



MINUTES

Regular Town Council Meeting

4:00 PM - Tuesday, January 12, 2021
Council Chambers

The Regular Town Council of the Town of Beech Mountain was called to order on Tuesday, January 12, 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 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-

1.1. There was a quorum present although Councilmember Melang was absent.

2. ADOPTION OF AGENDA

2.1. Mayor Kaufman requested an adoption or amendment to the agenda to which Vice Mayor Accardi noted an addition to the agenda.

Motion

Jimmie Accardi made a motion to amend the agenda to include the Tax Administrator's Tax refund requests for overpaid taxes under Consent Agenda and Erin Gonyea seconded the motion. CARRIED. unanimously.

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

4.1. Mayor Kaufman said the public comment received was added into the Council packet as follows:

To: Beech Mountain Town Council January 12, 2021.

From: Barbara Sugerman

Sent from my iPad

I sincerely hope all is well with you and your families. Even though I left to head south on December 3rd, 2020, the Smoke Issue still exists. I cannot stand the thought of another summer enduring the smoke-filled air for the third year in a row.

The night before I left, December 2nd, the Smoke was so intense and toxic that I had to once again call the Police. You can check their records. They reported back that the Officer did agree that the smoke was everywhere in and around my house, but they couldn't find the source. This has been a consistent problem. I do not drive at night, so I have to rely on others and not once has anyone in charge been able to locate the source. It can't be that hard. I have found the source myself during daytime hours by going around looking for clues and talking to neighbors these past 2 years.

This is an unaddressed, long-standing public nuisance. What will the Town Council do to resolve it? Are you allowed to have a drone? That would be such a positive thing to do. Of course, the solution to all of this would be to update the fire pit ordinance to only allow standard fire pits to be used for the purpose they were intended and not to be used as open burns. Again, I beseech you all to imagine this happening in and around your homes. What would you do?

Would you tolerate smoky toxic air in your home or would you be trying to get the "powers that be" to realize there is a serious problem affecting your health and well-being? I and others are being denied the delicious, cool, healthy mountain air that Beech Mt. advertises and is our right to enjoy as homeowners, yet nothing has been done to upgrade the Ordinance.

Are the perpetrators that burn, no matter how much smoke poisons the neighbors, more important than those of us that are the victims? How is that concept even possible, that a few inconsiderate (to put it mildly) have more rights than those suffering since August 2019. Again, I ask you to take this matter very seriously, as if it were happening to you.

I hope and pray that when I and others return to what once was "our happy place", and now has come to be an unhealthy nightmare totally due to the situation being ignored and that with all the turmoil of 2020 and now 2021, that this dangerously very unhealthy problem will be no more.

Thanking you in advance for reading this statement with compassion, understanding and willingness to end this torture.
Barbara Sugerman

5. CONSENT AGENDA

- 5.1.** Adoption of Minutes- December 8, 2020 regular meeting minutes and closed session minutes

Motion

Jimmie Accardi made a motion to adopt the regular meeting and closed session minutes of December 8, 2020 and Erin Gonyea seconded the motion. CARRIED. unanimously.

5.2. Sale of Town owned Lot, 408 Pinnacle Ridge Rd

Attorney Eggers explained that the property was originally advertised 'for sale' through the tax foreclosure process but there were no bidders. The parcel was subsequently placed on Govdeals which received a high bid of \$10,800.00. Mayor Kaufman requested a motion to accept the bid for sale of the property at 408 Pinnacle Ridge Road.

Motion

Jimmie Accardi made a motion to accept the highest bid of \$10,800.00 for the property at 408 Pinnacle Ridge Road and Erin Gonyea seconded the motion. CARRIED. unanimously.

5.3. Tax Refunds

Mayor Kaufman noted the tax documents submitted after Councilmember Abernethy requested details of the payments to which Mr. Pudney provided the explanation of the over-paid taxes.

Motion

Erin Gonyea made a motion to refund the overpaid tax amounts as listed in the submitted documents from the Tax Administrator and Weidner Abernethy seconded the motion. CARRIED. unanimously.

6. NEW BUSINESS

6.1. FY 2020 Audit and Financial Statement Presentation

Mr. Pudney introduced the Town's Auditor, Ms. Cindy Randolph CPA, who presented the summary audit report and added that staff had submitted the Town of Beech Mountain's Independent Auditor's Report to the LGC, (Local Government Commission). Staff at the LGC are working remotely but Ms. Randolph believed the audit is approved by an unmodified opinion.

Ms. Randolph reviewed the Financial Highlights Report for Years Ended June 30, 2019 and June 30, 2020. In the report she pointed out the General Fund: Cash and Investments including, Restricted cash, Total Assets, Fund Balance, Total Revenues, Total Expenditures, while reviewing other finance sources, and the changes in fund balance. She pointed out the unassigned fund balances as a percent of the general fund expenditures and current levy collection percentages for the years ended June 30, 2019 and June 30, 2020.

In response to Councilmember Abernethy's question regarding the unassigned fund balances, Ms. Randolph explained the grants and CARES money received were the reason for increases and decreases in the line item detail report. The Capital Project Fund for the Public Works Facility was reviewed with line item details for cash and investments, total assets, fund balance, total revenues and total expenditures and the changes in fund balance as well as the Emergency Telephone System which had upgrades to dispatch and security. The Water and Sewer Fund were reviewed as well as the Sanitation Fund, which included rate increases on July 1, 2020. Ms. Randolph also pointed out that during the lock-down through June 30th, the sales taxes were reduced, and that the sales tax is received in arrears, so she noted that discrepancy as well as highlighted the NCDOT monies received during that period.

The collection of property tax rate is at 98.8% and we budget for 96% so this collection rate is one of the highest she has seen in the state. In response to Vice Mayor Accardi's question regarding Non-operating Revenues, Ms. Randolph explained it consisted of investment earnings such as interest in dividend income, the sale of capital assets, various miscellaneous income and the interest expense which were listed on page 22 and given in the report. Mr. Pudney reiterated the details of some of the capital asset sales and auction and that was related to the garbage and sanitation asset sales in that line item.

Ms. Randolph said the Town maintained operating within the budget, as there were no excess of expenditures, over-appropriations nor any compliance issues. Mr. Pudney pointed out the Risk Management fields, and the Long-Term Obligations posted on page 46 and Ms. Randolph added the debt ceiling for the Town is approximately 34 million. The debt ratio as defined and regulated by the LGC, and the legal debt margin is 8% of the ad valorem tax value. North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within the town's boundaries, therefore; the Town of Beech Mountain is at \$34,406,653, details of which were given in summary of the report.

There was a question-and-answer period as to the regulations and compliance of the general statutes based on the tax value. Mr. Pudney added that there is approximately 4.7 million currently of long-term debt on the books for the Town and we have a debt ceiling of 34 and half million dollars. He noted that we are looking at a 20-million-dollar water intake project which gives us a better understanding of the large picture for moving forward based on the audit assessment.

Councilmember Abernethy pointed out the explanation of the deficiencies were noted and spelled out in the Audit Report as well, there are no material weaknesses which were identified, and this is a job well done compared to last year's audit report.

After further consideration, Vice Mayor Accardi requested the report and submitted material, be placed on the February agenda, since the Council members had just received the completed report, and this will allow for further

review and approval. There was general consensus to continue the item on the February 9th agenda.

6.2. First Tryon Advisors of Charlotte, Financial Advisor David Cheatwood

Mr. Pudney reviewed the background regarding the Town's capital projects and noted that as the Town has been planning the Watauga Water River Intake to acquire and improve the water resources which is estimated at 20 million dollars, as well as several major infrastructure projects, that he was concerned with financing future capital projects and to research the best methods moving forward for long-term planning. He himself was not comfortable recommending courses of actions nor does he have the experience and financial expertise to plot the best method to finance these projects. Our current audit reports on the existing debt of the town and the funding so we consulted with the NC League of Municipalities and under that recommendation hired the firm of First Tryon. First Tryon was the firm used by Avery County, Boone, and Blowing Rock, and we contacted Avery, Boone, and Blowing Rock, for references. Blowing Rock worked with First Tryon and had implemented a major general obligation bond for their capital project.

Mr. Pudney stated that we contracted with First Tryon and we have the deliverable and the customized model developed for the Town by First Tryon allows the Town to input various scenarios and overall pictures of the capital projects and timelines. Mr. Pudney how do we fine tune the model, and input data and projects such as defined by Council at the budget retreat, and we can provide the costs and funding debts for any scenarios across multiple timelines and ongoing and newly added projects which assists staff planning for the future. Mr. Pudney introduced Mr. Cheatwood.

Mr. Cheatwood presented an overview of the firm, First Tryon, particularly highlighting their full-service capital project financial planning for cities, towns, school districts, counties and utilities across the State. They assist at board retreats and workshops and provide financial advisory to clients as to how to fund capital projects. They assist municipalities with bond pricing in the public markets for tax exempt and taxable security trading platforms. Their fiduciary obligation is to principal not a lender. When in the pre-planning stage, such as with the Town's sizable Water Intake facility project on the horizon along with a number of other potential projects within the Water and Sewer Department Fund and General Fund, they provide financing alternatives and the model provides best structure moving forward. As noted by the Town Manager, the model will allow the Town to evaluate a number of different scenarios to fund these projects and the impact of the funding plans on the future of the Town's financial standing to meet Council's objectives and the Town's needs. First Tryon's approach and role as financial advisor is the firm serves as a liaison for the financing transactional procedures in the pre-planning for understanding the Town's short- and long-term objectives, debt capacity and affordability, Capital project model planning, evaluation of financing alternatives, credit strategy, monitor refinancing opportunities, and apprise the Town of market conditions.

The excel based model, will be manipulated in the work session, and can provide 'live' what if scenarios. Mr. Cheatwood assessed different assumptions

and market trend projections, develop a timeline, as well as evaluate bond proceeds and investments through coordinating sale and pricing of the public market and or bank loans. The Capital Planning model is a tool that gives entities the ability to forecast the impact of funding proposed capital projects for both a near-term and a long-term goal. The model is designed to be interactive and to allow an entity to run multiple scenarios with different assumptions in a timely manner, helping the Town reach its goals by identifying revenue sources, maintaining the credit rating and Local Government Commission compliance.

Mr. Cheatwood reviewed the options in the PowerPoint slides showing how the model allows the Town to work within the confines of regulations, calculations, and the financial metrics. The details for the various outputs for each option were discussed for the various funds. He explained how he input our data, creating a detailed revenue and expenditure projection which forecasts individual revenue and expenditure line items year by year. Mr. Cheatwood noted the growth rates that the peer sets were based on which is the Moody's database credit rating for benchmark cities.

Next, he discussed the various scenarios and impacts with different projects introduced into the model and how that data can be manipulated since we are looking at the 20-million-dollar capital project. He reviewed our current debt ratio for the water and sewer fund which is at 2.4%. We are below the debt ratio and we have the capacity to fund the project compared to other towns and for the size of our town, we have a strong fund balance. The water and sewer fund has 6 months of cash on hand, the minimum requirement is 3 months so we are in a good cash position looking at the General Fund peer comparisons. The utility rates were discussed, and Mr. Pudney reviewed the McGill Engineering report for those proposed increases to the water and sewer and sanitation rates. The current revenues were noted and projections with the rate increases to fund the water project were discussed.

In response to Councilmember Abernethy's question, Mr. Cheatwood explained that Council and Staff can evaluate the projections based on the scenarios, the markets, interest rate loans, general obligation bonds or revenue bonds and what is allowed by the LGC to move forward for funding projects. There was a lengthy question and answer period regarding the water intake project, our utility system, revenue bond versus GEO bonds, models and assumed projections. Historical sales tax growth metrics were discussed, if we assume it is 3% and the town decided to take on 10% those options were noted.

Mr. Pudney added we need the models for making decisions as to how we pay for capital projects. In response to Vice Mayor Accardi's question, Mr. Pudney said the firm's contract was for \$25,000, to which Councilmember Gonyea said this tool allows us to have an ongoing model moving forward. We need to use it in every budget session, inputting the information at every retreat to be used for a long time. There was general Council consensus that each year the model takes the guess work out of the decision making for financing future projects. The data being prepared every year for budget retreats helps the next leaders. Future Councils can use the model, preparing Staff and

boards for future planning stated Mayor Kaufman.

6.3. Board and Committee member term appointments

Mayor Kaufman requested nominations and appointments to the following Boards and Committees: Planning Board member expirations, Board of Adjustment members, and Parks and Recreation Committee member expirations.

Councilmember Abernethy nominated Gabe Joseph to be re-appointed to the Planning Board for a term to expire December 31, 2024 and the motion was seconded by Erin Gonyea. The motion carried unanimously.

Councilmember Gonyea nominated Greg Welsh to be re-appointed to the Planning Board for a term to expire December 31, 2024 and the motion was seconded by James Accardi. The motion carried unanimously.

Vice Mayor Accardi nominated Fred France to be re-appointed to the Board of Adjustment for a term to expire December 31, 2024 and the motion was seconded by Erin Gonyea.

Councilmember Gonyea nominated Jennifer Lavrack to be re-appointed to the Board of Adjustment for a term to expire December 31, 2024 and the motion was seconded by James Accardi. The motion carried unanimously.

Vice Mayor Accardi nominated Therese Barry to be re-appointed to the Board of Adjustment for a term to expire December 31, 2024 and the motion was seconded by Councilmember Gonyea. The motion carried unanimously.

Councilmember Gonyea nominated Judy Elliott to be re-appointed to the Board of Adjustment for a term to expire December 31, 2024 and the motion was seconded by Councilmember Abernethy. The motion carried unanimously.

Vice Mayor Accardi nominated Fred Pfohl to be re-appointed to the Parks & Recreation Committee for a term to expire December 31, 2024 and the motion was seconded by Councilmember Gonyea. The motion carried unanimously.

Vice Mayor Accardi nominated Barbara Piquet to be re-appointed to the Parks & Recreation Committee for a term to expire December 31, 2024 and the motion was seconded by Councilmember Gonyea. The motion carried unanimously.

Councilmember Gonyea nominated Gloria Alge to be re-appointed to the Parks & Recreation Committee for a term to expire December 31, 2024 and the motion was seconded by Councilmember Abernethy. The motion carried unanimously.

Vice Mayor Accardi nominated Carol Beckmann to be re-appointed to the Parks & Recreation Committee for a term to expire December 31, 2024 and the motion was seconded by Councilmember Gonyea. The motion carried unanimously.

7. TOWN MANAGER AND STAFF REPORTS

7.1. FY 2021 November Financial Report

Motion

Review

7.2. Department of Infrastructure Report

7.3. Fire Department Monthly Report

7.4. Police Department Monthly Report

7.5. Town Manager's Report

Mr. Pudney provided a Covid-19 update and said the NC State's general order is extended to January 29th 2021. The Covid-19 Vaccine availability in our area was discussed and he noted that medical responders in the Fire Department have been vaccinated. He said the phase rollouts for the different age groups and essential employees link from the Health Department was posted on-line. All of the town employees have been encouraged to be vaccinated and given the link to sign up on the Watauga Health Department. We are in discussion with both Watauga and Avery to host a community vaccination clinic here at the town.

Mr. Pudney reviewed various updates to new Public Works Facility. The construction is moving along with the interior walls, electrical and bays finished. There is very heavy use of the Sled Hills and snow guns are blowing snow when possible. There is observed approximately 50% compliance with Covid-19 regulations. The fire repairs at Buckeye Recreation Center are underway, with the new flooring and doors completed under the insurance policy at \$50,000.

The Town's 40th birthday celebration was discussed and Mr. Pudney said any volunteers can contact Sandy Carr at 954-931-1810 or the TDA for the year-long events scheduled and that planning group is up and running which includes the Chamber of Commerce and local businesses.

The First Annual Christmas parade was a great success, and we are hoping to make it a tradition and the town thanks all those who participated. The Staff planning group has completed the draft report on growth trends and long range planning. This research report will be provided to the Council at the February 9th meeting. The Budget Retreat is scheduled for January 28 and Mr. Chris May will facilitate. We have planning materials for the Council before the meeting.

The Convenience Center six-month report was presented to Council and Mr. Pudney reviewed the updates and adjustments to the procedures, noting the problems with residents losing the placards and how the placard system works. We eliminated accepting all construction debris. The solid waste ordinance and enforcement was discussed. We provided for a 90 day “grace” period for those who said they did not receive the placard in the mail. We established a premium cost for non-town residents and placards are \$370 for the year. A single use permit for the Convenience Center was established at \$5. They are sold at Town Hall and Fred’s Store which have been mostly for rental occupants.

There is an unprecedented amount of solid waste on the mountain due to higher occupancy of the town. The crew are averaging three trips per day to the landfill in Boone. This is up 20% from the previous year. The costs were approximately \$35,000 in in dumping fees and we are at \$88,000 for 2019-2020. Mr. Pudney reviewed the following recommendations:

- Continue with the placard system
- Better communications with residents
- Change the background color yearly
- Track placard with account
- Mail placards earlier – April/May
- Encourage curbside pickup – cost effective
- Staff the center with two attendants at all times
- Or reduce the operating hours to 8 hrs or 5 days per week. Now 12 hrs/365 days a year
- Enforcement for those who are cheating the system –
- Counterfeiting placards
- Illegal dumping
- Provide for homeowner construction debris one Sunday per month with clear conditions

Mr. Pudney discussed front-loading sanitation trucks with particular emphasis on multi-family dumpster procedures. Costs, equipment, and bear resistant containers and enforcement of the existing ordinance was discussed.

The holidays, Ski Resort capacity and the quantity of traffic was next addressed by Mr. Pudney. Overflow parking lots, no bus shuttles and people leaving vehicles parking illegally on roadway shoulders overwhelmed our law enforcement. Mr. Pudney explained how Emergency Services reacted to the limited access and traffic jams. Also there is a lack of Covid-19 regulation compliance.

He reviewed the forward plans to address these issues for the upcoming Martin Luther King holiday weekend. There will be vehicle towing, an additional traffic message board announcing if the Resort is sold out, overflow parking, additional law enforcement personnel as well as Avery County Sheriff’s, and Highway Patrol enforcement. Additional portable toilets added at the sled hills, social media messaging, and we are working with the resort

management to limit parking for advance ticket sales, and encourage Covid-19 regulation compliance with businesses.

- 7.6. Recreation Report December 2021
- 7.7. TDA Report January 2021
- 7.8. Planning and Inspections Report 2020-12

8. TOWN COUNCIL COMMENTS

- 8.1. Councilmember Gonyea acknowledged the population increase and Staff doing their best to accommodate the growth of people and increased vehicle traffic and vehicles. Businesses are packed and she requested patience towards our visitors.

Vice Mayor Accardi agreed with the Town's current growing pains for a resort community. He inquired into the damage to the water tank off Ashwood Lane, to which Mr. Pudney replied we don't yet have a total accounting of the costs, but as to the repairs to the lines there was an infrastructure failure on single point line. We have now permanently repaired the line. The pipe moved and now there is a concrete blocking to encase that pipe. Vice Mayor Accardi noted photos of the incident will help us document our case for the secondary water source.

Councilmember Abernethy concurred that with the growing pains creates bottlenecks but also financial rewards. He agreed we need to enforce towing and work with the highway patrol. He was impressed with financial model tool, staff is progressing and working towards our long-term goals.

Mayor Kaufman was concerned with Covid regulation compliance and working with the public to social distance and mask compliance.

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

- 9.1. Mayor Kaufman requested a motion to move to Closed Session for personnel matters.

Motion

Weidner Abernethy made a motion to move to closed session pursuant to NC GS 143-318.11 (a)(6) Personnel Matters and Jimmie Accardi seconded the motion. CARRIED. unanimously.

10. ADJOURNMENT

- 10.1. Mayor Kaufman requested a motion to reconvene, to which Vice Mayor Accardi made a motion to open the regular meeting. No action was taken in Closed Session and Mayor Kaufman requested an adjournment at 6:45 p.m.

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

Motion

Jimmie Accardi made a motion to adjourn the meeting and Erin Gonyea seconded the motion. CARRIED. unanimously.

Town Clerk

Mayor, Town of Beech Mountain