

**MINUTES - SPECIAL MEETING
BOONE TOWN COUNCIL
JUNE 9, 2009**

A Special Meeting of the Boone Town Council was called to order on Tuesday, June 9, 2009, at 8:07 a.m. at the Council Chambers, 1500 Blowing Rock Road. Mayor Loretta Clawson presided. Council members present were Mayor Pro-Tem Mason, Stephen Phillips, Liz Aycock, Janet Pepin(arrived at 8:31 p.m.), and Rennie Brantz. Staff members present were Town Manager Greg Young, Town Clerk Freida Van Allen, Deputy Clerk Kimberly Brown, Finance Director Amy Davis, Human Resources Director Peri Moretz, Fire Chief Reggie Hassler, Police Chief Bill Post, Public Works Director Blake Brown, and Public Utilities Director Rick Miller. Town Attorney Sam Furgiuele and Jones House Director Cherry Johnson were also in attendance.

The purpose of the meeting was to hold a budget work session.

Town Manager Greg Young began by presenting a power-point (**copy of power-point presentation permanently on file at Town Hall**) detailing the following:

- § Recommended Budgeted Funds (General Fund, E-911, Narcotics Enforcement, Water & Sewer Fund, Health Insurance Fund, Municipal Service District, and TOB Rural Fire District)
- § An Overview of Reductions in the General Fund
- § Status of FY2008/2009 Projects
- § Status of the NC DOT U-4020 Project
- § Outside Agency Funding Recommendations
- § Proposed Tiered Water & Sewer Rates
- § Personnel
- § Capital Outlay Recap
- § Current Measures Being Implemented in Connection with FY2009/2010 Budget
- § Additional Measures for Consideration of FY2009/2010 Budget in the Event of Deteriorating Economic Conditions.

DISCUSSION OF NC DOT U-4020 PROJECT

- § Street Lights (Decorative)

Town Manager Greg Young stated that street lights are not currently in the contract for this project and that the estimated amount for street lights is \$400,000. Council discussed the idea of installing street lights after the project is completed.

- § Installing Conduit for Power/Cable/Telephone

Mr. Young stated that the latest estimate for the installation of underground conduit is \$258,432. He reiterated that this cost does not include putting the actual utility lines underground. Public Works Director Blake Brown informed the Council that the cost of installing underground utilities provided by New River Light & Power Company will be \$135,396. He noted that he did not have estimates from AT&T, Skyline, Charter Communications, or Frontier Natural Gas. Mr. Brown noted that thirteen cross-lines over the road are planned for the project. He also informed the Council of the cost of overhead wiring at \$.50 per foot and the cost of underground wiring at \$5 per foot.

- § Stamped Crosswalks

Mr. Young stated the latest estimate for stamped crosswalks to be \$15,000. Public Works Director Blake Brown stated that experience has shown that stamped crosswalks do not withstand the elements in the area. He suggested the use of therma-plastic or 3-M tape as an alternative.

- § Concrete Paver Islands

Mr. Young stated the cost estimate for concrete paver islands as \$114,728. Mr. Brown stated that the proposed islands are not big enough for grass or landscape to be installed. He noted that the concrete paver island is more aesthetically appealing than plain concrete islands.

Council Member Mason suggested contacting the NC DOT at the state level in order to appeal for help with this project. Mr. Young stated that the NC DOT is not likely to adjust its statewide policy to accommodate the U-4020 project. He indicated that the NC DOT had suggested that the Town apply for stimulus funding. Council Member Mason asked how this can be accomplished. Mr. Young stated that the Town can attempt to secure funding for different aspects of the project through other state departments, such as the Department of Environment and Natural Resources. He noted that the Town is also exploring other funding avenues to help with this project.

OUTSIDE AGENCY FUNDING RECOMMENDATIONS

§ Watauga County Parks & Recreation Department

Council Members Phillips and Brantz suggested that the Council reconsider the recommendation for no funding for the Watauga County Parks & Recreation Department. Both Council Members agreed that the programs provided by the Parks & Recreation Department are beneficial to the community by encouraging participation in recreational programs. Council Member Mason stated that she feels that any funding from the Town to the Parks & Recreation Department should not come from the Outside Agency line. Furthermore, she pointed out that the Town of Boone does provide recreation through the use of several town parks and the Greenway Trail system and that the majority of participants in the County's programs are not Boone residents with the exception of users of the Swim Complex who pay a user fee to use the facility. Council Member Aycock stated that she is concerned about the issue of double-taxation by allocating funds to the Parks & Recreation Department in that Boone residents are also residents of Watauga County who do pay taxes. Council Member Brantz stated he would like to realize a more cooperative effort between the Town of Boone and Watauga County on recreation issues. Council Member Mason pointed out that the Town does support the Parks & Recreation Department substantially by providing property for ballfields. Council Member Pepin agreed that any funding for the Parks & Recreation Department should not come from the Outside Agency funding line. Council Member Phillips stated that many parents depend on the programs provided by the Parks & Recreation Department during the summer season for a safe place where their children can learn social skill as well as athletic skills.

§ Watauga County Rescue Squad

Council Member Mason stated she feels that some overlap in emergency services continues. She requested that the Council discuss this issue with Watauga County officials in an effort to create a county-wide emergency response system.

NARCOTICS ENFORCEMENT

Police Chief Bill Post stated that narcotics enforcement is funded by seized property but that the Council may want to look at separate funding for this action at some point in the future.

PROPOSED TIERED WATER & SEWER RATES

Town Manager Greg Young explained that the proposed budget reflects a continued incremental increase in appropriations to meet future debt-service requirements for a new water intake and high rating the filters at the existing water plant. He noted that the increases are proposed at \$0.25 per residential minimum (inside city limits) and \$0.50 per commercial minimum (inside city limits); consumption rates for water are proposed to increase \$0.50 per 1000 gallons in each tier (inside city limits); and usage rates for sewer are proposed to increase \$0.50 per 1000 gallons (inside city limits). Council Member Pepin stated she feels that the minimum usage rates for residential users should not be increased. She elaborated that not raising the rate serves as a reward mechanism for water customers who use minimal amounts of water. She also stated that an increase in rates would have a significant impact on water

customers living on a fixed income.

TOWN OF BOONE RURAL FIRE DISTRICT

Fire Chief Reggie Hassler stated that an issue of concern is the use of the Heavenly Mountain property for student housing. He indicated that approximately 100 students are currently residing on the property and that plans are in the works to increase the residency to between 300-400 students.

PERSONNEL

Town Manager Greg Young stated that the budget contains no proposed increase in either cost-of-living or merit funding due to the current economic situation. He noted that there are no requests for additional employees, positions are frozen, and that all vacant positions are being assessed for current demand of services. Mr. Young informed the Council that health insurance premiums reflect an increase of 13%. Brief discussion ensued concerning the benefits of the insurance being self-funded versus being insured through a private company. Mr. Young voiced concern about the state's budget and its effect on the Town's budget. Council Member Mason suggested that the Transportation Committee discuss the town's vehicle usage policy in order to find ways to decrease expenditures.

Mayor Clawson declared a break at 9:40 a.m. Council reconvened at 9:50 a.m.

MUNICIPAL SERVICE DISTRICT

In regard to the DBDA's role in administering the Municipal Service District (MSD) tax, Council Member Mason began the discussion by listing the following concerns:

- § Question concerning whether the contract between the Town of Boone and the DBDA is in compliance with state statutes.
- § Concern that the organization is not complying with its own by-laws.
- § Questions concerning the internal structure of the organization.
- § Concern regarding the amount of funding applied toward administrative costs instead of toward revitalization of the Municipal Service District.

Town Attorney Sam Furgiuele questioned the area described in the contract as the "Boone's traditional downtown" and whether or not this area encompasses the entire MSD. He pointed out that the contract also does not provide specific limitations. Furthermore, Mr. Furgiuele questioned the membership process. He noted that funds received from the MSD tax should be spent on the entire MSD district and not in specific areas only. Mr. Furgiuele stated that not making funds available to all members of the MSD could be a possible civil rights violation. Council Member Mason stated that she had visited the NC Secretary of State website and discovered that the DBDA did not have a solicitation license for fund-raising activities. She also noted that there are discrepancies within the DBDA's proposed budget. Council Member Aycock questioned whether or not it is a violation of state law for a member of the DBDA board not to be a property owner within the MSD when that board is responsible for deciding how the MSD tax is being spent. Mr. Furgiuele answered that the DBDA by-laws are unclear on membership requirements. Council Member Phillips pointed out that the DBDA has been very active in revitalization efforts in the downtown, such as participating in the creation of parking lots and planting trees in the downtown area. Council Member Pepin stated that at least 85% of the MSD tax should be spent on improvements in the MSD. She suggested that the Council request a proposal from the DBDA on how these improvements can be accomplished. Mayor Clawson stated that the Town could also provide a proposal on developing an in-house program to administer the MSD tax. Council Member Pepin agreed by stating that any other organization is also welcome to submit a proposal. Town Attorney Sam Furgiuele suggested that a total overhaul of the DBDA structure and by-laws is necessary. He pointed out that the DBDA is funded by the MSD tax but advocates for community-wide issues, such as support of the liquor-by-the-drink referendum last year. He also stated that input for an effective mechanism for administering the MSD tax should be provided by members of the MSD. Upon a motion by Council Member Pepin, seconded by Council Member Mason, Council moved to

solicit proposals for the administration of the MSD tax, and the proposals must reflect that at least 85% of the MSD tax be used for non-administrative purposes such as improvement or revitalization of the MSD. Council Member Pepin further moved that proposals need to be submitted by August 12, 2009 for consideration by the Town Council. Council Member Brantz voiced a concern that programs currently being sponsored by the DBDA may be discontinued.

VOTE: Aye - All
Nay - None

Town Manager Greg Young stated that he will provide updated figures for the U-4020 project for the Council to use in discussion of funding for the project for the next budget workshop. Mayor Clawson recessed the meeting at 11:00 a.m. until Wednesday, June 10, 2009, at 8:00 a.m.

A Special Meeting of the Boone Town Council was reconvened on Wednesday, June 10, 2009, at 8:06 a.m. at the Council Chambers, 1500 Blowing Rock Road. Mayor Loretta Clawson presided. Council members present were Mayor Pro-Tem Mason, Stephen Phillips, Liz Aycock, Janet Pepin, and Rennie Brantz. Staff members present were Town Manager Greg Young, Town Clerk Freida Van Allen, Deputy Clerk Kimberly Brown, Assistant to the Manager Jim Byrne, Finance Director Amy Davis, Fire Chief Reggie Hassler, Police Chief Bill Post, Public Works Director Blake Brown, and Public Utilities Director Rick Miller. Jones House Director Cherry Johnson was also in attendance.

The purpose of the meeting was continuation of a budget work session.

DISCUSSION OF NC DOT U-4020 PROJECT

Town Manager Greg Young presented the following updated information regarding the estimated costs for the project:

U-4020 PROJECT - FINANCIAL INFORMATION

Anticipated Costs as of April 15, 2009:	
Water & Sewer Relocation	\$743,177
Installing Conduit for Power/Cable/Telephone	\$258,432
Street Lights (Decorative)	\$400,000
Stamped Crosswalks	\$15,000
Aesthetic Overhead Signs	-
Concrete Paver Islands	\$114,728
Aesthetic Signal Heads	\$100,000
Town's Share of Sidewalk Costs	\$39,413
Water Line Relocation (High School Project)	\$257,000
Total Funding Required:	\$1,927,750
FY2008/2009:	
General Fund Appropriation	(\$500,000)
Funds Previously Allocated During February 20, 2009 Budget Retreat:	

Raw Water Land Capital Reserve	(\$405,000)
Clawson-Burnley Park	(\$50,000)
Storm Water Assessment	(\$36,339)
Stream Bank Restoration	(\$40,000)
Howard Street	(\$168,661)
Remaining Balance Required per Estimate	\$727,750
Additional Suggestions to Balance Funding Requirement:	
Horn in the West	(\$150,000)
Howard Street	(\$162,884)
Water & Sewer Capital Reserves	(\$257,000)
Sanitation Capital Reserve	(\$81,542)
General Fund - Appropriated Fund Balance	(\$76,324)

§ Street Lights (Decorative)

Public Works Director Blake Brown estimated that costs for regular street lights at approximately \$300,000-\$350,000. Mayor Clawson stated that she feels that the citizens of Boone want this area to look as good as possible. Council Member Pepin agreed especially since this roadway is one of the gateways into the town. Council Member Phillips reiterated that street lights are important for safety reasons. Council Member Mason suggested that the conduit for the street lights be installed so that the actual street lights can be put in at a later date (over the next three years), thereby reducing the costs from \$400,000 to \$200,000.

§ Stamped Crosswalks

Council agreed to remove this item from consideration, an action which reduces the costs by \$15,000.

§ Installing Conduit for Power/Cable/Telephone

Council Member Mason pointed out that wooden poles and lines which are an eyesore above the roadway have already been installed. She asked if these are permanent. Public Works Director Blake Brown indicated the new poles are permanent and that these lines are the primary way of running the utilities into the town indicating why they are so large. Town Manager Greg Young suggested that the Town can approach ASU for financial help for the installation of underground conduit but that ASU is also dealing with financial difficulties and may not agree to help. He also reiterated that the installation of the underground conduit is not a guarantee that the various utility companies will use it to run the utilities underground. Council agreed that, although there is no guarantee that utility companies will install their lines underground, it is still a priority to have the potential to put utility lines underground.

§ Concrete Paver Islands

Public Works Director Blake Brown outlined the location of several islands within the project and pointed out that several of the islands are not large enough for placement of landscaping. Council agreed that the appearance of the traffic islands as part of the main roadway into Boone is a priority.

In discussing other funding suggestions for the project, Council Member Pepin stated that she

feels that funding appropriated for the Horn in the West property should remain as much as possible. Council Member Mason stated that, although funds from the Howard Street project may be used for the U-4020 project, the Howard Street project is still an important project in that it is critical for the continued economic growth of the downtown area. Council Member Phillips agreed and pointed out that infrastructure issues also make the Howard Street project a priority of the Town. Upon a motion by Council Member Pepin, seconded by Council Member Brantz, Council moved to adjust the costs for decorative street lights in the amount of \$200,000; to remove the request for stamped crosswalks, in the amount of \$15,000, from the list of amenities for the U-4020 project; and to allocate the following funding toward the costs of the U-4020 project:

\$ 162,884 from the Howard Street project fund
\$ 257,000 from the Water & Sewer Capital Reserves fund
\$ 81,542 from the Sanitation Capital Reserve fund
\$ 11,324 from the Horn in the West fund.

VOTE: Aye - All

Nay - None

OTHER MATTERS FOR DISCUSSION BY COUNCIL

Council Member Phillips requested to be placed on the next Town Council agenda a discussion of the action taken by the Town Council regarding the Downtown Boone Development Association and the administration of the MSD tax.

Council Member Brantz presented a request to the Council to provide \$5,000 for the support of the folklorist position through the Watauga Arts Council. He listed the benefits to the community provided by this position:

1. Provides an opportunity for economic growth through cultural tourism.
2. Provides an opportunity for cultural arts education for the entire community.
3. Provides a resource position through which publicity for various activities is shared locally, regionally, and beyond, and through which coordination and encouragement for many activities are accomplished.
4. Provides an opportunity for new initiatives, such as the creation of new museums, festivals, etc.
5. Provides coordination of programs between the Jones House, Horn in the West, Appalachian State University, and other entities.
6. Ensures quality of expression in various activities and programs.

Council Member Brantz explained that \$15,000 is needed for the continuation of this position and that funding is being sought through other avenues, such as ASU and grants. He stated that \$10,000 can be shifted from the capital improvements line for this request. He also explained that the \$10,000 in funds was set aside for the cost of constructing a ramp to provide for handicap access to the Jones House. Jones House Director Cherry Johnson stated that the current ramp is being used but that the steepness of the ramp and its location are problematic. She informed the Council that after consulting with architect Larry Greene, the estimated cost to construct a handicap ramp to the Jones House that will meet ADA requirements will likely be at least \$18,000. Town Manager Greg Young stated that he had received a complaint from a citizen in a wheelchair regarding the need for acceptable access to the Jones House. (Council Member Pepin left the meeting at 8:47 a.m.) Upon a motion by Council Member Brantz, seconded by Council Member Mason, Council moved to allocate \$5,000 from the Horn in the West fund balance to support this request. After a brief discussion, it was agreed by Council that both support for the folklorist position and the construction of a handicap ramp are priorities that should be funded. Council agreed that the Horn in the West is involved with programs sponsored by the Watauga Arts Council and that it is appropriate to use funding from that project in order to support the continuation of the folklorist position. Council Members Brantz and Mason both withdrew the previous motion and second. Upon a motion by Council Member Brantz, seconded by Council Member Mason, Council moved to appropriate \$15,000 from the Horn in the West fund to support the continuation of the folklorist position through the Watauga Arts Council and to appropriate \$8,000 from the Horn in the West fund for the

construction of a handicap ramp to the Jones House.

VOTE:Aye - All
Nay - None

Council Member Aycock requested funding in the amount of \$8,000 for a solar hot water heater to be installed at Fire Station #2 on State Farm Road. She stated that the fire station is a good site for this type of project and that the project is an opportunity for the Town to show that it supports alternative energy initiatives. Furthermore, she stated that this project is an opportunity to provide a job for a local contractor. Council Member Mason stated that the Council needs to pursue stimulus funding to incorporate the results of the recent energy audits performed on Town facilities. Council Member Brantz pointed out that an education plan be included to provide information for the community to become involved. Town Manager Greg Young informed the Council that the energy audit performed at the Waste Water Treatment Plant indicates that some changes will be necessary in the future to improve energy efficiency. Upon a motion by Council Member Aycock, seconded by Council Member Mason, Council moved to appropriate \$8,000 from the General Fund Balance for the installation of a solar hot water heater at Fire Station #2. Council Member Phillips stated that he cannot support this request during the current economic downturn unless funds for this project come from stimulus funding.

VOTE:Aye - 3 (Aycock, Mason, Brantz)
Nay - 1 (Phillips)

Brief discussion ensued concerning the future expansion of the water conservation position into a full-time sustainable position when funding is available. Reorganization within an existing department to accomplish this action was also suggested.

DISCUSSION OF OUTSIDE AGENCY ALLOCATION

Council Member Phillips requested to discuss the possibility of a funding allocation to the Watauga County Parks & Recreation Department. Council Member Aycock stated that she feels the department is not serving a vulnerable population as several other agencies do and that the issue of double-taxation concerns her in regard to this funding request. Council Member Mason stated that she feels that the Town of Boone is already heavily involved in funding recreation opportunities such as the Town's parks and Greenway Trail system, and that the Town does support the Parks & Recreation Department in the amount of property leased that is used for ball fields. She stated that she would like to know what the funding will be used to accomplish. Council Member Phillips stated that he has received many letters that support the Town's funding the Parks & Recreation Department. He agreed that the Town is active in supporting passive recreation opportunities but that the Parks & Recreation Department provides for participation in athletics as well as opportunities for socialization of our youth. Council Member Aycock stated she could support the request if she were able to realize a direct benefit for Town of Boone citizens. Council Member Mason agreed and stated that she could justify supporting the request if a higher number of participants were Boone residents. Council Member Brantz stated that the support of the Parks & Recreation Department would be a way for the Town to be a cooperative partner in providing recreation opportunities. Council Member Phillips moved to allocate \$10,000 to the Watauga County Parks & Recreation Department, funding to be taken from the recommended allocation to the Watauga County Library. The motion died for lack of a second. Council Member Phillips moved to allocate \$10,000 to the Watauga County Parks & Recreation Department from the General Fund Balance. The motion died for lack of a second. Council Member Mason stated that this request should not be considered from the Outside Agency budget. She suggested further discussion on the matter between the Town and Watauga County officials. Upon a motion by Council Member Phillips, seconded by Council Member Mason, Council moved to place this matter on the upcoming Intergovernmental Retreat agenda for discussion.

VOTE:Aye - All
Nay - None

OTHER MATTERS BY STAFF

Police Chief Bill Post suggested that Council review departmental needs and goals during budget deliberation. Council Member Mason stated that departmental needs and goals should be discussed at the annual council retreats.

Discussion ensued concerning the adoption of an interim budget. It was the consensus of the Council to monitor the status of the state budget in regard to the adoption of the Town's budget. Finance Director Amy Davis reminded the Council that the tax rate cannot be changed once it is adopted by the Council but that the Council does have the authority to amend the budget once adopted.

Assistant to the Manager Jim Byrne requested permission to negotiate with the Army Corps of Engineers for funding of an environmental project. Council granted approval by consensus.

With no other items for discussion, Mayor Clawson adjourned the meeting at 9:57 a.m.

Deputy Clerk

Mayor