

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
March 13, 2001

CALL TO ORDER

Mayor Tim Holland called the regular meeting of the Beech Mountain Town Council to order at 6:00 P.M. in the Council Chamber at Town Hall. Other Council Members present were Gil Adams, Jim Herbert, Rick Owen and Reub Mooradian. Also present were Town Manager Seth Lawless, Town Attorney David Paletta, Police Chief Jay Hefner, Town Engineer Ed Powell and Public Works Director Riley Hatch. There were a number of interested parties in the audience.

Invocation – Charlie Burleson

Charlie Burleson opened the meeting in prayer.

Pledge of Allegiance

All present joined in the pledge of allegiance to the flag.

1. Adoption of Agenda

Mayor Holland called for the addition of item 4-c, Dr. Murray Miller update of the Mountain Ambulance Foundation. All agreed to accept the agenda as amended.

2. Approval of Minutes

Mayor Holland moved to amend the minutes of February 13th item "e" to read North Carolina Real Estate License Commission, not the Board of Realtors. Reub Mooradian moved to accept the minutes of February 13, 2001 as amended and the minutes of February 23, 2001 as submitted. Rick Owen seconded the motion and it passed unanimously.

3. Committee Reports

Seth Lawless reported he had received a notice of a meeting scheduled for March 20th at 6:00 P.M. in the county office building between the Watauga County Commissioners, the Town of Boone and the County Recreation Committee to talk about the County Recreation Complex.

4. Special Presentation

a. Rick Miller – Chamber Building

Rick Miller presented the Council and audience with a sketch of the planned Chamber of Commerce building. The estimated cost of the building is \$90,000 not including additional parking, new signage or professional services. Architect Joseph Pavelchak's services are quoted at 6% of the construction cost with a limit of \$4,000.00. It was noted that the proposed site, next to the Town Hall, would not result in any adverse affects on the Town Hall or sledding hill. After much discussion the Council scheduled a public hearing for Thursday, March 22nd at 2:00 P.M. Councilman Herbert indicated that he would not be in Town on that date but was in support of the building. A vote from the Council will immediately follow the public hearing.

b Holly Bellebuono – N.C. Clean Smoke Stack Plan

Holly Bellebuono, Program Coordinator for Appalachian Voices, a non-profit 501-C 3 organization headquartered in Boone addressed the Council asking for support on the North Carolina Clean Smokestacks Plan. After a brief discussion Reub Mooradian moved that the Town Council endorse the North Carolina Clean Smokestacks Plan. Gil Adams seconded the motion and it passed unanimously.

c Dr. Murray Miller - Ambulance

Dr. Miller updated the Council on the ambulance situation indicating that he had met with the Avery County Manager and anticipated the approval for the ambulance to be in place by March 20th or April 2nd. The contract would be effective for the fiscal year starting July 1st. The ambulance will be housed at the Elk River airport and housing will also be provided for the crew.

5. *New Business*

a Tax Matters

Rick Owen moved to approve the release for LG-170 and AA-674 for taxes and road assessments. Reub Mooradian seconded the motion and it passed unanimously.

Gil Adams moved to order the Tax Administrator, according to NCGS 105-369, to advertise delinquent tax liens. Jim Herbert seconded the motion and it passed unanimously.

b Discuss 2001-2002 Insurance Policies

Seth Lawless gave a brief history on the insurance the Town is currently subscribing to. The League of Municipalities organized a plan for municipalities a number of years ago when it was difficult for public entities to purchase insurance coverage at a reasonable rate. The company operates as non-profit and separate from the League, but affiliated with the League. They, as our current carrier, have a 2-year penalty should a town leave their system. After a short discussion Reub Mooradian moved to direct the Town Manager and staff to farm out request for bids from the local insurance companies with a minimum of 2 years. Jim Herbert seconded the motion and it passed unanimously.

c Conflict of Interest Statement – Rural Center Grant

Rick Owen moved to approve the Conflict of Interest Statement. Reub Mooradian seconded the motion and it passed unanimously.

d Consider Budget Amendment and Budget Transfer

Rick Owen moved to approve the Budget Amendment and Budget Transfer. The proposed actions allocate \$6,980 from the Buckeye Phase I capital project ordinance to Buckeye Phase II – parking lot. Jim Herbert seconded the motion and it passed unanimously.

e Consider Resolution 01-03-01

Reub Mooradian moved to pass Resolution 01-03-03 "A Resolution Expressing Interest in Joining the Towns and Counties of Region D in the Formation of a Rural Transportation Planning Organization (RPO)". Gil Adams seconded the motion and it passed unanimously.

6. *Staff/Consultant Reports.*

- a. **Town Engineer's Report** Ed Powell reported that Mike Slusher, Davis Martin & Powell's project manager on their portion of the wastewater facilities study, worked with Gary Johnson week before last gathering information at the treatment plants. Mr. Powell has been in contact with the state trying to get permission to install fire hydrants at the Emerald Cove Subdivision. However, the state law says a line served off an existing 4" line can't service fire hydrants, therefore they are not going to put hydrants in that subdivision. The Upper Pinnacle Ridge water pressure improvement project is out for bid. DMP is continuing to work with Overcash and Demmitt on the Buckeye Lake Recreation Complex. Mr. Overcash will open tennis court bids on April 10th. Mr. Powell went on to report that they were in the process of doing the preliminary pricing for the resurfacing projects for this summer.
- b. **Public Works Director's Report** Riley Hatch reported that the recyclables for paper had once again been rejected. They are continuing to work on the GIS Project with the Upchurch group digging out manholes. Joe Perry started yesterday working on the project as a part-time consultant.
- c. **Town Attorney's Report** Mr. Paletta had no report.
- d. Chief Jay Hefner went over the report submitted to the Council.
- e. **Town Manager's Report** 1) Seth Lawless reported that he went to Raleigh Tuesday, March 6th, to deal with the occupancy tax issue. This was in light of the fact that Watauga County's decision to support our request for an increase in the tax rate of the Watauga portion of Town Avery County had previously passed a resolution supporting the Town's efforts to go from 3% to 4%. This would mean that short-term renters in the Town would pay 6% occupancy tax. If they were on the Watauga side of the Town, it would all come to the Town. If they were on the Avery side of Town 4% would come to the Town and 2% would go to the County. However, Greg Thompson sent an e-mail indicating that Section 2 of Article V of the N.C. constitution prohibits a dual tax rate in the town. A solution was recommended in that we would create two tax districts, one consisting of the part of the town in one county and one consisting of the part of the town in the other county. The governing body of each district would be designated in the legislation as the Town council of Beech Mountain, and each district's governing body would levy a tax in that district. 2) Channel 2 is off the air; the computer needs to be replaced. Charter Communications has promised to provide the Town with a new state of the art system. 3) On April 2nd at 12:00 noon the Avery County Commissioners are sponsoring another luncheon. This is an effort to promote communications among the various local governments. 4) Genesis has asked permission to put an 18" satellite on the water plant property. They can't put one on their roof because it will not pick anything up. Preliminary approval has been given with the Council having the final say. 5) Watauga County has sent us a letter asking if we have any budget requests that we would like to be considered. The deadline for these requests is April 6th. Mr. Lawless felt it would be a good idea to ask for \$10,000 to help with the wastewater study we are having done since Beech Mountain drains into the Watauga River basin. 6) The state is having their annual roadside clean up, between April 16th through the 30th. If we set spring clean up between those dates we will be officially recognized. Mayor Holland set the date as April 21st. Volunteers are asked to meet at the fire department at 10:00 A.M. Mr. Mooradian asked for some clarification on the occupancy tax bill. Mr. Lawless reported that

House Bill #9 had been introduced for Sugar Mountain and it would have some effect on Beech Mountain in that it would rename the Economic Development Committee to a TDA and changes the make up of the committee. The first being that 2/3 of the committee must be appointed from individuals that are in the lodging industry or affiliated with the lodging industry. It would also dictate the money split with 2/3 for advertising 1/3 for capital improvements, the rate would remain at 3%. House Bill #9 also makes the standard changes that the occupancy taxes must comply with in an attempt to standardize the various occupancy tax that are in existence with the way in which they are collected and enforced. The State wants to see standardization in the enforcement procedures for collection of occupancy tax. Representative Buchanan has not contacted the Town.

f. Tax Report and the Building Inspections Report are in the agenda packet

7. *Other Business*

The 2001 NCLM Regional Legislative Meeting notice is in the packet. Mayor Holland noted that it would be in Boone at the Quality Inn on April 25th. Please notify Mr. Lawless if you are planning to attend

The Planning Session has been changed to April 12th. It will still be held at the Broyhill Center in Boone.

8. *ADJOURN*


There being no further business to come before the council, the meeting was adjourned at 8:00 P M. upon a motion by Councilman Mooradian, seconded by Rick Owen.

Respectfully submitted,


Reba G. Greene
Town Clerk

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Minutes approved by Town Council on April 10th, 2001.


Mayor

ATTEST:


Town Clerk

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
March 22, 2001

CALL TO ORDER

Mayor Tim Holland called the special meeting of the Beech Mountain Town Council to order at 2:05 P.M. in the Council Chamber at Town Hall. Other Council Members present were Gil Adams, Jim Herbert and Rick Owen. Reub Mooradian arrived at 2:20 P.M. Also present was Town Manager Seth Lawless. There were a number of interested parties in the audience.

Public Hearing - Chamber of Commerce Building

Pursuant to the advertisement in The Watauga Democrat, Mayor Holland called the Public Hearing to order at 2:05 P.M. in the Council Chambers of the Town Hall.

Rick Miller presented the Council and audience with a sketch of the planned Chamber of Commerce building. The new building would provide much needed storage space, two additional bathrooms, lobby and office. The Town would maintain the building with the Chamber paying rent and the utilities. The estimated cost of the building is less than \$100,000 and would be 900 sq. ft. The building would be located next to the Town Hall.

The proposed building would be paid for with Occupancy Tax reserve funds. It was noted that the projected reserve balance following completion of the new building would remain at a level greater than one years-operating revenue for the advertising budget.

Mayor Holland opened up the hearing for public input. Phil Buchanan questioned the need for a Chamber building. Mayor Holland responded by saying space for storage and more bathrooms for the sledding hill. He also mentioned identity for the Chamber, a focal point we would be proud of.

Rick Miller pointed out that it would free up offices in the Town Hall as well as storage. The parking situation was addressed with Mr. Miller noting that the Town Manager was interested in parking in the rear of the building.

Mr. Buchanan felt this did not answer his question because he was the one who had to deal with the renters who questioned the occupancy tax, especially when he has to tell folks the tax is now 12%. The occupancy tax is supposed to go for advertising and Town promotion.

Mr. Lawless addressed a few points made by Mr. Buchanan. The first was to note that the proposed increase in the occupancy tax that the Town was seeking is to build the recreational facility at Buckeye Lake, the proposal for the Chamber building is to spend funds that have already been collected and are in reserve. Regardless of whether or not

the Chamber building is built the Council will still seek the increase to pay for the indoor recreation.

Mr. Buchanan then asked why, instead of putting money into a building, can't we do a nice brochure to pass out?

Wilson King asked where the reserve monies came from to which Mr. Lawless replied that they were from the occupancy tax, pointing out the Chambers request was for a 900 square foot facility estimated to cost less than \$100,000 and what's proposed for the recreation center is a 23,000 square foot facility that is projected to cost \$1.8 million. He did not see it as trading off one for the other when you are talking about using \$100,000 in fund balance as opposed to looking for a dedicated revenue source to build an amenity like the recreation center.

Fred Pfohl started by saying that we liked to put our best foot forward and make Beech Mountain look good and think about how we can promote our mountain as most of the folks derive their income from the tourist. This is just one more way we can make Beech Mountain look good, we can make the presentation not only of our standing out in the forefront but also decrease some of the problems we have such as bathrooms and storage space. It is a shot in the arm to have this facility that will represent us through the Chamber of Commerce and the Town to make us look good. We have a lot of competition and we need to make sure we can continue to have Beech Mtn. looking good and in the forefront. People will have a good feeling toward Beech and where they have come when they step through the front door. He felt it would not only help the Chamber feel good, but also everyone who was in business. He said they money had been set aside for 10 years because of the concerns that the occupancy tax might be taken away and every year he has asked what are we going to spend it on, or what are we doing with it. It is nice to have money in the bank and it is not all being taken away but he thinks its time to spend it to make Beech Mountain look good.

Calder Smoot, President of the Economic Development Committee, spoke in connection with the fund balance noting the goal was set to have one years operating expenses just in case something did happen to the occupancy tax. Mr. Smoot went on to say that we have been very fortunate in exceeded that goal. The building that we are proposing is totally for tourism and a support system for promoting tourism.

Tony Catoe spoke in favor of putting out better advertising and nicer brochure to give out to the public. However, he felt a building was necessary, that it looked bad to have visitors come through a 'back-door' or not be able to find the Chamber office. Good brochures do not mean anything if we don't have ourselves represented in an accurate manner.

Mr. Buchanan indicated that he felt we would eventually turn people away by having such high taxes.

Mr. King noted that the Town was depending on the lodging industry for support of both projects and asked why we didn't consider placing a tax on restaurants, ski shops, amusements, real estates sales and any other kind of business and spread the burden out.

Mr. Lawless answered by saying it was not being done anywhere else and the likelihood of getting a tax on fixed meals which was only authorized in a couple of jurisdictions in the entire state, and has since been repealed in one. Real estate transfers already have a tax on that supports the parks and recreation trust fund for which the Town recently received a \$70,000 grant and is not subject to local change and is standard across the state. In the other areas that were mentioned, Mr. Lawless felt the general assembly would not give the Town the authority to enact a tax. The occupancy tax is the one vehicle that the State is letting the local governments have to help them out in addition to local sales and property tax. Mr. Lawless indicated that he would be interested in finding out if any other towns had a fixed meals tax.

Paul Piquet responded to Mr. Wilson by saying that the lodging offices collect the occupancy tax, but it is not coming out of our pockets. In effect, the tourists are paying for the Chamber building. Most places have an occupancy tax and are higher than what is charged in our Town. He felt the building was necessary to provide a proper place to great the guest.

Jim Brooks spoke to bring Mr. Buchanan up to date since he had missed a number of meetings by saying if the Town did not raise the occupancy tax that the county would step in and raise it, and they would not share it with the Town. That, in his opinion, has helped most of the people accept the increase. It will happen, it is just a matter of who will benefit from the increase in the tax.

Rick Miller confirmed what Mr. Brooks said by indicating that Avery County was trying to get a 2% occupancy tax for houses in Beech Mountain that were in Avery County. He also pointed out that the EDC would still have a years reserve in their budget.

Larry Miller spoke in favor of the building noting that it would speak well of the Town and the business community. He also felt that the people in the town had benefited from the occupancy tax and the manner in which it was used. He assured the audience that the quality of work would be maintained whether or not the Chamber had a new building. The Chamber saw approximately 1,200 people walk through last year, he felt it could be close to double that figure. With a new building he could centralize everything that the Chamber owns.

Mayor Holland closed the public hearing at 2:25 P M.

Mayor Holland convened the Town Council meeting calling for discussion regarding the Chamber of Commerce building. There being no further discussion Rick Owen moved to approve the expenditure for the building. Reub Mooradian seconded the motion.

Seth Lawless asked that the motion be amended to say that the Council authorized Mr. Pavelchak to finish the design of the building and put it out for bid. The staff will prepare and present a project ordinance following the bid process.

Rick Owen moved to accept the motion as presented by Mr. Lawless. Reub Mooradian seconded the motion and it passed unanimously.

Mr. Mooradian asked about the parking cost and signage. Mr. Lawless replied that perhaps the Town forces could construct the additional parking spaces behind Town Hall.

The architect, Joe Pavelchak, resubmitted his quote for services. The quote states a fee of 6% of the construction cost with a limit not to exceed \$5,000.00.

ADJOURN

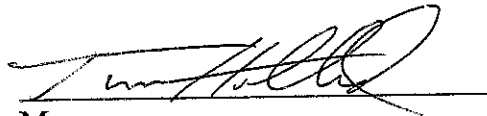
There being no further business to come before the council, the meeting was adjourned at 2:40 P M.

Respectfully submitted,

Reba G. Greene
Town Clerk

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Minutes approved by Town Council on April 10th, 2001.


Mayor

ATTEST:


Town Clerk