

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
PLANNING RETREAT
SPECIAL MEETING, April 5, 2002

CALL TO ORDER

Mayor Rick Owen called a special meeting of the Beech Mountain Town Council to order at 9:00 A.M. on Friday, April 5, 2002, at the Broyhill Conference Center. Other Council Members present were Gil Adams, Pete Chamberlin, Tim Holland, and Dr. Ed Waligroski. Also present were Town Manager Seth Lawless, Town Engineer Ed Powell, Chief of Police Jay Hefner, Public Works Director Riley Hatch, and Watauga Democrat Reporter Scott Nichols. Planning Board Chairman Roger Bullock arrived at 10:00 A.M.

1 *West Blueberry Water Line*

Mr. Lawless reported, as per Council instructions, Town Attorney David Paletta had researched the procedure to assess lots for water line extension. After a brief discussion Mayor Owen made the recommendation that the Town offer Mr. Curtis Varnado the option of the Town paying 25% of the project cost to extend the water line down West Blueberry with his liability being the remaining 75%. Mr. Lawless will present Mr. Varnado with the proposed 25%-75% split for a 6" water line. If Mr. Varnado accepts the proposal, Mr. Lawless will then present the contract to the Council. All agreed.

2 *Current Year Budget Projections*

Mr. Lawless gave the Council and audience an overview of the quarterly financial report noting that the Town would have to make some adjustments due to Governor Easley's decision not disburse the Franchise Tax, a 3% tax on the sale of electricity and telephone service used in the Town Limits. Mr. Lawless noted that interest rates were also down.

Mr. Lawless presented a Budget Amendment to the General Fund that he and the Financial Director were proposing in order to balance the budget through the current fiscal year due to the loss of state revenues.

After a brief discussion on the decrease in revenue and expenses the Council agreed to continue the discussion of the Budget Amendment at the upcoming Council Meeting on Tuesday, April 9th.

3 *Review Debt and Fund Balance Projections*

Mr. Lawless went over the "Debt Service Schedule" for the Town noting that the General Fund would gain some relief in the coming years with the retirement of the road paving bonds issued in the 1980's.

Mr. Chamberlin asked if the Town would have to purchase another garbage truck noting the growth rate and the fact that the Pinnacle Inn was considering asking the Town to take over their trash pickup. Mr. Lawless responded that GDS could be contracted to pick up any trash that the Pinnacle Inn might have. Mr. Lawless also noted that the Pinnacle Inn had talked for a number of years about turning over their trash pickup to the Town and no action in that direction had been taken.

4 Wastewater – Funding Proposals

Mr. Lawless noted that the Water and Sewer Fund has until 2008 before any significant reductions in annual debt service payments are realized.

Mr. Lawless continued with an overview of the Projection of Fund Balances & Reserves. The General Fund Unrestricted projected balance will be \$739,521 at the end of the fiscal year. Mr. Lawless gave an overview of the remaining line items in the General Fund Reserve Accounts, noting that the subtotal would be \$1,073,028.

The Sanitation Fund Balance was anticipated to be \$39,851. This line item could be used to purchase items such as a new vehicle.

The Water and Sewer Unrestricted line item is estimated to be \$350,541 with the reserve for improvements estimated at \$20,215. The reserve for improvements is money brought in from the availability fee charged for each new house.

Mr. Lawless then went over the E-911 Fund noting that the Town had just upgraded the equipment and the fund continues to take in more than is spent. The E-911 Fund can only be used for the E-911 program and future updates will be necessary.

Mr. Lawless gave an overview of the Wastewater Project priorities. All three of the basins, IO-225, IO-339 and IO-340 are all located in the Grassy Gap System. The cost for construction only for repairing portions of these basins is \$1,166,555. Along with this work the treatment plants will need some modification and renovations, Grassy Gap will be \$232,800 and Pond Creek will be \$830,000. The total Phase I Project is \$2,444,355.

Mr. Lawless then proposed a plan to pay for the work in the Phase I Project starting with the \$110,000 previously appropriated for the Davis, Martin Powell engineering. The engineering cost from Hobbs Upchurch is \$125,000, this amount had been included in the Rural Center Grant of \$400,000, which we did not receive. The Town will reapply for the grant in July. Because the engineering is the 1st step in making the necessary repairs Mr. Lawless proposed taking \$125,000 from the Unrestricted Water & Sewer Fund Balance in order to get started. Mr. Lawless went on to note that he would be submitting a budget amendment for this at the April 9th Council meeting.

Mr. Lawless proposed an installment loan for a period of 10 years to work on Basin TO 225; this could be paid by dedicating a 7.5% water and sewer rate increase in the upcoming budget year.

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Mr. Lawless noted that dedicating 8 cents of the tax rate for 1 year could fund the Grassy Gap Plant improvement of \$232,800.

Mr. Lawless went on to say that basins TO 339 & 340 would cost \$661,000 and the Pond Creek facility would be \$830,000. A Clean Water Bond Loan along with a 10% water and sewer rate increase could be a way of funding this portion of the improvements.

Mr. Powell gave an update on the progress Davis, Martin, Powell & Associates has made on the project including the submission of a plan to the DENR on the changes that need to be made asking for a long term low interest loan. To date the State has not given a response to the information submitted.

Mr. Powell talked briefly about the relocation of the Grassy Gap discharge, which should eliminate the permit violations, thus allowing the Town to be removed from the moratorium. Mr. Powell stated that he would be going to DENR before the end of the year asking that the moratorium be removed especially with the proposed commitments.

Mr. Lawless noted that the new discharge line would be foot printed into the Falls Hiking trail, slated for construction this summer.

Mr. Bullock asked how long the Pond Creek facility could be used before any major updating would have to be done. Mr. Powell estimated 5 to 10 years. The more effective the collection rehabilitation system is the longer the plants will last.

Mr. Powell estimated that the Grassy Gap facility would be productive for approximately 10 years after the necessary renovations are made.

Mr. Chamberlin asked how the Town's water supply was to which Mr. Lawless responded that the water system was in good condition and as far as the capacity was concerned the Town did not have any supply concerns in the foreseeable future.

5 *Hobbs Upchurch Contract*

Mr. Lawless presented the contract for Hobbs, Upchurch & Associates, P A noting that contract funds would be taken from the Water & Sewer Unrestricted Fund Balance if the Council approved the recommendation at the April 9th meeting.

6 *Review of Preliminary Revaluation Information and Projection of Impact on Tax Rate*

Mr. Lawless gave a very preliminary overview of the Town's projected new tax rate starting with the current tax base of 203,000,000, this being the value of all the real property in the Town. The current rate of .76 per \$100 produces \$1,550,000. The preliminary number on the new tax base would be increased to \$328,000,000. The revenue neutral rate would be .48. Mr. Lawless went on to report that within the Town limits there was an increase of

39.7% for Avery County and Watauga County property increased 65.1%. Town wide the total was 61.2%. The budget, which will be presented, will be based on a rate of 625 per \$100 value.

Mr. Bullock pointed out that it was important to let the property owners know that the Town was not responsible for setting the property values.

7 *Council Priorities for Next Year and Beyond*

A brief discussion resulted in the following list of priorities:

- Maintenance
- Right of Way clearing
- Painting of Signs
- Road and ditch resurfacing- originally set for 10 year, most are at 13 years
- Communication with tax payers with regard to the tax rate through the MountainEar and Channel 2
- Maintenance on new and existing buildings and recreational facilities
- DSL for the computer systems
- Hydraulic model of the water system
- Code Enforcement
- Lifting of the moratorium
- Long range plan for storm sewers system
- More frequent updates and information on web site
- Department employees on the Internet and MountainEar
- Keeping track of the traffic the web site and the GIS tax map receive

8 *Health Insurance*

Mr. Lawless presented the Council with two options for employee health insurance, the current Healthplus plan had a scheduled increase greater than 36% for the coming fiscal year. After a brief review of the proposed plans the Council recommended the Med 500 plan which would cost the Town \$195,948 for the coming fiscal year.

9 *Review Budget Preparation Worksheets*

Mr. Lawless gave a brief overview of the worksheet that will be used in the budget workshops noting that they were organized by the account codes and asking if anyone needed any further explanation.

10 *Capital Improvement Plan*

Mr. Lawless went over the Capital Improvement Plan noting that 1992 was the first time the Town did a 5-year Capital Improvement Plan and updated it every two years since. Mr. Lawless suggested a yearly update as part of the annual budget process. This is one of the

items to be discussed at the budget workshops. Mr. Holland asked if the Capital Improvement plan should be extended to 7 or 10 years to improve the chances of obtaining grants. Mr. Lawless indicated that he planned to do that on the Water and Sewer, but not the other categories.

Mr. Chamberlin asked if the debt schedule could be expanded to show more detail to which Mr. Lawless indicated that he could.

11 Consider Dates for Budget Meetings

Mr. Lawless reported that the budget had to be presented to the Council by June 1st with a public hearing 10 days after that and it can be adopted any day after the hearing. After a brief discussion the following dates were set for the 2001/2002 Town Budget meetings:

Wednesday, May 22 nd at 6:00 P M	Budget Presentation
Tuesday, May 28 th at 6:00 P M	Budget Workshop
Tuesday, June 4 th at 6:00 P.M.	Budget Workshop
Tuesday, June 11 th at 6:00 P M	Public Hearing

All meetings will be held in Town Hall

12 Road Paving Priorities

Mayor Owen had a copy of a road paving priorities list presented at a planning retreat a number of years ago which also included the cost to maintain a gravel road which he asked Mr. Hatch and Mr. Lawless to update for the Council to review. Mayor Owen felt that paving was an item that everyone expressed interest in.

Mr. Powell gave an update on the paving started last summer by Smith & Sons Paving indicating that they would be back on the mountain April 15th. They would complete the restoration work on Skiway and Skiway Circle, Grassy Gap and Mariah Circle would follow.

Mayor Owen felt the Golfview paving should be given the opportunity of a public hearing.

13 Green Space

Mr. Lawless reported that the Council's request to the Planning Board in making recommendations for a new policy regarding disposal of Town owned lots. The Board was asking if the Council wanted them to further investigate the acquiring of Town lots for green space in certain subdivisions or by streets.

Mr. Bullock noted an example of an area that the Town lacked green space lots as Charter Hills and asked if the Council would be interested in making a plan to purchase, budget some money, or trade lots to allow for the acquiring of lots in the future.

Mayor Owen felt it would be a useful planning tool for the Town's future and Mr. Lawless indicated that he could have the information on all the Town owned lots at the June Planning Board Meeting.

14 Memorial Park Property.

Mr. Lawless reported that he had been in contact with Mountain View Homes/Vernon Kelly, owner of LG-108, LG-110 and LG-111 in the proposed Memorial Park area. Mr. Lawless proposed the trade of a RVW lot with current Beech Mountain Club membership in exchange for the 3 lots. Mr. Kelly agreed to the trade if the Town would pay the paving assessment on the lots the Town wishes to obtain. Mr. Holland made a motion to proceed with the trade with Mr. Kelly of Mountain View Homes. Mr. Adams seconded the motion and it passed unanimously.

15 Other

Mr. Bullock reported that the Planning Board had cancelled the April meeting due to the fact that they did not know if Warren Wakeman wished to proceed with the Manufactured Home zoning issue. Mr. Bullock went on to say that the Town attorney had recommended that the Town designate or zone an area for manufactured homes.

ADJOURN

There being no further business to come before the Council, Mr. Chamberlin moved the meeting be adjourned. Dr. Waligroski seconded the motion and the meeting adjourned at 2:15 p.m.

Respectfully submitted,

Reba G. Greene
Town Clerk

Minutes approved by the Town Council on May 14th, 2002

Richard Owen
Mayor

ATTEST:

Reba G. Greene
Town Clerk

MINUTES – BEECH MOUNTAIN TOWN COUNCIL PLANNING RETREAT

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
April 9, 2002

CALL TO ORDER

Mayor Rick Owen 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, Pete Chamberlin, Tim Holland, and Dr. Ed Waligroski. Also present were Town Manager Seth Lawless, Town Engineer Ed Powell, Police Chief Jay Hefner, Public Works Director Riley Hatch and Building Inspector Keith Cook. Town Attorney David Paletta arrived at 6:05. There were a number of interested parties in the audience.

Invocation -- Charlie Bureson opened the meeting in prayer.

Pledge of Allegiance

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

1. *Adoption of Agenda*

Mayor Owen called for the adoption of the agenda. Mr. Lawless requested the addition of a discussion on Resolution 02-04-02 – Golfview Drive Preliminary Assessment- under Other Business. The Agenda was accepted as amended.

2. *Consent Agenda*

Mr. Holland made a motion to accept the minutes of March 12th as amended by Wilson King. Mr. Chamberlin seconded the motion and it passed unanimously.

3. *Old Business*

a. *Water Line Extension Request – Curtis Varnado*

Mr. Lawless, noted that the Council had discussed the issue at the Planning Retreat on Friday 5th, and decided that they would participate to the extent of 25% of the total project cost as outlined in the Water & Sewer Use Ordinance. The Public Works Director, Riley Hatch has scheduled a contractor, Iron Mountain, to come up and give an estimate. The purpose of the estimate would be to help the Town decide whether or not the projected cost is within the amount the Town anticipates.

Mrs. Varnado asked if 3 estimates. Mr. Lawless reported that the Town would obtain at least three bids and present the project for final approval once all the costs were known. All Council members agreed.

4. *New Business*

a. *Budget Amendment – 2001-2002 General Fund*

Seth Lawless presented a series of recommendations to move funds from various accounts in the General Fund. This was done with the Finance Officer and Department Heads consent to deal with the current State withholding of local government revenue. Mr Chamberlin moved to adopt the Budget Amendment allowing for the transfer of funds. Dr. Waligroski seconded the motion and it passed unanimously

b. Budget Amendment – Buckeye Lake Capital Project

Seth Lawless presented a proposal to use unspent funds in the Buckeye Lake Capital Project to replace fencing on the far side of the park and to begin constructing a paved walking trail. Mr Holland made a motion to approve the amendment. Mr. Adams seconded the motion and it passed unanimously

c. Budget Amendments (2) – Wastewater Improvements Capital Project

Mr. Lawless noted that the Amendments would allow for Hobbs, Upchurch & Associates to begin with the engineering work on the three basins most in need of repair. Mr Holland made a motion to approve both budget amendments. Mr Chamberlin seconded the motion and it passed unanimously.

d. Consideration of Resolution authorizing Installment Purchase Contract

Mr Lawless reported that this was a loan, which would allow the Town to begin repairs on the basin TO 225, in the Grassy Gap system which is in need of repair. It is a 10-year installment loan for \$400,000 principal with BB & T at 4.93%. Mr Chamberlin made a motion to approve Resolution 02-04-01. Mr. Holland seconded the motion and it passed unanimously

e. TDA Report – Chairman Pfohl

Chairman Pfohl gave the Council an update on the Tourism Development Authority's account noting that they had formalized their budget for the remainder of the fiscal year. Chairman Pfohl also reported that the By Laws for the TDA would be voted on at the April 24th meeting. Chairman Pfohl encouraged everyone to write letters to their representatives in support of the additional 3% Occupancy Tax

f. Request for Abatement Of Occupancy Tax Late Payment Penalty

Mayor Owen reported to the Council and audience that the request was for abatement of the Occupancy Tax late payment penalty received by Archers Mountain Inn. The amount of the penalty was \$103.52. Candi Catoe, owner/operator of Archers Mountain Inn, addressed the Council asking that they consider waiving the penalty due to the fact that it was an honest mistake. Mr. Holland made a motion for abatement of the penalty. Dr. Waligroski seconded the motion.

Mayor Owen called for further discussion on the issue noting that the legislation on imposing these penalties had changed and, unlike in the past, abatement for late payments must be dealt with by the Council, not the Tax Administrator

Mr. Adams noted that this would be a 'no excuse' issue for him if it were not someone he knew, thus causing him to have mixed emotions. Mr. Adams questioned how the situation should be handled the next time someone approaches the Council asking for forgiveness of a penalty. Mr. Chamberlin asked why this was before the Council as opposed to the TDA to which Mayor Owen responded that the enabling legislation dictates protocol regarding late filing/late payment penalties. Mr. Lawless noted the new enabling legislation prescribes the penalty structure to be the same as the state sales tax.

Mayor Owen called for further discussion, hearing none the motion passed 4 to 1 with Mayor Owen voting nay.

g. Planning Board Vacancy

Mayor Owen reported that the vacancy on the Planning Board was due to Mr. Joe Pavelchak moving off the mountain. Mr. Holland made the motion to accept Mr. Pavelchak's resignation and to appoint Mr. Clint Iles as Vice-Chairman for the remainder of the term, which expires in December 2002. Mr. Chamberlin seconded the motion and it passed unanimously.

h. Offer to Donate LG-149

Mr. Chamberlin made a motion to accept LG-149, which has a road paving assessment of \$1,196.00, from Leo & Shirley Beck. Mr. Holland seconded the motion and it passed unanimously.

i. Offer to Donate AA-379

Mr. Chamberlin made a motion to accept AA-379 from Alfred & Elizabeth Grant. Dr. Waligroski seconded the motion and it passed unanimously.

5. *Staff/Consultant Reports.*

a. Town Engineer's Report

Ed Powell reported the completion of the 2001 paving contract and storm damage repair was anticipated to begin around April 15th.

b. Public Works Director's Report.

Riley Hatch reported that they had been scraping the gravel roads and cleaning out the ditches. Mr. Hatch also noted that the Town did not have enough recycling to make a trip to Boone last month. The road signs were being pressure washed in place and as soon as that was completed they would start painting them.

Mrs. Varnado complimented Mr. Hatch's department on the repairs made on the road by their property

Mr. Hatch's report was accepted as submitted

- c. Town Attorney's Report. Mr. Paletta had no report
- d. Police Report.

Chief Hefner gave a brief overview of the written report, which was accepted as submitted

- e. Town Manager's Report.

Mr. Lawless reported the following: 1) The report on the Lead and Copper Monitoring which is a yearly test done on a sample of 10 homes built between 1982 and 1987 indicated that at least 3 homes were above the minimum limits allowed. The Town has to expand the number of homes tested to 20 and the test must be increased to twice a year. Once the lead level is down below the limit for 2 consecutive tests the Town will be able to go back to testing once a year. A notice will have to be sent to all the water customers regarding the danger of lead and what you can do to avoid getting lead in your water. The media will also be notified. 2) Mr. Lawless reported that the DENR had denied the Town's appeal on the \$4,100 fine, however it can be appealed at the Environmental Management Commission at their May meeting. Mr. Chamberlin made a motion to appeal the fine to the Environmental Management Commission. Mr. Holland seconded the motion and it passed unanimously. 3) Mr. Lawless pointed out Resolution 02-03-04, passed by a straw poll on March 27th supporting the inclusion of the Beech Creek Bog as part of the NC State Park System. A poll was taken in order to allow Mr. Pfohl to present the Resolution to the National Heritage Trust Foundation at their meeting on the 27th. Mr. Lawless noted that the Foundation had awarded \$400,000 toward the purchase of the property. Dr. Waligroski moved to adopt Resolution 02-03-04. Mr. Holland seconded the motion. The motion was unanimously confirmed. 4) The Spring Clean Up Day is April 27th at 10:00 a.m. Volunteers are to meet at the fire department. 5) Mr. Lawless reminded the Council that the Long Range Planning Committee would hold a meeting on Thursday, April 11th at 10:00 a.m. 6) Mr. Lawless reported that the MountainEar would be going out soon and suggestions for articles should be submitted by Friday, April 12th. 7) Mr. Lawless reported that Mayor Owen had appointed Chief Hefner and Councilman Adams to the Avery County Drug Task Force. The Task Force is a 32-member committee recently established to study the drug problem in Avery County.

Roger Bullock asked if the homeowners with a high lead content in their homes were notified of the problem to which Mr. Lawless indicated that we would do as soon as the state let us know which houses had a lead problem. Charlie Burleson indicated that he would like to volunteer homes to be used for the testing.

- f. The Tax Report and Building Inspections Report were accepted as submitted.

6. *Other Business*

- a. Resolution 02-04-02 – Preliminary Assessment for Golfview Drive

Mr. Holland made a motion to pass Resolution 02-04-02 for a Public Hearing on the paving of Golfview Drive on May 14th at 6:00 p.m. Mr Chamberlin seconded the motion to allow a discussion on the paving. The motion passed 4 to 0 with Dr. Waligroski refraining from voting due to a personal interest.

- b. Mr Burluson asked if a fence would be put up at the basketball court at the Recreation Area. Mr. Lawless noted that no funds had yet been budgeted for that project. An estimate that had been received for the court at Lake Coffey was very high and the Town was looking into obtaining other quotes. Mayor Owen recommended that the Long Range Planning Committee be asked about the fencing

- c. Mr. Adams brought up the late fee on Occupancy Tax and how the Council would deal with future request for abatement of late fees. Mr. Lawless noted that it was his understanding that the Tax Administrator did not give relief on late payment penalties in the past, however they were not as high as they are under the new law.

Ann Iles felt everyone who collected Occupancy Tax should be notified of the changes to which Mayor Owen noted that the Tax Administrator notified everyone in writing who is listed with the Town as collecting Occupancy Tax. Mayor Owen then asked if the Council would like further discussion of the issue. Mr Holland felt it would be good to have more information. Mayor Owen asked that it be put on the Agenda for the May 14th Council meeting.

7. *Adjournment*

Mr. Adams moved for adjournment at 7:15 p.m. Mr. Holland seconded the motion and it passed unanimously.

Respectfully submitted,

Reba G. Greene
Town Clerk

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Minutes approved by Town Council on May 14th, 2002.

ATTEST:

Richard H. Owen
Mayor

Reba G. Greene
Town Clerk