

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
Special Meeting – May 27, 2014

I. CALL TO ORDER

Vice Mayor Paul Piquet called the special meeting of the Beech Mountain Town Council to order at 4:06 p.m., Tuesday May 27, 2014 in the Town Hall Council Chambers. Other Council Members present were Alan Holcombe, Cindy Keller and E. 'Rick' Miller. Mayor Rick Owen was not present. Staff members present were Town Manager Randy Feierabend; Town Clerk Jennifer Broderick, Town Planner James Scott, Public Utilities Director Robert Heaton, Public Works Director Riley Hatch, Fire Chief Robert Pudney, Finance Officer Nancy Johnson, Parks and Recreation Director Sandy Carr and Police Chief Jerry Turbyfill.

II. Pledge of Allegiance – All present joined in the Pledge of Allegiance to the flag.

III. Adoption of Agenda – Vice Mayor Piquet stated that the agenda would stand as presented.

IV. New Business

Water Plant Project Update – Benjamin Thomas, P.E. West Consultants stated that he wanted to show Council a couple of isometric views of what the old Water Plant next to the new Water Plant would look like. Mr. Thomas stated that he wanted to talk about the new water plants shape and what the final building design would look like. Mr. Thomas stated that the building is a two story building; which is necessary for the treatment process. Mr. Thomas provided Council with options for the roofline. One roofline possibility was to go with gable ends, which is the same as the existing roof on the current water plant. The other roofline possibility is to mimic the roof on Buckeye Recreation Center which has a hip line roof. Building Inspector John Merritt stated that based on today's discussion there would be more information provided at Council's next regular meeting. Manager Feierabend stated that a gable roof is going to block most of the vision going down while a hip line roof would not block as much. Vice Mayor Piquet recommended putting the gable roof on the other way since the building is square. Vice Mayor Piquet asked what the cost difference would be in these two types of roofs. Mr. Thomas stated that the hip roof would cost more. Councilman Miller asked about a shed roof. Mr. Thomas stated that the Town would not want to put extra pillars out as this would greatly increase the cost. Mr. Thomas stated that the stone work would be an extra cost and only for aesthetics. Mr. Thomas stated that they can do the same beige and green colors that are being used on the old Water Plant unless Council wishes for something different. Council was in favor of keeping the colors of the building the same. Councilwoman Keller stated that she likes the hip roof because it allows for a better view and provides better wind protection. Council woman Keller asked if they could use something other than metal on the exterior on the second floor such as hardy plank. Public Utilities Director Robert Heaton explained that the composite panels came in many different styles.

Note: Mayor Rick Owen arrived at the meeting at 4:22 p.m.

Mr. Thomas explained that as far as the footprint of the building he was locked in with the ability to move the building only by 2' (feet) or so. Mr. Thomas stated that the building would not have a lot of windows as light encourages biological growth. Manager Feierabend stated that they are hoping to come back with something more solid for Councils consideration at Councils next regular meeting. Mr. Thomas stated that based on today's discussion he would come back with hardy plank and different kinds of metal exteriors for Council to review. Vice Mayor Piquet stated that if they could also include the stone on the corners that would be good, but realized that cost wise this may not be a good option. Mayor Owen asked Mr. Thomas to bring back several options for Councils meeting. Mr. Thomas stated that he will submit the plans with the exterior generalized to the North Carolina Division of Public Water Supply and get the exterior finalized over the next couple of months.

Council Budget Discussion – Manager Feierabend stated that Council had before them a revised budget which reflected the requested changes from the previous meeting. Those line items that had been changed were highlighted in yellow. The two items highlighted in blue show increases; 10.510-7400 Capital Outlay - \$6,000 for a Dementia Program, and 10.621-4205 Special Projects - \$14,000, were there for Councils consideration. Mayor Owen reviewed all of the changes with Council and staff. Police Chief Jerry Turbyfill explained the Dementia Program along with the bracelets and that the program would provide training for all of the Police Officers. Mayor Owen asked if there was a reoccurring fee. Police Chief Turbyfill stated that there was no reoccurring fee; the only fees would be for the equipment, and that Avery County and Watauga County use these devices in conjunction with the Center for Aging. Councilwoman Keller recommended requiring a deposit for the bracelets. Manager Feierabend stated that another option would be to have the family pay for the device since the cost was minimal. Mayor Owen asked if E-911 funds could fund this program. Police Chief Turbyfill stated that it is not on their funding list but that he would look into it further.

Parks and Recreation Department – Mayor Owen stated that Council would pick up their budget discussion where they had left off with the Parks and Recreation Department.

10.621-1601 Building and Ground Maintenance – Councilwoman Keller asked if this line item now represented budget line items 10.621-3301 Equipment and 10.621-3303 Trail Maintenance Supplies. Finance Officer Nancy Johnson stated yes, that these two line items were combined two years ago.

10.621-7400 Capital Outlay – Councilwoman Keller asked about the \$93,750 Recreation Trails Program Grant expenditures for the Emerald Outback Project. Mayor Owen asked if the Town's match was reduced due to the cost of the work decreasing substantially from the proposal. Manager Feierabend stated that this would be the case. Manager Feierabend stated that the contractor has until next summer to complete the work. Councilman Miller asked how much this difference would be. Manager Feierabend

stated that it is a reimbursement grant and that the Town will end up not billing them for approximately \$28,000 to \$29,000. Town Planner James Scott stated that approximately \$9,000 of the Town's money would not be used. Mayor Owen stated that there was no reason to change it since they were just moving money from fund balance.

Mayor Owen brought up the appropriated fund balances for employee health insurance in the amount of \$177,000, a dump truck with a snow blade in the amount of \$125,100 and a fund balance for small items in the amount of \$76,859. Manager Feierabend pointed out that this \$76,859 amount has already been reduced to about \$46,388.

Water/Sewer Fund

30.3999-0000 Fund Balance Appropriated – Councilwoman Keller questioned the difference in amounts from the proposed department and proposed manager columns in the proposed budget. Finance Officer Nancy Johnson pointed out that the difference in amounts were due to a capital projects. Public Utilities Director Robert Heaton stated that one of the projects was the Spruce Hollow Transmission Line for approximately \$225,000, the other project was for a Supervisory Control and Data Acquisition system replacement (SCADA) at an approximate cost of \$100,000. Mayor Owen stated that funding was coming out of the Town's fund reserve. Mr. Heaton explained further that these decisions had been made since he submitted his departments proposed budget at the end of March, which is why there is such a large discrepancy. Manager Feierabend stated that it is believed that staff can begin this project in this budget year and then finish it in the next.

Water/Sewer Administration

30.720-0200 Salaries – Councilwoman Keller asked where the salaries were being split. Manager Feierabend stated that the salaries were being split with the Water/Sewer Administration fund and the General Fund Administration Department.

Water/Sewer Water

30.812-6101 Gas & Fuel – Councilwoman Keller asked about the increase. Public Utilities Robert Heaton stated that the cost had increased due to the generators being installed.

Mayor Owen asked if Council would need to do anything for the Spruce Hollow and Ashwood Projects. Public Utilities Director Robert Heaton stated that as the projects began to develop further they would need Council approval.

Water/Sewer Administration

30.720-8400 Debt (Principal) – Manager Feierabend pointed out that staff had made a decision to pay off one of the debts in the proposed budget, because it was so close to being finished. This is why this figure was a little bit higher.

Water/Sewer Sewer

30.822-4200 Contract Services – Councilman Miller asked what this was for. Public Utilities Director Robert Heaton stated that this is for the servicing of all of the boxes, motors, controls and items of the sort.

Water/Sewer Taps & System

Manholes – Councilwoman Keller asked how many manholes the Town was doing. Public Utilities Director Robert Heaton stated that staff is looking into rehabilitate the manholes from Emerald Mountain to Skiview Lane.

30.852-7405 Meter Replacement – Councilman Miller questioned the meter replacement line item. Public Utilities Director Robert Heaton stated that there have been approximately 64 meters replaced due to lightning strikes and that meters have needed to be replaced.

30.852-6101 Gas & Fuel – Councilwoman Keller questioned the additional expense. Public Utilities Director Robert Heaton stated that this was what the department needed.

30.852-6301 Road Maintenance Charge – Councilwoman Keller questioned the line item. Public Utilities Director Robert Heaton stated that this is to pay for other departments, like road maintenance, to assist when roads were torn up doing utility work.

Fire Hydrant Replacements – Mayor Owen asked about the fire hydrant replacement process. Public Utilities Director Robert Heaton stated that the Utility Department and the Fire Department have a list that they are working on but that the work is going slow. Manager Feierabend stated that the Town is funding this program. Mayor Owen asked if this was a funding issue or a logistics issue. Mr. Heaton explained that it was both. Fire Chief Robert Pudney stated that the list is getting better. Fire Chief Pudney stated that the hydrants that are not working need to either be repaired or taken out. Mr. Heaton explained that a hydrant that does not have a valve is not easy to remove. Fire Chief Pudney stated that realistically if the Town can get 8 done a year that would be great. Mayor Owen asked at what point this becomes a rating issue with insurance. Fire Chief Pudney stated that the water is 50% of the rating and that the hydrants are selected at random to test. Fire Chief Pudney stated that hydrants that do not work need to be taken out. Fire Chief Pudney stated that homeowners have to be within a 1,000' (feet) of a fire hydrant in order to receive the benefit of the hydrant for insurance rating purposes. Fire Chief Pudney stated that there are 342 hydrants. Mr. Heaton stated that approximately two-thirds of the fire hydrants do not have valves and discussed the issues of removing a hydrant that does not have a valve. Councilwoman Keller asked about increasing the budget line. Mr. Heaton stated that he did not have the manpower to replace more. Manager Feierabend suggested that next fiscal year the Town look at hiring someone to put in new hydrants. Mr. Heaton stated that in the past staff has tried to do the hydrants in the off season so it does not impact as many people. Mr. Heaton stated that if Council

wished to do more work than the work will have to be done when more individuals are here on the mountain.

Sanitation

35.580-7400 Capital Outlay – Councilwoman Keller asked about the proposed new garbage truck. Manager Feierabend stated that there is enough money in fund reserve. Councilwoman Keller asked about the Town going away from curbside pickup and going with small local garbage centers. Councilwoman Keller inquired that if this was a possibility would Town need the new garbage truck? Manager Feierabend stated that this is a process to work through and that there is no plan currently in place. Public Works Director Riley Hatch stated that the trash still needed to be taken to the landfill in Watauga County. Mayor Owen asked how many individuals use the curbside pickup. Public Works Director Riley Hatch stated that he does not have these figures. Town Planner James Scott stated that he has about 20 to 30 individuals that have signed up for the program to not participate in curbside pickup. Mayor Owen asked Mr. Hatch to follow up with this information. Mr. Hatch stated that he could have his staff do this count but that this would need to be a year round assessment. Mayor Owen stated that Council did not want to make rash decisions.

E-911

Total Transfers – Councilwoman Keller questioned the figure. Finance Officer Johnson stated that it was a clerical error and that it would be corrected.

65.410-1600 Repairs and Maintenance – Councilwoman Keller questioned the amount. Police Chief Jerry Turbyfill stated that this money is there in case the department needed it.

65.410-3300 Supplies and Materials – Councilwoman Keller questioned the amount. Police Chief Jerry Turbyfill stated that these are 911 funds and the Town needs to provide for this in the budget.

E-911 Funds – Mayor Owen asked about the goals of the E-911 funds. Police Chief Turbyfill stated that the department is looking to replace the radio consoles, \$60,000 will be coming out of this year's budget and then another \$60,000 the following year to cover the remaining expense. Vice Mayor Piquet stated that if the Town does not spend the money then the Town could start getting less. Police Chief Turbyfill stated that the goal is to spend the money wisely. Manager Feierabend stated that staff has an aggressive capital improvement plan in place.

Mayor Owen stated that Council had reached the end of the budget and asked if Council had any further budget discussion items.

Debt Services – Councilwoman Keller suggested paying off some of the Town's debt services and looking at these savings as potential paving money. Vice Mayor Piquet

stated that the proper direction for the Town was to continue to build the general fund and maintain these low interest rate debts as interest rates would be going up in the future.

New Water Plant – Mayor Owen asked staff if the projected fund balance reflected the payments for the Water Plant Project of the 91.399-0000 Transfer from Water/Sewer Fund in the amount of \$320,000 and 91.399-0001 Transfer from General Fund in the amount of \$1,400,000. Finance Officer Nancy Johnson confirmed that this was correct. Mayor Owen asked about the future payments of the Water Plant Project and how they were being covered. Urs Gsteiger stated that the way that staff has it planned the Town should be able to cover the payments. Other projects and future needs will dictate whether the Town will be able to continue to sustain the payments without raising rates.

Department Versus Manager Proposed Budget – Councilwoman Keller stated that in a few proposed budget line items the department and manager proposed budget amounts were different and asked which one the Town was moving forward with. Manager Feierabend stated that staff has prepared the current budget with Council changes using the manager proposed budget figures.

Public Hearing – Mayor Owen stated that the public hearing for the budget would be held during the June 10, 2014 regular Council meeting. Staff was instructed to place discussion of the budget on the June 10, 2014 regular Council agenda.

Benefits – Councilwoman Keller questioned the 1.5% Cost of Living Adjustment as well as the cost of insurance benefits stating that the Town needs to begin weaning off of some of these benefits. Mayor Owen stated that at some point in time something is going to have to be done, because at some point we as a community cannot continue to afford these benefits. Mayor Owen stated that he would like to see a small incremental change so no one gets hit hard. Mayor Owen stated that he would like the insurance company to provide Council with some options to start the Town down this path. Councilwoman Keller asked about the percentages of the spouse, the children, and family policies the Town was currently paying. Urs Gsteiger stated that for the employee plus child policy the Town pays 100%, the employee plus spouse policy the employee pays roughly 37%, and then for the employee plus family policy the employee pays roughly 38%. Vice Mayor Piquet stated that the Town no longer offers this benefit package to new hires as of July 1, 2012, stating that the Town only pays for the employee. Councilwoman Keller felt that at a minimum employees should pay 50% towards any coverage beyond their own. Vice Mayor Piquet felt that employee benefits should not be changed and that a plan was in place. Councilman Holcombe stated that he would like to look into getting some guidance from the insurance company. Finance Officer Nancy Johnson stated that this could be looked into. Mayor Owen stated that the ultimate goal is to reduce the cost and liability to the Town. Mayor Owen recommended looking into the copays and prescriptions being higher for the dependents on the plan stating that this would also start narrowing the gap in the equality of benefits. Mayor Owen stated that last year the Town was ensuring a lot of lives versus the actual number of employees. If the Town is going to ask the employees to take some responsibility for their benefits than this is, in Mayor Owen's opinion, where the Town starts. Manager Feierabend stated that staff will look into this. Councilman Holcombe recommended checking with the North Carolina

Insurance Commission for possible solutions. Councilwoman Keller stated that there was an inequality in the benefit system for single employees.

- V. ***Adjourn*** – Councilman Holcombe motioned to adjourn the meeting at 6:12 p.m., which was seconded by Vice Mayor Piquet. The motion passed unanimously. The meeting was adjourned 6:12 p.m.

Minutes approved by Town Council on June 10, 2014.

Richard H. Owen, Mayor

ATTEST:

Jennifer Broderick, CMC
Town Clerk