

## **Town of Lake Santeetlah**

### **Council Meeting Minutes**

**November 12, 2024**

Mayor Simon called the meeting to order at 12:00 PM. Councilmembers Jim Hager, Kevin Haag, Ralph Strunk, and Keith Predmore were present for the meeting. Town Administrator Kim Matheson, Town Clerk Kala Farley, and Town Technician Scott Kamps were also present. Attorney Craig Justus was available via Zoom.

Scott Kamps led the Pledge of Allegiance and offered an Invocation.

**Approval of the Agenda:** Simon asked to amend the agenda by adding the 23/24 budget year audit report from Shannon Dennison before Public Comment. Hager made a motion to approve the amended agenda. Predmore seconded. All approved. The motion passed unanimously.

**Approval of the October 8, 2024 Council Meeting Minutes:** Hager made a motion to approve the minutes. Strunk seconded. All approved. The motion passed unanimously.

**Financial/Tax Report as of October 31, 2024:** Matheson reported the tax collection for October was \$15,097.87. Matheson said payment has been made for the paving and the leaf pick up has started so that first payment will be made soon.

Mayor Simon read the Ethics Statement Reminder.

**23/24 Budget Year Audit Report from Shannon Dennison:** Dennison said the Town of Lake Santeetlah got an unmodified opinion on the audit, which is the best opinion you can receive. Dennison said the Town took in \$518,000 plus a little bit from selling the old town truck in Revenue in the General Fund and ultimately increased the fund balance, which is going to be like the savings account, by \$14,000. Dennison said there is \$422,000 available in your fund balance for the general operations of the town, so, increase that by \$14,000. In addition to that, the Capital Reserve Road Fund was increased by \$39,000 and that's going to be set aside to be able to do future larger paving projects. Dennison said the Town has about \$59,000 saved over in the Capital Reserve Fund for future capital projects that come up that are larger than you might be able to pay for in a single year. Dennison said looking at the budget versus actual expenditures, there were a couple of areas that were categorically over budget, but overall the budget came

within the Total Budget. For the Town there was no total overages with a couple of categorical overages that we would consider relatively small. Mayor Simon asked about the mentioned over expenditure in the notes. Dennison said that relates to the General Fund and the TDA, and it was very, very small ones categorically, but they were not over in the Total Budget.

Dennison said they recommend looking at the Water Fund from a cash standpoint rather than a fund balance standpoint. \$36,000 in cash was saved in the Water Fund and there is a total of \$122,462 remaining in cash.

Dennison said looking at the TDA, there wasn't taxes collected for most of the year and there was some residual stuff that had come in, so a good chunk of the TDA budget was spent, \$8,564. There is \$6,354 remaining in the TDA.

Dennison said she would like to congratulate everyone on the 99.36% overall tax collection rate, which is an excellent tax collection rate.

Dennison said the only other thing they had noted, and a separate letter was issued for it, was in part of the software conversion there was some manual entries that needed done on the Water Fund. The Town ultimately had an error and charged \$3 per 1,000 gallons on the usage, when the approved rate was \$4.00 per 1,000 gallons, so there was some missed revenue in the Water Fund regarding the consumption rate that was charged to all customers. Dennison said the Council can decide what to do with that going forward. The incorrect rate was discovered in updating for the current year and has been changed to the approved rate.

Mayor Simon said she had a couple questions. On page 31, under Related Party Transactions, it says the TDA did not reimburse the Town for any administrative costs. The reason that the TDA did not reimburse the Town for any administrative costs was because that reimbursement is 3% of the revenue, and we had zero revenue. Mayor Simon said she thinks the amount was around \$0.33, and 2 checks were not cut to pay for that amount. Mayor Simon said on page 33 under Federal and State Assisted Programs, there is something about repayment, and she thought the only grant the Town has is the ARPA and believes that everything done has been in compliance. Matheson said there was one for the roads to do the ditches for the flood water. Mayor Simon said so, it's not likely that we're going to have any problems. Dennison replied no, that is a standard statement that goes in any of our audits that we see federal or state dollars, Powell Bill Road Money is one of the big state grants that the Town has every year, so every year this will be in there.

Mayor Simon said on page 40, dealing with the Tourism Development Authority, it says Net Positions, Promoting Travel and Tourism is \$1,680 and Unrestricted at \$4,674, and asked if those were flipped. Dennison replied no, the Promoting Travel and Tourism, the \$1,680 is what's restricted specifically for Travel and Tourism and that's the 2/3 percent. We do that as a running total between years, and more money was spent directly on promoting and travel and tourism with the ads, so as you spend that down, less of it's restricted. So what is unrestricted can be spent specifically on the direct advertising for Travel and Tourism, but it can also be spent on the related expenditure. We have a running total that separates out the revenue, but all of it can be spent on promoting travel and tourism. It's just the \$1,680 that's very restricted.

### **Request for Public Comment:**

**Jack Gross:** Gross said in regards to his request for an agreement to cross the road for septic, was he correct in understanding that all that he needs to provide is engineering for the ditch, not any pipe, drain field, or anything else, just engineering for the ditch only. Predmore said there is a difference between engineered drawings for a ditch and engineered drawings for a crossing. The crossing includes all the piping that goes under the road and that requires signed and sealed engineered drawings from a civil engineer. Attorney Justus said if you're going to cross the Town road right of way, you're going to have to have engineer drawings. Hager said the Council cannot issue an encroachment agreement without the engineer's approval of drawings.

**Alan Davidson:** Davidson said he would like to give a shout out to Tina Emerson for recognizing the erroneous information received from the School of Government regarding the occupancy tax.

**Chris Bradley:** Bradley referenced the note in the audit of the water rate that should have been \$4/1,000 gals rather than \$3/1,000 gals and asked if the rates will be going up. Matheson replied that has been corrected and the rate change was reflected on the 3<sup>rd</sup> quarter billing that was done in September.

### **Old Business**

1. **Update on the Broyles septic proposal:** Matheson said she had spoken with Nelms before the meeting and he has a contractor ready to move forward on this project. Matheson said Justus will have the encroachment agreement to the office soon and she was hoping they could call a Special Called meeting

by the end of the week or beginning of the following week to approve it so the Broyles can move forward on their project. Hager made a motion to authorize Mayor Simon to sign the encroachment agreement when it is received. Haag seconded. Mayor Simon, Strunk, Haag, and Hager voted yes. Predmore voted no. The vote was 4-1. The motion was approved.

2. **Paving Update:** Kamps said the paving was complete at this time. Kamps said Cherokee Lane had a lot of alligator cracks and it was repaved. There was a section of Sequoyah that was in worse shape than the rest of the road. Half of that was done last year and the other half was done this year. The end of Sequoyah was done where there was speed bump like uplift from tree roots and now it's smooth.
3. **Update on the gate:** Kamps said the exit gate got two new motors and a new board and he hasn't had any problems with that. Kamps said the guy that did the initial repairs on the gates has been back to work on the upper gate and there are still some issues with that gate.
4. **Hurricane Helene Relief Contribution:** Mayor Simon said during the October Council Meeting there was decision to contribute for hurricane relief. Mayor Simon said after considering the options, Haywood Advancement Foundation, who supports small businesses, was chosen to receive the \$2,000 donation from the Town of Lake Santeetlah. Mayor Simon stated many businesses in Haywood County towns of Canton, Clyde and Waynesville were flooded during tropical storm Fred and impacted by COVID. Small businesses are still paying off Economic Relief Loans from 2020 and not willing to take on more debt with available General Assembly relief funds. With direction from the Haywood Chamber of Commerce, the Haywood Advancement Foundation stepped in on November 4th with a Small Business Grant Program. As reported in the Smoky Mountain News, "The Grant Program partnership is funded by \$100,000 from the HAF and \$100,000 from the Colquitts — owners of Cataloochee Ranch and The Swag — as well as private donors and even a \$2,000 contribution from the tiny town of Lake Santeetlah in Graham County, the grant program can provide up to \$25,000 for qualifying businesses." Haywood County TDA contributed another \$100,000. HAF partnership is working towards a goal of \$500,000. David Frances, Haywood Chamber of Commerce CEO emailed: "Hello Good People of Lake Santeetlah, Thank you, this is an incredible gesture on your part. Your donation will be impactful and so helpful to our community." Both

Haywood Chamber of Commerce and the Haywood TDA recognized Town of Lake Santeetlah during their recent meetings.

**New Business:**

1. **Bear Sightings:** There were two different bear sightings in different parts of the Town and Mayor Simon said this is the first time in a very long time that there has been any bear activity in the Town. Mayor Simon said it is a good thing that the people in Town don't keep trash cans out because that is generally what attracts the bears and reminded everyone to keep their trash taken off to deter them from hanging around Town.
2. **Leaf Pickup:** Mayor Simon said there is currently a new contractor doing the leaf pick-up in Town and they will probably come back to do another one in December.
3. **Winter Button Up:** Mayor Simon said it is the time of year to begin closing up and winterizing homes for some of the townspeople. Mayor Simon said one thing to make sure of is that the water heater valve is closed after emptying water heaters to avoid any issues when opening houses back up.
4. **Council Statements:**  
**Jim Hager:** Hager mentioned it would be good for Matheson and Farley to visit a town that uses Southern Software to see if that is something that would work for the Town of Lake Santeetlah. Southern Software was one of the suggestions from the League of Municipalities.

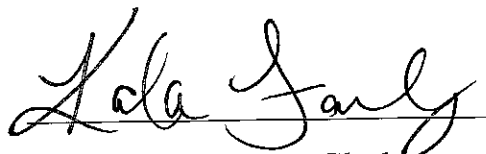
**Announcements:**

- The next regular scheduled Council Meeting will be held December 10, 2024 at 12:00PM. This meeting will be held at Town Hall and via Zoom. The link to join by Zoom will be sent out by mass email.

**Motion to Adjourn:** Predmore made the motion to adjourn the meeting. Hager seconded. The meeting was adjourned at 12:54 PM.



Diana Simon, Mayor



Kala Farley, Town Clerk