

**MINUTES OF THE SPECIAL MEETING OF THE LAKE LURE TOWN COUNCIL
HELD MONDAY, APRIL 28, 2008, 9:00 A.M., AT THE LAKE LURE MUNICIPAL
CENTER**

PRESENT: Mayor Jim Proctor
Commissioner Wayne Hyatt
Commissioner Russ Pitts
Commissioner Jeanine Noble
Commissioner Linda Turner

Mike Egan, Community Development Attorney
Sam Karr, Finance Director
Tony Hennessee, Public Works Director
Shannon Baldwin, Community Development Director
Dean Givens, Lake Operations Administrator
William Grimes, Utilities Director
Matt Griffin, Golf Course Manager
Ron Morgan, Fire and Emergency Coordinator
Eric Hester, Police Chief
Steve Wheeler, Town Manager

ABSENT: N/A

Call to Order

Mayor Proctor called the meeting to order at 9:00 a.m.

Invocation

Commissioner Pitts gave the invocation.

Approved the Agenda

After discussion, Commissioner Turner made a motion to approve the agenda as presented. Commissioner Noble seconded the motion and the vote of approval was unanimous.

**Review/Discussion of the Draft Budget and the Draft Capital Improvements Program Between
Town Council and Department Heads for Fiscal Year 2008-2009**

Town Manager Wheeler gave an overview of the preliminary budget items for fiscal year 2008-2009. Town Manager Wheeler and Finance Director Sam Karr reviewed and answered questions pertaining to the budget. Also, staff members including Public Works Director Tony Hennessee, Community Development Director Shannon Baldwin, Lake Operations Administrator Dean Givens, Utilities Director William Grimes, Golf Course Manager Matt Griffin, Fire and Emergency Coordinator Ron Morgan, and Police Chief Eric Hester were present during designated times to answer questions about the proposed items in the budget for their departments.

Finance Director Karr informed council members that he is still waiting on the county's projection of tax value in Lake Lure. He said last years budgeted figure was approximately

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\$2,100,000, at a tax rate of .21 cents. Mr. Karr said the budget as presented has the same basic level of service with no cuts. There is a request for seven additional full-time employees (six employees for the fire department and one employee in the public works department). Mr. Karr said the budget includes a 4.3% cost of living increase for town employees which is based on social security and the consumer price index. The state health plan insurance has locked in the town rates for the next two years. There was a slight increase for the vision and dental insurance. The water/sewer fund is out of balance by \$135,059 and does not include any expense to John Cloud's development. Mr. Karr said the estimated revenue in the hydro-electric fund averages about \$20,000 per month, which includes Duke Power's payback of \$6,146.27 per month (\$73,755.24 per fiscal year). He said this might be a little high and that \$180,000 would be a more realistic amount. Mr. Karr said \$100,000 was included for silt removal in the general fund totaling \$200,000 allocated for silt removal. Mr. Karr said the debt service this year included financing the remodeling of the community center and a new youth center is \$25,000 for first payment. He informed council members that all debt service has to be approved by the Local Government Commission.

Finance Officer agreed to see what balance of payment is owed to John Cloud.

Council members agreed to reduce to amount budgeted for the chamber's fireworks request from \$4,000 to \$2,000 and budget \$2,000 for an annual event to recognize volunteer firefighters.

Commissioner Pitts suggested that a study be made regarding long distance phone coverage rates.

Council members agreed to defer the line item for the phone system under general fund.

Commissioner Noble recommended that the line item for the video conference equipment be deferred.

Mayor Proctor recessed the meeting for a break at 9:43 a.m. and reconvened the meeting at 9:50 a.m.

Town Manager Wheeler mentioned that a 4.3% COLA was budgeted for employees. He said the COLA increase could be split and distributed on July 1, 2008 and January 1, 2009 if council so chooses. Mayor Proctor said he was interested in seeing what other towns are paying on COLA.

Commissioner Pitts suggested that the town seek grant monies for homeland security to purchase surveillance equipment for Lake Lure's dam.

Council members agreed to work towards recruiting volunteer firefighters and look into a fire tax to cover the cost of funding paid firefighters. Town staff will use means to recruit volunteer firefighters. Fire Coordinator Morgan agreed to put articles in the town newsletter and post articles on the town web site asking for volunteers and support.

Town Council authorized the town manager to contact Chief Gary Wilson of Fairfield Mountains Fire Department to work out an arrangement for an extension on the date of fire protection coverage for Lake Lure.

Town Manager Wheeler agreed to look into a fire tax to cover the funding of paid firefighters.

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Community Development Attorney Mike Egan spoke briefly regarding the cost of a unified development ordinance.

After discussion, council members agreed post pone the master plan project at this time.

Mayor Proctor recessed the meeting at 12:20 p.m. for lunch and reconvened the meeting at 1:25 p.m.

Council members agreed that the water rates need to be increased to cover increased costs associated such as COLA increases for employees in the water department. It was suggested that the contract between the Town of Lake Lure and Chimney Rock be reviewed and determine the reimbursements costs for employee salaries, postage, gas, and etc. The water rates have not been increased for several years.

After discussion, council members agreed to authorize Lake Operations Administrator Dean Givens to budget for a 3/4 ton 4 x 4 vehicle instead of 1/2 ton 4 x 4 vehicle. Mr. Givens agreed to furnish revised figures for this vehicle.

Mayor Proctor recessed the meeting for a break at 2:50 p.m. and reconvened the meeting at 2:55 p.m.

Town Manager Wheeler agreed to set up a meeting with Utilities Director William Grimes, representatives of McGill Associates, representatives of Dellinger Inc, and representatives of Polychem/WEDA Co to talk about a solution resolving the problem of the vacuum system equipment for removing solids at the wastewater treatment plant not working properly.

After discussion, Commissioner Pitts made a motion to authorize the town manager to look into what legal means can be taken regarding the problem of the vacuum system equipment installed at the wastewater treatment plant not working properly. Commissioner Hyatt seconded the motion and the vote of approval was unanimously.

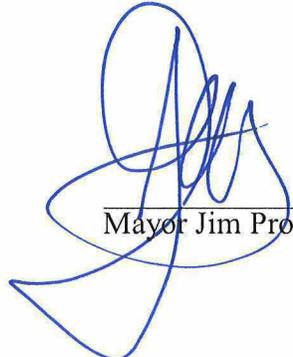
A motion was made by Commissioner Noble to schedule a special workshop meeting to be held Tuesday, May 20, 2008, 1:00 p.m., at the Lake Lure Municipal Center to review/discuss the draft budget/capital improvements program for Fiscal Year 2008-2009. Commissioner Turner seconded the motion and the vote of approval was unanimous.

ADJOURN THE MEETING

With no further items of discussion, Commissioner Turner made a motion to adjourn the meeting at 4:12 p.m. Commissioner Noble seconded the motion and the vote of approval was unanimous.

ATTEST:


Mary A. Flack, MMC
Town Clerk


Mayor Jim Proctor