



Incorporated 1927

Town of Lake Lure

P. O. Box 255 • Lake Lure, NC 28746-0255 • 704/625-9983 • FAX 704/625-8371

MINUTES OF THE REGULAR MEETING OF THE LAKE LURE TOWN COUNCIL HELD TUESDAY, APRIL 9, 1996, 9:30 A.M. AT THE LAKE LURE MUNICIPAL CENTER

PRESENT: Mayor Max E. Lehner
Commissioner Bill Bush
Commissioner Carolyn Cobb
Commissioner Beth Rose
Commissioner Bud Schichtel

Sam Karr, Finance Director
Mary Lynne Hayes, Zoning Administrator

ABSENT: John Strutner, Town Manager

CALL TO ORDER

Mayor Lehner called the meeting to order at approximately 9:30 a.m.

INVOCATION

Mayor Lehner gave the invocation.

AUDIENCE OF CITIZENS

No persons requested to speak under the Audience of Citizens.

APPROVAL OF MINUTES

Commissioner Schichtel moved, seconded by Commissioner Cobb, to approve the minutes of the Tuesday, March 26, 1996, Regular Council meeting and Closed Session as written and presented by the Clerk. The vote of approval was unanimous.

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Mayor Lehner requested, with Town Council's consent, to address the article which was published in The Daily Courier Thursday, April 4, 1996, regarding three local towns, including Lake Lure, that had received letters from the Local Government Commission concerning low fund balances. Mayor Lehner said that the article was correct but not complete in that the figures quoted in the article focus on only one portion of the budget. Mayor Lehner stated that the Local Government Commission (LGC) had assumed, incorrectly, that the town was a power distributor and not a power provider and that power distributors have a larger drain on the budget. Mayor Lehner also presented handouts to councilmembers and citizens summarizing the finances and cash balances for the Town of Lake Lure and told councilmembers that a letter of April 8, addressed to Mr. Craig Barfield, Director of Fiscal Management Section of the NC Local Government Commission, was included in their meeting packet and, if approved, would be mailed along with the two handouts explaining the discrepancies in the LGC's assumptions. (Attachments: The Daily Courier article, and handouts).

OLD BUSINESS

a. Resolution Adopting a Cash Management Plan for the Town

Commissioner Bush moved, seconded by Commissioner Schichtel, to adopt the Resolution No: 96-4-9 (Cash Management Plan for the Town). The vote of approval was unanimous. The resolution reads as follows:

RESOLUTION NO. 96-4-9

RESOLUTION

WHEREAS, the North Carolina Local Government Commission highly recommends that municipalities adopt Cash Management Plans and thus establish official policies to increase the amount of idle monies invested, generating non-tax revenues through increased earnings while simultaneously ensuring the safety and liquidity of the monies so invested; and

WHEREAS, the Town's auditor concurs with the Local Government Commission and believes that the adoption of a Cash Management Plan would be appropriate; and

WHEREAS, the Town Council has reviewed and considered the Cash Management Plan prepared by the Town's Finance Director and finds the Plan to be proper and relevant to the Town's requirements;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Lake Lure, North Carolina that the following is hereby adopted as the Town of Lake Lure's Cash Management Plan:

**TOWN OF LAKE LURE
CASH MANAGEMENT PLAN**

This Cash Management Plan establishes a set of policies to increase the amount of idle moneys invested, generating non-tax revenues through increased investments earnings at the same time ensuring safety and liquidity of the Town's moneys. This plan will address the following five areas: Cash receipts, investments, cash disbursements, banking relations, monitoring and reporting on the plan.

In addition to establishing this Cash Management Plan, the finance director will implement internal controls designed to prevent losses of public funds, arising from fraud, employee error, misrepresentation of third parties, or imprudent actions by employees and officers of the town. The finance director will ensure, whenever possible, separation of duties for handling public funds and assets.

CASH DEPOSITS

This section of the plan is designed to assist the finance director in developing and implementing procedures for the receipts of moneys in order to expedite the movement of these handling of cash resources.

DEPOSITS

Deposits shall be required only when moneys on hand amount to two hundred fifty dollars (\$250.00) (G.S. 115C-445), but in any event, a deposit should be made on the last business day of the month (G.S. 159-32). The finance director shall devise and implement a central depository system for the town. The system shall include the creation of two bank accounts: a Central Depository and a Payroll Account; both shall be interest bearing accounts. The official depository shall be approved by the Town Council for the Town of Lake Lure. Deposits are to be made daily in the official depository. Checks received and deposited which are returned for insufficient funds will receive prompt action in collecting good funds. Adjustments or corrections for overpayments or underpayments will be made after the money is deposited.

BILLING

For utility and tax billing, the objective shall be to reduce the processing time so payments will be received at an early date. Utility meters will be read between the 1st and the 10th of every other month. The due date for utility customers will be the following 10th of every other month. A flat rate late payment charge of \$10.00 will be assessed to all delinquent accounts after the 10th of every other month. Tax bills will be mailed as soon as possible. A second notice will be mailed to all delinquent taxpayers promptly after January 6. The Town Council directs the tax collector to advertise delinquent taxes on real property for failure to pay before June 30th, as required by state law (G.S. 105-369(c)).

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ANALYSIS OF RECEIPTING FUNCTION

The finance director will meet with each department head who is responsible for a revenue source of the town to review the billing, collecting, depositing, and reporting procedures.

CASH MOBILIZATION AND MANAGEMENT OF AVAILABLE RESOURCES (INVESTMENTS)

G.S. 159-30 makes the Finance Director responsible for the unit's investments, subject to policy direction by the Town Council. The Finance Director determines the unit's cash needs and prospects, thus determining how much is available for investment and for how long.

MOBILIZATION

The Town Council of the Town of Lake Lure shall authorize the town to establish an official depository. Moneys shall be deposited into the official depository, when possible, no later than 5:00 p.m. The deposits shall be made by the finance director or by department officers or employees duly authorized to do so and supervised by the finance director. Once the daily deposits have been received, the finance director shall review the deposits and disbursements made on that day to determine the amount of money available for investment. If an investment is to be made, the finance director shall determine the amount and length of time available for investing. Cash flow projections shall be the guide for scheduling investments. The finance director shall also establish an account with the North Carolina Capital Management Trust in order for Governmental Moneys Transfer System moneys to be wired into that account. This is for town funds received from the state in order that immediate investment is possible. The town shall strive to remain 100% invested at all times with the exception of petty cash funds allowed for change purposes.

INVESTMENTS

Eligible investments shall be according to G.S. 159-30 and shall be limited to obligations of the U.S. Government; such as treasury bills, bonds and notes, GNMA's, FNMA's, other similar kinds of government sponsored programs, time deposits with any bank or saving and loan whose principal office is in North Carolina, and the North Carolina Capital Management Trust and Liquid Asset Fund. Collateralization for deposits shall be in accordance with Title 20, Chapter 7 of North Carolina Administrative Code. All deposits for the town shall be fully protected through deposit insurance and eligible collateralization securities pursuant to 20 NCAC 7. The finance director shall be responsible for obtaining custody and providing safekeeping of securities and deposit certificates according to G.S. 159-30(d). Certificates of deposit purchased by the town shall be delivered to the finance director. The finance director shall ensure proper

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diversification of the investment portfolio in order to minimize risks brought on by economic and market changes. The finance director shall constantly monitor the investment portfolio and make adjustments as necessary by comparing market and book value of securities held by the town. The finance director will examine opportunities to sell securities to realize gain or to liquidate securities to avoid loss. The finance director shall review daily the cash position of the town and decide what moneys can be invested for certain periods of time. If investments are to be made, the finance director will institute a bidding process for the town as follows:

1. Approved financial institutions shall be contacted requesting bids on time deposits. All bids shall be submitted before 12:00 noon with interest rates quoted on Three Hundred Sixty (360) day basis. All certificates shall be delivered to the finance director by 1:00 p.m.
2. For other eligible investment vehicles, the finance director shall solicit offers from banks, savings and loans, or primary security dealers. Any investment purchased shall be from firms located with offices in North Carolina. The finance director shall review the various offers and determine which investment vehicles are appropriate, considering rate, maturity, and safety of the investment. For securities purchased by the town, the finance director shall instruct the seller that securities purchase by the town are to be delivered to the town.

FORECASTING CASH FLOWS

The finance director for the town shall prepare a rolling cash flow forecast for a twelve-month period and keep it updated. The objective of the forecast is to ensure that sufficient funds will be available to meet the town's commitments and that the timing and amount of excess funds are known so as to maximize the amount of money available for investment.

CASH DISBURSEMENTS

The objective of this section of the town's Cash Management Plan is to retain moneys for investment until the agreed upon contractual date of payment unless early payment provides a benefit to the town. The finance director shall appropriate and expend the town's moneys pursuant to G.S. 159-28(b) to create the maximum amount of funds available for investments. The finance director shall develop a system of inventory and supply checks to ensure that the materials on hand are sufficient to keep the town operating in an efficient matter. All payments to one vendor shall be consolidated. Checks shall be mailed on thursday, in the afternoon, provided this does not result in missing the due date. Payroll checks shall be authorized by time sheets kept by the employee and signed by their supervisor. No payroll checks will be issued without proper documentation in personnel office and budgetary authority.

BANKING RELATIONS

The objective of this section of the plan is designed to help the finance director develop and implement procedures to create mutually beneficial banking relations with local financial institutions.

ANALYSIS

The finance director shall determine the financial soundness of the banks and savings and loans with which the town desires to do business.

REQUEST FOR PROPOSAL FOR BANKING SERVICES

Those financial institutions which are deemed to be financially strong shall receive an RFP. Since, at the present time, there is only one bank in Lake Lure, the uses of RFP's will be minimal.

MONITORING AND REPORTING

The objective of this section is to devise a systematic reporting schedule to the town manager and/or town council and to provide a schedule for the systematic review of the plan itself to make necessary amendments and changes.

The finance director for the Town of Lake Lure shall maintain records of the status of investments and collateralization. These records will be made available to the town manager and/or town council at all times.

The finance director shall submit, semi-annually, the LGC-203, Report of Cash Balance to the Secretary of the Local Government Commissioner pursuant to G.S. 159-33 and 33.1. This information shall also be reported to the town manager and/or town council at the next scheduled meeting after each report has been submitted to the LGC.

The finance director shall report to the town manager and/or town council any changes on bank services. The finance director shall report the issuance of a request for proposals for banking services (RFP) and recommendations for selections of an official depository.

Each year this plan shall be reviewed by the finance director during budget preparations. The finance director shall report to the town manager and/or town council any amendment necessary to this plan, any procedural changes made and any recommendations to enhance the cash management plan.

Adopted and approved this 9th day of April 1996.

Max E. Lehner, Mayor

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ATTEST:

Mary A. Flack, Town Clerk

Approved As To Form:

J. Christopher Callahan, Town Attorney

OLD BUSINESS

**b. Presentation of Proposals for Quilt Hanging in
Council Chambers**

Marie Antweiler presented Councilmembers with several ideas for a quilted wall hanging to include the Town's logo for the Town of Lake Lure meeting room. Ms. Antweiler said the total fee for this quilted wall hanging would be \$1,200 with a deposit of \$600 (one-half of total cost) due at the time of the order and another \$600 due when the project was completed.

Councilmembers requested that Ms. Antweiler come back at the next regular Council meeting and submit drawings of her proposal.

OLD BUSINESS

c. Other Old Business

There was no further old business for discussion.

NEW BUSINESS

**a. Ordinance Abolishing Sections 82.01 and 82.02 of the
Town's Code of Ordinances**

Commissioner Bush moved, seconded by Commissioner Cobb, to adopt the Ordinance No: 96-4-9 (An Ordinance Amending Chapter 82 of the Code of Ordinances of the Town of Lake Lure) as amended to include the wording of General Statutes 14-399, entitled Littering. The vote of approval was unanimous. (Ordinance No: 96-4-9 attached).

NEW BUSINESS

**b. Request from Planning and Zoning Board to Accept
Proposal from Isothermal Planning and Development
Commission**

Zoning Administrator Mary Lynne Hayes presented to Councilmembers a proposal presented by the Isothermal Planning and Development Commission to provide planning assistance and technical expertise to the Planning and Zoning Board during the board's ongoing effort to revise the Town's Land Use Plan. The estimated costs for this project will be \$3,500 to \$4,000.

After discussion, it was the consensus of Town Council to delay approval of the proposal submitted from the Isothermal Planning and Development Commission and ask Zoning Administrator Hayes to look into the State assisting at no cost or reduced fee and present this information at the next regular Town Council meeting.

NEW BUSINESS

c. Other New Business

There was no further new business for discussion.

STAFF REPORTS

Finance Director Sam Karr reported that he had issued a purchase order for a contractor to begin work on bracing the frame at the Lake Lure Marina this week. Mr. Karr also reported that work on the Lake Lure Marina gas tanks will begin on May 1, 1996.

COUNCIL COMMENTS

Mayor Lehner said that he had received a letter on April 2, 1996 from Mr. John Bittle regarding resignation from the Town of Lake Lure Board of Adjustment due to the increased volume of his business. Mr. Berkely Young also submitted a letter of resignation on April 2, 1996 from the Town of Lake Lure Board of Adjustment because of the increased demands of his job and outside civic work.

It was the consensus of Town Council, to submit names at the next regular council meeting for appointments to fill the two vacancies on the Lake Lure Board of Adjustment Board

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Mayor Lehner read aloud a letter received on March 29, 1996, from Mr. and Mrs. Tom Dockery expressing their appreciation for the dedication and superior services of the Lake Lure Police Department. Mr. & Mrs. Tom Dockery enclosed a donation of \$100 to the Lake Lure Narcotics Division.

Mayor Lehner commended Mr. Robert H. Washburn, Chairman of the Lake Advisory Committee on his report to the Lake Advisory Committee and Lake Lure Town Council regarding the North American Lake Management Society Southeast Lakes Management Conference in Huntsville, Alabama on March 20 -- 22, 1996.

Mayor Lehner also received a card addressed to the Lake Lure Town Council on April 4, 1996, from Mr. Walter Rust expressing his appreciation for the unexpected plaque award presented to him Saturday, March 30, 1996 at the Dinner meeting held at the Lakeview Restaurant at Fairfield Mountains.

Mayor Lehner reminded Councilmembers of the meeting scheduled with Mr. Dave Harris on April 23 -- 24, 1996 regarding CATV.

Commissioner Cobb said that as liaison to Council, she plans to schedule a meeting soon for the Lake Lure Golf Course Committee. Commissioner Cobb also stated that individuals were working very hard to get the Golf Course looking better.

Commissioner Bush questioned the low-pay-scale of the Lake Lure Golf Course personnel working in maintenance. Discussed the possibility of combining Lake Lure Golf Course maintenance personnel in with the Public Works Department into a total pool assigning primary jobs and secondary jobs.

Mayor Lehner suggested that Commissioner Bush's comments be referred to Town Manager John Strutner.

Commissioner Rose questioned what was happening with the town's dredge.

Mayor Lehner reported that according to Project Manager Paul Wilson, the dredge was working fine and staff would work as long as it took to get the channel at the harbor entrance cleared of silt in the lake.

Mayor Lehner reminded Councilmembers about the Duke Power Luncheon meeting to be held at the Rutherfordton Clubhouse on April 18, 1996.

Commissioner Bush stated that he had received three requests to build a docking facility at the new municipal center.

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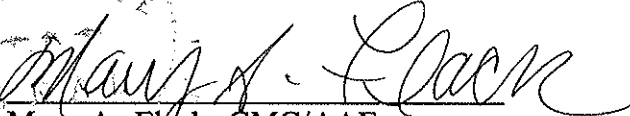
Mayor Lehner suggested that Council discuss the costs of building a docking facility in the budget meeting.

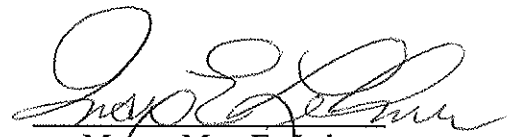
Commissioner Cobb requested that the newsletter distribution quantity be increased for the Lake Lure Post Office and First Union Bank, due to an increased request for newsletters at these locations.

ADJOURNMENT

With no further items of discussion, Commissioner Bush moved, seconded by Commissioner Cobb, to adjourn the meeting. The vote of approval was unanimous.

ATTEST:


Mary A. Flack, CMC/AAE
Town Clerk


Mayor Max E. Lehner