

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
Public Hearing and Budget Workshop, June 3, 1996

CALL TO ORDER

Mayor Fred Pfohl called a special meeting of the Beech Mountain Town Council, duly advertised in The Watauga Democrat of Friday, May 24, 1996, to order at 6:00 PM in the Council Chamber at Town Hall. Other Council Members present were Shiela Fletcher, Rick Owen and Ed Waligroski. Also present were Town Manager Seth Lawless and Public Works Director Joe Perry.

The Mayor opened the public hearing on the proposed 1996-97 budget. No members of the public were present, so the Mayor asked the Council if there were any questions on the budget documents. Several questions regarding minor changes suggested at the last budget workshop were asked, and Mr. Lawless replied that the changes had been made in the current copies.

With no comments from the public, Mayor Pfohl closed the hearing at 6:12 PM and the Council began the budget work session.

Mr. Lawless reviewed each line item request. Mayor Pfohl discussed the proposed tax rate decrease and asked if it was due to increased revenue or from any major departmental spending reductions. Mr. Lawless replied that the decrease was made possible from revenue growth associated with the latest property revaluations. Mayor Pfohl stated that he thought spending reductions could reduce the tax rate further next year.

Council Member Waligroski asked about the Homestead Exemption for property taxes. Mr. Lawless replied that homeowners over age 65 received a \$15,000 exemption from property tax, but that the State reimbursed local governments for the lost tax revenue.

A general discussion regarding the proposed decrease in the minimum water consumption level was held. Mr. Lawless stated that the proposal would increase customers' bills \$3.87 per month if they used more than 2,000 gallons. The change would raise \$27,000 annually.

During review of the proposed Sanitation Fund budget, discussion centered on the County Disposal Company proposal to split the performance bond premium 50% - 50% with the Town. Members of the Council asked Mr. Perry what advantages customers would get if the Town provided garbage pickup. Mr. Perry replied that the quality of service would improve, as well as the ability to provide extra winter pickups at no charge.

The Council voted unanimously to hold off on a final decision as to who would get the garbage contract, and directed Mr. Lawless to determine the impact on garbage rates if the Town were chosen as the provider.

After all line items had been reviewed, Mayor Pfohl asked if the Council would be ready to vote on the Budget Ordinance at the July 11th regular meeting. All agreed they would be.

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Special Meeting June 3, 1996

ADJOURN

Upon a motion by Council Member Ed Waligroski, seconded by Vice Mayor Shiela Fletcher, the meeting was adjourned.

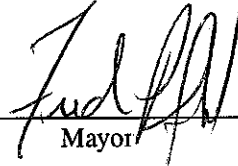
Respectfully submitted,



Seth Lawless
Town Manager

SL/blm

Minutes approved by Town Council on June 11, 1996.



Mayor

ATTEST:



Town Clerk

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
June 11, 1996

CALL TO ORDER

Mayor Fred Pfohl called the regular meeting of the Beech Mountain Town Council to order at 6:00 PM. Other Council Members present were Reub Mooradian, Rick Owen and Ed Waligroski. Also present were Town Manager Seth Lawless, Town Attorney David Paletta, Town Engineer Ed Powell, Public Works Director Joe Perry, Police Chief Jay Hefner, Tax Administrator Missy Norwood and Utilities Billing Clerk Carolyn Smith. Present in the audience were a number of interested parties.

Public Hearing, Intent to Amend Town Charter to Allow Staggered Terms for Council Members.

Mayor Pfohl opened the public hearing, having been duly advertised in the May 29, 1996, edition of The Watauga Democrat. He asked Seth Lawless to explain the proposed amendment to the Charter. Mr. Lawless explained that the present wording in the Charter provides for all five Council seats to become vacant in every election year. The change would provide that, (i) in the 1997 election, the two candidates with the most votes will each serve a four year term. The three candidates with the next highest totals will each serve a two year term; and (ii) in the 1999 election and every election thereafter, the two candidates with the most votes will each be elected to serve a four year term, the third successful candidate will be elected to serve a two year term. Frank Caputo made an alternate proposal, which is attached hereto and made a part hereof by reference.

Reub Mooradian explained to Mr. Caputo that the original Charter had called for the person receiving the most votes serving as Mayor, and that had been amended to allow for election by the Council at large. He explained the reasons for that change, and supported the election procedure described above. Ron Sims said he felt it made more sense for the Council Members to elect the person to serve as Mayor, as they would no doubt have a better idea of who was the best equipped to do so.

There being no further questions or comments from the audience, Reub Mooradian moved the public hearing be closed. Rick Owen seconded the motion, which passed unanimously, and the public hearing was closed at 6:35 PM.

1. ***Adoption of Agenda.***

Seth Lawless noted that Mr. Bert Klein was present in the audience and wished to address the Council. He was placed under Other Business. David Paletta said he wished to add the discussion of a matter involving attorney-client privilege [N.C.G.S. 143-318 11(a)(3)] to matters to be addressed in a Closed Session. Ed Waligroski moved the agenda be adopted with those changes. Rick Owen seconded the motion and it passed unanimously.

2. ***Consent Agenda.***

Ed Waligroski pointed out that he did not second Mr. Mooradian's motion to pursue a sanitation agreement with County Disposal Company made in the special meeting of May 30, 1996, but rather Shiela Fletcher had done so. Rick Owen pointed out he was present at that meeting. Reub Mooradian moved the consent agenda be approved, with the above changes to the May 30th minutes. Ed Waligroski seconded the motion and the following items were unanimously approved:

- a. Minutes of regular meeting, May 14, 1996.

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- b. Minutes of budget workshop, May 21, 1996.
- c. Minutes of special meeting, May 30, 1996.
- d. Minutes of public hearing and budget workshop, June 3, 1996.

3. *Committee Reports.*

There were no committee reports.

4. *Old Business:*

- a. *Charity Fair Organization.* Chief Hefner announced the Fair Committee favored the establishment of a non-profit corporation, and David Paletta is going to assist in its creation. Luke Copeland will be asked for assistance in obtaining tax exempt status. Dissemination of the funds collected by the corporation will be decided upon by its Board. The Board will consist of one Town Council member, two police officers and two citizens. Reub Mooradian asked if one of the attorneys had not preferred more of a distance between the Town and its elected and appointed officials and the Board, and Mr. Paletta replied that Mr. Sharpe had had such a preference if the Committee had decided upon a charitable trust, but that he (Paletta) did not have those reservations with regard to a non-profit corporation.

Seth Lawless asked if the assets would be transferred after the corporation was formed and received its tax-exempt status. Mr. Paletta said there was a distinction between being formed and getting tax-exempt status. Once formed, the corporation will be free to operate. The tax-exempt status will be sought to allow people who make donations to take a tax exemption for their donation. Mr. Lawless asked if the Committee had agreed that the CD bought for \$2,000 remain in effect until its maturation date, or did they wish to cash it in and pay the penalty for early withdrawal. Chief Hefner said they had not discussed that subject. Reub Mooradian suggested that since the monies are currently in the General Fund, the Town give the additional \$2,000 to the non-profit corporation and keep the CD itself until its maturation date. Seth Lawless said he saw no problem with this solution. Reub Mooradian moved the Council approve the formation of a non-profit corporation for the administration of the proceeds of the Police Fair, and the transfer of Fair proceeds currently being held by the Town upon its formation. Rick Owen seconded the motion and it passed unanimously.

- b. *Consideration of Contract with County Disposal Company.* Seth Lawless reported that the last time the Council met in special session on May 30th to discuss bids received, the Council voted to pursue a contract with County Disposal Company. When the draft contract was received, there were a couple of items included that were met with dissatisfaction by a couple of Council Members. The contract called for the Town to pay half of the cost of the performance bond, which had been the practice in the Town's contract with GDS. This would have changed their bid from \$111,070 per year to \$112,507. At the budget workshop held June 3rd, the Council had voted to hold off on signing the agreement to take a more significant look at the bid prepared by our Public Works Department.

Mr. Lawless produced a chart showing the Public Works Department's bid, and indicating areas where the apparent cost figures would be offset by savings in other areas. Reub Mooradian asked how much it would cost the homeowner to go with the higher bid by Public Works, and Mr. Lawless said he anticipated a \$2.00 per month increase, or \$24.00 per year. Mayor Pfohl asked

Mr. Perry if he had anything to add, and Mr. Perry replied that the main thing was having people on the mountain to collect trash five days a week, as well as the fact that sanitation workers could be used by Public Works for other jobs during slack seasons.

Seth Lawless said that GDS had asked that he pass along that they would be happy to continue services at the proposed rate as long as the Town wants, up to one year. Kakii Handley asked how many additional employees would be required to operate a sanitation service, and was told four would be needed. Mrs. Handley asked how far it was to the landfill, and Mr. Lawless said the round-trip was about 50 miles. Mrs. Handley asked what the monthly sanitation collection bill would be with County Disposal, and Mr. Lawless said he would recommend keeping the rate the same as now so as to build up reserves. Phil Buchanan said he was in favor of the Town doing the pickups again, because he felt the Town employees were more responsive to picking up scattered trash. Ed Lotz said he did not feel the Town should be in the business of collecting garbage again. Mrs. Handley reminded the Council that the Town has never had a year when there were not complaints about garbage no matter who was picking it up.

Reub Mooradian reiterated that the bottom line was the Council would ignore a \$112,000 bid in favor of a \$168,000 one, and Mayor Pfohl pointed out there were offsetting benefits which would reduce the \$168,000 figure. He also said he felt sure that Mr. Perry would be able to provide the service more cheaply than his bid indicated. Scott Casey with County Disposal urged Council to award the contract to his firm, noting that their performance might well exceed that which might be expected.

Reub Mooradian said he did not approve of increasing the number of Town employees, and was still in favor of awarding the contract to County Disposal. He then moved the Town sign the contracts with County Disposal Company. The motion died for lack of a second. Ed Waligroski moved the Town run its own sanitation department, and that the Town continue with GDS at the current rate which the Town charges its customers until the Public Works Department is ready to take over. The motion was seconded by Rick Owen and passed three votes to one, with Mr. Mooradian dissenting.

Vote
to go
into picking
business

5. **New Business:**

- a. **Consider Tax Exempt Status for Genesis Animal Sanctuary.** Mr. Lawless explained that Ms. Hayhurst, President of Genesis Animal Sanctuary, Inc., had applied to Watauga County for release from taxes on the vacant lots which Genesis owns and had been denied. She is seeking release from the Beech Mountain taxes, and the Council can decide whether or not it believes she should have such relief, regardless of the stance the County has taken. Ms. Hayhurst addressed the Council indicating the County would not grant tax exempt status on the vacant lots since they do not have permanent structures on them which are being used for a tax-exempt purpose. She noted Genesis uses portable cages to acclimatize rehabilitated animals again to the wild, before releasing them entirely. She indicated they use the three lots on Locust Ridge Road (C-490, C-524 and C-525) and the one on Grouse Ridge (GR-56) for this purpose. Reub Mooradian said he felt this was a case where there are individuals providing a service which is sorely needed, and moved the Council grant tax releases on the four lots mentioned. Ed Waligroski said he felt this was an admirable undertaking, and seconded the motion, which passed unanimously.

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- b. **Consider Transfer of Quitclaim Deeds to Titcomb and Gardner.** Mr. Paletta indicated he had received quitclaim deeds to a number of irregularly shaped pieces of property from Lawyer's Title and RIL in anticipation of foreclosing on the property. However, Mr. Titcomb and Mr. Gardner had purchased the properties at foreclosure, and Mr. Paletta felt it would help them perfect title if the Town deeded its interest in the properties which it had received from Lawyer's Title and RIL. Rick Owen moved the Town deed its interest in the properties to Titcomb and Gardner. Ed Waligroski seconded the motion and it passed unanimously.
- c. **Consider 1996-97 Budget Ordinance.** Mr. Lawless recapped the provisions of the proposed budget, which includes a 5½¢ per \$100 reduction in taxes but includes a change in the water minimum from 3,000 gallons to 2,000 gallons. Frank Caputo asked how much this would add to a bill for a household which uses over the minimum, and Mr. Lawless replied it would be approximately \$3.87 for each month the minimum is exceeded. Reub Mooradian moved Council adopt the Budget Ordinance as presented. Rick Owen seconded the motion and it passed unanimously. Mayor Pfohl reminded all present that a copy of the budget is kept on file in the Office of the Town Clerk and can be inspected any time during normal business hours.
- d. **Consider Budget Amendment, Increase Reserve for Water & Sewer Improvements.** Mr. Lawless explained that the Town collected some \$5,000 over the budgeted amount in availability fees, and this amendment merely transfers that amount to the water and sewer reserve fund. Ed Waligroski moved the budget amendment be approved. Rick Owen seconded the motion and it passed unanimously.

6. **Staff/Consultant Reports:**

- a. **Town Engineer's Report.** Ed Powell reported that the paving project is moving along. Skiloft is complete except for a final punch list and they will begin on Pinnacle Ridge Road as soon as they are able to complete their preparatory work without fear of washout. Mr. Powell reported that the water main to the Frisbie and Wakeman properties will no doubt be completed by the end of June. He noted the permit is in hand for the painting inside and out of two water tanks, that on Tamarack Road and the 63,000 gallon tank in the Meadows. The Town will receive bids on July 16 and will bring them before the Council in the August meeting.

The plans for expansion of the Grassy Gap Wastewater Treatment Plant are in Raleigh awaiting review. Funding has been received via a long term low interest revolving loan from the State, and final approval will probably be granted in August. Mr. Powell told of a major equipment malfunction at the Pond Creek Wastewater Treatment Plant wherein the clarifier broke. All of the proper state and federal authorities were notified and monitored the situation. The plant is now back in operation, and no detriment to receiving waters had been found.

Reub Mooradian commended Joe Perry and his staff on their quick work correcting this problem, and asked what color the water tanks were going to be painted. Mayor Pfohl said that Kakii Handley had been asked to select the color, which would not be the current light blue.

- b. **Public Works Director's Report.** Joe Perry had no report.
- c. **Town Attorney's Report.** David Paletta said the Town should be aware that there will probably be an increase in tipping fees at the landfill.

- d. **Chief of Police's Report.** Chief Hefner had no report.
- e. **Town Manager's Report.** Mr. Lawless reported that he would be on vacation starting the following day and continuing through probably Tuesday of the following week. He announced that Don Fulkerson would be on vacation starting the following Tuesday for two weeks, but that Mr. Fulkerson had contacted all the contractors to try and get whatever inspections might be necessary done prior to his departure. Mr. Perry will be available for certain inspections.

Mr. Lawless reported on two budget transfers which he had approved within the General Fund and within the Water and Sewer Fund.

- f. **Financial Report, Tax Report and Building Inspections Report.** The reports were accepted by Council without comment.

7. **Other Business - Bert Klein Request.**

Seth Lawless said that Mr. Klein had suffered some damage to his property at 1314 Beech Mountain Parkway which he believed had been done by the Town, and had requested reimbursement for his expenses. Mr. Lawless indicated that in August of 1995 the Town forces had crossed the golf course with a back hoe to assist Mr. Klein in the removal of moisture which had accumulated between his property and that of his neighbor, due to a failure in the Kleins' sump pump. Mr. and Mrs. Klein had continued in residence in Beech Mountain until October of 1995 with no interruption of his electric power or cable connection. Upon his return to Beech Mountain this year those services had been severed, and Mr. Klein said he believed the Town had done so. He presented his bills to Mr. Lawless, who had investigated and could find no record of any work done by the Town following the Kleins' departure in October which could have caused the severing of those lines. Mr. Lawless declined to reimburse Mr. Klein.

Mr. Klein indicated that his electrician, plumber and TV repairman had all indicated the break seemed to have been caused by a back hoe. Mr. Klein said perhaps the Town had compressed the lines somehow in August and the passage of the winter months had caused them to part, or perhaps someone from the Town had entered on his property during the winter to correct another drainage problem.

After some further discussion, the Council decided it did not have an adequate picture of where the various bits of work had been done, the location of the lines, and so forth, and wished to delay making a decision until they could all visit the site.

8. **Closed Session.**

Reub Mooradian moved the Council go into Closed Session under the provisions of NC.G.S.143-318.11(1)(6) to discuss a personnel matter and, 143-318.11(a)(3) to discuss a matter with the Town Attorney. Ed Waligroski seconded the motion and the Council went into Closed Session at 7:55 PM. The Council came out of Closed Session at 9:29 PM.

ADJOURN

There being no further business to come before the Council, Rick Owen moved the meeting be adjourned. Reub

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Mooradian seconded the motion and the meeting was adjourned at 9:30 PM.

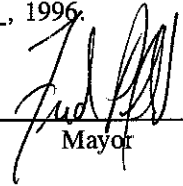
Respectfully submitted,



Barbara L. Mooradian
Town Clerk

BLM/hs

Minutes approved by Town Council on July 9, 1996.



Mayor

ATTEST:



Town Clerk