



**MINUTES OF THE REGULAR WORK SESSION MEETING OF THE LAKE LURE
TOWN COUNCIL HELD WEDNESDAY, FEBRUARY 22, 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
Commissioner Jim Proctor

William Hank Perkins, Jr., Town Manager
William Morgan, Jr., Town Attorney
Laura Krejci, Communications Director
Dana Bradley, Parks, Recreation, and Trails Coordinator
Dean Givens, Parks, Recreation, and Lake Director
Olivia Stewman, Town Clerk
Stephen Ford, Finance Director
Michael Dydula, Project Manager
Michael Williams, Community Development Director

ABSENT:

I. CALL TO ORDER

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

II. AGENDA ADOPTION

Commissioner Scott Doster made a motion to add item III to the agenda for the Rumble Update and renumber accordingly and add item X to the agenda for Infrastructure Discussion and renumber accordingly. Commissioner Proctor seconded and the motion carried 3-0.

III. RUMBLE UPDATE

Communications Director Laura Krejci explained that there is a chance of rain when the Rumble is set to take place and the Rumble coordinator has asked if the event could be shifted by one day if inclement weather occurs. Director Krejci expanded that this would mean that the event would take place on Saturday and Sunday rather than Friday and Saturday. Director Krejci noted that the Rumble coordinators plan to make a decision on Thursday at 10:00 a.m. Director Krejci asked for Council input regarding the request to shift dates if necessary and if Council would be accepting of the request. There was Council consensus of support.

IV. FIREWORKS DISCUSSION

Manager Perkins recalled that during past discussions, the Chamber of Hickory Nut Gorge had asked that the Town take over the responsibilities the 4th of July fireworks and Council decided that the Town would not hold a fireworks event on the 4th of July because of traffic and alternatives were discussed. It was explained that staff had met to discuss recommendations to forgo the fireworks and it was determined that it might be beneficial to celebrate holidays with lights and décor and build the presence of Lake Lure up in the holiday season, rather than hold the 4th of July event.

Manager Perkins noted that if Council would like to hold a fireworks event outside of the 4th of July, lake drawdowns would need to be considered. Commissioner DiOrio questioned if the Town would take the current funds used for fireworks and fund an alternative. Mayor Pritchett expressed that she supports the idea of December fireworks, but noted that it may not be plausible because next year's drawdown may be longer than the current one. Commissioner DiOrio expressed support for re-apportioning the money for fireworks to fund enhanced Christmas lights.

Commissioner DiOrio recalled that the Town had gotten an estimate last year for about \$25,000 for lights and expressed support for re-visiting the estimate. Mayor Pritchett asked Director Krejci to refresh her memory and asked about what lighting was explored in the past. Director Krejci explained that she and Parks, Recreation, and Trails Coordinator Dana Bradley had lead the initiative in exploring lighting in the past. Coordinator Bradley explained that the two had researched replacing the Town's existing snowflake lights and adding some additional holiday lights. Director Krejci noted that the expectation is to have a classic look with soft whites. Commissioner Doster asked if the Town would still place a tree in Town center and it was answered yes. Director Krejci expressed she would like to highlight major features of the Town, such as the Gazebo. Coordinator Bradley noted that the Town had also been researching year-round lights for the Gazebo. Mayor Pritchett expressed concern regarding year-round lights, but noted that landscape lighting might be good. Commissioner Bryant noted the Gazebo would need electrical up-fitting. Commissioner DiOrio asked where most of the holiday items are budgeted and Parks, Recreation, and Lake Director Dean Givens answered the Public Works budget. Commissioner DiOrio suggested explained a holiday package and augmenting fireworks to fund it. Commissioner DiOrio also suggested researching how to best budget holiday items and possibly re-evaluate the existing method. Manager Perkins and Council discussed that it will be included in the budget process. Commissioner Doster noted that there will be upgrades to Morse Park in the

future, such as the parking lot expansion, so the Town would need to consider this when decide where décor and electric are installed. Commissioner Proctor suggested that the Town might create a policy in regard to holiday lighting and décor. Commissioner DiOrio agreed with Commissioner Proctor and added that policy would be ideal for details such as when lights are active.

Director Krejci noted that the Town should ensure that Rumbling Bald knows that the Town will not be holding 4th of July fireworks and Mayor Pritchett agreed to speak with Rumbling Bald.

V. ADVISORY AND STATUTORY BOARD HANDBOOK DISCUSSION

Town Clerk Olivia Stewman request that Council review the Advisory and Statutory Board Handbook and note any recommended changes. Clerk Stewman suggested adding an application deadline and an application expiration date. Council members agreed upon a two year application expiration and it was noted that those who are not serving on a board but wish to keep an active application must re-apply after two years. Council members also reached agreement regarding a January 1st application deadline, along with January board meeting reviews. Commissioner DiOrio noted that it makes more sense to hold board elections at March board meetings when new members are seated and new member orientation takes place. Commissioner Doster noted that one other issue may be a lack of consistency with attendance policies on boards. Council discussed board by laws and attendance. Mayor Pritchett noted that there might be some discretion of the Chair to handling attendance issues. There was consensus to implement an attendance policy of possible termination if a member misses three consecutive meetings or four meetings in a year. Commissioner DiOrio recommended that the board chair does have ability to access and make recommendations to Council to terminate members for attendance issues based on their discretion. Commissioner Doster recommended including all board by-laws on the Town website. Council members agreed to add in the Handbook that Board chairs shall make recommendation to Council if attendance is an issue for a board member. Mayor Pritchett noted that the Steering Committee is a little different since it is ad-hoc and multi-jurisdictional. Mayor Pritchett also noted that board members should be responsible for informing their Board's Chair if they cannot attend a meeting. Commissioner DiOrio proposed adding language that board members may be subject to dismissal by Town Council if the attendance requirements are not met. Council discussed removing the word "special" for the new member orientation and that it should take place at the March regular meeting. Manager Perkins noted that board by-laws should be consistent with handbook. Council discussed training needs for boards. Manager Perkins detailed that in the past, he experienced a Town made a training video for boards and committees which covered all requirements and was received through an orientation email. Mayor Pritchett noted that Director Krejci has already been working on obtaining a video for Town boards.

VI. RUMBLING BALD CONCESSION AGREEMENT

Director Givens explained that five years ago, the Town entered a concession agreement with Rumbling Bald regarding tour boats. Director Givens explained that the concession agreement is expiring and this year Rumbling Bald has become a concessionaire to the Town for selling boat permits, so that should be added to a new concession agreement. Director Givens

explained that Lake Lure Tours currently receives 5% of boat permit sales and the Town receives 95%, and recommended that it be the same proportion for Rumbling Bald. Director Givens explained that he had met with representatives of Rumbling Bald and had worked through minor changes such as the renaming of Rumbling Bald Resort to Rumbling Bald, but noted that the main change in the new agreement is the addition of boat permit sells. Council expressed support for the proposed concession agreement and it was noted that it will be approved at the next Council meeting.

VII. FACILITY LEASES

Manager Perkins noted that the Rutherford County Tourism Development Authority (TDA) lease terms had changed along with an increased notice requirement of 180 days for termination of the agreement. There was consensus from Council to not exceed a 10 year agreement. Commissioner Doster expressed concern regarding the \$1.00 rent amount. Manager Perkins noted the TDA's cost of operations, and payment of utilities and maintenance. Commissioner Bryant expressed that if the TDA Visitor Center were to depart, it would create an increased abundance of responsibilities for the Marina. Manager Perkins recommended a 1 year agreement with the TDA including the 180 day notice clause. Commissioner Proctor expressed that he would like for the TDA Visitor Center to remain in Lake Lure for the time being. Council members discussed the possibilities regarding the Chamber of Hickory Nut Gorge and the TDA sharing the location. It was noted that there had been some resistance regarding any increase in rent pay. There was Council consensus of support to enter the proposed agreement.

Manager Perkins noted that there are still plans to seek a local bill from the General Assembly regarding the Lake Lure Flowering Bridge lease agreement for the purpose of exceeding a 10 year term without including sale of real property requirements. Mayor Pritchett asked about insurance and Finance Director Stephen Ford estimated that the Flowering Bridge will have about \$1,000,000 in liability insurance. Manager Perkins explained that the liability insurance policy is for the protection of the Flowering Bridge and Town. Council members reviewed and discussed details regarding the proposed grounds lease agreement. Manager Perkins expressed that an agreement will be beneficial for each parties. Commissioner DiOrio expressed that he feels hesitant to use tax payer money to support any investments for the flowering bridge operations, but is in support of using funds for the infrastructure of the bridge. Council discussed the possibility of needing a concession agreement when the education center is completed and detailed the differences between profit and non-profit based agreements.

VIII. DISCUSSION REGARDING PERMITTING ISSUES WITH RUMBLING BALD FACILITIES FOR COLLEGIATE ROWING COMPETITION

Community Development Director Michael Williams noted that Community Development had discovered work being done in the lake including the construction of an unpermitted bridge that posed an issue and needed permitting from the Town, North Carolina Department of Environmental Quality (DEQ), and the Army Corp of Engineers. Director Williams noted that he met with Rumbling Bald as the work was on their property, and learned that this has been allowed in the past despite regulations. Director Williams reported meeting with Lee Pace with Rutherford

County Building Department who noted that the bridge did not meet codes. Director Williams explained that the bridge was for rowing sculls used by collegiate rowing organizations.

Director Williams explained that he and Project Manager Michael Dydula, Rumbling Bald, and Rutherford County came up with a solution to remove the bridge and install a temporary culvert for the sculls which does not require a permit. It was noted that DEQ and the Army Corp were informed and did not expressed any concerns.

Director Williams expanded that piers for launching the sculls will be moved as well, but others might be built in the future. Director Williams expressed that he is fine with re-locating this year, but next year Rumbling Bald will need to complete the permitting process.

Commissioner Bryant cautioned that as the sewer project continues, the Town might need to designate no row zones, but expressed overall support for rowers on the lake.

Director Williams concluded that the issue has been addressed and asked if Council is in support of the solution proposed for this year. There was Council consensus of support.

IX. CONTRACT FOR ABC LAW ENFORCEMENT

Clerk Stewman explained that the ABC Board had a performance audit completed by the North Carolina ABC Commission and one recommendation in the audit was to enter a more up-to-date contract for ABC Law Enforcement between the ABC Board and the Town of Lake Lure Police Department. Commissioner DiOrio asked the Town receives the 5% detailed in the contract and Director Ford will follow up but noted that the Town's profit share had not been received the past few years. Commissioner Doster mentioned funding for ABC education and Director Ford noted that he would holistically review funds to and from the ABC Board and whether or not the Town set aside funds for ABC law enforcement education. There was Council consensus of support.

X. INFRASTRUCTURE UPDATES

Project Manager Michael Dydula provided Council with a Project Manager Progress Report (Attachment A) and reviewed the Report.

Noted that need to do work with getting Schnabel the 30% design done.

In regard to Sunset Cove, Commissioner DiOrio recommended determining if Public Works is structured adequately to move forward and asked if Project Manager Dydula had any ideas regarding Public Works moving into the new budget. Project Manager Dydula indicated that it might be beneficial to have an additional person on staff for daily site inspections.

Manager Perkins noted that Attorney Morgan had prepared the easements for the HDD project and that the Town would begin visiting property owners to discuss and complete easements.

Manager Perkins expressed that he would like for dredging become less intrusive to lake operations and for maintenance to be done on a sediment base. Manager Perkins expanded that the Town should research who to maintain dredging operations differently while maintaining the current

finances. Commissioner Proctor recalled the “big dig” and noted that it was done without a 12 ft. drawdown. Project Manager Dydula recommended another big dig.

Commissioner DiOrio asked about the status of the Tryon Bay house demolition and Project Manager Dydula answered that he held a meeting to a review and it was determined that there should be a written letter of opinion, that the structure should be removed, and that the property should be re-evaluated after removal. It was noted that Development and Environmental Review Specialist Richard Carpenter is reviewing specifications of what work needs to be done and that this will be included in an advertised bid to remove the structure. Commissioner Doster asked for a removal timeline and it was estimated that removal would take place in about 30 days.

Project Manager Dydula concluded his review of the Report and asked if there were any questions.

Commissioner DiOrio explained that it is important to settle the Fire Fly Cove (FFC) initiative quickly because it is linked to updating the Chimney Rock Village water agreement. Commissioner DiOrio expressed that the Town is aware that it can operate as a stand-alone, so the FFC redundancy is important.

Commissioner DiOrio also explained that now that the Town knows that the sewer project is progressing slowly, the Town needs to establish a drawdown schedule policy and inform the public. Commissioner DiOrio expanded that in order to support the existing sewer while the new system is being build, the Town needs to ensure that the Wastewater Treatment Plant (WWTP) is supported in the meantime. It was noted that the Town must keep WWTP numbers level and refurbish the existing WWTP including cleaning out basin and obtaining a centrifuge or belt press. Manager Perkins noted that since the American Rescue Plan Act (ARPA) funding determination had been made and the Town did not receive additional funding, it may be beneficial to operate manual removal with a belt press because a centrifuge costs millions of dollars. Manager Perkins also noted that the Town must be aware in regard to spending the ARPA funds before the 2026 deadline. Commissioner DiOrio noted that the Town was reimbursed for past engineering which has been refunding to the Water/Sewer fund and that it needs to be reviewed in the upcoming budget cycle to possibly go towards funding the maintenance of the WWTP. Manager Perkins explained that he had spoken with the Policy Group and they are working towards merit to get the Town a funding/finance bill from the state. Commissioner DiOrio expressed that the big picture is that the Town has \$16 million for drain valve and design and sufficient dam funding for the next 3-5 years, but the sewer replacement funds will deplete quickly. Project Manager Dydula noted that WWTP is a little more lenient, and that he is prioritizing sewer replacement with LaBella. Council discussed relations and operations with Ruby-Collins. Concerns were expressed regarding Ruby-Collins progress with the Sunset Cove project and it was suggested that relations be re-evaluated after the current drawdown. Council members discussed project complexities.

Mayor Pritchett asked for an update on the cell tower. Director Williams explained that the project is progressing. Director Williams expanded that the consulting firm for AT&T's contractor is working on the State Historic Preservation requirements, which is the final requirements before issuing permits. Director Williams expressed that he will continue to follow up.

Council and staff discussed the future development in Chimney Rock Village and it was discussed that Chimney Rock and the developer must be aware of the approval requirements for sewer by DEQ and the Town. Commissioner Proctor expressed that there could be a point where the Town must decide what developments can be approved.

XI. FINANCIAL, BUDGET, AND AUDIT UPDATES

Director Ford reviewed his financial, budget, and audit update presentation (Attachment B). Director Ford explained that County re-appraisals took place this year and that the re-appraisal notices will be sent out Friday, followed by an appeal period. Director Ford reviewed re-appraisal estimates. Commissioner DiOrio asked where the County is targeting the mill rate and it was noted that it will be known later, but Director Ford is hoping to have an estimate soon. Commissioner DiOrio advised that if a property owner appeals, their property value could actually increase or decrease. It was noted that the Town will cannot determine tax rates until the County mill rate is determined and Director Ford estimated that the Town should have an estimate by March.

Director Ford reported healthy funds and good financial operations, especially since the Town is receiving reimbursements from the state. Director Ford reviewed reimbursements and Commissioner DiOrio asked for details regarding upcoming reimbursement requests and Director Ford answered that the Town is asking for reimbursement for barge, pusher boat, LaBella bills, Ruby-Collins bills, and possibly more. Commissioner DiOrio asked how Director Ford is determining which bills are being paid by ARPA funds and it noted that any bills that are eligible for ARPA reimbursements are being paid through the ARPA funds. Commissioner DiOrio asked if the Town is paying any principal on the State Revolving Fund (SRF) and it was answered that the Town is not required to make payments until the project is completed. Commissioner DiOrio noted that there are different rules for each fund, and that the Town needs to keep good records to send to the legislature.

Director Ford reviewed overall financials.

Manager Perkins noted that the end of March is the deadline to finish the audit. Director Ford reported that there should be no concerns, and that the auditors should be meet the March deadline.

Commissioner DiOrio expressed concern regarding huge dynamic with appraisals and noted that if the Town does not have timely information it will be hard to plan for the future.

Director Ford reviewed operational information and processes.

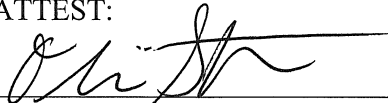
Director Ford recalled that the Town had not received money from the ABC Board for a couple of years and agreed that he will follow up.

Mayor Pritchett asked how the accounting clerk position search is going and Director Ford estimated a hire by the end of March.

XII. ADJOURNMENT

Commissioner Proctor made a motion to adjourn. Commissioner Bryant seconded and all voted in favor. The meeting was adjourned at 11:07 a.m.

ATTEST:


Olivia Stewman, Town Clerk


Mayor Carol C. Pritchett



Project Manager Progress Report 02-22-23:

1) Dam: Need to work on getting Schnabel started on 30% design drawings. Don't foresee a shovel in the ground for another 1.5 to 2 years. Most important project.

2) Sunset Cove Sanitary Sewer: 5th boring completing this week. Reviewing @\$300k T&M pay app currently (134 pages of back up) with Ruby Collins. Progress is slow due to nature of work and manpower. Asked RC and Labella how they can expedite and maybe change methodology for next drawdown season 2023/2024. Still have some boat house modifications/planning/permitting documentation in progress. Looking at demolishing smaller/older structures and rebuilding to save time/cost moving forward.

3) Deep Water Access: Created a new contract for Stott Construction Inc. since Tim Edwards is not a licensed GC. Getting Kim Warner (engineer of record) an updated agreement to make site visits and certify final construction. Contractor has tried to make a change on site and has been put on hold. *****Currently working on process for vetting/prequalifying Contractors and working on a new Standard Form or Contract to include general conditions, supplementary general conditions, COI, financials, lien releases, affidavits, closeout docs, etc. Need to follow informal and formal NC bidding requirements. Must include HUB/MBE participation requirements*****

4) Reservoir Drain (Dam Valves): Prebid was last week. Had 10 companies attend and am currently scheduling additional site visits. Addendum #1 was issued 2-21-23. Need to get Schnabel on board for CA services for the project ASAP. Estimate is @ \$500k. Crucial they be heavily involved all during construction.

5) HDD Subaqueous Sewer: Bid was advertised last Friday. Still in process of reviewing bid documents. I have questions about some of the methodology including redundant design features, i.e. second/backup sewer lines for future maintenance/failure.

6) Dredging: Received approved grant from the State recently. I have talked with several homeowners and am looking at a new approach. Need to get an Engineering firm on board to study/map/survey before water level comes back up. I feel this needs to be treated as a major "big dig" project allowing us to only need to perform yearly smaller scope maintenance in the near future. Will be contacting Landscape Architect firm who originally did site layout as well. In progress of auditing financials/permits/contracts, etc. *****Currently working on process for Standard Form of Contract for Designers. We will need to submit some RFP's for interviews moving forward. Mini-Brooks Act requires cost over \$50k follow QBS process*****

7) WWTP: Working with Labella on site locations. They are currently working on some preliminary site layouts. Working on meeting with a commercial broker to help with real estate transactions. I have some concerns with site access during construction and after when WWTP is completed. Will need lots of room and large turning radius for trucks and equipment and room to expand.

8) New Public Works Relocation/Site: Need to get a formal design contract started ASAP. Project needs to be treated as a formal project. Currently Public Works has a metal building manufacture already starting on procurement. I have concerns about this since it was not bid and may not need to stop their progress until we get a formal set of plans engineered for the whole site. **Timing is critical on this since we will be using this for construction staging on the Reservoir Drain project.**

- 9) AIA Grant – Sewer: Received and will be working with Public Works on progress.
- 10) AIA Grant – Water: Labella working on this.
- 11) AIA Grants– Storm: I will be trying to work with Labella on this in the near future.
- 12) Underground Storage Tanks: Recently been included and asked to look at progress and help manage.
- 13) Firefly Cove Water Wells: Labella is working with Public Works currently. I will be getting involved soon.
- 14) Chimney Rock Water/Sewer Agreement: Working with Town Manager on this. Have several meetings upcoming to discuss and coordinate.
- 15) Chimney Rock/Lake Lure River Walk/ Streetscape: Had initial meeting with key stakeholders recently and will be getting more involved soon.
- 16) RAISE Grant – NCDOT: Will be working with Town Manager on this. Have upcoming meetings planned with Design firm.

Others:

- 1) 177 Tryon Bay House Demo: Have answered a few questions for PZO department and am on call to help with any technical and/or state permitting questions.
- 2) Rumbling Bald Collegiate Rowing Access: Met all stake holders last week and have a plan in place to allow Rumbling Bald to hold event. County Bldg. inspections will not need to be involved. PZO department is coordinating with DEQ and USACE and any requirements to help facilitate.

Financials:

- 1) Reviewing Labella's invoices and scope of services. Would like to get more involved with engineering/planning/funding/permitting process. Town needs more representation in these areas.
- 2) Working with Finance Director with project financial audits/book keeping
- 3) Working on auditing and working on all rules/T&C's for state and federal funding and are being followed on all projects.

Licensure:

- 1) In process of transferring PE licensure (comity) with National Board of Engineers and Land Surveys. Anticipate having NC license in 2 months.
- 2) Will be working on 16 PDH's (Professional Development Hours) for June 30th deadline for current licensure. May require minor travel/conference/online classes.

Attachment B

Taxes and Reappraisal

UPDATE

REAPPRAISAL

- Reminder that 2023 is reappraisal year for Rutherford County.
- Notice of appraisals will be sent out this Friday (hopefully) and an appeal period begins along with a final review
- Revenues will begin to be recognized in August 2023 with collections
- Projections should be determined in late April and early May (but that could change with the number of appeals)

Tax Values for the Town of Lake Lure- 2022/2023 Assessment Years

- The Total Real Estate Value for the Town of Lake Lure:

\$864,270,967 (2022)

(ESTIMATED)

1,430,648,584 (2023)

50% INCREASE

**Could decrease with appeals and
applications**

**(Some of Lake Lure property owners' values could
double)**

Overall Financial

Available Funds	Healthy (Bank Balance = \$ 12 million)
Spending	Department Heads Responsible Town Manager's Oversight Mid Year adjustments
Revenues	As Projected
Reimbursements	Reliable \$2.3 million already received \$1.5 million will soon be requested
Unexpected Expenditures (Capital)	Negligible

Audit Update/Factors

Overall	85-90% complete
Outstanding	Final Review of Leases (GASB) Capital Invoices Debt Review
Factors	<ul style="list-style-type: none"> • New Audit Manager (Audit Firm) • New Audit Staff (Audit Firm) • Director Changeover (Town) • Flow and exchange of information • Remote Review Approach (Firm) • Other clients –related issues (Firm) • Large Variances in Accounts (Town) • General Ledger • Carryovers/Reconciliations per reports (Example: Sales Tax) • Single Audit-Dredging • Intro to future audit approach

Audit Review example

- Sales Tax Report vs General Ledger Detail
- This years reimbursement amount per the E 585 report : \$43,000

ACCOUNT	DESCRIPTION	6/30/2019	6/30/2020	6/30/2021	6/30/2022	Change from PY
123201	State Sales Tax	39,733.56	52,344.88	68,795.26	97,857.53	29,062.27
123201	County Sales Tax	17,112.82	22,421.89	29,332.15	41,562.19	12,230.04

Audit Review example

- Variances

53.714000.190	Engineering Services	161,693.00	435,156.00	273,463.00	169.12%
53.714000.350	Repairs and Maint-Buildings	950.00	35,808.00	34,858.00	3669.26%
53.714000.691	Contractual Services	28,628.00	78,113.00	49,485.00	172.86%
56.720000.691	Contractual Services	16,987.00	43,321.00	26,334.00	155.02%

Operational
(to be
reviewed and
approved by
Town
Manager)

Area	Change overview
Payment terms	Enforcing 30 days
Review Process	Implement purchase requisition/approval, formalize purchase order and implement invoice transmittal request
Town Manager and Project Management	Incorporate their review in purchasing and invoice payment processing
Vendors	Agree to contract terms Provide required documents Provide department heads checklist items
Payment method	Electronic payments