

**MINUTES**  
**BEECH MOUNTAIN TOWN COUNCIL**  
**Special Meeting – May 30, 2017**

- I. *CALL TO ORDER*** – Mayor E. ‘Rick’ Miller called the special meeting of the Beech Mountain Town Council to order at 2:01 p.m., Tuesday, May 30, 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, Fire Chief Bob Pudney, Interim Police Chief Tim Barnett, Building Inspector John Merritt, Public Works Director Riley Hatch, Parks and Recreation Director Sean Royall, 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. *Public Hearing***

- a. *Public Hearing for Proposed 2017-2018 Fiscal Year Budget*** – Manager Holloman presented a Power-Point presentation to Council and the public on the proposed 2017-2018 Fiscal Year Budget. Manager Holloman reviewed General Fund Revenues amounts; Ad valorem Tax \$3,797,304.00, Ad valorem Tax Prior Years, \$30,000.00, Vehicle Tax \$50,000.00, Hold Harmless \$277,900.00, Streetscape \$200,000.00, Local Sales Tax \$1,392,829.00, and Other Revenues \$1,062,972.00 for a total revenue amount of \$6,808,442.00. Manager Holloman reviewed General Fund Expenditures by department: Administration had no increases and new server in the amount of \$10,500. Administration Special Projects included \$40,000 for Helicopter Landing Approach and Pad at Buckeye, \$15,000 for Handicapped Accessibility Modifications and Parking at Bark Park, and \$3,950.00 for multimedia equipment in Council Chambers. Tax Collections had less than a 3% increase and no capital items. The Police Department had a 16% decrease primarily due to purchasing only one vehicle. Fire Department had no significant increases. Inspections Department had an 8% increase mainly due to increases in staff development. Planning Department has a decrease in personnel costs. The Capital Outlay for Streetscape is \$216,000. Vehicle Maintenance has

an increase of 4%. Manager Holloman stated that this department acts as a modified internal service fund. Road Maintenance has a Capital Outlay in the amount of \$294,000.00 for a Motor Grader and Swap Loader. The Town has a Motor Grader that is 32 years old and the town relies on two Motor Graders to service the roads in Beech Mountain. If approved this purchase will be financed over five years. Recreation increase due to Capital Outlay for a skid steer of \$40,000. The total general fund increase for the 2017-18 fiscal year budget is 8%. Utility Fund Revenues included: Metered Sales and Fees \$2,164,952.00, Loan Proceeds \$95,000.00, Fund Balance/Reserves Appropriated \$1,002,991.00, and Other Revenues in the amount of \$38,900.00 for a total of \$3,301,843.00 revenues. Utility Loan Debt Service balances were as follows: Pond Creek Total Debt Remaining \$1,244,521.00 with a payoff date of 2028. Radio Read Meter Project \$445,071.00 with a payoff date of 2021, Water Line and Generators \$240,145.00 with a payoff date of 2019, Water Plant and Water Line \$4,300,000.00 with a payoff date of 2047, and a Backhoe (Part Of Loan With Motor Grader) \$95,000.00 with a payoff date of 2022. Utility Fund expenses included restructuring of salary distribution and capital of \$10,500 for half of the cost of computer servers, pumps at Ashwood and Mill Pond for \$250,000, two generators at "Oz" pumping station for \$150,000, \$4,000 for generator maintenance contract, \$260,860 for Spruce Hollow Transmission Line Continuation project, \$95,000 for backhoe, \$40,000.00 for new truck, and blow off installations of \$67,500. Sanitation fund expenditures had less than 1% change from this fiscal year. There was no increase in property taxes. Fee additions included water meter testing, meter flow testing, and recreation fees for additional programs. There was a 2% cost of living adjustment, 2% merit, 3.8% increase in water and sewer rates, and .25% increase in retirement contributions. Items for consideration included stabilization of Hill at Buckeye Recreation Center, Watauga River Intake, Public Works Building, Public Safety Building, a Large Paving Project, and ability to have meetings available by internet for live streaming and archival. E-911 revenues were \$203,000 with expenditures including capital outlay for a backup communication center in the amount of \$125,000. The total proposed expenditures in the 2017-2018 Budget were \$10,264,650. Manager Holloman reviewed the three CPI comparisons used March 2017 for the cost of living adjustments to include; Urban Wage Earners and Clerical, Southeast Consumer Price Index, and the Social Security Administration stats. Manager Holloman provided budget growth data comparing 2009 to 2018. The comparison illustrated a 7.13% decrease in expenditures in the General Fund. Manager Holloman reviewed the 5 Year Capital Plan. On June 12, 2017 from 3:30 to 6:30 there was an opportunity being offered to the public to stop by Town Hall to receive information on the Town's Streetscape Plan and Beautification efforts. The Town has received a

\$250,000 grant from the North Carolina Department of Transportation for the project to complete a portion of the sidewalk. Replace the Public Works Facility, Emergency Landing and Extra Parking at Buckeye Recreation Center, Bank Stabilization at Buckeye Recreation Center, Water Line Projects for the next 5 Years to include Spruce Hollow Transmission Line \$750,000, Tamarack to Hornbeam \$370,000, Overbrook to Shagbark to Charter Hills \$430,000, Spring Branch to Overbrook to Grouse Ridge \$130,000, Shagbark to Overbrook to Charter Hills \$123,000, and Upfit of Stations located at Ashwood and Mill Pond. Manager Holloman discussed the Water Intake that was estimated at \$6,000,000. Manager Holloman stated that there would be emphasis on this project over the next 2 to 3 years to move through the permitting process. West Consultants is working on plans for this project to submit to the United States Army Corp Engineers. The 609 process for state approval is still holding. Manager Holloman stated that the Town of Boone's process took approximately 12 years. Manager Holloman reviewed the 20 Year Capital Plan to include a Floating Boardwalk at Buckeye Lake, relocating the gravel stockpile at Parkway Overlook, Replace Grassy Gap Package Treatment Plant, NH3N Upgrade of Pond Creek Wastewater Treatment Plant, and moving the existing Recycling Center off the road. Vice Mayor Piquet motioned to open the Public Hearing for the proposed 2017-2018 Fiscal Year Budget. Councilwoman Castiglione seconded the motion, the motion passed unanimously. Mayor Miller asked if there was any public input. Urs Gsteiger, of 124 Raven Road, stated that he has been involved with the budget process for 9 years and that the course was not sustainable. Barry Kaufman, of 117 Thistle Lane, questioned overtime amounts in the Police Department's budget. Manager Holloman stated that the amount has always been in the budget but that a new budget line item has been created to accurately show the expenditure. Mr. Kaufman questioned the Town budgeting for a part time employee for the Fire Department. Staff advised that this part time employee position had been funded for numerous year's for the purpose of having a backup certified trainer to assist with training hours. Hank Cooper, of 103 Lady Slipper Lane, stated that he has seen very little growth in the community from an infrastructure standpoint and that no new roads have been paid. Mr. Cooper stated that the repair of the roads was poor. Jim Knowles, of 222 Spring Branch Road, stated that his main focus has been on the Beech Mountain Club. Mr. Knowles stated that the Beech Mountain Club has lost members due to the members aging out. The Beech Mountain Club has been working on increasing membership. Mr. Knowles discussed the working relationship between the Beech Mountain Club and the Town. Pam Murtland, of 106 Fairway Drive, stated that they are full time residents. Mrs. Murtland commended Mr. Gsteiger on his work and stated that she would be paying closer attention.

Frank Steele, of 107 Christie Way, thanked Mr. Gsteiger for his good work and agreed with Mr. Gsteiger's comments on the budget and Council. Mike Chase, of 103 Woodland Road, stated that Council needs to take a serious look at what Mr. Steele and Mr. Gsteiger had to say concerning decisions that were being made on the budget. Richard Murtland, of 106 Fairway Drive, stated that everyone here has money problems. Mr. Murtland stated that in Plano Texas he participated on the Planning Committee in and that they had the same problems. Mr. Murtland suggested Council support private economic development and investing in initiatives. Mr. Murtland stated that this may assist in removing some of this contention. Vice Mayor Piquet motioned to close the Public Hearing for the proposed 2017-2018 Fiscal Year Budget. Councilman Sauer seconded the motion, the motion passed unanimously.

- IV. *Budget Discussion*** – Mayor Miller asked Parks and Recreation Director Sean Royall to provide his presentation on the mini-skid steer that was in the proposed 2017-2018 budget. Mr. Royall stated that this would be able to be used on Town trails, parks, and the Sledding Hill to move debris, maintain and improve the trail system, and move snow. The equipment would reduce man hours and increase project longevity. Right now the Parks and Recreation Department has to use another department's employee and equipment for the sledding hill. Mr. Royall explained how mulching and sledding hill efficiency would be increased resulting in cost savings. The Tourism Development Authority has approved \$10,000 to go towards the purchase of this equipment should Council approve it in the budget. Mr. Royall reviewed data collected through a questioner that showed the numbers of individuals who sought information for the Town's Sledding Hill and Hiking Trail System. Mr. Royall also provided data on visits to the Emerald Outback Trail System website. Mr. Royall reviewed mountain biking events that have generated traffic. Mr. Royall informed Council that the Emerald Outback Trail System was also being used for "Hellblazer, which is a running event that wants to grow their event here on the mountain annually. Summer Camp and bike camps have also use the Emerald Outback Trail system. Mr. Royall informed Council that more than 10,000 maps have been handed out to the public and that there is also an Emerald Outback Trail System brochure. Time limit and availability of manpower puts the department behind. Mr. Royall finished his presentation with data on the healthy resources that were available.

***Benefits*** – Councilwoman Castiglione motioned to approve health insurance option C for the 2017-2018 Fiscal Year Budget. Vice Mayor Piquet seconded the motion. Health Insurance Option C was for the Cigna health plan with a .25% (1/4 of 1% increase) with employee's paying 50% of the premium cost for additional coverage elections. Mayor Miller opened the floor for Council

discussion. Councilman Owen questioned if this employer coverage included employee's hired after July 1, 2012. Council confirmed that Option C offered equitable benefits to all full time employees. Manager Holloman stated that the Town's current Health Insurance plan allows all employee's to elect to increase their coverage. Councilman Owen stated that self-insured plans may generate more liability if there is more employee participation. Hearing no more Council discussion Mayor Miller called the vote. The motion carried 4-1 with Councilwoman Castiglione, Vice Mayor Piquet, Councilman Sauer, and Mayor Miller voting in favor of Health Insurance Plan Option C and Councilman Owen voting against. Councilwoman Castiglione stated that she was having a challenge coming to terms with the 2% cost of living allowance, 2% merit, and the 5% 401k. Councilwoman Castiglione stated that she supported the 2% merit but had a hard time supporting the 2% cost of living allowance. Councilwoman Castiglione stated that the Council needs to support putting more money into the General Fund. Councilwoman Castiglione stated that she did not support the budgeted no-match 401k. Councilman Owen stated that statutorily the 401k was mandated for sworn Police Officers and at the time the General Assembly made this requirement the administration decided to also support the general employees.

***Budget Changes*** – Hearing no more discussion Manager Holloman asked Council what items needed to be added or removed from the budget. Mayor Miller stated that the Bark Park was started as a public project that the Town has inherited. Mayor Miller recommended Council remove the \$15,000 Bark Park project and look at funding this project in two years when the Buckeye Recreation Center building was paid off. This would free up a little over \$200,000. Mayor Miller recommended that in the future some of this money be used towards paving. Mayor Miller recommended also removing the \$40,000 for the skid steer with this money and the money for the Bark Park project being added to the Town's paving for the year. Councilman Sauer asked how much of an impact this would have on Parks and Recreation staff. Manager Holloman stated that staff could rent equipment. Vice Mayor Piquet stated that the cost for the skid steer is \$26,000 and that the Town only has two outdoor Parks and Recreation Department employees to handle all of the trails and parks. Council consensus was to leave it in the budget for further discussion. Councilman Owen stated this impacts two things that were talked about today for economic development and trail maintenance. Council directed staff to move the \$14,000 for the skid steer and the \$15,000 for the Bark Park Project to paving. Manager Holloman thanked staff and the Council for working on the budget and providing the needed information.

- V. ***Adjourn*** – At 3:24 p.m., Councilman Sauer moved to adjourn, which was seconded by Councilwoman Castiglione. The motion passed unanimously.

Minutes approved by Town Council on July 11, 2017.

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E. *Rick* Miller, Mayor

ATTEST:

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Jennifer L. Broderick, MMC  
Town Clerk