

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
BUDGET WORKSHOP
June 1, 2004

CALL TO ORDER

Mayor Rick Owen called the Budget Workshop meeting to order at 4:05 p.m. in the Council Chamber at Town Hall. Other Council Members present were Gil Adams, Pete Chamberlin, Paul Piquet and Dr. Ed Waligroski. Town Manager Seth Lawless, Director of Public Works Riley Hatch, Finance Officer Sally Rominger and Intern Jeremiah West were also present.

Mayor Owen asked Town Manager Seth Lawless to review the budget proposal by fund and department.

1. **General Fund Revenue** - Mr. Lawless said that the Town had a healthy growth rate with ad valorem taxes at \$2,071,280.00. Mr. Lawless noted that the interest on taxes was lower due to the high collection rate, and the interest on investments was down because of the current savings rates.

Mr. Lawless informed the Council that the 'hold harmless funds' item was monies that the state returned to the Town as a replacement for local governments that did not benefit from the last State Sales Tax increase.

Mr. Lawless indicated that the building inspection fees were high due to the moratorium relief the State had given the Town. Mr. Lawless anticipated the increase in building would start to taper off.

The road assessments were a carryover from previous paving jobs with property owners still making payments on their portion of the expenses.

Mr. Piquet asked about the tree cutting fines, noting that only \$600 had been collected, but a lot of trees seem to be cut down illegally. Mr. Piquet also asked about the cost of living adjustment to which Mayor Owen asked that more in-depth issues be held over to the end of Mr. Lawless' presentation.

2. **Administration** - Mr. Lawless noted that he had requested his car allowance be increased.

Mr. Lawless reported that the liability and workers compensation insurance was high, the Town has experienced a few workmen's comp claims that contributed to the rates, but it has been 2 or 3 years since these claims were incurred.

Dr. Murray Miller addressed the Council with regards to the Mountain Ambulance Service donation; Mr. Lawless had budgeted \$500 as the Town's donation to the fund. Dr. Miller asked if the Town could provide some assistance with the preparation of the building site for the ambulance noting that Lees McRae had donated property.

Mr. Piquet asked about the 'employee awards' line item to which Mr. Lawless responded that he would like to take time at the annual picnic to recognize the employee who had used the least amount of sick time or was the top performer in their department.

Mayor Owen asked who received the rescue squad contribution. Mrs. Rominger indicated that it was split between the Linville Central Rescue Squad and the Avery County Rescue Squad. The current donation budgeted is \$250 for each. Mayor Owen then inquired whether it would be more advantageous to make the donation to the Mountain Ambulance Service. Mr. Hatch indicated that Town on occasion would ask the assistance of the crash truck or the search and rescue unit. The Highland Games, which Mr. Hatch volunteers for, is the main source of income for the Avery County Rescue Squad. Mr. Chamberlin felt it would be a good idea for the Town to cut back on the Linville/Avery donation and give more to the Mountain Ambulance Service. Mr. Piquet indicated that he would like to see the Mountain Ambulance Service donation increased to \$1,000. The Council was in agreement to the increase.

3. Tax Collection Department – The proposed departmental budget is very similar to 2003/04.

4. Public Safety Department- Mr. Lawless called the Councils' attention to a letter Chief Hefner had written regarding his budget proposal for the upcoming fiscal year. The request for a new vehicle would be through state contract and be in line with the request from last fiscal year. Mr. Lawless explained that the public safety department had 5 cars plus one that the building inspections department used on a regular basis. Mr. Chamberlin asked how many police officers were on duty during one shift to which Mr. Lawless responded that the usual number was 2 with 3 in the busy times in the winter. Mr. Chamberlin indicated that he agreed the Town did need a back up vehicle, however he did not see the need for two back ups since one of the vehicle only used 16 gallons of gas last month. Mayor Owen asked what else the back up vehicles were used for. Mr. Lawless responded that they were used for out of town investigations, out of Town meetings, and on occasion, to pick up a suspect in another area.

Mr. Piquet asked about the inspection vehicle, which was budgeted for 2006/07, and how old the current vehicle was. Mr. Lawless indicated that it was a police vehicle that was 4 or 5 years old. Mr. Hatch reported that a vehicle that has over 100,000 Beech Mountain miles became very expensive to maintain. Mrs. Rominger indicated that insurance for the vehicle was between \$400 to \$500 per year. Mr. Adams asked why it was in the budget for a new police vehicle every year to which Mr. Lawless indicated that the oldest vehicle is sold as surplus after four years of service, when they have more than 100,000 miles. After further discussion the Council agreed to keep 5 cars and review the situation annually.

5. Inspections Expenditures - Mr. Lawless pointed out that the Building Inspections Department had a line item for uniforms, this he felt was necessary because of the type of job Mr. Cook was expected to perform. The Council then discussed the capital outlay for a new inspection vehicle at \$23,000. Mr. Chamberlin felt that the inspectors' job would be better served with a pick up truck as opposed to the jeep he was currently using. Mr. Lawless pointed out that the inspectors' vehicle was one of the old police vehicles with 105,200 miles on it. Mr. Lawless' recommendation for the inspections department was a new vehicle in the budget 2 years from now.

6. **Vehicle Maintenance Department-** Mr. Lawless noted that the Vehicle Maintenance Department provided gas and maintenance for all Town owned vehicles.

7. **Road Maintenance Department** - Mr. Lawless pointed out that the road maintenance contracted services included the striping of the paved roads and the road stabilization outlay was for gravel to put on the unpaved roads. Mr. Lawless discussed the road surfacing for Grassy Gap Loop Road and Summit Circle. The two roads would be change orders to the current paving contract with Moretz Paving.

Mr. Lawless noted that the capital outlay would be used to purchase a new 4 x 4 dump truck.

8. **Right-of-Way Clearing Department** - Mr. Hatch reported that the Right-of-Way Clearing Department was part time employees working from April through September.

9. **Recreation Department** - Mr. Chamberlin brought up the sledding hill to which Mr. Lawless responded that the Town pay's Mr. Hughes to watch the sledding hill and that the Town provides the water for snow making. In addition, the Town also paid for the walk way up the side of the sledding hill. The Tourism Development Authority paid contract labor; Mr. Hughes' brother worked in the parking lot during the holiday period and another employee helped out in the visitors' center after hours.

10. **Indoor Recreation Department** - Mr. Lawless noted that the recreation department line item was a reflection of the new recreation facility at Buckeye Lake. The recreation director and part time labor was only financed for 6 months, the facility was not scheduled to open until May '05. It was anticipated that there would be a delay, however a new opening date had not yet been set. Mr. Lawless recommended the recreation director have a grade 13 for salary with the bottom line being \$26,000.

11. **Water and Sewer Fund Revenue-** Mr. Lawless recommended a 2% increase in the water and sewer rates.

12. **Water & Sewer Administration Expenditures** - Mr. Lawless indicated that the Mill Pond tank was in need of paint and the capital outlay was a state mandated upgrade of the telemetry system providing electronic monitoring and control of the water tanks and pumps.

13. **Taps and System Maintenance Expenditures** - The capital outlay was for a small sewer inspection camera that can video 4" lines. The current camera is too large for the small lines.

14. **Sanitation Fund Revenue & Expenditures** - Mr. Lawless noted that there was no proposed increase in the sanitation charges. There was one capital outlay expense for a rear loading garbage truck to use on the small roads. Mayor Owen asked about a commercial dumpster and the price of the recycling. After further discussion Mr. Lawless and Mr. Hatch were directed to look into buying or leasing a 40 yard dumpster. Mr. Lawless felt it would be more economical to buy.

15. **E-911 Fund Revenue & Expenditures** - Chief Hefner had requested a new audio recorder for 911 phone calls. Mr. Lawless noted that the use of the 911 funds was restricted and the equipment purchase would fall well within the requirements for use of the funds

16. Discussion

a. Mr. Piquet indicated that he felt the cost of living increase should equal the 2.3% consumer price index (CPI), not the 1.5% proposed in the budget. Piquet stated that he felt employee's buying power would be compromised otherwise. Mr. Piquet noted that he had calculated the difference between the proposed increase and the CPI rate and it was only \$10,000 more to increase it to the 2.3% rate. Mayor Owen indicated that the 401(k) contribution would increase 1½%. Mr. Piquet continued to express his feelings that the cost of gas and groceries had gone up and employees should be able to see an increase in their take home pay. Mr. Lawless reported that merit increases are given for outstanding performance. After a lengthy discussion Mr. Chamberlin moved to leave the cost of living increase recommended by Mr. Lawless. Dr. Waligroski seconded the motion 4-1 with Mr. Piquet voting against.

b. Mr. Lawless drew the Councils' attention back to the letter submitted by Chief Hefner, specifically the part about the grade scale changes. Mr. Piquet asked how much it would cost for the Town to increase the grade levels to which Mr. Lawless indicated that he had not calculated the figures.

The second issue from Chief Hefner's letter to be considered was health insurance. Mr. Lawless reported that Chief Hefner was asking that the Town pay health insurance for employees after 15 years of service. Further discussion resulted in the Council consensus that the Town could not afford such a liability. The Council also discussed the issue of lower salaries for Town Public Safety personnel and the Council asked that the intern, Jeremiah West, update the survey done last year ago that compared salaries in the surrounding towns.

c. Mayor Owen asked about future water line construction. Mr. Chamberlin indicated that the Town would start to experience problems wherever there was a 2" water line. Mr. Lawless noted that there were 10½ miles of 2" line in the Town and 34 miles of 4" line. Mr. Hatch reported that a line must be 6" or larger for a fire hydrant hook up. This issue will be given further consideration in the future.

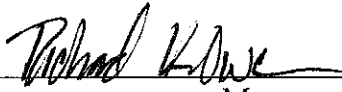
ADJOURN

There being no further business to come before the Council, the meeting was adjourned upon a motion by Pete Chamberlin. Mr. Piquet seconded the motion and it passed unanimously. The meeting ended at 7:30 p.m. Mayor Owen noted that the public hearing for the budget would be held at the June 8th Council meeting, with another meeting to follow to consider the public input at the hearing and to finalize the spending plan.

Respectfully submitted,

Reba G. Greene
Town Clerk

Minutes approved by Town Council on July 12, 2004.



Mayor

ATTEST:



Town Clerk

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
June 8, 2004

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 Chambers of Town Hall. Other Council Members present were Gil Adams, Pete Chamberlin, Paul Piquet and Dr. Ed Waligroski. Also present were Town Manager Seth Lawless, Police Chief Jay Hefner, Captain Dana Crawford, Public Works Director Riley Hatch, Town Engineer Ed Powell, Tax Administrator Missy Norwood, Building Inspector Keith Cook, and Town Attorney David Paletta. There were a number of interested parties in the audience.

Invocation – Charlie Burleson opened the meeting with prayer.

Pledge of Allegiance - All present joined in the pledge of allegiance to the flag.

1. Adoption of Agenda – Mr. Lawless added under other business, tree cutting permission.

2. Public Hearing - Proposed 2004-05 Budget Ordinance – Mayor Owen opened the public hearing at 6:05 p.m. on the proposed 2004-05 budget. Mr. Lawless gave a brief overview noting the resurfacing project and the paving of Summit Circle and Grassy Gap Loop, as well as the new trucks for the maintenance department. A new department for Indoor Recreation with a director and part time assistance to help maintain the facility was proposed. Hearing no comments from the public, Mayor Owen closed the public hearing at 6:09 p.m.

3. Consent Agenda – Minutes of May 11th Regular Meeting & May 25th Special Meeting– Mr. Piquet asked about the 25% contribution to the Emerald Court water line extension, stating that it was his understanding that the Town had not yet committed to any specific amount. Other members of the Council agreed. Mr. Lawless noted that he would put the item on a future agenda for further discussion. Mr. Chamberlin moved to accept the minutes of May 11th as amended and May 25th as submitted. Dr. Waligroski seconded the motion and it passed unanimously.

4. New Business

A. Consider Property Lease to Chamber of Commerce– Mr. Lawless reported that the Chamber of Commerce was interested in a lease for property to place a storage building on. After a brief discussion Mayor Owen asked that the Town staff and Chamber bring a recommendation to the Council for a site that would be suitable for their needs.

B. Review Request to Extend Town Water, Accept Street – Ernesto Greco – Mr. Lawless gave a brief history to the Council and audience with regards to Mr. Greco's property off Sawmill Branch. Mr. Greco is asking the Town to consider accepting is Cranberry Lane after it is improved with pavement, and a six inch water line extension. The property is already subdivided. Mr. Lawless indicated that the development, starting with Phase I, would be on the eastern portion of the property and plans were for 11 houses. After a lengthy discussion, Mr. Chamberlin made a

motion in favor of the water line extension and road project. Dr. Waligroski seconded the motion. For further discussion Mr. Lawless asked Mr. Paletta if it would be necessary for the developer to sign an agreement to warranty the road, once it was paved, for a period of one year. Mr. Powell reminded the Council that the contract document would guarantee the paving job was 1 year and that it would be passed on to the Town. Mr. Paletta was in agreement.

Mr. Lawless was asked, after a lengthy discussion, to work with Mr. Hatch for a proposed meter only tap fee. The motion passed without dissent. Mr. Lawless was given approval to sign the State application to extend the water line

C. Proposed Change Order #1 & 2 – G.E.M. Constructors – Mr. Lawless reported that the Town had received a directive from Overcash Demmitt Architects for G.E.M. Construction with regards to the changes required to deal with the site work at the Buckeye Recreation building. Mr. Lawless noted that the high side to the excavation of the dirt was \$79,752, but they anticipated that it would be less. Mr. Lawless also reported that G.E.M. had asked to be reimbursed \$34,060 for the 6 week delay that was the result of the unsuitable soil putting the project on hold. Mr. Lawless did note that they did indeed have equipment sitting at the job site waiting for the go ahead on the project. The initial contract for the recreation center had a contingency of \$35,000 which would help cover some of the expenses. Mr. Paletta looked over the document, labeled a directive, indicating that he was not familiar with the format and suggested that Council consider approval of a change order based on unit prices. Mr. Piquet suggested that the item be moved to the bottom of the agenda. All agreed.

D. Review Bids on Water Plant Decant Tank Repair – Mr. Powell reported that he had received only one bid on the decant tank repair project, from Chris Rider Construction, for \$33,800. Mr. Powell stated that Rider Construction had a good reputation and he was familiar with their work. Mr. Lawless reported that the Town had a budget of \$30,000 for the project and the consensus was that the bid was in line. Mr. Chamberlin moved to accept the bid from Chris Rider Construction for the repairs. Mr. Adams seconded the motion and it passed unanimously.

E. Call Special Meeting to Consider Adoption of Budget Ordinance and CIP– The Council agreed to meet on Tuesday, June 15th at 3:00 p.m. in the Council Chambers to consider the adoption of the Budget Ordinance and Capital Improvement Plan

F. Consider Dates for Recreation Committee Meeting – The Council called a Recreation Committee meeting for Friday June 18th at 2:00 in the Council Chambers.

4. Staff/Consultant Reports

A. Town Engineer's Report – Mr. Powell reported that contract documents for the resurfacing projects with Moretz Paving have been prepared. After Mayor Owen signs the documents they can be passed on to Mr. Paletta for review.

B. Public Works Director's Report – Riley Hatch reported: 1) The Department has 90 tons of gravel left to put on the roads. 2) The right of way crew is working on Summit Circle in anticipation of the paving project. 3) The crew is very busy with yard debris from the storms that have been experienced. Mr. Hatch's report was accepted as submitted.

C. Town Attorney's Report. – Mr. Paletta had no report.

D. Police Report – Chief Hefner reviewed the monthly Police Department Activity

Report and noting that the murder was a person missing from Burke County who ended up being in jail. The Task Force had hired a drug enforcement officer who will start work July 1st. Chief Hefner's report is on file with the Town Clerk.

E. Town Manager's Report – Mr. Lawless reported; 1) Representatives from the NC DOT came up and met with Mayor Owen, Peggy Coscia and himself with regards to the beautification of Highway 184, Beech Mountain Parkway. The Department of Transportation agreed to have a landscape design specialist work on plans for 8 designated planting areas along the Parkway. 2) Town Hall Day is tomorrow, June 9th. Mr. Lawless indicated that he and Jeremiah West would be going to Raleigh for the day.

F. Tax Collection Report – Mayor Owen asked what the current tax collection rate was. Missy Norwood replied 99.36%. The report is on file with the Town Clerk.

G. Building Inspections Report – On file with the Town Clerk.

5. **Other Business** – Mr. Lawless reported to the Council that a tree beside the flag pole at the entrance sign of Town Hall impaired the lighting of the flag while flying at half staff. Mayor Owen indicated that he was in favor of having the tree removed. Mr. Adams seconded the motion and it passed unanimously.

Mayor Owen called for a brief recess before going into executive session.

6. **Executive Session (NCGS 143-318.11(3))** – Upon a motion by Paul Piquet, seconded by Pete Chamberlin and agreed to by all, the Council entered into executive session at 7:58 p.m. Upon a motion by Dr. Waligroski, seconded by Gil Adams and agreed to by all, the Council came out of executive session at 9:18 p.m.

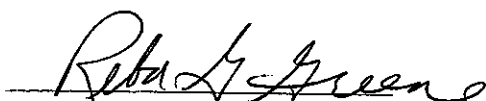
7. **Consideration of Change Orders # 1 & 2 – Gem Constructors (continued from earlier in the meeting)** – Paul Piquet moved to accept change orders #1 and #2 with GEM constructors on the Indoor Recreation Center. Gil Adams seconded the motion and it passed unanimously.

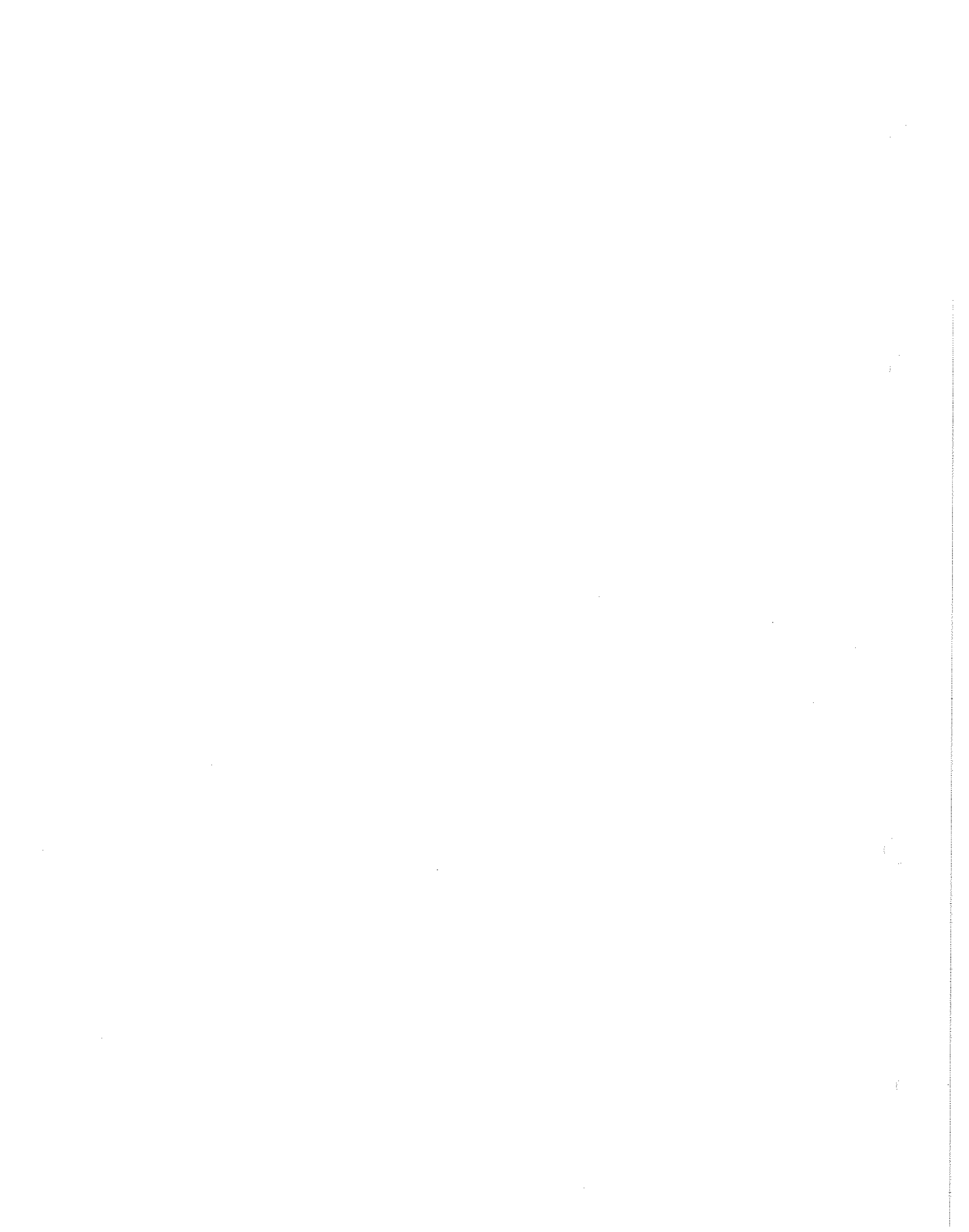
8. **Adjournment** – Upon a motion by Dr. Waligroski, seconded by Mr. Chamberlin, the meeting adjourned at 9:26 p.m.

Minutes approved by Town Council on July 12, 2004.


Mayor

ATTEST:


Town Clerk



MINUTES
BEECH MOUNTAIN TOWN COUNCIL
SPECIAL MEETING
June 15, 2004

CALL TO ORDER

Mayor Rick Owen called the Special Meeting to order at 3:00 p.m. in the Council Chamber at Town Hall. Other Council Members present were Gil Adams, Pete Chamberlin, Paul Piquet and Dr. Ed Waligroski. Town Manager Seth Lawless, Public Works Director Riley Hatch, Chief of Police Jay Hefner and intern Jeremiah West were also present.

1. Mayor Owen noted that the Budget Ordinance for 2004-2005 remained the same as presented, with an increase in the ambulance donation, which did not change the overall ordinance. Mr. Adams made a motion to accept the 2004-2005 Budget Ordinance as presented. Mr. Chamberlin seconded the motion.

Mayor Owen called for discussion, and noted that although the Town had already conducted a public hearing on the budget, it appeared as though members of the audience may have comments that he was willing to entertain.

Mr. Dale Waterhouse, of 131 Raven Road, inquired about the cost of the new recreation center at Buckeye Lake and how much over the 2.6 million-dollar price tag it would be. Mr. Lawless responded that the 2.7 million-dollar figure should be adequate to cover any changes or cost overages that had to be dealt with. Mr. Waterhouse then asked what benefit the majority of the tax payers would receive for their 10% over general revenue that would be contributed to the cost of recreation center. Mr. Waterhouse also noted that he would have preferred to see the monies used for road paving. Mr. Lawless indicated that 40% of the debt service would be paid from occupancy tax collections.

Mr. Ralph Brooks, of 120 Woodridge, indicated that 80% of the property owners couldn't vote on Town issues because they are not full time residents and his feeling was that they would not have supported the recreation center. Mayor Owen responded that the Council considered the opinions and impact on all residents, not just those able to vote. Mayor Owen stated that the Town had surveyed every property owner prior to initiating the project.

Mr. Chamberlin added that the project was 6 years in planning and Mr. Piquet noted that the Town had received a \$250,000 grant to assist in the building of the center and that the Town would be studying user fees.

The question was called and the motion passed without dissent.

2. Mayor Owen then introduced the Capital Improvement Plan Resolution and after a brief discussion Mr. Chamberlin made a motion to pass Resolution 04-06-01 Resolution Approving 2004 CIP. Dr. Waligroski seconded the motion and it passed unanimously.

ADJOURN

There being no further business to come before the Council, Mr. Adams moved to adjourn the meeting at 3:15 p.m. Mr. Piquet seconded the motion and it passed unanimously.

Respectfully submitted,

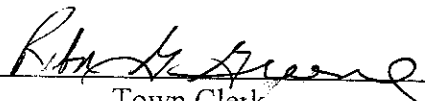
Reba G. Greene
Town Clerk

Minutes approved by Town Council on July 12, 2004.

ATTEST:



Mayor



Town Clerk