



**MINUTES OF THE SPECIAL MEETING OF THE LAKE LURE TOWN COUNCIL  
HELD WEDNESDAY, MAY 24, 2023, 2:00 P.M. AT THE LAKE LURE MUNICIPAL  
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  
Stephen Ford, Finance Director  
Dean Lindsey, Public Services Director  
Michael Dydula, Project Manager  
Sean Humphries, Police Chief  
Dustin Waycaster, Fire Chief  
Dean Givens, Parks, Recreation, and Trails Coordinator  
Laura Krejci, Communications Director  
Michael Williams, Community Development Director

**ABSENT:** N/A

**I. CALL TO ORDER**

Mayor Carol C. Pritchett called the special meeting to order at 2:00 p.m.

**II. AGENDA ADOPTION**

Commissioner Patrick Bryant made a motion to adopt the agenda, as presented. Commissioner Scott Doster seconded and the motion carried 4-0.

**III. BUDGET REVIEW**

Director Ford summarized the budget discussion that occurred at the last meeting and reviewed updates. Director Ford highlighted that there are still uncertainties in regard to Senate Bill 408, which would grant Rutherford County the ability to postpone the use of the reappraisal numbers.

Director Ford noted that one change since the last meeting is that debt service has been added to expenditures for a 2006 SRF Loan and a 2011 Joint Wrapping Loan. Director Ford noted that the most current SRF loan will not require any payments until a later date. Commissioner DiOrio noted that the most recent SRF should be a thirty year loan based on the direction of the Local Government Commission (LGC) and asked staff to confirm that it is still a thirty year loan as discussed in the past. Director Ford explained that he Town Manager Hank Perkins had been examining options for the expenditures of the SRF loan in the budget.

Commissioner DiOrio asked for details regarding the amount of funds set aside for the Water and Sewer (W/S) fund debt service. Director Ford answered that there will be \$119,945 put in the W/S debt service this year. Commissioner DiOrio provided a background in regard to the W/S debt service. Commissioner DiOrio explained that the Town had a study conducted on what it would take to build a sewer system and it was determined that the Town needed to draw more revenues from sewer fees, so the Town raised the sewer rates to the current number in order to fund the first \$12 million worth of work towards the sewer replacement. Commissioner DiOrio noted that this is why the Full Time Employees (FTEs) were previously removed from the W/S fund. It was noted that the Town must have FTEs in the W/S fund, but since the FTEs in that department are have multipurpose positions, the Town should be able to position the W/S budget to reflect the proportion of FTE work spent on water and sewer related activities. Director Ford added that last year, the transfer amount to the W/S fund balance was \$345,000 and this year it is estimated that the transfer amount will be \$225,000 with the inclusion of the FTEs. Council discussed FTEs in the W/S fund. Director Ford provided Council with a handout containing statements from the auditor, including t comments about the W/S fund FTEs. Mayor Pritchett asked where Public Services Director Dean Lindsey's salary is in the budget and Director Ford answered that it is primarily under public works, but a portion his and the Hydro Supervisor's salaries are in the W/S fund. Mayor Pritchett expressed the importance of generating enough monies in the W/S fund to pay debt services. Director Ford noted that the past W/S rates set by Council are working sufficiently, but it needs to be determine how the Town will assign costs for FTEs in the W/S fund. Manager Perkins noted that the auditor's expectations for FTEs in the W/S fund will be reflected at the end of each year regardless.

Director Ford asked if Council would like to pay off any loans early and it was answered that anything with interest could be a good candidate for early payments.

Commissioner DiOrio asked what the final number is for expenditures and Director Ford answered about \$9.5 million for the general fund. Commissioner DiOrio asked if revenues are balanced to that number and Director Ford answered yes. Commissioner DiOrio noted that if this number is sufficient, a simple equation should be used, based on property tax, to determine the millage rate.

Commissioner DiOrio asked the total amount of funding in the dam capital reserve and Director Ford estimated about so about \$3.5 million thus far. Commissioner DiOrio asked about the \$16 million grant for dam and Director Ford noted that this is in a separate fund from the dam capital reserve.

Commissioner DiOrio expressed that when the public services department was reorganized, one major objective was for the department to maintain the existing sewer system. Commissioner DiOrio expressed that the Town should invest more manpower in that department and additional resources to maintain the existing sewer system. Commissioner DiOrio asked Public Services Director Dean Lindsey to explain why he asked for two additional employees. Director Lindsey explained the two additional FTEs would be included in the public works budget, and would help towards increasing in-house maintenance work. Director Lindsey noted that if were to gain two additional FTEs, he would create two crews for public works. Director Lindsey noted that the two additional FTEs would be multipurpose employees, as well and it was noted that a portion of their salaries may need to come out of the W/S fund, if that is the case. Mayor Pritchett noted that the Public Services Administrative Technician was created to complete partial administrative work and partially work in the field and Director Lindsey expressed that he would like for that position to be solely administrative moving forward. Director Ford noted Director Lindsey's request for two additional FTEs would be about \$120,000 total. Commissioner DiOrio noted that there would need to be cuts to offset the costs of two additional public services FTEs and proposed discussing line items to find possible cuts. Council discussed the following line items:

- **Line item 190, administration, engineering services.** Commissioner DiOrio asked why \$30,000 is budgeted because only \$10,000 was spent this year. Director Ford noted that this figure was estimated for on-call services and Project Manager Michael Dydula confirmed that \$30,000 is the correct estimate for engineering services.
- **Line item 350, administration, repairs and maintenance – buildings.** Commissioner DiOrio noted that there is \$75,000 budgeted and asked why. Director Ford noted that the funds include repairs and maintenance to Town Hall. Commissioner Doster questioned why this line item increased significantly. Director Lindsey noted that the increase furniture. Commissioner DiOrio expressed that furniture is not a priority to him and expressed concern with \$75,000. Mayor Pritchett noted that there was little to no maintenance and repair of Town Hall until recently, so it is understandable why the line item would increase. Director Ford confirmed that the biggest figure for this item was \$35,000 for furniture. Commissioner Doster recommended doing furniture upgrades in increments, rather than all at once, to reduce the budget. Manager Perkins expressed that this line item could be decreased. Commissioner DiOrio recommended putting the line item at \$50,000.
- **Line item 102, police, salaries (part time).** Police Chief Sean Humphries explained that this figure is for the reserve officers. Director Ford noted that increased enforcement on the lake could increase the expenditures for reserve officer salaries. Commissioner DiOrio expressed that \$38,000 is too high and suggested decreasing the line item to \$28,000 since the department is fully staffed at this time. Other Council members agreed on the decrease.
- **Line item 691, police, contractual services.** Commissioner DiOrio questioned why this line item increased significantly. Chief Humphries explained that the increase is due to

new Tasers and body cameras that are the department contracts out. Council members discussed. It was noted that the current amount for the line item has barely been spent and Chief Humphries expressed that much of the contractual services are paid in full at the end of the fiscal year, so this line item will be expended. Commissioner DiOrio asked if the Town is going to finance the two police vehicles and it was answered yes. Director Ford noted that a few of the contractual services throughout the budget are paid in lump sum at the end of the fiscal year, similar to police contractual services.

- **Line item 100, fire, salaries.** Commissioner DiOrio asked why there is such a significant increase for only one additional FTE. Fire Chief Dustin Waycaster answered that the figure includes the additional FTE, but also factors restructuring the department to meet safety standards because the Town should have three supervisors and there is only one, and that the increase will go towards additional supervisors. Commissioner DiOrio asked about the new truck finances for the Fire Department and Chief Waycaster answered that the department cycle the vehicles out on a schedule and that debt service will be completed for the current engine, which is why there is a request to finance a new fire vehicle. Commissioner DiOrio asked if the old vehicle will be sold and Chief Waycaster expressed that it is in the Town's best interest to keep the vehicle as a reserve at this time. Chief Waycaster noted that one staff member completed their bachelor's degree and will receive a one-time bonus from the Town, which may be another factor in the salary line item increase. Chief Waycaster noted that following the purchase of a fire vehicle, it will likely take about 18 to 20 months for it to be delivered, and expressed the need to order as soon as possible because of that and to avoid any interest rate increases. Director Ford noted that the fire vehicle is in the debt service budget.
- **Line item 100, public works, salaries.** It was asked if the decrease in this line item was a reflection of moving two FTEs to the W/S fund and Director Ford answered yes.
- **Line item 110, public works, retirement.** Commissioner DiOrio asked why there was a significant increase for this line item. Director Ford explained that it is due to the former Public Works Director's retirement payments. Director Ford noted that he might be able to revisit this line item.
- **Line item 111, public works, group insurance.** Commissioner DiOrio asked why this line item increased. It was noted that there will be a new insurance vendor this year and while there may be ultimate cost savings, the Town has been warned to be prepared for an increase from Blue Cross Blue Shield. Commissioner DiOrio asked if the number should decrease since the two FTEs were moved from this budget to W/S and Director Ford answered yes.
- **Line item 120, public works, 401 (k) contribution.** Mayor Pritchett asked if this line item could decrease based on the two FTEs moving to the W/S fund, as well. Director Ford answered yes.
- **Line item 352, dam/watershed protection, repairs and maintenance – dam.** Commissioner DiOrio suggested taking this out of the dam capital fund rather than the general fund. Mayor Pritchett and others disagreed because the dam capital reserve is for funding the new dam.
- **Line item 503, community development.** It was noted that fire truck replacement was listed as a line item. It was determined that this is was an error and Director Ford will remove the line item from community development.

- **Line item 100, community development, salaries.** Commissioner DiOrio asked why this line item doubled. Director Ford explained that the department hired an administrative support specialist, but the major increase is because the project manager salary is included in that line item.
- **Line item 691, public works, contractual services.** Commissioner Bryant questioned why there was a 500% increase for this line item. Director Lindsey answered that the increase is related to a wood chipper rental.
- **Line item 310, public works, travel and transportation.** Commissioner Doster asked about the increase for this line item. It was noted that this line item includes certifications and training, and that there will be various trainings and certifications that this department's employees plan to attend this year.
- **Line item 350, public works, repairs and maintenance – buildings.** Mayor Pritchett asked what this line item was for compared to the repairs and maintenance line item under administration. Director Lindsey noted that this might need to be change, but this line item is for work done by public works to various Town buildings. Mayor Pritchett asked if the next three items are also for various Town departments and Director Lindsey answered no.
- **Line item 504, capital outlay/special projects, vehicles.** Commissioner DiOrio noted that it was his understanding that the Town was financing vehicles and questioned why there is a line for \$60,000 for vehicles under capital. Director Ford explained that this figure will be offset by loan proceeds. Commissioner DiOrio asked what vehicle that it is for and it was answered that it is for a Parks and Recreation vehicle. Parks, Recreation, and Lake Director Dean Givens expressed that this number is an overestimate. It was concluded that this line item can be decreased by \$17,000.
- **Line item 516, capital outlay/special projects, public services building.** Mayor Pritchett asked for details regarding the \$70,000 set aside for the public services building. Manager Perkins noted that it also related to property studies and preparation. Commissioner Proctor recommended relabeling this line item.
- **Line item 592, capital outlay/special projects, pw - street paving.** Commissioner DiOrio noted that the cost of paving increased significantly and recommended possibly waiting to spent funds excess of the Powell bill until prices decrease. Manager Perkins noted that Powell bill money will be available in a reserve even if it is not spent within the fiscal year. Manager Perkins also noted that paving conditioning studies are on a cycle and the goal is to make sure that ratings are improving. Manager Perkins urged that the Town does not want to get behind on paving and recommended against omitting paving work.

Mayor Pritchett called for a five minute break.

Council continued to review the capital reserve. It was noted that the Marina is an eight year debt service and is on year two.

Commissioner DiOrio expressed that it is important to note that the Parks and Recreation department's budget is self-sufficient and not funded using tax dollars. Manager Perkins noted that Parks and Recreation could support some lake enforcement funding.

Commissioner DiOrio asked if the Town should make the cuts discussing and use the fund balance to fund the remaining amount for the two public works FTEs. Director Ford reviewed the fund balance and Council discussed. Manager Perkins expressed concern with using fund balance to fund operational costs. Commissioner DiOrio asked what the amount was in suggested cuts discussed today. Director Ford answered \$96,000 and expressed that he could review the budget to identify other possible cuts. Commissioner Doster asked Director if one FTE would suffice and Director Lindsey answered that any additional would be helpful. Commissioner Doster expressed that it is important to ensure that all employees are being used to their full extent and that the Town is not solely increasing volume. Council and staff discussed.

It was noted that this proposed budget is close to revenue neutral, aside from the one additional fire FTE.

Director Ford agreed that he will re-review the budget based on the discussions that took place during the meeting and return to Council with an updated budget in June.

**IV. RESOLUTION NO. 23-05-24 AWARDING LAKE LURE DAM RESERVOIR DRAIN CONSTRUCTION CONTRACT TO MORGAN CORPORATION**

Manager Perkins explained that this resolution would authorize the Town to award the Lake Lure Dam reservoir drain construction contract to the low bidder, Morgan Corporation. It was noted that Town staff and Schnabel Engineering have recommended the award go to Morgan Corporation.

Commissioner Doster made a motion to adopt Resolution No. 23-05-24 Awarding Lake Lure Dam Reservoir Drain Construction Contract to Morgan Corporation. Commissioner DiOrio seconded and all voted in favor.

Resolution No. 23-05-24 Awarding Lake Lure Dam Reservoir Drain Construction Contract to Morgan Corporation was adopted as follows:

**RESOLUTION NO. 23-05-24**

**RESOLUTION BY THE TOWN COUNCIL OF THE TOWN OF LAKE LURE  
AWARDING LAKE LURE DAM RESERVOIR DRAIN CONSTRUCTION CONTRACT  
TO MORGAN CORPORATION**

**WHEREAS**, the Construction of the Town of Lake Lure Dam Reservoir Drain is crucial to the integrity of Town infrastructure and supports infrastructure projects; and

**WHEREAS**, The Town of Lake Lure advertised bids for the construction of the Lake Lure Dam Reservoir Drain in accordance with North Carolina General Statute Chapter 143 Article 3; and

**WHEREAS**, The Town received two bids and Morgan Corporation submitted the apparent low bid at a price of \$7,463,660; and

**WHEREAS**, Town staff and Schnabel Engineering tabulated and reviewed bids, and determined Morgan Corporation's bid to be responsive and responsible.

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

**SECTION ONE.** Town Council hereby awards the Lake Lure Dam Reservoir Drain Construction Contract to apparent low bidder, Morgan Corporation.

**SECTION TWO.** Town Council authorizes the Town Manager to execute the Lake Lure Dam Reservoir Drain Construction Contract.

**READ APPROVED AND ADOPTED** this 24<sup>th</sup> day of May, 2023

**V. RESOLUTION NO. 23-05-24A APPROVING SCHNABEL WORK ORDER NO. 7A, PROFESSIONAL DAM ENGINEERING SERVICES FOR THE RESERVOIR DRAIN CONSTRUCTION AT LAKE LURE DAM**

It was noted that Schnabel Work Order No. 7A was discussed at the work session meeting earlier in the day, and that Resolution No. 23-05-24A approves Schnabel Work Order No. 7A.

Commissioner Bryant made a motion to adopt that Resolution No. 23-05-24A Approving Schnabel Work Order No. 7A, Professional Dam Engineering Services for the Reservoir Drain Construction at Lake Lure Dam. Commissioner DiOrio seconded and all voted in favor.

Resolution No. 23-05-24A Approving Schnabel Work Order No. 7A, Professional Dam Engineering Services for the Reservoir Drain Construction at Lake Lure Dam was adopted as follows:

**RESOLUTION NO. 23-05-24A**

**RESOLUTION BY THE TOWN COUNCIL OF THE TOWN OF LAKE LURE APPROVING SCHNABEL WORK ORDER NO. 7A – RESERVOIR DRAIN CONSTRUCTION SERVICES**

**WHEREAS**, the Town of Lake Lure entered into a professional services agreement with Schnabel Engineering on September 12, 2018 for dam related services; and

**WHEREAS**, Schnabel Engineering has submitted a proposal for Work Order No. 7A for professional dam engineering services associated with the construction of the planned reservoir drain at Lake Lure Dam; and

**WHEREAS**, Schnabel's services include providing construction phase services for the installation of the reservoir drain at Lake Lure Dam; and

**WHEREAS**, services for this project will be performed under the supervision of a Professional Engineer(s) licensed in the State of North Carolina; and

**WHEREAS**, the lump sum of the services listed in proposed Work Order No. 7A is \$797,493.22.

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

**SECTION ONE.** Town Council hereby approves the proposed Schnabel Engineering Work Order. No. 7A for the professional dam engineering services associated with the construction of the planned reservoir drain at the Lake Lure Dam.

**READ APPROVED AND ADOPTED** this 24<sup>th</sup> day of May, 2023

<p><b>VI. CAPITAL PROJECT ORDINANCE NO. 23-05-24 FOR THE LAKE LURE DAM RESERVOIR DRAIN</b></p>
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Manager Perkins explained that Capital Project Ordinance No. 23-05-24 includes all of the costs for the reservoir drain valve, adds a 10% project contingency, and includes a placeholder for future costs. Manager Perkins added that revenues are detailed in section 4 of the ordinance. Manager Perkins noted that a capital project ordinance is a good way to ensure that a project is being funded correctly and responsibly.

Commissioner Bryant made a motion to approve Capital Project Ordinance No. 23-05-24 for the Lake Lure Dam Reservoir Drain. Commissioner DiOrio seconded and all voted in favor.

Capital Project Ordinance No. 23-05-24 for the Lake Lure Dam Reservoir Drain was adopted as follows:

**ORDINANCE NO. 23-05-24**

**CAPITAL PROJECT ORDINANCE BY THE TOWN OF LAKE LURE TOWN COUNCIL FOR THE LAKE LURE DAM RESERVOIR DRAIN**

**WHEREAS**, The installation of reservoir drain valves will allow for the Town of Lake Lure to drain the lake 20 ft. in order to proceed with the completion of major infrastructure projects; and

**WHEREAS**, The Town of Lake Lure has procured a 72” knife gate valve and a 60” Jet Flow Valve; and

**WHEREAS**, The Town of Lake Lure will have reservoir drain valves installed in 2024; and



**WHEREAS**, Town staff has determined that a capital project ordinance for the installment of the drain valves is instrumental in ensuring that a responsible and appropriate budget is being implemented for the project.

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKE LURE, NORTH CAROLINA, MEETING IN SPECIAL SESSION AND WITH A MAJORITY OF TOWN COUNCIL VOTING IN THE AFFIRMATIVE THAT PURSUANT TO SECTION 13.2 OF CHAPTER 159 OF THE GENERAL STATUTES OF NORTH CAROLINA, CAPITAL PROJECT ORDINANCE NO. 23-05-24 IS HEREBY ADOPTED AS FOLLOWS:**

**Lake Lure Dam Reservoir Drain**

**SECTION ONE.** The project includes furnishing all materials, labor, tools, and equipment necessary to construct a new reservoir drain system at the base of Bay 5 of Lake Lure Dam, a high hazard, concrete multiple arch-buttress dam. The knife gate guard valve and jet flow discharge valve will be furnished by the Owner to the Contractor. Some underwater construction will be required to complete the Work. Establishing site access across the Broad River is included as part of the Work.

**SECTION TWO.** The officers of the Town of Lake Lure are hereby directed to proceed with the capital project within the terms of the council’s resolution, loan documents, grants and the budget contained herein.

**SECTION THREE.** The following amounts are appropriated for the project:

Construction Management	797,495
Value Installation	7,463,660
Project Contingency	746,365
Power Backup and Generation	TBD
<b>Total Appropriations</b>	<b><u>\$ 9,007,520</u></b>

**SECTION FOUR.** The following revenues are available for this project:

Dam Revenue Fund	<b><u>\$9,007,520</u></b>
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**Total Revenue** **\$9,007,520**

**SECTION FIVE.** The finance officer is hereby directed to maintain within the Capital Project Fund, sufficient detailed accounting records related to the project.

**SECTION SIX.** The finance officer is directed to report, on a quarterly basis, on the financial status of each project element in section 3.

**SECTION SEVEN.** The budget officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this board.

**SECTION EIGHT.** Copies of this capital project ordinance shall be furnished to the Clerk to Town Council, and to the Budget Officer and the Finance Officer for direction in carrying out this project.

**SECTION NINE.** This Ordinance shall take effect upon adoption.

**VII. CLOSED SESSION**

Commissioner Proctor made a motion to go into closed session in accordance with G.S. 143-318.11 (a) (3) for Attorney Client Privilege or Legal Claims. Commissioner Bryant seconded and all voted in favor.

During closed session, Council members discussed a new legal claim against the Town and a request from a former employee in regard to their involvement in testifying in an ongoing legal claim.

Commissioner Bryant made a motion to return to open session. Commissioner Doster seconded and all voted in favor.

**VIII. ADJOURNMENT**

Commissioner DiOrio made a motion to adjourn. Commissioner Proctor seconded and all voted in favor. The meeting was adjourned at 4:43 p.m.

ATTEST:

  
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Olivia Stewman, Town Clerk

  
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Mayor Carol C. Pritchett

