

**BANNER ELK TOWN COUNCIL**  
**July 8, 2013**  
**MINUTES**

The Banner Elk Town Council met Monday, July 8, 2013 at 6:00 p.m. at the Banner Elk Town Hall for their regular scheduled meeting.

Council Members present: Mayor Brenda Lyerly, Gail Draughon, Charlie VonCanon, Allen Bolick, Robert Tufts and David Lecka.

Staff present: Town Manager Rick Owen, Chief Byron Clawson, Steve Smith and Attorney Four Eggers

Others present: David Poore, Rebecca Bolick, Penny VonCanon, Jamie Shell and other interested parties.

**Call Meeting to Order**

At 6:00 p.m. Mayor Brenda Lyerly called the regular monthly meeting for July 2013 to order.

**Pledge of Allegiance**

Mayor Lyerly led those in attendance in the Pledge of Allegiance.

**Invocation**

Council member Bolick opened the meeting with prayer.

**Approval of the Minutes**

Mayor Lyerly asked council for a motion to approve the June 2013 minutes. Council member Tufts motioned to approve and accept the minutes as written. Council member VonCanon seconded the motion. The June 2013 minutes were approved with all in favor and no one opposed.

**Approval of the Stated Agenda**

Mayor Lyerly asked council if there were any additions or changes to the stated agenda. Council member Tufts made a motion to approve the July agenda as stated. Council member Lecka seconded the motion. The stated agenda passed with all in favor.

**Public Comments**

There were no public comments

**Utilities Planning**

Mr. Owen addressed council. He reported that during budget discussions he indicated to council that the town needs to face a utility rate increase. Coming up with a rate involves coming up with a list of projects that need to be done. The town has not had an updated capital improvement plan in over five years. That project identified a little over \$4 million worth of projects, many did not occur, some did and with others there were questions as to which ones

needed to occur. We already know what our shortfall is and we now need to bring to light our capital needs. Mr. Owen reported that the staff is working with Mr. Poore on a plan to bring to council. At the time Grandfather Home approached the town about annexation, we had David Poore do a study on our well system. Mr. Owen noted that over the next six months the staff will be working on capital improvements for the water and sewer systems, how the rate increase will apply to each and projects we will be tackling with the rate increase. We are basically planning for the future. Mr. Owen asked Mr. Poore to address council. Mr. Poore went over with council the Study of Town's Potable Water System. He noted that it is a three part document which consists of (1) the study on the existing wells, (2) the study on the distribution and storage systems and (3) a summation of all the findings. Mr. Poore stated that in a nut shell, the town is not in trouble for well supply, any major distribution lines that are leaking, or for the amount of storage that the town has. There are items that need to be addressed such as getting rid of some of the older galvanized lines and most of those are centered around the college. Another issue is with water loss, water that we can't count. We know the wells are producing water, we know that it is getting into the distribution lines, but somehow, somehow it is not coming out into our meters. The town is paying to pump water, to treat it, to chlorinate it, to store it, to transfer it, but the town is not feeling the benefits from selling the water to customers. Mr. Poore stated that we know the water loss will never be zero, but we would like to get it into the 20's or high teens. In 2012 it was in the mid-50's (percentage-wise) and we would like to narrow the gap. Some ideas as mentioned earlier are to replace the older galvanized lines and also start replacing the older service lines. This will help cut water losses drastically. Mr. Poore would like council to review the report. In the next month or so he will answer any questions council might have. Mr. Owen thanked David for coming. Mr. Owen noted that we are also looking at interconnection of systems, storage tanks and the need to put other storage tanks back in service. Mr. Owen stated that he wanted council to be aware of what the town is doing and will keep them updated as we continue to work on this project over the next six months. Mayor Lyerly asked if there were any questions. Council member Tufts asked about the list of recommendations on the inventory of different distribution lines what the phrase "replace or change services over" means? Mr. Poore stated that what we would like to do if we couldn't run a new line in the same trench is to get those services fed by another line. We would get all those services off the 2 inch line and cut it off. There were no other questions and no action was taken.

### **Budget Amendment**

Mr. Smith addressed council. He noted that overall the town did a good job in controlling its expenses. However, in the General Fund, two departments went over budget. We can have line items go over budget but we can't have a department or a fund go over budget. This amendment will move unused funds from one department to another to make that department within budget. Mayor Lyerly noted that she sees two items over budget. Mr. Smith agreed, stating that the planning department and finance department are over budget. Council member VonCanon motioned to approve the budget amendment. Council member Draughon seconded. All were in favor. No one opposed.

### **Record Retention Schedule**

Mr. Owen reported that two things need to be done. The first is to adopt the record retention schedule that was updated last year by the state. A copy was emailed to council members. If we don't adopt their schedule, the staff in theory can't throw anything away. Mr. Owen stated that if this is adopted then he will ask council to define an amount of time that the term administrative value will represent. Mayor Lyerly asked if there was a motion to pass the records retention and disposition schedule. Council member Lecka made a motion to pass the schedule. Council member Tufts seconded the motion. All were in favor. No one opposed.

Mr. Owen thanked council for adopting the schedule. He stated that one difference between the old and new schedule is that it leaves the local governing authority the ability to determine what the administrative value is and basically it is the time that you or your staff feel that it actually has some value to hold onto it. Mr. Owen reported that in talking with other municipalities and to the state they had determined that one day is a good minimum retention period and that records could be maintained much longer than one day. Mr. Owen recommends that council adopt a one day retention period to be inserted into the policy for documents that are considered of administrative value. Council member VonCanon motioned for a one day resolution defining administrative value. Council member Lecka seconded. All were in favor. No one opposed.

### **Manager's Update**

Mr. Owen reported to council that the financial report, police report, planning, zoning and tax collection reports were included in their packets along with a draft of the minutes of meeting from the Banner Elk Board of Adjustment, the minutes of the High Country ABC Board and the Budget Ordinance for the High Country ABC Board. Mr. Owen asked council if there were any questions.

Mr. Owen addressed flood damage issues that the town continues to have. He reported that the two big projects that we had at the original onset of the floods still have not been repaired. One is located in the Apple Orchard where the hillside slid away at one of the sidewalks and the other at Highland Drive. The town has been unable to obtain quotes for the work at Apple Orchard. Everyone is busy. Mr. Owen noted that David Poore has looked at both projects and wrote up descriptions of the work that needs to be done. At Highland Drive town staff was able to dig out and cut out a large section of pipe to drain the pond that was there. So far it has been holding its own even with the rain the town continues to receive. Mr. Owen reported that Mr. Poore's description of work for this project is to repair about 15 ft. of the existing pipe and install a second pipe because the first pipe is undersized.

Mr. Owen reported that semi-related to the flood damage is the town's park project. Mr. Owen stated that the field washed out badly over the weekend. Meanwhile, Eggers Construction hydro seeded the field about a week or so ago and because of the rain it all washed out. Mr. Owen will be meeting with Derek Goddard tomorrow and they will discuss what needs to be done and how we need to proceed. The adjoining property owner, Charlie VonCanon, continues to have water issues that are related to the park project, not just with dirt and sediment but the way the water is flowing from the field.

Mr. Owen reported that the town signed the contract for the picnic shelter and of course that project won't begin until the field is complete which is taking longer than expected due to the amount of rain. Council members agreed that there is not much we can do until the weather improves. Mr. Owen stated that in prior conversations with Derek the subjects discussed included retaining walls, berms, making the creek deeper, and some type of catch basin or culvert that diverts the water back to the creek which would involve the Corps of Engineers, changing flood plain maps, etc. Council member Bolick brought up a program he saw on TV which addressed the topic of the impact of water on cities and towns. Governor Christie and President Clinton stated that towns should contact FEMA, Homeland Security and the Army Corp of Engineers and apply for a grant for water control. Mr. Owen noted that he will look into it. Mrs. Penny VonCanon stated that when the sewer lines were put in town, they changed the original course of the creek and since then problems have arisen.

Mr. Owen informed council that the work hours for the town's public works department were changed from 8:00 - 4:30 to 7:00 - 3:30 throughout the summer.

Mr. Owen stated that the High Country Government's dinner will be held on September 6<sup>th</sup> and the RSVP for this event is August 16<sup>th</sup>. Council member Tufts asked if it was on a Friday night and if it will be held at Linville Ridge. Mr. Owen concurred.

Mayor Lyerly asked if there was any other business.

Council member VonCanon stated that he spoke with a couple of the maintenance workers and they told him that they were very pleased with the new summer hours.

Mayor Lyerly noted that even with the rain, the town had a good 4<sup>th</sup> of July with the parade and activities in the park. Mr. Owen stated that there was a good turn out and everyone had a good time.

Council member VonCanon had a question for David Poore. He asked if there is a reason that the electric motors at each pump station are different voltages. Mr. Poore noted that the reason they are different is because some of the wells are deeper than others and have a higher pumping capacity. He also noted that you can run a 3-phase motor for less than you can run a single phase motor. The motor is placed in tandem with a proper pump. Each one is customized, so to speak.

At 6:35 p.m. council member Bolick motioned to have council proceed to closed session pursuant to NCGS 143-318.11. Council member VonCanon seconded. All were in favor. No one opposed.

Mayor Lyerly thanked everyone for coming.

Council returned to open session at 6:45 p.m.

**Other Business**

Council member Tufts asked about the mowing of the grass at the hospital property. Mr. Owen reported that a notice was sent.

At 6:50 p.m. Council member VonCanon made a motion to adjourn the July 2013 town council meeting. Council member Draughon seconded. All were in favor.

**Adjourn**

The town council meeting adjourned at 6:50 p.m.

---

Mayor Brenda Lyerly

---

Steven R. Smith  
Finance Officer/Clerk

Approved: August 12, 2013