

BANNER ELK TOWN COUNCIL
March 11, 2019
MINUTES

The Banner Elk Town Council met Monday, March 11, 2019 at 6:00 p.m. at the Banner Elk Town Hall for their regular scheduled meeting.

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

Staff present: Town Manager Rick Owen, Cheryl Buchanan, and Attorney Four Eggers.

Call Meeting to Order

At 6:00 p.m. Mayor Lyerly called the regular monthly meeting of March 2019 to order.

Pledge of Allegiance

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

Invocation

Council Member Bolick opened the meeting with prayer.

Approval of the Minutes

Mayor Lyerly asked for a motion to approve or amend the February 11, 2019 Town Council Minutes. Council Member Tufts motioned to approve the minutes as written. Council Member Dunn seconded the motion. All were in favor. No one opposed.

Mayor Lyerly asked for a motion to approve the Town Council Special Meeting Minutes of March 4, 2019. Council Member VonCanon motioned to approve the minutes as written. Council Member Tufts seconded the motion. All were in favor. No one opposed.

Approval of Stated Agenda

Mayor Lyerly asked for a motion to approve the stated agenda. Council Member Lecka motioned to approve the stated agenda. Council Member Dunn seconded the motion. All were in favor. No one opposed.

Public Comments

Mayor Lyerly called upon Jim Swinkola. Mr. Swinkola reported that last June the Kiwanis Club sponsored an Opioid Awareness Forum. One hundred ten people from Avery County attended including Mayor Lyerly and Mr. Owen. He noted that this year, thanks to a private grant, the Kiwanis will continue informing and presenting the Faces of Addiction in Avery County to students throughout the county. On March 20th a panel will make a presentation at Lees McRae College and on March 27th at Avery County High School. Mr. Swinkola stated that the Kiwanis are continuing their mission in bringing public awareness to the misuse of opioids in Avery County. He also thanked the Avery Journal for publishing articles regarding the Faces of Addiction in Avery County. Mayor Lyerly thanked Mr. Swinkola and the Kiwanis Club.

ABC Store Board Member Presentation

Mayor Lyerly called upon Donna Dicks. Ms. Dicks reported that she is the chairman this year of the High Country ABC Board, which is a three-town board. Ms. Dicks stated that a new bill has been introduced in the NC House of Representatives which could have an effect on our local store and its revenue. Ms. Dicks presented to Council HB 91 and a summary of the proposed changes to the ABC System. There were discussions regarding allowing only one board per county and the affects it will have in larger cities, Sunday sales, privatization of liquor sales, ABC Laws Modernization and the PED Study, etc. Ms. Sarah Brewer recommended that Council Members write or have a conversation with Josh Dobson, a NC representative who is on the House ABC Committee, to voice their concerns for the passing of HB 91. Mr. Owen asked where the ABC Board stood with this bill (for/against). Ms. Brewer stated that as a whole, the Board is neutral, unlike other counties within the state which are opposed to a forced merger. There was further discussion regarding Sunday sales and free tastings of its liquor at ABC stores. Mr. Owen asked for clarification on the one board per county. Is the one board controlling the revenue from all the boards or just controlling daily operations? And, is the town still in control of their revenue? Ms. Brewer noted that each board would be made up of county members. A decision would have to be made as far as the percentage of sales of each town/city and how the profits would be distributed. Mr. Owen stated in his opinion the Town of Banner Elk and the High Country ABC Board (the only truly merged, 3 separate system) should be opposed to this until there is further and better interpretation regarding the merging and our current situation. Mayor Lyerly thanked Ms. Dicks and Ms. Brewer for their time.

Audit Presentation

Mayor Lyerly stated that Misty Watson is here with us and will present the 2017-2018 Audit Report. Ms. Watson thanked Council for permitting her to complete this audit and thanked Mr. Owen and staff for their cooperation during the audit. She noted that she issued for the Town an unmodified opinion on the June 30, 2018 financial statements and that all her journal entries and adjustments were approved and posted by management. Ms. Watson reviewed several of the highlights from the audit. She reported that the Town's assets exceeded its liabilities at year end by a little over \$9.9 million and that is for the Governmental Fund and for the Water/Sewer fund, an increase of \$888,000 from the prior fiscal year. The property tax collection rate was 99.18%, an increase from fiscal year 2017. Ms. Watson reported, that in addition, the water and sewer fund had an increase of \$111,000, leaving the net position at year end at \$3.8 million. The Town did pay down principal in the amount of \$214,281 in the current year and incurred new debt totaling \$100,000 (a split between the General Fund and Water/Sewer Fund). She noted that the last highlight is the GASB 75, an Accounting and Financial Reporting for Post-employment Benefits, which was implemented this past fiscal year. This resulted in a liability totaling \$67,878. Ms. Watson reported that the total revenues in the General Fund were \$2.1 million (56% were from ad valorem taxes, 19% from local option sales tax, 15% from other intergovernmental revenues and other income accounted for 10%). Ms. Watson noted that General Fund expenditures totaled \$1.8 million (general government was 28%, public safety 38%, streets and highways 25% and cultural and recreation 9%). She noted that if Council had any questions or need further explanation to please let her know. Mayor Lyerly thanked her for the thorough report.

Annexation Request, Water Quality Labs

Mr. Owen reported that Jadd Brewer, owner of Water Quality Labs, approached the Town requesting water service. His business is located outside of Town limits. Mr. Owen informed him that Town policy requires that the property must be annexed in order to receive Town utilities. Mr. Brewer is willing to request annexation, but would like Council to approve water service to his business prior to completion of the annexation process. They currently have Town sewer service. Mr. Owen noted that the annexation process typically takes 60-90 days. Mr. Brewer will need a survey of his property which is submitted to the Town for approval, then a petition comes before Council, Council will ask Staff to certify the petition, Staff calls for a public hearing, etc. Attorney Eggers stated that since water and sewer is an enterprise activity of the Town, Council can extend water and sewer services upon conditions that you deem fit. You could enter into an agreement contingent upon the annexation being completed by a certain date. It is also your discretion to stand by the current policy and require annexation first, whatever you believe to be is the best interest to the Town. Council Member Tufts asked if annexation occurs first, who pays for the hookup. Mr. Owen stated that all fees will be assumed by the property owner. Typically, if you are not in the Town you would pay double the rate. It would be up to the determination of Council. Council Member Bolick motioned to proceed with water service connection to Water Quality Labs at an in-Town rate, contingent upon the annexation process be completed within 120 days and authorize the Mayor to execute that agreement on behalf of the Town. Council Member VonCanon seconded the motion. All were in favor. No one opposed. Attorney Eggers noted that he will draft an agreement, discuss with Mr. Owen and present it to the parties for signature. Mr. Owen stated that the annexation will go through the usual process with Council, certification and public hearing.

Call for Public Hearing -Zoning Ordinance Amendment

Mayor Lyerly opened the public hearing at 6:46 p.m. Cheryl Buchanan reported that the Planning Board wants to update the Town's Zoning Ordinance by several text amendments/references from the 1999 Master Streetscape Plan to the 2009 Banner Elk Pedestrian Plan, which is a more comprehensive plan. Mayor Lyerly closed the public hearing at 6:48 and called for a motion. Council Member Lecka motioned to approve the Zoning Ordinance Text Amendment. Council Member Tufts seconded the motion. All were in favor. No one opposed.

Consider Arbor day Proclamation

Mayor Lyerly stated that the Town of Banner Elk is beginning its 5th year as a Tree City USA and one of the requirements is an annual recognition of Arbor Day. She noted that the Arbor Day Proclamation is included in Council's packets. Council Member Tufts motioned to make proclaim April 26th as Arbor Day. Council Member Dunn seconded the motion. All were in favor. No one opposed.

Burns Annexation Request, Petition Certification

Mr. Owen reported that this request was brought before Council at last month's meeting. He noted that the Clerk has certified the sufficiency of the petition for annexation. All the information is valid and accurate. Mr. Owen stated that if Council agrees with the annexation, he requests a call for a public hearing at next month's meeting. Council Member Bolick motioned to call for a public

hearing at April's meeting. Council Member Tufts seconded the motion. All were in favor. No one opposed.

Historic Banner Elk School Project Updates

There were no major updates. However, Council Member Bolick reported that the Town had visitors from Cumberland Gap. They were impressed with our Town, the progress made within the Town especially at the school. He noted that they were amazed that what has been done to the school was made possible by fund raising. Council Member Bolick also noted that the Book Exchange and new conference room have new chairs.

Advertisement for Tax Liens

Cheryl Buchanan reported that last month she informed Council that per the NC State Statutes, the Tax Collector is required to prepare a report of delinquent taxes on real property for advertisement in the local paper. She noted that delinquent taxpayers are given a 30-day notice to pay or risk having their names appear in the local paper. Ms. Buchanan stated that the updated list is included in Council's packets. Mayor Lyerly asked for a motion to approve the publication of the delinquent taxpayer list. Council Member VonCanon motioned to approve the advertisement for tax liens. Council Member Lecka seconded the motion. All were in favor. No one opposed.

Manager's Update

Mr. Owen reported that included in Council Member's packets are the planning, zoning and tax collection reports and police report. He distributed the Financial Summary Report for 8 months ending 2/28/19. He stated that if there were any questions regarding these reports to let him or the staff know. He noted that also attached is a copy of the High Country ABC Board Meeting Minutes of January 17, 2019 and a draft copy of the Planning Board Meeting Minutes of March 4, 2019.

Mr. Owen noted that there was a water line leak this morning on Shawneehaw Heights that has been repaired. A portion of the Town has been under a well water advisory from Balsam towards Elkmont until tomorrow afternoon.

Mr. Owen stated that Well #2 was off line for several weeks. It has been repaired (new pump, new casing, etc.). The well is currently producing about 20 gallons per minute more than it was before going off line. Mr. Owen hopes that by next month the Town will have a total cost for the repairs.

Mr. Owen stated that last fall the Town partnered with Lees-McRae College and held a Community Picnic which was held at the Town Park. There was a concert, activities for children, food vendors, etc. He noted that there are plans for holding it this year on September 19th.

Mr. Owen reported that there was a public hearing on the Pedestrian and Streetscape Plans. One of things that the Planning Board would like to do is combine the two plans and combine them together on one map. Currently, the Town doesn't have a current, updated map showing projects that have been completed on both of the plans. Mr. Owen would like to contract with High Country Council of Governments to provide the Town with a good GIS map showing hiking trails, sidewalks, bikeways, etc. The Planning Board will have a document that they can work from to make recommendations for changes moving forward. Mr. Owen noted that the cost would be

\$1,400. The Town has \$1,000 budgeted for pedestrian type projects and would use other monies out of professional services to balance the cost.

Mr. Owen stated that the Farmers' Market has approached the Town regarding the summer of 2019. They would like Council's approval for conducting the market at the grounds of the Historic Banner Elk School on Thursday afternoons and asking for the fee to remain the same as last year, which was \$10 a week for the past two summers. All agreed that they are providing a service to the community.

Mr. Owen stated that upon several discussions with the Mayor, he has signed up for the Leadership Avery Program. It is a 9-month program which began today. Mr. Owen noted that this program will cause him to be out of the office one day a month.

Mr. Owen reported that Earl suffered multiple strokes last month. He is at home recovering and receiving in-home therapy. For all things considered, he is doing well and very optimistic. Mr. Owen noted that many people have reached out to him which is encouraging. His retirement date, which had been set prior to his health concerns, is April 16th.

Mayor Lyerly thanked everyone for attending and asked for a motion to go into closed session.

At 7:03 p.m. Council Member Tufts motion for Council to proceed to closed session pursuant to NCGS 143-318.11. Council Member Bolick seconded the motion. All were in favor. No one opposed.

Council returned to open session at 7:08 p.m.

Other Business

Council Member Dunn asked if Council should prepare a letter to NC Representative Josh Dobson regarding the ABC House Bill 91. There was discussion about a letter from the Town or individual letters from Council Members. Council Member Dunn stated that he would draft a letter from the Town taking a stance that the Town is opposed to the bill as written, specifically joining a one county board and Sunday sales. Mr. Owen noted that he will also call Josh Dobson, informing him that a letter from the Town of Banner Elk is forthcoming. There was discussion regarding the House Bill vs. the Senate Bill, the effects of this bill on the Town and the High Country ABC Board, etc. Mr. Owen noted that the Town of Banner Elk is hosting the next High Country ABC Board meeting on April 11th.

Mr. Owen reported that a budget meeting is scheduled for Saturday, March 23rd from 8:00 a.m. until 12:00 noon.

There being no further business, Mayor Lyerly asked for a motion to adjourn March's meeting.

At 7:23 p.m. Council Member VonCanon motioned to adjourn the March 2019 Town Council meeting. Council Member Dunn seconded the motion. All were in favor. No one opposed.

Adjourn

The Banner Elk Town Council meeting adjourned at 7:23 p.m.

Mayor Brenda Lyerly

Attested

Approved: April 8, 2019