

**MINUTES OF THE REGULAR MEETING OF THE LAKE LURE TOWN COUNCIL
HELD TUESDAY, FEBRUARY 14, 2006, 7:00 P.M. AT THE LAKE LURE MUNICIPAL
CENTER**

PRESENT: Mayor Jim Proctor
Commissioner Jeanine Noble
Commissioner Dick McCallum
Commissioner Chuck Watkins

H. M. Place III, Town Manager
J. Christopher Callahan, Town Attorney

ABSENT: Commissioner Russ Pitts

CALL TO ORDER

Mayor Proctor called the meeting to order at 7:00 p.m.

INVOCATION

Town Attorney Callahan gave the invocation.

APPROVE THE AGENDA

After discussion, Commissioner Watkins made a motion to approve the agenda as amended by adding an item 7a (report on the decision of Board of Adjustment and the Lake Structures Appeals Board about discussing the possibility of splitting the board membership independent from each other) for discussion under unfinished business. Commissioner McCallum seconded the motion and the vote of approval was unanimous.

PUBLIC FORUM

Mayor Proctor invited the audience to speak on any non-agenda item and the following requested to speak. Bill Beason, Norton Elder, Bob Washburn, and Robin Proctor spoke regarding the notification process of the Comprehensive Plan Steering Committee meetings and the selection process of interviewees to be considered to serve on the Comprehensive Plan Steering Committee. Council members answered questions pertaining to this issue. Mayor Proctor requested that the Community Development Director Shannon Baldwin submit a report in writing to council members regarding the comprehensive plan interviewees selection process. Council members expressed their concerns with regards to rushing forward without adequate time for review and notification. It was the consensus of town council members to take the time needed to do a thorough job, even if it is going to cost the town extra with LandDesign for their services.

Page 2 - Minutes of the February 14, 2006 Regular Council Meeting

Bruce Barret requested that the town provide a seminar for builders reviewing what is required by town with regards to the erosion control ordinance.

CONSENT AGENDA

Mayor Proctor presented the consent agenda and asked if any item should be removed before calling for action. Commissioner Watkins moved, seconded by Commissioner Noble, to approve the consent agenda items as presented. Therefore, the consent agenda, incorporating the following items was unanimously approved:

- a. minutes of January 10, 2006 (regular meeting);
- b. approved a budget amendment of \$17,064 as submitted by the finance director to cover merit increases for 2006; (attached copy of memorandum dated February 10, 2006);
- c. a request from Mary Lou Kaloupek on behalf of the Hickory Nut Gorge Community Church Outreach, Inc., dba Shepherd's Care, to waive the rental fee for use of the community hall in the Lake Lure Municipal Center for the purpose of holding a chili supper as a fund-raiser on Friday, February 24, 2006; and
- d. a request from Glenda Hudgins and Lee Berry to suspend the town's alcohol ordinance in order to serve champagne during a wedding reception inside the community hall of the Lake Lure Municipal Center on June 23, 2006, from 4:00 p.m. until 8:00 p.m. and allow music inside the community hall for this event.

End of Consent Agenda

UNFINISHED BUSINESS:

a. Report on the Decision of the Board of Adjustment and the Lake Structures Appeals Board About the Possibility of Splitting the Board Memberships Independent from Each Other

Commissioner Watkins reported that at the town council meeting held on December 13, 2006, a proposal was presented to town council to consider splitting the membership of the Board of Adjustment and the Lake Structures Board to be independent from each other. He explained that the BOA and the LSA boards are currently separate boards which share the same board members. Commissioner Watkins said he was directed by town council to contact the BOA and LSA boards to get feed back on their recommendations of the proposal to split membership on these boards and report back to town council about their decision. He said the BOA and LSA boards did not meet until late January, 2006.

Commissioner Watkins gave an overview on the action taken by the Board of Adjustment and the Lake Structures Appeals Board at their January, 2006 concerning whether or not to split their membership on these boards. Commissioner Watkins said the BOA and LSA board members voted at their meeting in January, 2006 to recommend to town council to not change the existing membership for these boards at this time.

Commissioner Watkins said the main reasons for the proposal was to allow more individuals in town to participate on these boards and to expedite cases more quickly. He said the BOA and

Page 3 - Minutes of the February 14, 2006 Regular Council Meeting

LSA Board Chair persons reported that there was a lack of an abundance of applicants to serve on these boards and that the amount of case work for both of these boards were not a high demand at this time. Last year, the BOA had seven cases and only one of those cases were lengthy. The LSA board had two cases in 2005. The majority of the board members believed that there were advantages of having the same board members serving on both boards which included the carrying over of knowledge, training and case study exposure. It was agreed upon by the majority vote of the BOA and LSA board members that it is not advisable at this time to separate the membership for these two boards.

After discussion, Commissioner Watkins made a motion to accept the recommendations of the Board of Adjustment and Lake Structures Appeal Board to not separate the membership of the Board of Adjustment and the Lake Structures Appeals Board at this time. Commissioner McCallum seconded the motion. The motion carried with a vote of two to one. Commissioners Watkins and McCallum voted in favor of the motion and Commissioner Noble voted against the motion.

Commissioner Noble commented on the reasons why she recommended the proposal to split the memberships of the Board of Adjustment and the Lake Structures Board into independent boards from each other. She said there are citizens who indicated to her that they would be willing to serve on these boards when needed.

NEW BUSINESS:

a. Auditor's Report

Town Auditor Robert C. Koone gave a brief report on the town's audit for fiscal year July 1, 2004 through June 30, 2005 Auditor Robert C. Koone for fiscal year 2004-2005.

NEW BUSINESS:

b. Report Regarding Contract Between the Town of Lake Lure and Duke Power Company

Andy Givens, President of Cardinal Energy Services, Inc., gave a presentation regarding the renewal of a contract between the Town of Lake Lure and Duke Power Co. for the sale of hydro-electric power. Mr. Givens distributed to council members a copy of his slide presentation. (Copy of handout of slide presentation and report dated February 14, 2006 are attached). Mr. Givens said there are three main issues that the town needs to address which includes: 1. repayment of Duke Power overpayments, 2. new purchase power agreement with Duke Power, and 3. interim agreement.

After discussion, Commissioner McCallum made a motion to: 1. authorize the filing of a petition with North Carolina Utilities Commission (NCUC) requesting for the capacity credit, 2. authorize Andy Givens with Cardinal Energy Services, Inc. to request on behalf of the town an extension to the existing contract for further negotiations and to continue negotiations with Duke Power regarding the new contract. Commissioner Watkins seconded the motion and the vote of approval was unanimous.

NEW BUSINESS:

c. Consider a Request to Transfer the Ownership of the Existing US 64/74A Bridge Over the Broad River from the North Carolina Department of Transportation to the Town of Lake Lure upon the Completion of the New Bridge

Town Manager Place read into the record his memorandum dated January 31, 2006 regarding the US 64/74 A Bridge over the Rocky Broad River. (Copy of memorandum attached).

After discussion, Commissioner McCallum made a motion to authorize the town manager to write a letter on behalf of the town to the North Carolina Department of Transportation requesting to transfer the ownership of the existing bridge on US 64/74A over the Rocky Broad River to the town upon the completion of the new bridge. Commissioner Watkins seconded the motion and the vote of approval was unanimous.

NEW BUSINESS:

d. Consider Awarding a Bid Offer from Rudy and Susan Esposito to Purchase Certain Town Property Adjacent to 2570 Memorial Highway (US 64/74A) and Authorize the Town Attorney to Prepare the Appropriate Documents to Finalize the Sale Town Property Adjacent to Memorial Highway (US 64/74A)

Town Manager Place read into the record his memorandum dated February 6, 2006 regarding an offer to purchase additional town property adjacent to 2570 Memorial Highway. (Copy of memorandum is attached).

After discussion, Commissioner McCallum made a motion to award a bid of \$6,000 submitted by Rudy and Susan Esposito to purchase certain town property referenced as Tax Map 516, Block 1, Lot 20; a .07 acre (3,009 sq. ft.) tract on US 64/74A (Memorial Highway) directly east of Lake Lure Log Homes office at 2555 Memorial Highway and authorize the town attorney to prepare appropriate documents to finalize the sale. Commissioner Noble seconded the motion and the vote of approval was unanimous.

STAFF REPORTS

Town Manager Place read his report into the record dated February 14, 2006. (Copy of report attached).

After discussion, council members agreed to earmark \$250,000 from the sale of certain town properties located adjacent to the golf course to be transferred into the golf course budget for capital improvements.

A motion was made by Commissioner Noble to amend the budget transferring \$190,000 from the fund balance to pay for the replacement of an irrigation system at the golf course and to transfer \$190,000 back into the fund balance once monies have been received from the sale of certain town properties located adjacent to the golf course. Commissioner McCallum seconded the motion and the vote of approval was unanimous.

Page 5 - Minutes of the February 14, 2006 Regular Council Meeting

A motion was made by Commissioner Watkins to authorize the town manager to erect a stop sign on Boys Camp Road for the westbound traffic near the intersection of Cutaway Road. Commissioner Noble seconded the motion and the vote of approval was unanimous.

A motion was made by Commissioner McCallum to authorize the mayor to sign a revised contract with Southern Soils Builders to remove sludge from the wastewater plant. Commissioner Watkins seconded the motion and the vote of approval was unanimous.

A motion was made by Commissioner McCallum to release an outstanding utility bill balance totaling \$725.75 for Robert Tears as requested by the customer service supervisor. (Attached copy of memorandum dated February 7, 2006 from customer service supervisor). Commissioner Watkins seconded the motion and the vote of approval was unanimous.

COUNCIL COMMENTS

Commissioner Noble asked for a status on a request by town council during the meeting held on January 10, 2006 directing the town manager and the zoning and planning board to look into another classification for camps and bring back their recommendations to town council. Commissioner Noble stated that she attended a meeting in Asheville recently and they discussed the importance of impact fees for municipalities.

Commissioner Watkins gave a report on the activities of the BOA and Lake Structures Appeals Board. There were two training sessions held recently for these boards in Asheville and the Lake Lure Inn. Commissioner Watkins mentioned that both boards held an election of officers. Beth Rose was reappointed to continue as the Chair person on the BOA Board and Stephen Webber was appointed as Vice Chair person on BOA Board. Mary Ann Dotson was reappointed as Chair person on the LSA board and Nancy McNary was appointed as Vice Chair person on LSA Board.

Commissioner McCallum reported that the visitor's center had over 550 visitors the over past weekend and numerous tickets have been sold for the HGTV Dream House tour. Commissioner McCallum commended the representatives of the HGTV Dream House tour for keeping their word with town council. Commissioner McCallum requested that representatives from Grey Rock be invited to the April town council meeting to give a final report on results of the HGTV Dream House detailing the amount monies collected, the amounts given to charities, and the total numbers tours. In addition, Commissioner McCallum asked council members to set aside a time on the town meeting agenda for liaisons of committees to give reports on activities.

It was the consensus of council members to place an item on the regular town council meeting agenda each month for committee reports following the agenda item for public forum.

Commissioner Watkins commended the mayor for running an effective board meetings.

ADJOURNMENT

With no further items of discussion, Commissioner McCallum made a motion to adjourn the meeting at 9:04 p.m. Commissioner Noble seconded the motion and the vote of approval was unanimous.

Page 6 - Minutes of the February 14, 2006 Regular Council Meeting

ATTEST:

Mary A. Flack, MMC
Town Clerk

Mayor Jim Proctor