

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
Special Meeting – May 5, 2015

I. Call to Order – Mayor Owen called the special meeting of the Beech Mountain Town Council to order at 6:01 p.m., Tuesday May 5, 2015 in the Town Hall Council Chambers. Other Council Members present were Paul Piquet, Alan Holcombe, Cindy Keller and E. ‘Rick’ Miller. Town Attorney Stacy C. Eggers, IV. was not present. Staff members present were Town Manager Randy Feierabend; Town Clerk Jennifer Broderick, Finance Officer Steve Smith, Tax Collections Administrator Rebecca Ward, Public Works Director Riley Hatch, Fire Chief Robert Pudney, Police Chief Shawn Freeman, Director of Tourism and Economic Development Kate Gavenus, and Parks and Recreation Director Sandy Carr.

II. Pledge of Allegiance

III. Adoption of Agenda – Mayor Owen stated that the agenda would stand as adopted.

IV. New Business

Mayor Owen stated that Council would work through the agenda starting with new business item b. ‘Benefit Discussion’ since David Hill of HR Essentials consulting was not yet present.

a. Benefit Discussion – Mayor Owen stated that at a previous meeting Councilwoman Keller and Mayor Owen had volunteered to get involved with the benefit discussion. At a subsequent meeting Mayor Owen asked that staff get involved with bringing potential solutions forward rather than the Council having to create ideas to save money on employee related benefits. Manager Feierabend stated at the meeting before that Council had asked staff to touch base with Steve Smith, who had been recommended by the Beech Mountain Club, for reviewing the Town’s insurance plan. Manager Feierabend reported that Mr. Smith felt that Tucker Administrators was providing the Town a very good plan. Mayor Owen stated that Council was interested in alternative options. Manager Feierabend stated that he would give Council different options to look at. Mayor Owen wanted to know the information from staff. Mayor Owen asked that staff bring this information forward. Manager Feierabend stated that staff would look at reducing cost and saving benefits. Mayor Owen clarified that it is not just about this specific type of benefit but any realization in savings would be helpful. Council was in agreement that they wanted staff to look into a variety of options and present this data. Vice Mayor Piquet wanted to know the risk that was involved to the Town for providing this type of benefit. Manager Feierabend explained the stop loss policy that was in place to protect the Town from catastrophic costs. Councilwoman Keller wished to know the number of full time employees that had been hired under the new benefit package which was initiated July 1, 2012.

- b. Resolution of Support to the North Carolina Department of Transportation for the Sidewalk Project** – Mayor Owen stated that North Carolina Department of Transportation made a request for a resolution of support by Council for the establishment of a pedestrian walkway along the east side of Beech Mountain Parkway. Councilman Holcombe motioned to approve the resolution. Vice Mayor Piquet seconded the motion and the vote passed unanimously. Resolution 2015-05 ‘A *Resolution in Support of a Project to Establish a Pedestrian Walkway Adjacent to Beech Mountain Parkway through the Commercial District of Beech Mountain*’ is attached as Exhibit A and incorporated by reference as if fully set out within these minutes. Manager Feierabend explained that the North Carolina Department of Transportation was looking for a shovel ready project. Dean Ledbetter, North Carolina Department of Transportation Division 11 Senior Planning Engineer, had promoted the pathway for the Town that staff had gotten shovel ready. Mr. Ledbetter promoted it to Mike Pettyjohn, division engineer of North Carolina Department of Transportation Division 11 who approved it and sent it to Raleigh for approval. Manager Feierabend stated that he was hopeful that he would have a final answer from Raleigh by the next meeting. Councilwoman Keller asked who would be doing the work. Manager Feierabend explained that the Town would be required to go through the competitive bidding process.
- c. Compensation Study Presentation** – Mayor Owen stated that he was not in favor of implementing the entire study to impact all of the employees. Mayor Owen believed that staff should bring forth certain positions that staff could justify needing Councils attention. Mayor Owen stated that he would request that the manager do this. Councilman Holcombe stated that he was in favor of having the holes filled where they needed to be filled. The compensation study is nice but this is probably not the direction the Town is going. Vice Mayor Piquet stated that we agreed to do the study due to the fact that the Town was lagging in the area of competitive pay.

Note: David Hill of HR Essentials Consulting arrived at 6:22 p.m.

Mayor Owen brought David Hill, of HR Essentials Consulting, up to speed. Mr. Hill apologized for being late due to a tractor trailer turning over across all four lanes on Interstate 40 West. Mr. Hill stated that he did a further analysis of how long employees had been employed and how long they had been in that position. If Council accepts the study as presented and does nothing else but accept the new salary schedule then there will be great compression. In the last year alone 22% of the Town’s employees come on board. Mr. Hill then looked at the information on how long an employee had been in their current position. You can see that that same 22% of the workforce has been in that position in the last year. This helps to explain why so many employees were at the base of their pay grade. Mayor Owen stated that he wanted to know how the comparables were selected. Mr. Hill stated that he initially provided a list of suggested comparables and that staff worked with him. Mr. Hill stated that these types of studies are 15 – 20% objective and 80 – 85% subjective. There is a lot of comparing apples to oranges. Who are the natural competitors for laborers? Tennessee could be a direct competitor. Mr. Hill looked at like communities in similar logistic areas. Mayor Owen stated that the one could be

cynical and point out that Avery County was not used and Watauga County was. Avery County has not received a cost of living adjustment in the last 5 years or so. Councilman Miller wanted to receive more information on employees who are underpaid. Councilman Miller stated that the Town had not provided any type of merit pay in the last 10 years. Mr. Hill pointed out that Maggie Valle, Highlands, and Lake Lure, who were a part of the study, will be implementing new salary studies July 1, 2015. Mr. Hill stated that defining a pay scale defines who Beech Mountain wants to be. Mayor Owen questioned the Town's historic cost of living allowance. Mayor Owen stated that he was in favor of looking at the numbers from the municipalities that were used the last time a study was performed. Councilwoman Keller asked about the demographics of the communities that were used as comparables. Councilwoman Keller would be in favor of keeping the communities that are closer to us. Councilwoman Keller stated that communities whose demographics were not closely related should be thrown out. Manager Feierabend stated that these comparables were used because they were in the same type of mountainous region as Beech Mountain and were tourist based. Councilman Miller stated that he was told that a lot of the departments in Tennessee the department head makes the determination on how much individuals will be paid from a lump sum amount of money. Mr. Hill stated that he only spoke with Carter County, Tennessee. The Sheriff's office is the only one entity that has a pay range and scale in place. There is no standardization in pay for the other departments. Mayor Owen asked that staff look into what the retention has been like for the past few years and whether these losses were pay related or if there were other reasons for this change. Manager Feierabend stated that the toughest areas for retention were the Police Department and Sanitation. Councilwoman Keller asked about how many employees were looking to retire. Manager Feierabend stated that in the next 5 years the Town will lose approximately 10% to 20% of their employees to either early retirement or full retirement. Mr. Hill stated that the employees for Beech Mountain suffer personal financial loss through the wear and tear of their vehicles. Highlands is the only other community who has this like hardship. They experience on average a 36 mile a day travel. Mr. Hill pointed out that this hardship was not taken into consideration when the projected salaries were created. Councilwoman Keller stated that she is aware that benefits were not studied but asked if Mr. Hill had looked at combining any positions. Mr. Hill stated he did not. Manager Feierabend referred to a report provided by Urs Gsteiger and discussed subsidies and retirement plans that were offered by other local government agencies. Manager Feierabend stated that the Town is not out by themselves with the benefits they provide. Lots of municipalities and counties provide supplemental retirement plans and contribute and/or match which is similar to what the Town of Beech Mountain does. Mr. Hill stated that to compare benefits would be a very taxing event. Mr. Hill pointed to Caldwell County to illustrate an example. Mr. Hill informed Council that Caldwell County paid retiree health insurance however, the employee had to retire with a full 30 years in the system. Councilwoman Keller asked that the Town throw out some of the comparables that were used and work with the numbers that were left. Councilwoman Keller stated that it would behoove the Town to get a better picture of the benefits that are offered too. Vice Mayor Piquet stated that the study was a good starting point. The study showed that the Town is not keeping up. Vice Mayor

Piquet stated that first and foremost the Town is a service provider. Vice Mayor Piquet stated that he wanted to attract the highest quality and best employees. Vice Mayor Piquet stated that hopefully Council will make up their minds to implement merit raises. Mayor Owen stated that he was not in favor of increasing everyone's pay grade as recommended through this study. Mr. Hill stated that Vice Mayor Piquet was heading in the direction of good stewardship. Such direction would require the Town to consider creating a pay philosophy. Considerations for cost of living allowances, merit pay, certification programs, and longevity would need to be discussed. Manager Feierabend stated that he will pull information together and have it ready to present to Council at their meeting on May 12, 2015. Mayor Owen told Manager Feierabend that if he did not feel ready to present final information at this meeting that he could have more time. Mayor Owen instructed staff to go ahead with presenting the information to Council at Council's upcoming meeting on the other study that was being done should they receive the final report and feel comfortable enough with the information to present it.

- V. ***Adjourn*** – Councilman Miller motioned to adjourn the meeting at 7:20 p.m., which was seconded by Councilman Holcombe. The motion passed unanimously. The meeting was adjourned 7:20 p.m.

Minutes approved by Town Council on May 12, 2015.

Richard H. Owen, Mayor

ATTEST:

Jennifer Broderick, CMC
Town Clerk

**ATTACHMENT(S)
TO
MINUTES**

EXHIBIT A – Resolution No. 2015-05 *‘A Resolution in Support of a Project to Establish a Pedestrian Walkway Adjacent to Beech Mountain Parkway through the Commercial District of Beech Mountain’*

Resolution No. 2015-05

TOWN OF BEECH MOUNTAIN, NC

**A RESOLUTION IN SUPPORT OF A PROJECT TO ESTABLISH A
PEDESTRIAN WALKWAY ADJACENT TO BEECH MOUNTAIN PARKWAY
THROUGH THE COMMERCIAL DISTRICT OF BEECH MOUNTAIN**

WHEREAS, the Town of Beech Mountain desires to protect and enhance the health, safety, prosperity, and general welfare of its citizens and the character of its community; and

WHEREAS, a portion of Beech Mountain Parkway (NC Highway 184) is the main transportation corridor of the Town of Beech Mountain, providing access to hotels, inns, restaurants, retail shops, and neighborhoods; and

WHEREAS, although pedestrians from inns and neighborhoods commonly walk along this stretch of road to access the above mentioned commercial establishments, there are currently no adequate pedestrian facilities; and

WHEREAS, the Town of Beech Mountain recognizes that providing facilities for pedestrian transportation encourages active lifestyles and can improve health in the community; and

WHEREAS, the Town of Beech Mountain recognizes that providing facilities for pedestrian transportation is important for the safety of residents and visitors; and

WHEREAS, the Town of Beech Mountain recognizes that a well-designed and landscaped pedestrian walkway along Beech Mountain Parkway can support pedestrian commerce and carry economic benefits to the community and its businesses.

NOW THEREFORE, the Town Council of the Town of Beech Mountain does hereby resolve to support the construction and establishment of a pedestrian walkway along the East side of Beech Mountain Parkway (NC Hwy 184) from approximately .2 mile north of the southern limits of the Town of Beech Mountain to approximately .6 mile north of the southern limits of the Town of Beech Mountain.

READ, CONSIDERED, PASSED AND APPROVED at a special meeting of the Town Council of Beech Mountain, North Carolina, at which a quorum was present and which was held on the 5th day of May, 2015.

Resolved this the 5th day of May, 2015.

Richard H. Owen, Mayor

Attest:

Jennifer Broderick, Clerk