

BANNER ELK TOWN COUNCIL

**June 9, 2014
MINUTES**

The Banner Elk Town Council met Monday, June 9, at 6:00 p.m. at the Banner Elk Town Hall for their regular scheduled meeting.

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

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

Others present: Rebecca Bolick, Ted Silver, Mari-liis Smyth, Fred Schmidt, Jamie Shell and other interested parties.

Call Meeting to Order

At 6:00 p.m. Mayor Brenda Lyerly called the regular monthly meeting for June 2014 to order.

Pledge of Allegiance

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

Invocation

Council member VonCanon opened the meeting with prayer.

Public Hearing: 2014-2015 Budget

Mayor Lyerly opened the public hearing at 6:02 p.m. Rick Owen reported that this year's budget has been published. He noted that staff has proposed a tax rate increase based on the loss of property value and the reassessment of property by Avery County. We lost approximately 22% of our property value. The previous year's value was \$249,000,000 and the new value is \$194,000,000. Mr. Owen stated that based on this valuation the revenue neutral tax rate would be .5378. Staff is recommending a rate increase to 54 cents per \$100 of valuation with each penny of tax generating \$19,462.00. The total general fund revenue and expenditures are projected to be \$1,711,098. The water and sewer fund (revenue and expenditures) is projected at \$633,586. Mr. Owen reported that is with an anticipated minimum 10% increase in revenue. He noted that these are the highlights. Mayor Lyerly asked if there were any questions or comments from Council or those in attendance regarding the proposed budget. There being no questions or comments, Mayor Lyerly closed the public hearing at 6:04 p.m.

Approval of the Minutes

Mayor Lyerly asked Council for a motion to approve the May 2014 minutes. Council member Tufts motioned to approve the minutes as written. Council member VonCanon seconded the motion. The May 2014 minutes were approved with all in favor and no one opposed.

Approval of the Stated Agenda

Mayor Lyerly asked if there were any additions to the stated agenda. Mayor Lyerly asked Council for a motion to approve the June agenda as stated. Council member Dunn motioned to approve the agenda. Council member Tufts seconded. All were in favor. No one opposed.

Public Comments

There were no public comments.

Discuss Request for Planning Board to Review Sign Ordinance

Cheryl Buchanan reported that at the request of Town Council, the planning board re-reviewed the sign ordinance. Ms. Buchanan attached to Council's agenda a list of questions that were presented to the planning board along with the board's responses. She noted that the sunset date of October 16, 2014 is seven years since the ordinance was enacted. Notices have been sent out to business owners reminding them of the date. The planning board felt that seven years was ample time for businesses to prepare for replacing their signs. They were concerned with the response of businesses who complied with the ordinance to those who did not. Ms. Buchanan noted that another question posed to the planning board was in regards to allowing other materials for signs other than carved or routed. The planning board did not want to relax this portion of the ordinance. The Town is making every effort to preserve its unique mountain character and the signs are consistent with its character. Having various signs up throughout Town would look like chaos. Ms. Buchanan noted that another topic discussed was sandwich board signs. This topic has come up on several occasions and the planning board remains firm in its decision due to the Town's streetscape. Ms. Buchanan also reported that the planning board has looked at other Town's ordinances regarding sandblasted real estate signs. Beech Mountain and Sugar Mountain require that real estate signs be sandblasted. She noted that a question was raised concerning Highlands Union Bank sign. As part of the Conditional Use Permit the bank was required and agreed to have a sandblasted sign. Bank of America will supposedly change out its sign to meet the Town's ordinance. Regarding balloons, the board does allow these for birthday and anniversary parties. For businesses trying to attract attention, they are not allowed. Council member Bolick stated that Ms. Buchanan summarized the meeting with the planning board very well. He noted that it was a very open meeting and there was much discussion regarding many aspects of the sign ordinance. Ms. Buchanan noted that the board is open to having any business present its concerns to the board. Mayor Lyerly noted that at last month's meeting a gentlemen raised his concern over the expense of signs here versus in Blowing Rock. Council member VonCanon noted that there are several options in order to meet the Town's ordinances other than sandblasting (i.e. can be routed or raised wood lettering). Council member Dunn shared his concerns with Council regarding the sunset date, sandwich boards and balloons. Mayor Lyerly agreed that a sandwich board on the property of the business not on the sidewalk should be permitted (i.e. yard, garden area, porch). Mayor Lyerly stated that we should do everything we can to help the businesses that are hurting. Mr. Owen noted that the planning board makes recommendations to the Council based on their opinions discussed at their meetings. Council is not required to accept their recommendations and can adopt ordinances that they feel are appropriate to the Town. He noted that it is nice to have the backing of the planning board, but Council is not required to accept or deny their recommendation.

Tax Release

Cheryl Buchanan reported that she received a tax check from Attorney Eggers' office on June 2, 2014. Prior to receiving the check, the monthly reports were run in which interest is added to outstanding bills. She noted that the interest amount is \$34.43 and is only for June. Ms. Buchanan asked Council to approve releasing the interest on the taxes. Council member Dunn motioned to accept the tax release. Council member Lecka seconded the motion. All were in favor. No one opposed.

Budget Amendment

Steve Smith reported that the General Fund, Cops Golf, Streetscape Fund, Capital Reserve General Fund and Debt Service Fund all require a budget amendment to this year's budget. In order to bring the current year budget into compliance, the amendment is needed. Mr. Smith asked Council to look at the Summary of Budget Amendment #1 which outlines which funds the budgeted revenues and expenditures were increased and which ones were decreased. Council member Lecka motioned to approve the 2014 budget amendment as presented. Council member VonCanon seconded the motion. All were in favor. No one opposed. Council member Tufts noted that this is Budget Amendment #1. He asked if there will be a #2. Mr. Smith stated not yet, but there could be.

Consider Lease Agreement – Chamber of Commerce

Mr. Owen reported to Council. He stated that Highlands Union Bank owns the old Village Grocery building. In 2004 the bank leased the building to the Town of Banner Elk and in turn the Town has some type of unwritten agreement with the Chamber of Commerce to use that space. Mr. Owen stated that the Chamber would like to have an agreement with the Town outlining their use of the building. He reported that he looked into the lease with Highlands Union Bank. The bank is of the opinion that the lease continues to be valid for 3 year renewals with no action required. The original lease was for a 5 year term with a 3 year extension. After much discussion it was agreed that the Town would enter into a lease with the Chamber that mirrors the lease the Town has with Highlands Union Bank which relieves the Town from most of the requirements that the lease has right now with Highlands Union. Mr. Owen stated that he is asking Council if they are interested in leasing the building formally to the Chamber. Mr. Eggers stated that he has read the lease agreement in the Council's agenda packet, but has not had a chance to review the draft with Mr. Owen. He noted that Council can establish a lease that mirrors the same terms or they can choose a shorter term. Mr. Eggers suggested to Council that they should have the lease before them for approval when it is written and they need to make a statutory finding that the Town is not in need of the building for Town purposes being leased to the Chamber. He noted that to lease property to a non-profit, Council will need to run a Notice in the local papers of record that the Town intends to enter into a lease and give at least 10-days' notice before the meeting when it will be adopted. Council member Dunn asked that if we enter into this mirrored lease, will the Town be absolved from all liability. Mr. Eggers noted that the Town would not be absolved from the liability (i.e. insurance) but that the Chamber will be the primary responsible party for the building. Council member Lecka made a motion to prepare an intent to proceed with a lease agreement with the Banner Elk Chamber of Commerce that mirrors

the existing lease with Highlands Union Bank. Council member Bolick seconded. All were in favor. No one opposed.

Shelter Rental

Mr. Owen stated to Council that discussions have been ongoing on how the Town will utilize the new shelter and what the Town should charge to rent or reserve the shelter. He noted that research was conducted on what kind of fees other neighboring towns collect for the use of their shelters (attached to the agenda packet). Mr. Owen stated that Valle Crucis' rental rates are what he was looking at charging. However, Valle Crucis is a private park, not a tax funded park, so their fees are structured differently according to if one is a Watauga County resident, a friend of the park or general public. Mr. Owen stated that the Town has been telling people that the cost is \$20 per hour depending on how many hours they want to use it. He stated that in summary, does the Council want to reserve the shelter at all or should it be on a first come, first serve basis. He believes there is a big interest in reserving it and the second component is if we reserve the shelter what the Town will charge for its use. Mr. Owen suggests \$25.00 to hold the shelter for a 4-hour period. Once we see how it is being used, a different recommendation may be brought forth before Council. We could potentially charge more because of it having public restrooms. Another thought is to only open the restrooms when the shelter is reserved. Mr. Owen is looking to Council for feedback and thoughts as to how to proceed. He also noted that reserving the shelter is guaranteeing the date. Council member VonCanon suggested charging a deposit and the deposit being returned once the shelter is returned to order. Council member Tufts suggested that staff draw up a list of guidelines for those who reserve the shelter. He also liked what Blowing Rock does in regards to rental fees for taxpayers and non-taxpayers. Council member Bolick stated that someone will need to monitor the rental of the shelter and someone will need to "police" it (i.e. John Doe has the shelter reserved and when he gets there, it is being used by another party). There was a discussion on lighting. Mr. Owen stated that the two exterior lights are lit automatically at dusk. The lights above the picnic tables inside the shelter need to be turned on and off using a key. Mr. Owen stated that another decision is whether to set hours of use. Right now the park's hours are dawn to dusk. Council members discussed rental rates, a deposit amount, the use of the shelter by taxpayers and non-taxpayers. It was decided to begin reserving the shelter for a \$25.00 fee for a 4-hour block and no deposit. Mr. Owen noted that when and if issues arise they will come before Council to be readdressed.

Review Ongoing Projects

Mr. Owen reported on the status of the Dogwood Road Stormwater Project. He noted that at last month's meeting the Town ran into the issue of needing a change order in order to move the new storm drain line 2-feet over towards the property lines. We were instructed to get encroachment agreements in order to proceed with the project. Mr. Owen stated that we were able to obtain written encroachment agreements from 5 of the 6 property owners who would be most affected. We proceeded with the project and it turned out that the contractor was able to stay right on the line that was marked without removing any substantial trees. The pipe is in the ground and connected to catch basins. The contractor is surveying for the curb and guttering and intends to pour next week and pave the following week.

Mr. Owen reported that in regards to the Park Project, the Town received a Certificate of Occupancy for the restroom renovation this past Friday, so the restrooms will be opened to the public in a few days. A new railing will be installed at the new picnic shelter. He noted that the items that need to be completed by the end of the month are the installation of the exercise equipment, the picnic tables, climbing wall, kiosk at the shelter and complete the landscaping. Mr. Owen stated that basically we are waiting for time and labor to complete these items.

Manager's Update

Mr. Owen reported that included in Council member's packets were the financial report, police report, planning, zoning and tax collection report. Also included is a copy of the High Country ABC Board Meeting minutes for April 2014. Mr. Owen noted that if there were any questions regarding these reports to let him or staff know.

Mr. Owen reported that the Town has a small project at Grandfather Home for Children which is the sewer line along the lake. Steve Gilliam has the okay to begin the project and it is on his calendar. He will call us when he is ready to begin the project.

Mr. Owen reminded Council members of the budget workshop on Thursday, June 12th at 5:30 p.m.

Mr. Owen introduced Fred Schmidt as the new Board of Adjustment member. He lives at Bear Run. Mayor Lyerly thanked Mr. Schmidt for his service.

At 7:12 p.m. Council member Bolick motioned for Council to proceed to closed session pursuant to NCGS 143-318.11. Council member Dunn seconded. All were in favor. No one opposed.

Mayor Lyerly thanked everyone for coming.

Council returned to open session at 7:50 p.m.

Other Business

Council member Tufts asked Mr. Owen if the Town has a preventative measure from keeping vendors at events within the Town (i.e. Woolley Worm, art festivals, etc.) from plugging into the Town's street lights. Mr. Owen stated that he thinks that all the outlets are on a separate circuit from the lights, so they can be turned on and off.

Council member Tufts also stated his concern over several road blocks appearing around town, especially during the summer with more events coming into town which causes traffic backups, etc. Mayor Lyerly asked Mr. Owen who gives these people permission. Mr. Owen stated that it is he and the Police Department. After further discussion, Mr. Owen reported to Council that he will do more research on this topic (i.e. how other towns handle this issue, how much liability the Town has, does the DOT have any guidelines, etc.).

Council member Lecka stated that the shrubbery, grass, etc. around the Welcome to Banner Elk signs needs trimming.

Council member Tufts asked about the concerts in the park and if the Town has a set of procedures and policies in hand. Mr. Owen stated that unless Council wants to do something different than what has been done in the past, there are no new policies. He noted that now that Council member Bolick is a Chamber Board member, questions are always brought forward to the Town. Mr. Owen also stated that the Chamber did help with the repainting and re-siding of the amphitheater in the park.

Council member Tufts stated that he wants to set a date for a picnic in the park for the Town staff. The date was set for Friday, July 18th at noon.

Council member Dunn invited Council members to be his guests at Dunn's barbecue on the 4th of July.

Council member Bolick noted that on Saturday, July 5th at noon, the new brewery in Town will be having a grand opening and a ribbon cutting for the public with food and entertainment. He would like the support of the Mayor and Council to help Nathan and the brewery.

Mr. Owen stated that per Town policy, he would like to ask Council if he could take the last week of June for vacation. Mayor Lyerly and Council members agreed that it would be okay.

Mr. Owen discussed with Council the digging and cleaning out of the VonCanon's pond. It would involve obtaining a permit, which Derek Goddard would help to obtain and the Town would pay for the permit which is expected to be approximately \$500.00. Mr. Owen is asking Council's permission to proceed with acquiring a permit as part of the easement agreement for the future sidewalk in that area. Council member Bolick made a motion to pay for the permit as part of the easement agreement for the expansion of a future sidewalk. Council member Dunn seconded. All agreed. No one opposed.

At 8:30 p.m. Council member Tufts motioned to recess the meeting until Thursday, June 12, 2014 at 5:30 p.m. Council member Lecka seconded the motion. All were in favor.

Recess

The Town Council meeting recessed at 8:30 p.m.

Mayor Brenda Lyerly

Steven R. Smith
Finance Officer/Clerk

Approved: July14, 2014