

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
Special Meeting – May 23, 2017

I. *CALL TO ORDER* – Mayor E. ‘Rick’ Miller called the special meeting of the Beech Mountain Town Council to order at 10:00 a.m., Tuesday, May 23, 2017 at Town Hall in the Council Chamber Room located at 403 Beech Mountain Parkway Beech Mountain North Carolina 28604. Other Council Members present were Paul Piquet, Rick Owen, Wendel Sauer, and Renee Castiglione. A quorum was present. Attorney Stacy C. Eggers, IV was not present. Staff present included Town Manager Tim Holloman, Town Clerk Jennifer Broderick, Finance Officer Steve Smith, Town Planner James Scott, Fire Chief Bob Pudney, Interim Police Chief Tim Barnett, Building Inspector John Merritt, Public Works Director Riley Hatch, Parks and Recreation Director Sean Royall, Director of Tourism and Economic Development Kate Gavenus, and Public Utilities Director Robert Heaton.

Pledge of Allegiance – Mayor Miller requested all present to join in the Pledge of Allegiance to the flag.

II. *Approval of the Agenda* – Councilwoman Castiglione motioned to adopt the agenda. Councilman Sauer seconded the motion, the motion carried unanimously.

III. *Proclamation for James Scott* – Mayor Miller stated that the Town was sad to announce Town Planner James Scott’s last day with Beech Mountain would be this Friday, May 26, 2017. Mayor Miller read aloud a proclamation for Mr. Scott in appreciation of his good work on the mountain. Mr. Scott received a round of applause. Mr. Scott thanked Council for the opportunity to start his career on Beech Mountain and expressed his love for the mountain. Vice Mayor Piquet motioned to approve the Proclamation Honoring Town Planner James ‘Jes’ Scott. Councilwoman Castiglione seconded the motion. Mayor Miller called for the vote; the vote carried unanimously. Councilwoman Castiglione stated that Mr. Scott’s assistance in becoming a Tree City USA was also very meaningful work he did for the community. The Proclamation Honoring Town Planner James ‘Jes’ Scott is attached as Exhibit A and incorporated by reference as if fully set out within these minutes.

IV. *BB&T Financing Agreement* – Mayor Miller stated that the financing agreement before Council was requested by the Manager Holloman. Manager Holloman stated that Council had before them a purchase financing agreement with BB&T in the amount of \$390,000 at a 2.19% interest rate that would be used to purchase equipment. Vice Mayor Piquet motioned to

approve the Resolution No. 2017-05: *Resolution Approving Financing Terms* with BB&T. Councilwoman Castiglione seconded the motion. Mayor Miller called for the vote; the vote carried unanimously. Resolution No. 2017-05: *Resolution Approving Financing Terms* is attached as Exhibit B and incorporated by reference as if fully set out within these minutes.

- V. ***Budget Discussion*** – Mayor Miller stated that Council would begin reviewing the budget. Manager Holloman stated that the proposed budget before Council had no tax increase, no sanitation increase, and a utility increase. Council began their review of the proposed budget.

General Fund

10.355-0004 Hold Harmless Funds – Councilwoman Castiglione requested clarity on the sales tax distribution method used for the years that data was shown.

Administration

10.410-1001 401k – Councilwoman Castiglione recommended that all 401k contributions become matching; stating that she was willing to increase up to a 6% employer match.

Tax Collections – Mayor Miller confirmed with staff that the 2017-2018 fiscal year proposed budget was based on a 98% collection rate.

10.460.4201 Contract Services – Councilman Sauer questioned the types of contract services that were budgeted for tax collections. Staff stated that the contract services were for mailings.

Councilman Sauer asked if it would be worth the effort to break out the subset salaries from previous years for the new budget line items representing Part Time Wages, Over Time Wages, Incentive Pay, LEO Separation Allowance, and Field Training Officer Pay. After discussion it was determined to move forward and to not look back. Staff also confirmed that salary ranges in the Town's Pay Plan were updated with cost of living allowances at the beginning of the fiscal year.

Police

10.510-0230 LEO Separation Allowance – Manager Holloman stated that separation pay is state mandated for sworn officers until the retired employee becomes eligible for Medicare.

10.510-6200 Vehicle Maintenance – Council questioned the decrease in budgeted funds. Police Chief Tim Barnett stated that this budget line item saw a decrease due to the patrol vehicles having single drivers.

Fire Department – Manager Holloman informed Council that the Fire Department was not pursuing the full time position this year. Fire Chief Bob Pudney stated that it is difficult to justify a full time position with the current work that is available but that the Town still needed another certified trainer. Councilman Sauer confirmed the difficulty that this position put the Town in due to the high qualifications that the position requires but the minimal amount of work available. Discussions have been held about partnering up with other locations like Banner Elk and the local community college. Manager Holloman stated that this discussion was being held to keep this in everyone's thought process. Mayor Miller asked if the Town had anyone currently volunteering who may be interested in part time employment and becoming certified for training. Fire Chief Pudney stated that members of the Beech Mountain Volunteer Fire Department currently have no desire and that training continues to take place under Fire Chief Pudney's certification. The part time funding is being requested to be kept in the budget as we work towards achieving this goal.

Building Inspections

10.540-5300 Dues & Subscriptions – Councilman Sauer questioned the small increase in dues and subscriptions. Building Inspector John Merritt stated that the increase was partially due to the state putting out a new building code book in 2018.

Planning

10.541-0200 Salaries – Councilwoman Castiglione questioned salaries going down. Manager Holloman stated that this was due to going back to the lower range for the salary grade.

10.541-4200 Contract Services – Manager Holloman stated that staff is anticipating more mailings.

10.541-1400 Staff Development – Councilman Sauer questioned Staff Development. Manager Holloman stated that this was for future new staff training and himself. Manager Holloman stated that he was certified by the American Institute of Certified Planners.

10 -541-7400 Capital Outlay – Mayor Miller stated that the Capital Outlay was for tree maintenance (\$1,000), new trees & streetscape landscaping (\$3,000), construction of a new sign for Town Hall (\$10,000), and completion of the Streetscape Path Construction (\$200,000). Mayor Miller stated that the \$200,000 funding for the Streetscape Path Construction was funded by a grant the Town had been awarded and would be reimbursed by North Carolina Department of Transportation. Town Planner James Scott stated

that the Town has contracted with Lear Powell for maintenance on the Town's trees and that all of this money is not typically spent. Councilwoman Castiglione stated that Mr. Powell is a huge asset to the community and that he is a good arborist. Mr. Scott stated that Mr. Powell always tries to lessen expenses for the Town for his services.

Vehicle Maintenance

10.555-3300 Supplies & Materials – Councilman Sauer questioned the requested amount of money for supplies and materials noting the projected end of year amount. Public Works Director Riley Hatch stated that money was included for a steam pressure washer for Public Works and that the Public Utilities Department would be sharing the cost. Councilman Sauer questioned items that were being stored. Mr. Hatch stated that the Town has the first of seven vehicles on Govdeals for sale and that there are also other materials that will be auctioned off on the Govdeals site. Mr. Hatch informed Council that anything that does not sell would be salvaged. Councilman Sauer questioned the diesel pump being replaced and whether this would solve the issue of water getting in the diesel fuel. Mr. Hatch stated that the pump reaches down to a 5" depth. Staff has already replaced the gasoline pump and are moving on to the diesel pump. Councilman Sauer asked if a new system had been considered. Mr. Hatch stated that this has not been looked into and that everything, including the fuel tanks, would have to be replaced.

Debt Services

Councilwoman Castiglione stated that Buckeye Recreation Center's debt service would be paid in full in the 2018-2019 fiscal year. The debt service for the Motor Grader and SwapLoader was five years.

Public Works

10.560-0202 Incentive pay – Mayor Miller questioned incentive pay. Finance Officer Steve Smith stated that this was new terminology for the same kind of pay that had been previously budgeted as bonus pay.

10.560.7402 Road Stabilization – Councilwoman Castiglione questioned the amount of money in road stabilization. Public Works Director Riley Hatch informed Council that staff stabilized 14 roads this year and that the increase was due to material costs increasing \$0.75 per ton. Mr. Hatch stated that staff would be placing 3" to 4" on roads that were not able to be scraped due to rocks coming up.

10.560-7404 Culvert Replacement – Councilwoman Castiglione questioned culvert replacement. Public Works Director Riley Hatch explained how the culver replacement program worked.

10.560-7408 Resurfacing – Councilwoman Castiglione questioned if there would be money left over in the resurfacing budget. Public Works Director Riley Hatch identified the proposed resurfacing schedule for the 2017-2018 budget to include; Village Road and the utility pipe line project that calls for just patching. The recommendation for the project is to have patching done with binder then resurface the whole road out to the state highway. This would include three intersections and would stop at State Road 184 at Ski Beech's intersection. Total cost for 2017-2018 resurfacing budget is \$250,000.00.

10-560-1400 Staff Development – Councilman Sauer questioned Staff Development not having anything budgeted when the notes state that a grant was applied for in the amount of \$900. Public Utilities Director Riley Hatch stated that this was incorrect and that the total amount in the proposed budget should be \$1,750. Staff was directed by Council to make the adjustment.

Parks & Recreation – Manager Holloman stated that the budget is based on the amount of work that can be completed by staff. Parks and Recreation Director Sean Royall stated that a couple of items have been moved to other line items and that some big projects have been completed.

10.621-7400 - Capital Outlay – Parks and Recreation Director Sean Royall informed Council that the Town Sledding Hill has some new padding that has already been paid for and the purchase of additional padding has been included. Mayor Miller stated that the roof at Buckeye Recreation Center was fixed. Councilwoman Castiglione stated that she was not in favor of the Town purchasing the Vermeer Mini skid steer package with trailer and attachments for \$40,000. Manager Holloman stated that currently the Parks and Recreation Department has to borrow equipment from another department. Councilwoman Castiglione questioned the skid steer getting damaged. Public Utilities Director Heaton stated that the ice is really hard on the equipment. Councilman Owen encouraged staff to look at all equipment to find the best fit for the sledding hill and the trails. Councilwoman Castiglione questioned whether the helicopter access engineering design and construction should be moved to a different part of the Town's budget. Councilman Owen stated that he agreed with Councilwoman Castiglione and that the helicopter should be moved to a different department and not in the Recreation Budget. Councilman Sauer questioned whether the tennis courts would be a good location to drive the ambulance over the tennis court. Building Inspector John Merritt stated that the tennis courts would have to be looked at to determine the amount of weight they could bear. Public Works Director Riley Hatch stated that the

texture of the paint on the tennis courts contains fiberglass and may not wear well with vehicles crossing over it. Mr. Hatch also stated that there was asphalt and drainage installed under the tennis courts. Mayor Miller stated that proposed pathway has to look appropriate. Vice Mayor Piquet agreed stating that ideally the area will not be paved but instead will be reinforced with grass on top. Manager Holloman stated that we will not know the exact cost until more information is collected. Manager Holloman brought up the costs to engineer the storage building at Lake Coffey for \$20,000. Manager Holloman recommended to Council removing the engineering placing this work in next year's budget. Vice Mayor Piquet stated that he supported doing the additional storage project in next budget year's and moving the engineering costs out of this budget. After more discussion Manager Holloman summarized Council's direction to staff to leave the skid steer in the budget, move the helicopter engineering design and construction for \$40,000 to Administration Special Projects, keep the Town's Sledding Hill pads in the budget, and remove the engineering and design work for the weight room.

General Fund Summary – Manager Holloman stated that this will adjust with the changes that Council has requested. Council agreed.

30.371-0001 & 30.371-0002 Water Fund Revenue – Manager Holloman stated that the 3.8% increase in metered water and sewer rates was based on the study completed by Dale Schepers, with West Consultants, and Public Utilities Director Robert Heaton.

Summary of Debt for Utility Department – Mayor Miller stated that the Water Line & Generators Lease/Purchase and Radio Read Water Meter Project would have their debt service paid off in the next few years.

Water & Sewer Administration

30.720-1200 Data Processing – Councilman Sauer questioned the use for the money budgeted for data processing. Public Utilities Director Robert Heaton stated that these monies are for the Utility Clerk's computer that is used for billing. These monies are budgeted in case equipment has to be replaced.

Water Maintenance

30.812-5300 Dues & Subscriptions – Public Utilities Director Robert Heaton responded to Councilman Sauer's question about unused revenue stating that this budgeted money is an end of the year expense.

Sewer Maintenance – There was no significant change in revenues and expenditures.

Taps & System

30.852-7405 Meter Replacement – Public Utilities Director Robert Heaton informed Council that staff replaced approximately 212 meter registers last year and about 41 meters this year.

30.852-7403 Fire Hydrants – Councilwoman Castiglione questioned staffs productivity replacing fire hydrants. Public Utilities Director Robert Heaton informed Council that the supplies have been ordered and five fire hydrants will be completed.

30.852-7401 Infiltration & Inflow – Public Utilities Director Robert Heaton responded to Councilman Sauer's question stating that the increase in monies is due to the sewer projects the Town has lined up. Council requested the information added to the notes.

Sanitation Fund

35.580-5705 Community Landfill Fees – Public Works Director Riley Hatch responded to Councilwoman Castiglione stating that the increase was due to a combination of more construction occurring on the mountain and improper construction material disposal. Homeowners are only supposed to place small construction material in the recycling center. Larger construction jobs require the homeowner to have a dumpster at their location. Mayor Miller stated that the Recycling Center could be better policed. Manager Holloman stated that a camera could be installed at the Recycling Center. Mayor Miller stated that this was a good idea. Mr. Hatch stated that residents of Watauga can put up to 2,000 pounds in the Watauga landfill without the Town being charged. Manager Holloman questioned if Council would like to include a camera at the Recycling Center. Council was in agreement.

E-911

Manager Holloman stated that the Town is still working towards attaining a backup E-911 station. Police Chief Tim Barnett stated that the Town has been working with the 911 Commission for the past two and a half years. The 911 Commission has approved the Town's plans then have turned around and not provided the funding.

Manager Holloman informed Council that he was working on getting a quote for a power point presentation for the Council room.

Mayor Miller stated that Council will hold the Public Hearing for the 2017-2018 proposed budget on May 30, 2017 at 2:00 p.m. at Town Hall in the Council Chamber room.

Mayor Miller stated that Council would take a short break at 11:24 a.m.

Mayor Miller called the meeting back to order at 11:29 a.m.

- VI. *Tucker Administrators Health Insurance Presentation*** – E. E. ‘Gene’ Tucker III, President and CEO Tucker Administrators provided information to Council about the Town’s health insurance plan. Mr. Tucker brought before Council a proposal that maintained the current benefits in place at an increased cost of .25% (1/4 percent). Councilwoman Castiglione questioned if there were plans that were 70/30. Mr. Tucker stated that that was not going to make a significant change.

Note: Due to an emergency Councilwoman Castiglione exited the meeting at 11:43 a.m.

Vice Mayor Piquet stated that the .25% plan increase was a reasonable offer. Councilman Sauer stated that both he and Councilwoman Castiglione wanted to bring in a change to insure new employees and not increase the cost to the Town. Mr. Tucker stated that the reinsurers continue to adjust the numbers as more figures come in. After discussion Council determined that they would make a final decision on health insurance at a later point in time.

- VII. *Adjourn*** – At 11:58 a.m., Councilman Sauer moved to adjourn, which was seconded by Vice Mayor Piquet. The motion passed unanimously.

Minutes approved by Town Council on July 11, 2017.

E. ‘Rick’ Miller, Mayor

ATTEST:

Jennifer L. Broderick, MMC
Town Clerk

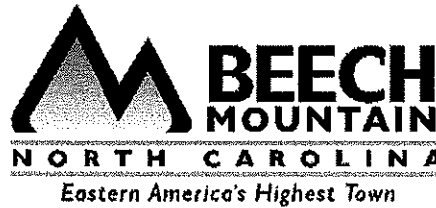
**ATTACHMENT TO MINUTES
BEECH MOUNTAIN TOWN COUNCIL
Special Meeting – May 23, 2017**

EXHIBIT A – Proclamation Honoring James ‘Jes’ Scott

EXHIBIT B – Resolution No. 2017-05: *‘Resolution Approving Financing Terms’*

Council Members

E. 'Rick' Miller, Mayor
Paul Piquet, Vice Mayor
Renee Castiglione
Wendel Sauer
Rick Owen



Town Manager
Tim H. Holloman

Town Attorney
Stacy C. Eggers IV

**PROCLAMATION HONORING
TOWN PLANNER
JAMES 'JES' SCOTT**

WHEREAS, The Town of Beech Mountain community has come to know James 'Jes' Scott as not only their Town Planner, but a consciences voice for the communities values; and

WHEREAS, Mr. Scott is a Certified Zoning Official of the American Institute of Certified Planners who also holds Building and Electrical Level I in the State of North Carolina; and

WHEREAS, Mr. Scott's growth and career have paralleled the ever-evolving character of the Town as we know Beech Mountain today; and

WHEREAS, building blocks for the Town's future growth plans have been contributed to by Mr. Scott's efforts as Town Planner; and

WHEREAS, Mr. Scott developed the Town's current 20 Year Comprehensive Plan by addressing the community's needs, desires, and hopes while maintaining a harmonious balance with the Town's current and future infrastructure needs; and

WHEREAS, the following have been successfully completed to include: Water and Sewer Mapping, Town Map, Trail Maps, Streetscape project, and the Emerald Mountain Outback project have come to fruition in conjunction with the good work of Mr. Scott, fellow coworkers, and stakeholders in the community.

NOW, THEREFORE, BE IT RESOLVED that I, Mayor E. 'Rick' Miller, on behalf of the Town Council and the citizens of the Town of Beech Mountain, do hereby recognize the accomplishments of the Planning Department with James 'Jes' Scott as the Town's Planner and do commend his good work and ability to bring a visionary reality our communities plans.

Adopted this the 23rd day of May, 2017.

E. 'Rick' Miller, Mayor

Attest:

Jennifer L. Broderick, MMC

Resolution Approving Financing Terms

WHEREAS: The Town of Beech Mountain, North Carolina (the "Town") has previously determined to undertake a project for the financing of a motor grader and maintenance equipment, (the "Project"), and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Town hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated March 31, 2017 and addendum dated May 16, 2017. The amount financed shall not exceed \$390,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 2.19%, and the financing term shall not exceed five (5) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Town are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and a Project Fund Agreement as BB&T may request.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The Town shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Town hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The Town intends that the adoption of this resolution will be a declaration of the Town's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. The Town intends that funds that have been advanced, or that may be advanced, from the Town's general fund, or any other Town fund related to the project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this _____ day of _____, 2017.

By: _____

By: _____

Title: _____

Title: _____

SEAL