



MINUTES

Regular Town Council Meeting

4:00 PM - Tuesday, June 14, 2022
Council Chambers

The Regular Town Council of the Town of Beech Mountain was called to order on Tuesday, June 14, 2022, 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: Town Manager Bob Pudney
Attorney Kevin Friley
Town Clerk Tamara Mercer
Director of Special Projects Riley Hatch

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 agenda and Erin Gonyea seconded the motion. CARRIED. unanimously.

3. INVOCATION- CYCLONE BRETT

4. PLEDGE OF ALLEGIANCE

5. FEATURED LOCAL BUSINESS- BEECH MOUNTAIN UTILITY DEPARTMENT

5.1. NC State 'Best Tasting Water' Award- Keith Buff, NCRWA

Mr. Davis, Director of Utilities stated the Water Treatment Plant produces an output of 70-million gallons of water. Last year was the busiest year on

Beech Mountain. Near-by neighbors such as Banner Elk and Sugar Mountain average 15-20 miles of piped infrastructure system. Blowing Rock more closely compares to us, with 2,300 connections. Beech Mountain has sixty-six miles of main pipes not counting connections. Each residence has more piped feet. We are a large system compared to our neighbors. We began our infrastructure replacements a few years ago and the new water treatment plant was completed in 2017. Our staff has operated the best upgraded system in North Carolina. We are constantly tested, evaluated, and checked daily, 24/365 days a year and are always open. We test and check the fire hydrants, and we are growing. We partner with NC Rural Water Association throughout the years and the administration is continuously locating problems, collaborating with the team and correcting.

Mr. Buff presented the Town with the NCRWA 'best tasting water' award. Mr. Buff serves as a technical assistant throughout our region. He said we won because we built one of the most advanced systems in the State as there are only two plants like our in North Carolina. It is actually difficult to make good water. Our certified operators deserve this award. Mr. Buff has been treating and working with towns for 53 years, and the town will also compete at the National level in Washington D.C. for 2022.

Mr. Davis introduced our Water Plant Operators: Josh Cordell, Ronnie McKinney, and Roger Hicks. Mr. Hicks is a second-generation operator as his mother, also an operator retired from Boone, and Gary White, with the piping system flushing program. Note: operators not in attendance were Donald Moree and Sammy Trivette.

6. FY: 2022-2023 ANNUAL BUDGET PUBLIC HEARING

6.1. FY: 2022-2023 Annual Budget Public Hearing

Mayor Kaufman reviewed the procedure for the Public Hearing and requested a motion to open the public hearing.

Councilmember Melang made a motion to open the Public Hearing for the FY: 2022-2023 Annual Budget and Councilmember Abernethy seconded the motion. Motion CARRIED. unanimously.

Mr. Urs Gsteiger, of 124 Raven Road, reviewed his objections to the budget and the budget's approval. He said he was opposed to the budget process and proposed budget. The budget is over 10-million-dollars and the previous budget borrowed from reserves. Mr. Gsteiger warned council against raising property taxes. The County Tax Office reappraised property valuations and the assessment notices were sent to property owners. Mr. Gsteiger said in theory, the town should have gone to the revenue neutral rate of .40 cents. He said there is a 60% tax increase, an 18% budget increase in the Police Department, a personnel budget increase in Parks and Recreation and he questioned what hard choices were made for budget cuts. He disagreed with the projects that are funded such as the gravel roadway paving and employee COLA. He reiterated his opposition to the proposed annual budget.

Mr. Mike Murgio of 101 Pinnacle Ridge Road, agreed that the tax rate should roll back to 40.5 cents, which is the revenue neutral rate. The increase to the property tax base will generate an increase in revenue. Mr. Murgio gave an example of his property tax, and said he owed last year was \$1,969, and at the new rate he will pay \$3,583 due to his new property value assessment. He suggested to fund the two or three-million-dollar capital projects with bonds over five-year projections. Infrastructure improvements should be funded at 10 to 25-years. Such projects should not be funded in only five years but should be spread out to at least ten-years. He suggested reducing the current budget. This is his second home and Mr. Murgio does not vote on Beech Mountain. He also suggested infill development on the mountain.

Mr. Craig Hunter of 331 Pinnacle Ridge Road agreed with Mr. Gsteiger and Mr. Murgio. He previously served on a water and sewer committee in another town, so he was proud of the water award. Mr. Hunter worked with cities on funding and using bonds. He disagreed with using two million in reserves. We have to fund the non-recurring projects by using three-million dollars from tax appraisals and property sales. He was opposed to the proposed budget and to the funding approaches to the budget.

Mr. Leonard Hayet of 498 St. Andrews Road said his reflection of increased taxes is that is a result of our more affluent community. Our community is growing well. In the last eight years property values have increased as proven by the County assessments. He said he sympathizes with older residents having to sell their homes due to higher values. This means demands are on the council to make improvements in the town, which they are doing. Mr. Hayet said he feels bad for people on fixed incomes, but a developing community means a town that is in demand. We have the advantage of living here.

Mr. Vincent Muratore of 105 Bearpaw Path said the new assessment of his property value went from \$200,000 to over \$600,000. Mr. Muratore agreed with the first two citizens and those on a fixed income will not be able to live here. He said he will appeal tax value assessment, as this is a wonderful community.

Ms. July Grindstaff of 101 Courtside Road said that is a gravel road. Ms. Grindstaff discussed gravel roads and paving roads. She believed the town should take care of people and residents, and to cut the budget. Ms. Grindstaff was opposed to approving the proposed annual budget.

Mr. Pat Anderson of 100 Skiway circle is a full-time resident and Mr. Anderson discussed his new property valuation from the county which is \$648,000. He is opposed to the new tax rate. It will be difficult to remain on the mountain for senior citizens who cannot afford to live here. Mr. Anderson is opposed to the budget and suggested Council postpone the vote.

Mr. Gabe Joseph of 239 Summer Branch Road, agreed with Mr. Gsteiger and the other speakers opposed to the annual budget. It is a 55% tax jump for him. He also suggested Council should postpone passing the budget.

Mr. Hayet spoke up again and suggested that for qualifying senior citizen homeowners, that the town implement a process whereby it cannot raise taxes by more than 3% for the senior citizens.

Everyone given an opportunity to speak, Mayor Kaufman requested a motion to close the public hearing.

Motion

Kelly Melang made a motion to close the public hearing and Erin Gonyea seconded the motion. CARRIED. unanimously.

7. PUBLIC COMMENT

- 7.1. Mayor Kaufman noted Council had received an email letter from Ms. Debra Miller, which was posted on the agenda. He asked if there were any other citizen comments. An unidentified man commented that taxes should be lowered, and another unidentified citizen agreed and suggested that the budget be postponed.

8. CONSENT AGENDA

- 8.1. Mayor Kaufman requested a motion to adopt the Council meeting minutes:
- Town Council FY: 2022-2023 Budget Retreat April 20, 2022
 - Regular Meeting May 10, 2022
 - Town Council FY: 2022-2023 Budget Retreat May 23, 2022

Motion

Jimmie Accardi made a motion to accept the meeting minutes for Town Council FY: 2022-2023 Budget Retreat April 20, 2022, Regular Meeting May 10, 2022, and Town Council FY: 2022-2023 Budget Retreat May 23, 2022, and Weidner Abernethy seconded the motion. CARRIED. unanimously.

- 8.2. Mayor Kaufman requested a motion to adopt the FY 2022 Budget Ordinance Amendment #6 as submitted by Finance Office.

Motion

Erin Gonyea made a motion to approve FY 2022 Budget Ordinance Amendment #6 and Kelly Melang seconded the motion. CARRIED. unanimously.

9. NEW BUSINESS

- 9.1. 2023 Annual Budget Ordinance # 2023-01

Mayor Kaufman called the question for approving Annual Budget Ordinance # 2023-01 and Councilmember Abernethy asked if that was for a .68 cent tax rate to which Mayor Kaufman answered in the affirmative and said Mr. Abernethy said he was opposed. Councilmember Melang said she was opposed. Mayor Kaufman stated there were three in favor and two against and the annual budget passed.

Motion

Jimmie Accardi made a motion approve the Annual Budget for fiscal year 2022-2023 and Erin Gonyea seconded the motion. CARRIED. 3-2 (opposed: Weidner Abernethy and Kelly Melang).

10. TOWN MANAGER AND STAFF REPORTS

10.1. Mr. Pudney provided the Manager's Report and noted that there was a property de-annexation request included on House Bill 1044. Representative Dudley Greene presented the bill, and it is now before the House of Representatives in Raleigh. The bill added five additional properties from the five that was originally presented to Town Council. The Town's position is that the Town cannot support the bill with the additional parcels as they were not brought before Town Council. Representative Greene has agreed to remove those additional parcels from the bill. Mr. Pudney will update Council as to what happens with the bill at the next meeting.

Mr. Pudney updated Council regarding the Lake Coffey/Lake Santis water project as there has been progress between the Resort and the Town's attorneys on the agreement between the Town and Beech Resort. The State permits require water release of the reservoir. We are working with State's environmental and aquatic wildlife agencies regarding the water release rate.

In response to Councilmember Abernethy's question regarding a draught, Mr. Pudney explained the expected capacity currently and with the new project. We estimate 30-million-gallons capacity from the new reservoir. He noted there is also the bypass from Upper Pond Creek and the Pinnacle Ridge well site to be added to the water infrastructure in case of draught. The Pinnacle Ridge Wellsite #1 has been redesigned to substantially reduce costs.

The Parks and Recreation summer camp is underway at Buckeye Recreation Center and has the largest group ever. Shane Park camping sites have been full and is full this weekend. The town made repairs to the sewer pump station.

The town added additional parking spaces at the Bark Park for demand for free parking solution. Road maintenance crews will have the striping completed.

The response times for the new EMS station are quick, so we have greatly reduced the response times compared to waiting for ambulance services from the counties. Mr. Pudney will expect to have a detailed report in

July. Critical case patients on scene times in comparison from 45 minutes down to 8 minutes.

The Fire Department will host an open house and ribbon cutting for the new EMS Unit on June 25th from 2-4 pm at Fire Station #2. Everyone is invited.

10.2. April Budget and Finance Report

Motion

Review

10.3. Police Department Monthly Report

10.4. Fire Department Monthly Report

10.5. DOI Monthly Report

10.6. May 2022 Recreation Report

10.7. TDA June Report

10.8. Planning & Inspection Monthly Report 2022-05

11. TOWN COUNCIL COMMENTS

11.1. Mayor Kaufman stated that Town Council had three work sessions for the proposed budget which is open to public. Council had asked for input. Council notices are posted, and emails are sent to the public regarding the Budget work sessions. Mr. Kaufman noted there are no gravel roads to be paved in this year's budget, but when the roads are torn up to replace the water and sewer line infrastructure, the roads are then paved. All the infrastructure projects follow the list as per the Public Works Department infrastructure replacement projects schedule. For the last 15 years the infrastructure was not replaced. In the last few years, the town has completed projects repairing leaks and replacing lines. As noted in the past, there were submitted reports by us and by the State for the water lost in the system. Millions of gallons are lost with 30/40-year-old pipes. The Town is working to correct the infrastructure problems.

The Town is spending money for water wells and Mayor Kaufman agreed it is a big budget. The budget includes the costs for the new ambulance service at approximately \$450,000 each year, which we held public hearings on the subject and a majority were in favor of the projects. The mayor requested the public to participate in the three budget meetings to be scheduled for next year and we can adjust for next year.

Vice Mayor Accardi stated that the comments regarding the Parks and Recreation Department was misinformation. That department is seeing the highest revenue for our recreation programs. There were hard decisions made by the Town as we cut from the Sanitation Department. The board was

transparent in proceedings and held three budget workshops and presented the budget at the last month's Council meeting for citizens' input.

Councilmember Melang stated that she was not voting no on the budget nor for the workforce but was opposed to the .68 cent tax rate. She would have been in favor of the .65 cents rate; however the town is moving in the right direction.

Councilmember Abernethy said these are challenging times, and he understands the difference between needs and wants. He is in favor of the budget projects, such as the EMS Station and the employee COLA. He noted the salaries in his own company from a year ago and from today. Employee raises are needed competitive business. It is in the best interest of Beech Mountain to retain employees. He encouraged citizens to provide input for next year in the three budget workshops. Mr. Abernethy said he was against the .68 cent tax rate, and he wanted the manager to reduce the budget from the proposed .65 cents. He believes with the town's growth even in a recession, we will have a healthy fund balance for 2023, and then we can and lower taxes next year.

12. CITIZENS' AGENDA COMMENTS

12.1. Mayor Kaufman opened the citizen's comments on the agenda and Mr. Gsteiger responded that he was told Hawthorne Road a gravel road was to be paved. He added that there is confusion with a General Fund and an Enterprise Fund. He said we have raised the water rates to pay for water leaks. He reiterated that he was opposed to the budget and process where no one is allowed to speak.

An open conversation ensued as a citizen discussed the taxes and the economy and the budget. Councilmember Gonyea thanked the man for his suggestions and requested more citizens input for solutions. She noted that at the Council Budget Workshops, that citizens who attended were given the opportunity to speak and provided input during the budget work session.

Mrs. Sandy Carr of 505 Pine Ridge Road thanked Council for the work and she said she was only one in the audience for the budget workshop. When she attended, she spoke at the budget meeting and addressed Council regarding the tax rate and the budget.

Ms. Carr commented that when the auditor presented the yearly audit, the auditor stated that the General Fund balance was a high percentage for a town our size. Ms. Carr did not agree with saving additional funds for a rainy day. So, the tax rate for additional funding into the general fund she was opposed to, but that the employees deserve the COLA increase.

All given the opportunity to speak, Mayor Kaufman closed the public comment portion of the meeting.

13. ADJOURNMENT

- 13.1. There being no further business, Mayor Kaufman requested a motion to adjourn at 5:30p.m.

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

Motion

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

Town Clerk

Mayor, Town of Beech Mountain