's control but zoning and permitting was discussed referring to the list of properties owned by the town in the BEAT report under the parcel list provided.

7.7. Police Department Monthly Report

7.8. Recreation Report - January 2021

7.9. Department of Infrastructure Report

7.10. Planning and Inspections Report 2021-01

8. TOWN COUNCIL COMMENTS

8.1. Councilmember Melang referred to the business expansion report and commented that those new property owners should be encouraged to buy a bearicade. If used properly, the bear proof containers work.

Councilmember Abernethy thanked Mr. Smith for the financial reports.

Councilmember Gonyea agreed with the comments and thanked town staff, the police, and the Public Works crews who have worked all winter while the mountain has been sold out as it has not slowed down, and staff is exhausted. She noted staff at the Visitors Center is also putting in long hours.

Mayor Kaufman referred to the Town's personnel issues and Mr. Pudney said we used to have interns from various college institutes but due to Covid-19 we have not employed the interns from local college graduate programs.

Mayor Kaufman requested a motion to move into closed session.

Motion

Kelly Melang made a motion to move into closed session pursuant to NC GS 143-318.11 (a)(6) Personnel Matters and Erin Gonyea seconded the motion. CARRIED. unanimously.

9. CLOSED SESSION - PURSUANT TO NC GS 143-318.11 (A)(6) PERSONNEL MATTERS

9.1. Council came out of closed session and Mayor Kaufman requested a motion to reconvene to open session and Councilmember Abernethy moved to reconvene and Councilmember Gonyea seconded the motion. The motion carried unanimously.

Mayor Kaufman stated Council discussed a personnel matter regarding Mr. Pudney, the Town Manager's salary raises of 2% merit, a 1% COLA for a total 3% increase in his salary.

Motion

Weidner Abernethy made a motion to increase the salary for Mr. Pudney, the Town Manager, by 2% merit plus a 1% COLA for a total 3% increase and Erin Gonyea seconded the motion. CARRIED. unanimously.

10. ADJOURNMENT

10.1. There being no further business, Mayor Kaufman requested a motion to adjourn at 5:25 p.m.

Please note: the minutes are not a verbatim transcript of these proceedings.

Town Clerk

Mayor, Town of Beech Mountain