

**DRAFT**  
**MINUTES**  
**Town of Blowing Rock**  
**Board of Commissioners**  
**Regular Meeting- February 11, 2014**

The Town of Blowing Rock Board of Commissioners met in regular session on Tuesday, February 11, 2014 at 5:00 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, Dan Phillips, Sue Sweeting, Doug Matheson and Ray Pickett. Others in attendance were Town Manager Scott Fogleman, Town Attorney Allen Moseley, Town Engineer Doug Chapman, Planning Director Kevin Rothrock, Building Inspector John Warren, Police Captain Aaron Miller, Finance Director Nicole Norman, Public Works Director Mike Wilcox, Parks & Recreation Director Jennifer Brown and Emergency Services Director Kent Graham. Town Clerk Sharon Greene was unable to attend.

**CALL TO ORDER**

Mayor Lawrence called the meeting to order at 5:00 p.m. and welcomed everyone.

**APPROVAL OF MINUTES**

A motion was made by Commissioner Sweeting to approve the minutes for the meetings held January 14<sup>th</sup>, 19<sup>th</sup>-21<sup>st</sup>, and 31<sup>st</sup> including Closed Session meetings as written, seconded by Commissioner Pickett. Unanimously approved.

**SPECIAL RECOGNITIONS AND REPORTS**

Mr. Kipp Turner of Maymead Construction Co. was present to update everyone on the US Hwy. 321 Widening Project. He advised if weather permitted they were ready to resume blasting and drilling at the site below Cliff Dwellers Inn. He also advised that the projected completion date for the overall project was June 30, 2016 and for the portion in town, the projected completion date was April 26, 2015. Mr. Turner encouraged Council members to call him with any questions or concerns they might have regarding the project.

Mayor Lawrence thanked Mr. Turner and commented that he looked forward to an update during the March meeting as well.

Mayor Lawrence asked Town Manager to explain the reason for the following Consent Agenda since it had not been done in the past. Town Manager Fogleman explained a Consent Agenda included noncontroversial items that could be approved by Council in a single motion. If any items require discussion they could be moved to the discussion section of the agenda.

**CONSENT AGENDA**

**1. Consideration of Tax Release and Related Refund**

Ann and Allison Meade parcel number 02 2 2 3 appealed their property valuation for tax year 2013 to Caldwell County and a reduction in tax value of \$649,100 was granted

resulting in a refund totaling \$1,832.64. **Tax Release #2013-06 (Meade) – Exhibit A, Tax Refund #2013-03 (Meade) – Exhibit B**

**2. ABC Store Travel Policy**

In accordance with NC General Statute 18B-700(g2), the ABC Store must have a personnel travel policy approved by the board's appointing authority annually. The request is to approve the personnel travel policy which is the same as that of the Town of Blowing Rock. **ABC Store Travel Policy – Exhibit C**

**3. Financial Audit Contracts –Combs, Tennant, & Carpenter, P.C.**

The Town of Blowing Rock is required to have its annual financial audit prepared by an independent third party. Staff negotiated with Combs, Tennant, and Carpenter for a 3-year contract and renewal fee "not to exceed" \$22,000 annually, which is the same fee that has been in place the last five years. **Financial Audit Contract – Combs, Tennant, & Carpenter, P.C. – Exhibit D**

**4. Report of Uncollected Taxes and Approval to Publish Delinquent 2013 Real Property Owner List**

Real property taxes billed for the 2013 tax year (fiscal year 2014) total \$3,121,604.64. Through February 4, 2014, \$2,946,999.80, or 94.4% has been collected. Consistent with NC General Statute 105-369(b1), and following Council approval, notices will be sent 30 days prior to advertisement of unpaid taxes (projected to be April 17, 2014) to all property owners with outstanding taxes. **2013 Tax Advertisement Date Approval – Exhibit E**

With no further discussion, a motion to approve all Consent Agenda items was made by Commissioner Yount, seconded by Commissioner Matheson. Unanimously approved.

Next, Commissioner Matheson mentioned that several people had asked that he excuse himself from the following discussion due to his wife being employed by Blowing Rock Hospital owned by ARHS. Commissioner Phillips asked Commissioner Matheson who had asked him to be recused and should anyone else be recused from the discussion as well. Town Attorney Moseley explained the NC General Statute specifically stated that anyone who had any financial gain, large or small should be recused. Commissioner Matheson was recused from the following public hearing.

**PUBLIC HEARING**

Town Manager Scott Fogleman presented Council with a request from the Appalachian Regional Healthcare System (ARHS) to receive public input and comments on a proposal to offer an economic incentive in the form of water and sewer line extensions for a new proposed post-acute care facility to be constructed within the Town Limits located on US Highway 321 North.

If approved, the Town would enter into a Municipal agreement with the North Carolina Department of Transportation to pay for water and sewer line extensions in conjunction with the NCDOT's construction of a public road connecting US Highway 321 to the site of the proposed acute care facility. Mr. Fogleman stated the road and aforementioned water and sewer line project had not yet been sent to public bid; however current estimates provided by NCDOT for the water and sewer line extensions total \$250,340.

Any water and sewer line extension costs exceeding \$250,000; would be paid by ARHS. If for any reason the post-acute care facility was not built, ARHS would also agree to reimburse the Town for the costs of extending the water and sewer lines constructed by NCDOT.

First to speak at the public hearing was former Public Works Director Johnny Lentz. Mr. Lentz stated his comments reflected his opinion only and did not reflect upon any Town employee. Mr. Lentz continued by stating that in the 31 years he had been employed by the Town, he had not seen a request for extension of water and sewer lines approved by the Town. He stated that developers were usually required to extend utilities to and through the farthest corner of their properties in order to have access to future development.

Mr. Lentz further stated the \$250,000 request was only \$30,000 less than the total budget for Field Operations, with the total 2013-2014 Fiscal Year budget for this department being \$282,345.

While employed as Public Works Director, Mr. Lentz stated that he had documented the need for repairing Inflow and Infiltration (I & I) problems in town. In order to repair the problems, he had requested a six figure sum in his budget and had received only \$40,000 per year. He also mentioned that he had purchased a sewer jet and push-line camera to help detect the problem areas, but he did not believe the equipment was operable at the present time, which is vital in detecting I & I problems.

Mr. Lentz commented that in June and July 2013, nineteen (19) of the of the sixty-one (61) days, the Wastewater Treatment Plant had been out of compliance due to excess in daily flow requirements.

Mr. Lentz commented the road construction project made it possible to redo the main out-fall from Ransom Street to Cornish Road; however this did not address all the I & I problems. He advised there were several water/sewer lines that were 50+ years old and deteriorating and the money requested by ARHS would be better spent repairing current Town infrastructure.

Mr. Lentz thanked Council for their time and consideration.

Former Commissioner Jim Steele shared several thoughts regarding the issue, stating that in the past several years, Blowing Rock has not seen a lot of growth to increase revenue for the Town. During his term on the Council, the property being discussed had been annexed into Town Limits in order to relocate the current facility to that area as a post acute care facility. Mr. Steele commented several stakeholders such as Town residents, visitors, businesses, etc. would benefit from this project. Mr. Steele mentioned there was potential for an assisted living facility to be constructed that would be tiered at different rates and affordable to everyone.

Mr. Steele suggested that Council approach Watauga County in reference to helping with this project; however, if the County chose not to help, Mr. Steele urged Council to do the right thing by giving financial support to the project. He also mentioned that he had a resource idea; however he didn't want the funds to come from the Town's emergency fund. Mr. Steele welcomed Council members to discuss his funding idea with him if they so desired.

Mr. Steele agreed that Mr. Lentz had made a good point regarding the Town's infrastructure needs which was Council's responsibility; but it was also their responsibility to think about what was best for the future of the Town. Mr. Steele felt this property was the key to potential growth and urged Council to move forward with helping this project financially.

Kent Tarbutton owner of Chetola Resort spoke in agreement with Mr. Steele's comments. He also felt once the post acute care facility was constructed, there would be future growth that would have a positive effect on the Town's tax base. Mr. Tarbutton said with this project there would be additional jobs in the area. Mr. Tarbutton felt the future growth of the Town lied with this property and he also urged Council to find a way to support the project.

ARHS Board Member Keith Tester spoke in agreement with Mr. Lentz' comments regarding Town infrastructure needs, however he didn't think that Council should turn their backs on the project. Mr. Tester stated that the best way to protect the future was to create the future and that Council had a tremendous responsibility to try and do what was best for the Town. Mr. Tester stated while he was on the Town Council, there had been discussion about increasing the property tax rate in order to do things that needed to be done; however, that had not happened and once you were behind in doing things it was hard to catch up. Mr. Tester continued to state this project wasn't a new company coming to the area; it was a historical piece of the community. Mr. Tester advised that in the past seven (7) years the current facility had a cash flow deficit, but ARHS had kept the facility open because it was needed in the community. He commented the current antiquated facility needed to be brought into the 21<sup>st</sup> century and strongly encouraged Council to vote in favor of the project.

Mr. Jerry Hutchins of ARHS commented that he and his wife had moved to the area thinking they would stay a few years then move elsewhere, but once you got here you didn't want to leave. Mr. Hutchins said the only reason that he would think about leaving would be the lack of adequate health care once he entered retirement. Mr. Hutchins asked that Council support the project.

Ms. Chelsea Garrett representing the Blowing Rock Chamber of Commerce also spoke in favor of the project. She mentioned the need to keep current jobs at Blowing Rock Hospital in addition to the jobs that would be created with this project. She stated this project would bring more people to the area which in turn would enhance economic growth. Ms. Garrett advised that other communities spent money trying to get a facility

such as this one to come to their community. Ms. Garrett asked that Council find a way to help this project because it would greatly benefit the entire community.

Mr. Don Hubble also stated that he wanted to reinforce the comments that had been made regarding potential growth, attracting more people to the area, etc. He also asked that Council support the project.

With no further public comments, a motion was made by Commissioner Pickett to close the public hearing. The motion was seconded by Commissioner Sweeting. Unanimously approved.

Commissioner Pickett stated he had heard many good points presented during the discussion but felt there was also some confusion in reference to the project. He then made a motion to support the project in the amount of \$150,000 toward the installation of water and sewer. Mr. Pickett also stipulated that the Town be reimbursed the \$150,000 should the project not be constructed and for the \$79,000 spent for design work to install water and sewer down to the area and \$27,000 for the administrative work obtaining grants for the project. Commissioner Sweeting seconded the motion.

Commissioner Pickett advised that he came to the conclusion to support the project in the amount of \$150,000 due to money that had already been incurred by the Town. Commissioner Pickett reiterated he was in favor of the project.

Commissioner Phillips stated in the beginning he had been excited about having a post acute-care facility, an extended care facility, clinic and pharmacy, but once he heard that Well Spring was no longer a part of the project he found that to be disturbing. He also voiced concerns he had with the purchase of additional property by ARHC that would either be sold or developed. He had reservations regarding what could potentially be constructed on the property.

Commissioner Phillips said that during previous meetings he had heard that property taxes needed to be increased and money to support the project should be taken from the Town's General Fund and before he spent the taxpayer's money he wanted to make sure it was spent correctly.

Commissioner Phillips then voiced that he felt uncomfortable with the statement that the Town would be reimbursed should the project not be constructed as well as the comment regarding the current hospital facility (with debt) reverting to the Town which he thought sounded like a threat.

Commissioner Phillips stated once the water and sewer lines were installed the Town would have to maintain them; however, his main concern was the Town setting a precedent. He concluded his comments by saying the project started out with an acute care facility, clinic and pharmacy, but now the plans showed an acute care facility with a clinic to be constructed later. He also was concerned about the pharmacy location possibly being changed and the future development on the remaining acreage.

Commissioner Yount commented the reason for public hearings was to allow things to rise and fall on their own merit. Commissioner Yount stated he knew about the good local healthcare and normally he didn't approve of co-mingling government money with private enterprise. However, after speaking with Dr. "Bunky" Davant, he had made an exception because Dr. Davant felt this facility would be advantageous to the Town if for nothing else but to have an Alzheimer's clinic. Commissioner Yount stated he supported the motion made by Commissioner Pickett.

Commissioner Sweeting mentioned there had been some misconception and she wanted everyone to understand that this was not a hospital. She said it was a post-acute care facility with skilled beds only, no intermediate care or an assisted living aspect. She felt that everyone should understand that the Town had helped with the project by writing grants, waiving connection fees, etc. Commissioner Sweeting also advised that she was in support of the project.

Mayor Lawrence commented this project was very important to the community and looking at the long-term perspective, having the facility would far out-weigh any temporary negative aspects. He advised there was an opportunity for an assisted living facility which would pay water/sewer usage fees to the Town. He stated Council would decide what type of development they felt was best for the Town on the remaining property and gave the following example: "If a 100-room hotel was constructed, the Town would receive \$166,000 in connections fees". He also stated there was opportunity for development on the existing facility site which was prime real estate property with exceptional views.

Mayor Lawrence concluded by stating that Council had voted with relative ease to spend approximately \$214,000 to install wrought iron fencing above the walls along Highway 321 that in five years, wouldn't be visible due to vegetation growth. He said Council is having reservations voting in favor of spending these funds on a Post Acute Care Facility.

Commissioner Phillips disputed Mayor Lawrence's comment. Mayor Lawrence reiterated that he had the floor in which to further speak.

Mayor Lawrence further stated he would like to see full support from Council regarding this important project.

Mayor Lawrence then called for a vote on Commissioner Pickett's motion. In favor: Yount, Sweeting, & Pickett. Against: Phillips

Commissioner Matheson reentered the meeting.

## **DISCUSSION AGENDA**

### **1. Board Appointments**

During their 2014 Council Retreat, discussions were held regarding prospective appointments to various volunteer boards. Based upon those discussions, the following volunteer board appointments were proposed for 2014:

- **Planning Board: (Appointments effective March 2014 Meeting)**

David Harwood (reappoint to a 3-year term ending 2017)  
Lisa Stripling (reappoint to a 3-year term ending in 2017)  
Wes Carter (appoint to a 3-year term ending in 2017)  
Genie Starnes (appoint to a 2-year unexpired term ending in 2016)  
Richard Scheurer (appoint to a 2-year unexpired term ending in 2016)

- **Board of Adjustment: (Appointments effective March 2014 Meeting)**

Ron Oberle (reappoint to a 3-year term ending in 2017)  
Charles Davant, III (reappoint to a 3-year term ending in 2017)  
Joe Papa (reappoint as alternate member for a 3-year term ending in 2017)

- **ABC Board:(Appointments effective March 2014 Meeting)**

Susie Greene (reappoint to a 3-year term ending in 2017)

- **TDA (Appointment effective March 2014 Meeting)**

Lianne Mattar (reappoint to a 3-year term ending in 2017)

- **BRAAC (Appointments effective May 2014 Meeting)**

Barbara Wright (honorary member)  
Rita Wiseman (reappoint to a 3-year term ending in 2017)  
Alice Roess (reappoint to a 3-year term ending in 2017)  
Melissa Pickett (appoint to a 3-year term ending in 2017)  
Susan Anderson (appoint to a 3-year term ending in 2017)

Commissioner Pickett asked why the BRAAC appointments were effective in May instead of March. Town Manager Fogleman stated it was due to their first meeting of the season being held in May.

Commissioner Pickett made a motion to approve all nominations as discussed, seconded by Commissioner Matheson. Unanimously approved.

## **2. Hunter's Heros Memorial Run Approval of June 7, 2014 Date, Race Route, and Main Street Closure**

Parks and Recreation Director Jennifer Brown presented a request from Hunter's Heros Memorial Race Committee to hold their 2<sup>nd</sup> annual 5k/10 mile run on Saturday, June 7, 2014. The 5k run would begin at 8:30 a.m. at the Watauga County Sheriff's Department and end at the Boone Police Department. The 10 mile run will also begin at the Watauga County Sheriff's Department and end at the Blowing Rock Police Department. Ms. Brown stated that Town staff would be coordinating with race officials regarding the route, street closure, etc.

Mayor Lawrence reiterated there would be no mega phones or loud music allowed.

Commissioner Yount made a motion to approve the request as presented, seconded by Commissioner Sweeting. Unanimously approved.

## **3. Exhaust Compression Brakes**

Police Captain Aaron Miller spoke regarding various concerns with noise caused by the use of engine compression brakes more commonly known as "Jake Brakes". He stated that several municipalities addressed the issue by local ordinance and he had drafted an amendment to the Town Noise Ordinance in reference to this issue. If Council approved the draft amendment, he would then get in touch with the NCDOT regarding signage.

Commissioner Matheson stated there were vehicles involved with the Hwy. 321 Widening Project that had "Jake Brakes". Captain Miller stated that some "Jake Brakes" were installed on trucks for safety purposes and had to comply with federal regulations.

Commissioner Yount made a motion to approve the amendment as written to the Town's Noise Ordinance, seconded by Commissioner Sweeting. Unanimously approved. **Town Noise Ordinance Amendment – Exhibit F**

## **4. Quail Hollow Repair Bid Award**

Town Engineer Doug Chapman stated the Town had received two (2) bids on February 4, 2014 for the Quail Hollow slide repair. He advised that Waters Brothers Construction of Boone, Inc. was the lowest bid in the amount of \$59,702.17 and that staff recommended acceptance of the bid.

Commissioner Sweeting made a motion to approve the low bid of \$59,702.17 from Waters Brothers Construction of Boone, Inc., seconded by Commissioner Matheson. Unanimously approved.

## **5. Wonderland Trail Roadway Update**

Town Engineer Chapman gave an update regarding the Wonderland Trail slide repair. He advised that McGill Associates in conjunction with the Town had advertised the project for bids in the local newspaper for an amended bid date of February 4, 2014.



He advised this project would require specialty work and several contractors had been notified. According to Mr. Chapman, no bids had been received as of yet on this project.

Mr. Chapman further stated that a canvas of a cross-section of plan holders had been done to determine the reason for lack of bids. Mr. Chapman stated he had since spoken with the contractors who for various reasons had not bid on the project. He also advised another advertisement had been sent and he hoped to have bids for the March Council meeting. Mayor Lawrence asked once the bids were received, how long the work would take. Mr. Chapman responded he hoped the work could be completed in approximately 90 days.

#### **6. Ensemble Stage Request to Consider Former Blowing Rock Fire Station Building as Future Home**

Mayor Lawrence asked Town Attorney Moseley if he should recuse himself from this item due to his wife being president of the Ensemble Stage Board. Mr. Moseley stated he would not be voting on the subject and he felt it would be appropriate for him to remain.

Town Manager Scott Fogleman stated that during the December Council meeting, Council had agreed to have staff begin working with Ensemble Stage to evaluate the feasibility of using the former Blowing Rock Fire Station located on Park Avenue.

During the January Council meeting, a proposal had been presented from Ensemble Stage that included their raising all funding for the capital improvements and bringing design plans back for Council approval prior to moving forward with construction. At that time, Council voted to table the item until they could further discuss the item during their annual retreat.

Town Manager Fogleman stated the item was once again back before Council for approval of a concept to develop a formal lease agreement between the Town and Ensemble Stage to include the aforementioned items as well as a request for Town staff to review monthly the escrow account as well as all invoices pertaining to the project. Mr. Fogleman also stated that Ensemble Stage fully understood they would be responsible for all on-going operating costs for the building, which would also be included in the agreement.

Commissioner Pickett made a motion to approve the request as presented, seconded by Commissioner Matheson. Unanimously approved.

#### **7. American Legion Building Improvement Project Award Rejection and Next Steps**

Town Manager Fogleman stated that previous bids for the American Legion project had been received and were approximately \$212,000 over budget. Council had tabled the issue during their January meeting in order for further discussion during their annual retreat.

Mr. Fogleman advised the item was back before Council in order for them to formally reject all bids as well as propose a fund-raising effort to the community at-large to raise \$200,000 toward this project. He also explained there were time restraints due to the Parks & Recreation grant for \$142,550 that had been received. According to Mr. Fogleman, the additional funds would need to be raised by February 28, 2015 in order to meet the deadline for use of the grant.

Commissioner Phillips made a motion to reject all bids and formally propose a community fund-raising effort for the additional \$200,000 needed for the project. Commissioner Pickett seconded the motion. Unanimously approved.

Commissioner Sweeting stated the bids received were so excessive Council decided to ask the community for help in raising the additional \$200,000. She asked for specifics regarding checks to be written. Mr. Fogleman advised the checks would be made payable to the "Town of Blowing Rock" and placed in an escrow account.

**SPEAKERS FROM THE FLOOR**

None

At this time, Commissioner Sweeting made a motion to enter into Closed Session to discuss a personnel matter, seconded by Commissioner Matheson. Unanimously approved.

**ADJOURN**

At 7:10 p.m. Council reentered their regular meeting and with no further business to discuss, the meeting was adjourned.

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

**ATTEST** \_\_\_\_\_  
Sharon Greene, Town Clerk

**ATTACHMENTS** (02-11-14)

- Tax Release #2013-06 (Meade) – Exhibit A
- Tax Refund #2013-03 (Meade) – Exhibit B
- ABC Store Travel Policy – Exhibit C
- Financial Audit Contract – Combs, Tennant, & Carpenter, P.C. – Exhibit D
- 2013 Tax Advertisement Date Approval – Exhibit E
- Town Noise Ordinance Amendment – Exhibit F