

**TOWN OF BLOWING ROCK  
BOARD OF COMMISSIONERS**

**Minutes- Special Meeting**

**March, 31, 2008**

The Town of Blowing Rock Board of Commissioners held a special meeting on Monday, March 31, 2008 at 5:00 p.m. in the conference room at Town Hall. Those in attendance were Mayor J.B. Lawrence, Commissioners Bobby Ball, Keith Tester, Albert Yount, Phil Pickett and Tommy Klutz. Others attending were Town Manager Scott Hildebran, Town Clerk Sharon Greene and Town Engineer Doug Chapman.

The purpose of the meeting was to discuss an emergency supply water interconnection agreement and employee health insurance, etc.

**CALL TO ORDER**

Mayor Lawrence called the meeting to order at 5:05 p.m. Town Manager Hildebran advised a conference call from Town Attorney Allen Moseley was expected. He

recommended while waiting for Mr. Moseley's to call Item #3 of the agenda be discussed if Council wished to move forward.

Mr. Hildebran stated that several homeowners in the Laurel Park area expressed interest in having sewer extended to their property while the Quail Hollow Sewer Project was in progress. Mr. Hildebran stated the Town had received a quote for the sewer line extension but the homeowners would be responsible for the cost of running the sewer line to their homes. Mr. Hildebran advised an estimated cost of \$11,000 to the property owner was expected and the parties had requested exemption from paying sewer impact fees to the Town. Mr. Hildebran stated the cost for repairing the street, engineering design, and impact fee exemption would need Council approval, but this would put the town ahead of schedule in supplying sewer to residents in that area.

Mayor Lawrence called for a motion to proceed with running sewer lines to the Laurel Park area as presented. Commissioner Klutz made a motion authorizing Town Manager Hildebran and Town Engineer Doug Chapmen to proceed as planned, seconded by Commissioner Tester. Unanimously approved.

At 5:15 p.m. a motion to move into closed session per North Carolina General Statutes 143-318.11 to discuss legal issues regarding a proposed emergency water interconnection agreement with Town Attorney Allen Moseley via a conference call was made by Commissioner Tester, seconded by Commissioner Klutz. Unanimously approved.

At 5:33 p.m. Council reconvened from their closed session meeting.

A motion was made by Commissioner Tester to execute an intergovernmental agreement with the Town of Boone for emergency water supply, subject to resolving project funding language and to also authorize Mayor Lawrence or Mayor Pro tem Tester to sign the intergovernmental agreement once completed to the satisfaction of both parties, seconded by Commissioner Yount. Unanimously approved. **Emergency Water Interconnection Agreement – Exhibit A**

Town Manager Hildebran advised that the estimated costs for a water interconnection between Boone and Blowing Rock was approximately \$4,000,000.00. With

\$1,800,000.00 in possible grant money available, Town Manager Hildebran advised the Town could apply for a 20-year loan for the balance which would be \$2,200,000.00 from the The Drinking Water State Revolving Fund at an interest rate of 2.1% (which is subject to change) in order to complete the project. Mr. Hildebran stated the deadline for the application was Friday, April 4, 2008. A motion was made by Commissioner Tester, seconded by Commissioner Ball authorizing the Town Manager to make application to NC Drinking Water State SRF for a loan of \$2,200,000.00 on behalf of the Town of Blowing Rock. Unanimously approved. **Loan Application Authorization – Exhibit B**

Commissioner Yount asked Mr. Chapman if \$4,000,000.00 would cover the cost of the project. Mr. Chapman responded in his opinion this was a good solid number.

O. Wayne Green had several questions regarding the water situation, which included; if an interconnection between the towns would help with the current moratorium in effect. Mr. Hildebran advised it would be a step in the right direction in resolving this issue.

Mayor Lawrence inquired if the water pumped from the town of Boone would be treated water once the connection was done and vice versa. Mr. Hildebran responded that it would be.

The meeting continued with Mr. Hildebran's update regarding employee health insurance. Mr. Hildebran advised the Town had received approval from State Legislature to join the State of North Carolina Health Plan along with four other jurisdictions.

Mr. Hildebran conveyed the Town's current provider had originally quoted an increase of 13% for the upcoming fiscal year which had dropped to a 9% increase and finally to no increase after finding the Town was contemplating joining the State Health Plan. After reviewing the Town's current health coverage plan and the State's plan with Council, Mr. Hildebran advised employees, as well as the town would save money each month in premiums. He also advised there were three tiers of coverage in which employees could choose. Mr. Hildebran advised the Town currently pays \$453.43 per month per employee for health insurance coverage. The cost for individual employee under the State Health Plan would be \$346.38 per month per employee for a savings of \$107.05 per month. This would essentially save the Town \$80,929.80.

However, the Town would need to subtract from those savings the additional cost of providing retiree health insurance coverage. Mr. Hildebran advised when a municipality chooses to offer retiree health insurance coverage the State health Plan requires a payment to the Local Government Employees Retirement System (LGERS) equal to 4.1% of the active payroll for the cost of that coverage. At the present time, the Town's annual premium for retirees is \$21,764.64. The 4.1% requirement which would include the estimated active payroll as of July 1, 2008, would be approximately \$85,000.00.

After accounting for \$102,694.44 in premium savings minus \$85,000.00 in retiree pre-pay requirements, the Town's annualized savings would be approximately \$17,694.44.

After further discussion, Council decided it would be advantageous to join the State insurance plan and receive insurance coverage comparable to the town's current plan for less cost to the employees and the town.

Commissioner Pickett made a motion to accept Resolution #2008-04 Authorizing the Town of Blowing Rock's Participation in the North Carolina State Health Plan. The motion received a second from Commissioner Yount. Unanimously approved. **Resolution #2008-04 Exhibit C**

## **ADJOURNMENT**

With no further business to discuss, the meeting was adjourned at 6:15 p.m.

**MAYOR** \_\_\_\_\_

**J.B. Lawrence**

**Attest:** \_\_\_\_\_

**Sharon Greene, Town Clerk**

**Attachment**

Emergency Water Interconnection Agreement - Exhibit A

Loan Application Authorization – Exhibit B

Resolution #2008-04 Exhibit C