



**MINUTES OF THE REGULAR WORK SESSION MEETING OF THE LAKE LURE  
TOWN COUNCIL HELD WEDNESDAY, APRIL 26, 2023, 8:30 A.M. AT THE LAKE  
LURE MUNICIPAL 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  
Michael Dydula, Project Manager  
Stephen Ford, Finance Director  
Laura Krejci, Communications Director  
Michael Williams, Community Development Director

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

**III. REVIEW DRAFT PROCUREMENT POLICY**

Town Manager Hank Perkins explained that he was not aware of the Town's existing 2018 procurement policy until March when auditors began asking questions involving the policy. It was noted that Town staff is looking to replace the existing policy because it creates issues for the Town due to overly strict guidelines. Manager Perkins added that the current policy is lacking detail regarding contracts. Manager Perkins recommended replacing the existing policy with a

policy similar to the one provided in the meeting packets. It was noted that Town staff and a financial consultant are reviewing the draft replacement policy. Manager Perkins expressed that the new policy will be more of a tool that staff can realistically use for guidance in order to be fiducially responsible.

Manager Perkins detailed that this issue had arose when discussing the dredging grant and the auditor's increased scrutiny due to increased award amounts. Manager Perkins added that the Town anticipates that there will be increased scrutiny as whole moving forward, especially with American Rescue Plan Act (ARPA) and the State Revolving Fund (SRF) awards. Manager Perkins explained that the Town is finding that there are additional requirements for ARPA that the Town has not met, but will meet moving forward. Manager Perkins expanded that the Town needed to pass about six resolutions for ARPA and did not pass four of them, but Town staff is working on these resolutions. It was noted that the greatest threat is if the money had to be given back. It was also noted that the Town can budget the pledge of grant funds, but must be able to provide funds if returns were necessary. Manager Perkins emphasized the importance of the Town being in compliance. Manager Perkins expressed that the Town at the front end of major infrastructure projects and funding, and compliance will be even more crucial as the projects progress. It was noted that the Town provided all necessary documents detailed in the state award letter, but the state award letter did not include the federally required resolutions. Commissioner DiOrio expressed concerns regarding the state's failure to include these items in their award letters because the state is administering ARPA funds. Manager Perkins expressed that the Town may have been too trusting to have solely utilized the state's information in the past and moving forward the Town must trust the state, but check that all information is included and correct. It was clarified that this is in part an auditing step that will likely take place in the future. Commissioner DiOrio explained that in the past, the Town had passed reactive resolutions for grant funding. Director Ford noted that he working with the School of Government and consulting with a former Martin and Starnes auditor, Brian Epply. Manager Perkins noted that the state knows that the Town is pursuing a design-build route for the sewer project, but Town needs to make certain that design build can be an ARPA expenditure. Project Manager Dydula noted that when ARPA says it's approve, it is approved based on whether or not the project qualifies, but there are still a number of terms and conditions that must be met. Commissioner DiOrio expressed that he is in support of the passing the resolutions needed to gain compliance.

Manager Perkins reviewed the draft policy. Manager Perkins noted that the new draft procurement policy does a good job at working as a guideline for spending federal funds. Manager Perkins also noted that the existing policy has invoice transmittal and requisition requirements which the town had not been following, but will now be following, and it should be a good accounting and auditing resource. Commissioner Diorio asked if emergency purchases are covered in the new draft policy and Manager Perkins answered yes. Manager Perkins detailed the Mini Brooks Act and exemptions. Commissioner DiOrio asked what the threshold will be for Town Council approval and Manager Perkins answered that the current policy requires Council approval for procurements exceeding \$90,000, but the limit can be increased in the new policy. Council discussed details of the draft policy and there was consensus for support.

#### **IV. REVIEW DRAFT CARD POLICY**

Manager Perkins explained that the draft card policy is a companion document to the draft procurement policy. It was explained that the card policy will detail rules and guidelines for card usage. Commissioner Doster noted the importance of employee training and awareness of such policies. Manager Perkins agreed. Commissioner Bryant expressed that the policy is straightforward and clear.

#### **V. REVIEW PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE TOWN COUNCIL**

Town Attorney William Morgan explained that the *Rules of Procedure for the Town Council* was adopted in 2001 based on government publication for suggested procedures for small towns. Attorney Morgan reviewed his proposed changes that are based on current town operations and general statutes.

Mayor Pritchett asked public comment is just for residents or anyone. Attorney Morgan answered that general statute does not clarify this, but it was verified that the Council can ask people to state whether or not they are from Lake Lure residents.

Council expressed support for the proposed changes.

#### **VI. DISCUSS DREDGING CONTRACT**

Manager Perkins explained that the dredging contract was also mentioned by auditors. Manager Perkins expanded that the contract with Tim Edwards was entered into in 2018 and it included one year renewals that Council must take action on each year, but that has not been done since 2019. Manager Perkins noted that Mr. Edwards has stopped work for now and the Town suggesting working with an engineering firm who will produce an RFP for a dredging contract.

#### **VII. DISCUSS BUDGET SCHEDULE**

Director Ford and Manager Perkins noted that there needs to be at least one or two budget meetings with Council. Council discussed dates. Manager Perkins noted that at the May meeting, a resolution will be passed to set a budget public hearing date.

Director Ford reported that he had spoken with Rutherford County on Friday and the County is still in the throes of property value re-assessment and still anticipating May 1<sup>st</sup> for having final numbers. It was noted that the proposed bill to use past property values was entered and discussed by legislators yesterday. Council discussed that if the Town do not know the status of re-evaluations before July, the mill rate cannot be passed and the Town would have to pass an interim budget or continuum budget, which would be very restricted. It was noted that the County is doing budget preparations with re-evaluation numbers at this time. Manager Perkins explained that he will present the preliminary budget at the May meeting. Commissioner DiOrio expressed

concern with holding a public hearing with the mill rate before the County has made a decision on the re-evaluation. Commissioner DiOrio recommended proceeding with a revenue neutral budget based on new appraisal. Council discussed the proposed bill and the Town's lobbyists. There was consensus on pursuing a revenue neutral budget until decisions are made by the general assembly and County in regard to re-evaluations. Council discussed holding the budget public hearing in late June.

#### **VIII. VIDEO PRODUCTION UPDATE**

Communications Director Laura Krejci explained that Council had approved three videos in the past for Lake Use Regulations, boater safety, and the statutory and advisory board handbook. Director Krejci expanded that upon further discussions, it was suggested that the Lake Use Regulations and boater safety videos be combined to one video. Director Krejci provided Council with an updated script to fit the suggestion. It was noted that the Parks, Recreation, and Lake Department had reviewed and approved of the script. Council members discussed and there was consensus to proceed with the videos as recommended before the end of the fiscal year.

#### **IX. DISCUSS LAND AND WATER CONSERVATION FUND (LWCF) GRANT**

Manager Perkins summarized that in 1988 the Town received a grant from the Land and Water Conservation Fund (LWCF) for about \$26,000 and that a stipulation is that the entirety of Morse Park would be used for only outdoor recreation, but in the 1990s Town Hall was built on the property. Manager Perkins added that the LWCF figured this out after the Town had applied for another LWCF grant. The Town is asking for \$450,000 from LWCF for a match for the PARTF grant and are not eligible because of the non-compliance surrounding Town Hall. Manager Perkins explained that the solution is timely and may be costly because it may require surveys, appraisals of multiple properties, and transfer or exchange of properties. Manager Perkins noted that the LWCF application deadline is in the fall, which may delay the project. It was also noted that the decision regarding the PARTF award will be made later in this year and the Town could not utilize PARTF funds until receiving LWCF matching fund. Manager Perkins explained that he has been in contact with Destination by Design (DBD), who will charge \$125/hr. to work with the Town to resolve this issue, which would be about \$5,000. Manager Perkins expressed that if the Town is not awarded the PARTF grant, the project will be at a standstill regardless.

Manager Perkins noted that the Town is also in the process of declaring the picnic shelters and other amenities funded with the 1988 grant as obsolete because the deed restrictions never end and if the facilities were to get demolished the Town would have to replace them.

Manager Perkins stated that if the Town wants to pursue any LWCF grants in the future, then this process is necessary. Manager Perkins noted that LWCF was supposed to check on Morse Park per the grant agreement, but they did not do so. Manager Perkins also noted that the Rutherford County Tourism Development Authority would not be able to help the Town by funding DBD services. Manager Perkins expressed that he does not want to transfer these restrictions to another property, especially the Green Space, and the Town would need to transfer the restriction to a location that complies such as the campground or the three lake front properties.

Council expressed support for looking into the transfer of the lake front properties. It was noted that the cell tower should not be impacted by the LWCF restrictions, but the Town is re-asking for assurance. There Council consensus to proceed with necessary steps to resolving the LWCF issue.

**X. REVIEW RUMBLING BALD REQUEST TO REARRANGE THE PLACEMENT OF THE CLUSTER MOORING LOCATED ON THE NORTHWEST END OF THE LAKE**

Community Development Director Michael Williams noted that there was a similar request last year and detailed that the Council approved Rumbling Bald's cluster mooring in 2011 and that they must approve any relocation. There was consensus of support from Council.

**XI. REVIEW ZONING AND PLANNING BOARD RECOMMENDATION FOR AMENDING ARTICLE III SECTION 6-48 AND ADDING 6-52(B) OF THE BUILDING AND BUILDING REGULATIONS**

Director Williams explained that the Town currently has a one size fits all lake structure permitting regulations regardless of whether it is the construction of a boat house or the addition of a singular board. Director Williams proposed adopting a minor structural repair category that would potentially eliminate unnecessary requirements for small projects. Director Williams noted that the fee would be proposed to be \$240 for minor structural repairs. It was noted that the Town wants lake structures to be maintained and that rules that would discourage maintenance should not be implemented. There was Council consensus of support.

**XII. REVIEW ZONING AND PLANNING BOARD RECOMMENDATIONS FOR DOUBLED PERMIT FEES FOR PROJECTS STARTED WITHOUT PERMITS**

Director Williams explained that staff is experiencing a re-occurring issue of people beginning projects without permits. Director Williams proposed a doubled permit fee when these occurrences take place in an attempt to combat the non-compliance. Director Williams noted that a doubled permit fee will not be implemented for vacation rental or mobile food vendor permit because they can be enforced with fines. Commissioner DiOrio expressed that he still supports an annual administrative fee for vacation rentals inspections, as was discussed in a prior meeting. There was consensus of Council approval for the double fee.

**XIII. DISCUSS DRAIN VALVE INSTALLATION BID**

Project Manager Dydula explained that the Town had received two bids and that they are higher than originally estimated by Schnabel. Dydula explained that it is important that this project be completed because there are three criteria for high hazard dams that the Town is not meeting at this time including elements that account for handling drains, seismic activity, and dam overtopping. Project Manager Dydula added that Dam Safety expects that the Town complete this project and there could be consequences if it is not completed. It was reported that the Town staff does not think that the Town is going to be awarded a FEMA grant for the drain valve installation. Project Manager Dydula explained that the Town has about five to six weeks to award a bid, and that the Town has already

spent \$185,000 for design work and \$108,000 to handle procurement and bidding. It was explained that the Town can attempt to negotiate the bid 10 to 12 percent. Project Manager Dydula informed Council that both bidders estimated that the project would not be completed until next April, and Schnabel's fee for overseeing construction would likely increase because of a longer timeline. Project Manager Dydula estimated that the total exposure is \$9 to \$10 million and does not see construction contingency due to topographic uncertainties. Commissioner DiOrio noted that the Town may not need to draw the lake down since the valves will not be installed, but it was noted that Ruby-Collins could still work on boring and that would require a drawdown. Project Manager Dydula recommended reviewing Ruby-Collins' the GMP before making any drawdown decisions. Commissioner DiOrio agreed that Dam Safety Office support is essential. Council expressed that there is no choice as to whether or not to complete the project. Commissioner DiOrio expressed that he had thought that the Town would get through the foundation of the dam with the \$16 million grant that was received, but now that will not be possible. Commissioner DiOrio noted that a silver lining is that the NCDOT does not know where they are going to put the bridge and that this will match the pace of each entity. Commissioner DiOrio reiterated that the Town must keep this project timeline in mind when determining the next drawdown schedule. Project Manager Dydula explained that in terms of valve procurement, DeZurik is on track but the Town is having issues with Steel Fab. There was consensus to proceed with valves and go with low bidder, and to revisit the drawdown schedule after reviewing the GMP from Ruby-Collins.

#### **XIV. DISCUSS HORIZONTAL DIRECTIONAL DRILLING (HDD) PROJECT**

Project Manager Dydula announced that the Town did not receive any bids for the HDD project. It was noted that LaBella had spoken with pre-bid meeting attendees and that some issues were marine operations, bonding capabilities, and more. Project Manager Dydula expressed that there are a lot of uncertainties regarding costs and contractors abilities. Project Manager Dydula added that Brian Houston with LaBella has suggested the possibility of adding this to Ruby-Collins' Design Build contract, and that Ruby-Collins is willing to entertain the idea and would be sub it out. Council expressed they would like all 4 pipes done at once. Commissioner DiOrio expressed need to figure out planning factors. Council consensus to allow Town staff to proceed as necessary.

#### **XV. PROJECT UPDATES**

There were no other major project updates. Commissioner DiOrio recommended that when advertising bids for dredging contracts, look into both hydraulic and excavation. Council and staff discussed dredging bid details.

#### **XVI. TOWN MANAGER UPDATES**

Manager Perkins noted that appraisals should be done within the next couple of weeks and that the Town may have options for the lease rate of the ABC Store. Manager Perkins reported that easements for the HDD project are making progress and the Town has gotten all but three signed. Director Ford provided Council with fund balance information. Manager Perkins noted that new water meters are going to bring in more revenue because they are more accurate than the old meters.

**XVII. CLOSED SESSION**

Commissioner Doster made a motion to enter closed session in accordance with G.S. 143-318.11 (a) (3) for attorney client privilege. Commissioner DiOrio seconded and all voted in favor.

During closed session, the Town Attorney and Town Manager provided updates regarding past topics discussed under attorney client privilege.

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

**XVIII. ADJOURNMENT**

Commissioner Bryant made a motion to adjourn. Commissioner Doster seconded and all voted in favor. The meeting was adjourned at 12:04 p.m.

ATTEST:

  
Olivia Stewman, Town Clerk

  
Mayor Carol C. Pritchett

