

MINUTES

Town of Blowing Rock

Board of Commissioners

November 18, 2005

The Town of Blowing Rock Board of Commissioners held a special meeting on Friday, November 18, 2005 in the Town Hall boardroom. Present were Mayor J.B. Lawrence, Commissioners Bobby Ball, Keith Tester, Terry Lentz, Rita Wiseman and David Wray. Commissioner-Elect Tommy Klutz was also in attendance. Others in attendance were Town Manager Scott Hildebran, Finance Officer Margaret Pierce and Town Clerk Sharon Greene.

Call To Order

Mayor Lawrence called the meeting to order at 9:00 a.m. and welcomed Town Auditor Billy Combs, CPA to the meeting.

FY 2004-05 Audit

Mr. Combs presented copies of the Town of Blowing Rock Audit for FY 2004-05 to Council. Mr. Combs stated the audit was done in accordance with the Government Accounting Standards. Finding no apparent problems, Mr. Combs proceeded to give a “clean opinion” of the town audit.

FY 2004-05 Audit –Exhibit A

As Mr. Combs was highlighting certain areas of the audit he commended the Town Manager and Finance Director for their hard work during the audit process. He also stated that the Town of Blowing Rock maintained its A3 bond rating for the 4th consecutive year.

He briefly discussed fund balance stating he felt it was going in the right direction with an unreserved balance of \$1,221,365 or 30.9 percent of the total general fund expenditures for the fiscal year, an increase of \$168,000 over prior year. Commissioner Wiseman inquired if it was reasonable to assume that the town should have

double that amount in fund balance in case of emergencies. Mr. Combs stated he felt this was a realistic goal for the town to try and achieve.

Town Manager Scott Hildebran stated that expenditures were higher this fiscal year with the purchase of the Visitor's Center. He also stated that realistically speaking, fund balance could possibly be closer to 45 percent, if the monies set aside for future capital projects were factored into the reserve totals. Commissioner Wiseman requested that Mr. Hildebran get those figures for her review.

Mr. Combs also commended the Town of Blowing Rock's tax department stating that their collection rate of approximately 99 percent was one of the highest in the state.

Concluding the FY 2004-05 Audit Report, Mr. Combs stated it was a very good report and commended the town staff on their efforts.

Council accepted the audit and thanked Mr. Combs for his work.

Water/Sewer Priorities and Concerns

Town Engineer Doug Chapman and Public Works Director Johnny Lentz were on-hand to answer questions and address concerns that Council had on town water and sewer.

Mr. Lentz stated the town had a demand for additional raw water supply. He also said the town now had an approximate usage of 650,000 gallons per day during the peak season.

Mr. Chapman stated that he would have a Water/Wastewater Capital Improvement Plan for Council's review at the 2006 retreat to be held in January.

Town Manager Hildebran stated that several meetings were coming up to discuss additional water supply needs. He then reviewed a water supply issues summary with the Council. It was as follows:

Blowing Rock Water Supply Issues

- The Town of Blowing Rock is in need of additional treated or raw water for its water supply system. The Town currently has a 2 MGD treatment plant, though the raw water source has been limited by the state of North Carolina to 0.4 MGD, during drought conditions. Average demands have been approximately 0.65 MGD, leaving the Town with a deficit of approximately 0.25 MGD. To make up this shortfall and allow for development, the Town of Blowing Rock is in need of an estimated 0.5 MGD of either raw water or treated water.

- A variety of options have been proposed for meeting the additional water supply needs for the Town of Blowing Rock. Options include withdrawing water from Bass Lake, Chetola Lake, downstream along the Middle Fork, or purchasing water from the Town of Boone. Assuming that Boone can develop sufficient water supply, partnering with the Town of Boone for additional treated water to supplement the existing Town of Blowing Rock source appears to be the most viable option. To complete the water system connection between Blowing Rock and Boone, a 12-inch diameter water line is proposed, which would be constructed along US 321 with the necessary pumping station and water storage tank.

- The proposed interconnect along US 321 could be a joint effort between various agencies, with the water service boundary between Boone and Blowing Rock following the existing fire district boundary (near Tweetsie Railroad). All current and future service area south of that division point would become part of the Blowing Rock Water System as water lines are installed. Water service north of the proposed Blowing Rock service area could be provided by Boone.

- Once the Town of Boone has a time line for the development of supplemental water source(s), and can commit the needed water supply to the Town of Blowing Rock, the proposed interconnect should be scheduled in Blowing Rock's Capital Improvement Plan.

- Should Watauga County wish to have water service provided to areas within the Blowing Rock service area, they could provide the needed capital costs for extending the infrastructure once the water moratorium is lifted. Blowing Rock would then maintain the water lines, supply water, and provide customer service. Water rates for customers outside of the Town limits would be based on a factor of the inside customer rates.

- Water service and extensions within the Blowing Rock service area would be subject to approval and acceptance by the Town of Blowing Rock. Zoning and development standards in the service area should be managed.

- An agreement for water purchase from the Town of Boone will need to address certain issues, including, but not limited to the following:

- Rate, and increases in rate.
- Maximum daily capacity, and maximum flow rate.
- Minimum purchase amount, if any.
- Water quality standards.
- Point of water system transition, and metering responsibility.
- Capital cost share proportions.

Commissioner Wiseman made a motion to endorse the summary, seconded by Commissioner Ball. Unanimously approved.

Town Parking Fees

Town Manager Hildebran stated there were only 25 cities nationwide with authorization to establish in-lieu parking funds.

Town Engineer Doug Chapman reviewed with Council various costs in providing parking spaces. He stated there would be room for approximately 55 to 60 spaces in a standard surface lot on the museum property. Mr. Chapman advised spaces would cost around \$5,000 per space, excluding the cost of the property.

Mr. Chapman stated, according to the plans presented to Council earlier in the year, showing the footprint for Edgewood Cottage, the Art & History Museum as well as a parking facility, there would be room for approximately 133 spaces, in a three level facility. The approximate cost would be \$20,000 per space, depending on amenities (excluding the cost of the property).

Commissioner Tester asked if it would be feasible for the town to expand two more levels to the parking facility if only a surface lot was constructed now. Town Engineer Chapman responded that the design could include a phased project. Mr. Tester along with other Council members, felt that \$20,000 per space for newly constructed businesses that could not meet the Town parking requirements would be too expensive. He felt this would have a tremendous impact on future town projects. Commissioner Lentz stated that a moderate fee would help control development in the downtown area.

Mayor Lawrence requested that Council arrive at an initial amount per parking space to be charged. After further discussion, a motion was made by Commissioner Wiseman to charge an initial fee of \$10,000 per space, seconded by Commissioner Lentz. Unanimously approved.

Commissioner Lentz inquired if this money would be designated for parking only. Town Manager Hildebran assured Council the money would be earmarked for parking only. Commissioner Lentz suggested that the town look into the "Holshouser" property located on Hwy. 221 for further parking needs.

Town Manager Hildebran requested that Council set a date to meet regarding an update on the proposed EMS facility. Mr. Hildebran suggested December 1st or December 8th. Council decided to meet Thursday, December 1st at 9:00 a.m. at Town Hall.

At this time Commissioner Wiseman moved that Council go into Closed Session to discuss various personnel issues pursuant to N.C.S.S. 143.318.11 (a)(6) at 10:30 a.m. The session concluded at 10:50 a.m., with no action taken.

The regular meeting reconvened at this time, with no further business to address, Mayor Lawrence adjourned the meeting.

Mayor _____

J.B. Lawrence

Attest: _____

Sharon H. Greene, Town Clerk