MINUTES – WORKSHOP/RETREAT
BOONE TOWN COUNCIL
February 20, 2024

CALL TO ORDER

A special meeting of the Boone Town Council was called to order at 9:00 a.m. on Tuesday, February 20, 2024 at Boone Town Council Chambers located at 1500 Blowing Rock Road in Boone. As Mayor Tim Futrelle was absent, Mayor Pro-Tem Dalton George presided. Council members present included Todd Carter, Virginia Roseman, Edie Tugman, and Eric Plaag. Staff members present included Town Manager Amy Davis, Grants Coordinator/Communications Laney Wise, Fire Chief Jimmy Isaacs, Public Works Director Todd Moody, Planning Director Jane Shook, Chief Andy Le Beau, Major Daniel Duckworth, Major Shane Robins, Sustainability and Special Projects Manager George Santucci, Finance Director Guy Miller, Human Resources Director Dale Presnell, and Cultural Resources Director Mark Freed.

MOMENT OF SILENCE

Mayor Pro-Tem George asked for a brief moment of silence. Afterwards, he thanked all in attendance and asked if there were any announcements.

ANNOUNCEMENTS

Councilmember Plaag discussed the ethics training hosted by the UNC School of Government the previous week. He asked staff if they were aware of the relatively new state statute that prohibits individuals who are on both nonprofit boards and town boards from asking for funding from the Town. He then asked Ms. Davis if Attorney Meade could weigh in on this topic in the future. Ms. Davis said that historically, all town boards and the Boone Town Council have operated under that framework, and explained that Councilmember Carter recuses himself from discussions regarding funding and the Hospitality House during Outside Agency Funding. Councilmember Plaag thanked Ms. Davis, and noted that he wanted to make sure everyone was aware.

PUBLIC COMMENT

Mayor Pro-Tem George asked if anyone present who wanted to provide public comment. Seeing none, Mayor Pro-Tem George asked for a motion to adopt the agenda as presented.

TENTATIVE AGENDA ADOPTION

Upon the motion of Councilmember Roseman, seconded by Councilmember Carter, the Boone Town Council voted unanimously to adopt the agenda as presented.

VOTE: Aye: George, Roseman, Carter, Plaag, Tugman
Nay: None

TOWN MANAGER/ADMINISTRATION

Mayor Pro-Tem George asked Ms. Davis to begin. Ms. Davis began the discussion by explaining that she had received the preliminary numbers from the tax collector, and the collections are approximately $9,185,411. She explained that this is an increase from the projected collection of $843,012, and that she will know where the collections are from later. She went on to say that property tax collections have exceeded that projection by $132,450, however, she explained that within the first six month of the FY 2023/2024 budget cycle, the Town of Boone had lost $2,640,145 in potential sales tax revenue due to the change of redistribution by Watauga County in FY 2013/2014. Critical projects are unable to be funded due to this loss, she explained. Ms. Davis then discussed rising interest rates and earnings on investments. She then went on to show that currently, the Town of Boone is about 2.1% under the budget in regards to sales tax revenue. Ms. Davis then gave a brief overview regarding the water and sewer rate plan in which Council adopted earlier this year, and a discussion was had regarding parking fees and uses for the funds. Ms. Davis then gave Council an overview of what different departments will be discussing, including staffing needs, and explained that Watauga County is currently in the process of completing a pay study for the area, and that once those numbers are finalized she will bring to Council a proposed Cost-of-Living Adjustment for Town of Boone staff. After a discussion of certain supply chain issues, health insurance renewals, and the current rate of inflation, Ms. Davis asked Council if they had any questions. With no questions, Mayor Pro-Tem George asked Chief Isaacs to present.

FIRE DEPARTMENT

Chief Isaacs explained that this year, the proposed budget for the Fire Department would look similar to last fiscal years. He added that he would be asking the Town of Boone to adopt the federal government's per diem rate for travel, as the Town of Boone's has not changed within the past 25 years. Councilmember Todd asked if the Town used the federal government's per diem rate for mileage, in which Ms. Davis explained that the Town of Boone uses its own policy of 50.5 cents per mile. Chief Isaacs noted that the only issue with adopting the federal government's per diem rate for travel is that it does not fully account for lodging. After a discussion of how lodging for employees is managed, Chief Isaacs began discussing staffing needs. He explained that the Fire Department has been down one person all year, and that each shift must be staffed with a minimum of seven fire personnel. The current schedule for shift personnel is 24 hours on-shift, and 48 hours off-shift. With this schedule, it is hard to find personnel available to cover other shifts. Chief Isaacs went on to say that, he would most likely be asking for one D-Shift position to be added, and explained that D-Shift is the shift that fills in when staff members are on vacation or on extended leave. Chief Isaacs then asked Council for guidance regarding Fire Station 4, and explained some of the equipment that will be needed. He ended by saying that over the past couple of fiscal years, the Fire Department has tried to keep the budget flat, and that the only thing that will change the curve of the budget would be the increase of personnel. Councilmember Plaag asked in regards to Station 4 if funding would be necessary in Fiscal Year 2025. Chief Isaacs explained that with the current plan, Council should not expect any additional funding requests for Station 4 until Fiscal Year 2026. He went on to say that whenever there is movement or growth, additional apparatus would be needed. Chief Isaacs continued, and explained that Rural Fire had already hired three personnel; however, Council should expect the need for three additional personnel once Fire Station 4's construction neared completion. Councilmember Plaag then asked about the removal of the façade on the front of Fire Station 1. Chief Isaacs explained that whether Council chose to remove the façade or to leave the façade, he would be fine either way. Chief Isaacs noted that one issue with removing the façade is that it reaches other buildings in which the Town does not own. Ms. Davis asked if cost estimates were ever determined, and Mr. Moody explained that he guessed the removal would be $200,000-$250,000. Discussion was held regarding the roof on Fire Station 1. Councilmember Tugman then explained that Asheville was looking into finding ways for the TDA to help fund positions for the police department, and asked if the Town could do the same. Ms. Davis explained ten years ago, the Town used to compile a list of needs, such as snow plowing, that the TDA could fund as it effects tourism. However, that changed due to a previous Council choosing to allow the TDA to use the funds with little Town input. A discussion was held regarding the current TDA and how occupancy tax funds are being used. A brief update was given regarding Howard Street, and Mayor Pro-Tem George asked for this discussion to be tabled until the Public Works' item on the agenda. With no further questions, Mayor Pro-Tem George asked Chief LeBeau to present.

POLICE DEPARTMENT

Chief LeBeau began by explaining that Major Robbins, who is over the administration aspect of the Police Department, and Major Duckworth, who is over the police operations aspect of the Police Department, would be presenting to Council. He explained that both he and Major Robbins were nearing retirement, and that he would like to prepare future leadership for the Police Department. Major Duckworth thanked Chief LeBeau, and introduced Council. He then thanked both Ms. Davis and Council for their leadership, and began by explaining that there would be two main items of discussion for the Police Department: staffing and vehicles. Major Duckworth explained that he would be asking Council to add one more officer to the Police Department for four years, which is one per shift. He went on to say that currently, the Police Department has 23 sworn officers, however, their capacity currently is 28 officers. Discussion was held regarding the relationship between the Police Department and Appalachian State University's Police Department. Major Duckworth then explained that over the past 24 years, the Town of Boone has grown by 30% and Appalachian State University has grown by 40%, however only 3 new officer positions were added to the Police Department. Major Duckworth added that two additional factors that necessitated the asked for additional officer positions was the formula from the International Association of Chiefs of Police and intangible factors such as stress. Major Duckworth emphasized that of his 16 years with the Town, the current group of officers is the best group. Councilmember Roseman asked about the current hiring rate for new officers in Boone, and Chief LeBeau explained that the base salary is $51,000, but with benefits included it is $76,000. Mayor Pro-Tem George asked about the current openings in the Police Department, and Chief LeBeau explained that the Police Department is very selective about hiring. He went on to say that, culture is one of the most important aspects within the Police

Department, and that the current culture is phenomenal. Councilmember Plaag asked about physical space within the Police Department, and Major Duckworth explained that patrol officers share a common space so they are okay in that aspect. However, if a more specialized position were to be hired they would be out of room. Councilmember Carter asked if there could be some leeway in the budget so that the Police Department could hire two officers if they both were the right fit, and explained that he did not want the Police to turn down good candidates based off of budget restraints. Chief LeBeau explained that they were only asking for one additional positon per year to be mindful of other department's requests. Councilmember Tugman asked if the currently unfilled positions were already budgeted, in which Chief LeBeau said yes. Councilmember Plaag asked if there were currently any bilingual officers, and if there is any interest in the Police Department for current officers to receive training in a second language. Chief LeBeau explained that there would be an interest. Discussion was held regarding second language training. Major Duckworth then discussed the need for vehicles within the Police Department. He explained that they would request all hybrid vehicles from suppliers; however, there currently is not enough stock. He went on to say that, the Police Department would like to request that they purchase the most fuel-efficient vehicles they can find if hybrid vehicles are not available. Councilmember Roseman asked about public input regarding the new wrap on the police vehicles, in which Major Robbins explained that they have receive great feedback. Councilmember Plaag asked for clarification on not purchasing hybrid vehicles was based on supply chain issues or capacity. Major Robbins explained that it was based on availability. Discussion was held regarding supply chain issues. With no further discussion, Mayor Pro-Tem George thanked Chief LeBeau, Major Robbins, and Major Duckworth and asked for a ten-minute break.

Council took a break at 10:35 a.m. and resumed at 10:50 a.m...

PUBLIC WORKS DEPARTMENT

Mayor Pro-Tem George called the meeting back to order at 10:50 a.m... He then asked Mr. Moody to begin. Mr. Moody started by explaining that he hopes the budget will remain flat like the previous fiscal year's budget, however, he is expecting for additional costs. He went on to say the main need in Public Works is a new building, and that for this year he would not be asking for additional staff members. Councilmember Plaag asked Mr. Moody, and for all Town Staff, to tell Council what all their needs are so that if it cannot be funded in this budget cycle, it is on the record so that they can look back in the future. Mr. Moody agreed, and explained that Public Works has asked for positions for years, as they need a Maintenance Worker and a Trades Specialist. Councilmember Plaag asked how much that would cost yearly, in which Mr. Moody responded approximately $60,000-$70,000 each. Councilmember Carter asked what departments the step pay plan has been implemented in, and Ms. Davis answered that it has been implemented within the Police Department, the Fire Department, and Public Works. Councilmember Carter then asked Mr. Moody if it has help with retention, in which Mr. Moody said yes. Ms. Davis noted that town staff is very thankful for all the support Council has given them, in which Mr. Presnell echoed those remarks. Councilmember Plaag noted that he felt that some department heads have been conditioned over the last ten years to underplay their needs, and that he and this Council want to know. Mr. Moody noted that all of the needs would most likely be outside of the budget range, but that he would let Council know. Mr. Moody then gave the following list of needs:

- Additional funds towards the Hunting Hills Slope Failure Project
- Rapid Flash Beacon of roughly $20,000 to be installed at the crosswalk of New Market Boulevard
- Permanent restrooms at the Clawson-Burnley Park
- Multi-use path from Grove Street to Brookshire Road. Mr. Moody explained that this project is roughly $2.5 million. However, he explained that through a grant, the federal government would pay for 80% of the project costs. Mr. Moody went on to say that as a grant was awarded for this project, it is very important. Mayor Pro-Tem George asked if the easements had been received for this project, in which Mr. Moody said no. He went on to say that the Town currently had $500,000 set aside for the project, however, he would request $100,000 in additional funds, as the price for construction has increased.
- The Town of Boone was awarded the Carbon Reduction Grant from NCDOT. Mr. Moody asked for $170,000 to match the grant, as it is required for the Town of Boone to provide a 20% match. He explained that this grant would fund a sidewalk from Old Bristol Road to the Town of Boone's corporate limits. Mr. Moody explained that he might have $90,000 that could be utilized, but would be requesting $170,000 from the General Fund. Mayor Pro-Tem George added that this was an interesting project, as one of the area

plans within the Boone Next process is West Boone. Ms. Davis noted that parents of students at Appalachian State University have complained about there being no sidewalk in that area. Councilmember Roseman asked how long the project would take if the funds came from the General Fund. Mr. Moody explained that they were currently waiting on an agreement with NCDOT, and once the agreement was granted they could begin designing the project. After the project was designed, it is estimated it would take between 2 to 3 years.
- The culvert at Daniel Boone Drive is in need of replacement, and it is estimated to cost roughly $315,000. Mr. Santucci noted that he had submitted a grant to the Golden Leaf Foundation. Additional grants have been submitted as well for this project. He noted that while the culvert replacement was $315,000, if you add the addition of the necessary stream restoration the project is just shy of $1 million.
- The Hunting Hills Bridge Replacement Project has received $1.9 million in federal funding. Mr. Moody noted that the design of this project was during the COVID-19 pandemic, and thus the project was halted due to some financial strain at DOT. Mr. Moody went on to say that the project has continued, and all the plans and right-of-way documents have been certified. However, the plans and other documents are now outdated and need to be redone. The approximate cost for this endeavor is $30,000. Mr. Moody noted that the price of the project has risen significantly to $4 million, how DOT will increase their 80% portion to match the increase. That said the match now could be roughly $900,000. He did add that he believed there was funds available within the Powell Bill fund/Streets Line Items.

Councilmember Roseman asked Mr. Moody to rank the projects in regards to importance. Mr. Moody explained that the Hunting Hills Slope Failure Project and the Hunting Hills Bridge Replacement Project are both high-priority. He added that the Daniel Boone Drive Culvert Replacement Project was also important; however, residents do have other access points to their property. He noted that there was a possibility that the Town could remove the culvert and shut down Daniel Boone Drive. Councilmember Plaag asked for further discussion on that topic, and Mr. Santucci added that it would not hinder residents from accessing their property. Councilmember Plaag explained that he would like a cost-benefit analysis done for all options for Daniel Boone Drive, and a brief discussion was held. Mr. Moody continued, and noted the following requests from the superintendents:
- Smaller snowplow truck from approximately $100,000
- Replace a frontend loader for $250,000
- Crew Cab for $70,000
- Tire Balancer for $10,000

Mr. Moody then explained that the North Depot Parking Lot is in need of resurfacing for $30,000 and that the Boone Skatepark has requested additional parking at the skatepark which would cost approximately $65,000. Mr. Moody ended the general Public Works needs by explaining that the Solid Waste Fee would most likely need to increase, dependent on the CPI calculations.

Mr. Moody then discussed the needs for Water/Sewer.
- $125,000 was needed to replace a sewer line. Councilmember Tugman asked if the increased enrollment from Appalachian State University affected the strain on the Town’s sewer service, in which Mr. Moody answered partially. Councilmember Tugman asked if the Town could ask the university to help cover the costs, in which Mr. Moody said that the university does pay system development fees, however, those fees would not go to this project.
- A small wheel loader is needed.
- Mr. Moody asked for $500,000 set aside yearly to complete the AMI Meter Project. He explained that this project began 5-6 years ago, and that this project is approximately $4 million. He explained that over the last couple of years, receiving meters has been a challenge. Councilmember Carter asked about the progress for the AMI Meter Project, in which Mr. Moody replied that to complete the project with the current funding it will probably take 10 additional years. That is why he is requesting $500,000 set aside yearly, so that the project can be completed within 5 years. He explained that the full capability of the meters could not be measured until all current meters have been replaced with the AMI meters. Discussion was held regarding location of AMI meter towers and types. Ms. Davis noted that currently, $1.7 million is located within the water capital reserve fund, and Mr. Moody explained that he would need $2.3 million in today’s dollars to complete the project, which is why needs the $500,000 allocated yearly is.

Mr. Moody ended the presentation with his recommendation of increasing water rates by 8.5% and sewer rates by

5%, based off the recommendation of the Raftelis Rate Study. However, he noted that he is not sure if there is an appetite to raise the system development fees. Ms. Davis added that system development fees build reserves, and Mr. Moody added that it is not a stable fee like roads, so income is not set. Councilmember Tugman noted that they know the Public Works Building is the main priority, and Mayor Pro-Tem Dalton asked if Ms. Davis could send Council a list of all the needs. She agreed. Councilmember Plaag noted that one of his concerns is that Town Departments have to cut corners, like deferred maintenance, due to the fear of raising property taxes. He added that if needed, the Town Council would need to raise property taxes to meet these needs. Mayor Pro-Tem George asked if they could discuss this once all needs are heard. Councilmember Tugman noted that if they Council raised property taxes by 2 or 3 cents, a discussion must be had with the residents of Boone to explain why, and Councilmember Plaag added that it would need to be factual. Mayor Pro-Tem George thanked Mr. Moody, and asked Ms. Shook to present.

PLANNING & INSPECTIONS DEPARTMENT

Ms. Shook began by explaining outside of the normal departmental needs, she would be asking for funds to help renovate the Planning and Inspections lobby are to increase safety. She added that the Residential Liaison/Housing Specialist position had been filled, and that they would begin in June. Ms. Shook asked Council to consider increases within the Travel and Training Line Item in order to maintain and grow all staff member's training. She then asked Council to consider increasing the donation to Digital Watauga from $5,000 to $6,000, as Digital Watauga provides all photographs for the Historic Preservation Commission and other Town Departmental needs. Ms. Shook then asked for approximately $14,700 for UDO board member compensation, and noted that she would need additional funds for Boone Next. Ms. Shook noted that while she is not asking currently, she would like to look into hiring someone who could act as a Planning Supervisor to reduce the number of direct reports. She explained that currently, she has eight direct reports. She went on to say that currently they have three full time Building Inspectors, however, if one were to leave she would ask for that position to be restructured into a Code Enforcement Officer. She concluded by saying that within the building, there is an on and off leak that would need to be repaired. She noted that the Facilities Department had looked into it, and it is okay for now, but that it would need further repair in the future. Councilmember Carter thanked Ms. Shook, and added that it was smart to restructure when new departmental needs arise. Ms. Shook thanked Ms. Davis and Mr. Presnell for being helpful during the last restructuring process. Councilmember Plaag asked if training for staff involved with the Historic Preservation Commission would be included within the Travel and Training Line Item, in which Ms. Shook said yes if the increase was allocated. She went on to say that right now, she is having all staff members compile lists of required trainings they must attend in order to keep their required certifications. Councilmember Tugman asked Ms. Shook how being short a staff member has affected the department. Ms. Shook said that as a department of 10, having any staff member out increases the workload for the remaining staff. However, the duties have been split between different staff members temporarily until that staff member returns. With no further discussion, Mayor Pro-Tem George asked Mr. Miller to present.

FINANCE DEPARTMENT

Mr. Miller thanked Council for the new position in the Finance Department they approved. He explained that the staff member hired brought with them a lot of experience and knowledge, and has help greatly. He noted that the Finance Supervisor will be retiring in December, and that with their retirement, the Town will be losing a wealth of knowledge. He explained that he would ask if Council would consider funding a part-time position between February and June of 2025 so that this staff member could return for 10 hours a week to help train their replacement. He noted that the budget for the Finance Department would be flat, outside of the normal increases each year such as postage. However, Mr. Miller added that he would ask for an increase of $2,500 to the Dues and Subscriptions Line Item for a finance software. Councilmember Plaag asked if he could talk with Mr. Miller in the future to make sure that the Town is following all new best practices, in which Mr. Miller agreed. With no further discussion, Mayor Pro-Tem George asked Mr. Presnell to present.

HUMAN RESOURCES DEPARTMENT

Mr. Presnell began by saying that the Human Resources Department currently has him and Ms. Councill as the two full-time employees, and that Ms. Wise has worked as back up for the department. He noted that with Ms. Wise's promotion, they would be reworking her position in order to gain additional help in Human Resources. Mr. Presnell went on to say that, he is requesting $3,000-$5,000 for increased wellness programming through Human Resources. After a brief discussion regarding the history of the wellness programming, Mr. Presnell said that he would like to propose a paid parental leave policy of 6 weeks for employees who qualify for FMLA Leave. Mr. Presnell noted that the Town received a great renewal on health insurance and added that hundreds of dollars have been saved. Mr. Presnell explained that during FY 2023/2024, the turnover rate has been seven employees. He compared this rate to the end of FY 2021/2022 where 35 employees had left, and in FY 2022 /2023, 24 employees had left. Retention had increased; however, attracting qualified candidates has been difficult. This is due to many candidates not being able to afford to live here; however, he thanked Council for their support of staff, as this problem would have been much worse than it currently is. Councilmember Tugman asked Mr. Presnell if the Town had ever looked into a PTO system. Mr. Presnell explained that he had not; however, one disadvantage of a PTO system is that some current employees would rather use vacation time than sick time as sick time rolls into their retirement. He went on to say that by moving into a PTO system; there would be a chance that employees would show up to work sick. Ms. Davis noted that employees who need to work during a holiday or when offices are closed, such as during a snow event, those employees are able to use time off on a different day. A discussion was held regarding salaried employees and hourly employees. With no further discussion, Mayor Pro-Tem George asked Mr. Freed to present.

CULTURAL RESOURCES DEPARTMENT

Mr. Freed began by stating that he would be asking to increase the funding to approximately $40,000 for part-time employees at the Jones House, as part-time employees are integral to the operations for the department. He went on to say that during Boonerang, all full time employees of the Jones House work overtime and that all part time employees of the Jones House work the festival. This increase would help supplement their salaries. Mr. Freed then asked for the budget for supplies within the Jones House be increased by $500, and that the line for electricity will need to be increased by approximately $200 or $300. Councilmember Tugman asked about the Boonerang budget, and if any increases were needed there. Mr. Freed explained that so far, all funds for Boonerang have come from Boonerang. He went on to say that in the first year of the festival, a profit of $20,000 was made. The $20,000 went to the following year’s festival, in which a profit of $50,000 to $60,000 was made. Mr. Freed noted that while expenses have increased for Boonerang, the festival has been self-sufficient. Councilmember Plaag asked Mr. Freed to discuss the suggestion from a Cultural Resources Advisory Board member to hire a full time Parks and Recreation Director. Mr. Freed explained that currently, the Town of Boone contracts with Watauga County Parks and Recreation facility needs. He noted that this position would most likely need to look for funding opportunities; however, he believed that creating a new position right now would be unwise, especially with the newly created Grants Coordinator. A discussion was held regarding plans for the Rivers Street property. With no further questions, Mayor Pro-Tem George called for a break at 12:42 p.m...

FINAL DISCUSSION

Mayor Pro-Tem George resumed the meeting at 1:22pm. He then clarified with Ms. Davis that this discussion was in regards to what priorities the Council would fund. Ms. Davis agreed, and said that this discuss was meant to be conversational. Discussion ensured regarding communication about the sales tax redistribution. Councilmember Carter asked if the Town could send a postcard to residents regarding the sales tax redistribution and what that means to them. Councilmember Plaag added that if a postcard were to be sent, it would need to explain that due to lack of funding from the sales tax redistribution, necessary projects are unable to be completed. Mayor Pro-Tem George asked if this postcard would be sent in tandem with a property tax increase, in which Council agreed. Mayor Pro-Tem George asked if Council would be willing to discuss implementing a homestead exemption if the property tax rate was increased. Ms. Davis asked if she could discuss with Attorney Meade the legality of proposed exemption. Discussion ensued regarding the City of Durham’s homestead exemption. Councilmember Carter explained that he was worried that if property tax rates were raised, it would affect the affordability of homes within the Town of Boone and effect renters disproportionately. He went on to say that Council would need to find a “sweet spot” in terms of the property tax rate. Mayor Pro-Tem George added that he wanted the Town to be able to fund tangible projects that show taxpayers how their taxes are being used, like a Municipal Service District (MSD) on Blowing Rock Road. Ms. Davis said that she wanted to explore the legal definition of engineering for the MSD, and went on to say that Attorney Meade’s initial read was that Blowing Rock Road was ineligible. However, she explained that she could not figure out why, in which Mayor Pro-Tem George agreed. Councilmember Tugman asked if Ms. Davis could contact the North Carolina League of Municipalities, in which Ms. Davis said that she would contact an attorney at the UNC School of Government. Councilmember Roseman circled back to the previous conversation regarding raising property tax rates, and asked if Council would be open to sending a rate sheet with the proposed postcard. She explained that by showing how property tax increases would be minimal in comparison to what property owners may raise their rent too, it would be helpful. She noted that she hated the greed of some of the property owners within this area. Mayor Pro-Tem George asked Ms. Davis if Council could discuss what projects could be funded with the predicted $843,012 increase of property tax revenue. Ms. Davis said yes, but noted that as the funds have not come in, this conversation would just be discussion. Mayor Pro-Tem George agreed, and opened the conversation. Councilmember Carter explained that the number one priority for the Town needed to be a new Public Works building; however, these excess funds could be used to complete many smaller projects. Councilmember Tugman asked Ms. Davis if the arcade in front of Fire Station 1 affected the integrity of the building. Ms. Davis said no, the issue with it was that it needed maintenance. Mayor Pro-Tem George asked Mr. Moody how much he thought it would take to repair the arcade, in which Mr. Moody explained that while he did not have concrete number, the removal of the arcade would be approximately ten times the amount it would take to repair the structure. Councilmember Plaag noted that his dream would be to remove the arcade and restore the storefront underneath, however he understood the cost barrier. A brief discussion was held in regards to the addition of another police officer each year for four years, and Council unanimously agreed. Councilmember Tugman asked Ms. Davis if funding from the TDA could be used for an officer position. Ms. Davis asked Councilmember Tugman if she could look for the folder that contained past uses for TDA funding to send to Attorney Meade, and Councilmember Tugman agreed. Councilmember Tugman then asked why the Town did not have more say within the decisions for the use of the occupancy tax as the Town levies the tax. Ms. Davis explained that the Town receives three percent of the occupancy tax rate before distributing it to the TDA. Afterwards, the TDA reallocated one third of the occupancy tax back to the Town. Councilmember Plaag asked why the TDA gets to vote on the one third that is reallocated back to the Town, when they have the remaining two thirds to spend. Ms. Davis reiterated that previous Town Councils had allowed the TDA more authority over how the occupancy tax is used. Mayor Pro-Tem George asked Ms. Davis if she could ask Attorney Meade to study the legality of this, and asked if Mr. Wright Tilley, the Director of the TDA, could make an appearance at the second Town Council meeting of the month to explain more. Councilmember Carter asked where the one third of the occupancy tax reallocation goes to in regards to projects. Ms. Davis explained that $450,000 goes towards debt service for the Howard Street Project and the rest is allocated to other projects.

Mayor Pro-Tem George asked if there was consensus regarding Attorney Meade conducting further research into the legality of the situation and if Mr. Tilley could present at the second Town Council meeting of March. Council agreed unanimously.

Mayor Pro-Tem George then asked for discussion regarding the $843,012 of predicted funds. Councilmember Plaag asked Mr. Moody of the projects he presented, what are the top priorities. Mr. Moody explained that equipment needs are important, and that the match for the Carbon Reduction Grant is important. He went on to say that if a match was not produced, the approximately $700,000 grant would be taken away. Councilmember Plaag asked about the Hunting Hills Slope project and asked how much funding is needed. Ms. Davis explained that $100,000 are already allocated once a year to that project, and Mr. Moody agreed. Councilmember Plaag then asked which position was more important; a Trades Specialist position or a Maintenance Worker position. Mr. Moody said that a Trades Specialist position is more important. Councilmember Roseman asked Ms. Shook about the upgrades needed for the lobby of Planning and Inspections. Ms. Shook explained that it would be at a maximum of $10,000 and Ms. Wise explained that she would look into a RMS Safety Grant for this project. Councilmember Roseman then listed the following in terms of funding:

- $50,000 for equipment needs at the Fire Department
- $76,000 for a new police officer position
- $170,000 for the Carbon Reduction Grant match
- $1,000 added to the Digital Watauga donation line-item in the Planning and Inspections Department
- $2,700 for updated finance software in the Finance Department
- $4,000 increase to the part-time staff line item for the Finance Department
- $5,000 for wellness programing in the Human Resources Department

Ms. Davis reminded Council that it was still too early to allocate funds officially, and Councilmember Roseman agreed, however, she noted that she wants a plan in place if these funds were available. Councilmember Plaag asked about resurfacing town-owned parking lots, like North Depot Street. Mr. Moody explained that they do not have the funds currently, and Ms. Davis explained that funds might be available from on-street parking revenue. Councilmember Plaag asked about the possible solid waste fee increase, in which Mr. Moody explained that the fee would increase based upon the CPI calculator. Ms. Davis agreed, and added that the contract with the Town's solid waste removal provider increases each year based upon the CPI calculator. Councilmember Plaag then asked about the Hunting Hills Bridge Replacement project. Mr. Moody explained that the Federal Highway Administration would cover eighty percent of the project. Councilmember Plaag asked if Powell Bill funds would be used to help pay the remaining twenty percent of the project. Mr. Moody said that the Powell Bill probably could, however, he did not know until the funds came in. Councilmember Roseman asked about adding a beacon at the crosswalk on New Market Boulevard, and Ms. Davis asked Ms. Wise to look into funding that project with a grant. Councilmember Tugman asked if Council would be willing to discuss a new Public Works building. She explained that for the past two years, Council had set aside $250,000 for affordable housing. She asked Council if they would be open to setting aside additional funds each year for a new Public Works building. Councilmember Tugman asked Council if they thought they should increase the property tax rate by one cent this year, and set aside those funds for a new Public Works building. A discussion was held regarding the use of the current funds set aside for affordable housing. Councilmember Plaag asked if there was appetite from Council to increase the property tax rate by one and a half or two pennies in order to build infrastructure that would generate revenue. He explained that parking at the Rivers House would be a great way to generate revenue for additional Town projects. Ms. Davis noted that once she receives data from Watauga County's pay study, she would be recommending a meaningful Cost-of-Living Adjustment of four percent to five percent. Mayor Pro-Tem George explained that they have a solid list of priorities to build upon, and asked if there was any further conversation. Councilmember Tugman reiterated that she felt a postcard would be a good idea to send to residents to inform them of the sales tax redistribution, and asked Ms. Davis what time would be best to send out a postcard. Ms. Davis said that the draft budget document would be ready by mid-May, so sending out a postcard in June would be ideal. With no further discussion, Mayor Pro-Tem George called for a motion to adjourn.

ADJOURNMENT

Upon the motion of Councilmember Tugman, seconded by Councilmember Carter, the February 20th Town of Boone Budget Retreat was adjourned unanimously at 2:50p.m...

VOTE: Aye: George, Roseman, Carter, Plaag, Tugman
Nay: None

Nicole Harmon, Town Clerk

Tim Futrelle, Mayor