

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
Special Meeting – June 4, 2015

I. Call to Order – Mayor Owen called the special meeting of the Beech Mountain Town Council to order at 4:00 p.m., Thursday, June 4, 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 Utilities Director Robert Heaton, Public Works Director Riley Hatch, Fire Chief Robert Pudney, Police Chief Shawn Freeman, Town Planner James Scott, and Interim Parks and Recreation Director Sean Royall.

II. Pledge of Allegiance

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

IV. New Business

a. Council Budget Discussion

Tourism Development Authority – Mayor Owen invited Brian Barnes, Chairperson of the Tourism Development Authority to take the floor. Mr. Barnes drew the attention of the Council back to the Tourism Development Authority and Town Council joint meeting that occurred last year and some of the goals of that meeting. Mr. Barnes spoke of advertising dollars and that it was the Tourism Development Authority’s desire to increase these dollars. Mr. Barnes presented Council with a proposal asking if Council would consider allowing the Tourism Development Authority to use some of the Tourism Development capital funds to take care of some of Town Councils budget items, such as fireworks and Christmas lights, with the Town Council taking on some more of the Tourism Development Authorities operating costs. Mr. Barnes specifically asked that the Town pick up the expenditures in the following amounts; phone \$4,800, postage \$400, utilities \$2,000, travel \$1,500, office supplies \$1,100, and for the Town to waive the \$2,700 rent they charged.

Note: Manage Feierabend returned to the meeting at 4:02 p.m. and returned at 4:04 p.m. with copies of the Tourism Development Authorities budget request worksheet.

The total requested was \$12,500. If Council agreed to these terms then the Tourism Development Authority would put this money towards advertising and then their revenues that have to go towards capital expenditures could go towards advertising. Mr. Barnes stated that the monies saved would be spent on advertising and then the money that has to go towards capital could go towards Town fireworks, etc. Mayor Owen stated that some of these items that they are offering to pay for are items that he feels the Tourism Development Authority should already be paying for. Mayor Owen stated that the Tourism Development Authority and the Council had a deal where the expense of an employee would be a shared expense. There was concern expressed about the Town taking over the office expenses and

employee expenses. Mr. Barnes stated that the pre-application of the grant for paving Buckeye Road has made it through the first phase and that the Tourism Development Authority could dedicate future funds towards this project if Council was supportive of this measure. Manager Feierabend explained that this information that Mr. Barnes was discussing about grant money would to be discussed in more detail at the upcoming regular Council meeting. Mr. Barnes stated that the Director of Tourism and Economic Development, Kate Gavenous, is doing a high quality job of finding great advertising possibilities for the Town. Mr. Barnes pointed out that no other Town department is having to pay for some of the types of expenses that the Tourism Development Authority is asking the Town to take over. Councilman Holcombe stated that he believed that this was a pretty good proposal. Vice Mayor Piquet stated that last year Tourism Development Authority Board Member Carl Marquardt stated that \$20,000 in capital funds was supposed to put aside for paving. Mr. Barnes stated that these funds are sitting there. Vice Mayor Piquet questioned this practice, stating that these dollars should be put to work. Mr. Barnes stated that the proposed budget is looking to spend 100% of the capital dollars. Mr. Barnes stated that the dollar amount that the Tourism Development Authority was willing to pledge to the Town for capital expenditures was \$47,850. Councilman Miller confirmed the amount of money with Mr. Barnes to be \$47,850 and that as long as Mr. Barnes was the chairperson for the Tourism Development Authority this compromise would stay this way. Councilman Miller asked if the Tourism Development Authority is willing to pay for the half of the grant that the Town would need to match for paving Buckeye Creek Road. Mr. Barnes stated that he believed that the current board of the Tourism Development Authority would be willing to pledge dollars towards this paving project. Councilwoman Keller clarified the amount for fireworks and lights was \$13,800, \$3,000 in flowers, \$3,000 in trail maintenance. Mr. Barnes confirmed that the Tourism Development Authority had about 95% of their capital budget planned. Mr. Barnes stated that they were looking to purchase a webcam and to add scaffolding to the billboard. Mr. Barnes stated that the Tourism Development Authority would like to purchase the webcam. The purchase would cost less than 2 months rental of the current webcam. Mr. Barnes stated he would present to Council the capital budget on all items in July or August once the Tourism Development Authority knew the total funds that the Town collected. Councilman Miller commended the Tourism Development Authority and the work they were doing. Councilman Miller asked how stable the operating expenses were. Mr. Barnes stated that since he has been on the Board there has not been an increase in these numbers. Mayor Owen confirmed that the Town was not picking up additional costs. Mayor Owen stated that he would like to see in writing a list of the expenses the Tourism Development Authority is willing to take over. Mr. Barnes stated that he would appreciate knowing what items, such as a snow gun, that Council would be interested in having purchased. Councilman Miller asked about the Streetscape Project and the potential grant money that the Town was receiving. Town Planner Jes Scott stated that he has not heard anything the last couple of weeks and that the last thing that he had heard was that there was one additional item that needed to be signed off on in order for the Town to receive the money. Councilman Miller confirmed that this amount was approximately \$250,000. Councilman Miller stated that he would like to see the sidewalk project taken all of the way down to the entrance of Ski Beech. Manager Feierabend stated that staff was pursuing this goal. Mr. Barnes stated that he would get the list of items to Council.

Mayor Owen stated that Council would work their way through the budget in chronological order. Mayor Owen asked if there were any questions about the debt service received through ad valorem. Manager Feierabend stated that one item has one more payment and another item has four more payments until paid off in full.

General Fund Revenue – Manager Feierabend stated that this is revenue that supports the ad valorem revenue of the budget. Councilman Miller confirmed that the tax department had reached the 97% tax rate. Tax Collections Administrator Rebecca Ward confirmed yes to the collection rate.

10.355-0004 Hold Harmless Funds – Mayor Owen asked about the hold harmless funds and why they were down to \$180,000. Finance Officer Steve Smith stated that at 10 months the Town is only at \$164,000

10.383-0000 Sale of Fixed Assets – Councilwoman Keller questioned this being a lower figure than was previously discussed. Manager Feierabend stated that the Town will sell the older equipment as it receives the new equipment. Whatever funds come in from the sales of any equipment will go to fund reserve.

10.399-000 Fund Balance Appropriated – Vice Mayor Piquet questioned what the \$398,731 amount was for this year. Finance Officer Steve Smith stated that this was the money the Town put towards the Water Plant Project. Public Utilities Director Robert Heaton stated that bids will come in on the 25th of June. Mr. Heaton stated that there would be a conference next week and that a better update would be provided then.

Administration – Manager Feierabend pointed out that Christmas lights, fireworks, and some of the money that goes towards flowers is included in this budget. Manager Feierabend stated the travel money has been increased to allow for staff to maintain current in each of their areas of specialization.

10.410-1101 Postage – Councilwoman Keller asked about the projected budgeted amount of \$995. Manager Feierabend stated that this was not a good number and that staff would correct.

10.410-4210 Professional Services – Councilwoman Keller confirmed that this money was budgeted for Attorney Fees and the auditor fee.

10.410-4201 Contact Services – Councilwoman Keller asked about the bottle water at a cost of \$1,600. Manager Feierabend stated that this was for Town Hall and Buckeye Recreation Center.

Tax Collections

10.460-4200 Collection Cost – Councilwoman Keller pointed out that this amount, which included fees for Attorney Eggers and recommended that the word vehicle be removed.

Police Department

10.510-0200 Salaries – Police Chief Shawn Freeman stated that they are looking to fill the Police Captain position. One of the big things that the department is looking to do is to curtail time and a half by using exempt employees. The proposed Police Captain position is an exempt employee. Councilwoman Keller asked about the separation pay. Manager Feierabend stated that it has been consolidated in the salary line item. Mayor Owen asked if the job description for the Police Captain needed to be approved. Town Clerk Jennifer Broderick stated that this new job description was approved by Council with the approval of the Classification and Pay Study.

10.510-5702 Drug Task Force – Mayor Owen stated that the Town of Banner Elk was placed in the position of picking up approximately \$20,000 through Avery County not funding any portion of this position in their budget. Police Chief Freeman stated that for now the money has not been funded for this position since the program was not receiving County support. Manager Feierabend stated that he believed that the Police Chief's and the Sheriff's Department will be working together towards the goal of seeing this position funded again. Mayor Owen stated that if the Council adopts the proposed budget as is then the Police Captain position will be funded and it will be filled by staff. Mayor Owen pointed out that if anyone has any objections to this they should start this conversation.

Grant Monies – Councilman Miller commended Police Chief Shawn Freeman on the grant money that his department has worked towards receiving. Police Chief Shawn Freeman stated that they did receive the grant for the police body camera's.

Fire Department – Fire Chief Bob Pudney stated that the Fire Department has completed the transition into becoming a Municipal Fire Department. All cash, assets, equipment, and stations have been turned over to the Town. This is the first year that the Fire Department is fully incorporated into the Town's budget which is why the budget now has so much detail for this department.

10.515-0200 – Fire Chief Pudney stated that the department is asking for a part time State Certified trainer. Currently the Town has been paying for State Certified instructors and have had no control over who has been providing the training. This training has been found to be lacking. Fire Chief Pudney stated that he does not have a specific person in mind for this position and that the department may end up using multiple individuals for training purposes. If this was the case then these monies would be moved to contract services. The main is that the department is looking for quality training.

Mayor Owen asked if the Fire Department needed other things taken care of in addition to the part time training positions. Fire Chief Pudney stated that right now there was not enough work to validate an additional full time position.

Transfers to Other Funds – Vice Mayor Piquet asked about departmental stipends. Fire Chief Bob Pudney stated that the stipends budgeted for the year were in the amount of \$26,000 and showed up in the transfer to other funds. Fire Chief Pudney stated that if he felt this money should have been more then he would have made this recommendation. Fire Chief Pudney explained the point system that is in place and how a calculation is tallied at

the end of the calendar year. Fire Chief Pudney explained that it is a balancing act and that the members that they appreciate it very much.

10.515-7400 Capital Reserve – Fire Chief Bob Pudney stated that \$57,700 is put aside each year to go towards capital equipment cost.

Annual Fire Department Gala – Councilman Miller asked if the Fire Department would still be hosting the Annual Fire Department Gala. Fire Chief Bob Pudney stated yes, the event is scheduled to be held August 1, 2015. Some of the departments' funds come in the form of donations from events such as this and the Golf Tournament.

Building Inspections

10.540-7400 Capital Outlay – Town Planner James Scott stated that the big difference between this years' budget and last years' budget was the capital outlay for a vehicle. Last year the vehicle that Building Inspector John Merritt had used broke its frame and a new vehicle had to be purchased.

Planning

10.541-7400 Capital Outlay – Town Planner James Scott stated that the capital outlay for the trees and landscape for the Town was new and had been transferred to his budget from the Administration Fund. Mr. Scott stated that \$1,000 of this money is for Lear Powell and \$3,000 is for other streetscape landscaping. Mr. Scott stated that he became an electrical inspector last week, held his AICP certification and was a licensed surveyor. Mr. Scott clarified that his license will become effective in July for the electrician certification. Manager Feierabend stated that John Merritt will be taking the electrical exam as well. Councilwoman Keller questioned the amount of money going towards Lear Powell and if this was enough to cover the cost. Mr. Scott stated that he felt that the amount should be able to get the Town through and that the Town could be more aggressive and look to treat more trees in the future.

Vehicle Maintenance

10.555-7400 Capital Outlay – Public Works Director Riley Hatch stated that the capital outlay is \$5,500 is for the tire changer. Mr. Hatch stated that with tire rims getting a lot larger it is time to move up in size.

10.555-3000 Gas & Fuel and 10.555-9000 Gas & Fuel Income – Councilwoman Keller asked about the difference between these two figures. Finance Officer Steve Smith said that he would check and correct this.

Road Maintenance

10.560-7400 Capital Outlay – Public Works Director Riley Hatch stated that the capital outlay is for a pickup truck and a back hoe.

10.560-7408 Resurfacing and 10.560-7402 Road Stabilization – Manager Feierabend informed Council that between the two budget line items Council has been doing approximately \$240,000. Manager Feierabend stated that this year the Town spent approximately \$50,000 in gravel and approximately \$190,000 in paving. Staff is asking how Council felt about keeping the resurfacing at \$190,000 to do at least a mile of paving. Public Works Director Riley Hatch stated that he would like the flexibility of looking at these line items after winter and then potentially move the money from one line item to another. Manager Feierabend asked if Council would like to add more money to resurfacing. Councilman Miler stated that he would like to recommend that the staff add some money to resurfacing, stating that the Town has invested a lot of money into the surfacing of roads. Mr. Hatch stated that between Tamarack and Christie way the Town was spending approximately \$184,000. Councilman Miller would like to see the figure come up to about \$250,000 to \$260,000. Councilman Miller stated that certain parts of Pine Ridge need to be stabilized. Councilman Miller stated that the Town has a priority list. Councilwoman Keller asked where the money was coming from. Councilman Miller stated that he would like to add \$60,000. Mayor Owen stated that the road stabilization has gone better and asked about the \$50,000 for the gravel. Mr. Hatch stated that he would like to see about \$80,000 for road stabilization. Manager Feierabend asked that staff be allowed to revisit the budget to see if they could get the money from there versus going into fund reserve. Mayor Owen asked staff to look for \$100,000 between road stabilization and additional funds and report back to Council.

10.560-0200 Salaries – Vice Mayor Piquet questioned the salaries and whether this was a mistake. Finance Officer Steve Smith stated that the \$399,257 is a hard number on compensation but that he would double check the figure.

Councilwoman Keller asked about spraying oil on the gravel roads to assist with the dust. Public Works Director Riley Hatch stated that the oil is calcium chloride and that it eats your car up. Public Utilities Director Robert Heaton informed Council that this was not a good idea due to the trout streams in the Town.

Projects – Manager Feierabend stated that he was asking Councils permission to ask Engineer Marion Rothrock to look at a possible stabilization plan for the land at the Recreation Center. Manager Feierabend stated that staff has looked at the cost for renting equipment for grading purposes and that the cost would be approximately \$12,000 a month. Manager Feierabend stated that the proposed site for the new Public Works building and the stabilization project could be complimentary projects, with the earth from the one site being taken to the other site. Mayor Owen stated that it is great that the Town is planning ahead but at some point time Council needs to think about these projects. Mayor Owen asked if Council was willing to spend money on this project. Councilman Holcombe was agreeable to have Mr. Rothrock look at the project. Vice Mayor Piquet was agreeable to the Town looking at the stabilization project as well.

Parks and Recreation Department

10.621-7400 Capital Outlay – Manager Feierabend stated that the \$15,000 in capital outlay was for new steps leading to the fire pit at Buckeye Lake or that this money could be used towards the stabilization of the bank.

10.621-0200 Salaries – Mayor Owen brought up the topic of the position down at the Parks and Recreation Center and that the Town had removed a full time fitness component when Daniel Scagnelli became the Parks and Recreation Director. Staff confirmed that the salary figure included this proposed full time position. The amount was not that different due to this proposed full time employee working the hours that had been worked by part time employees.

10.621-4205 Special Projects – Councilwoman Keller questioned this line item and the money from the Cool 5. Manager Feierabend stated that this is where the Tourism Development Authority funds could potentially come in to play. Councilman Miller asked Mr. Barnes about the Tourism Development Authority contributions. Tourism Development Authority Chairman Brian Barnes stated that he would be getting the list to Council.

10.621-1601 Building and Ground Maintenance – Councilwoman Keller asked about the roof. Manager Feierabend stated that there is \$25,000 for building maintenance and that staff was looking at a clear sealer that could be used. There is one leak that staff has continued to be unable to stop where staff's desk is. The leak appears to be wind born. Councilman Miller asked if the Town could take care of the fire extinguisher inspection themselves. Fire Chief Bob Pudney stated that each department budget for this and that this is a service that is completed Town wide.

Emergency Landing and Additional Parking – Manager Feierabend stated that this could be under the Parks and Recreation Department or the Fire Department. Typically once or twice a year the Recreation Center needs additional parking. These two goals could be accomplished through putting in a subsurface road. Manager Feierabend stated that it is possible and it could be done for a reasonable price thus accomplishing two goals. Mayor Owen asked if this was in the budget. Manager Feierabend stated that this is not in this years' budget. Manager Feierabend stated that they did not put any of these types of projects in the budget. Fire Chief Bob Pudney stated that the two areas that are used for emergency landing purposes are the meadows behind the Brick Oven and the ball field at the Recreation Center. The issue with the ball field is that every time a patient is taken from the ball park the patient has to be carried.

Sanitation – Mayor Owen asked if there were any changes in rates. Public Works Director Riley Hatch stated no. Mayor Owen asked if staff would look into the Recycling Center and putting some money towards the bear situation. Mayor Owen stated that compacting it and putting it in the trash trucks at the end of the day may not be the permanent solution. Mr. Hatch stated that staff is emptying the dumpsters into the trucks every day before they leave work as a bear deterrent. In order to haul the off materials from a compactor staff would have to purchase another truck. Mr. Hatch stated that the small swap loader is not for compacting. Mayor Owen asked if staff would have to look into contracting the hauling service if the Town purchased the compactors. Councilman Miller asked how often the dumpsters are taken off. Mr. Hatch stated that the town has 5 eight yard dumpsters.

Manager Feierabend stated that the compactor could be used for the time that staff quits manning the Recycling Center and closing off the others dumpsters. This could be a good bear deterrent.

35.580-7400 Capital Outlay – Councilwoman Keller confirmed with staff that the \$150,000 was for the garbage truck.

Curbside Pick Up – Councilwoman Keller asked if the Town could get away from curbside pickup and move towards having a few community service areas. Councilwoman Keller felt that this method of garbage collection could be a more beneficial bear deterrent. Mayor Owen stated that rates can be changed during the fiscal year. Councilwoman Keller stated that there are a lot of people who would like to get this charge taken off of their bill. Public Works Director Riley Hatch stated that there would still be a cost for the recycling center.

E-911 – Police Chief Shawn Freeman stated that the Department is waiting on a grant that they put in for so that they can put in the back up station in Banner Elk. Police Chief Freeman stated that a backup plan is in place in case this grant is not approved.

Water/Sewer Fund – Councilman Miller asked about the State Revolving Loan for the Radio Read Meter Project. Public Utilities Director Robert Heaton stated that there was one more payment on the meters.

Revenue – Public Utilities Director Robert Heaton stated that the revenue is based on the base rate and that there is no proposed increase in this budget.

Water/Sewer Administration

30.7204210 Professional Services – Councilwoman Keller questioned this line item. Public Utilities Director Robert Heaton stated that the Water Treatment Plant is budgeted in a separate fund and that this line item is always fluctuating. This line item will assist with coving the costs of professional services for the Water Intake Project, the Wastewater Plant with West Consultants and any other engineering monies that the Town needs for the water or sewer system.

Water/Sewer Water – Public Utilities Director Robert Heaton stated that the budget is the same as it was last year.

30.812-3300 Supplies and materials – **Councilwoman** Keller asked about this budget line item. Public Utilities Director Robert Heaton stated that we went up to \$80,000 to include the lime. Sometimes the Town spends this money and sometimes the Town does not. Mr. Heaton pointed out that parts and pieces come out of this budget line item as well. Mayor Owen stated that even if we do have it budgeted this does not necessarily mean that we are not spending it all. Mr. Heaton explained the different size pumps and the various costs. Some pumps were upwards of \$100,000.

Water/Sewer Sewer -

30.822-3300 - Supplies and Materials – Councilwoman Keller asked about this budget line item. Manager Feierabend stated that the monies may not be all used.

Water/Sewer Taps & System

30.852-7403 Fire Hydrants – Councilman Miller asked about this budget line item. Public Utilities Director Robert Heaton stated that \$8,000 in this line item. The fire hydrants cost approximately \$1,600 each. Mr. Heaton stated that this is about all staff can get in the ground with their current manpower. Mr. Heaton stated that another fire hydrant is being tested on Greenbriar that can take more water pressure. This fire hydrant costs an additional \$100.

Public Utilities Director Robert Heaton stated that all electrical contractors and SCADA is under the plants that they serve. All of the lift stations are budgeted out of whichever plant that they serve as well.

30.852-6301 Road Maintenance charge – Public Utilities Director Robert Heaton explained to Council that this line item was for paying the Public Works Department for items that are borrowed.

Council requested that staff bring corrected numbers for the next budget workshop scheduled for Wednesday, June 17, 2015 at 4:00 p.m.

- V. ***Adjourn*** – Councilman Holcombe motioned to adjourn the meeting at 6:24 p.m., which was seconded by Vice Mayor Piquet. The motion passed unanimously. The meeting was adjourned 6:24 p.m.

Minutes approved by Town Council on June 9, 2015.

Richard H. Owen, Mayor

ATTEST:

Jennifer Broderick, CMC
Town Clerk