

Town of Lake Santeetlah

Council Meeting Minutes

September 19, 2017

Mayor Jim Hager called the meeting to order at 10:00AM. Council Members Connie Gross, Karen Anderson, Bob Wehr and Keith Predmore 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, with no changes or additions necessary Councilwoman Karen Anderson made a motion to approve the agenda. Councilman Bob Wehr seconded. All others approved, the motion carried.

After review of the August 15, 2017 Council Meeting Minutes there were no additions or changes necessary. Councilwoman Connie Gross made a motion to approve. Councilman Bob Wehr seconded. All others approved, the motion carried.

After review of the September 7, 2017 Special Meeting Minutes there were no additions or changes necessary. Councilman Bob Wehr made a motion to approve. Councilwoman Connie Gross seconded. All others approved, the motion carried.

Financial Report: Town Administrator Kim Matheson reviewed the balance sheet through August 31, 2017. The balance in the General Operating Checking is \$61,902.49; Water operating \$20,587.31. \$10,721.73 were the tax collections for August reported by the Graham County Tax Office. Councilman Keith Predmore suggested that a Budget Amendment be placed on the October agenda to increase the amount budgeted for the collection of property taxes. The current amount budgeted is \$9,000.00, which is lower than the cost for the previous two years. Mayor Jim Hager agreed and a Budget Amendment will be presented in October. Jack Gross asked if legal fees are a separated line item in the budget. The budgeted amount in the 2017-18 year for legal fees is \$12,000. An additional \$10,000 will be set aside from the 2016-17 fiscal year for legal fees per request of the auditor. The auditor was notified of the litigation when he visited Town Hall completing the audit and suggested this as an adjustment to cover the unforeseen legal fees. The Town had a good 2016-17 year therefore the auditor suggested this be one of the adjustments made at the end of year closing. Councilman Bob Wehr made a motion approve the financial report as presented, Councilman Keith Predmore seconded. All others approved, the motion carried.

Request for Public Comment:

Jack Gross asked about a formal complaint that was filed concerning his dogs being a nuisance to a neighboring property owner. Town Clerk Emily Hooper received the complaint and contacted the other neighbor asking if the dogs were an issue. There were no further complaints regarding the dogs. Gross received a letter from the Town explaining the complaint as well as the current ordinance. Gross asked the Council what the next step would be in regards to the complaint. Jim Hager explained that if there were no further complaints the issue may be resolved. Gross stated that the neighbor continually performed actions to antagonize the dogs. Hager informed Gross that he could submit a formal complaint if he wished to do so.

Gross asked that the Occupancy Tax vote that will be addressed later in the meeting be carefully considered by the Town Council. Gross stated, "I hope that we wouldn't agree to spend two dollars to collect one." There have been multiple meetings regarding the tax and it seems no one is in favor of the Town collecting the tax. According to Gross, the numbers presented in the past, the Town may be required to take funds from the General fund to administer the tax. He stressed to the Council to carefully consider the decision to proceed.

Tina Emerson shared her opposition to the Occupancy Tax and asked the Council to consider the audience and their on-going request not to move forward with the tax. During the Public Hearing and other workshops, according to Emerson, no one from the audience has stated being in favor of the tax.

Emerson acknowledged the agenda item in which \$10,000 was requested to be set aside for legal fees by the auditor. Emerson hopes if the \$10,000 request is in response to the lawsuit with Jack and Connie Gross that the Council would stand behind what was referenced in the May meeting that those who needed the strip of land should follow the process required and the Town would transfer the land accordingly. Emerson stated that she was aware of the upset bid that had been placed and for the Town to consider spending \$10,000 to dispute that seemed like a waste of money. Emerson would like to see that money used elsewhere within the Town.

Emerson referred to a comment made in a past meeting concerning land values of those who own the strip of land adjoining the 1817 and those who do not. Emerson stated that lake front property around the lake is all assessed at the same rate. The distance each homeowner owns would make a difference in land value.

Steve Poole asked how many votes each candidate received in the last election. Generally candidates win the Town of Lake Santeetlah Council election with less than twenty votes. No one who has sat in the meetings that voiced opinions have been in favor of Occupancy Tax. Poole ask the Council if it was worth the risk of losing votes to approve the tax.

Jeanine Degarmo read a statement regarding the lake strip and issues related. Degarmo distributed written copies to the Council (I have attached the statement to these minutes).

Betty LoBue agreed with other comments made today concerning the three foot lake strip and “turmoil” within the Town. LoBue stated that she hoped things would settle down and everyone could get the property they need.

LoBue stated that she would prefer the smaller speed bumps be installed rather than the large ones that trucks speed over and drag. The small bumps serve the purpose needed.

LoBue acknowledged that she spoke with a Real Estate agent who explained that the funds received from Occupancy Tax must be spent on the promotion of tourism which is not needed in Lake Santeetlah, therefore according to LoBue, there is no need for the tax.

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

Old Business

#1 Cochran, Anderson, Mathews, McNally and McCoy Property on Santeetlah Trail/Appraisal Report: Dana Jones, the certified appraiser has confirmed that he is unable to complete the job due to unforeseen circumstances. Brian Farley, another appraiser in Graham County, has agreed to compete the appraisal. Prior to proceeding Farley needs the actual square footage of land being released by the Town. Town Staff requested this information from surveyor Terry James, who completed the survey. James stated that in order to provide the information to Farley he will need to complete one additional survey. Town Administrator Kim Matheson will contact that homeowner to notify of the survey needed. No action was taken on this item. As soon as an update is received the Property Owners will be notified.

#2 Sewer System Survey: The Sewer Study at Lake Santeetlah is complete and the final recommendations have been received from Tetra Tech. The Town discussed composing a survey to distribute to all homeowners to gain more information on current systems and the need/desire to proceed with a solution. Tetra Tech will complete a

formal survey for \$1,490.00. Mayor Jim Hager asked the Council to consider the need and how “formal” or “informal” we would like the survey to be. This item will be on the October agenda for a decision to proceed.

#3 Replacement of Speed Bumps within the Town: Two speed bumps have been replaced as well as new signage throughout the Town. Mayor Jim Hager has received verbal requests to replace the speed bumps and complaints to remove them. Hager asked that anyone who has strong feelings regarding the bumps to please submit in writing to the Town.

New Business

#1 Approval of Collection of Occupancy Tax: Councilwoman Connie Gross made a motion, “I make a motion that we do not accept the Resolution and that the Town of Lake Santeetlah does not collect Occupancy Tax.” Councilwoman Karen Anderson seconded. Councilman Keith Predmore and Bob Wehr opposed. In the case of a tie Mayor Jim Hager votes and was also opposed to the motion made by Gross. The motion failed. Councilman Keith Predmore made a motion to approve the Ordinance for Collection of Occupancy Tax Titled (Town of Lake Santeetlah Excise Tax Accommodation Ordinance) as presented. This Ordinance becoming effective this date with the Town of Lake Santeetlah starting collection of the Occupancy Tax effective January 1, 2018. Concurrent with: A continued attempt to develop an inter-local agreement with the Graham County government. Whereby, Graham County would collect the full six percent of OT, when and if, approved by the NC Assembly, with the proviso: that the Graham County TDA would allocate an agreed percentage of the collected revenues (representative of the TOLS portion) to TOLS. Predmore expounded by stating why he made the motion: According to Predmore this motion should resolve some issues that surround the opposition others have towards the collection of Occupancy Tax: If the County agrees to collect the Occupancy Tax for Lake Santeetlah and provide a portion of the funds back to the Town then we have in some compromising fashion answered the question of how much revenue will be generated from the tax. In order for the Town to establish those monetary values we have the authorization to collect now and can proceed until the County can receive authorization by the General Assembly. During that interim period we can have facts not only estimates. During this time if the revenue isn’t what was expected we can cancel it. If the TDA will return a portion of the funds back to the Town then in some fashion we have worked with the County and answered the questions of those in the audience. Councilman Bob Wehr seconded. Councilwoman Karen Anderson and Connie Gross opposed. Mayor Jim Hager voted in the tie and was in favor of Councilman Predmore’s motion. The motion passed three to two.

#2 \$10,000 Lakeside Road Turnover, Designated Funds for Road Repair/Per Request of the Auditor: At the end of each fiscal year the auditor recommends end of year adjustments. This was a recommendation of the auditor as these funds were budgeted last fiscal year but the project was not completed. HMC Paving has provided several dates to have the project completed, the last date being early September. Town Staff will contact HMC for a follow up.

#3 TOLS Budget Amendment \$10,000 from Town Reserves to Legal Fees/Per Request of the Auditor: According to Joe Turchetti, Town of Lake Santeetlah Auditor, 2016-17 was a “good year.” With the report of the recent litigation Mr. Turchetti recommended that \$10,000 be set aside for legal fees. Councilwoman Connie Gross asked to see Mr. Turchetti’s notes in writing where he recommended this transfer. Town Staff will provide Mrs. Gross with the request. Councilman Keith Predmore made a motion to accept the budget amendment. Councilman Bob Wehr seconded. Councilwoman Connie Gross opposed. The motion passed three to one.

#4 Donation to GREAT – Dolly Parton’s Imagination Library: GREAT has requested a donation to help fund Dolly Parton’s Imagination Library. This program sends books each month to children throughout Graham County. Councilwoman Connie Gross suggested this be a TPOA or personal donation rather than Town funds being used. Councilman Bob Wehr made a motion to donate \$500.00 to this program. Councilman Keith Predmore seconded. Councilwoman Connie Gross opposed. The motion passed three to one.

#5 Motion to Recess Council Meeting until 1:00PM: Councilman Keith Predmore made a motion to recess the Council meeting until 1:00PM. Councilman Bob Wehr seconded. All others approved. The motion carried.

#6 Motion to Open Public Hearing: Councilman Keith Predmore made a motion to return from recess at 1:00PM. Councilman Bob Wehr seconded. All others approved. The motion carried.

Public Comment:

Bill Campbell stated that he would like to commend the work done on the Zoning Document and agrees with the enforcement of such regulations. Campbell acknowledged that he loved Lake Santeetlah and its beauty. The zoning regulations will help the lake to stay beautiful and prohibit unnecessary “junk” from accumulating.

Jack Gross provided history of his “tomato stand” located near Town Hall. After the last Zoning workshop Gross purposely placed the “stand” on his property near Town Hall to prove a point. According to Gross the Zoning currently in the books cannot be enforced. The Town Council immediately reacted when the “stand” was noticed and followed no procedures, there was no notice of violation but simply a demand to remove the fence. Gross acknowledged that this occurred just as he suspected it would and his point was proven. Gross explained the definition of fence is to keep something in or something out, which is not what he had constructed.

Tina Emerson expressed her concern with having enough members to serve on so many boards. The Town will need a TDA Board, Town Council, and ZBA Board.

Emerson also expressed her concern with the 25ft setback listed on the updated Zoning Regulations. Emerson stated that approximately ½ of all residents would need a variance and a variance should be an exception rather than a standard. There are many lots not large enough to have a 25ft. setback. Owners need to have the option to use their property and not be restricted with a 35ft envelope to work around. 25ft from the roadway and 10ft on each side. The height limit could be re-addressed as well.

Mayor Jim Hager agreed that the setback was difficult to work with and confirmed that the setback had been addressed at multiple meetings but no agreement could be made on a number suitable for everyone.

#7 Motion to Close Public Hearing: Councilman Bob Wehr made a motion to close the Public Hearing. Councilwoman Karen Anderson seconded. All others approved. The motion carried.

#8 Action on Zoning Regulations: Councilman Keith Predmore made a motion to defer any action with the Zoning Regulations until the items mentioned during the hearing were further addressed. Councilman Karen Anderson seconded. All others approved. The motion carried.

Discussion Items

#1 Tax Report 2017: The total collections for the 2017-18 fiscal year is \$30,629.17. \$144.78 of that amount is prior year taxes.

Announcements:

Mayor Jim Hager announced that the next Council Meeting is October 17, 2017 at 10:00AM.

With no further business at this time Councilman Bob Wehr made a motion to adjourn the meeting. Councilwoman Connie Gross seconded, all others agreed. The motion carried. Mayor Jim Hager adjourned the meeting at 1:25PM.

Meeting Adjourned

Jim Hager, Mayor

Emily Hooper, Town Clerk

Submitted by Jeanine Degarmo

I have done research regarding the property now being conveyed within the town. I have come to the conclusion that:

- 1) The 1998 Universal Life Insurance Company transfer of all unencumbered property to the town was to relieve Universal Life of all bits and pieces of untitled property such as the access points and entry way to the subdivision.
- 2) No property owner that bought a lot directly on the contour of the lake bought lakeview. All lots have been taxed as lakefront. No property owners have put a dock on their lot thinking they did not have the right to lakefront or owned lakefront property.
- 3) The walkway around the lake was initially mentioned through oral history and was originally discussed as a board walk in front of the proposed hotel/recreational area.

Finally, to clear up any and all questions regarding deeds of lakefront property owners, the mayor and vice-mayor have taken most controversial and un-neighborly resolution regarding this issue from the remedies listed in the North Carolina Statutes currently being used. The process should have been an easy quit claim as was done by previous property owners. Instead, the Mayor and vice-mayor have brought about costly lawsuits and turmoil between residents.

I am asking that the procedures to clear up the lakefront property ownership revert back to the procedure used in past with the mayor and vice-mayor's commitment to not accept upset bids and to strive to provide an expedient and clear deed for all lakefront property owners.