

Town of Lake Santeetlah

Council Meeting Minutes

October 18, 2016

Acting Mayor Jim Hager called the meeting to order at 10:02AM. Council Members Bob Wehr, John Garland and Connie Gross were present for the meeting. Town Administrator Kim Matheson, Clerk Emily Hooper and Public Works Technician Eric Hayes were also present.

The first order of business was the approval of the agenda. Councilwoman Connie Gross asked to add an additional point of information to Item #2 under New Business: Plans to upgrade Front Entrance. With no further additions or changes necessary Councilman John Garland made a motion of approval. Councilman Bob Wehr seconded. All others approved, the motion carried.

After review of the September 20, 2016 Council Meeting minutes Councilwoman Connie Gross pointed out that there was a deadline for application submission of September 30, 2016, which is stated in the minutes. Candidate Roy Gilliland had turned his application in at this time but had not changed his voter registration. Councilwoman Gross felt that would not allow Mr. Gilliland to qualify. Councilman Bob Wehr stated that Mr. Gilliland had turned in that application by the deadline and that was the requirement. Acting Mayor Jim Hager confirmed that the day of interviews Teresa Garland, Election Board Director, was contacted to find out if Jack Gross or Roy had changed their voter registration. If Jack Gross had changed his registration he would have been eligible for an interview. With no further suggestions or points Councilman Bob Wehr made a motion to approve. Councilman John Garland seconded. Councilwoman Connie Gross opposed. The vote passed two to one.

Financial Report: Town Administrator Kim Matheson reviewed the balance sheet through September 31, 2016. The General Operating Fund has balance of \$81,413.64. The Water Operating Account balance is \$6183.75. \$6,075.00 was paid in October from the General fund and \$2,925.00 from the Water fund for the audit. The remaining audit expense is not due until the final draft is approved by the State. The Town went over \$250.00 in Powell Bill expenses when Alan Carver updated his map with new roads. \$250.00 was moved from the Contingency fund to the Powell Bill account. There were two danger trees that were removed on Nantahala Trail causing an overage in Repairs and Maintenance. \$1,000.00 was moved from the Contingency fund to the General to cover. \$10,000 was paid on the debt owed from the General to the Water fund. \$30,000 was borrowed from the Water Reserves to pay-back the loan in the last fiscal year. It was allotted in the budget for this to be paid back over a three year period. \$10,000 each year. \$9650.00 of the \$10,000 was used to purchase new water meters. \$20,000 is the remaining balance due on the debt from the General to the Water fund. \$20,776.81 has been paid to Tetra Tech for the sewer study in the last quarter. 80% of that amount will be refunded by Grant funds but at this time that amount of money is outstanding. All these updates will be reflected in the October balance sheet.

Councilman Bob Wehr made a motion to open Public Comment. Councilman John Garland seconded. All others approved, the motion carried.

Request for Public Comment: Jack Gross requested to speak about two items on the agenda, and had prepared an email briefly before the meeting and mailed out to several town residents, Council Members and Town Hall. Mr. Gross read his emails into the record which are available at Town Hall for review if interested. Gross acknowledged that his impact fee was refunded by the Lake Santeetlah Town Council and was clearly an impact fee not an application fee. The refund of the impact fee had nothing to do with the size of the building or the fact that it was an outdoor building. Gross asked that the Council please stop calling the fee anything other than what it was at the time, an impact fee. The second item of concern was regarding the budget line item, upgrade to the front entrance. Gross explained by reading his email that at the May 28, 2016 Budget meeting that there was no line item or mention of this project. Gross stated that he had warned others throughout the community to be on the

lookout for such a project. Gross shared that the funds allotted for the front entrance could be used elsewhere on road maintenance or to purchase new water meters. The first appearance of the new budget which included the tax increase as well as the \$20,000 for the front entrance was sent in an email June 3, 2016. Gross feels that it would be a waste of tax dollars to spend that amount of money on an upgrade that even if built with "gold bricks" would not increase the property values of Lake Santeetlah homes. Gross stated that he could not "fathom any excuse for such actions."

Councilwoman Connie Gross responded by sharing her research and confirmed that the budget proposed on May 28, 2016 did not include a line item for the upgrade to the front entrance. An email sent by Jim Hager on May 20, 2016 did mention including a renovation to the front entrance in the budget however the attached budget did not have it listed as a line item at the time. At the May 28, 2016 meeting the renovation was not discussed. Councilwoman Gross reviewed the budget that was proposed line by line to verify there was no funds allotted for this project. On June 3, 2016 an email was sent that included the updated budget for the Council to view before adoption at the June Council meeting. Councilwoman Gross apologized to those present that she did not review the updated budget as she assumed there had been no changes other than the tax increase. Gross stated several times "I pray to God you didn't try to sneak this in." Gross stated that she researched minutes, tapes and emails for hours searching for any mention of this project being placed on the budget and other than the email on May 20, 2016 there were no other findings. Councilwoman Gross explained that she happen to drive up to the front entrance and find Acting Mayor Jim Hager and Councilman Bob Wehr meeting with contractors interested in the job. Gross stop to ask what was going on, but with three Council members present it institutes a meeting therefore she had to leave. At that time Councilwoman Gross became suspicious of what was going on. At the Planning Meeting on September 15, 2016 an item on the agenda was, plans to upgrade the front entrance. After the meeting Gross asked Hager where the money would come from to pay for the project and his reply was that the funds were allotted in the budget. Once again, Gross stated that she hoped this was not "snuck in" between the May Budget meeting and the adoption of the budget in June. Gross explained that the updated budget was put in an email with no explanation of changes and never discussed with all the board members. No letters, signs, no notification was received of the change prior to the adoption. Gross acknowledged the project may be a good idea however we have "bills to pay." Gross explained that she cannot imagine how this happened, it simply was not right and she would like to pull back her vote due to being unaware of this line item. Gross explained she had copies of her research available for anyone interested. There are copies of this information available at Town Hall as well.

Acting Mayor Jim Hager responded by pointing out pictures of the proposed entrance that were posted in Town Hall on June 16, 2016 for the public to view. Hager pointed out that the updated budget was sent out on June 3, 2016 for all Council Members to review before adoption that included the new line item. The budget was posted on the website as well for all those interested. Hager asked Gross if she failed to review the budget before voting on it.

Councilwoman Gross again apologized for voting on the budget as she assumed it was the same one displayed at the May 28th Budget Meeting.

Acting Mayor Jim Hager explained that the budget can be changed after the public hearing. The tax increase was added into the updated budget after the May 28th meeting as well.

Jack Gross pointed out that the public was notified of the tax increase by email after the Budget Meeting but prior to the adoption of the Budget but no mention of the front entrance renovations.

Councilwoman Connie Gross stated that from this point on she will be suspicious of everything that is talked about, wrote down, mentioned or discussed because of this action. Gross asked if she needed to become a private investigator to assure things are handled correctly.

Councilman Bob Wehr asked Gross if she had made the motion or seconded the approval of the budget.

Councilwoman Connie Gross responded again with an apology that she more than likely did one of the two but did so unaware of the changes.

Councilman Bob Wehr stated that as a fellow Councilman he trusted her to review the budget thoroughly prior to making a motion of approval.

Councilwoman Connie Gross explained that she voted, but trusted Acting Mayor Jim Hager not to try and sneak something like this in.

Town Administrator Kim Matheson reaffirmed that the changes to the budget were made immediately after the Public Hearing on May 28th and an updated copy was sent to all Council members and updated on the website. Matheson stated there was no comment or feedback from the Council or the public. The Town works with comments and suggestions from others and in this case there was none.

Marti Campbell asked for clarification regarding the May 28th Public Meeting held to discuss the budget, is the proposed budget a binding form at that time, can changes be made; is the budget simply displayed for review and discussion? Acting Mayor Jim Hager shared that the meeting is simply for public input on the budget proposed. Campbell reviewed that the budget was displayed for discussion, it can be changed; it in fact was changed. So what is the argument? The budget that was voted on is the budget the Town is run by and despite who noticed or didn't it was approved. Mrs. Campbell stated that she felt it was the Board Members responsibility to review the budget line by line prior to approval.

Jack Gross asked if the Council could go back and change the Budget at this time, after it had been approved and use the \$20,000 for other purposes.

Acting Mayor Jim Hager acknowledged that a budget amendment can be made at any time.

Jack Gross asked if we could use the money to pay back the Water Reserves what was owed from the General fund. The money could also be used to purchase water meters rather than taking out a loan for the whole amount.

Councilman Bob Wehr stated that it would be the Boards decision to make those changes.

Acting Mayor Jim Hager informed Mr. Gross that \$20,000 would not buy the remainder of the meters. The budget currently has money to repay the Water Reserves \$10,000 each year for the next three years. \$10,000 has already been paid this fiscal year.

Jack Gross suggested that we pay that loan off early rather than as planned.

Councilman Bob Wehr suggested that Councilwoman Connie Gross compose a proposal of exactly what she would like to see happen with the \$20,000 and the Council would bring her idea to a vote.

Jack Gross informed that he felt those that sent emails concerning items on the agenda should be read under public discussion. Roger Schilf sent an email to Town Hall regarding his views of the renovation but could not attend today's meeting.

Acting Mayor Jim Hager explained that Roger Schilf had been contacted to schedule a meeting concerning this matter.

Ron Zeunan stated that as elected officials they are trusted to perform the duties necessary. If others disagree with actions they have the right to form a petition to state their opinion, however as elected officials it is ultimately the Council's decision.

Councilwoman Connie Gross recognized once again that she did not like the fact that it was "snuck in" without discussion.

Bill Campbell made a point regarding impact fees. Impact fees can be either kept or returned. If they are used for system improvements in a school, for example, the impact fees could be used in the classroom. The fees can be used the same way in a city or Town.

Jack Gross stated that you must first have the authority to collect such fees.

Councilwoman Connie Gross shared an email from Attorney Ellen Davis that suggested the Town of Lake Santeetlah change the name of the impact fees or follow the proper procedures to obtain the authority to collect impact fees. Gross acknowledged that this suggestion was never followed as the Town never got permission to collect impact fees. The Town did however change the name of the fee from an Impact fee to a Building Application Fee.

Councilman John Garland confirmed that the Town did not need the authority to collect application fees. As a contractor he has paid both impact fees and application fees. The name of the fee was changed years ago. Garland assured Gross that the name of the fee was an application fee at the time Jack Gross got his application. Mr. Gross stated that his refund received was labeled as an impact fee.

Bill Campbell asked that we move on and focus on current issues.

Councilman Bob Wehr explained his "dead horse" award in case those present were not aware. When someone in the meeting goes on and on about the same topic or past issues they are presented a dead horse award. Wehr presented Councilwoman Gross with a dead horse award today.

Councilwoman Gross accepted it proudly and acknowledged that it meant nothing to her.

Councilman Bob Wehr suggested we move on and discuss topics that were on today's agenda.

Councilman Bob Wehr made a motion to close Public Comment. Councilman John Garland seconded. All others approved. The motion carried.

Old Business

#1 Water Meter Purchase Follow-up: Most meters within the Town are approximately 25 years old therefore there are more leaks and issues found at each read. The Council approved at the last Council Meeting to move forward with purchasing new automatic read meters. 50 water meters have been purchased at this time. 27 have been installed. Public Work Technician Eric Hayes is working as he can to install the new meters. Those that have bad valve's or damaged meter boxes are being replaced as he moves forward which makes the process slow. Certain meters are encased in asphalt and will require a backhoe to replace. Those meters will be flagged and replaced at one time to save cost on hiring an operator and backhoe for the job. The new meters will help to detect leaks on a daily/weekly basis rather than quarterly when the meters are read. Councilman Bob Wehr suggested that we proceed to purchase more meters so they may be installed while the weather is still fair. An interest rate of 3.58 has been received from United Community Bank. Councilman Bob Wehr made the motion to borrow up to \$50,000 for new meters, equipment and software. Councilman John Garland seconded. Councilwoman Connie Gross asked that the \$20,000 that was allotted for the front entrance upgrade be used towards meters so the loan could be less. Councilman John Garland clarified that the motion was worded "up to" and if the Town Council chose to use other funds for the meters the loan would be less otherwise \$50,000 would be authorized. All others approved. The motion carried.

Councilman Bob Wehr asked to speak just for a moment about emails sent to Town residents from other residents and not through Town Hall. Over the past few weeks there have been complaints received from some who are offended after receiving such emails. Councilman Wehr acknowledged that all mass emails should be sent through the authority of the Town and not an individual trying to further his/her cause. Councilwoman Connie Gross asked if the Constitution of the United States did not say everyone had a right to free speech. Councilman Wehr agreed

however they also have a right to privacy. If the email address is in the Town Directory then it is public information. Wehr suggested that it may be in the best interest of the Town to place this item on the agenda next month.

Dick Eyestone made a point that in the future if there are changes after the Memorial Day budget is presented that an email goes out to all residents with the new Budget as well as explanation of changes in the email.

#2 Petition for Audio Meetings on Town Website: Dick Eyestone shared his research regarding the space that an audio would take up on the website. One minute of audio takes up five megabytes of space. Two meetings per month lasting approximately one hour per meeting would ultimately use 150GB. Councilman John Garland ask if this was an insignificant amount of space on today's websites. Acting Mayor Jim Hager confirmed that the IT specialist had confirmed that we have an unlimited amount of space and the audio recordings would not be an issue however the bigger issue is, do we want to air our "dirty laundry?" Councilwoman Connie Gross asked why he would consider the meetings "dirty laundry?" Acting Mayor Jim Hager explained that the official record of each meeting is the minutes. There are no laws that require the meetings be taped. An audio on the website would allow anyone to access and hear public comments which would keep some from voicing their opinion due to privacy. A copy of each meeting is available at Town Hall on CD for anyone interested for \$1.00 and no charge if a CD is provided. Councilman Bob Wehr asked Jack Gross for an update on how many signatures he had received on the petition. Gross explained it was on-going and approximately 22-23 had been signed at this time. Councilman John Garland asked what the process was to put the recordings on the website. IT Specialist, Justin Hager was able to show staff how the process would work and it is much the same as uploading a document. Resident Dick Eyestone shared that this could be approved on a trial basis and use a counter on the website to see how many times it is accessed. Acting Mayor Jim Hager confirmed that he had asked that question and the website can have a counter but not an individual link on the website. Jack Gross suggested that we observe the hits the website receives now on a regular basis and see if that number increases once the audios are placed on the site. Councilman Bob Wehr asked Town Administrator Kim Matheson how many requests were made on a regular basis for audio meetings. Matheson stated that Jack and Connie Gross were the only residents that ever ask for copies. Marti Campbell, asked if Town Council's in other areas posted audio meetings. Campbell stated that she had been on both sides in past job experience, creating minutes and is aware of the difference in minutes and discussion but questioned if this is a typical request in other areas. Jack Gross stated that some cities have live stream video of the meeting on the website for those who are unable to attend and make recordings available online. Campbell explained that she would have concerns with having the audio on the website for everyone to hear what she or others discussed during the meeting. It's seems personal. Ronald Zeunan asked why those who are not residents of Lake Santeetlah have the authority to receive the audio copies. Zeunan feels that if the audios were placed on the web there should be a password to access because what is discussed at Town meetings isn't "everyone's business." Zeunan explained, there is going to be "dirty laundry," it has to be brought out and discussed and not everyone should be able to hear it. Campbell acknowledged that statements could be taken and misused in some fashion. Linda Eyestone explained that she would be ashamed if her sister was aware of what was going on at the meetings and was opposed to posting the recordings on the website. Acting Mayor Jim Hager asked Mr. Gross if he would be surprised to know that there were more people opposed to the posting of the audios than those in favor. Mr. Gross stated that was only hear say. However there are signatures on file of 35 residents who are opposed. Mr. Gross was unaware of the survey. Councilwoman Connie Gross asked why the survey was not sent out to all Councilmembers. Mr. Gross stepped outside at the time and quietly informed his wife Connie to "drop it." Councilman John Garland acknowledged that this seems to be an unsettled issue and coming into the meeting he didn't see a problem with posting the audio's but after hearing the discussion it seemed that it may not be in the best interest of the Town. Councilman John Garland made a motion to table this item until the next meeting and receive input from more residents. Councilwoman Connie Gross seconded. All others approved. The motion carried.

#3 Degarmo Refund Request: Councilman Bob Wehr provided a brief overview of the Degarmo's request for refund. The Degarmo's have ask that their "impact" or application fee to be refunded in the amount of \$3,747.00.

In the past the Building Application Fee was called various things, Impact Fees, Building Permit and after being contested was officially named a Building Application Fee. Councilman John Garland recalled the first time the title of the fee was contested was when Roger Carlton built his home, which was several years prior to the Degarmo's who built in 2014. Mr. Carlton claimed that impact fees were illegal and his Contractor advised him to drop the issue and move on. Soon after that occurred the name of the Fee was changed to a Building Application Fee. When the Town was first established the Fee was called a Building Permit. Regardless Mr. Garland stated that as a Contractor he has paid all the fees despite the title. Basically, it is a fee that is collected to help with revenue to remove some of the tax burden off of residents. Jack Gross feels that the name of the application as of January 2015 was an Impact Fee. Councilman John Garland stated that the name had been changed prior to this date. Councilman Bob Wehr explained that the refund request was prompted by Mr. Gross as he had prompted Mr. Wehr's family when they were building to request such a refund due to illegal collection. Wehr suggests that there may be motive behind such actions. Ronald Zeunan asked how many residents had paid this fee in some form or the other. Wehr explained that every homeowner in Lake Santeetlah had paid a fee before building. Zeunan feels that this discussion should be dropped, and the request denied. Councilwoman Connie Gross stated that the Town had never received the proper authority to collect the fees. Councilman John Garland confirmed that there is no legislation needed to collect Building Application Fees. Acting Mayor Jim Hager presented a letter that has been reviewed and approved by Attorney Ellen Davis that will be mailed to the Degarmo's pending today's vote. Councilman John Garland made a motion to deny the refund request of the Degarmo's. Garland stated that this item was voted on approximately one year ago and denied at that time by the previous council and there seems to be no new evidence produced that qualifies for re-consideration. Councilman Bob Wehr seconded. Councilwoman Connie Gross opposed. The motion passed, two in favor with one opposed.

#4 Decision of Specific Items for Rules for Local Government Boards: The Town Council approved Fleming Bell's book, Suggested Rules for Local Government Boards in the September Council Meeting. There were specific items in the book that were identified and reviewed. Item #1, the order of the agenda will be remain the same with the Public Comment portion of the meeting at the beginning. Item #2, the Mayor will continue to vote only in the case of a tie. Item #3, If a chair becomes actively involved in a debate on a particular matter, the Mayor may designate another board member to officiate. Item #4, If a Council member asks to be removed from a vote. The Council will vote to approve that request. #5 The Mayor shall be considered a member of the board in determining the number on which a majority is based and in the counting the number of members actually present. Councilwoman Connie Gross made a motion to pass the items of review in the adopted rule book. Councilman John Garland seconded. All others approved. The motion passed.

New Business

#1 Contract Requirements for Security Officer & Contract Mowing/Schedule Committee Meeting: A committee was formed at the Planning Meeting to review and discuss the contract requirements for both the Security Officer and Contract Mowing. The committee included, Mike Kelly, Stephanie Danforth and Connie Gross. The contracts for both the Security Officer and Contract Mowing expires April 17, 2017. Therefore any updates or changes made should be completed by the end of the year so the jobs can be put out to bid. Councilwoman Connie Gross will schedule a committee meeting within the next month and report to the Council in the November Meeting.

#2 Plans to upgrade Front Entrance: This item has been discussed at length in the public comment portion of the meeting. Any further discussion will be delayed until the fourth bid is received. There are currently three bids ranging from \$21,374.14 to \$25,900.00. A mass email will be sent seeking public input regarding the upgrade.

#3 Check Signee in the case of Finance Officer Absence: The bank signature cards will be updated including Councilman Wehr as a signee. The State Department of Treasury recommended that either the Finance or Assistant Finance Officer be one of the signatures on the checks in all cases. Therefore in the case of Hager's absence Wehr could sign along with one other Councilmember. The cards will be updated once a new Council Member has been approved and sworn in to fill the vacancy. The new member will be added as a signee as well.

#4 2015-16 Audit Draft review: The 2015-16 draft audit has been received and copies are available at Town Hall for those interested in review. There were no deficiencies. It was a clean audit. The final draft should be received this week and will be emailed for Council review and approved in November.

#5 Appoint Vacant Council Position: Following the Planning Meeting on October 13, 2016 there were three candidates interviewed to fill the vacant Council position. The candidates were Karen Anderson, Mike Kelly, and Roy Gilliland. Acting Mayor Jim Hager acknowledged that all three were outstanding candidates. Councilwoman Connie Gross asked Councilman John Garland if he felt it would be a conflict for him to vote due to his absence during the interview process. Garland stated that he knew all three candidates well and felt confident he could vote despite not being present for the interviews. Councilman Bob Wehr pointed out that he felt the three candidates were well qualified and would be glad to serve with any of the three. Councilman John Garland agreed. Each Council member wrote their preference down for a paper vote. Karen Anderson received two votes, Mike Kelly one vote and Roy Gilliland one vote. Anderson will fill the vacant spot. Councilman Bob Wehr pointed out that Mr. Gilliland had exceeding qualifications and encouraged him to run for an elected spot in the next election. Wehr explained that he felt Karen Anderson would be helpful and supportive to Connie Gross who is currently the only female member on the board. Councilman Bob Wehr made a motion to accept Karen Anderson as the new Town of Lake Santeetlah Council member. Councilman John Garland seconded. All others approved. The motion carried.

Discussion Items

#1 Tax Report 2016: \$43,759.35 been collected in property taxes since July 1, 2016. \$147,456.85 is the remaining total to be collected.

Announcements:

Acting Mayor Jim Hager announced that there would be a Planning Meeting November 10, 2016 at 10:00AM and a Council Meeting November 15, 2016 at 10:00AM.

With no further business at this time Councilman Bob Wehr made a motion to adjourn the meeting. John Garland seconded, all others agreed. The motion carried. Acting Mayor Jim Hager adjourned the meeting at 11:28AM.

Meeting Adjourned

Jim Hager, Acting Mayor

Emily Hooper, Town Clerk