



MINUTES OF THE REGULAR WORK SESSION MEETING OF THE LAKE LURE TOWN COUNCIL HELD WEDNESDAY, JANUARY 25, 2023, 8:30 A.M. AT THE LAKE LURE TOWN HALL

PRESENT: Mayor Carol C. Pritchett
Mayor Pro Tem David DiOrio
Commissioner Patrick Bryant
Commissioner Scott Doster

William Hank Perkins, Jr., Town Manager
William Morgan, Jr., Town Attorney
Stephen Ford, Finance Director
Dean Lindsey, Public Services Director
Michael Dydula, Project Manager
Laura Krejci, Communications Director
Dean Givens, Parks, Recreation, and Lake Director
Dana Bradley, Parks, Recreation, and Trails Coordinator

ABSENT: Commissioner Jim Proctor

I. CALL TO ORDER

Mayor Carol C. Pritchett called the work session to order at 8:30 a.m.

II. AGENDA ADOPTION

Commissioner David DiOrio made a motion to add item VII for the discussion regarding Firefly Cove Water System Management Plan and renumber accordingly. Commissioner DiOrio also included in his motion to add item X for discussion regarding Town Property Appraisals and renumber accordingly. Commissioner Scott Doster seconded and the motion carried 3-0.

Commissioner DiOrio made a motion to adopt the agenda, as amended. Commissioner Patrick Bryant seconded and the motion carried 3-0.

III. LAKE LURE FLOWERING BRIDGE LEASE REVIEW AND REQUEST FOR FUNDING ASSISTANCE FOR PARKING

Town Manager Hank Perkins explained that the Town of Lake Lure and the Friends of the Flowering Bridge have not had formal agreement as of current, so he had been working with the Flowering Bridge's Kathy Tanner and Town Attorney William Morgan to draft a lease agreement. Manager Perkins expanded that the draft lease is for a total of 10 years, but Attorney Morgan is researching how it might be possible to enter a longer agreement while avoiding the state statute that requires any properties leased more than 10 years to be treated as a real property sale. Attorney Morgan explained that he had reviewed original material accepted by both parties and incorporated them into a formal lease agreement. Attorney Morgan noted that if he is unable to increase the lease length without the use of real property regulations, the lease could be renewed after the initial 10 years but that cannot be stated in the lease. Mrs. Tanner mentioned that her biggest concern is determining whether or not the lease can be longer than 10 years.

Mrs. Tanner asked if any verbiage should be required that states that the Town provides utilities and Attorney Morgan answered that it would be appropriate to add to the agreement. Commissioner Bryant noted that other leases that the Town is involved in include language regarding utilities. Commissioner DiOrio asked if the Town is current providing utilities and Manager Perkins answered yes.

Manager Perkins noted that the Flowering Bridge had obtained their own liability insurance which can be incorporated into the lease agreement. Mrs. Tanner expanded that the Flowering Bridge added the Town to that liability insurance policy per Manager Perkins' request. Manager Perkins explained that since the Town is owner of the bridge, the Town is liable for the physical property, but not for any operations.

Commissioner DiOrio noted that the Friends of the Flowering Bridge is a non-profit organization and asked if any additional nuances applied to the agreements with non-profits. Attorney Morgan answered that language may be added regarding keeping up to date with the Flowering Bridge's filings with the North Carolina Secretary of State. Commissioner Doster asked what would happen if the Flowering Bridge were dissolved and Attorney Morgan explained that the Town would take over the property and could utilize it however they determine to be fit. Manager Perkins noted that the LLC takes care for required expectations of the bridge and the Town can return on transmitted money for maintenance and repairs and reimburse the LLC.

Commissioner Doster noted that on page seven, former staff members were listed as signatories.

Council members reviewed a request letter from the Lake Lure Flowering Bridge in regard to a request for \$8,000 from the Town to help with building new volunteer parking area. Mayor Pritchett asked about survey plans and Attorney Morgan noted that plans would be included in the lease agreement. Mrs. Tanner explained parking area will be gravel and will be located by the green house. Mrs. Tanner expanded that the current plan is to have the lot grated and have road fabric laid as a support level. Mrs. Tanner also explained that there will be a chain blocking the lot when volunteers are not there, but the lot will be used to park about 8 to 10 cars during operating

hours. Commissioner Doster asked if the Town owns the property and it was confirmed that the Town does own the property. Mayor Pritchett asked who would maintain the lot and it was answered the Flowering Bridge would be responsible for maintaining the lot.

Mrs. Tanner noted that Dale Shields would be grating the lot and had already provided cost estimates. Commissioner DiOrio noted that since the lot will be on Town property, there might be a requirement to advertise for bids, especially if any reimbursements are involved. Town Manager Perkins asked how many companies the Flowering Bridge had contacted and Mrs. Tanner answered one. It was noted that the Flowering Bridge will be financially responsible under the lease.

Commissioner DiOrio explained that any changes involving Morse Park should be reflected in the Morse Park Plan and that he wants to ensure that the Town is not bypassing any standard processes. Town Manager Perkins noted that it would not be applicable to the Town because a lease will be in place which will show that the responsible party is the Flowering Bridge. Commissioner DiOrio recommended that the Morse Park Master Plan be updated regardless.

Commissioner DiOrio mentioned that the Rutherford County Tourism Development Authority (TDA) might be able to help with funding the project. Mrs. Tanner noted that the reason she is asking the Town to pay for parking is because the lot will be located on a Town owned park. Manager Perkins agreed but noted that the park is operated by the Flowering Bridge. Mayor Pritchett noted that if the Town and Flowering Bridge would like to pursue TDA funds for the lot, it would have to be discussed by the Lake Lure Steering Committee. Commissioner DiOrio noted that he does not want to slow any plans, but thinks that requesting TDA funds is reasonable and the Master Plan should be updated. Manager Perkins asked Mrs. Tanner if any work had been done initiated for the lot and Mrs. Tanner answered that no grating had initiated. Mayor Pritchett asked if the Flowering Bridge had executing a contract with Dale Shields yet and Mrs. Tanner answered no and that Mr. Shields had only provided an estimate. Manager Perkins agreed that the TDA may fund the project because it is enhancing availability for more people to visit. Commissioner DiOrio noted that the Town has to be careful because of the sole bidding process and other regulations, but the \$8,000 is less than the statutory requirement for a formal bidding process. Manager Perkins noted that the Town will add the lot to the next Steering Committee meeting to consider, will contact the TDA, and will proceed accordingly. Mayor Pritchett stated that the next Steering Committee meeting will be in February.

Mrs. Tanner noted that on Boys Camp Road, there is an old right of way and that Chimney Rock State Park owned land, and that there had been discussion regarding transferring the land to the Town. Mayor Pritchett noted that any additional parking in Morse Park will benefit the Flowering Bridge, as well. Mrs. Tanner mentioned another lot that she had looked into lease which would hold about 20 cars according to Engineer Kim Warner. Mrs. Tanner noted that the Flowering Bridge will restrict parking in the education center area, but will have a loop for drop offs. Mayor Pritchett thanked Mrs. Tanner and noted that she will inform Mrs. Tanner when the Steering Committee meeting is scheduled in February. Mrs. Tanner noted that she will provide the Town with a copy of the floorplan and exterior elevations and that she is meeting with Community Development for help with construction.

IV. DISCUSS REQUEST FOR SEWER ARRANGEMENT AT 219 MARINA DRIVE

Public Services Director Dean Lindsey explained that the property owners of 219 Marine Drive had requested that the Town install a sewer system for their community. Director Lindsey noted that the Town obtained a quote for running a sewer line from Scoops Ice Cream to the edge of the requestor's community for \$65,000. Director Lindsey explained that he had asked the property owners for additional details and that they had only submitted an email and verbal request, but no formal written request. Commissioner DiOrio noted that there had been a number of communities in the Town that have made a community subsystem, and the Town had never helped any of the communities with creating the subsystems. Commissioner DiOrio also noted that the Town is only responsible from the manhole down. It was noted that staff does not recommend fronting the costs of the request. Manager Perkins noted that requestor has additional means of sewer through septic. Commissioner DiOrio recommended that Director Lindsey inform the requestors of the option to build a community subsystem, and added that the system would have to be approved by the North Carolina Department of Environmental Quality Asheville Office. Commissioner DiOrio expanded that the Town could facilitate, advise, and inform the requestor but not complete the project for them. Commissioner Doster cited the requestors email comments in regard to a septic system and tree removal. Project Manager Michael Dydula noted that their existing septic system is likely no longer adequate and that new regulations would require a redundancy system. Director Lindsey mentioned that the \$65,000 would reach the manhole. Council expressed that there is nothing that the Town can do at this time. Mayor Pritchett asked if the requestors are aware of the possibility of community subsystems and Director Lindsey answered that he will make sure that they are informed. Project Manager Dydula explained the process that would need to be followed in order to construct and operate a community subsystem. Town Manager Perkins expanded that the property owners would need over half of the subdivision to agree to pay in order to construct the subsystem. Director Lindsey noted that the community needs to have a cost estimate and an assessment completed.

V. RUTHERFORD COUNTY TOURISM DEVELOPMENT AUTHORITY LEASE REVIEW

Manager Perkins noted that the existing lease agreement for the TDA's use of the Town's building for their Welcome Center had expired and that the lease is currently operating on a month-to-month basis. Manager Perkins noted that Attorney Morgan had been working to draft a five year lease agreement with the option of an additional five year renewal. Attorney Morgan explained that the draft was based a lot on the prior lease. Commissioner DiOrio noted that the lease agreement is fine, but suggested entertaining a fair market price for the rent. Mayor Pritchett explained that TDA currently pays a dollar for rent. Commissioner DiOrio recommended finding a fair market value for a leasing arrangement and proceed as needed. Council members agreed.

VI. LAKE LURE TOURS CONCESSION AGREEMENT REVIEW

Manager Perkins noted that the Lake Lure Tours Concession Agreement would be up for renewal within the following months and that staff and Mr. George Wittmer had been discussing agreement terms. Manager Perkins summarized that Town staff and Mr. Wittmer had agreed to keep the majority of the agreement unchanged in order to determine how the changes to the Lake Use Regulations will impact operations, and that the agreement can be re-discussed if needed. Manager Perkins explained that the one change would be the hours of operation due to a lack of appeal in the off-season, prior police concerns, and opportunity to complete work during drawdowns. It was noted that the proposed hours of operation had been similar in the past per Lake Lure Tours' requests, but it is now being requested to add the proposed hours of operation to the formal agreement. Manager Perkins explained that if Council is in support of the agreement with changes to the hours of operation, it can be approved at the February Council meeting. Commissioner DiOrio asked about paying Lake Lure Tours to administer boat training and Parks, Recreation, and Lake Director Dean Givens explained that none of the concessionaires that sell boat permits are administering training. It was noted that all of the concessionaires are receiving five percent of boat permit sales. There were no concerns expressed by Council.

VII. FIREFLY COVE WATER SYSTEM MANAGEMENT PLAN

Manager Perkins noted that Council approved a Task Order 12 from LaBella Associates involving the Firefly Cove Water System Management plan, and that that LaBella sent an addendum request yesterday to increase the Task order by \$8,500. Director Lindsey explained that LaBella was informed that North Carolina Department of Environmental Quality requires the Town to provide a Water System Management Plan (WSMP) with the application package needed for the project and that the current WSMP does not incorporate Firefly Cove and has not been updated since 2006. Director Lindsey expanded that the additional \$8,500 would be used for additional efforts to update the current WSMP, including the additional of Firefly Cove. Manager Perkins noted that LaBella should be able to secure permitting completing the WSMP for the application. Council discussed whether or not to call a special meeting to approve the Task 12 amendment or if it can be approved at the February 14th regular meeting. Director Lindsey explained that the Town will not need to rely on Chimney Rock Village's water system if the Firefly Cove system is improved, so the proposed agreement with Chimney Rock may be impacted by this. Director Lindsey suggested that he thinks that Council can wait until the regular February meeting to approve the task amendment because it will allow more time for the Chimney Rock water agreement to be reviewed. Commissioner DiOrio summarized that a permit to fix the Firefly Cove system and that the Town would no longer rely on Chimney Rock's water system if the Firefly Cove system was in operation. Mayor Pritchett asked about the timeline of completing the WSMP and Director Lindsey estimated that it could be completed by the end of February. Project Manager Dydula asked if the cost increase is for funding work already being performed or for the permitting and it was confirmed that the additional \$8,500 is for the work being performed which will be needed for permitting. There was Council consensus to put the approval of the LaBella Task 12 amendment on the consent agenda for the February 14th regular meeting.

VIII. REVIEW CHIMNEY ROCK VILLAGE PROPOSED AGREEMENT TO OPERATE WATER SYSTEM

Manager Perkins explained that Chimney Rock Village had submitted a proposed agreement to operate water system and that this item is only for Council's review at this time. Manager Perkins expressed concern for the proposed storage capacity language, which Chimney Rock proposed paying the Town \$15,000 for the year to operate and maintain their system for them. Manager Perkins noted that he would like to have the storage capacity defined as a mutual aid, not automatic payment. Manager Perkins also recommended evaluating the proposed terms. Council agreed that terms need to be evaluated, and there was a recommendation to explore terms per year. Manager Perkins stated that he would be meeting with Chimney Rock Village to discuss the proposed agreement. Attorney Morgan noted that paragraph 8 of the proposed agreement has been problematic in the past and may need to be reviewed. Mayor Pritchett noted that Chimney Rock added sewer rates to the agreement. There was discussion regarding Chimney Rock's preservice regarding its relationship with the Town for water versus sewer. Manager Perkins noted that there had been past agreement between the Town and Chimney Rock to use both of their ARPA funds for sewer system repairs, and that the Town would take over Chimney Rock's system after they make necessary repairs. Manager Perkins also noted that the agreement is dependent upon the ARPA award decision that should be announced in February. Manager Perkins recommended taking holistic look at the proposed agreement and re-work outdated portions that stem from the 1970s water agreement. Council expressed that they would possibly like for paragraph 8 to be removed and Attorney Morgan agreed to review past problems discussed regarding the section. Commissioner DiOrio recommended removing with the assurance section because it does not have an impact. Commissioner DiOrio expressed disapproval of the caveat that the Town pay for existing infrastructure in section 9(a), and noted that he does not think that should be in the agreement. Manager Perkins asked Director Lindsey 9(b) would be relevant if the Firefly Cove Water System is fixed and Director Lindsey answered that it will not be needed if Firefly Cove System is fixed. Commissioner DiOrio expressed that the agreement can be simplified and that the best policy would be to say that there is mutual good faith agreements, but take out all funding caveats. There was Council consensus to simplify the agreement and remove portions.

IX. BOAT PERMIT MAILING FEE DISCUSSION

Parks, Recreation, and Trails Coordinator Dana Bradley explained that the current certified mailing fee for boat permits is about \$4.25, but with recent price increases the actual cost to mail them is about \$4.85. Coordinator Bradley noted that Town staff also has to run the postage which takes up a significant amount of time. Coordinator Bradley recommended a \$10.00 overall mailing fee for the cost of certified mail and for a handling fee. Commissioner asked if it would be \$10.00 per permit and Council discussed. Mayor Pritchett asked what percentage of people receive their boat permits by mail and Coordinator Bradley estimated 30 percent. Mayor Pritchett asked if a goal is to transition to increased online permitting rather than mail and Coordinator Bradley explained that the goal is to adapt to the increased cost of mailing and compensate staff handling efforts. Council expressed support and there was consensus to add the fee to the Lake Use Fee Schedule and approve the updated Fee Schedule at the February 14th regular meeting.

Coordinator Bradley explained that another issue is that people are not complying with providing required information when obtaining a boat permit. Coordinator Bradley expanded that a result of the non-compliance is an increase in requests for staff to print copies of their required information, which is also costing the Town. Communications Director Laura Krejci noted there is an existing fee for print copies in the General Fee Schedule. Staff and Council expressed importance of enforcing Fee Schedule charges.

X. DISCUSSION REGARDING APPRAISALS OF TOWN PROPERTIES

Manager Perkins explained that there had been past discussions regarding appraisals of Town properties and researching fair market rent prices for Town properties being leased. Manager Perkins noted that he does not believe there is an appraisal needed for the ABC Store property in order to determine a fair market lease rate, but that he will contact someone about a fair market lease rate per square footage. Manager Perkins suggested that the Town can get appraisals for other properties, such as the existing Public Works lot located behind the Arcade Building. Commissioner Bryant recommended that the Town can also get a fair market rent price estimate for the TDA building and Council agreed. There was support from Council to have appraisals completed for the Town property discussed and research fair market rent prices.

XI. DISCUSSION REGARDING DRAFT BUDGET AMENDMENT #346 FOR DEEP WATER ACCESS

Manager Perkins explained that the Town is working on the deep water access project and that the funds for the project are currently categorized under dredging. Manager Perkins expanded that the project would be more appropriately placed as a stand-alone line item. Commissioner DiOrio recalled that the past reasoning for adding the project for dredging was because there was sufficient funds in the line item and the project will help with dredging access. Commissioner DiOrio asked if line item would be in the general fund and Manager Perkins answered yes. Manager Perkins noted that the Town has sufficient funds, but the purpose of the budget amendment is to move the funds from dredging.

Manager Perkins mentioned the Town's capital reserves. It was noted that the original capital reserve was incorporated into the dam capital reserve. Mayor Pritchett noted that the two reserves could be separated, but dam capital reserve is crucial. Commissioner DiOrio explained the history and importance of the dam capital reserve. Commissioner DiOrio noted that the Town created a separate fire tax at that same time. Manager Perkins and Finance Director Stephen Ford stated that they would discuss how to proceed with the capital reserve funds. Director Ford noted that there is also low pressure project capital reserve fund. Commissioner DiOrio noted that the low pressure project capital reserve is likely still present for the purpose of paying any final bills, but the project no longer active. Commissioner DiOrio recommended transferring funds for the lower pressure project capital reserve to the water reserve fund.

There was consensus from Council to approve Budget Amendment #346 for the deep water access project through the consent agenda at the February 14th regular meeting.

XII. DISCUSSION REGARDING BUDGET AMENDMENT #347 FOR FIRE DEPARTMENT SPECIALIZED AIR COMPRESSOR


Director Ford explained that Fire Chief Dustin Waycaster had approached him and stated that Rutherford County is donating a specialized air compressor and that the Town of Lake Lure has the first option to obtain the donated air compressor. Director Ford mentioned that a specialized air compressor is typically about \$75,000. Director Ford detailed that the compressor will need updates that will cost around \$4,800 total, so it seems to be a good deal. Director Ford noted that

a new specialized air compressor will be installed at the future public safety building, but this compressor will work well in the interim. There was Council concessions to approve Budget Amendment #347 for fire department specialized air compressor repairs through the consent agenda at the February 14th regular meeting.

XIII. ADJOURNMENT

Commissioner Bryant made a motion to adjourn. Commissioner DiOrio seconded and all voted in favor. The meeting was adjourned at 10:08 a.m.

ATTEST:


Olivia Stewman, Town Clerk


Mayor Carol C. Pritchett

