

**MINUTES OF THE REGULAR MEETING OF THE LAKE LURE TOWN COUNCIL  
HELD TUESDAY, JUNE 8, 2004, 7:00 P.M. AT THE LAKE LURE MUNICIPAL CENTER**

**PRESENT:** Mayor Jim Proctor  
Commissioner Blaine Cox  
Commissioner Lea Hullender  
Commissioner Chuck Watkins  
Commissioner Dick McCallum

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

**ABSENT:** N/A

**CALL TO ORDER**

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

**INVOCATION**

Town Attorney Callahan gave the invocation.

**APPROVE THE AGENDA**

After discussion, Commissioner Hullender made a motion to approve the agenda as amended by adding item 14. to hold a closed session for personnel matters in accordance with G.S.143-318.11(a)(6). Commissioner McCallum seconded the motion and the vote of approval was unanimous.

**PRESENTATION OF THE TOWN BUDGET FOR FISCAL YEAR 2004-2005**

Town Manager Place read excerpts from his budget message for fiscal year 2004-2005 into the record. (Copy of budget message attached).

**PUBLIC HEARING - TOWN BUDGET FOR FISCAL YEAR 2004-2005**

Public notices were duly given and published in the Forest City Daily Courier newspaper.

Mayor Proctor opened the public hearing regarding the town budget for fiscal year 2004-2005 and invited citizens to speak during the hearing. No one requested to speak.

After discussion, Commissioner McCallum made a motion to close the public hearing. Commissioner Cox seconded the motion and the vote of approval was unanimous.

**ADOPT ORDINANCE NO. 04-06-08 TOWN BUDGET FOR FISCAL YEAR 2004-2005**

Council members reviewed and looked for ways to reduce the proposed budget for fiscal year 2004-2005.

After review, Commissioner Cox made a motion to adopt Ordinance No. 04-06-08 town budget for fiscal year 2004-2005 as presented. Commissioner Watkins seconded the motion and the vote of approval was unanimous.

**ORDINANCE NO. 04-06-08**

**AN ORDINANCE ADOPTING THE FISCAL YEAR 2004-2005 BUDGET FOR THE TOWN OF LAKE LURE, NORTH CAROLINA**

**SECTION 1.** In accordance with G.S. 159-13 (a), the Town Council of the Town of Lake Lure adopts this ordinance entitled Town of Lake Lure 2004-2005 Budget.

**SECTION 2.** This ordinance includes revenues and expenditures in the General Fund, Water/Sewer Fund and Electric Fund. Revenues and expenditures in the General Fund are as follows:

<b>REVENUES</b>	
Ad Valorem and Vehicle Taxes	\$1,282,912
Miscellaneous Revenues	74,860
State Shared Revenues	810,951
Land Use Fees	16,200
Golf Course	237,400
Lake	195,000
Beach	74,000
Marina	30,000

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Administrative Charge - Water/Sewer Fund	25,000
Administrative Charge - Electric Fund	25,000
Appropriated Fund Balance	72,318
<b>TOTAL GENERAL FUND</b>	<b>\$2,843,641</b>

**EXPENDITURES**

Governing Body	\$40,321
Administration	559,008
Police	610,203
Fire Department	322,841
E.M.S.	500
Public Works	543,614
Sanitation	122,400
Golf Course	251,167
Lake	65,996
Beach	26,500
Community Center	37,531
Marina	7,750
Non-Government	112,765
Debt Service	78,045
Contingency Reserve	65,000
<b>TOTAL GENERAL FUND</b>	<b>\$2,843,641</b>

Revenues and expenditures in the Water/Sewer Fund are as follows:

**REVENUES**

Water and Sewer Charges	\$1,119,584
<b>TOTAL WATER/SEWER FUND</b>	<b>\$1,119,584</b>

**EXPENDITURES**

Sewer	\$803,954
Water	229,774
Transfer to Equity	85,856
<b>TOTAL WATER/SEWER FUND</b>	<b>\$1,119,584</b>

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Revenues and expenditures in the Electric Fund are as follows:

<b>REVENUES</b>	
Electric Receipts	\$185,000
<b>TOTAL ELECTRIC FUND</b>	<b>\$185,000</b>

<b>EXPENDITURES</b>	
Operations	\$171,551
Transfer to Equity	13,449
<b>TOTAL ELECTRIC FUND</b>	<b>\$185,000</b>

<b>REVENUES AND EXPENDITURES FOR ALL FUNDS</b>	
<b>General Fund</b>	<b>\$2,843,641</b>
<b>Water/sewer Fund</b>	<b>1,119,584</b>
<b>Hydro-electric</b>	<b><u>185,000</u></b>
<b>TOTAL ALL FUNDS</b>	<b>\$4,148,225</b>

**SECTION 3.** To achieve this budget program, the Town Council of the Town of Lake Lure, in accordance with G.S. 159-13 (c), retains the ad valorem tax rate of \$0.28 per \$100.00 of property valuation.

**SECTION 4.** Pursuant to the authority set forth in Article 20, Chapter 160A of the North Carolina General Statutes, the Town of Lake Lure and Rutherford County have entered into a contractual agreement to provide for centralized and systemized billing and collection of property taxes in Rutherford County. Under this agreement the County will perform for itself and the Town all of the tax collection functions prescribed in Subchapter 50 of Chapter 105 of the North Carolina General Statutes (often referred to as the Machinery Act). This joint tax collection system shall commence with the tax levy for the fiscal year beginning July 1, 2004. In accordance with section V. of this agreement, the Town of Lake Lure hereby adopts the same tax discount schedule as the County for the Town's tax levy for the fiscal year commencing July 1, 2004.

Adopted the 8th day of June, 2004.

Commissioner McCallum said council members and town staff members spent a lot of time reviewing the budget before it was adopted.

Mayor Proctor thanked the town manager and town staff members for their work preparing the budget.

**APPROVE THE CAPITAL IMPROVEMENTS PROGRAM**

Town Manager Place reviewed the Capital Improvements Program for fiscal year 2004-2005 through fiscal year 2009-2010.

After discussion, Commissioner Hullender made a motion to approve the Capital Improvements Program for fiscal year 2004-2005 through fiscal year 2009-2010 as presented. Commissioner McCallum seconded the motion and the vote of approval was unanimous.

**PUBLIC FORUM**

Mayor Proctor invited the audience to speak on any non-agenda item. Ken Jordan requested that the date previously approved by town council for a boat parade be changed to be held on August 7, 2004 starting at 7:00 p.m.

After discussion, Commissioner McCallum made a motion to change the date previously approved for a boat parade to be held on August 7, 2004 starting at 7:00 p.m. Commissioner Cox seconded the motion and the vote of approval was unanimous.

Mr. Jordan asked for an update on the status of the new water line expansion connecting the Ingles store into the town's system. Town Manager Place gave a brief report on the water line expansion project.

**CONSENT AGENDA**

Mayor Proctor presented the consent agenda and asked if any item should be removed before calling for action.

Commissioner Cox moved, seconded by Commissioner Watkins, to approve the consent agenda items as presented. Therefore, the consent agenda, incorporating the following items was unanimously approved:

- a. minutes of May 11, 2004 (regular meeting) and May 20, 2004 (special meeting);
- b. budget amendment as submitted by the finance director to transfer \$100,000 from the hydro-electric fund equity to the capital reserve silt fund for future silt removal. (Copy of memorandum of June 1, 2004 attached); and
- c. budget amendment as submitted by the finance director to transfer \$5,500 from the water/sewer fund equity account to the water department's professional services account. (Copy of memorandum of June 4, 2004 attached).

Mayor Proctor recessed the meeting at 7:30 p.m. for a break and reconvened the meeting at

7:35 p.m.

**NEW BUSINESS:**

**a. Request from Bryant Smith, Cheryl Smith and Howard Steppe to Waive the Time Limit to Appeal the Decision of the Lake Structures Appeals Board (Case Number LSA-03-01 Bryant Smith, Cheryl Smith, and Howard Steppe)**

Attorney T. Matthew Mullinax stated that he had been retained by Bryant Smith and Cheryl Smith to represent them in their request for a variance from the Lake Lure setbacks. Attorney Mullinax requested that Town Council waive the time limit to appeal the decision of the Lake Structures Appeals Board for his clients in order to hold a hearing during this meeting.

After discussion, Commissioner Watkins made a motion to waive the time limit to appeal the decision of the Lake Structures Appeals Board regarding case number LSA-03-01 Bryant Smith, Cheryl Smith, and Howard Steppe. Commissioner McCallum seconded the motion and the vote of approval was unanimous.

**NEW BUSINESS:**

**b. Hearing - Appeal from the Decision of the Lake Structures Appeals Board (Case Number LSA-03-01 Bryant Smith, Cheryl Smith, and Howard Steppe)**

Mayor Proctor opened the meeting regarding the appeal from the decision of the Lake Structures Appeals Board case number LSA-03-01 Bryant Smith, Cheryl Smith, and Howard Steppe.

Zoning Administrator Terri Potts was sworn in by Town Attorney Callahan and was asked to state the findings of facts outlined in the Lake Structures Appeals Board order denying a variance request submitted by Bryant Smith, Cheryl Smith, and Howard Steppe. (Copy of Lake Structures Appeals Boards order for case number LSA-03-01 Bryant Smith, Cheryl Smith, and Howard Steppe attached). Ms. Potts reviewed the findings of facts and distributed copies of a survey and pictures of Mr. and Mrs. Smith's existing boathouse. (Copies of survey and pictures attached). Ms. Potts stated that the Smiths applied for a variance in April, 2003 requesting a 2 foot variance to expand their existing structure. Ms. Potts said the boathouse is a pre-existing non-conforming structure on an undersized lot of record. Ms. Potts explained that at the April, 2003 meeting, the Lake Structures Appeals Board recommended to table Mr. and Mrs. Smith's request and give the Smiths an opportunity to resolve this matter without needing a variance. Ms. Potts said the Smiths later submitted a letter from Lyn and David Weaver, adjacent property owners, granting them an easement across the meander line on their property. Based upon this, Ms. Potts issued a lake structures permit and sought an opinion from Town Attorney Callahan. After receiving an opinion from the town attorney, both the lake structure permit and building permit were revoked. Ms. Potts stated that no activity had taken place on this permit. Ms. Potts said she contacted Mrs. Smith by telephone to inform her of the action being taken and explained to Mrs. Smith about the process to

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appeal this action. Ms. Potts stated that the Lake Structures Appeals Board held their regular meeting in August, 2003 and no representative for the Smith's was present at this meeting. Ms. Potts said a formal vote was requested and made by the Lake Structures Appeals Board. The Lake Structures Appeals Board voted to deny the Smiths request for a variance. Ms. Potts stated that she then contacted Mrs. Smith the next day and informed her about the board's action taken at the meeting. Ms. Potts said the Lake Structures Appeals Board is not required to issue orders granting or denying. Mrs. Smith was informed by Ms. Potts that she could appeal the action by the Lake Structures Appeals Board without any prejudice of time due to the error made by Ms. Potts. Ms. Potts said Mrs. Smith chose not to appeal based on the fact they had previously appealed once before and had the same result. Ms. Potts said in 1995, the Lake Structures Appeals Board then suggested that the Smiths and Steppe find an alternative way to enlarge the boathouse and come back before the board. Ms. Potts said the Smiths did not come back before the board.

Next, Town Attorney Callahan swore in Attorney T. Matthew Mullinax. Attorney Mullinax said he was retained by the Smiths to represent them in regards to their appeal from the variance hearing. Attorney Mullinax stated what he believed to be some of the facts of record and stated the basis for the Smiths appeal.

Bryant Smith was sworn in by Town Attorney Callahan. Mr. Smith stated that Ms. Potts told his wife that she would get a variance. Attorney Callahan asked Mr. Smith if he was present when his wife was told that by Ms. Potts. Mr. Smith said no. Mr. Smith said he wanted an explanation on who was responsible for notifying him about the hearing being held at the Lake Structures Appeals Board meeting that he was not notified about.

Council members discussed alternatives with Mr. Smith to resolve this matter. After discussion, Bryant Smith agreed to drop his appeal and instead alter his boat slip in accordance with town regulations by moving the vertical supports to the outermost edge of the overhang to enable the boat slip to be widened to allow room for his new ski boat.

After discussion, Commissioner Cox made a motion to close the hearing and accept Mr. Smith's withdrawal to appeal at this time and grant Mr. Smith the ability to resubmit his appeal within thirty days to the town provided that there is insufficient room for Mr. Smith's boat after altering his boathouse and waive the town's permit fee for the altering of Mr. Smith's boathouse. Commissioner McCallum seconded the motion and the vote of approval was unanimous.

<b>STAFF REPORTS</b>
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Town Manager Place reported on the following:

1. Mr. Place said Governor Mike Easley called today for a moment of silence at 11:30 a.m. on Friday, June 11, 2004 to coincide with the funeral of former President Ronald Reagan. Federal

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offices will be closed that day. All municipal flags will fly at half-staff until July 5, 2004.

2. The access road to the sites for the new wells have been completed and a contract between Camp Well Drilling and the town has been signed for the wells only. Camp Well Drilling plans to start Monday contingent upon weather permitting. Mr. Place said Camp Well Drilling has until August 31, 2004 to complete this phase of the project, but he expects them to be finished before that deadline. Mr. Place said he will meet with David Odom tomorrow to discuss a possible site for the third well.
3. Mr. Place also plans to speak to David Odom about the wastewater system connection project that the town contracted with him to do. Mr. Place said he would report back to town council on the progress of this project.
4. Hydro-Plant Operator William Grimes and Mr. Place met with a representative of the engineering firm hired by Ingles, Inc. to design and construct the new sewer line which will run from the new store down to a manhole on the lake. Mr. Place said at this point, the Ingles project is on track.
5. The new outrigger pontoons intended to increase the stability of the town's dredge were installed today. Mr. Place said core samples have been taken for the cable anchor posts, however, the anchor system still needs to be constructed. The town will need to purchase 700 feet of flexible 8" pipe and pay for other assorted items before it can be put to work.
6. Mr. Place stated that he had reported last month that the owner of the proposed LaStrada restaurant had written to the town stating that he has every intention to continue this project as early as next week. Mr. Place said the next week, the town received another letter indicating that he now plans to do nothing on site until sometime next year. The delay is due to costs being over budget, necessitating a redesign. In the meantime, the site has been hydro seeded and the owner is aware that he will be responsible for any erosion which causes silt to flow off the site.
7. All department heads met with Safety Officer Ron Morgan and Amy Wisnett from the North Carolina League of Municipalities in May, 2004 to identify administrative and reporting issues related to OSHA and Worker's Compensation requirements. Mr. Place and town staff members reviewed Ms. Wisnett's findings at last month's safety meeting. Mr. Morgan pointed out that the town generally rates good, but needed to improve a lot of record keeping. Under Mr. Morgan's supervision, town staff members will use a check list to make sure the town is in compliance. The main objective of this program is to reduce the number of worker's compensation claims, reduce injuries to employees, and work hours lost.
8. Tax Collector Anita Taylor has undertaken the task of trying to collect outstanding taxes. Ms. Taylor will start collecting taxes owed beginning with 1994 since the town can only collect ten years of back taxes. Ms. Taylor is working with the county tax office to identify names and addresses before sending notices. Mr. Place stated that all remedies available by law will be used to collect the unpaid taxes.



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9. Mr. Place said the Memorial Day weekend was a great success. The Hickory Nut Gorge Kiwanis Club's Memorial Day's Festival was bigger than ever due to being better organized and partly because of the town's public works crew assisting with the setup of this event. Mr. Place said there was a small enthusiastic group who attended the laying of the wreath at the Lake Lure Veteran's of War Memorial and watched the Lake Lure parade. Mr. Place said he was informed by Police Chief Mike Bustle that there were very few problems and they were all minor. Mr. Place said there were over 40 boats which showed up for the Blessing of the Fleet organized by Nancy McNary.

**COUNCIL COMMENTS**

Commissioner Cox mentioned that the town was holding a fireboat dedication on June 24, 2004, 6:00 p.m., at the Lake Lure gazebo in Morse Park.

**CLOSED SESSION**

A motion was made by Commissioner Cox to enter into the closed session meeting at 8:48 p.m. after recessing the meeting ten minutes for a break to discuss personnel matters pursuant to G.S. 143-318.11(a)(6).

Town Council voted to seal the minutes of the closed session meeting in order to avoid frustrating the purpose of the closed session.

A motion was made by Commissioner Cox to come out of the closed session meeting and re-enter the regular session of the meeting at 10:00 p.m. Commissioner McCallum seconded the motion and the vote of approval was unanimous.

**ADJOURNMENT**

With no further items of discussion, Commissioner Cox made a motion to adjourn the meeting at 10:03 p.m. Commissioner McCallum seconded the motion and the vote of approval was unanimous.

ATTEST:

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Mary A. Flack, MMC  
Town Clerk

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Mayor Jim Proctor