



**MINUTES OF THE REGULAR MEETING OF THE LAKE LURE TOWN COUNCIL
HELD TUESDAY, JUNE 13, 2017, 6:00 P.M. AT THE LAKE LURE MUNICIPAL
CENTER**

PRESENT: Mayor Bob Keith
Commissioner Mary Ann Silvey
Commissioner Bob Cameron
Commissioner John W. Moore
Commissioner Stephen M. Webber
Ron Nalley, Town Manager

William Morgan, Jr., Town Attorney

ABSENT: N/A

CALL TO ORDER

Mayor Bob Keith called the meeting to order at 6:05 p.m. and gave the invocation. 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 and the motion carried 4-0.

MAYOR COMMUNICATIONS

Mayor Bob Keith mentioned an article that was recently published on Countryliving.com and in the Daily Courier that cited Lake Lure as among the fifteen clearest bodies of water in the United States.

TOWN MANAGER COMMUNICATIONS

- Dam Operator Donnie McCraw gave an update on the generator repairs at the dam.
- Fire Chief Ron Morgan gave an update on the Town's recent Insurance Service Office (ISO) inspection. Chief Morgan also explained that in response to recent citizen concerns, Town staff contacted the Federal Aviation Association (FAA)

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through their Asheville office concerning regulation of airplanes flying low over the Lake. Chief Morgan explained the process for reporting planes that are flying too close to the Lake and stated that in order for the Town to adopt an ordinance concerning flight over the Lake, the proposed Ordinance would first have to be approved by the FAA and would likely mirror FAA laws.

- Town Manager Ron Nalley gave an update on the ABC Store relocation and agreed to provide Council copies of construction bidding documents for the new ABC Store for their review prior to distribution.
- Town Manager Ron Nalley thanked the Town's Emergency Service staff and Public Works staff for their work during Memorial Day weekend events.

PUBLIC HEARING:

A. 2017-2018 FISCAL YEAR BUDGET PUBLIC HEARING

Town Manager Ron Nalley presented the proposed fiscal year 2017-2018 budget.

Mayor Bob Keith opened the public hearing concerning the proposed fiscal year 2017-2018 budget and invited the audience to speak. Resident Patti Stewart asked for an update on the plan for the proposed Pickle Ball Courts. Commissioner Stephen Webber explained that the resurfacing of the tennis courts was in the Town's Capital Improvement Plan, and was initially recommended as part of the budget. During discussion of the budget, Council detected a need for a long term plan for Morse Park which should proceed the Town's decision as to what needs to be done with the tennis court/pickle ball courts. Commissioner Webber stated that the idea is still in the long range plan, but will not take place in fiscal year 2017-2018.

COUNCIL LIAISON REPORTS & COMMENTS

Commissioner Bob Cameron reported the activities of the Utility Advisory Board.

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

Commissioner John Moore reported the activities of the Zoning and Planning Board.

Commissioner Stephen Webber reported the activities of the Board of Adjustment, Lake Structure Appeals Board, and the Parks and Recreation Board.

PUBLIC FORUM

Mayor Bob Keith invited the audience to speak during public forum. No one requested to speak at this time.

CONSENT AGENDA

Mayor Bob Keith presented the Consent Agenda and asked if any items should be removed before calling for action. Commissioner Stephen Webber asked for clarification on item C concerning the interest rate in Resolution No. 17-06-13. Finance Director Sam Karr stated in August of 2016, staff sent out four banking Request for Proposals (RFP's) to Asheville Savings, BB&T, TD Bank, and CTB for financing one pickup truck for the Fire Department, one pickup truck for the Public Works Department and two police vehicles. The terms were for three years and the Town only received one bid, which was from Carolina Trust Bank in Lake Lure at a rate of 3.5%. However, due to the Party Rock Fire, the Fire Department did not secure the pickup truck until May, and the rate of 3.5% had expired. Carolina Trust Bank has given the Town their best rate going forward at 3.75%. This change requires the adoption of a new Resolution in order revise the interest rate to 3.75%.

Commissioner Bob Cameron made a motion to approve the Consent Agenda as presented. Commissioner Mary Ann seconded and the motion carried 4-0. Therefore, the Consent Agenda incorporating the following items was unanimously approved and adopted:

- A. Adopt the May 16, 2017 Regular Meeting Minutes
- B. Adopt Budget Amendments 200, 201 and 202.
- C. Adopt Resolution No. 17-06-13 Authorizing Financing of all Four Vehicles with Carolina Trust Bank for three years at 3.75%.

RESOLUTION NO. 17-06-13

**A RESOLUTION OF THE TOWN OF LAKE LURE, NORTH CAROLINA,
APPROVING AN INSTALLMENT FINANCING CONTRACT OF FOUR NEW TOWN
VEHICLES**

(Pickup-Fire Dept., Pickup-Public Works, Two Police Vehicles)

WHEREAS, the Town of Lake Lure, North Carolina is a duly and regularly created, organized and validly existing political subdivision of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina;

BE IT THEREFORE RESOLVED, as follows:

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1. Town Council, of the Town of Lake Lure, North Carolina, hereby determines to finance four new vehicles through Carolina Trust Bank,. The amount financed shall not exceed \$133,995, collectively, the annual interest rate shall not exceed 3.75%, and the financing term shall not exceed 3 years from closing.
2. All financing contracts and all related documents for the closing of the financing (“the Financing Documents”) shall be consistent with the following terms. All officers and employees of the Town are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the 4 Vehicles as contemplated by the proposal and resolution.
3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for delivery of the Financing Documents have been completed to such officer’s satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall in the final forms as the Finance Officer shall approve, with the Finance Officer’s release of any Financing Document for delivery constituting conclusive evidence of such officer’s final approval of the Document’s final form.
4. The Town shall not take or omit to take any action the taking or omission of which shall cause its interest payments in this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Town hereby designates its obligations to make principle and interest payments under the Financing Documents as “qualified tax-exempt obligations” for the purpose of Internal Revenue Code Section 265(b)(3).
5. The Town intends that the adoption of this resolution will be a declaration of the Town’s official intent to reimburse expenditures for the project that is to be financed from the proceeds of the Carolina Trust Bank financing described above. The Town intends that the funds that have been advanced, or that may be advanced, from the Town’s general fund for project costs may be reimbursed from the financing proceeds.
6. All prior action of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved, and confirmed.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL, TOWN OF LAKE LURE, NORTH CAROLINA, AS FOLLOWS:

The motion to adopt this Resolution was made by Council Member Bob Cameron; Seconded by Council Member Mary Ann Silvey, and was passed unanimously by those members present at the meeting of the Town Council, Lake Lure, North Carolina, held on the Thirteenth day of June, 2017.

UNFINISHED BUSINESS:

A. 2017-2018 FISCAL YEAR BUDGET PUBLIC HEARING

Commissioner Stephen Webber stated that during a recent budget meeting, Council discussed allocating funds for employee longevity pay, but Council did not discuss the way of implementing the longevity pay at that time. It was the consensus of the Board that longevity pay should be given as a bonus for Fiscal Year 2017-2018. Council will consider creating a sustainable longevity pay system to replace longevity bonuses in the future. Council also asked that allocation for the Flowering Bridge be reduced by \$5000 in order to increase the allocation for Golf Course subsidy by \$5000 in the proposed 2017-2018 budget.

Commissioner Bob Cameron made a motion to hold a special meeting on June 27, 2017 at 9 a.m. at Town Hall to adopt the 2017-2018 Fiscal Year Budget Ordinance and make any necessary budget amendments to the 2016-2017 Fiscal Year Budget. Commissioner Mary Ann Silvey seconded and the motion carried 4-0.

UNFINISHED BUSINESS:

B. PAY PLAN AND POSITION CLASSIFICATION STUDY

Town Manager Ron Nalley stated that in December 2016, David Hill with HR Consulting Essentials presented recommendations to Town Council regarding the Lake Lure Pay Plan and Classification Study. The report presented an analysis of the Town's present position classification system and pay plan and the methodology and data used to review and update the class descriptions and pay plan.

Commissioner Bob Cameron made a motion to adopt the New Pay Plan and Position Classification Study as recommended by HR Consulting Essentials. Commissioner Mary Ann Silvey seconded. Commissioner Stephen Webber made a motion to amend the motion by adding

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a statement that phase one and phase two of the study will be implemented on July 1, 2017 and phase three will be implemented January 1, 2018 contingent upon reorganization information being presented to Council. Commissioner John Moore seconded the motion to amend and the motion carried 4-0.

Council voted 4-0 to adopt the New Pay Plan and Position Classification Study as recommended by HR Consulting Essential and implement phase one and phase two of the study on July 1, 2017 and implement phase three on January 1, 2018 contingent upon reorganization information being presented to Council.

NEW BUSINESS:

A. FRIENDS OF THE FLOWERING BRIDGE - BRIDGE PRESERVATION FUND UPDATE

Linda Turner, member of the Friends of the Flowering Bridge Board, presented the Schedule of Bridge Expenses paid by the Friends of the Flowering Bridge and explained that in 2011, the NC Department of Transportation decided to build a new bridge crossing the Rocky Broad River. The old bridge was deeded to the Town along with \$120,000 for the maintenance and preservation of the old bridge. The "Historic Lake Lure Bridge #7 Preservation and Enhancement Plan" outlines the responsibilities of the Town. In 2012, and again in 2013, the Friends of the Lake Lure Flowering Bridge, following approval by Town Council, withdrew a total of \$50,000 from the Bridge Preservation Fund to begin the necessary work of establishing the gardens. Since that time, this money has been used to preserve and enhance the flowering bridge in accordance with the Preservation & Enhancement Plan. In addition to these funds, the Friends of the Flowering Bridge have raised \$200,000 through donations, membership drives and other fundraising efforts to further these same goals.

Commissioner Stephen Webber stated that he has reviewed the document that granted the Bridge to the Town and the Bridge Preservation Plan and explained that he believes everyone has met the requirements of the agreement and does not believe that the Flowering Bridge Board owes anything to the Town. Commissioner Webber mentioned the many volunteer hours put into the Flowering Bridge and the economic impact of the Flowering Bridge and asked for a Consensus from Council that the Flower Bridge Board does not owe anything back to the Town and Board . Commissioner Webber also discussed more sustainable water alternatives for the Bridge.

Commissioner Bob Cameron expressed appreciation for the efforts that have gone into the Flowering Bridge and stated that the funds spent are well within the agreement. Commissioner Cameron suggested that in the future a well may be drilled to facilitate water

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needs at the Bridge or water may be drawn out of the river to reduce the need for Town treated water at the Bridge.

Mayor Bob Keith stated that the Flowering Bridge is a great asset, but at some point in the future the Bridge will have to be taken down and that there should be some consideration for funds for tearing it down.

Commissioner John Moore explained that when the Bridge needs to be torn down there will be adequate time for the Town to budget for it since the cost will not be overwhelming. Commissioner Moore expressed his support for the volunteers working at the Bridge. Commissioner Bob Cameron suggested that a line item may be added to future budgets to replenish the preservation fund.

Commissioner Mary Ann Silvey expressed her support for the Bridge and described the Bridge has been an asset to the Town, County and the Region. Commissioner Silvey stated that tax revenue has been brought into the region because of the Bridge and suggested that the Town reach out to other resources such as the Chamber for help funding the Bridge.

It was the consensus of Town Council that the Flowering Bridge Board does not owe the Town for repayment of Bridge Preservation Funds.

NEW BUSINESS:

B. PROPERTY AT 1808 MEMORIAL HIGHWAY – SEWER EASEMENT

Commissioner Stephen Webber stated that in November of 2015, the Town received a letter from Melvin and Judy Owensby requesting removal of a sewer manhole on their property at 1808 Memorial Highway, or for the Town to provide compensation for the easement rights. At that time, the Board requested an additional survey of the property, which has now been completed. Commissioner Webber explained that former Town Attorney Chris Callahan believes that if that matter was taken to court, there would likely not be much of a strong case against the Town concerning the easement, but Commissioner Webber believes compensating the property owner for the easement is the right thing to do. Commissioner John Moore made a motion to approve the Utility Easement Agreement between Melvin and Judy Owensby and the Town of Lake Lure including payment of \$4,000. Commissioner Mary Ann Silvey asked if the Town has easements for other sewer lines on other privately owned properties. Council members discussed the matter and agreed that the Town should have easements for lines that are on private property. Following discussion, the motion to approve the Utility Easement Agreement between Melvin and Judy Owensby and the Town of Lake Lure including payment of \$4,000 carried 4-0. A copy of the easement is attached and made part of the record.

NEW BUSINESS:

C. DUKE ENERGY FRANCHISE AGREEMENT RENEWAL

Craig DeBrew, Local Government and Community Relations Manager with Duke Energy, gave a brief presentation about the Duke Energy Franchise Agreement and requested that the Board begin working with them on renewal of the agreement. The Franchise Agreement with Duke Energy was approved in December of 1957 for a period of sixty years. Recently, Duke Energy contacted the Town to discuss the renewal of the franchise for an additional sixty year term. Commissioner Bob Cameron inquired about the possibility of getting Duke Energy's electric lines that are in the Town Center area underground. Commissioner Cameron suggested that the Town partner with Duke Energy on the project.

Town Manager Ron Nalley stated that staff has begun review of the proposed franchise agreement and has asked assistance from the Town Attorney. The first reading will take place in July, and the second reading in August.

NEW BUSINESS:

D. POINT BROADBAND – BROADBAND INTERNET DEPLOYMENT

Commissioner Stephen Webber gave a brief explanation concerning the proposed use of the Water Tower along Highway 9 as a broadband deployment site and stated that once the Water Tower broadband site and two additional broadcast location sites are completed, it is estimated that there will be a 90% coverage rate for all households in Lake Lure and Chimney Rock Village.

Commissioner Bob Cameron made a motion to authorize the Town Manager to develop an agreement with Point Broadband for use of the Water Tower along Highway 9 as a broadband deployment site and to pursue two additional broadcast location sites. Commissioner Stephen Webber seconded and the motion carried 4-0.

ADJOURN THE MEETING

With no further business, Commissioner Bob Cameron made a motion to adjourn the meeting at 7:50 p.m. Commissioner Mary Ann Silvey seconded and the motion carried 4-0.

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ATTEST:

Andrea H. Calvert,
Town Clerk

Mayor Bob Keith