

**MINUTES**  
**Town of Blowing Rock**  
**Board of Commissioners**  
**Special Meeting-November 21, 2011**

The Town of Blowing Rock Board of Commissioners held a special meeting Monday, November 21, 2011 at 4:00 p.m. The meeting took place at Town Hall located at 1036 Main Street, Blowing Rock. Present were Mayor J.B. Lawrence, Commissioners Albert Yount, Phillip Picket, Tommy Klutz, Doug Matheson, Jim Steele and incoming Commissioner Dan Phillips. Others in attendance were Town Manager Scott Hildebran, Engineer Doug Chapman, Finance Officer Nicole Norman, Planning Director Kevin Rothrock, and Administrative Assistant Tammy Bentley.

**CALL TO ORDER**

Mayor Lawrence called the meeting to order at 4:00 p.m. and welcomed everyone.

**DISCUSSION ITEMS**

**1. FY 2010-11 Audit Presentation**

Principals of the Town's audit firm Combs, Tennant and Carpenter, P.C. Jason Carpenter and Bill Combs presented the audit report for fiscal year ending June 30, 2011. Mr. Carpenter thanked Council for allowing their accounting firm to serve the Town of Blowing Rock again this year. Mr. Carpenter informed Council that the Town of Blowing Rock's FY 2010-11 Audit was conducted in accordance with Governmental Auditing Standards. He proceeded to state a "clean opinion" was issued in the audit and that there were no adverse findings. Mr. Carpenter highlighted several areas of the audit. He stated that the Town's net assets had increased by \$1,546,571 with the increase mainly in the business-type activities due to the completion of the Blowing Rock/Boone water interconnection line.

Commissioner Klutz inquired as to the interest rate the Town was being charged on the portion of the project which was being funded by loan proceeds. Mr. Hildebran responded that zero interest was being charged on the Town's State Revolving Loan associated with the project.

Mr. Carpenter mentioned that the Town's governmental funds reported combined fund balances of \$3,606,215 which was a decrease of \$430,333 compared to last fiscal year. Fund Balance in the General Fund, however had increased by \$161,361 over the past year, rising from \$2.7 million to approximately \$2.9 million of which \$2,511,642 was unassigned. Mr. Carpenter also commented the Town had fared well in spite of the current economic downturn due to sound financial plans and close monitoring of expenditures by the board, management and staff.

Mr. Carpenter and Mr. Combs commended Town Manager Hildebran and Finance Officer Norman on the internal controls that were in place, and also commended Tax Collector Greene, stating that the Town's collection rate remained strong compared to the state average for Towns our size. It was reported that the collection rate finished the year at 97.2%.

Incoming Commissioner Mr. Dan Phillips inquired as to prior year collections and foreclosure issues.

Town Manager Hildebran then reviewed the history of the Town's fund balance levels. Mr. Hildebran stated this past year the Town had achieved its goal of an unassigned fund balance in the General Fund equal to over 50% of General Fund expenditures as established by the Town's Comprehensive Financial Policy.

Several further questions were asked of the Auditors by the Board regarding the audit.

Mr. Combs submitted to Council should they have any further questions on the audit to please contact them.

There being no further discussion, Mayor Lawrence thanked Auditors Carpenter and Combs and they departed the meeting at that time.

#### **FY 2010-11 Audit – Exhibit A**

### **2. Chamber of Commerce- BR Wine Festival Use Agreement- Update**

Town Manager Hildebran gave Council an update regarding the Blowing Rock Chamber of Commerce's request for use of the Maple Street Parking Lot to house the Annual Blowing Rock Wine and Food Festival and their request to install permanent tent anchors in the lot. Mr. Hildebran stated Town Attorney Allen Moseley had not yet drafted a Use Agreement for the Chamber to use the lot and install the anchors as there were safety and liability issues that remained outstanding. Mr. Hildebran suggested the agreement be delayed until such time a suitable tent anchoring system was determined. Blowing Rock Chamber of Commerce Events Coordinator Billie Rogers stated that she had found that the originally planned Vortex anchoring system would not be possible due to a supplier issue. She further explained a company in Statesville, NC sold a comparable system, however she was unable to provide information in time for today's meeting. Ms. Rogers indicated the system in Statesville appeared as if it could meet all safety requirements and function for the event tent.

Blowing Rock Chamber of Commerce Executive Director Charles Hardin suggested a sample of the anchor and cover could be obtained and presented to Council at their December 13, 2011 regular meeting for consideration. It was the consensus of the Council to review the presentation on the new system at such time. Mayor Lawrence thanked Ms. Rogers and Mr. Hardin for their attendance at the meeting.

### **3. Financial Policy Revisions**

Town Manger Hildebran then presented to Council an updated Town of Blowing Rock Comprehensive Financial Policy for their consideration. He stated that the proposed changes reflected recent terminology amendments made by the Governmental Accounting Standards Board (GASB). An update had also been made due to new methods available for data back-up.

Mr. Hildebran pointed out the proposed additions were highlighted in yellow and deletions were stricken through.

Mr. Hildebran stated a motion was needed to approve the revisions as well as accept the Town of Blowing Rock's Audit as presented by audit firm Combs, Tennant and Carpenter, P.C. earlier in the meeting.

Motion was made by Commissioner Steele, seconded by Commissioner Klutz to accept the Town of Blowing Rock Comprehensive Financial Policy Revisions as well as the Town of Blowing Rock FY 2010-2011 Audit as presented. Unanimously approved.

## Town of Blowing Rock Comprehensive Financial Policy Revisions – Exhibit B

### 4. Water/Sewer Initiatives

#### **Bid- Wonderland Trail Water Project**

Mr. Hildebran stated that on November 11, 2011, the Town received bids for the Wonderland Trail Water Line Replacement Project. He explained the project will consist of 1,500 feet of water line upgrade along Wonderland Trail from an existing 4-inch diameter cast iron line with lead joints that dead-ends to an 8-inch diameter ductile iron line. The new line will connect to an existing 8-inch diameter water line at Laurel Lane and extend along Wonderland Trail to Valley View Road where it will connect to an existing water line.

Creation of this hydraulic loop will increase available flow in this area, and improve water quality for those residents who are currently supplied from the existing dead-end line. Mr. Hildebran stated this project would also increase line size to allow for improved fire protection along Wonderland Trail and that the project was included on the Town's Water/Sewer Capital Improvement Plan.

The bids were as follows:

	<u>Quote</u>
<i>Iron Mountain Construction Co., Inc</i>	<b>\$102,956.20</b>
<i>Max Prestwood Water and Sewer Inc,</i>	<b>\$126,280.00</b>
<i>Ronny Turner Construction Co., Inc</i>	<b>\$132,200.00</b>
<i>M&amp;M Construction, Inc.</i>	<b>\$158,456.00</b>

Commissioner Steele inquired if Iron Mountain Construction Co. was required to furnish a bond and if the Town had prior experience with the company. Mr. Chapman responded that a bond was required and that Iron Mountain Construction Co. had done prior work for the Town. Mr. Hildebran stated funding for the project would come from capital reserves.

After some discussion, Commissioner Yount made a motion to accept low bidder Iron Mountain Construction Co., Inc. and approve the project, second by Commissioner Klutz. Unanimously approved.

#### **Bid- Wastewater Plant Mechanical Influent Screen Surround**

Town Manager Hildebran stated that on November 11, 2011, the Town received quotes for a WWTP mechanical bar screen surround project. He explained that following installation of the mechanical bar screen at the wastewater treatment plant in 2009, the equipment experienced various issues relating to freezing. Though the main components were insulated and heated, and other components had heat trace and insulation added, the issues have continued. He further explained that the location of the unit, in the valley between Shoppes on the Parkway and the Blue Ridge Parkway, and the adjacent power line tree gap, made the location susceptible to significant winds. These winds, coupled with cold temperatures cause extenuating problems.

To address the issue, a screen/surround has been proposed, which will reduce the effect of wind, and aid in retaining heat generated by wastewater flows. He stated that although an enclosed building may be best, the issues of cost, code compliance, and limited site area, would make this option infeasible.

Mr. Hildebran went on to state a surround design was prepared by McGill Associates to enclose the rear of the mechanical bar screen (as viewed from US 321), and both ends of the bar screen area. The surround would have a complete pitched roof and an open front. The roof would have architectural shingles and the walls would be Hardie lap siding, with colors to match the adjacent building that was recently renovated.

Bids received for this job were as follows:

	<u>Quote</u>
<b>Kevin Walker Construction, Inc. (BR)</b>	<b>\$15,210.00</b>
<b>Mark G. Ford Construction, Inc. (Boone)</b>	<b>\$15,486.00</b>
<b>Jim Allen</b>	<b>No Bid</b>
<b>AC Hollars</b>	<b>No Bid</b>
<b>Robbie Cheves</b>	<b>No Bid</b>
<b>Terry Lentz Construction, Inc. (BR)</b>	<b>No Bid</b>
<b>Enterline &amp; Russell Builders, Inc (BR)</b>	<b>No Bid</b>

Discussion followed of alternatives to the screening including enclosing all sides of the structure. It was stated by Town Engineer Doung Chapman that enclosing all sides of the structure would require reclassification of the building as well as be cost prohibitive.

Commissioner Yount inquired if other areas with high winds and cold temperatures also followed the same method for ensuring functionality of the unit. Mr. Chapman stated that he had seen it done as proposed in similar areas and it typically functions properly.

After further discussion, motion by Commissioner Klutz to accept the low bidder Kevin Walker Construction, Inc. and approve the project, second by Commissioner Yount. Unanimously approved.

#### **Bid- Handheld Units (Meter Reading)**

Mr. Hildebran stated that based on the Town's current meter reading equipment being over ten years old and the fact that it is becoming obsolete, the Town received quotes to replace the current equipment. He stated that quotes were received for radio read ready equipment, which would bring the Town up to date on the most recent reading technology and improve both the efficiency and accuracy of the meter reading process. The equipment would allow the Town to consider an Automatic Meter Reading (AMR) system in the future.

The quotes included two (2) handheld units and software, and radio read interface. Quotes were as follows:

	<u>Quote</u>
<b>Mueller Systems</b>	<b>\$9,918.60</b>
<b>Carolina Meter</b>	<b>\$13,146.57</b>
<b>HD Supply Waterworks</b>	<b>\$13,350.00</b>

Incoming Commissioner Mr. Dan Phillips inquired if the Town had considered outsourcing meter reading. Mr. Hildebran replied that would not be preferable since the Town bills bi-monthly and therefore the process takes minimal time to complete. Mr. Hildebran also stated the staff that performed the meter reading function also performed many other tasks in the department and were not exclusively meter reading employees.

After some discussion on future technologies and the ability of the proposed system to be compatible with such, a motion was made by Commissioner Yount to accept the low bid from Mueller Systems and proceed with purchasing the equipment. The motion received a second from Commissioner Pickett and was unanimously approved.

**Projects Budget Amendment (Ord. #2011-20)**

Town Manager Hildebran presented a budget amendment for FY 2011-2012 for Council consideration, explaining that section 1 (Water/Sewer Capital Projects Fund) allocates Capital Reserve Funds on hand for the completion of the following Water/Sewer initiatives: Installation of a Sewer Interceptor in relation to the Hwy. 321 widening project, a Water Extension along Wonderland Trail, Wastewater Treatment Plant Screening and the purchase of new Handheld Meter Reading Equipment.

Commissioner Yount made a motion to approve the Projects Budget Amendment, seconded by Commissioner Klutz. Unanimously approved.

**Budget Amendment Ordinance #2011-20 – Exhibit C**

**ORC Designations (Collections/Distribution/Cross Connect)**

Mr. Hildebran informed Council that after meeting the established requirements of education, experience and knowledge and successful completion of examinations, the following employees had received the required certifications to be designated as Operator of Responsible Charge (ORC) for the following facilities.

**Water Treatment System - Distribution (B)**

Matt Blackburn – ORC  
Sterling Lewis – Back-Up ORC

**Water Pollution Control System - Collection System (III)**

James Townsend – ORC  
Trathen Greene – Back-Up ORC

**Backflow & Cross Connection Control System**

Matt Blackburn – ORC  
James Townsend – Back-Up ORC

Manager Hildebran further stated retired Public Works Director Johnny Lentz would also continue to be retained as a back-up ORC.

Motion followed by Commissioner Steele to appoint afore mentioned staff to the ORC and Back-Up ORC positions as presented. The motion received a second by Commissioner Klutz and was unanimously approved.

**WWTP Improvements (Clean Water State Revolving Fund) - Update**

An update was given by Town Engineer Doug Chapman stating, the Town received award of a low interest loan from the State of NC to fund several much needed improvements at the wastewater treatment plant. The proposed project ranked 14th out of over 70 in the state priority list for funding. The wastewater plant improvements project includes the following; 1) treatment basin handrails and concrete repair, 2) upgrading the standby power (generator) from 100kW to 300kW capable of maintaining normal plant operations during a power outage, and 3) replacing the existing aeration diffusers and air piping to reduce maintenance and improve treatment efficiency. The items proposed were included in the Town's adopted Water & Sewer Capital Improvements Plan.

Mr. Chapman continued stating plans and specifications had been submitted to the Construction Grants & Loans Section (CG&L) of NC DENR on September 23, 2011 and that the next funding milestone would be the approval of plans and specifications to occur by March 1, 2012. He explained the cost estimate was being updated to reflect the requirements for handrail repairs, basin cleaning, and site paving and that upon resubmittal of the cost estimate, the project is expected to be approved by CG&L. Contingent on Local Government Commission approval, the project must be bid and a construction contract executed by July 1, 2012 to meet the mandated CG&L schedule. According to Mr. Chapman, approval is expected earlier, and it is therefore recommended to advertise for bids in February, to begin construction in the spring and be complete before next winter.

Mr. Hildebran advised Council that SRF funds are made available to units of local government at a reduced interest rate and rates were currently at 2.455%, for a period of up to twenty (20) years. Debt payments would begin no earlier than the FY 2012-13 Budget and the Town's outstanding Sewer Bond debt would be retired during the current fiscal year.

Questions were asked of Town Engineer Doug Chapman regarding specific work to be done.

## **5. Other Business**

### **Sewer Hook-Up and Fees Waiver Request (Mr. Don Iorio)**

Manager Hildebran informed Council that Mr. Don Iorio of 187 Globe Rd. requested the waiver of mandatory hook-up and associated fees for town sewer. Mr. Hildebran reminded Council that the Blowing Rock Town Code of Ordinances provides that each homeowner shall connect to the public sewer system within sixty (60) days, once notified by the Town that a public sewer service is available. However, in recognition of the time and cost involved in connecting to the public sewer system, the Town had extended this deadline for connection to one (1) year, with the provision that each homeowner be charged the minimum sewer bill (\$34.50 bi-monthly) from the end of the 60-day period until actually connected to the system.

Mr. Hildebran further explained that when a property owner has recently installed a new septic system with no expectation of future public sewer, the Town grants a ten-year window for the homeowner to connect, with the provision that the minimum sewer bill be paid until actual connection is made.

According to Mr. Hildebran, Mr. Iorio had installed a new septic system in 2006 and as a result, staff had informed Mr. Iorio that he is eligible for the ten-year window to connect, however Mr. Iorio requested a waiver.

Mr. Hildebran further conveyed to Council that based on the tremendous cost involved in extending sewer and the need to recover costs for all rate payers, Town Council for the past 20 years has reaffirmed the need for connections to the sewer system and the associated bi-monthly fees in order to keep the system financially and operationally sound and therefore denied any waiver requests in the past.

It was the consensus of Council to uphold the Town Code of Ordinances and deny the waiver request of Mr. Iorio.

### **BRAHM HVAC Noise (Ms. Ann Rhyne)**

An update was then given by the Town Manager regarding a letter received from Ms. Ann Rhyne of Globe Rd. regarding the noise level of the heating units installed at the newly constructed Blowing Rock Art and History Museum. Mr. Hildebran informed Council that sound attenuating blankets should be installed in the coming week.

After brief discussion, it was Council's consensus to wait until such blankets were installed to review the matter.

**2012 Town Council Retreat**

Mr. Hildebran informed Council that it was again time to begin planning the January 2012 Town Council Retreat. He stated that Town Clerk Greene had inquired about rates at the Double Tree Biltmore Hotel in Asheville, NC and they agreed to uphold the same rates as the prior year. Mr. Hildebran then asked Council for their direction.

Motion was made by Commissioner Yount and Seconded by Commissioner Steele to hold the retreat at the Double Tree Biltmore Hotel in Asheville on January 15-17, 2012.

**BREMCO Work**

Mayor Lawrence then announced Blue Ridge Electric would begin work moving utility lines on December 5, 2011 and would be contacting affected property owners.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 5:15 p.m.

**MAYOR** \_\_\_\_\_  
J.B. Lawrence

**ATTEST** \_\_\_\_\_  
Tammy Bentley, Administrative Assistant

**ATTACHMENTS**

- FY 2010-11 Audit – Exhibit A**
- Town of Blowing Rock Comprehensive Financial Policy Revisions – Exhibit B**
- Budget Amendment Ordinance #2011-20 – Exhibit C**