

**MINUTES**  
**BEECH MOUNTAIN TOWN COUNCIL**  
**Special Budget Workshop**  
**May 19, 2008**

Mayor Rick Owen called the budget work session of the Beech Mountain Town Council to order at 2:00 p.m. in the Town Hall Council Chambers. Other Council Members present were Gil Adams, Pete Chamberlin, Randy Corn and Alan Holcombe. Also present were Town Manager Michael Boaz, Public Works Director Riley Hatch, Finance Officer Sally Rominger and Intern Danielle Hagerman. There were a number of interested parties in the audience.

Mr. Corn moved to open the Public Hearing on the Fiscal Year 2008/2009 Budget at 2:02 p.m. Mr. Chamberlin seconded the motion and it passed unanimously.

Dale Waterhouse, 131 Raven Road, addressed the subject of the wage and benefits package with a 27% proposed increase. The increase included an increase of 10 employees, from 48 to 58 individuals. Mr. Waterhouse suggested the Council consider not hiring that number of new employees.

Lee Wittman, 102 Rainbows End, voiced his approval of the hiring of a consulting firm to review the operations of the Town.

Peggy Coscia, 100 Hemlock Circle, said that she was pleased to see that the Town was doing more with landscaping. She expressed concern that the Town's plans were not discussed with the Chamber staff first, but that everything had been taken care of. She asked that the Town, because some of the Chamber's plants were destroyed, to purchase four hanging baskets. Ms. Coscia also encouraged the Council and staff to find ways to host more conferences and retreats at the Recreation Center.

Fred Pfohl, 501 Beech Mountain Parkway, expressed his support of the Recreation Center and that he felt the Rec Center was a benefit to the community. Mr. Pfohl also told the Council that the Rec Center and recreation programs in general never make money or even support themselves and that they are not intended to. Mr. Pfohl indicated that recreation programs are something that towns offer to their citizens.

Jim Brooks, 503 Beech Mountain Parkway, expressed his support for the Recreation Center and noted the increase in the number of daily visits.

Paul Piquet, 121 Hollow Tree Lane, expressed his support for the Recreation Center and noted that it improved the quality of life for all Beech Mountain visitors and residents.

Fred France, 108 Lower Grouse Ridge, expressed his support of the Recreation Center and said he encouraged staff to find new ways of utilizing the Center.

Hearing no other comments from the public, Mr. Corn moved to close the Public Hearing at 2:25 p.m. Mr. Adams seconded the motion and it passed unanimously.

After a discussion of the proposed budget for Fiscal Year 2007/2008, Mr. Chamberlin moved to recess the meeting at 2:50 p.m. to be reconvened on May 20, 2008 at 2:00 p.m. in the Town Hall Council Chambers. Mr. Holcombe seconded the motion and it passed unanimously.

***May 20, 2008***

Mayor Rick Owen called the recessed meeting May 19, 2008 to order at 2:00 p.m. Other Council Members present were Gil Adams, Pete Chamberlin, Randy Corn and Alan Holcombe. Also present were Town Manager Michael Boaz, Public Works Director Riley Hatch, and Intern Danielle Hagerman. The Council continued its discussions of the FY 2008-2009 budget. The Council discussed the budget for the Recreation, Police, Water, and Wastewater departments. The Council asked staff to research several items of capital and report back at the next meeting.

Mr. Chamberlin moved to recess the meeting until May 27, 2008 at 2:00 p.m. Mr. Holcombe seconded the motion and it passed unanimously.

***May 27, 2008***

Vice-Mayor Gil Adams called the recessed meeting of May 20, 2008 to order at 2:00 p.m. Mr. Chamberlin moved to recess the meeting until May 2, 2008 at 2:00 PM. Mr. Holcombe seconded and the motion passed unanimously. Mayor Owen and Council member Corn were not in attendance at this meeting.

***May 29, 2008***

Mayor Owen called the recessed meeting of May 27, 2008 to order at 2:00 p.m. Other Council Members present were Gil Adams, Pete Chamberlin, Randy Corn and Alan Holcombe. Also present were Town Manager Michael Boaz, Public Works Director Riley Hatch, Finance Officer Sally Rominger and Intern Danielle Hagerman. The Council asked staff to report on the capital items that Council needed more information on. After much discussion, the Council agreed to purchase a new motor grader and one interchangeable bed dump truck in the upcoming budget. The Town Manager reported to the Council the various options for health insurance that the staff had researched. The Manager recommended that the Council adopt option #4, which would increase the co-pay for specialist visits to \$40, increase all of the prescription drug tiers by \$5, and decrease the co-insurance rate to 80%. Mr. Holcombe moved to adopt this plan; Mr. Adams seconded and the motion passed 4-1 with Mr. Corn voting nay. The Council discussed COLA and merit rises for employees for the upcoming fiscal year. Mr. Corn suggested to Council that all employees be given \$800 and that 4% of salaries be made available for merit increases. After much discussion, Mr. Chamberlin moved that all employees be given a 3% COLA and that 3% of salaries be made available for merit increases. Mr. Holcombe seconded and the motion passed 4-1 with Mr. Corn voting against the motion. The Council then began a discussion of the tax rate for the upcoming fiscal year. Mr. Corn suggested to the Council that a 5¢ increase was not enough to pay the debt service for the projects that Council has agreed to undertake during the next fiscal year. Mr. Corn suggested, based on the tax rate needed to fund the additional debt service for these projects, that the tax rate be increased by 11¢. After much discussion of various tax rates, Vice-Mayor Adams made a motion that the tax rate be increased by 5¢, as recommended by the Manager to balance the

budget. Mayor Owen seconded and the motion failed 2-3, with Council members Corn, Holcombe, and Chamberlin voting nay. Council member Holcombe then suggested a 7.5 ¢ increase and Council member Corn said that this would not be enough to fund the debt service that would be added during the next fiscal year. Council member Corn said that he was unwilling to vote for a tax rate or a budget that did not provide enough revenue to pay this future debt service. After much discussion, Vice-Mayor Adams again moved to increase the tax rate by 5¢. Mayor Owen seconded and the motion passed 3-2 with Council members Holcombe and Corn voting nay. The Mayor asked the Town Manager to prepare the budget ordinance based on an increase of 5¢ in the tax rate, the restructuring of the water and sewer rates, the approved changes to the Town's health insurance plan, and the other decisions made at previous work sessions.

The meeting was adjourned at 5:15 p.m.

Minutes approved by Town Council on June 10, 2008.

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Mayor

ATTEST:

*Michael Boaz*

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Town Manager