

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
Planning Retreat – May 25, 2010

I. CALL TO ORDER

Mayor Rick Owen called the regular meeting of the Beech Mountain Town Council to order at 1:02 p.m., Tuesday, May 25, 2010 at Buckeye Recreation Center. Other Council Members present were Paul Piquet, Rick Miller, and Cindy Keller. Staff members present were Town Manager Randy Feierabend; Finance Officer Nancy Johnson, Town Clerk Jennifer Broderick, Fire Captain Robert Pudney, Utilities Director Robert Heaton, Planner James Scott, Public Works Director Riley Hatch, Recreation Director Eric Jelinski, Fitness Coordinator Daniel Scagnelli. Members from the community included; Urs Gsteiger, Pete Chamberlin and Jim Brooks.

Councilman Alan Holcombe arrived at the meeting at 2:02 p.m.

II. Pledge of Allegiance – Mayor Owen stated that there was no flag available to conduct the pledge of allegiance, but that this situation would be remedied for future meetings.

III. Adoption of Agenda – The agenda was adopted as presented.

IV. New Business –

- a. Personnel Study*** – Manager Feierabend introduced Becky Veazey from the MAPS Group. Mrs. Veazey provided Council with a brief history of her career and her company's history. Mrs. Veazey stated that Classification and Pay Studies are about 65% of the work that her organization performs. Mrs. Veazey stated that process and methodology were to be reviewed as well as the difference between classifications and pay plans. Mrs. Veazey advised that staying up to date with current pay scales keeps the Town employed with better qualified individuals. The steps in the class and pay study that were used to come up with the necessary data were to; identify need, employee orientation, questionnaires, interviews, analysis, salary survey, complete analysis, write report, report draft review, finalize report and finally presentation to the Board. Mrs. Veazey mentioned that it was important to keep in mind that recommendations are not based on the individual performing the job, but the job classification itself. Mrs. Veazey advised that there were four types of incentives a company could use to stay current; class market changes, annual market adjustments, range movement, merit and performance pay, with the fourth priority being longevity pay. Mrs. Veazey described how the pay system was intended to work explaining grade level, hiring rate, minimum, middle and max for a pay grade. The Town's method of moving an employee up through their grade level is based on performance. Primarily the MAPS Group is here today to suggest grade levels as well as ranges for the Town's employees to enable the Town to be competitive in the job market when hiring individuals. Councilwoman Keller inquired if this document was public information. Mrs. Veazey confirmed that it the information was public. Mrs. Veazey advised that the Town does have a compression problem stating that the Town's current range was 40% while the midpoint was 25%. When looking at the numbers provided it was important to keep in mind that

costs reflect salary only and do not include such items like Federal Insurance Contributions Act. Mrs. Veazey stated that if the Town chose to adopt Option II then the Town would still need to implement a more aggressive pay and performance plan. The steps within the pay grade reflect a minimum of 5% above the hiring rate with the maximum being 50% above the hiring range. In addition to reviewing the Town's pay scale the MAPS Group also provided a new personnel policy. Mrs. Veazey stated that the MAPS Group tried to strike a balance between giving direction without providing too many rules when writing the new personnel policy. The MAPS Group also reviewed the Town's benefits and had provided a comparison study for Council to review. There were only two areas that the MAPS Group recommended the Town change. The first item was to provide fixed dollar amount for longevity versus a percentage. Mrs. Veazey stated that this would allow the Town to put more money into performance pay. The second recommendation was an increase in starting vacation for new hires. Currently the Town only provided 10 days of leave. The MAPS Group recommended that this be increased to 12 days to be competitive in the job market. Mrs. Veazey pointed out that the longevity change and vacation change were so noted in the proposed personnel policy. Mrs. Veazey stated that should the Town accept the new personnel policy then when changes to items such as the Family and Medical Leave Act came along then the MAPS organization would implement it into the Town's personnel policy to keep it current. Councilman Miller wanted to know if the Town could make their own changes to the policy. Mrs. Veazey assured Council that any changes that the Town wanted to see made to the policy could be made. Manager Feierabend recommended that the Council have Town Attorney David Paletta review the personnel policy before adopting it. Vice Mayor Piquet agreed that this was a good idea. Mrs. Veazey stressed that Council would only be adopting pages 19, 20 & 21.

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Mayor Owen inquired if Mrs. Veazey would be available to come back and address any questions that Council may have after reviewing the material. Mrs. Veazey stated that she would. Mayor Owen thanked Mrs. Veazey.

- b. *Tucker Administrators; Insurance Presentation – Gene Tucker*** – Gene Tucker, of Tucker Administrators, explained that his organization was recommending a partially self funded plan. Mr. Tucker stated that he has been able to work with insurance companies to increase the Town's deductible. Mr. Tucker advised that this type of plan engages the employees as health service consumers. Through working with Tucker Administrators the Town would be retaining Blue Cross Blue Shield as their primary insurance and Tucker Administrators would become the Town's secondary insurance. Mr. Tucker provided an explanation of benefits with the "First Dollar Plan". Under this type of plan co-pays will actually work towards the employee's deductible. In addition if an employee has a family all monies paid towards any medical bills will go towards the family's deductible versus only going towards the individual's deductible within the family unit. Mr. Tucker stated that with the Town's current plan the Town was paying \$385,000 to their current provider. Tucker Administrators cost to the Town would be \$248,000 while still delivering a \$5,000 deductible. This would result in a savings to the Town of \$137,000. Tucker provided both a 50/50 plan and a 60/40 plan for Council to

review. Mr. Tucker stated that the only downside to the plan was that it would increase what singles paid. Mayor Owen inquired whether or not employees were still going to be able to choose their own care providers. Mr. Tucker assured Council that employees will be able to choose their own care provider. Mr. Tucker explained that employees will keep the same drug card with the same co-pays. Mr. Tucker stated that the plan he was offering was proactive in other ways as well. For example one of the things the company uses to help keep cost down is a blood screening. While an individual that went to the doctor to have this done would pay \$500, Tucker Administrators was able to bring a company in that would do the blood work for \$75 per employee. If there is an employee who chose not to participate in this testing then that employee would pay 10% more. In essence they would not be eligible to receive the 10% decrease which is used as an incentive to help employees be proactive about their health. Mayor Owen asked Mr. Tucker if the blood tests were private. Mr. Tucker stated that they were. Blue Cross and Blue Shield, acting as the Town's carrier, would never be notified of the results. Mr. Tucker explained that should the Town choose to change to Tucker Administrators the services that would be included would be as follows; risk analysis for health plan, plan document preparation, education and communication of plan to employees, implementation of plan, administration of all reimbursements, customer service for employees, customized website with 24/7 access for employees, Consolidated Omnibus Budget Reconciliation Act (COBRA) and Health Insurance Portability and Accountability Act (HIPAA) administration as well as consolidated billing services. Mayor Owen thanked Mr. Tucker and moved the meeting into a break at 2:55 p.m.

Mayor Owen reconvened the meeting at 3:07 p.m. with Manager Feierabend introducing Tom Simpson as the gentleman who would be handling the life insurance portion of the policy. Mr. Simpson offered both basic life and supplementary life insurance coverage. Mr. Simpson recommended Lincoln National to Council stating that it offers the best programs and the best rates. Through Lincoln National a term life insurance policy in the amount of \$50,000 would be offered. Mr. Simpson proposed that Lincoln National be used for the Dental portion of the Town's coverage; stating this company offered the same coverage that the Town currently held. Mr. Simpson advised that the Town would be able to save \$1,200 a year by choosing to switch to these companies. Also with this option the employees would have the ability to purchase supplemental insurance. The Town would need at least 25% of its employees to sign up in order to be able to participation in the supplemental life coverage. Mr. Simpson pointed out that this portion of the program is not a self funded plan. Vice Mayor Piquet and Councilman Miller stated that they have both worked with Lincoln Life and that it was a great company. Councilwoman Keller asked if there was a return premium that was offered. Mr. Simpson stated not at this time. Vice Mayor Piquet asked for staff's recommendation. Manager Feierabend recommended Tucker Administrators for the Town employee's future health insurance company and Lincoln National for life and dental. Councilwoman Keller requested that staff check locally for other opportunities.

- c. ***Financial Proposal – Randy Feierabend and Nancy Johnson*** – Mayor Owen turned the floor over to Marion Rothrock. Mr. Rothrock stated that the cost for the T-Handles was \$23.80 and that there would be no additional cost to install them. The workers would simply have to thread the pipe on by placing a stainless steel bolt through the

handle and through the top of the bolt. As for the main line meters, after seeing the cost, Mr. Rothrock felt it would be a wiser decision for the Town to consider some alternative methods. Mr. Rothrock stated that a 6" meter would cost \$15,645 each, an 8" meter \$19,845 and a 12" meter would cost \$26,894. Mr. Rothrock said that these prices do not even reflect the cost of the other materials that would be involved in installation. Mr. Rothrock advised that this would be an additional cost of \$199,948 to the Town to install the necessary meters. Mr. Rothrock presented an alternate solution to Council. Mr. Rothrock stated that the Town could install leak detectors which attach magnetically to the top of the valve allowing for any leak to be discovered within 500' of the detection device. The detectors transmit so readings would be able to be taken from a vehicle. The cost for the detectors is about \$800 a piece. After determining if there is a leak these devices can be relocated. Mr. Rothrock explained that the devices worked by detecting noise, stating the sound of water running through a crack in a pipe rather than running through the pipe is different because each creates different sound frequencies. Mr. Rothrock provided a detailed explanation of how the equipment works advising that at 2 a.m the system wakes up and if it hears a leak it will wake up at 3 a.m., if again it hears the leak it will wake up at 4 a.m. and if it hears the leak again then it will report this to the machine as a leak. Therefore in order for a leak to be reported the equipment needs to register three consecutive times that it heard a leak. These apparatuses may also be woken up manually. Councilman Holcombe stated that he liked this idea. Councilwoman Keller asked Mr. Rothrock how long this technology has been available. Mr. Rothrock responded for approximately five years. Mr. Rothrock perceived the biggest problem with this method was that most of the Town's valves were not accessible. Mr. Rothrock recommended starting a systematic approach of raising these valves up. Councilman Miller asked if this money had been included in the proposed budget. Manager Feierabend indicated that staff did add money into the proposed budget to accommodate these purchases.

Manager Feierabend took the floor and discussed the details of a loan from BB&T for the radio read meters. Manager Feierabend presented Council with a 10 year and 15 year loan. Mayor Owen indicated that Council was supposed to have a decision ready regarding the radio read meter bid. Mayor Owen felt that the bid should be awarded. Councilman Miller motioned that Iron Mountain and HD Supply receive the bids. Councilman Holcombe seconded the motion and it passed unanimously.

- d. Budget Discussion* – Mayor Owen reminded Council that this was to be a staff overview of the budget and that more detailed discussions involving Council input would take place at the upcoming budget meetings. Manager Feierabend presented Council with the proposed budget stating that the proposed tax rate for fiscal year 2010-2011 is \$.64 per \$100 of valuation. This rate is based on a 96.6% tax collection rate. Avery County's revaluation is expected to bring in around \$40,000 to \$50,000. Water and sewer expenditures are projected to be \$1,835,775; an increase of \$202,217 over last year's budget. A projected payment for the radio read water meters loan is included within the proposed budget. Sanitation expenditures are expected to remain the same as last year. The budget for 911 monies will increase based on current revenue. Mr. Feierabend continued on to salaries and benefits. He stated that the proposed budget includes Option #1 from the salary study. As for medical insurance it is Mr.

Feierabend's recommendation that the Town change to a partially self funded plan. Mayor Owen inquired if the Public Hearing for the Budget had been properly advertised and was informed that it had been.

- e. Set Budget Workshops* – Mayor Owen felt that Council would need at least three budget meetings in order to be able to finalize the budget by the end of June. Councilman Miller concurred. Mayor Owen suggested June , June and June starting at 6:00 p.m. in the Council Chambers. Councilman Miller pointed out that the last meeting could be recessed if there was still additional time needed. Vice Mayor Piquet motioned to accept the meeting dates and times. Councilman Holcombe seconded the motion and it passed unanimously.
- f. Set Special Call Council Meeting – Budget Adoption* – Mayor Owen didn't feel like this was necessary, stating that the budget would be adopted at the final budget meeting. Vice Mayor Piquet motioned to not set a special meeting. Councilman Miller seconded the motion and it passed unanimously.
- g. Resolution Authorizing Grant Application* – Manager Feierabend stated that this grant would help the Town with their future utility needs. Councilwoman Keller motioned that Council accept the Resolution. Councilman Holcombe seconded the motion and it passed unanimously
- h. Discuss Summer Meeting Schedule Time* – Mayor Owen asked what Council thought about the night time meeting schedules for regular Council meetings during the summer months. Vice Mayor Piquet motioned to keep the 6:00 p.m. Council sessions for June July and August. Councilman Holcombe seconded the motion and it passed unanimously.

V. Other Business – Pete Chamberlin, of 113 Christie Way, suggested that Council look at the big picture on the water and sewer projects such as the sewer moratorium stating that the Town is still in violation. Manager Feierabend stated that the staff is currently looking into Phase II Part A, trying to establish the permits that the Town does or does not have in place. Mayor Owen stated that the Town was not taking on any new projects. For example, Mayor Owen reminded everyone that the radio read meter project had been on the priority list for quite some time. Mr. Chamberlin stated that he believes the Town needs to take into consideration the order that things are being done. Mayor Owen stated that the Town had Mr. Rothrock working independently to provide the Town with an overview and that this information was worth waiting for. Councilwoman Keller questioned if the water and sewer comprehensive study was going to revisit some of the Town's projects that still needed to be take care of. Manager Feierabend assured Council it would and that it was imperative that the Town get their water loss under control.

Vice Mayor Piquet commended Town Planner, James Scott, on the new Town map.

VI. Adjourn – Councilman Holcombe motioned to adjourn the meeting at 4:15 p.m. Vice Mayor Piquet seconded the motion and the vote passed unanimously.

Minutes approved by Town Council on _____, 2010.

Mayor

ATTEST:

Town Clerk