

LAKE LURE TOWN COUNCIL REGULAR MEETING PACKET

Tuesday, February 12, 2013



Mayor Bob Keith

Commissioner John Moore

Commissioner Mary Ann Silvey

Commissioner Diane Barrett

Commissioner Bob Cameron



REGULAR MEETING OF THE LAKE LURE TOWN COUNCIL

February 12, 2013

7:00 p.m.

Lake Lure Municipal Center

AGENDA

1. Call to Order Mayor
Bob Keith
2. Invocation (*Please rise and remain standing*) Attorney
Chris Callahan
3. Pledge of Allegiance
4. Approve the Agenda Council
5. Public Forum: *The public is invited to speak on any non-agenda and/or consent agenda topics. Comments should be limited to less than five minutes.*
6. Staff Reports
7. Council Liaison Reports & Comments
8. Consent Agenda:
 - a. Approve Minutes of the January 8, 2013 Regular Meeting
 - b. Approve a Request from Susan Crotts to Suspend the Town's Alcohol Ordinance in Order to Have a Champagne Toast During a Wedding Reception Being Held Inside the Community Hall of the Lake Lure Municipal Center on June 16, 2013, from 6 p.m. Until 9 p.m.
 - c. Direct the Zoning and Planning Board to Study and Provide Recommendations Regarding Differences in Town Regulations as They Pertain to Streets and Driveways
 - d. Approve a Contract Between the Town of Lake Lure and Martin Starnes & Associates, CPAs to Audit Accounts
 - e. Approve a Budget Amendment to Include the Fire Department "No Man's Land Tax" in the Fire Equipment Capital Reserve Fund as Submitted by the Finance Director

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- f. Approve a Budget Amendment Regarding a Timken Grant and a Fire Department Brush Truck as Submitted by the Finance Director
 - g. Approve a Budget Amendment Transferring Funds from the Sale of a Police Crown Victoria as Submitted by the Finance Director
9. Unfinished Business
 - a. Other Unfinished Business
10. New Business:
 - a. Consider Adoption of Ordinance No. 13-02-12 Amending Chapter 31 of the Code of Ordinances of the Town of Lake Lure to Add Penalties for Multiple False Fire Alarms
 - b. Discussion Regarding Strategy and Recommendations Concerning the Town's Boat Fleet

Town Manager,
Chris Braund
 - c. Consider Approval of Participation in a County-Wide Sewer Study
11. Adjournment

Agenda Item: 8a

**MINUTES OF THE REGULAR MEETING OF THE LAKE LURE TOWN COUNCIL
HELD TUESDAY, JANUARY 8, 2013, 7:00 P.M. AT THE LAKE LURE MUNICIPAL
CENTER**

PRESENT: Mayor Bob Keith
Commissioner John W. Moore
Commissioner Mary Ann Silvey
Commissioner Bob Cameron

Christopher Braund, Town Manager
J. Christopher Callahan, Town Attorney

ABSENT: Commissioner Diane Barrett

CALL TO ORDER

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

INVOCATION

Attorney Chris Callahan gave the invocation.

PLEDGE OF ALLEGIANCE

Council members led the pledge of allegiance.

APPROVE THE AGENDA

Commissioner Bob Cameron made a motion to approve the agenda as presented.

Commissioner Mary Ann Silvey seconded the motion and the vote of approval was unanimous.

PUBLIC FORUM

Mayor Bob Keith invited the audience to speak on any non-agenda items and/or consent agenda topics. No one requested to speak.

STAFF REPORTS

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Town Manager Chris Braund presented the town manager's report dated January 8, 2013. (Copy of the town manager's report is attached.)

COUNCIL LIAISON REPORTS & COMMENTS

Town Manager Chris Braund reported on the activities of the Parks and Recreation Board.

Commissioner John Moore reported on the activities of the Zoning/Planning Board.

Commissioner Mary Ann Silvey reported on the activities of the Lake Lure ABC Board and the Lake Advisory Board.

Commissioner Bob Cameron reported on the activities of the Lake Lure Board of Adjustment/Lake Structures Appeal Board.

CONSENT AGENDA

Mayor Bob Keith presented the consent agenda and asked if any items should be removed before calling for action.

Commissioner John Moore moved, seconded by Commissioner Mary Ann Silvey, to approve the consent agenda as presented. Therefore, the consent agenda incorporating the following items was unanimously approved:

- a. minutes of the December 11, 2012 Regular Meeting

End of Consent Agenda.

UNFINISHED BUSINESS:

a. OTHER UNFINISHED BUSINESS

There was no other unfinished business.

NEW BUSINESS:

- | |
|---|
| a. CONSIDER APPROVAL OF A REQUEST REGARDING RESERVATION OF THE TOWN GAZEBO FOR 25 SPECIFIED DATES IN 2014 SUBMITTED BY LAKE LURE PROPERTIES, LLC. ALSO, CONSIDER APPROVAL OF A PROPOSED PAYMENT PLAN FOR THESE RENTALS |
|---|

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Patrick Bryant, Lake Lure Inn & Spa's events and catering department manager, presented information pertaining to a request submitted by Lake Lure Properties, LLC asking to reserve the Town Gazebo for use as a venue for wedding ceremonies on the following dates in 2014:

May: 10, 17, 24, 25, 31
June: 7, 14, 21, 28
August: 2, 9, 16, 23, 30, 31
September: 13, 20, 27
October: 4, 12, 18, 25
November: 1, 8, 15

Mr. Bryant also presented a request on behalf of Lake Lure Properties, LLC asking Town Council to approve a plan to allow the Inn to pay 50% of the total rents by June 30, 2013 and pay the remaining 50% of the total rents by January 1, 2014 for these 2014 Gazebo rentals.

After discussion, Commissioner John Moore made a motion to raise the gazebo rental rate for 2014 to \$500 per event and approve the 2014 rental request and payment plan submitted by Lake Lure Inn. Commissioner Bob Cameron seconded the motion and the vote of approval was unanimous.

Mr. Bryant stated that the Lake Lure Inn has already rented two dates in 2014 and requested that the Inn be charged the current rate of \$400 per event for the two dates in 2014 that they have already rented and paid for. Council agreed to allow the Inn to rent the gazebo for the current rate for the two dates already reserved and paid for in 2014. (November 1, 2014 and May 30, 2014)

NEW BUSINESS:

**b. CONSIDER APPROVAL OF RENOVATION PLANS PRESENTED BY THE
RUTHERFORD COUNTY TOURISM DEVELOPMENT AUTHORITY FOR THE
LAKE LURE AND THE BLUE RIDGE FOOTHILLS WELCOME CENTER**

Zoning Administrator Sheila Spicer gave an overview of a memo she presented to town council members regarding a request for approval of plans for the Lake Lure and the Blue Ridge Foothills Welcome Center presented by the Rutherford County Tourism Development Authority. Michelle Whitaker and Vic Knight presented renderings of the proposed building on behalf of the TDA board. Mr. Knight stated that, due to height restrictions, the sign cupola in the rendering is not part of the proposed plan at this time. Mr. Knight further explained that a request for approval of signage for the building will be presented to council at a later date.

Council members discussed signage options for the building. Paula Jordan, chair of the

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Town of Lake Lure Zoning and Planning Board, suggested that council wait until later phases in the project to consider signage options for the proposed building.

After discussion, Commissioner Bob Cameron stated that he had been asked to potentially work on the electrical part of the project and asked town attorney Chris Callahan if he should recuse himself from voting on this topic. Attorney Callahan advised Commissioner Cameron to ask to be excused from voting on the matter.

Council agreed to excuse Commissioner Cameron from voting on the matter.

Commissioner John Moore made a motion to approve the renovation plans for the Lake Lure and the Blue Ridge Foothills Welcome Center presented by the Rutherford County Tourism Development Authority as presented. Commissioner Mary Ann Silvey seconded the motion and the vote of approval was unanimous. (Copy of approved plans attached.)

NEW BUSINESS:

**c. CONSIDER APPROVAL OF A RECOMMENDATION FROM TOWN STAFF
REGARDING A VACANT POLICE OFFICER POSITION**

Police Chief Eric Hester presented a request asking council to allow a vacant police officer position to be filled.

Chief Hester explained that it is necessary to fill the position in order to have two officers on duty most of the time. Chief Hester further explained that having two officers on duty is necessary for safety reasons and agreed to do make an extra effort to find a well-suited and qualified officer for the position.

Commissioner John Moore made a motion to allow Chief Hester to hire an officer to fill the police department's vacant position. Commissioner Bob Cameron seconded the motion and the vote of approval was unanimous.

NEW BUSINESS:

**d. and e. CONSIDER APPROVAL OF GRANT PROJECT ORDINANCE NO. 13-01-08
REGARDING BUFFALO CREEK PARK AND CONSIDER APPROVAL OF THE
BUFFALO CREEK PARK TRAIL DYNAMICS CONTRACT**

Town Manager Chris Braund gave a brief overview of proposed Grant Project Ordinance No. 13-01-08 and the Buffalo Creek Park Trail Dynamics Contract.

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Commissioner John Moore made a motion to adopted Grant Project Ordinance No. 13-01-08 regarding Buffalo Creek Park and approve the Buffalo Creek Park Trail Dynamics Contract as presented. Commissioner Bob Cameron seconded the motion and the vote of approval was unanimous.

ORDINANCE NUMBER 13-01-08

**GRANT PROJECT ORDINANCE
OF THE TOWN OF LAKE LURE TOWN COUNCIL**

BE IT ORDAINED by the Governing Board of the Town of Lake Lure, which, pursuant to Section 13.2(a)(2) of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section 1. The project authorized is the Buffalo Creek Trail System to help financed in part by revenues received from PARTF and Recreational Trails Program.

Section 2. The officers of the Town of Lake Lure are hereby directed to proceed with the grant project within the terms of the council's resolution, grant documents and the budget contained herein.

Section 3. The following amounts were appropriated for the project:

Type 1 Trail	\$ 24,000	Contractor/ Town				
Type 2 and Type 3 Trails	106,508	Contractor				
Picnic Tables	480	Town				
Kiosk	250	Town				
Graveled Parking Area	1,900					
1 Bridges for Creek Crossing	25,000	Contractor				
Picnic Grills	600					
Contingency	11,968					
Construction Management, Planning, etc	16,250	Paid \$2,500 in FY 2010-11 and \$7,000 in FY 2011-12				
Total Appropriations	\$ 186,956					

Section 4. The following revenues are available for this project:

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NC Parks and Recreation Trust Fund (PARTF)	\$ 93,478						
Recreational Trails Program	75,000						
Transfer from General Fund (Town Funds)	18,478	Paid \$2,500 in FY 2010-11, \$7,000 in FY 2011-12 services, \$11,500 budgeted in FY 2012-13					
Total Revenues	\$ 186,956						

Section 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient detailed accounting records related to the project.

Section 6. Copies of this grant project ordinance shall be furnished to the Clerk to Town Council, and to the Budget Officer and the Finance Officer for direction in carrying out this project.

Adopted and approved by vote of (for 3) (against 0) this the 8th day of January 2013.

NEW BUSINESS:

f. SUMMITS TRAIL EXTENSION POWER POINT PRESENTATION

Town Manager Chris Braund presented a Power Point presentation outlining the plans for the Buffalo Creek Park and the Summits Trail extension.

NEW BUSINESS:

g. PUBLIC COMMENT REGARDING THE SUMMITS TRAIL EXTENSION

Ed Dittmer of 1136 Memorial Highway, chairman of the Town of Lake Lure Parks and Recreation Board, stated that the Parks and Recreation Board has discussed the Summits Trail Extension and they support the project. Mr. Dittmer also expressed his support for the Buffalo Creek Park project and commended the town's planner, Suzy Smoyer, for her work on the project. Mr. Dittmer stated that he feels the proposed trail system will be an asset to town residents and as well as visitors.

NEW BUSINESS:

**h. CONSIDER APPROVAL OF AUTHORIZING RESOLUTION NO. 13-01-08
REGARDING THE SUMMITS TRAIL EXTENSION**

Town Manager Chris Braund gave an overview of proposed Resolution No. 13-01-08 and explained that a 25% local match is required if the grant is awarded. Mr. Braund further explained that town staff is working with Carolina Mountain Land Conservancy on a strategy in which CMLC would give the town land that abuts the town's property. The acquisition of this property would qualify as the local match for the project.

Commissioner Bob Cameron made a motion to adopt Resolution No. 13-01-08. Commissioner Mary Ann Silvey seconded the motion and the vote of approval was unanimous.

TOWN OF LAKE LURE AUTHORIZING RESOLUTION NO. 13-01-08

RECREATIONAL TRAILS PROGRAM- SUMMITS TRAIL EAGLE ROCK EXTENSION

WHEREAS, the North Carolina Recreational Trails Program has reviewed a pre-application for the Summits Trail Eagle Rock Extension and has invited the Town of Lake Lure to submit a formal application; and

WHEREAS, the Town of Lake Lure needs assistance in financing the construction of the Summits Trail Eagle Rock Extension; and

WHEREAS, the Town of Lake Lure intends to request grant assistance for the Summits Trail Eagle Rock Extension from the Recreational Trails Program;

NOW THEREFORE BE IT RESOLVED, BY THE TOWN COUNCIL OF THE TOWN OF LAKE LURE:

That the Town of Lake Lure supports funding a 25% match to complete the proposed project.

That upon being awarded the Recreational Trails Program Grant, the Town of Lake Lure is committed to completing the project within two years.

That Chris Braund, Town Manager and successors so titled, is hereby authorized to execute and file an application for the Summits Trail Eagle Rock Extension on behalf of Town of Lake.

That Suzy Smoyer, Planner or Chris Braund, and successors so titled, is hereby authorized and directed to furnish such information as the Recreational Trails Program may request in connection with an application or with the project proposed; to make assurances as contained in the application; and to execute such other documents as may be required in connection with the application.

That the Town of Lake Lure has substantially complied or will substantially comply with all federal, state, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto.

Adopted this date, January 8, 2013 at Lake Lure, North Carolina.

NEW BUSINESS:

i. APPOINTMENTS – BOARD OF ADJUSTMENTS/LAKE STRUCTURE APPEALS BOARD, LAKE LURE ZONING/PLANNING BOARD, LAKE ADVISORY BOARD, LAKE LURE ABC BOARD, & PARKS/RECREATION BOARD

Council members voted by ballot and Town Manager Chris Braund announced the following results:

John Kilby was reappointed to serve as a regular member of the Board of Adjustment/Lake Structures Appeals Board with a term expiring on December 31, 2015. Lance Johnson was reappointed to serve as an alternate member of the Board of Adjustment/Lake Structure Appeals Board with a term expiring on December 31, 2015.

Bruce Barrett was reappointed to serve on the Lake Lure Zoning and Planning Board with a term expiring on December 31, 2015. Charlie Ellis was also appointed to serve on the Zoning and Planning Board with a term expiring on December 31, 2015.

Martyn Watts and Todd Dunnuck were reappointed to serve on the Parks and Recreation Board with terms expiring on December 31, 2015 and Jonathan Hinkle was appointed to fill the remainder of Chuck Watkins' term on the Parks and Recreation Board with a term expiring on December 31, 2013.

William Keller was reappointed to serve on the Lake Lure ABC Board with a term expiring on December 31, 2015.

Bill Ashman was reappointed to serve on the Lake Advisory Board with a term expiring on December 31, 2015. Dan Breneman, Derek Papesh and Joseph Pritchett were also appointed to serve on the Lake Advisory Board with a terms expiring on December 31, 2015.

NEW BUSINESS:

j. DISCUSSION REGARDING METHODOLOGY, DATES AND POTENTIAL TOPICAL AREAS FOR A GOAL SETTING OFFSITE COUNCIL MEETING

Mayor Bob Keith asked council members what they would like to achieve at the upcoming council workshop.

Council members discussed a need to set financial priorities. Commissioner John Moore stated that he would like to spread the budget process out to allow more time to review each department's budget.

ADJOURN THE MEETING

With no further items of discussion, Commissioner Bob Cameron made a motion to adjourn the meeting at 9:05 p.m. Commissioner Mary Ann Silvey seconded the motion and the vote of approval was unanimous.

ATTEST:

Andrea H. Calvert
Town Clerk

Mayor Bob Keith

Agenda Item: 8b

**TOWN OF LAKE LURE
REQUEST FOR SUSPENSION OF TOWN ORDINANCES
REVIEW BY POLICE DEPARTMENT**

Date of Request: Presented January 28, 2013 for a June 16, 2013 event

By: Susan Crotts (mother of the bride)

Describe Request: Wedding reception at the Lake Lure Municipal Center.

Requesting a suspension of the alcohol ordinance during the hours of
6:00 pm to 9:00 pm on June 16, 2013. This will be for a champagne toast
and no other alcohol will be present or served during the event.

For questions you may call Susan at 828-247-1444 or 828-287-6799.

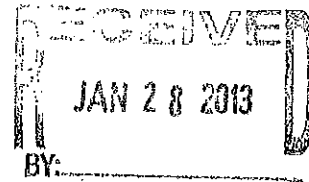
Reviewed by:


Police Chief

1-30-2013

Comments from LLPD:

Note: Complete form and return to Town Clerk
Form: ADM-9-00



Susan Crotts
320 Godfrey Road
Forest City, North Carolina 28043

Town of Lake Lure
2948 Memorial Highway
Lake Lure, North Carolina 28746

Dear Town Council:

I respectfully ask for a waiver of your town alcohol ordinance for the evening of Sunday, June 16, 2013, with regard to my daughter's wedding reception scheduled to take place at approximately 6:00 to 9:00 P.M. in your Community Hall. We would like to have a champagne toast to the bride and groom at some point during the evening. No other alcohol will be present or served during the evening.

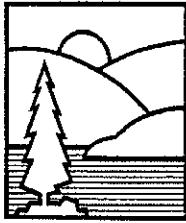
Thank you for your consideration of this request. If you have questions, I can be reached by phone at 828 247-1444 or 828 287-6799 (cell #) or by e-mail at escrotts2@yahoo.com.

Sincerely,

A handwritten signature in cursive script that reads "Susan Crotts".

Susan Crotts

Agenda Item: 8c



Incorporated 1927

TOWN OF LAKE LURE *Community Development Department*

MEMORANDUM

TO: Mayor & Town Council

FROM: Subdivision Administrator & Zoning Administrator

DATE: January 23, 2013

RE: Land Development Regulations Concerning Streets and Driveways

The Community Development Department has identified areas of confusion in the land development regulations as they pertain to streets and driveways. While the definition for streets in the Subdivision Regulations and the Zoning Regulations is consistent, there are provisions for private driveways accessing multiple properties in the Subdivision Regulations that exempts them from certain requirements that apply to streets. These exemptions are not currently recognized by the Zoning Regulations. This has the potential for creating confusion not only for staff, but for property owners, developers, surveyors, and other individuals who attempt to seek various approvals from the Town.

Staff respectfully requests that Town Council commission the Zoning and Planning Board to study this issue and provide recommendations on reconciling the differences between Town regulations as they pertain to streets and driveways.

Agenda Item: 8d

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

January 31, 2013

Sam Karr, Finance Director
Town of Lake Lure
2948 Memorial Highway
Lake Lure, NC 28746

Dear Sam:

Enclosed are *two copies* of the Contract to Audit Accounts for the Town of Lake Lure for the Year Ended June 30, 2013, along with an attached copy of our firm's peer review letter.

Please have the Mayor sign and date the contract in the spaces provided. You also need to sign and date the Preaudit Certificate, where indicated. The Local Government Commission also **requires** the date when the governing board approved the contract to be completed. Please return one copy of the signed contract to our office in the enclosed, self-addressed envelope and keep one copy for your records. The Local Government Commission will notify you via email once the audit contract has been approved.

Thank you for your prompt attention to this matter. If you have any questions, please feel free to contact our office.

Sincerely,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.

Enclosures

CONTRACT TO AUDIT ACCOUNTSOf Town of Lake Lure, NC

Governmental Unit

On this 30th day of January, 2013, Martin Starnes & Associates, CPAs, P.A.

Auditor

730 13th Avenue Drive SE, Hickory, NC

Mailing Address

, hereinafter referred to as

the Auditor, and Town Council of Town of Lake Lure, NC, hereinafter referred

Governing Board

Governmental Unit

to as the Governmental Unit, agree as follows:

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit for the period beginning July 1, 2012, and ending June 30, 2013. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion will be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate discretely presented component units, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with generally accepted auditing standards. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB Circular A-133 and the State Single Audit Implementation Act, the auditor shall perform a Single Audit. This audit and all associated workpapers may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the LGC. If the audit and/or workpapers are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners.
3. This contract contemplates an unqualified opinion being rendered. If financial statements are not prepared in accordance with generally accepted accounting principles (GAAP), or the statements fail to include all disclosures required by GAAP, please provide an explanation for that departure from GAAP in an attachment.
4. This contract contemplates an unqualified opinion being rendered. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, July 2007 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the Local Government Commission prior to the execution of the audit contract. (See Item 22) If the audit firm received a peer review rating other than pass, the auditor shall not contract with any Local Government Units without first contacting the Secretary of the Local Government Commission for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards*, the Auditor shall provide an explanation as to why in an attachment.
6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the SLGFD within four months of fiscal year end. Audit report is due on: October 31, 2013. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay must be submitted to the Secretary of the Local Government Commission for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as the systems relate to accountability of funds, adherence to budget requirements, and adherence to law requirements. In addition, the Auditor will make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report must include all matters defined as "significant deficiencies and material weaknesses" in AU 325 of the *AICPA Professional Standards*. The Auditor shall file a copy of that report with the Secretary of the Local Government Commission.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the Local Government Commission. This includes annual or special audits, agreed upon procedures related to Internal Control, bookkeeping or other assistance necessary to prepare the Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the Local Government Commission. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] The process for invoice approval has changed. All invoices for Audit work must be submitted by email in PDF format to the Secretary of the Local Government Commission for approval. The invoices must be emailed to: lgc.invoices@nctreasurer.com

Email Subject line should read "unit name -- invoice. The PDF invoice marked approved with approval date will be returned by email to the Auditor for them to present to the Local Government Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this agreement, the Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the Local Government Commission, the following fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts:

Year-end bookkeeping assistance – [For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards] _____

Audit \$18,700 _____

Preparation of the annual financial statements \$3,300 _____

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) auditors may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. ^{new} **The 75% cap for interim invoice approval for this audit contract is \$ 16,500** _____

10. The auditor working with a local governmental unit that has outstanding revenue bonds will include in the notes to the audited financial statements, whether or not required by the revenue bond documents, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the Local Government Commission simultaneously with the local government's audited financial statements unless otherwise specified in the bond documents.
11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include but not be limited to the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the governmental unit and all of its component units prepared in accordance with generally accepted accounting principles, (c) supplementary information requested by the client or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the accounting period.
12. If the audit firm is required by the NC CPA Board or the Secretary of the Local Government Commission to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Unit of Government will not be billed for the pre-issuance review. The pre-issuance review must be performed **prior** to the completed Audit being submitted to the Local Government Commission. The pre-issuance report must accompany the audit report upon submission to the Local Government Commission.
13. The Auditor shall electronically submit the report of audit to the Local Government Commission when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the Local Government Commission, becomes a matter of public record for inspection and review in the offices of the Secretary by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the Local Government Commission. These audited financial statements are used in the preparation of Official Statements for debt offerings (the auditors' opinion is not included), by municipal bond rating services, to fulfill secondary market disclosure requirements of the Securities and Exchange Commission, and other lawful purposes of the government, without subsequent consent of the auditor. If it is determined by the Local Government Commission that corrections need to be made to the unit's financial statements they should be provided within three days of notification unless, another time frame is agreed to by the Local Government Commission.

The Local Government Commission's process for submitting contracts, audit reports and Invoices are subject to change. Auditors should use the submission process in effect at the time of submission.

In addition, if the North Carolina Office of the State Auditor designates certain programs to be audited as major programs, a turnaround document and a representation letter addressed to the State Auditor shall be submitted to the Local Government Commission.

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the Local Government Commission, this agreement may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor.
15. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, signed and dated by all parties and pre-audited if the change includes a change in audit fee. This document and a written explanation of the change must be submitted by email in PDF format to the Secretary of the Local Government Commission for approval. The portal address to upload your amended contract and Letter of explanation documents is <http://nctreasurer.slgfd.leapfile.net> **No change shall be effective unless approved by the Secretary of the Local Government Commission, the Governing Board, and the Auditor.**

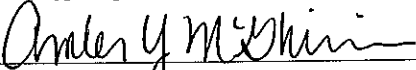
16. Whenever the Auditor uses an engagement letter with the client, Item 17 is to be completed by referencing the engagement letter and attaching a copy of the engagement letter to the contract to incorporate the engagement letter into the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control. Engagement letter terms are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 22 of this contract. Engagement letters containing indemnification clauses will not be approved by the Local Government Commission.
17. Special provisions should be limited. Please list any special provisions in an attachment.
18. A separate contract should not be made for each division to be audited or report to be submitted. A separate contract must be executed for each component unit which is a local government and for which a separate audit report is issued.
19. The contract must be executed, pre-audited, physically signed by all parties and submitted in PDF format including unit and auditor signatures to the Secretary of the Local Government Commission. The current portal address to upload your contractual documents is http://nctreasurer.slgfd.leapfile.net. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of March 5, 2012. These instructions are subject to change. Please check the NC Treasurer's web site at www.nctreasurer.com for the most recent instructions.
20. The contract is not valid until it is approved by the Local Government Commission. The staff of the Local Government Commission shall notify the unit and auditor of contract approval by email. The audit should not be started before the contract is approved.
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the Local Government Commission.
22. All of the above paragraphs are understood and shall apply to this agreement, except the following numbered paragraphs shall be deleted: (See Item 16.)
23. All communications regarding Audit contract requests for modification or official approvals will be sent to the email addresses provided in the following areas.

Audit Firm Signature:

Firm Martin Starnes & Associates, CPAs, P.A.

By Amber Y. McGhinnis, Audit Manager

(Please type or print name)


(Signature of authorized audit firm representative)

Email Address of Audit Firm:

amcghinnis@martinstarnes.com

Date January 30, 2013

Unit Signatures:

By Bob Keith, Mayor

(Please type or print name and title)

(Signature of Mayor/Chairperson of governing board)

Date _____

Date Governing Body Approved Audit Contract - G.S. 159-34(a)

Unit Signatures (continued):

By N/A

(Chair of Audit Committee- please type or print name)

(Signature of Audit Committee Chairperson)

Date N/A

(If unit has no audit committee, this section should be marked "N/A.")

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

Sam Karr, Finance Director

Governmental Unit Finance Officer (Please type or print name)

(Signature)

Email Address of Finance Officer

findir@townoflakelure.com

Date _____

(Preaudit Certificate must be dated.)



Koonce, Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

SYSTEM REVIEW REPORT

May 22, 2012

Martin, Starnes & Associates, CPAs, PA and the
Peer Review Committee, North Carolina Association
of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Martin, Starnes & Associates, CPAs, PA (the firm) in effect for the year ended December 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Martin, Starnes & Associates, CPAs, PA, in effect for the year ended December 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin, Starnes & Associates, CPAs, PA has received a peer review rating of *pass*.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

Raleigh

4080 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

Durham

3511 Shannon Road
Suite 100
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro

10 Sanford Road
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

CONTRACT TO AUDIT ACCOUNTS
 Of Town of Lake Lure, NC
 Governmental Unit

On this 30th day of January, 2013, Martin Starnes & Associates, CPAs, P.A.
 Auditor

730 13th Avenue Drive SE, Hickory, NC

Mailing Address

, hereinafter referred to as

the Auditor, and Town Council of Town of Lake Lure, NC, hereinafter referred
 Governing Board Governmental Unit
 to as the Governmental Unit, agree as follows:

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit for the period beginning July 1, 2012, and ending June 30, 2013. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion will be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate discretely presented component units, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with generally accepted auditing standards. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB Circular A-133 and the State Single Audit Implementation Act, the auditor shall perform a Single Audit. This audit and all associated workpapers may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the LGC. If the audit and/or workpapers are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners.
3. This contract contemplates an unqualified opinion being rendered. If financial statements are not prepared in accordance with generally accepted accounting principles (GAAP), or the statements fail to include all disclosures required by GAAP, please provide an explanation for that departure from GAAP in an attachment.
4. This contract contemplates an unqualified opinion being rendered. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, July 2007 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the Local Government Commission prior to the execution of the audit contract. (See Item 22) If the audit firm received a peer review rating other than pass, the auditor shall not contract with any Local Government Units without first contacting the Secretary of the Local Government Commission for a peer review analysis that may result in additional contractual requirements.

 If the audit engagement is not subject to *Government Accounting Standards*, the Auditor shall provide an explanation as to why in an attachment.
6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the SLGFD within four months of fiscal year end. Audit report is due on: October 31, 2013. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay must be submitted to the Secretary of the Local Government Commission for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as the systems relate to accountability of funds, adherence to budget requirements, and adherence to law requirements. In addition, the Auditor will make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report must include all matters defined as "significant deficiencies and material weaknesses" in AU 325 of the *AICPA Professional Standards*. The Auditor shall file a copy of that report with the Secretary of the Local Government Commission.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the Local Government Commission. This includes annual or special audits, agreed upon procedures related to Internal Control, bookkeeping or other assistance necessary to prepare the Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the Local Government Commission. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] The process for invoice approval has changed. All invoices for Audit work must be submitted by email in PDF format to the Secretary of the Local Government Commission for approval. The invoices must be emailed to: lgc.invoices@nctreasurer.com

Email Subject line should read "unit name -- invoice. The PDF invoice marked approved with approval date will be returned by email to the Auditor for them to present to the Local Government Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this agreement, the Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the Local Government Commission, the following fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts:

Year-end bookkeeping assistance – [For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards] _____

Audit \$18,700 _____

Preparation of the annual financial statements \$3,300 _____

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) auditors may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. **The 75% cap for interim invoice approval for this audit contract is \$ 16,500** _____

10. The auditor working with a local governmental unit that has outstanding revenue bonds will include in the notes to the audited financial statements, whether or not required by the revenue bond documents, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the Local Government Commission simultaneously with the local government's audited financial statements unless otherwise specified in the bond documents.
11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include but not be limited to the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the governmental unit and all of its component units prepared in accordance with generally accepted accounting principles, (c) supplementary information requested by the client or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the accounting period.
12. If the audit firm is required by the NC CPA Board or the Secretary of the Local Government Commission to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Unit of Government will not be billed for the pre-issuance review. The pre-issuance review must be performed prior to the completed Audit being submitted to the Local Government Commission. The pre-issuance report must accompany the audit report upon submission to the Local Government Commission.
13. The Auditor shall electronically submit the report of audit to the Local Government Commission when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the Local Government Commission, becomes a matter of public record for inspection and review in the offices of the Secretary by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the Local Government Commission. These audited financial statements are used in the preparation of Official Statements for debt offerings (the auditors' opinion is not included), by municipal bond rating services, to fulfill secondary market disclosure requirements of the Securities and Exchange Commission, and other lawful purposes of the government, without subsequent consent of the auditor. If it is determined by the Local Government Commission that corrections need to be made to the unit's financial statements they should be provided within three days of notification unless, another time frame is agreed to by the Local Government Commission.

The Local Government Commission's process for submitting contracts, audit reports and Invoices are subject to change. Auditors should use the submission process in effect at the time of submission.

In addition, if the North Carolina Office of the State Auditor designates certain programs to be audited as major programs, a turnaround document and a representation letter addressed to the State Auditor shall be submitted to the Local Government Commission.

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the Local Government Commission, this agreement may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor.
15. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, signed and dated by all parties and pre-audited if the change includes a change in audit fee. This document and a written explanation of the change must be submitted by email in PDF format to the Secretary of the Local Government Commission for approval. The portal address to upload your amended contract and Letter of explanation documents is <http://nctreasurer.slgfd.leapfile.net> No change shall be effective unless approved by the Secretary of the Local Government Commission, the Governing Board, and the Auditor.

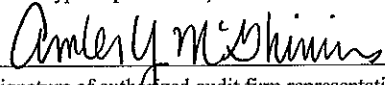
16. Whenever the Auditor uses an engagement letter with the client, Item 17 is to be completed by referencing the engagement letter and attaching a copy of the engagement letter to the contract to incorporate the engagement letter into the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control. Engagement letter terms are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 22 of this contract. Engagement letters containing indemnification clauses will not be approved by the Local Government Commission.
17. Special provisions should be limited. Please list any special provisions in an attachment.
18. A separate contract should not be made for each division to be audited or report to be submitted. A separate contract must be executed for each component unit which is a local government and for which a separate audit report is issued.
19. The contract must be executed, pre-audited, physically signed by all parties and submitted in PDF format including unit and auditor signatures to the Secretary of the Local Government Commission. The current portal address to upload your contractual documents is http://nctreasurer.slgfd.leapfile.net. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of March 5, 2012. These instructions are subject to change. Please check the NC Treasurer's web site at www.nctreasurer.com for the most recent instructions.
20. The contract is not valid until it is approved by the Local Government Commission. The staff of the Local Government Commission shall notify the unit and auditor of contract approval by email. The audit should not be started before the contract is approved.
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the Local Government Commission.
22. All of the above paragraphs are understood and shall apply to this agreement, except the following numbered paragraphs shall be deleted: (See Item 16.)
23. **All communications regarding Audit contract requests for modification or official approvals will be sent to the email Addresses provided in the following areas.**

Audit Firm Signature:

Firm Martin Starnes & Associates, CPAs, P.A.

By Amber Y. McGhinnis, Audit Manager

(Please type or print name)


(Signature of authorized audit firm representative)

Email Address of Audit Firm:

amcghinnis@martinstarnes.com

Date January 30, 2013

Unit Signatures:

By Bob Keith, Mayor

(Please type or print name and title)

(Signature of Mayor/Chairperson of governing board)

Date _____

Date Governing Body Approved Audit Contract - G.S. 159-34(a)

Unit Signatures (continued):

By N/A

(Chair of Audit Committee- please type or print name)

(Signature of Audit Committee Chairperson)

Date N/A

(If unit has no audit committee, this section should be marked "N/A.")

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

Sam Karr, Finance Director

Governmental Unit Finance Officer (Please type or print name)

(Signature)

Email Address of Finance Officer

findir@townoflakelure.com

Date _____

(Preaudit Certificate must be dated.)



Koonce, Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

SYSTEM REVIEW REPORT

May 22, 2012

Martin, Starnes & Associates, CPAs, PA and the
Peer Review Committee, North Carolina Association
of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Martin, Starnes & Associates, CPAs, PA (the firm) in effect for the year ended December 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Martin, Starnes & Associates, CPAs, PA, in effect for the year ended December 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin, Starnes & Associates, CPAs, PA has received a peer review rating of *pass*.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

Raleigh
4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

Durham
3511 Shannon Road
Suite 100
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro
10 Sanford Road
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

Agenda Item: 8e



Incorporated 1927

Town of Lake Lure

P. O. Box 255 • Lake Lure, NC 28746-0255 • 828/625-9983 • FAX 828/625-8371

MEMORANDUM

To: Town Council
From: Sam A. Karr, Finance Director *SAK*
Subject: Budget Amendment-"No Man's Land Tax" Fire Dept.
Date: February 7, 2013

The Town Of Lake Lure Fire Department received \$4,000 (No Man's Land Tax) from Rutherford County for a small area that they protect off of Girl's Scout Camp Rd. that is not inside the Town limits.

As in the past (see attached Resolution), we would like to include this money into the town's reserve fund (Capital Reserve-Fire Equipment) earmarked for fire equipment purchases. According to the establishment of this fund, town council will need to approve any contributions and appropriations.

If this acceptable, a **motion to include \$4,000 No Man's Land Tax into the Fire Equipment Capital Reserve Fund for future capital fire equipment purchases** will be required. With this amendment, the balance in the reserve fund will be \$14,000. If you have any questions, please free to contact me.

Enclosure

Xc: Chris Braund, Town Manager
Thadd Hodge, Accountant
Ronald J. Morgan, Fire Chief

RESOLUTION NO. 11-01-18B

**ESTABLISHMENT OF A FIRE EQUIPMENT
CAPITAL RESERVE FUND**

WHEREAS, there is a need in the Town of Lake Lure, North Carolina to purchase Fire Equipment; and

WHEREAS, the Town must bear the cost to purchase Fire Equipment without placing a large debt burden upon the operational budget; and

WHEREAS, purchases may be scheduled in order to benefit from favorable market conditions.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD THAT:

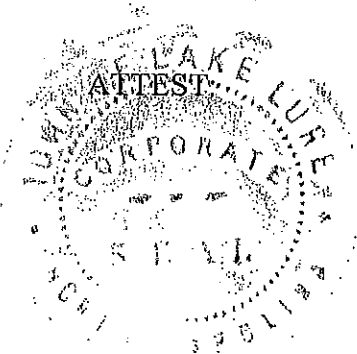
Section 1. The Governing Board hereby creates a Capital Reserve Fund for the purpose of purchasing Fire Equipment.

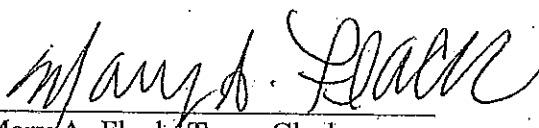
Section 2. This fund will remain operational until the Governing Board decides to disband the fund.

Section 3. The board will appropriate fire revenues, such as no-man's land tax, or other amounts deemed necessary by the Governing Board. All contributions to or appropriations from the fund will be approved by the Governing Board.

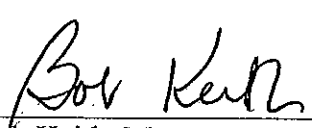
Section 4. This resolution shall become effective upon its adoption.

Adopted this 18th day of January, 2011.





Mary A. Flack, Town Clerk



Bob Keith, Mayor

Agenda Item: 8f



Incorporated 1927

Town of Lake Lure

P. O. Box 255 • Lake Lure, NC 28746-0255 • 828/625-9983 • FAX 828/625-8371

MEMORANDUM

To: Town Council
From: Sam A. Karr, Finance Director 
Subject: Budget Amendment-Timken Grant-Brush Truck
Date: February 7, 2013

As you all are aware, the Town of Lake Lure Fire Department has received a \$40,500 grant to be used to purchase a new brush truck to replace our old 1986 military surplus brush truck.

If this is acceptable, we need to know the grant proceeds and to budget an expense to satisfy our requirements. A **motion to add \$40,500 to revenue line item Timken Grant-Fire Dept. (#10-332944) and increase \$40,500 to expense Capital Outlay Fire Dept.-Brush Truck (#10-80000.532)** would be required.

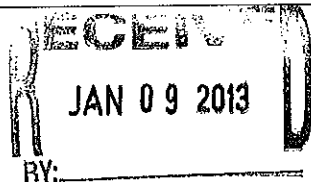
If you have any questions, please feel free to contact me.

Xc: Chris Braund, Town Manager
Thadd Hodge, Accountant
Ronald Morgan, Fire Chief



TIMKEN FOUNDATION *of Canton*

200 Market Avenue North, Suite 210 • Canton, Ohio 44702-1437 • TEL: (330) 452-1144 • FAX: (330) 452-2306



December 14, 2012

Mr. Ronald Morgan
Fire Chief
Town of Lake Lure
622 Memorial Highway
PO Box 255
Lake Lure, NC 28746

Dear Chief Morgan:

At a recent meeting, the Timken Foundation of Canton Trustees reviewed your request for \$40,500 to be used to purchase a new brush truck to replace the 1986 brush truck. The Trustees reviewed the information that you provided and have approved a grant of \$40,500 for this project, subject to the following conditions:

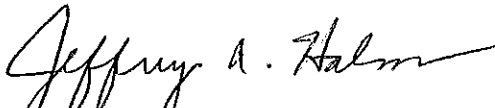
1. The grant is to be used exclusively to purchase a new brush truck to replace the 1986 brush truck as detailed in your proposal.
2. You warrant and represent that your receipt of this grant will not adversely affect the organization's status as a public charity.
3. You will furnish to the Timken Foundation any information concerning a change or proposed change in the organization's tax-exempt status.
4. If the organization's tax exempt status changes, the Timken Foundation reserves the right to have all remaining grant funds immediately returned.
5. Any funds not used or committed for the specific purpose of the grant must be returned to the Timken Foundation, unless otherwise authorized in writing.
6. You must provide a written report as soon as possible after the completion of the project describing the outcome of the project including how the funds were expended to attain the objective.

Please indicate your organization's agreement to these conditions by having a duly authorized officer sign and return one copy of this letter to me.

Mr. Ronald Morgan
December 14, 2012
Page 2

The Foundation has scheduled payment of this grant for January, 2013. If the funds are needed before that time, please contact me for consideration of an earlier payment.

Sincerely,


Jeffrey A. Halm
Secretary

ACCEPTED:

Town of Lake Lure, NC

By: _____
(Signature)

(Print Name)

(Title)

(Date)

Agenda Item: 8g



Incorporated 1927

Town of Lake Lure

P. O. Box 255 • Lake Lure, NC 28746-0255 • 828/625-9983 • FAX 828/625-8371

MEMORANDUM

To: Town Council
From: Sam A. Karr, Finance Director *SAK*
Date: February 8, 2013
Subject: Budget Amendment-Sale Proceeds Police Vehicle

As you are all aware, the Town sold a 2005 Ford Crown Vic thru GOV DEALS. We respectfully request the proceeds be moved into the Debt Service for Police Vehicles account.

A motion to move \$3,723 from "Sale of Assets" (#10-383500) to "Debt Service Police Vehicle" (#10-91000-541) is required.

Let us know if you have any questions.

cc: Chris Braund, Town Manager
Thadd Hodge, Accountant
Eric Hester, Police Chief

Agenda Item: 10a



Incorporated 1927

Town of Lake Lure

P. O. Box 255 • Lake Lure, NC 28746-0255 • 828/625-9983 • FAX 828/625-8371

Memorandum

To: Town Manager, Chris Braund
Mayor, Bob Keith
Town Council

From: Ron Morgan, Lake Lure Fire Chief

Date: February 07, 2013

Subject: Fire Alarm Ordinance

The Fire Departments that serve Lake Lure have responded to fire alarms in homes and businesses for years and the numbers of these buildings with alarms has steadily grown. We have been fortunate that these have not been a serious problem in the past but in the last year or two we are starting to more false alarms, many of these are from just a few locations. Rutherford County adopted a Fire Alarm Ordinance several years ago because of the increase they had seen in other parts of the County. We had not seen this problem materialize in our area until recently.

In the last month we have had two locations that have had several false alarms. One of these has made a significant effort to address the problem. This ordinance is not to generate income but to serve as motivation for an occupant to address a problem with their alarm system. Every time we receive a fire alarm we send at least two fire apparatus and 4 to 8 personnel to check on it, this is required by ISO. The cost for this response is not so much the fuel but the time for personnel, most of which are volunteers and many are leaving their job to answer this call.

The desired impact is to motivate the offenders to correct the problem. Right now there are no repercussions for having the fire department respond numerous times to their home or business. The fees are very reasonable compared to other fines or penalties and I believe will reduce the number of false alarms we receive.

Cc: file

ORDINANCE NUMBER 13-02-12

**AN ORDINANCE AMENDING CHAPTER 31 OF THE CODE OF ORDINANCES
OF THE TOWN OF LAKE LURE TO ADD PENALTIES FOR MULTIPLE
FALSE FIRE ALARMS**

WHEREAS, multiple false alarms to which the Town of Lake Lure Fire Department responds create monetary expense to the town and result in increased danger of possible accidents involving those responding to such alarms;

WHEREAS, it is determined that those locations generating multiple false alarms should have an economic responsibility for such false alarms; and

WHEREAS, the Lake Lure Town Council finds that it is in the public interest to amend Chapter 31 of the Town's Code of Ordinances to provide regulations regarding fire alarms;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKE LURE, NORTH CAROLINA, MEETING IN REGULAR SESSION AND WITH A MAJORITY OF THE COUNCIL MEMBERS VOTING IN THE AFFIRMATIVE:

SECTION ONE: Chapter 31 of the Code of Ordinances of the Town of Lake Lure is amended by adding the following definitions to §31.12 Definitions:

ALARM as used herein shall mean any electrical or mechanical device, which transmits an electronic alarm signal or recorded message to the Rutherford County Communications Center indicating a fire or other incendiary occurrence.

FALSE ALARM as used herein shall mean an activation of an alarm system, which elicits a response from the fire department when no situation requiring such a response does, in fact, exist. This includes accidental, avoidable, and unnecessary alarm activation due to user error, equipment malfunction and improper or unsuited equipment, but does not include alarm activation caused by violent conditions of nature or other extraordinary circumstances not reasonably subject to control by the alarm user.

RESIDENTIAL, STORAGE, BUSINESS, ASSEMBLY, EDUCATIONAL, INDUSTRIAL, MERCANTILE, HAZARDOUS AND INSTITUTIONAL as used herein shall have the meanings as set forth more fully in the occupancy classification of the North Carolina Building Code as adopted and enforced from time to time.

SECTION TWO: Chapter 31 of the Code of Ordinances of the Town of Lake Lure is amended by adding a new §31.99, "Penalty," which shall read as follows:

§31.99 Penalty:

- a) If the Town of Lake Lure Fire Department shall respond to more than two (2) false alarms at the same premises or location within any calendar month, the fire chief shall issue a civil penalty citation giving notice of the violation of this section for each such false alarm over two (2) per month. The citation shall issue to the owner of record of the property, or to the person or entity having present control of such premises or location if different from the owner of record of the property. Citations may be served in person or mailed by certified mail, return receipt requested, to the person or entity charged.
- b) The amount of the penalty shall be seventy-five dollars (\$75.00) pertaining to false alarms to residential and storage properties, one hundred dollars (\$100.00) pertaining to false alarms to business and assembly properties, and one hundred fifty dollars (\$150.00) pertaining to false alarms to educational, industrial, mercantile, hazardous, and institutional properties.
- c) Each citation shall impose the penalty described above and shall be paid to the Town of Lake Lure Finance Director within fourteen (14) days of issuance in full satisfaction of the assessed civil penalty. If the civil penalty is not paid within the time prescribed in the citation, the town may initiate a civil action in the nature of debt to collect such penalty.
- d) Payments shall be deposited into the responding fire departments budget.

SECTION THREE. This ordinance shall be in full force and effect from and after the date of its adoption.

Adopted this ____ day of _____, 2012.

Bob Keith, Mayor

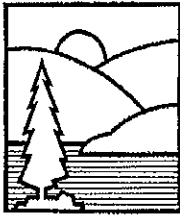
ATTEST:

Andrea H. Calvert, Town Clerk

Approved as to form:

Chris Callahan, Town Attorney

Agenda Item: 10b



Incorporated 1927

TOWN OF LAKE LURE

Office of the Town Manager

TO: Mayor and Commissioners
FROM: Chris Braund
DATE: January 2013

RE: Boat Fleet – Strategy & Recommendations

We are continuing to optimize the fleet of town-owned boats to best meet our operational needs and to minimize costs. Over the last four years, we have eliminated four boats and have identified an additional two to be sold or parted out.

Attached you'll find an inventory of boats in use to meet the needs of various departments in providing municipal services on the lake. There is also a list of vehicles, boats and equipment that have been sold over the past four years.

At this point, our recommended fleet contains 6 powered boats:

1. Primary Patrol Boat
2. Environmental / Secondary Patrol Boat
3. Service Work Boat
4. Work Barge
5. Fire Boat
6. Rescue Inflatable

To keep the fleet as small as possible, we no longer have boats in each department serving similar functions. The boats on the list above each serve a specific, necessary function in the fleet and are shared by multiple departments. Our maintenance strategy is to invest in the preventive maintenance and refurbishment of each to ensure that they have a long useful life and that they are dependable when needed. In particular, motors need to start on demand and provide worry-free service.

During last year's budget and capital improvement conversations, Dean brought up the need to replace an old motor on the main service work boat. Anticipating this expense, we sold the Bennington Pontoon for \$10,050 to provide funds.

Recommendations:

- 1) Purchase a new Evinrude ETEC 75hp outboard motor and install it on the Service Work Boat. With parts, operating console and labor, the cost is \$9,267.58. This will give us a dependable motor for the primary work boat on the lake. I am requesting Council's approval to use funds from the sale of the Bennington to purchase this motor.
- 2) Transfer the old, 60hp engine from the Service Work Boat to the Work Barge. This boat gets less use, but is necessary for certain work and for Donnie's use at the dam (without railings or canopy, it can fit underneath the suspended cable.)

- 3) Sell or part out the current public works pontoon (in fair condition)
- 4) Sell or part out the current dam/hydroelectric pontoon (in poor condition)

I'm happy to answer any questions —

Chris

Town Of Lake Lure Inventory of Boats

Purpose	Dept.	Year	Make	Type	HP	Engine	Length	Condition	State Regis.#	Mooring Location	Comment	Est. Replacement Date
1 Primary Patrol Boat - shared by Police and Lake Operations for patrol, law enforcement, boater assistance, event support.	Police Lake Operations	2006	McKee	Runabout	200	Evinrude	19' 06"	Very Good	Exempt	Town Center Boathouse (inside)		Replace engine 2016, Boat 2026
2 Environmental / Secondary Patrol Boat - Used for environmental management, permit inspections & site visits, event support. Used as a secondary and backup patrol boat when needed (e.g., large events, during maintenance outages).	Lake Operations Police	1996	McKee	Runabout	135	Evinrude	19'	Fair/Good	NC2004PB	Old EMS Boathouse @ Dam (outside)	Motor is between 1996-2001. When a new police boat is purchased, the old one can be moved to this role. This boat can then be sold.	
3 Service Work Boat - used for debris removal, construction, maintenance activities, sunken boat recovery, fire dept. training	Lake Operations Public Works	1976	Unknown	Tri-toon	60	Johnson	28'	Fair	Exempt	Town Center Boathouse (outside)	Shared by Public Works, Lake Ops, Fire Dept. Custom-built from parts, put into service in 2012. Needs new motor (from proceeds of Bennington pontoon sale). Transfer existing motor to Work Barge.	Purchase New Motor in 2012/13
4 Work Barge - used for hauling supplies and as a work platform for maintenance activities at the dam or around the lake. Needed at the dam because it can fit underneath the suspended cable.	Public Works Hydro			Pontoon			14'	Fair	Exempt	Old EMS Boathouse @ Dam (outside)	The old engine from the service work boat (above) will be transferred to this barge.	Purchase New Motor in 2016/17
5 Fire Boat - Enables all shoreline properties to be classified as within 1,000 feet of a fire hydrant, lowering homeowner's insurance rates	Fire	2003	Sea Ark	Runabout	2 x 150	Evinrude	25'	Excellent	NC8401P	Old EMS Boathouse @ Dam (inside)		Replace engines 2018, Boat 2028
6 Rescue Inflatable - obtained at deep discount using donated funds. Used for safety support of athletic events on the lake and for rescue training / rescue.	Fire	2001	Zodiac	Inflatable	40	Johnson	14'	Excellent	P-4929	Trailerred (inside fire station)		
7 Jon Boat	Public Works			Fisher Jon Boat			14'	Good	Exempt	Behind Public Works	Not used often, but handy when needed.	



Surplus: To be sold / parted out

Public Works - Work Boat - used for debris removal, construction, maintenance activities	Public Works	1984	SunTrack	Portoon	50	Mercury	24'	Fair	NCP-4763	Town Boathouse (outside covered slip)	SURPLUS: TO BE SOLD OR PARTED OUT	2012/2013
Utilities (Dam/Sewer) Maintenance	Utilities	1984	SunTrack	Portoon	50	Mercury	24'	Poor	Exempt	Dam	SURPLUS: TO BE SOLD OR PARTED OUT	2012/2013



Fixed Asset Inventory - Surplus Sales

VEHICLES

Department	Year / Make / Model	VIN	Take-Home Driver	Mileage	Planned Retirement Date	Comments
1 Police	2001 Ford Crown Vic	3357	Shared use	117,931	2009	SOLD - April 2009 - \$2000
2 Police	2003 Ford Crown Vic	2639	Shared use	106,193	2009	SOLD - April 2009 - \$2000
3 Golf Course	1997 Jeep Cherokee	7093		119,195	2009	SOLD - August 2009 - \$300
4 Golf Course	1997 Jeep Cherokee	7092			2009	SOLD - August 2009 - \$300
5 Golf Course	1994 GMC Sonoma	6751			2009	SOLD - August 2009 - \$300
6 Police	1984 Chevrolet Camo Blazer	4578	Shared use	17,896	2009	SOLD - August 2009 - \$1079
7 Police	2004 Ford Crown Vic	0025	Shared use	125,162	2010	SOLD - April 2010 - \$3500
8 Police	2005 Ford Crown Vic	5784	Hester	102,000	2010	SOLD - April 2010 - \$5800
9 Public Works	1990 Jeep Cherokee	4218		124,346	None	SOLD - October 2012 - \$300
10 Administration	2004 Ford Expedition	0218	Shared Use	143,977	2012	SOLD - November 2012 - \$5100
11 Police	2005 Ford Crown Vic	5691	Shared Use	118,860	2012/2013	Being sold in January 2013

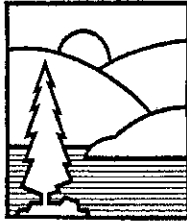
BOATS

Dept.	Year	Make	Type	HP	Engine	Length	State Regis.#	Mooring Location	Comment
1 Public Works					Mercuriser		NC0305WC	Public Works	SOLD - August 2009 - \$300
2 Public Works			MonArk Jon Boat	3.7 Liter		14'	None	Land/Public Works	SOLD - August 2009 - \$157
3 Lake Operations	1976	Larson	Runabout	55	Evinrude	14'	None	Trailer	SOLD - August 2009 - \$1559
4 Lake Operations	2003	Bennington	Pontoon	90	Yamaha	22'	Good	NC9274CW	SOLD - Sept 2012 - \$10,050 (less \$750 Esting fee)

EQUIPMENT

Department	Year / Make / Model	Ser #	Hours / Miles	Planned Replacement Date	Comments
Public Works	1982 Case Loader 450B	2077		2009	SOLD - August 2009 - \$4002
Public Works	Bush Hog 306 Rotary Cutter	12-10054		2009	SOLD - August 2009 - \$4002

Agenda Item: 10c



Incorporated 1927

TOWN OF LAKE LURE

Office of the Town Manager

TO: Mayor and Commissioners
FROM: Chris Braund
RE: Participation in County-Wide Sewer Study
DATE: February 1, 2013

I am requesting that the commissioners approve the following motion:

The Town of Lake Lure endorses the application for a North Carolina Rural Center grant to fund a county-wide sewer study and, upon the award of such grant, to contribute \$7,505 toward the cost of such study, subject to and contingent upon a satisfactory agreement by and between the county and the participating municipalities which provides for participation and input from the Town of Lake Lure on the Request for Proposals for the study, and approval by the Town of Lake Lure of the final award of the contract for the study.

What is the Study?

Rutherford County has agreed to lead an effort to produce an engineering and financial study that will build the case for interconnecting sewer plants to build a regional sewer system. The NC Rural Center is very supportive of this goal and will provide a 50% matching grant to fund the study.

The sewer study will examine:

- the 5 existing sewer treatment plants
- the revenue and cost structures of each
- the costs of interconnect them (in phases)
- the costs of operating the interconnect pipelines
- the experience of many other counties that have built successful, regional sewer systems (e.g., Buncombe County)

The study should produce a model of the revenues and costs of a multi-year, phased approach to interconnecting our municipalities.

Why Should We Participate?

The Greenline sewer interconnect between Lake Lure and Rutherfordton (or Spindale) is a top priority for Lake Lure, but won't happen without a larger agency taking the lead. The level of investment and borrowing required is just too daunting for 1 or 2 small municipalities to undertake. This could be Rutherford County, the Broad River Water Authority or a new Sewer Authority. A larger agency won't tackle the creation of a regional sewer system until a study is completed that provides assurances of the financial feasibility of such an undertaking. By investing \$7,500, we will receive a study that costs over \$150,000 and, hopefully, builds a case of support for the Greenline interconnect.

Who is Paying What?

The local match of \$87,500 will be shared by the county and 4 municipalities:

Forest City	\$20,553
Lake Lure	\$7,505
Rutherfordton	\$7,639
Spindale	\$7,095
Rutherford County	\$44,708

These allocations are based on a blend of municipal characteristics: population, total sewer customers and assessed property value. These other agencies will support this study without a share of the costs: Bostic, Ellenboro, Chimney Rock Village, Ruth, Cliffside Sanitary District, Broad River Water Authority.

**PROPOSED DELIVERABLES FOR RUTHERFORD
COUNTY/MUNICIPALITIES JOINT SEWER STUDY
(Revised 2/7/13)**

1. Develop a composite GIS map of each sewer system including all sewer lines, force mains, pump stations and Wastewater Treatment Plants.
2. Develop a summary of average daily flows, peak daily flows and peak hour flows for each sewer collection system for the past 24 months.
3. Identify sewer flows for drainage basins within each sewer system with flows to each pump station.
4. Using existing studies and data, determine the volume of Inflow & Infiltration in each system. Identify projects to reduce Inflow & Infiltration, particularly where future system interconnects may occur.
5. Evaluate the possible consolidation of sewer treatment systems and abandonment of inefficient Wastewater Treatment Plants. This evaluation should describe all improvements necessary for consolidation (including necessary upgrades to the receiving system) along with cost estimates. The following alternatives should be explored:
 - a. Lake Lure to Rutherfordton
 - b. Rutherfordton to Spindale
 - c. Spindale to Rutherfordton
 - d. Spindale to Forest City
 - e. Spindale and Rutherfordton to Forest City
 - f. Cliffside Sanitary District to Forest City (Second Broad River WWTP)
 - g. Cliffside Sanitary District to Forest City (Riverstone WWTP)
 - h. Cliffside Sanitary District to Forest City (Dan River WWTP)
6. Evaluate the consolidation of collection system operations where possible with shared resources. Identify the most practical management system for the consolidation of the various sewer collection systems including but not limited to inter-local agreements, independent authority, consolidation into one of the current systems.
7. Analyze areas within the County needing domestic sewer service.
8. Analyze areas within the County needing sewer service for economic development.
9. Build a utility financial model for all proposed projects. Specifically this should address the phased interconnection and consolidation of sewer treatment systems. This model will show expected capital project costs, operating costs, revenues and debt financing. The model will be used to determine and demonstrate the financial feasibility of consolidation and to show multi-year cash flows as municipal systems are interconnected in phases.

