



TOWN OF LAKE LURE • P.O. BOX 255 • LAKE LURE, N.C. 28746 • 704/625-9983 • 704/625-9396

MINUTES OF A SPECIAL MEETING OF THE LAKE LURE TOWN COUNCIL HELD
AT THE LAKE LURE COMMUNITY CENTER ON MARCH 15, 1989, AT 9:30 A.M.

PRESENT: Mayor L.C. Michelon
Commissioner Alex Karr
Commissioner Hugo Moirano
Commissioner Frankie Queen
Commissioner William Wildman
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Mayor Michelon called the meeting to order at 9:30 A.M.

FAIRFIELD MOUNTAINS VFD REQUEST FOR FUNDS

The first item under discussion was a request from the Fairfield Mountains Volunteer Fire Department for funds to buy a 1200 gallon tanker at a cost of \$47,000.00. After lengthy discussion, which included various payment schedules, Commissioner Moirano moved to pay the down-payment of \$4,700.00 which would enable Fairfield to order the truck immediately. Commissioner Wildman seconded the motion and the vote of approval was unanimous. It was agreed that Fairfield Mountains VFD would return with a further request for funds when the payment schedule was set.

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RESOLUTION ON LAKE LURE BURNING BAN

Commissioner Wildman moved to accept the following Resolution.

Be it resolved, that the Town of Lake Lure Town Council does grant the right to establish a municipal burning ban within the Town limits to the Fire Chiefs of the Lake Lure Volunteer Fire Department and/or the Fairfield Mountains Volunteer Fire Department; and does allow the Chiefs to either individually or jointly call for a burning ban; and that they must call for such by orally contacting and confirming in writing both the Town of Lake Lure and the proper authorities of the State of North Carolina requesting each to honor the ban; and that all media outlets are fully notified; and that at such time the ban is revoked, all same parties are notified.

The motion was seconded by Commissioner Moirano and the vote of approval was unanimous.

PROPOSAL FOR DRAGLINE WORK

The Town Manager submitted a proposal for dragline work at three sites. The first site was the northwest corner of the lake at the new marina with the silt being hauled to Shakespeare point at a cost of \$1257.00.

The second site was at the north east corner of the Lake Lure Hardware Property on the Broad River, digging a settling basin 120 ft wide, with a depth of 7 to 8 ft. and 200 ft east. at a cost of \$6,500.00

The third site was at Pool Creek and would entail constructing a rock dam to filter water and establish a settling basin.

Commissioner Wildman moved to authorize the Town Manager to contract with Western North Carolina Crane and Grading for the work on Sites 1 and 2 and to amend the budget by \$5467.00 by transferring the funds from Unappropriated Capital. Commissioner Moirano seconded the motion and the vote of approval was unanimous.

REVIEW OF BEACH AND MARINA IMPROVEMENTS

Bill Henson and Town Manager Steve Duncan presented suggestions to the Council for their review and consideration concerning the Mrina, Beach and Town hall areas.

Commissioner Queen moved, seconded by Commissioner Karr to have the Town Manager obtain quotes on the construction of the Beach gate house by the March regular meeting. The vote of approval was unanimous.

CAMP PINEWOOD-SLIP RENTAL

A request from Camp Pinewood to allow them to rent two boat slips from the Town for two months instead of a full season was considered by the Council. There was no action taken.

EASTER HOLIDAY

Commissioner Moirano moved, seconded by Commissioner Queen to allow the Town Manager to choose Good Friday or Easter Monday as the Town's holiday. The vote of approval was unanimous.

WATER BILL ADJUSTMENTS

Town Manager Steve Duncan requested that the board establish a policy regarding water and sewer bill adjustments. There was no action taken.

INVESTMENT POLICY

Mayor Michelon submitted a cash investment policy for consideration by the Board of Commissioners. Commissioner Queen moved to accept the proposed investment policy. Commissioner Moirano seconded the motion and the vote of approval was unanimous. (See attached)

GOLF COURSE IMPROVEMENTS

The Town Manager gave a report on the improvements being made at the golf course. After some discussion, the subject of fees was tabled until the March regular meeting.

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Commissioner Queen moved, seconded by Commissioner Karr to recess for lunch and reconvene at 1:15 p.m. The vote of approval was unanimous.

The meeting was reconvened at 1:15 and the first item discussed was a review of the relationship between the Town and the County. Mayor Michelon stated that he had been told by County Manager John Condrey, that at the next County Commissioners' meeting the funds for the purchase of a flow meter for the Chimney Rock sewer system would be appropriated and then the meter would be ordered and installation would be complete within a month.

The Mayor went on to say that the County recreation director had contacted several other towns in the County and offered to pay for the services of a local recreation director, but, that Lake Lure had not been contacted. Mayor Michelon had contacted John Condrey and requested that Lake Lure be included in this program. Mr. Condrey assured the Mayor that Lake Lure would be included if such a program existed.

RESOLUTION ON AUXILIARY UNIT

Since there was a conflict as to the requirements necessary for volunteers acting as auxiliary policemen, the resolution was tabled until the regular meeting. The Manager was instructed to investigate the requirements.

BOAT SAFETY AND LAKE POLICY

After extensive discussion and several changes action was tabled until the regular March meeting.

Commissioner Wildman moved, seconded by Commissioner Moirano moved to approve a resolution calling for a public hearing

on the Proposed Ordinance for Boating, Fishing and Safety on Lake Lure. The vote of approval was unanimous.

EVALUATION OF COMPUTER SYSTEM

The Town Manager was instructed to investigate maintenance contracts for the computer hardware and offer alternatives to the present contract.

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Commissioner Wildman moved, seconded by Commissioner Queen to go into executive session. The vote of approval was unanimous.

L. C. Michelin
Mayor Gene Michelin

ATTEST:

Bonnie Nelson
Bonnie Nelson, Asst. Town Clerk

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED by the Lake Lure Town Council that the following amendments be made to the budget ordinance for the fiscal year ending June 30, 1989.

	<u>Decrease</u>	<u>Increase</u>
NON-GOVERNMENTAL EXPENSE	5,467.00	
Unappropriated Capital		
LAKE		
Cap. Outlay-Dredging		\$5,467.00

This interdepartmental transfer of funds is for dragline work to be done at the new marina and on the Broad River.

Section 2. Copies of this budget amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 15th day of March, 1989.

L.C. Michelon
L.C. Michelon, Mayor

ATTEST:

Anita H. Taylor
Anita H. Taylor, Town Clerk

BASIC FACTORS IN AN INVESTMENT POLICY

There are many variables that go into a complete investment policy; but in a case of Lake Lure, we can reduce them to a few basic suggestions that should satisfy our need for security and for an adequate return on invested money.

First, it's imperative that the money of a municipality should be invested as conservatively as possible consistent with a competing rate of return. Whenever there is a conflict between these two, security should be paramount rather than slight increases in income that may be received from sources that are not insured or guaranteed.

Second, money is similar to any other commodity. It's rate of return varies, depending upon the locality, the bank or savings and loan, the government security market, and so on. Therefore, our Finance Officer should treat the investment of money as she would any item of purchasing. She should ask for written bids from different financial institutions, based upon the amount of money to be placed and the length of time involved. Obviously, no institution should be selected unless it is fully insured by the federal or state governments.

Third, the rate of return varies significantly during the course of a year, so its necessary that all investments be for a relatively short period of time -- or, the instruments involved should earn a rate that escalates with the interest rate.

Fourth, the Finance Officer should provide a detailed schedule of investments for the Board of Commissioners, showing the expiration date of certain investments, particularly certificates of deposit. Before the certificates expire, the Finance Officer should contact the Board of Commissioners at an appropriate meeting and discuss with them the different rates available in the market place for different types of investment instruments, and get a Board consensus as to which they may prefer at that given moment in time. Certificates of deposit give you a 10 day period, so the Finance Officer has adequate time to study renewal changes in the market and decide whether it is worthwhile to renew certificates or to transfer the money elsewhere.

In no event should the Town have in savings and loan institutions an amount in excess of \$100,000 regardless of the collateralization that may be involved. Collateralized accounts change too quickly from time-to-time, depending upon withdrawals from saving and loan associations, so we have no assurance that there will be sufficient collateralization during the entire period of a certificate.

For example, the Town of Lake Lure has \$325,000 of its money in a non-insured certificate with Tryon Federal Savings. They do have a collateralized account of about \$500,000 which ostensibly represents roughly 50% over our invested reserves. However, I understand that this collateralized account also applies to other municipal monies; and therefore, we have no way of knowing exactly what our collateralized portion of the

total amount is. But, we do not have to depend on collateralized procedures if we limit our investments in certificates to the insured amount of \$100,000 and spread the money over several financial institutions rather than concentrating on one.

Perhaps the most important part of an investment policy is to establish a bid procedure whereby the Finance Officer puts out money for bid among responsible financial institutions, just as she would for bids for construction or purchasing.

Fifth, the investment of our money should be handled on a national market basis. Guaranteed accounts are available in a variety of institutions, but the rate of return varies all over the lot. Usually, certificates of deposit bought through top-notch brokerage firms serve a useful purpose because the money is guaranteed by the government, but the investment house searches those savings and loans which have the highest rate of return consistent with safety.

Finally, wherever possible, the money should be invested directly in government obligations rather than in certificates which are inflexible and which are limited in their guarantee to only \$100,000. Money market funds with the state are obviously good accounts. But in addition, treasury bills and short term bonds are now yielding substantial returns on invested money, returns which exceed certificates in banks or savings and loan associations. Yet, these securities are the very ones that are being put into collateralized accounts to guarantee certificates of deposit. Thus, it doesn't make sense to put money into a certificate, with its inflexible characteristics and penalties, when treasury bills and short term bonds yield more money and can be bought directly from the Federal Reserve Bank.

Thus, the simple basics of an investment policy for Lake Lure are these:

- (1) Give the Board enough time to study alternative investment proposals submitted by the Finance Officer.
- (2) Have the Finance Officer consult with the Board prior to investing in a certificate of deposit of substantial size. She can simply prepare a memo indicating the amount of money to be invested and her recommendations for its placement.
- (3) Place all Town monies in insured or guaranteed accounts, and never exceed the maximum level of guarantee.
- (4) Put all reserve money out for bid, as we would any other type of purchased item.
- (5) Diversify the money over different institutions and use different terminal dates when certificates of deposit are purchased.
- (6) Use variable rate instruments wherever possible, and

don't depend on collateralized accounts because they give us the feeling of security when in effect they are not really more than a noble assurance.

LCM/at