



# Town of Blowing Rock

**Date:** Tuesday, September 10, 2019

**Time:** 6:00 p.m.

**Location:** Town Hall, 1036 Main Street,  
Blowing Rock, NC 28605

## Agenda

<i>Item</i>		<i>Present &amp; Participants</i>
<b>I.</b>	<b>CALL TO ORDER</b>	Mayor Charles Sellers
<b>II.</b>	<b>PLEDGE OF ALLEGIANCE</b>	Mayor Charles Sellers
<b>III.</b>	<b>CONSENT &amp; REGULAR AGENDA ADOPTION</b> <b>1. Budget Amendment - #2019-09</b> <b>2. 2020 Census Partnership Resolution</b> <b>APPROVAL OF MINUTES</b> <b>1. August 13, 2019 – Regular Meeting and Closed Session Minutes</b>	Mayor & Council  Mayor & Council
<b>IV.</b>	<b>PUBLIC COMMENTS... <i>comments shall be limited to three (3) minutes</i></b>	Public
<b>V.</b>	<b>BUSINESS MATTERS:</b> <b>1. Public Art Request (Melissa Pickett – Blowing Rock Inn)</b> <b>2. Financing for Capital Items</b> <b>3. Financial Report</b> <b>4. Ad Hoc - Update</b>	Parks & Rec Director Jennifer Brown  Finance Officer Nicole Norman Finance Officer Nicole Norman Planning Director Kevin Rothrock
<b>VI.</b>	<b>OFFICIALS REPORTS &amp; COMMENTS:</b> <b>a. Mayor</b> <b>b. Council Members</b> <b>c. Town Attorney</b> Town Manager	Mayor Charlie Sellers Council Members Alan Mosley Shane Fox

<b>VII.</b>	<b>5. CLOSED SESSION... <i>None</i></b>	
<b>VIII.</b>	<b>d. ADJOURNMENT/RECESS...<i>Mayor Charles Sellers entertains a motion and second to adjourn or recess the meeting.</i></b>	



# Town of Blowing Rock

1036 Main Street ★ Post Office Box 47 ★ Blowing Rock, NC 28605

To: Shane Fox, Mayor Sellers, and Members of Town Council  
From: Nicole Norman, Finance Officer  
Subject: Budget Amendment Ordinance to Account for Various Items  
(Ordinance #2019-09)  
Date: September 10, 2019

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Enclosed please find a Budget Amendment Ordinance for the fiscal year 2019-2020 for your consideration.

**Section 1 (General Fund)** is to appropriate and transfer funds donated or previously received that reverted into fund balance towards a PD Memorial Project Reserve.

**Section 2 (General Capital Projects Fund)** is to complete the transfer of funds donated or previously received towards a PD Memorial Project Reserve.

This section also closes exiting budgets for projects completed and closed in the FY 2018-19 audit.

Please let me know if you need further details on the proposed amendment.

2019-2020  
Budget Amendment Ordinance 2019-09

Be it ordained by the Town Council of the Town of Blowing Rock, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020:

**Section 1. To amend the General Fund, the appropriations are to be changed as follows:**

<u>Acct. No.</u>		<u>Current Appropriation</u>	<u>Decrease</u>	<u>Increase</u>	<u>Proposed Appropriation</u>
10-00-4200-505	Transfer to Capital Projects	\$ 27,843	\$ -	\$ 750	\$ 28,393
			<u>\$ -</u>	<u>\$ 750</u>	

This will result in a net increase of \$750 in the appropriations of the General Fund. As a result, the following revenue will be increased.

<u>Acct. No.</u>		<u>Current Appropriation</u>	<u>Decrease</u>	<u>Increase</u>	<u>Proposed Appropriation</u>
10-00-3400-399	Fund Balance Appropriation	\$ 133,700	\$ -	\$ 750	\$ 134,450
			<u>\$ -</u>	<u>\$ 750</u>	

**Section 2. To amend the General Capital Fund, the appropriations are to be changed as follows:**

<u>Acct. No.</u>		<u>Current Appropriation</u>	<u>Decrease</u>	<u>Increase</u>	<u>Proposed Appropriation</u>
20-80-5000-408	G.O. New Roof & Windows for P&R Building	\$ 60,000	\$ 60,000	\$ -	\$ -
20-80-5000-401	G.O. Davant Field:Pave Track, Gravel Parking	\$ 146,140	\$ 146,140	\$ -	\$ -
20-80-5000-442	G.O. Broyhill Park Drainage Pipe-Remaining	\$ 7,295	\$ 6,437	\$ -	\$ 858
20-80-5000-406	G.O. Pavers in Memorial Park Picnic Shelter	\$ 5,710	\$ 5,710	\$ -	\$ -
20-80-5000-450	Town Hall Retaining Wall (NC Funded)	\$ 20,860	\$ 20,860	\$ -	\$ -
20-80-5000-451	Memorial Park Picnic Shelter Area Imp. (NC Funded)	\$ 47,060	\$ 47,060	\$ -	\$ -
20-00-5000-568	Memorial Park Tree Replacements-Phase I	\$ 90,000	\$ 90,000	\$ -	\$ -
20-80-5000-600	Broyhill Park Improvements	\$ 64,755	\$ 64,755	\$ -	\$ -
20-80-5001-444	G.O. Lower BB Court- Issue II	\$ 49,491	\$ 49,491	\$ -	\$ -
20-20-5001-420	G.O. Carriage Trail- Issue II	\$ 32,309	\$ 32,309	\$ -	\$ -
20-20-5001-405	G.O. Repaving Town Streets- Issue II	\$ 1,341,462	\$ 411,780	\$ -	\$ 929,682
20-20-5001-419	G.O. Future Sidewalks- Issue II	\$ 3,562	\$ 3,562	\$ -	\$ -
20-20-5000-350	Laurel Ln. Flood Repair- Phase I- Construction	\$ 44,000	\$ 41,000	\$ -	\$ 3,000
20-20-5000-351	Laurel Ln. Flood Re.-Phase I- Geo Tech.	\$ 8,500	\$ 6,736	\$ -	\$ 1,764
20-20-5000-427	Park Ave. Curb., Storm Water & Sidewalk	\$ 123,250	\$ 115,096	\$ -	\$ 8,154
20-20-5000-600	Hwy. 321 Betterments	\$ 21,500	\$ 21,500	\$ -	\$ -
20-20-7000-000	Sunset/Cornish Ddrainage Rep. Const. (G.O.)	\$ 34,906	\$ 30,116	\$ -	\$ 4,790
20-20-7000-001	Sunset/Cornish Drain Rep. Engineering (G.O.)	\$ 8,000	\$ 8,000	\$ -	\$ -
20-10-3400-250	PD Memorial Project Donatons	\$ 1,250	\$ -	\$ 1,250	\$ 2,500
			<u>\$ 1,160,552</u>	<u>\$ 1,250</u>	

This will result in a net decrease of \$1,159,302 in the appropriations of the General Capital Fund. As a result, the following revenue will be reduced.

<u>Acct. No.</u>		<u>Current Appropriation</u>	<u>Decrease</u>	<u>Increase</u>	<u>Proposed Appropriation</u>
20-80-3400-000	Parks G.O. Bond Authority	\$ 268,664	\$ 236,207	\$ -	\$ 32,457
20-00-3400-450	NC Downtown Revillization Grant	\$ 50,000	\$ 50,000	\$ -	\$ -
20-00-3400-331	Transfer from General Fund	\$ 1,286,488	\$ 279,087	\$ -	\$ 1,007,401
20-00-3400-600	Broyhill Foundation Grant	\$ 60,000	\$ 60,000	\$ -	\$ -
20-80-3400-001	Park G.O. Bond Ref. Authority- Issue II	\$ 129,041	\$ 49,491	\$ -	\$ 79,550
20-20-3400-001	Transportation GO Bond Ref Authority- Issue II	\$ 1,628,459	\$ 35,871	\$ -	\$ 1,592,588
20-20-3400-000	Transportation G.O. Bond Authority	\$ 615,613	\$ 449,896	\$ -	\$ 165,717
20-10-5000-615	PD Memorial Project Reserve	\$ -	\$ -	\$ 1,250	\$ 1,250
			<u>\$ 1,160,552</u>	<u>\$ 1,250</u>	

2019-2020  
Budget Amendment Ordinance 2019-09

Section 3. Copies of this budget amendment shall be furnished to the Clerk to the Town Council and to the Finance Officer for their implementation.

Adopted this 13th day of August, 2019.

Attested by:

\_\_\_\_\_  
Charles Sellers, Mayor

\_\_\_\_\_  
Hilari Hubner, Town Clerk



## 2020 Census Partnership RESOLUTION

**WHEREAS** the U.S. Census Bureau is required by the U.S. Constitution to conduct a complete count of the population and provides a historic opportunity to help shape the foundation of our society and play an active role in American democracy;

**WHEREAS** the Town of Blowing Rock is committed to ensuring every resident is counted;

**WHEREAS** federal and state funding is allocated to communities, and decisions are made on matters of national and local importance based, in part, on census data and housing;

**WHEREAS** census data help determine how many seats each state will have in the U.S. House of Representatives and are necessary for an accurate and fair redistricting of state legislative seats, county and city councils and voting districts;

**WHEREAS** information from the 2020 Census and American Community Survey is vital for economic development and increased employment;

**WHEREAS** the information collected by the census is confidential and protected by law;

**WHEREAS** a united voice from business, government, community-based and faith-based organizations, educators, media and others will enable the 2020 Census message to reach more of our residents;

**WHEREAS** the Census count requires extensive work, and the Census Bureau requires partners at the state and local level to insure a complete and accurate count;

**WHEREAS** the Town of Blowing Rock and its appointed Complete Count Committee will bring together a cross section of community members who will utilize their local knowledge and expertise to reach out to all persons of our community;

Now, therefore, **BE IT RESOLVED** that the Town of Blowing Rock is committed to partnering with the U.S. Census Bureau and the State of North Carolina and will:

1. Support the goals for the 2020 Census and will disseminate 2020 Census information;
2. Encourage all County residents to participate in events and initiatives that will raise

- the overall awareness of the 2020 Census and increase participation;
3. Provide CCC members and Census advocates to speak to County and Community Organizations;
  4. Support census takers as they help our County complete an accurate count; and,
  5. Strive to achieve a complete and accurate count of all persons within our borders.

Adopted at Blowing Rock North Carolina this 10 day of September 2019.

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Charlie Sellers, Mayor

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Hilari Hubner, Town Clerk

**Draft**  
**MINUTES**  
**Town of Blowing Rock**  
**Town Council Meeting**  
**August 13, 2019**

The Town of Blowing Rock Town Council met in regular session on Tuesday, August 13, 2019, at 6:00 p.m. The meeting took place at Town Hall located at 1036 Main Street, Blowing Rock, N.C. Present were Mayor Charlie Sellers, Mayor Pro-tem Albert Yount and Council Members Jim Steele, Sue Sweeting, Doug Matheson and Virginia Powell. Others in attendance were Town Manager Shane Fox, Town Attorney Allen Moseley, Town Engineer Doug Chapman from McGill Associates, Interim Public Works and Utilities Director Matt Blackburn, Interim Police Chief Aaron Miller, Planning Director Kevin Rothrock, Building Inspector John Warren, and Town Clerk Hilari Hubner who recorded the minutes.

**CALL TO ORDER**

Mayor Sellers called the meeting to order at 6:00 p.m. and welcomed everyone.

**THE PLEDGE OF ALLEGIANCE**

**REGULAR AGENDA ADOPTION**

Council Member Steele made a motion to adopt the agenda, seconded by Council Member Powell. Unanimously approved.

**CONSENT AGENDA**

Martha J. Sumrell Tax Release **Tax Release #2018-12 – Attachment A**

Council Member Sweeting made a motion to approve consent agenda as presented, seconded by Council Member Matheson. Unanimously approved.

**MINUTE APPROVAL**

Council Member Matheson made a motion to approve the minutes from the July 9, 2019 Regular Council Meeting, seconded by Council Member Powell. Unanimously approved.

**SPEAKERS FROM THE FLOOR**

Mr. Greg Tarbutton with Chetola Resort thanked Mayor and Council for allowing him to speak. He explained he wanted to talk about a topic that hasn't been addressed which is the "power grab" the world's largest short rental company is doing. He believes, like many others, that the people who should be making decisions on the rules, regulations and zoning for the Town of Blowing Rock are the Council Members. Mr. Tarbutton advised this has become an issue around the world and the Council was entrusted by the people to make decisions and this power is unjustly been seized. His suggestion is this board get together with the North Carolina Association of Mayors, North Carolina Municipal Association, North Carolina Commissions Association and petition our state



46 and federal representatives to seek a national consensus that states firmly that the power  
47 to regulate cities, towns and villages belongs to the officials the people have elected.

48  
49 Mayor Sellers thanked Mr. Tarbutton for his input.

50  
51 **PRESENTATION**

52 Maurice Ewing gave a presentation for a benefit event that will be held on September 21<sup>st</sup>  
53 at the Broyhill Equestrian Preserve.

54  
55 **PUBLIC HEARING**

56 Planning Director Kevin Rothrock advised Lisa Harris, Paul Armbruster, Patsy Ebert,  
57 Cherry Point Properties, LLC, Dennis Dagenhardt and Andrew Allison are requesting a  
58 conditional rezoning of their three properties from R-15, Single-family to CZ-R-6M, Multi-  
59 family with a short-term Overlay District. The applicants are requesting the zoning change  
60 with the overlay district to allow short-term rental.

61  
62 The Applicant has provided conditions and stipulations for short-term rentals that would  
63 be conditions of the rezoning if approved.

64  
65 Other specific conditions in the ordinance include:

- 66 • Limited property uses to single-family with short-term rental allowed.
- 67 • Can use setback standards of R-6M, 25 ft street setback and 8 ft sides and rear.
- 68 • All parking spaces must be provided for each bedroom to be rented.
- 69 • 911 Addresses posted to meet Town Code.
- 70 • Construction authorized through zoning permits.

71  
72 The Applicant Proposed Conditions:

- 73  
74 • A zoning permit must be initially obtained for each dwelling unit that is to be rented  
75 for a minimum weekly or 7-night period. The zoning permit for Hybrid medium term  
76 (7 night) rental must be renewed annually through the Planning and Inspections  
77 office by paying any required fee and requesting and inspection. The permit is not  
78 valid until a satisfactory inspection is completed.
- 79 • A local contract person and/or management company must be listed and available  
80 to respond to complaints or emergencies within two hours.
- 81 • Sufficient off-street parking must be provided for each bedroom to be rented. The  
82 parking space must meet the minimum dimensional requirements in Section 16-  
83 20.6
- 84 • Adequate trash and recycling containers must be provided. Collection containers  
85 should be kept in a discreet location or in an enclosure bin. The bin must meet  
86 minimum design standards defined in the Town code (ex. Placed in opaque  
87 screening bins at least four feet high etc. Because of the sensitive nature of the  
88 Hybrid Zone which includes residential residences, trash must necessarily be  
89 removed after each tenant or on a weekly basis if tenants are staying more than  
90 seven (7) days. In addition, it is recommended that guests are aware that they can  
91 call for additional trash removal if needed by contracting the owner/property

- 92 manager by phone or text. This would be a private trash pick up and not the  
93 responsibility of the regular Town trash pickup.
- 94 • The dwelling unit must be equipped with operable smoke and carbon monoxide  
95 detectors consistent with the NC Building Code. Fire extinguishers must be placed  
96 in a obvious location near each kitchen, fireplace or wood stove and on each floor  
97 of the residence.
  - 98 • The 911 address must be posted on the front of the house of dwelling unit with 3.5-  
99 inch reflective numbers (six (6) inch reflective number if commercial or multi-family)  
100 or on the property according to Section 7-17 of the Town Code. The 911  
101 addresses must be clearly posted in the interior of the dwelling unit to notify tenants  
102 in case of emergency. Other emergency numbers for the fire department and  
103 police.
  - 104 • Permits may be revoked upon repeated substantiated complaints resulting in  
105 violations of the Town Code rented as to noise, trash, pets, parking etc. If the  
106 Town receives three (3) complaints within one year that lead to violations of the  
107 Town Code, the permit may be revoked for a period of one (1) year.
  - 108 • Occupancy taxes must be paid in a timely manner on a monthly basis and are due  
109 by the 20<sup>th</sup> of each month after the occupancy by the tenants.
  - 110 • No parties, excessive noise or events of any kind are allowed.
  - 111 • In order to maintain property values the new Conditional Hybrid Zone medium term  
112 rental has to be kept and maintained to the highest condition in terms of  
113 maintenance of the property both inside and out.
  - 114 • Maximum occupancy will be determined by the amount of bedrooms and is not to  
115 exceed the number of tenants that can be housed in beds/sofa beds. No additional  
116 temporary bedding including air mattresses etc., are allowed. "Pack and Play's:  
117 provided by the guests are permitted for toddlers or infants to provide temporary  
118 sleeping arrangements.
  - 119 • Damage insurance including property and liability insurance must be maintained  
120 on the property of the safety of both tenants and landlord.
  - 121 • A signed lease agreement will be obtained for each tenant, as well as guests  
122 background information such as driver's license and current status/ratings as  
123 provided by VRBO.
  - 124 • Minimum rental age is 27 years.

125  
126 Mayor Sellers asked Mr. Rothrock if the 27 years old stipulation could be enforced. Mr.  
127 Rothrock advised it's a condition proposed by the applicant. Council Member Sweeting  
128 asked if a parent could rent the property under their name for someone under the age  
129 requirement. Mr. Rothrock advised that would be a question for the applicant.

130  
131 Council Member Matheson asked Town Attorney Alan Moseley if he had reviewed the  
132 applicant's conditions. Mr. Moseley advised he had and felt the 27-year-old age  
133 requirement might be difficult to enforce, but it's the property owners' condition.

134  
135 Council Member Matheson asked Mr. Moseley what would happen if the property sold.  
136 Mr. Moseley explained the conditions will be recorded at the register of deeds office and

137 will run with the property. He further advised a new owner would not be required to rent  
138 the property, but if they did these conditions would still be in effect.

139

140 Mayor Pro-Tem Yount commented if the property owner doesn't like what the rules are,  
141 they should not have bought the property.

142

143 Mayor Pro-Tem Yount asked Mr. Rothrock if this property was basically a hybrid. Mr.  
144 Rothrock advised he would call it that. Conditional zoning you have some lead way with  
145 how you define it. He explained this is a zoning district in its own. Mayor Pro-Tem Yount  
146 further asked if Council was on solid ground to prove a hybrid. Mr. Rothrock restated this  
147 is a zoning district in itself and any conditions the owners impose are enforceable. Mayor  
148 Pro-Tem Yount asked if it was legal and Town Attorney Moseley advised it was.

149

150 Council discussed hypothetical options for other areas and asked Mr. Rothrock if they  
151 could make the same request if they wished too. Mr. Rothrock advised if it were unique  
152 enough.

153

154 Mr. Rothrock advised this property is unique because it is separated by a US Highway,  
155 it's adjacent to other R6 zoning with a restaurant and across the street is a country  
156 club/fitness center.

157

158 Council further discussed some hypothetical scenarios with other areas requesting similar  
159 conditions to their properties.

160

161 Town Attorney Moseley reiterated if approved these conditions would be recorded with  
162 the register of deeds and anyone doing title work on this property will find this when they  
163 search the title for the property.

164

165 Council Member Powell advised Council would be giving the property owners something  
166 special if they were to give them this. She further advised the property owners knew  
167 when they bought the property this wasn't allowed.

168

169 Mayor Sellers asked Mr. Rothrock to state again for the record what makes this property  
170 unique.

171

1. Bordered by a four lane US Highway
- 172 2. The rear of the property is bordered by 300 acers of vacant, difficult to develop  
173 land
- 174 3. The properties are adjacent to existing R6M zoned property with a restaurant
- 175 4. Across the street from other R6M zoned property where the country club is  
176 located along with some other multi-family uses in that corridor
- 177 5. On the west side it is bordered by a piece of property that DOT owns

178

179 Mr. Rothrock advised these are some of the major elements that make this property  
180 unique.

181

182 Council Member Powell asked Mr. Rothrock to remind how many people that were caught  
183 renting illegal when the letters went out and how many neighbors were in support. Mr.  
184 Rothrock advised six appealed to Board of Adjustment. Applicants Lisa Harris and Paul  
185 Armbruster were in violation, appealed to Board of adjustment and lost their appeal. Mr.  
186 Rothrock advised the applicant this was the only other step he could think might work.

187  
188 Mayor Sellers asked for Public comment.

189  
190 The applicants Mr. Armbruster and Ms. Harris advised when they started the process  
191 some of the other homeowners around them wanted to join in and rent their homes. Mr.  
192 Armbruster advised their home is a high-end home and is priced for an older, matured  
193 renter. He further advised they are very strict on how their rental process is run and that  
194 they have a 5-star rating on VRBO.

195  
196 Ms. Harris advised they are currently renting 28 days and are doing very well. She stated  
197 they maintain their property and their property value. Ms. Harris further stated they  
198 wanted to be good stewards of the Village and do the right thing. Ms. Harris explained  
199 they wanted to allow the opportunity for people to enjoy the Village.

200  
201 Ms. Neal Orgain 181 The Pines advised she lives right across the street from these  
202 properties. She further advised her, and her husband are very much opposed to the  
203 rezoning of these properties. Ms. Orgain explained when they bought ten (10) years ago  
204 they were trying to be in the Blowing Rock community. She further explained Hwy 321 is  
205 the gateway to Blowing Rock and allowing rental properties causes an uncertainty of who  
206 may rent those properties.

207  
208 Ms. Orgain advised the proposed area is not big enough for that many cars, having cars  
209 go in and out though out the day etc. She further advised a 28-day renter is going to treat  
210 the property more like a home while a short-term renter could bring anything. Ms. Orgain  
211 stated she was very concerned allowing short term rental to that area could cause her  
212 property value to decrease. She concluded the Town made the decision a while ago for  
213 the 28-day rentals and although the state could make a decision to change, she felt it was  
214 best to leave it the way it is currently.

215  
216 Lynda Lasseter 559 Morningside Drive advised she thought Council Member Steele had  
217 made some good points. She stated, in her opinion, this could open a huge can of worms  
218 if this were to be allowed. Ms. Lasseter further stated she felt this would cause a wave  
219 of people to come before Council wanting other areas to be looked at for short term rentals  
220 as well. Ms. Lasseter restated she didn't think this should be allowed.

221  
222 Karen Herterich 1930 Main Street stated in 1986 when she first came to Blowing Rock on  
223 vacation she rented one of these five parcels. Ms. Herterich advised she would like to  
224 speak in favor of these five (5) properties. She explained these properties, in her opinion,  
225 have a different set of rules that wouldn't be found in any other location in Town. These  
226 properties have unique features and doesn't feel that allowing these five (5) parcels to

227 rent short term would start a "revolution" of people wanting short term rentals in their  
228 neighborhoods.

229

230 Ms. Herterich stated people rent and then they buy. She further stated families don't want  
231 to stay in a hotel, they want to be able to have access to a kitchen and the amenities of  
232 home. Ms. Herterich explained the average collage kid doesn't want to rent in Blowing  
233 Rock. She further explained she lives in Charleston in the winter months and stated "you  
234 haven't lived until you have been near the short-term rentals of Charleston" with the  
235 hundreds of bachelor/bachelorette parties". She further stated she has been able to see  
236 both sides. Ms. Herterich explained people don't take month long vacations anymore  
237 most only have time for a week-long vacation. Ms. Herterich restated she didn't see  
238 allowing short term rentals in this area starting a "revolution".

239

240 Ms. Herterich commented that she wasn't sure what exactly the rules were regarding  
241 recusal and conflict of interest with voting but knew that Council Member Powell owns a  
242 short-term rental. Mayor Sellers explained the law regarding conflict of interest.

243

244 Mr. Tyler Bryson 168 Hilltop Way advised he wanted to speak to the comment of people  
245 buying these properties and knowing what it was zoned at the time of purchase. He asked  
246 Mr. Rothrock what the little white church at the end of Skyland Drive was zoned and what  
247 it is currently zoned. Mr. Rothrock advised it was zoned R15 and is now zoned conditional  
248 zoning, general business restricted to office use. Mr. Bryson advised this property is  
249 adjacent to neighborhoods, he understood the people's concerns, but there is a highway  
250 in front and a cliff in the back of the property. Mr. Bryson further advised there will be a  
251 different cliental renting these properties. Mr. Bryson advised for these five (5) properties  
252 he was in favor, he didn't think it would hurt the neighborhoods or the Town. He  
253 concluded by saying "what's it going to hurt".

254

255 Council Member Powell advised her, and her family just returned from a trip to Yellow  
256 Stone. She explained they drove into the park through Jackson Hole, Wyoming and drove  
257 out into West Yellow Stone, Montana. With this they had two very different experiences,  
258 and explained her feeling was that like Blowing Rock it's due to planning. Blowing Rock  
259 is keeping its small town, village feel because of the zoning and planning rules. She  
260 stated Blowing Rock does have new short-term rental properties and she does own one  
261 of them. Her property is zoned for short term rentals, that is allowed and always has been,  
262 they knew when they purchased the property and therefore, they will never have to come  
263 before Council and make the request. She advised there are other properties that have  
264 been renovated and have become short term rental properties recently but are in areas  
265 where short term rentals are allowed. Council Member Powell advised the Town has  
266 "new inventory" where short term rentals are allowed, and the Town is not hurting for short  
267 term rentals in her opinion. She further advised the town has plenty of short-term rentals  
268 and named off all the hotels located in town. She restated the town is not hurting for  
269 inventory. Council Member Powell explained the applicant's stated they are having no  
270 issues renting for 28 days or more. In her opinion this is not needed and didn't feel it was  
271 fair to other property owners as it would take away from properties that are currently  
272 allowed to rent their properties short term legally.

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Mayor Pro-Tem Yount asked Mr. Rothrock if the Planning Board had been presented all the information. Mr. Rothrock advised they had received everything Council received in their packet. Mayor Pro-Tem Yount further advised currently there are between 130 to 140 short term rental properties in town.

Council Member Matheson made a motion to close the Public Hearing, seconded by Council Member Sweeting. Unanimously approved.

Council Member Sweeting made a motion to deny the request for short term rentals on the five (5) parcels, seconded by Council Member Powell.

Discussion:

Council Member Steele stated a lot of things have changed in ten (10) years. The road use to be two (2) lanes and now is four (4) lanes. When the owners purchased their houses that wasn't an issue of whether or not they were going to rent or not, but over the past four or five years this is what the town has given them. He stated he concurred with others that this area has changed, and these property owners would like to have more flexibility to do what they wish with their property, but also they don't want to hurt anyone. Council Member Steele further stated he has not heard anyone say or demonstrate how these property owners having flexibility will hurt anyone. He hasn't heard any negative, but the positive he has heard is that if these properties can rent short term that is a source of revenue for the town. Council Member Steele reiterated this area is changing and if Council denies this he didn't understand what grounds they would be doing so because even if it's said that the Council will be setting a precedence he isn't sure where else on 321 where R15 could be.

Council Member Sweeting answered across the street and that she felt it would be setting a precedence and that others from there all the way down near Green Park Inn could decide to make the same request and that she felt it would be opening a huge can of worms to allow.

Council Member Steele advised he didn't understand how Council Member Sweeting could say that, she advised she was just stating her opinion as he did.

Council Member Steele and Sweeting discussed further.

Mr. Rothrock advised this is a unique and that Planning Board had stated the same thing in their recommendation.

Council Member Steele advised every time he makes a decision like this he the looks at the four stake holders of this town (people that live here full time, people that are seasonal residences, people who are visitors and business owners) and what impact the decision is going to have on them.

319 Council Member Sweeting advised these property owners can currently rent for a week  
320 at a time now, but they just can't rent again for 28 days if they were to do that. She  
321 explained in her opinion making this change would cause more trash, recycling, signage  
322 etc.

323  
324 Council Member Matheson advised he felt the applicants had some great ideas on the  
325 proposed conditions. He explained the issue he had with the whole thing is he worried  
326 that allowing this would set a precedent. He further explained the negative impact he  
327 sees is hurting the property owners who are already renting their properties where it is  
328 allowed.

329  
330 Mayor Sellers thanked Planning Board for their hard work and advised he would like to  
331 see more people go to the Planning Board meetings and speak.

332  
333 Mayor Pro-Tem Yount asked Town Clerk Hilari Hubner to repeat the motion. Ms. Hubner  
334 repeated: Council Member Sweeting made a motion to deny the request for short term  
335 rentals on the five (5) parcels, seconded by Council Member Powell. Mayor Pro-Tem  
336 Yount asked for the Council to be polled. For the motion: Council Members Sweeting,  
337 Powell, Matheson and Mayor Pro-Tem Yount. Against the motion Council Member  
338 Steele. Motion passed.

339

#### 340 **AGENDA ITEMS:**

341

##### 342 **1. Budget Amendment - #2019-08**

343 Interim Public Works Director Matt Blackburn presented a proposed budget amendment  
344 to appropriate fund balance to complete drainage improvements associated with the  
345 Laurel Lane Drainage Improvement project proposed by the Public Works Department.  
346 Mr. Blackburn advised he suggested Council accept the bid from the lowest bidder, Tri-  
347 County paving in the amount of \$13,679.88.

348

349 Council Member Matheson stated in the near future he would like Mr. Blackburn to  
350 consider putting a guard rail in that location. Mr. Blackburn advised he was ready to order  
351 materials but backed off to wait and fix the drainage issue first.

352

353 Council Member Steele made a motion to approve the budget amendment, seconded by  
354 Council Member Matheson. Unanimously approved. **Budget Amendment #2019-08 –**  
355 **Attachment B**

356

##### 357 **2. South Side of Park Avenue Three Hour Parking – Discussion**

358 Manager Fox advised there have been past discussions regarding Park Avenue on the  
359 North and South side. He further advised a side walk was constructed recently on the  
360 South side. The discussion to be had is whether to limit parking to three (3) hours, which  
361 is currently only on the North side, to also be on the South side.

362

363 Council Member Matheson stated he liked leaving it the way it currently is. For several  
364 reasons; it's a catch all place, a lot of schools and churches use it to park and access the

365 picnic area & park, staging area for tour buses, overflow for employees. He reiterated he  
366 liked it to be a catch all.

367  
368 Council Member Sweeting advised employees are parking there and blocking it for  
369 businesses. She was thinking more for businesses to have access for the customers.  
370 She explained when she drives by in the morning the back-parking lot is empty and  
371 employees are parked on the street and felt they could be encouraged to use the back-  
372 parking lot as well as behind the old fire department. Council Member Sweeting advised  
373 she didn't know about the buses.

374  
375 Council Member Steele advised the whole parking issue needs to be addressed at a  
376 meeting and not continue to be piece milled. He further advised he agreed with Doug  
377 about leaving that parking area for the buses.

378  
379 After brief discussion it was the consensus of Council to table the discussion until the  
380 January Town Council Retreat.

381

### 382 **3. Financial Report**

383 Manager Fox gave the Financial report for July 2019. Council had no questions or  
384 concern.

385

386

### 387 **OTHER BUSINESS**

- 388
- 389 • Mayor Sellers – Thanked Public Works for their hard work repairing the  
390 numerous broken pipes they have had to endure. He further thanked all Town  
391 staff for all their hard work they demonstrate on a daily basis.
  - 392 • Mayor Pro-Tem Yount – This short-term rental thing is trying to spin out of control  
393 nationally. The way he looks at it is it's a quality of life issue.
  - 394
  - 395 • Council Member Steele – The Town has to keep the ambiance and the culture  
396 intact because that is what people come to Blowing Rock for. Important to stay  
397 on top of the legislators.
  - 398
  - 399 • Council Member Sweeting - Currently a group in North Carolina Real Estate and  
400 online companies that are trying to have language that would allow short term  
401 rentals everywhere. Continued efforts to fight it and asked if anyone who would  
402 like to oppose it continue to call and email local Representatives. They have  
403 already pulled the bill twice but continue to let them know if you are opposed to it.
  - 404
  - 405 • Council Member Matheson – the shuttle has had 220 riders the month of July.
  - 406
  - 407 • Council Member Powell – Thanked Manger Fox for the weekly updates, they are  
408 very informative and very much appreciated. Thanked the Town for their



409 assistance with getting the drain cover fixed at the school. Should hopefully fix  
410 the issue they have been having.

411 Manager Fox briefed Council on the following:

- 412 • Announced promoting Police Captain Aaron Miller to Police Chief and promoting  
413 Interim Public Works Director Matt Blackburn to Public Works Director.

414 Council took a ten-minute recess.

415 **EXECUTIVE SESSION**

416 At 8:00 p.m. Council Member Steele made a motion to go into closed session under  
417 NCGS 143-318.11(a)(5) – discussion of potential property acquisition and NCGS 143-  
418 318.11. (a)(3) – attorney-client privilege, seconded by Council Member Matheson. At  
419 9:00 p.m. Council Member Sweeting made a motion to return to open session, seconded  
420 by Council Member Powell.

421

422 **ADJOURNMENT**

423 There being no further business to discuss, Council Member Sweeting made a motion to  
424 adjourn at 9:00 p.m., seconded by Council Member Powell. Unanimously approved.

425

426

427 **MAYOR** \_\_\_\_\_  
428 **Charlie Sellers**

**ATTEST** \_\_\_\_\_  
**Hilari Hubner, Town Clerk**

429

430

431 **ATTACHMENTS**

432 **Tax Release #2018-12 – Attachment A**

433 **Budget Amendment #2019-08 – Attachment B**

434

# Town of Blowing Rock

## Request for Council Action

---

FROM: Jennifer Brown, Director of Parks & Recreation  
SUBJECT: Public Art Request 2019-3  
TO: Town Council  
DATE: September 10, 2019  
REQUESTED BY: Blowing Rock Appearance Advisory Commission

---

Public Hearing  Yes  No  Not required  NA  
Properly Advertised  Yes  No  Not required  NA

### BACKGROUND:

The Blowing Rock Inn is requesting to install a 72" by 20" sculpture in their flower bed beside their gazebo. The sculpture is a wood frame that is covered with rusted tin roofing and is in the shape of a Triquetra Knot.

BRAAC approved the installation of the sculpture during their September meeting that was held on September 5<sup>th</sup>.

### ATTACHMENTS:

1. Art Application
2. Information about the Artist and Sculpture
3. Pictures of Sculpture and Proposed Location

## RESOLUTION ESTABLISHING A PUBLIC ART POLICY

**WHEREAS**, the Town Council of Blowing Rock believes that that a public art policy is important to the social, cultural and economic health and vitality of the Town of Blowing Rock;

**WHEREAS**, the Town Council wishes to create and establish a policy which will encourage the creation and installation of public art in Blowing Rock, through both public and private initiatives;

**WHEREAS**, the 2014 Comprehensive Plan Update prioritized the development of a “plan for the installation of public art throughout the community, with a particular emphasis in areas along major corridors through town and in the downtown area”;

**WHEREAS**, approximately 500 state, county and municipal public art programs have been adopted in the United States, including multiple programs throughout North Carolina; and

**WHEREAS**, a transparent policy for administering the public art process, including procedures for the review and selection of public art works by qualified members of the community, and the recommendation of such works to the Town Council, will foster quality public art installations in Blowing Rock;

**NOW THEREFORE, BE IT RESOLVED**, that the Town Council of the Town of Blowing Rock does hereby adopt the following Public Art Policy:

1. DEFINITIONS.

A. "Public Art" is hereby defined as:

- i. single edition, original visual art including, but not limited to, sculptures, murals, photographic renderings, and mosaics, installed on a permanent basis in spaces which are visible from public streets and pedestrian walkways, free of any admission fee; and
- ii. single edition, original visual art installed on a temporary basis, for a period of not less than three months, nor more than eighteen months, in public spaces designated as public art exhibition areas for temporary installations, free of any admission fee.

B. Designated spaces for public art installations generally shall include Memorial Park, Broyhill Park, Annie Cannon Park, the Main Street corridor, the Laurel Lane corridor, the Sunset corridor, the Valley Boulevard corridor, areas adjacent to BRAHM, areas adjacent to the American Legion building, and such other areas as may be designated, from time to time, by the Town Council. Specific locations for public art, within these general areas, shall be recommended by the Blowing Rock Appearance Advisory Commission (BRAAC) as part of its recommendations, from time to time, of specific public art works to the Town Council.

C. Recommendations of BRAAC to the Town Council shall provide whether the recommended public art work shall be considered temporary (as defined above), or permanent. Permanent is hereby defined as the expected useful life of the structure comprising the public art work. If the work does not have a structure, permanent shall mean 25 years.

2. PROGRAM ADMINISTRATION.

- A. The Town Council shall appoint BRAAC members who shall administer the Public Art Policy and make recommendations to the Town Council, regarding proposed public art works.
- B. In the event a member of BRAAC shall desire to submit a public art work created by such member, then, prior to such submission, such member shall abstain from input on the decision.
- C. BRAAC shall have the following responsibilities, in addition to other responsibilities designated, from time to time, by the Town Council:
  - i. to solicit proposals for public art works for Blowing Rock from qualified artists, utilizing established public art processes;
  - ii. to review and consider all public art works proposed by any individuals or entities which are to be located in Blowing Rock, taking into consideration (a) the qualifications and reputation of the submitting artist; (b) the proposed location for the proposed art (if any); (c) the visual aspects and artistic quality of the proposed art; (d) the proposed method of payment for the proposed art; (e) the identity of the donor and conditions of the donation of the proposed art if it is to be donated; (f) the maintenance and upkeep cost of the proposed art; (g) the proposed ownership of the proposed art; (h) any educational or historical aspects of the proposed art; (i) any structural integrity or any special risk or safety issues; (j) insurance requirements for the proposed art; and (k) all other considerations deemed relevant to BRAAC.
  - iii. to solicit, encourage and receive public input on proposed public art works; and
  - iv. to make detailed recommendations to the Town Council with respect to any public art proposal approved by BRAAC.
- D. The Town Manager shall develop detailed procedures, informational materials and application documents necessary or appropriate for the administration of this public arts policy by BRAAC and the Town Council. Such materials shall include procedures for the oversight of installation and maintenance of public art approved by the Town Council.
- E. All public art works to be located in the Town of Blowing Rock on public property or on private property leased or licensed for public art exhibition, shall be subject to the approval of the Town Council, based on the recommendations of BRAAC.
- F. PRIVATE DEVELOPMENT.

The Town of Blowing Rock shall encourage voluntary participation in the public art process by developers of projects on private land. Developers may participate in the public art process through on-site installations and through donations to fund Public Art. Developers shall be encouraged, with respect to on-site installations, to submit the proposed art work for review by BRAAC under this Public Art Policy.

3. EFFECTIVE DATE.

This Resolution establishing a Public Art Policy shall be effective upon approval by the Town Council.

## Town of Blowing Rock

### Public Art Application

#### Applicant Information

Contact Name: Melissa Pickett

Contact Address: P.O. Box 265 / 188 N. Main St

Contact Phone Number: 828-773-7643

Contact Email Address: melissad.pickett@gmail.com

#### Artwork Information

Title of Artwork:

Artist Contact (Please attach bio if available)

Name: Beau Lyday

Address: 4811 John Berry Rd, Valdese, NC 28690

Phone Number: 828-228-1220

Email Address: farmsteadstudio1@gmail.com

Artwork Type:

Dimensions: 12" tall top- 20" wide base- 14" wide (stand)

Media: structural wood frame covered with rusted tin roofing

Acknowledgment plaque  Y  N - artist has been told they can

Desired Location: Blowing Rock Inn

Flower bed to the left of our gazebo, will be mounted on a 24" x 24" pad.

Please attach the following documentation to the application:

1. Photographs and drawings which fully illustrate the proposed artwork
2. Proposed location map
3. Proposed site plan
4. Photos of the proposed site
5. Proposed landscape plan
6. Proposed lighting plan if applicable
7. Description of site preparation including grading, landscaping, seating, lighting, signage, etc.
8. Any proposed budget items that will not be funded by the project itself
9. Proposal to maintain the art project and any landscaping, lighting, signage, etc. for the life of the proposed art piece

**Exclusion Of Liability:**

The Town of Blowing Rock shall not be held liable to any parties, including but not limited to artists or donors for any losses, claims, injuries or damages from theft, damage, vandalism or bodily injury arising out of or in any way related to a public art project. The Town will require that all donors or artists sign a waiver and release which evidences this understanding and agreement.

I have read the Exclusion of Liability above and agree to the terms.

Signature Melissa D. Pickett Date 8/26/19

# Home Beau Lyday Farmstead Studios

About Us

Lotus blossom

Artist Statement

triquetra knot

Cathedral of Crows

Gothic Meditation

Quatrofoil

Gothic Ribbons

Gothic Portal

Gothic Doorway

Gothic Family

Trefoll

Gothic Quatrofoil

contact

When The Spirit Soars

Firelight

There are three major elements that make my art unique; the material, the subject and the execution.

My pieces have a structural wood frame that is covered with rusted tin roofing. Each piece of roofing has a strength, a story weathered over time. Some of the frames are quite complicated and time consuming to construct, but without a strong foundation the rest is less than it could be. When I find a subject that attracts me, I start researching the history and meaning attached to the work. I ask myself "Do you really love the concept it inspires?", "Can you even make that", and finally "Can you make it true to the inspiration, but your own piece not just a reproduction".

If it is a simple piece, I work from a sketch. If it is complicated I layout a full scale detail on plywood. I use this as my blueprint and take all my measurements, compass point reading and templates from it.

I love to discover the original formulas for old architectural details. The more you understand the parameters to work towards the better the outcome. I don't see this knowledge as a limit- I see it as a release. From all the joints in a gothic rose window one can see it was constructed from many sections crafted individually then assembled. I use this same approach. Each piece of metal is made entirely by hand using repoussé and chasing techniques, a simple hand brake and thousands of hammer strokes. The fitting and trimming of the final assembly of all the parts is the most intense portion of my work. All the pieces need to flow together into one.

I feel that a piece of art does not have to be shocking to have worth. Instead a work can mesmerize a person, moving one to a place of safety or sanctuary and instilling a sense of peace. In these unfathomably violent times there is a special need for healing art.



# Beau Lyday Farmstead Studios

- Homo
- About Us
- Lotus blossom
- Artist Statement
- triquetra knot
- Cathedral of Crowe
- Gothic Meditation
- Quatrefoll
- Celtic Ribbons
- Gothic Portal
- Gothic Doorway
- Gothic Family
- Trofoll
- Celtic Quatrefoll
- contact
- When The Spirit Soars
- Firelight

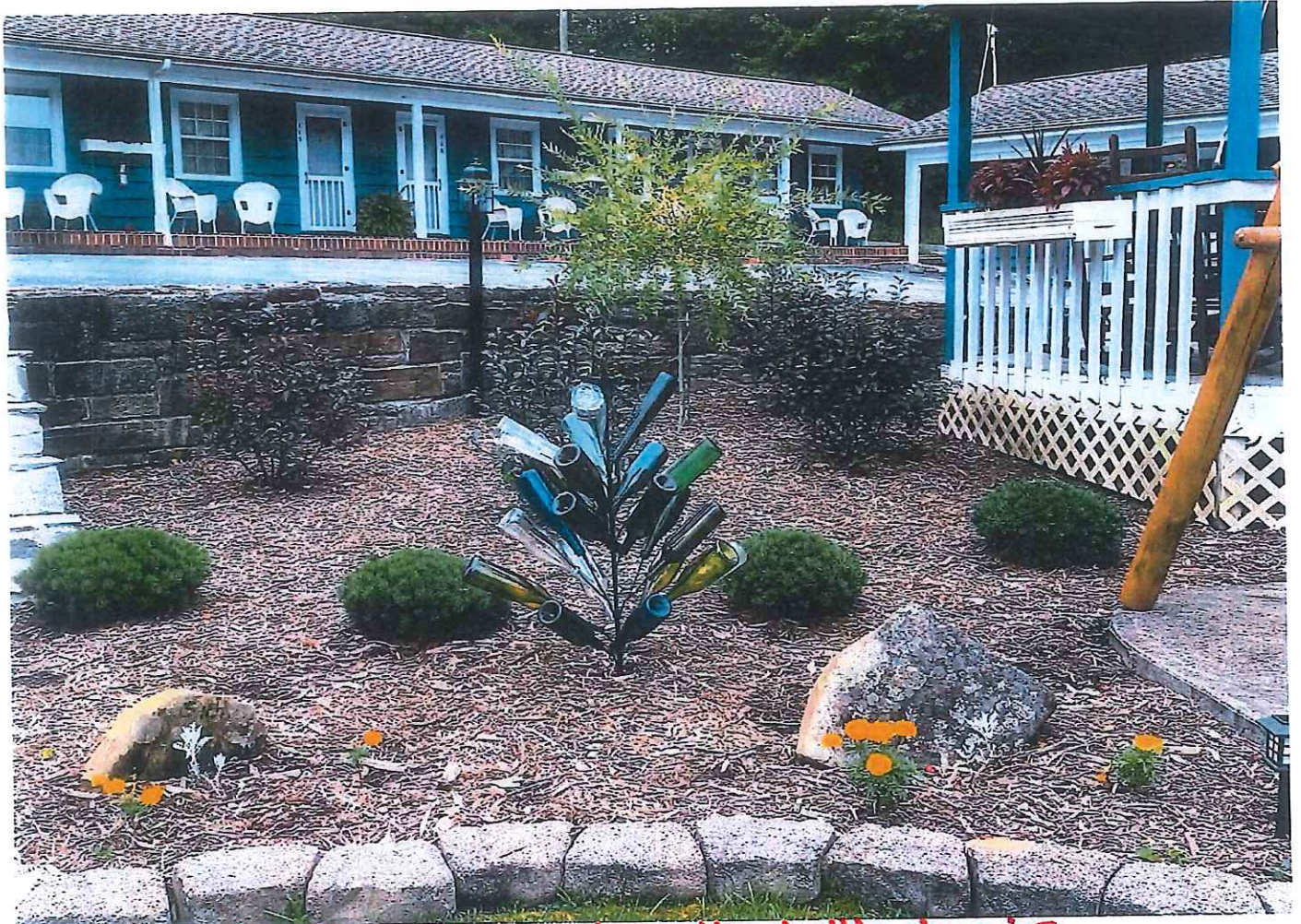
## Triquetra Knot

Triquetra with circle is one of the oldest Celtic knot patterns. The Celtic people did not have a written language so its meaning is really not known. Some believe it predates the Celtic people. Like with many symbols the culture who wins gets to give a symbol its meaning. x  
Size 72 x 20 x 14









Sculpture will go where the bottle tree is.



Sculpture will go where the bottle tree is.



# TOWN OF BLOWING ROCK

1036 Main Street • Post Office Box 47 • Blowing Rock, NC 28605

## MEMORANDUM

TO: Mayor Sellers and Members of the Town Council

FROM: Shane Fox, Town Manager

SUBJECT: #1) Bids - FY 2019-20 Capital Equipment  
#2) Financing Proposals  
#3) Resolution Approving Financing-To be included at the meeting for approval.

DATE: September 10, 2019

---

### 1) BIDS – FY 2019-20 CAPITAL EQUIPMENT

#### **Police: (2) Dual Band Radios & (3) Body/Vehicle Cameras**

Police Chief Aaron Miller received quotes and proposals for FY 2019-20 Capital equipment being funded through installment purchase and requests the following purchases be authorized via this funding:

- 2 Replacement Dual Band Radios **\$6,571**(total)- High Country Communications
- 3 Replacement Body/Vehicle Cameras **\$5,805** (total)- Watch Guard

#### **Public Works: Dump Truck with Plow (Street), Light Pickup Truck (Street), Storage Building (Street), Stanly Hydraulic Power Pack (Street), Sewer Camera Van (Van only) (Field Operations) & Finished Water Flow Meter (Plant Operations)**

Public Works and Utilities Director Matt Blackburne received quotes and proposals for FY 2019-20 Capital equipment being funded through installment purchase and requests the following purchases be authorized via this funding:

- 2020 Chevrolet Silverado MD 4WD Reg. Cab Work Truck **\$67,895** (excludes tax, tag & title fee)- Modern Chevrolet
- 2020 Crew Cab 4x4 Toyota Tacoma pickup truck **\$32,537** (excludes tax, tag & title fee)- Modern Toyota of Boone
- Stanley HP28 Twin Hydraulic Power Unit with 3" hydraulic trash pump & hydraulic chipping hammer **\$13,294.54** (total)- Fortline Waterworks
- 2020 Ford T-350 High Back Van **\$38,910.00** (includes complete van set up, but does not include tax, tag & title fee)- Modern Ford of Boone
- Finished water Flow Meter- estimated amount **\$45,000**- awaiting quotes.
- Storage Building- Awaiting contractor quotes & community input.

**Parks & Recreation: Recreation Building Roof (Equipment Storage Building portion) & Park Restroom Heater**

Parks and Recreation Director Jennifer Brown received quotes and proposals for FY 2019-20 Capital equipment being funded through installment purchase and requests the following purchases be authorized via this funding:

- Recreation Building Roof (Equipment Storage Building portion) **\$19,633-** Randy Blake Carpentry
- Park Restroom Heater **\$8,539-** Edmisten Heating & Cooling

**2) FINANCING PROPOSALS**

4 Year up to \$300,000

The Town of Blowing Rock has requested financing proposals from nine (9) area banks to finance the acquisition of capital vehicles approved in the FY 2019-20 Budget.

The responses received are as follows:

<b>Bank</b>	<b>Rate</b>	<b>Fees</b>
BB&T	2.16%	\$0.00
Bank of America	No Bid	No Bid
First Citizens Bank	2.21%	\$0.00
First National Bank	1.88%	\$0.00
Highlands Union Bank	No Bid	No Bid
PNC	No Bid	No Bid
SunTrust	2.062%	\$250.00
<b><i>United Community Bank</i></b>	<b><i>1.82%</i></b>	<b><i>\$0.00</i></b>
Wells Fargo	No Bid	No Bid

We recommend the financing bid be awarded to United Community Bank for 1.82%.

**3) RESOLUTION APPROVING FINANCING-** To be included at the meeting for approval.

September 6<sup>th</sup>, 2019

Mrs. Nicole M. Norman  
Finance Director  
Town of Blowing Rock and  
Blowing Rock Tourism Development Authority  
PO Box 47  
Blowing Rock, NC 28605

Re: Proposed Capital Equipment and Vehicles loan

Dear Nicole,

In response to our previous conversations regarding the above credit facility, United Community Bank is pleased to have the opportunity to potentially provide such financial accommodations to The Town of Blowing Rock in the amount and under the conditions outlined on the attached preliminary Term Sheet dated September 6, 2019.

Please note, however, that this letter and the attached Term Sheet are not a contract or an offer to enter into a contract, nor are they a commitment by United Community Bank to provide the credit facility described on the attached Term Sheet.

Rather, the purpose of this letter is to confirm United Community Bank's present interest with respect to establishing a possible lending relationship with The Town of Blowing Rock and to provide you with the attached preliminary outline of the general terms and conditions under which United Community Bank may consider providing such credit facility.

In the course of our due diligence and consultation with legal counsel, we may become aware of facts or requirements which affect the structure, terms and pricing of the credit facility. In any event, we will need to obtain internal credit approvals as a condition to proceeding with the credit facility and must inform you that at this time, given the preliminary nature of our discussions, such approval process has not been initiated and there is no assurance that such approval will ultimately be obtained.

Again, we appreciate this opportunity to discuss your banking needs and look forward to your comments or any questions you may have regarding this matter.

Very truly yours,

UNITED COMMUNITY BANK



Joe Antonucci  
Branch Manager

**Exhibit A**

**TERM SHEET**

Dated as of September 6th, 2019

The terms and conditions outlined in this Term Sheet are strictly for discussion purposes only. This Term Sheet is not an offer, agreement or commitment to lend. The actual terms and conditions upon which Lender (as defined below) might extend credit to Borrower (as defined below) are subject to requisite internal approvals, satisfactory review of documentation, satisfactory completion of due diligence and other such terms and conditions as determined by Lender. This Term Sheet is to be held confidential between Lender and Borrower.

Lender: United Community Bank (“Lender”)

Borrower: The Town of Blowing Rock (“Borrower”)

**EQUIPMENT LOAN**

Credit Description: Up to \$300,000.00 Equipment Loan (the “Equipment Loan”) but not to exceed 100% of the **cost** of the Equipment Collateral.

Closing: The Equipment Loan must be closed on or before November 6, 2019 (the “Equipment Loan Closing”).

Use of Proceeds: Proceeds of the Equipment Loan will be used to finance the purchase of two (2) new dual band radios, one (1) new body/vehicle camera, one (1) new 4X4 pick-up truck, one (1) new twin hydraulic power unit, one (1) new regular cab 4X4 1 ton dump truck with a dump bed and 9’ snowplow, one (1) new T-350 high back van, a roof replacement for the existing Parks & Recreation storage area, one (1) new storage building (three sided with roof) one (1) new heating unit and one (1) new finished water flow meter.

Loan Fee: 0%

Interest Rate: A fixed rate of interest of 1.82% per annum.

Repayment Terms: The Equipment Loan will be repayable in Annual installments of principal and interest based upon a (4) four year amortization schedule commencing November 1<sup>st</sup> of each year, with payments to begin on November 1, 2020, with remaining principal and interest due on the Equipment Loan Final Maturity Date.



The Bank That **SERVICE** Built.®

Equipment Loan Final  
Maturity Date:

November 1, 2023

Security:

The Equipment Loan will be secured by a first-priority fully-perfected lien in favor of the Lender on the following equipment: two (2) new dual band radios, one (1) new body/vehicle camera, one (1) new 4X4 pick-up truck, one (1) new twin hydraulic power unit, one (1) new regular cab 4X4 1 ton dump truck with a dump bed and 9' snowplow, one (1) new T-350 high back van, a roof replacement for the existing Parks & Recreation storage area, one (1) new storage building (three sided with roof) one (1) new heating unit and one (1) new finished water flow meter. All of the foregoing shall be referred to collectively as the "Equipment Collateral".

Conditions Precedent to Closing  
the Equipment Loan:

Conditions precedent to Closing shall be customary for this type of transaction, all satisfactory in form and substance to the Lender, including but not limited to the following:

1. Evidence of Insurance covering the Equipment Collateral naming Lender as loss payee and being satisfactory to Lender in all other aspects.
2. Lender shall have received satisfactory evidence of the perfection of Lender's liens on all collateral for the Equipment Loan as well as satisfactory evidence of the absence of other liens on all such collateral.

### **General Conditions Applicable to all Loan(s)**

Documentation:

1. The Credit Facility, as well as the Collateral therefore, shall be evidenced and secured by a final **Loan Agreement** as well as promissory notes, collateral documents and other documents, all in form and substance satisfactory to Lender and containing such conditions, representations, warranties, covenants, indemnities, events of default and remedies as are customary for Lender's transactions of this type (collectively, the "Loan Documents").
2. Lender shall have received certified charter documents and good standing certificates of a recent date for each of Borrower.
3. Borrower shall have obtained all orders, consents, approvals and other authorizations and shall have made all filings and other notifications (governmental or otherwise)





required for the consummation of the Credit Facility and the transactions contemplated in connection therewith.

4. All corporate proceedings and other legal matters in connection with the authorization, legality, validity, and enforceability of the Loan Documents shall be satisfactory to Lender.

5. Lender shall have received such other documents, certificates, approvals or filings as Lender may reasonably request.

Default Interest:

Default rate of 2.0% per annum additional interest may be added by Lender to the Credit Facility.

Interest/Fees Computations: All computations of interest and fees on the Credit Facility shall be made on the basis of a 365 day year and the actual number of days elapsed.

Prepayments:

The Credit Facility may be prepaid in whole or in part at any time at the Borrower's discretion, without penalty.

Financial Covenants:

N/A

No Material Adverse Change:

The closing and funding of the Credit Facility also will be conditioned on no material adverse change having occurred June 30, 2018 in the financial condition, operations, assets, liabilities, business, management, control or prospects of the Borrower taken as a whole prior to the Closing(s) (a "Material Adverse Change").

Lender Expenses:

All expenses incurred by or on behalf of the Lender including reasonable attorney fees, filing and recording fees, in connection with its analyzing, structuring, negotiating, documenting and closing of the Loans, and the collateral therefore, will be paid or reimbursed by the Borrower at the Closing. If the Credit Facility does not close for any reason, Borrower will reimburse Lender for all such expenses upon demand by Lender. An estimate of the closing costs is \$88 for recording cost and \$700 banks attorney fee.

Lender Expenses:

Regardless of whether or not the Credit Facility closes, Borrower shall reimburse Lender for all out-of-pocket expenses (including the fees, charges and disbursements of counsel) incurred by Lender in connection with the initial closing of Credit Facility, any related transactions and any related documentation (including but not limited to the Loan Documents) and in connection the

administration, amendment, modification, collection or enforcement of the Credit Facility.

Reporting Requirements:

Borrower agrees to provide the following financial information so long as the Loan outlined herein are outstanding:

Fiscal year end audited financial statements of Borrower, due within 120 days of Borrowers fiscal year end. Commencing June 30, 2019.

Deposit Accounts:

Borrower agrees to maintain deposit accounts with Lender so long as the Credit Facility is outstanding.

Additional Conditions Precedent to Funding each Loan:

Customary for Lender's transactions of this type including; but not limited to the following:

1. There shall exist no event of default or potential event of default under the Loan Documents.
2. Accuracy of representations and warranties in the Loan Documents in all material respects.
3. No event or circumstance shall have occurred that has had or could reasonably be expected to cause a Material Adverse Change.
4. No material inaccuracy, omission or change in any of the information, representations and materials (including historical and projected financial statements) submitted by or on behalf of Borrower in support of its request for the Credit Facility.
5. No action or proceeding shall be pending or threatened (i) with respect to the Credit Facility or the Loan Documents or (ii) which could have a Material Adverse Change.
6. The Loan to be made and the use of the proceeds thereof shall not violate any applicable law, regulation, injunction or order of any government or court.

Other Conditions to the Loan:

1. There will be no deficiency judgment in the event of default by the Town nor can the taxing power of the Town be pledged as security for the financing.

2. There must be a non-appropriation clause in the financing agreement. Non-substitution clauses are not permitted.
3. This rate is good for 60 days from the date of this term sheet.
4. Bank to fully fund at closing into an account established at United Community Bank, in the name of the Borrower, to be used to reimburse paid invoices on said collateral listed above.
5. Receipt by Lender of the invoices of the Equipment Collateral, which shall in all respects be satisfactory to Lender, showing an estimated total cost of up to \$300,000.
6. Town will certify that this is a qualified tax exempt obligation

Binding Arbitration:

The Loan Documents shall provide that either Lender or Borrower shall have the right to submit any dispute between such parties with respect to the Credit Facility to binding arbitration.

Governing Law:

State of North Carolina

## **FINANCIAL REPORT AS OF AUGUST 31, 2019**

### **Financial Overview**

We are 17% into fiscal year 2019-20. Final year end totals for the previous fiscal year will be presented in the FY 2018-19 audit around December.

The 2019 property tax billing is expected at this time to occur in the coming weeks, however several prepayments have been received totaling \$14,809 or less than 1% of budget and substantially less than last year due to last year's income tax incentive to prepay property taxes released by the IRS. With collections being one month in arrears, we have collected \$8,540 or 10% of motor vehicle taxes for the one month of collections in the new fiscal year (this is consistent with prior year collections at this time).

Sales tax revenues are collected two months in arrears, so we have not yet received any funds for this fiscal year. Building permit fees to date total \$15,704 or 31% (5% higher than last year at this time) and zoning fees total \$1,452 or 15% (37% below last year at this time).

The first utility billing of the new fiscal year will occurred in late August. Collections for the current fiscal year total \$179,595 or 19% (9% above last year's collections at this time) and \$145,970 or 19% (6% above last year's collections at this time) for water and sewer fees respectively. Water and sewer connection fees to date total \$4,500 for water or 23% of budget and \$4,500 for sewer or 20% of budget, both are slightly higher than last year's collections at this time.

Overall expenditures for the General Fund are at 13% (consistent with last year) and 13% (5% high than last year at this time) for the Water/Sewer Fund. Overall revenue for the General Fund is at 3% (consistent with last year) and less than 17% for the Water/Sewer Fund (2% higher than last year). Since many of our revenues are collected in arrears and the property tax billing has not yet occurred, these totals are expected at this point in the fiscal year. All department expenditures are in line with budget at this time. See the attached report for departmental breakdowns.

### **Department Activity Notes**

The main focus of the department has been on audit activities with Town Auditors Martin Starnes & Associates, CPAs, P.A., having completed final field work this month as well as TDA audit field work completed by Combs, Tennant and Carpenter, P.C., this month as well.

Town Hall carpeting has been fully replaced.

Having recently collected the majority of department quotes for FY 2019-20 Capital Equipment approved in the adopted budget we have released a loan request for proposals (RFP) and should receive proposals on Friday, September 6, 2019, at which time a recommendation will be made to Council on equipment/vehicle purchases and associated financing package.

Attached is the monthly financial report in numbers. Please let me know if you have any questions on these reports.

Thank you,

Nicole M. Norman  
Finance Officer

**TOWN OF BLOWING ROCK**  
**FINANCIAL SUMMARY REPORT**  
As of August 31, 2019, 17% of Fiscal Year 2019-20

<b>GENERAL FUND</b>			
	Annual Budget	Actual to Date	Y-T-D % Collected
<b>REVENUES</b>			
Current Year Levy of Property Taxes	\$ 4,359,606	\$ 14,809	0.34%
Motor Vehicle Taxes	84,572	8,540	10.10%
Utilities Franchise Taxes	374,400	-	0.00%
Local Option Sales Taxes	1,821,591	-	0.00%
Fund Balance Appropriated	120,000	-	0.00%
All Other Revenues	1,857,904	193,742	10.43%
	\$ 8,618,073	\$ 217,091	2.52%
<b>EXPENDITURES</b>			
	Annual Budget	Actual to Date	Y-T-D % Spent
Governing Board	\$ 56,181	\$ 6,201	11.04%
Central Government	1,805,407	247,569	13.71%
Public Buildings	599,880	109,925	18.32%
Administrative/Finance	457,122	72,520	15.86%
Police	1,422,170	165,147	11.61%
Emergency Services	1,088,664	159,637	14.66%
Planning and Inspections	300,550	43,671	14.53%
Street	1,415,126	114,508	8.09%
Sanitation	406,463	49,389	12.15%
Parks and Rec/Landscaping	1,066,510	184,390	17.29%
	\$ 8,618,073	\$ 1,152,957	13.38%
<b>Y-T-D FUND BALANCE INCREASE (DECREASE)</b>	\$ -	\$ (935,865)	

<b>Property Tax Collection</b>	<u><b>FY 2020</b></u>	<u><b>FY 2019</b></u>	<u><b>FY 2018</b></u>	<u><b>FY 2017</b></u>
As a Percentage of Total Levy	0.39%	100.05	98.49%	99.13%
(Motor Vehicles Not Included)				

<b>WATER AND SEWER FUND</b>			
	Annual Budget	Actual to Date	Y-T-D % Collected
<b>REVENUES</b>			
Water Revenue	\$ 928,200	\$ 179,595	19.35%
Sewer Revenue	773,680	145,971	18.87%
Connection Fees	42,000	9,000	21.43%
Fund Balance Appropriation	40,000	-	0.00%
All Other Revenues	201,625	8,674	4.30%
	\$ 1,985,505	\$ 343,240	17.29%
<b>EXPENDITURES</b>			
	Annual Budget	Actual to Date	Y-T-D % Spent
Administrative	\$ 620,464	\$ 95,811	15.44%
Plant Operations	814,503	110,654	13.59%
Field Operations	477,596	44,055	9.22%
Contribution to Fund Balance/Contingency	72,942	-	0.00%
	\$ 1,985,505	\$ 250,520	12.62%
<b>Y-T-D FUND BALANCE INCREASE (DECREASE)</b>	\$ -	\$ 92,720	