

Amended at May 10, 2013 Meeting
BANNER ELK TOWN COUNCIL
May 13, 2013
MINUTES

The Banner Elk Town Council met Monday, May 13, 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, David Lecka and Robert Tufts.

Staff present: Town Manager Rick Owen, Lt. Byron Clawson, Myra Guignard and Attorney Four Eggers

Others present: Justin Church, Rebecca Bolick, Penny VonCanon, Ted Silver and other interested parties.

Call Meeting to Order

At 6:00 p.m. Mayor Brenda Lyerly called the regular monthly meeting for May 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.

Mayor Lyerly introduced and welcomed a UNC-Chapel Hill student who is one of eight students who will be filming people and places in Banner Elk. She noted that they will be filming our meeting this evening.

Public Hearing – Amend Setbacks in the Heritage Overlay District

Mayor Lyerly opened the public hearing and asked Mr. Owen to speak about the subject. He stated that Lees-McRae asked the town to review their proposed College School of Nursing. It will be a large building right on Highway 194. At present the zoning is medical/educational, but it is also in the Heritage Overlay District. In this district, the town has a maximum setback of 15 feet from the road. The planning board looked into these requirements and is asking council to change these requirements to a 35 ft. maximum from the road. Mayor Lyerly noted that not only will the building be sitting right on the road, but that they are also proposing a sidewalk. With the present 15 ft. setback, there is not enough room. Mayor Lyerly asked if anyone had any questions. Council member VonCanon stated that it was a good idea based on the size of the building. He asked what if the proposed building was outside of the Heritage Overlay District and in the ETJ zone. How would the town handle it? Mr. Owen stated that it would still be regulated by the current zoning. This change will only apply to the Heritage Overlay District and it will be 35 ft. maximum. Attorney Four Eggers noted that this resolves a conflict. Previously the Heritage Overlay District said no more than 15 ft. but you had to go back at least

35 ft. for medical/educational, so this will help reconcile the two, not only for the project presented but for any project in the Heritage Overlay District. Council member Tufts asked if the Heritage Overlay District supersedes the in-town zoning. Mr. Eggers noted that whichever one would be more strict would apply. Council member Tufts asked how would you determine which is strict? Mr. Eggers stated that this would be a question for your zoning administrator and if someone disagrees with it they could appeal to the board of adjustments, but typically the zoning administrator interprets where the ordinance controls. Mayor Lyerly asked if there were any further questions. There being no further discussion, Mayor Lyerly closed the public hearing.

Public Hearing – Amend Sign Ordinance

Mayor Lyerly opened the public hearing. Mr. Owen reported that there were two simple changes proposed to the sign ordinance which had to do with wording. He noted that the planning board requests the removal of the words “other natural materials” from the ordinance which requires supports to be constructed from rock, brick, other natural materials, or wood posts. The town’s idea of natural materials are materials that are natural to our area. However, the planning board has received requests to use brass and aluminum on signs. The argument was that aluminum is the third most abundant metal found in the earth’s crust. Council member Tufts asked if brass lettering will not be allowed. Mr. Owen referred this topic to Penny VonCanon, vice chairman of the planning board. Ms. VonCanon told council that the board discussed brass lettering briefly and that the town does approve gold leaf lettering and therefore we thought brass lettering would be fine since the town uses brass plaques around different historic sites. She noted that brass does discolor and wondered why anyone would want to use it. Mr. Owen noted that the change proposed to the ordinance is strictly for the supports, so the question on the brass lettering may come up at a later date. Mayor Lyerly asked if there were any other comments on this public hearing. There being no other comments, Mayor Lyerly closed the public hearing.

Public Hearing – Amendment Section 315 Alternative Energy Resources

Mayor Lyerly opened the third public hearing. Mr. Owen stated that this amendment has come to light since the first installation of solar panels on the pharmacy. The planning board is requesting to add the definition of a solar panel to its ordinance, which is in fact an assembly of photovoltaic cells. He noted that a second part of it is in reference to the placement of these panels (i.e. being shielded from road view). Currently the ordinance reads that if the panels are placed on flat roofs they should be screened or shielded as is electrical and mechanical equipment and that if they are installed with the pitch of a roof, they do not have to be screened. Council member Tufts asked for clarification. What if the solar panels on the pharmacy were facing the highway and visible? Penny VonCanon responded and noted that when people were asked about the panels on the pharmacy, no one knew they were there. She noted that if we are going to be proactive in promoting green energy, and it blends in, we should allow for it. Mr. Tufts also questioned the term “energy collection equipment”. Does it include both solar and water? Council member VonCanon stated that it does and it is a good thing. Mayor Lyerly noted that clarifications are always good. She stated that since there are no further comments, this public hearing is closed and we will go into our meeting.

Approval of the Minutes

Mayor Lyerly asked council for a motion to approve the April 2013 minutes. She asked if there were any changes. Council member VonCanon motioned to accept and approve the minutes as written. Council member Lecka seconded the motion. The April 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 Bolick made a motion to approve the May agenda as stated. Council member Draughon seconded the motion. The stated agenda passed with all in favor.

Public Comments

There were no public comments.

Amend Setbacks in the Heritage Overlay District

Mayor Lyerly asked if there was a motion to approve this amendment. Council member Tufts made a motion to approve the amendment to the zoning ordinance. Council member VonCanon seconded. All were in favor. No one opposed.

Amend Sign Ordinance

Mayor Lyerly asked if there was a motion to approve the amendment to the sign ordinance. Council member Tufts made a motion to approve the amendment. Council member Lecka seconded the motion. All were in favor. No one opposed.

Amendment Section 315 Alternative Energy Resources

Mayor Lyerly asked if there was a motion to approve the amendment. Council member VonCanon made a motion to approve the amendment to the zoning ordinance section 315. Council member Draughon seconded. All were in favor. No one opposed.

Park Project Update

Mr. Owen told council that Derek Goddard could not attend this evening's meeting, but Justin Church with Blue Ridge Environmental, the engineer for the park project, would address council. Mr. Church asked how much rainfall was recorded. Per Mr. Owen 8 inches was the recorded figure. Mr. Church stated that they contacted the contractor to get their assessment of the storm damage, their plans to move forward along with what steps need to be taken to move forward. He noted that we lost a lot of gravel and that we will begin repairing the erosion control. Mr. Church stated that we will have to start over where we left off. He noted that the pad looks good and that it was the right decision to put the building on the pad. The surcharge material is there and the technical engineers will begin to install the monitoring equipment for that. Since we are working in a flood plain, we put excessive dirt on top of the pad and we will monitor that over time to determine if settling has stopped and then we will take the excessive fill off and proceed with construction. Mr. Church stated that following the storm, the project site looks bad, but he has seen worse and has no doubt that they can repair and move forward. Council member

VonCanon asked why they didn't consider putting the building on stilts like they do at the shore to prevent flooding waters from destroying the structure. Mr. Church said it could have been an option to place the structure on piers, but it would have been more expensive. Council member VonCanon asked if they could move the berm and fill in everything that was washed out, then put the building on stilts. Mr. Church stated that for council to consider it, they would have to come up with cost estimates. The building would definitely be more expensive. Council member Tufts asked Mr. Owen and Mr. Church how much will the damage from the storm set us back? Will it throw us over budget? Mr. Owen stated that the town is already over budget and the damage that has been done to the project is the burden of the contractor. The contractor has insurance but whether it will cover this project or not, the town intends to work with him on moving forward. Mr. Owen stated that a big issue is the erosion control which the staff has already begun repairing. Mr. Owen noted that the contractor is also working with the town to remedy other damage issues around town caused from the storm. Council member Tufts stated that he went to look at the Dogwood project that was done last year to see how it dealt with the forces of the storm and he said that much of it is gone or buried. Mr. Owen reported that he will sit down with Derek and Justin to discuss the grave issues in the stream restoration project. Mr. Church said we will address these issues somehow in order to formulate a plan. Council member Bolick asked if the stream restoration will be a cost to the town. Mr. Owen stated that we will wait to see what Derek and Justin report back to us. The town's insurance will not cover it and he doubts if Blue Ridge Environmental has any obligation to repair it at their cost. Council member Bolick asked if the town could bundle all the storm damage costs together so we could assess the monies we are looking at to repair. Mr. Owen stated that he is working on a report that will outline some of the major expenses that the town will incur. There is no federal disaster money out there and no state funds available. He noted that there was not enough collective damage done in the county to trigger any request for funds. Mr. Owen stated that the town did file a claim with their insurance company. Council member Bolick stated that it looks as if most of the dirt from the park expansion is in Mr. VonCanon's pond and asked if Mr. Eggers (the contractor) could pull it all back out and return it to the park. Mr. Owen noted that there have been discussions with the property owner and no formal discussions as of yet with the contractor, but feels the town has some obligation to clean that up and will work with the contractor. Council member VonCanon asked Mr. Owen how he will come up with an assessment on damages to the town, cost to repair and the time involved to repair. Mr. Owen stated that he has already begun a list of priority items that need to be addressed, the man hours needed, equipment needed, if work needs to be contracted out, etc. Some of the work will be done immediately such as the work related to the Dogwood project, which will also be addressed at budget, and several culverts have been washed out and need to be repaired (i.e. Apple Orchard, the Highlands which is an immediate concern, etc.). Council member Bolick asked if this storm changed our outlook on the new park project. Mr. Owen stated that it hasn't in his mind. This project has been in the making for over 2-1/2 years now and he hopes that the project can be completed. Mayor Lyerly asked if it was a matched grant. Mr. Owen stated that it was a matched grant and that the town will get the money when work is complete and if we decide not to finish it, it probably won't look too favorably when we apply for other grants. Mayor Lyerly agreed and asked if anyone had any other issues to address to Justin. Council members thanked Mr. Church.

Greenway Proposal – TDA Funded

Ted Silver addressed council stating that the Bicycle and Pedestrian Committee has been working on plans to extend the greenway trail out to the Best Western. They met with a local company in Boone, Destination by Design, and asked them for a proposal that offers assistance in determining how we want to proceed with implementing this new greenway trail. Their proposal was based on three phases. Phase 1 was reduced to \$2,450.00. Mr. Silver stated that this phase will involve Destination by Design researching and meeting with NCDOT and environmental agencies in looking at easements, right of ways, flood plains and waterways along the landscape to determine trail opportunities. Mr. Silver noted that they will also provide us with a list of grant funding sources for trail development. The other phases are final design and construction. No prices were provided because there was no basis. He stated that Mr. Owen approached the TDA and asked them to consider funding the first phase and they agreed. Destination by Design will also provide photo renderings to convey the character of the trail so the committee can approach property owners. Mr. Owen stated that if council is in favor of this, we are asking for approval of a contract, overseen by our attorney Mr. Eggers, between the town and the firm, Destination by Design. Council member VonCanon made a motion to enter into an agreement/contract for services with the greenway extension. Council member Bolick seconded. All were in favor. No one opposed. Mayor Lyerly and council thanked Mr. Silver for all the work he has done on this project.

ABC Board Appointment

Mayor Lyerly stated that Robin Dunn has been an alternate member of the ABC Board and she is willing to be reappointed for another three year term. Mayor Lyerly asked for a motion. Council member Tufts made a motion to reappoint Robin Dunn for another three year term. Council member VonCanon seconded. All were in favor. No one opposed.

ETJ Planning Board Appointment

Mayor Lyerly stated that Mr. William Kemp Mauney is interested in serving on the ETJ Planning Board. She noted that his resume was attached. Mayor Lyerly asked if there were any questions. Council member Tufts questioned the sentence on his resume that stated “I would represent a minority age group in Banner Elk demographic.” Mayor Lyerly noted that she thinks it means he is younger than the rest of us. Mr. Owen stated that he hasn’t met Mr. Mauney but that Cheryl has. Mr. Mauney lives behind the old Hardees in a section that is in the flood plain so is very concerned about Elk Creek and is interested in the town and outlying areas. Mr. Owen also stated that the town has been looking for ETJ members for a long time. Mr. Eggers stated that council needs to make a recommendation to the Avery County Commissioners who have the authority to make the appointment. Mayor Lyerly concurred. Council member Tufts made a motion to recommend to the Avery County Commissioners to have Mr. William Mauney appointed as the ETJ member of the planning board. Council member Bolick seconded the motion. 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 from the planning board and High Country ABC Board. Mr. Owen asked council if there were any questions.

Mr. Owen reported that on Thursday, May 30, 2013, at 6:00 p.m. the High Country Municipal Association will be meeting at Sugar Mountain if anyone would like to attend. If you recall, they had to cancel the meeting a couple of weeks ago due to conflicts. Mayor Lyerly stated that she will not be able to attend.

Council member VonCanon stated that he was approached by a planning board member of Sugar Mountain and told him that they are considering a resolution to be brought forth to the county commissioners. They will bring it up at the High Country Municipal Association meeting. They want the mess to be cleaned up at Appalachian Plumbing across from Ace Hardware. It is apparently in no man's land and it is up to the county to take care of it. Sugar Mountain is working on their sign ordinance and they like what Banner Elk is doing. Sugar is hoping that the Town of Banner Elk will make a resolution this evening to go to the county commissioners. Mayor Lyerly stated that it was an excellent idea and asked Mr. VonCanon if he wanted to put it in the form of a motion. Council member VonCanon made a motion to have council make a resolution to go to the county commissioners to have the area across from New River Building Supply cleaned up (Larry Oakes Appalachian Plumbing). Council member Bolick seconded the motion. All were in favor. No one opposed.

Mr. Owen reported that the town is still involved in the AC Pride project. He noted that Brent Gardella has a \$75.00 application fee before the town for a conditional use permit. He called and asked if the town would waive the application fee. The town doesn't have the ability to waive this fee, but upon town council action, the town could pay the fee for the county, but it would take a motion from town council. Mayor Lyerly stated that this fee would save Mr. Gardella from having to appear before the county in a public hearing. Council member VonCanon stated that he thinks the town has gone overboard with the county and Brett Gardella to get this project underway. He doesn't think it is the town's duty to pay it, but thinks that town council should. He noted that we should put our best foot forward so that the county sees that Banner Elk is doing its part. Council member VonCanon made a motion to pay the \$75.00 application fee to the town. Council member Bolick seconded. Council members Bolick, VonCanon, Tufts and Lecka were in favor. Council member Draughon opposed.

Mr. Owen reported on the flood damage. He noted that council was aware that the town had sewer overflows at two locations. We did everything required by the state. The state is scheduled to come on Wednesday for a collection system inspection which was scheduled prior to the overflows. Mr. Owen stated that the overflows were totally related to the flood waters and once the waters subsided the overflows stopped. The state doesn't foresee any health issues

relating to the overflows. Council member Tufts asked if there were any other waste treatment plants that had overflows within the county. Mr. Owen stated that the Town of Beech Mountain had overflow issues at their pump station. He hopes that no fines will come as a result of this due to the natural cause of the event. Mr. Owen reported that one thing that the town did not do properly is that we did not report it as timely as we should have and that is an issue we have with our operator, which is Water Quality, and ourselves.

Mr. Owen reported that there are a couple of items that will cost the town money. One is Floyd Ramsey's Road, which is a driveway to two homes. Washout occurred there prior to the flood from runoff from the road eroding the sides. This recent storm caused the road to cave in. Due to the cave in there was a break in the water line and sewer line. The repair has been made and compacted. Paving will occur at a later date. Mill Pond Road had substantial gravel washout going down to the sewer plant which is an issue for the town's maintenance personnel and a material issue to repair that road. We had severe damage to the pavement below the dam. Mr. Owen noted that the town paved that road from the dam to the wildlife center and this road was heavily damaged from the flood. Mr. Owen reported that there is a slide at Apple Orchard that undermines a sidewalk and cul-de-sac. The sidewalk is blocked off. It is a very steep drop (about 5 feet from the sidewalk). Mr. Owen noted that he will be getting a price for that repair since the town doesn't have the equipment to repair it. The town will probably cut out and remove the sidewalk and have an outside source do the repair. Mr. Owen also reported that at the greenway at Lees-McRae, bridges have washed away. One was recovered and two were found on the other side of the dam. The trail is washed out. There are several culverts and ditches around town that are full of debris and need to be cleaned which is very time consuming for the town's maintenance staff. In the park, the gravel was washed out in the picnic areas, the mulch washed out at the playgrounds and there is a large amount of debris around the bridges. Mr. Owen reported that the biggest expense (doesn't have a dollar amount for the repair) that he foresees right now is the damage that occurred at the Highlands. The culvert began leaking on Monday around the culvert. Mike Eggers has spent many hours and many days trying to unstop the culvert. We've been able to open it up enough to carry the flow of the water that comes in. The town has been policing it because it could cave in. A large portion of one side has fallen off. Mr. Owen reported that just today a large sink hole has formed on the uphill side of the road. We called Bill Cook (Eggers Construction) and were hoping that the water levels would subside enough to find out what is going on in the culvert and repair it. But it looks as though, for safety purposes, we will have to take the culvert out, replace it and rebuild the road. Mr. Owen has not yet asked for an estimate, but knows it will not be cheap. Mr. Owen asked council if they had any questions concerning the flood issue. Council member Bolick stated that he was upset because there is no government money out there from FEMA or whoever. Mayor Lyerly noted that Nancy Owen's hometown was destroyed by a tornado and was not considered a disaster for any funding from the government. There were no further comments.

Mr. Owen reported that he was expecting to present to them a budget at this evening's meeting. He apologized that he and Steve did not have the mind set or the time to formalize it due to the recent flooding event. Mr. Owen did speak with the mayor and told her that he would be giving a budget overview of some of the things they are looking at. He also reported that he would like council to set a few budget workshop dates and call for a public hearing on the budget at the next

council meeting. Mr. Owen stated that he will present the budget at the first budget workshop that they set. Mr. Owen presented to council a few of the highlights. He stated that employee costs remain a big cost to the town. He noted that the town is looking at a very large insurance increase; a 28% increase which equates to approximately \$30,000. The staff is going through the process of looking at getting new quotes from new carriers. If getting new quotes doesn't solve the problem then we will consider changes in benefits (i.e. copay, deductible, and prescription costs). Mr. Owen doesn't want to make a change that will put a burden on the staff. Mayor Lyerly asked if the staff has a copay with their insurance. Mr. Owen noted that they did and it was 80/20, but it can be changed. Last year we were able to change the deductible in such a way that it brought the cost down. We put more of the burden on the town because we went into more of a self insured deductible.

Mr. Owen reported that another employee cost to the town that it did not have in the past is that we have two law enforcement retirees who will be getting a law enforcement separation allowance and that will equate to about \$32,000 which is real money that we did not have before. One retiree will get health insurance. If he stays on Cobra which he can for 18 months, then he will be a regular employee and that will cost the town \$7,000. Roughly those two items total \$39,000 of additional cost to the town.

Mr. Owen stated that other items that he hopes will be considered in this year's budget is replacement of equipment. He will present to council a loan purchase of equipment in which the town would start making loan payments on equipment. As we replace more equipment the loan will be paid off and then we would take out another loan to replace future equipment. Currently we "pay as we go" because we had money coming in through development costs, water and sewer connection fees and availability impact fees. The town doesn't have those any more so we will have to look for ways to replenish our equipment and being able to make loan payments over a term period will be the way to help eliminate the problem. Mr. Owen noted that he is looking at least \$150,000 or maybe more depending on how the rest of the budget turns out.

Mr. Owen reported that there will be included in the budget some infrastructure projects. The town has several bridges that are requiring serious repair that is timely and not feasible for town staff to do. We have an engineer who is getting the town quotes for sandblasting, painting and repairing several bridges. The town has the stormwater project on Dogwood to work on and also the town has fallen behind with road paving. Mr. Owen reported that another project we are working on is the conversion of our street lights to LED lights. We have quotes on this and are looking at grant funding from TVA and Mountain Electric, looking at other ways to cover the conversion. Mr. Owen noted that in the long run it is a great project which would save the town a lot of money when it comes to maintenance issues.

Mr. Owen stated that with all the budget issues the town is facing, he is looking to council to consider a tax increase. He is looking at \$.04 which is roughly \$100,000. Mr. Owen thinks that \$.04 is the minimum that he can ask that can keep the budget stable. Mr. Owen noted that the county raised taxes last year at a similar amount.

Mr. Owen reported that another place they are looking for money is the Reserve Fund (equipment and infrastructure). Other sources are possible grants (for LED lighting) and the drug task force of which Banner Elk funds the largest amount (about \$30,000-\$35,000). Currently the drug task force has an application in for a \$25,000 grant. Mr. Owen stated that he is extremely hopeful that it comes through because it would make a big dent.

Mr. Owen reported on the water and sewer fund. Allen has spent much time going over the town's water and sewer and has put together a report that he and Steve will look at. We are also working with David Poore to look at our system and its needs. Mr. Owen stated that what won't be included in this budget will be a list of projects that the town needs to be focusing on and working on which will comprise a capital improvement plan which hasn't been updated since Danny Clark was here. What this equates to is a water and sewer rate increase. The current rates are extremely low in Banner Elk. Mr. Owen stated that we are covering our costs for operation every year with what we are bringing in, but what we are not covering is the cost of depreciation. When you compare our budget to the audit we see the cost of depreciation. The town is actually losing money because we are not paying into the depreciation. The way to pay the depreciation is to spend more money and make improvements. Currently the town is running a \$250,000 deficit every year on water and sewer. Mr. Owen reported that the current rate structure is based on the use of water and not the number of users we have. It is very hard to predict the revenue the town will receive. The town's budget is based on estimates. Mr. Owen stated that raising taxes and water and sewer rates at the same time won't be very popular, but we can change rates on utilities at any time throughout the year. What Mr. Owen anticipates as we continue to work on it, is that we will come back to council with a proposal that is very definite on what we need to do, why we need to do it and when, in order to justify the rate change.

Mr. Owen asked council to come up with a couple of budget workshop dates. He recommended two workshops. Mr. Owen stated that we will call for a public hearing on June 10th at council's monthly meeting and the budget needs to be adopted by June 30th. After discussion, the dates were set for Thursday, May 23 at 5:30 and Tuesday, June 11 at 5:30 p.m. A third date was added, Tuesday, June 25 at 5:30 p.m. Council member VonCanon made a motion to accept the three meeting dates for the budget workshop. Council member Lecka seconded the motion. All were in favor. No one opposed.

Mr. Owen stated that we need a motion to call for a public hearing at next month's town council meeting regarding the budget. Council member Tufts made a motion to call for a public hearing for the budget. Council member VonCanon seconded. All were in favor. No one opposed.

Council member Bolick asked what is presented at the public hearing regarding the budget. Mr. Owen reported that at the first budget workshop he will present to council a preliminary budget and if it is accepted it will come become the public. Mr. Owen will present to the public as much information as council wants him to or just an overview of the budget.

Council member VonCanon stated that he wanted to reinforce one of Mr. Owen's statements regarding equipment upgrade. He noted that one of the dump trucks is so old that the hydraulic lift isn't working properly. It is dangerous. Mr. Owen stated that the dump truck along with a

snow plow truck is on the list for equipment upgrade along with the purchase of an additional piece of equipment that is needed to clear out the town's ditches.

Ms. VonCanon asked council if there was any discussion about buying a chipper for the town. Mr. Owen stated that discussions have been made but doesn't think there is that much of that kind of debris that would warrant the purchase of that kind of equipment. The town is hoping that High Country Waste will offer that as a service and charge the individual property owner.

Council member Tufts stated that concerts in the park will be starting up. His concerns were insurance, clean up of the park afterwards, etc. Mr. Owen stated that the concerts will start up on June 20th, will be held on Thursday nights and will last until August. He doesn't know the specifics, but that the biggest concern is that 4th of July falls on a Thursday, so on that day there will be a parade, a duck race, a party in the park and a concert. Mr. Owen reported that the Banner Elk Chamber of Commerce has insurance to cover their events and as far as clean up, discussions as far as cost are still on the table. Mr. Owen noted that if the council wants to charge the chamber for holding these events we can justify the charges. He noted that he was also approached by a group to use the band area for three Friday nights in July for stringed music (no amps). The same applies. The town has a facility and the question is will it create additional costs to the town. At what point do we start charging for the use of town property.

Mayor Lyerly asked if there was any other business.

At 7:47 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 8:20 p.m.

Other Business

Council member Bolick asked if we are looking at hiring someone to fill Byron's position. Mr. Owen stated that there are several positions in the police department that need to be filled and one of which is lieutenant. Mr. Owen noted that at one point he considered "freezing" Byron's position for a time in order to get some cost savings to the town. Mr. Owen reported that he met with Bill Burleson and Byron and they felt that it is critical to their operation for that position to be filled, but it will take time. The way the police department is set up is that one is first a patrol officer, then a sergeant and then one is eligible to be a lieutenant. The first thing we will do is to look at changing that policy and procedure so as to open it up to people that have not been sergeant. Sergeant Gouge will be retiring in August so there would only be one sergeant eligible for the lieutenant position. We have several patrol officers who would be eligible if they were sergeant. So we see the need to change the policy. Mayor Lyerly stated that we are looking at only two positions not several. Mr. Owen said correct. Mr. Bolick asked if he and Byron still see the need to keep those two positions on the police force. Mr. Owen stated that we do. Byron and Bill Burleson have stated to him how important the lieutenant position is and stated all the

reasons behind keeping this position. Mr. Owen reported that he was looking at saving the town money by not filling the lieutenant position, but in talking with Byron, he would be willing to keep his current position so as not to eliminate the position of lieutenant. That is how strongly he feels about it. Council member Bolick asked if we should consider in our accounting process setting up a line item for police department retirement which would keep our police department or any department on line without throwing the budget line off. Mr. Owen stated that he would check with our auditors, but for the next fiscal year we have it set up under payroll for the police department line items for insurance, retirement, etc.

At 8:30 p.m. Council member Lecka made a motion to adjourn the May meeting. Council member VonCanon seconded the motion. All were in favor

Adjourn

The town council meeting adjourned at 8:30 p.m.

Mayor Brenda Lyerly

Steven R. Smith
Finance Officer/Clerk

Approved: June 10, 2013