

Council Meeting Minutes

November 16, 2018

Mayor Jim Hager called the meeting to order at 10:00AM. Council Members Bob Wehr and Mary Williams were present for the meeting. Town Administrator Kim Matheson, Clerk Emily Hooper, and Public Works Technician Eric Hayes were also present. Councilmember Patrick O'Donovan was available by phone for the meeting.

The first order of business was the approval of the agenda. Mayor Jim Hager explained that Item #9 New Business should read balance due from General to Water instead of Water to General. Councilman Bob Wehr made a motion to approve the agenda as amended. Councilmember Mary Williams seconded. All others approved.

Financial Report/Tax Report: Town Administrator Kim Matheson explained that the reports presented are as of October 30, 2018. The general account balance is \$18,252.82, water operating \$10,372.92. Tax collection for October was \$17,611.66. This check has been received and deposited in the general account. Resident Jack Gross asked if the Town had paid for a survey to Terry James for a new survey of Parcel 5. Town Administrator Kim Matheson confirmed that the Town did pay \$275.00 for the survey. The Resolution includes the purchase of Parcel 5 would be subject to a three foot strip to allow passage to Parcel 4 making this new survey necessary. Councilman Bob Wehr made a motion to approve the financial report as presented. Councilman Mary Williams seconded, all others approved. The motion carried.

Request for Public Comment:

Occupancy Tax Update/Diana Simons: Diana Simons reported the current balance in the OT account is \$8,507.70. The TDA discussed the possibility of an electric car charging station. Chalet Village could potentially be a site for the station however more research and planning will be necessary. The charging stations are approximately \$500.00. Fontana, Tapoco, Snowbird Mt. Lodge and Tail of the Dragon currently offer the charging stations as these type cars become more popular.

Simons also shared, Kevin Fitzsimmons, Deputy Forest Supervisor, from the US Forest Service had presented an award at the GREAT meeting. The Bob Marshall award was presented to Partners of Joyce Kilmer for being champions of wilderness stewardship. There are only two awards given annually, one to an individual and the other to a group therefore receiving this award was a great achievement. Simons had the opportunity to meet Fitzsimmons after the GREAT meeting and invited him back to Graham County for the Azalea Festival in June. She stressed the importance of bringing people into the area for these type events that make Graham County such a unique place.

Roger Schilf: 484 Thunderbird Trail is on the agenda for approval of purchase of the three foot strip abutting the 1817. Schilf asked why he is receiving a quick claim deed for this purchase rather than a warranty deed. Schilf felt as though he should be granted a warranty deed. Schilf also asked if there was a lien against the property being sold, what would happen in that case. Mayor Jim Hager explained that since the Town originated in 1989 land had been sold by quick claim deed. Councilmember Mary Williams pointed out that there are additional steps necessary and an increased cost to receive a Warranty Deed. The Town Council offered to postpone the approval of Schilf's transfer today in order to give adequate time to complete the process for a warranty deed if he would like to do so. Schilf declined and wanted to move forward with the transfer today.

Connie Gross: Gross shared an email sent to Town Hall from Tina Emerson on November 15, 2018 at 7:25PM. Gross acknowledged she was sharing this information on Emerson's behalf as she was unable to attend the meeting today. Emerson is concerned that the change in the survey for Parcel 4 and 5 should require new advertisements and delay the approval of the sale today.

Connie Gross asked Councilmember Mary Williams if she was aware of the email received. Town Administrator Kim Matheson shared that the email was sent after hours and only received by staff this morning. It had not been sent out to the Council at this time. The email that Gross shared read as follows:

Kim,

I see that Parcel 4 is back on the agenda for tomorrow's meeting. I assume it is there to be approved.

Looking at the bid form which you supplied upon the Public Information Request of October 10th, I see that the bid for parcel 4 does not request any connecting strip. The advertisement in the Graham Star has a property description for parcel 4 "containing 2,745.377 square feet" and is based on the survey dated October 19, 2017.

If Parcel 4 is approved at tomorrow's meeting, I assume that ONLY parcel 4, as platted in the October 19, 2017 survey and as described in the appraisal commissioned by the Town of Lake Santeetlah, will be approved to be sold. Parcel 4 is for exactly 2,745.377 square feet - not an inch more. If any amount of property is an addition to Parcel 4, the Council would be required to reject the bid as it is required to advertise ALL real property sold under NC GS 160a-269.

As a reminder, according to NC GS 160A-266: Real property, of any value... may be sold by any method permitted in this Article other than private negotiation and sale.

I have attached the Initial Offer to Purchase from James Craig Keith, dated August 13, 2018, which is only for Parcel 4, as described above.

Thank you,

Tina Emerson

Connie Gross stressed that there were things going on behind the scenes and is concerned that Councilmember Mary Williams may not be fully aware. Gross stated that Councilman O'Donovan was approached and claimed he knew nothing about what was going on with the properties on Santeetlah Trail. There was a delay halfway through the bidding process to make changes to the survey. What had been advertised was suddenly updated. Gross urged Williams to be aware of the changes and behind the scene work being done by other Councilman.

Councilman Bob Wehr shared a portion of the Resolution that was passed by the Town Council to permit the sale of land on Santeetlah Trail, reads as follows:

WHEREAS, upon acceptance by the Town Council of the high bidder on parcels 4 or 5, the Town, if necessary, will deed a three-foot strip of Town-owned property along Santeetlah Trail to connect the high bidder's property with the purchased parcel. The purpose of the three-foot strip is to comply with Brookfield's Shoreline Management Plan which requires continuous ownership to the 1817 contour line;

Wehr acknowledged that the Resolution was reviewed, presented and passed by the whole Council and reviewed by the Town attorney and litigation attorney.

Jack Gross asked Wehr to continue reading the Resolution to state that the buyer must pay for the expense of the survey. Gross stated that the Town had paid for the survey of the three foot strip running through the Parcel 5. Gross asked Town Administrator Kim Matheson the amount of the check paid to Terry James for the cost of the survey. The amount paid by the Town was \$275.00. Craig Keith, bidder for Parcel 4, was present at the meeting and stated he paid \$1,279.00 to Terry James for a new survey.

Jack Gross: Gross had a written layout of dates and times where Mayor Hager and Councilman Wehr had met with Craig Keith and Bill Smith at Town Hall. Gross explained his concern with the group working together and plotting the bids and sale of land on Santeetlah Trail.

All meetings were held at Town Hall and lasted 1 – 2 ½ hours

Saturday September 22, 2018 Bill Smith, Mayor Jim Hager and Councilman Keith Predmore

Thursday October 4, 2018 Craig Keith, Bill Smith, Jim Hager and Keith Predmore

Monday October 8, 2018 Bill Smith, Jim Hager and Bob Wehr

Tuesday October 23, 2018 Bob Wehr and Jim Hager

Thursday October 25, 2018 Bill Smith and Mayor Jim Hager met at Town Hall and left in the same car to look at property

Monday October 29, 2018 Bill Smith and Bob Wehr met in the office with the door closed

Gross shared that these individuals are part of the bidding process and should not be having contact with elected officials, the contact should be made directly through Town Administrator Kim Matheson.

After Gross shared the dates and times he asked the other Council members if they were aware of such meetings.

Mayor Hager asked if there was a problem with him helping Bill Smith move furniture. Gross acknowledged if that is truly what occurred then there would be no issue on that date. When questioned by Mayor Hager, Gross admitted he did not know what was discussed at any of these meetings.

Gross also pointed out that he completed work for the Town using his skid steer to assist with the waterline break on Nantahala Terrace. He submitted an invoice for the work completed by TuGood Enterprises LLC which he happens to own and operate. The invoice submitted was \$400.00. On June 19, 2017 Gross damaged Town Property while attempting to repair a broken water line for Ralph & Dolores Mitchell. The Town sent Gross an invoice at that time for the damage, \$79.03. This was not paid by Mr. Gross therefore the Town withheld that amount from the \$400.00 invoice received for the use of the skid steer. Gross explained that the invoice sent for waterline damage was sent to Jack Gross. The invoice he submitted was from TuGood Enterprises which is two separate entities. Gross informed the Council this was the last opportunity to pay the full amount due before legal action would be taken.

Old Business

#1 Occupancy Tax Update/Diana Simons: This item was discussed during public comment.

New Business

#1 Town Technician Maintenance Report: Town Technician Eric Hayes reported that Scott Kamps hoped to complete the first leaf removal by next week if weather permits. Kamps has been working on the pickup for over a week but the extended rain has caused delays.

A local contractor was winterizing a house on Santeetlah Point and discovered water inside the meter box. He reported the leak to Eric Hayes. After inspection it was determined to be a Town water line that was busted. Hayes had to turn off the water to Santeetlah Point for several hours to dig down and remove the broken pipe. He was

able to repair the pipe without the assistance of a plumber. There were no homeowners on the Point at the time, therefore the water outage did not affect anyone.

A decorative light pole on Thunder Island Drive, mounted in the ground by concrete was blown over last week. The poles have been there for years and once the pole begins to rot a small windstorm can blow them over. A light was replaced last year in the same area. The pole has been replaced and a new light installed.

#2 Craig Keith, Town of Lake Santeetlah, Land Sale Parcel 4 on Santeetlah Trail: An updated survey was completed by Terry James as required per the resolution for the purchase of Parcel 4. Craig Keith paid for the new survey (\$1,279.00). The Town Council has received and reviewed the changes. Councilman Bob Wehr made a motion to approve the sale of Parcel 4 to Craig Keith. Councilman Mary Williams seconded. All others approved. The motion carried.

#3 Bill Smith, Town of Lake Santeetlah, Land Sale Parcel 2 on Santeetlah Trail: Councilman Bob Wehr reported that according to surveyor Terry James an additional survey for Parcel 2 would not be necessary and only be additional costs. The updated survey for Parcel 4 provides the changes mandated by the resolution. However in a past meeting it was stated the sale of parcel 2 was postponed pending an updated survey. Councilmember Mary Williams made a motion to postpone the sale of parcel 2 until a new survey is received. Councilman Patrick O'Donovan seconded. All others approved. The motion carried. Resident Jack Gross asked if Craig Keith now obtained the legal costs of the lawsuit with the purchase of Parcel 4. The Santeetlah Trail properties are being sold with a lis pendens attached. Mayor Hager stated that separating legal costs would be difficult.

#4 Roger Schilf, Purchase of Town Property abutting the 1817 Contour Line of Lake Santeetlah: Councilman Bob Wehr made a motion to approve the land transfer from the Town of Lake Santeetlah to Roger Schilf as presented. Councilmember Mary Williams seconded. All others approved. The motion passed.

#5 Resolution for Approving Water Shortage Response Plan: This Resolution is an annual approval needed from the Water Supply Planning Branch Division of Water Resources NC Department of Environmental Quality. The Resolution simply explains the response plan in the case of water shortage. Councilman Bob Wehr made a motion to approve the Resolution. Councilmember Mary Williams seconded. All others approved. The motion carried.

#6 Updated Water Policy: Due to a recent issue with a long time renter defaulting on payment to the Town for water payment changes are necessary to the Water Policy. At this time the water bill can be sent to the renter and it is their responsibility to pay.

(Background info) David Dickert, who was once the Town Technician, rented 56 Chalet Village for several years and left owing a past due water bill. The amount due when he moved out of the home was \$422.60. He made 25% payments each month trying to catch up but did not pay the balance when he left. We sent multiple emails and mailed numerous bills to his new address without receiving any payments. The homeowner, Pam Carvalho, was contacted and she does not feel the balance is her responsibility. She has paid the amount of each new billing since David left in September 2017 but has not paid the past due balance. The water was locked due to non-payment. Pam had a new renter move in September 15, 2018 and asked that we remove the lock and forgive the balance. The water was turned on at the residence for the new renter and staff explained that the past due balance would be on the agenda for Council decision.

The changes suggested to the Water Policy from Councilmember Mary Williams are as follows:

Rental Property

Payment for water service is the responsibility of the property owner and only the property owner can be billed for this service. The property will be solely responsible for all payments due to the Town, notwithstanding the terms of any rental agreement between the property owner and the renter.

The updated water policy will be posted to the website and effective immediately. Councilman Bob Wehr made a motion to approve the updated policy. Councilman Patrick O'Donovan seconded. All others approved. The motion carried.

#7 Purchase Ad for RHS Basketball Program: The Robbinsville High School Basketball Team is selling ads for a program that is sold at the Basketball games. The funds received from the ads help to feed the athletes at the away games. The Town purchased a similar ad in the football program that helped in the same manner. A full page ad is \$130.00 and is a way for the Town of Lake Santeetlah to show our support to Graham County Schools. Councilman Bob Wehr made a motion to purchase a full page ad in the 2018/19 Basketball program. Councilman Patrick O'Donovan seconded. All others approved. The motion carried.

#8 Authorization for Survey of Town Hall: Mayor Hager has been approached by Town residents who would like to donate funds to install a fence between Town Hall and the property abutting. In order to install a fence the exact corners need to be located and we are unable to find recent survey of Town Hall. The only cost to the Town in this project would be the survey. Councilman Bob Wehr made a motion to approve completing a new survey. Councilmember Mary Williams seconded. All others approved. The motion carried.

#9 Balance due from General Operating to Water Operating: Town Administrator Kim Matheson explained that the Town General fund owed the Water \$10,000 from a loan for the water meters. \$30,000 was borrowed and one payment is remaining. Over the past year the Town has had major water leaks that caused extensive damage to the road on Thunderbird Trail near the Danforth's and Nantahala Terrace. The DOT completed the repair of these areas at the expense of \$10,470.00. This was paid for from the General Fund and will be noted as the final payment due to the Water. These repairs were necessary due to water breaks therefore payment should have come from the water account. Matheson will contact auditor Joe Turchetti to determine how to accurately note the accounts to show this last payment being made.

Discussion:

#1 Increase Water Rates to compensate for aging water system necessary repair costs: The water system continues to struggle due to necessary repairs and major water breaks over the past two years. The auditor has suggested in the last two years audits that the Town raise water rates to offset these expenses. The insurance company is also requiring a fence be installed around the tank. The tank needs painted as well. We have received bids for each of these projects and will need to complete this fiscal year. A public hearing will be held to discuss the increase and receive public input. The hearing will potentially be held after the December Council Meeting. A notice will be posted and advertised.

Motion for Closed Session

Councilmember Mary Williams read the motion, Pursuant to the provisions of North Carolina General Statute 143-318.11 (a) (3) and North Carolina General Statute 143-318.11 (c), I move that the Town of Lake Santeetlah Town Council go into Closed Session to receive advice relative to the following existing lawsuit presently pending: Kenneth & Jeannine Degarmo vs. The Town of Lake Santeetlah.

Pursuant to the provisions of North Carolina General Statute 143-318.11 (a) (5), I move that the Town of Lake Santeetlah Town Council go into Closed Session to plan, conduct, or hear reports concerning investigations of alleged criminal misconduct. Councilman Bob Wehr seconded. The Town of Lake Santeetlah Town Council moved into closed session at 10:51AM.

Councilman Bob Wehr made a motion to move back into open session. Councilmember Mary Williams seconded. All others approved. The motion carried.

Mayor Jim Hager announced that the Town Council was back in open session.

Councilmember Mary Williams made a motion to hire an attorney to pursue and investigate the possibility of unlawful transfer of Town property by the DeGarmo's. Councilman Wehr seconded. All others approved. The motion carried.

Announcements:

Mayor Jim Hager announced that the next Council Meeting is December 14, 2018 at 10:00AM at Town Hall.

With no further business at this time Councilmember Mary Williams made a motion to adjourn the meeting. Councilman Bob Wehr seconded, all others agreed. The motion carried. Mayor Jim Hager adjourned the meeting at 11:22AM.

Meeting Adjourned

Jim Hager, Mayor

Emily Hooper, Town Clerk