**Town of Lake Santeetlah**

**Council Meeting Minutes**

**November 10, 2022**

Mayor Connie Gross called the meeting to order at 5:30PM. Councilmembers Tina Emerson, Diana Simon, and Jim Hager were present for the meeting. Town Administrator Kim Matheson and Town Technician Scott Kamps were also present. Attorney Derek Allen and Councilmember Ralph Mitchell were available by Zoom. Town Clerk Emily Hooper was not present.

Emerson made a motion to open the Council Meeting. Mitchell seconded. All approved. The motion passed unanimously.

Scott Kamps presented the Invocation. Ralph Mitchell led the Pledge of Allegiance.

A video was presented to celebrate the 274th Anniversary of the Marines.

**Approval of the Agenda:** Emerson made a motion to approve the agenda as presented. Gross seconded. All approved. The motion passed unanimously.

**Approval of the October 13, 2022 Council Meeting Minutes:** Councilmember Emerson made a motion to amend the minutes to add the word “passed” under both the approval of the September 8, 2022 and September 19, 2022 minutes. The sentence should read, The motion passed unanimously. Emerson made a motion to approve as amended. Simon seconded. All approved. The motion passed unanimously.

**Financial/Tax Report:** Matheson reported the tax collection for October was $14,174.25. The paving was completed in October and paid from the general fund. There were no large payments from the water fund this month. Emerson stated that planning has started for the upcoming budget year. Matheson and Emerson have started a “chalk board” list and asked that anyone with thoughts for long term planning, maintenance or ideas that should be included in the budget to please share.

Mayor Gross introduced Shannon Dennison, Town Auditor, who would provide an overview of the FY-2021/22 audit. Dennison presented the auditor’s report which identified an unmodified opinion on the audit. This means that the company determined the financial statements were fairly presented and they were able to obtain the documentation necessary to complete the audit as needed. The total revenue for the general fund was $453,272 with $343,294 in expenditures, leaving a $333,077 fund balance. Listed on the audit is a restatement from last year’s financial statement. This consists of how items were reported on the financial statements last year between the water and general fund. This was corrected and can be presented correctly moving forward. The unassigned fund balance for the Town is $320,903. Dennison presented the budget comparison for the general fund and stated that she would work with Town officers to provide recommendations for preparations of the upcoming budget. The Town was within the budget in all categories but Capital Outlay projects. In the water fund $131,668 was charged for services. Operating expenses were $88,914, ending fund balance was $249,910. The unrestricted funds that can be appropriated in the next fiscal year totals, $102,529. Dennison explained that the Notes to the Financial Statements could be reviewed in detail for more explanation of fixed assets, cash balances and receivables. The excess of expenditures over appropriations was addressed in the notes of the financial statements and points out the overage in capital outlay and also the TDA. Dennison stated that if a change is made in this area the firm would come back and explain the change at a later meeting. According to Dennison they are currently working with the LGC on categorization of expenses in order to be certain that the note is correct as stated. Emerson pointed out that the overage in the general fund in Capital Outlay for $78,955 was the front entrance. The funds/donations came in during different fiscal years and it wasn’t categorized or recorded as it has to be for audit purposes. It wasn’t specifically an overage, but rather a recording error. The TDA revenue was $22,123, $30,800 in expenditures leaving a fund balance of $25,579 as of June 30th. This budget is posted on the Town website for those interested in further review.

Hager asked Dennison if there was anything noticed in the audit that would prompt a visit from the State Treasurers office. Dennison stated there was not.

Jack Gross asked, “with regards to the TDA over spending by 10%, that was unauthorized, am I correct that you stated there is an on-going investigation on that issue” Dennison has reached out the LGC with this question. There are a couple of expenditures (fees for audit and insurance) that is uncertain which “bucket” those fall into. Depending on which “bucket” those go in will determine the overage. There is some ambiguity in the law therefore Dennison reached out for additional guidance to determine what area these items should be listed under. Gross stated that he attends 99% of the TDA meetings and he believes the only way to legitimize spending on the front entrance was to post a sign stating that TDA funds had been spent on the project and to date there has been no sign to identify that.

Diana Simon, chair of the TDA, stated she had not used the debit card for signs because Emerson restricted her usage.

Mayor Gross stated that there had been a request for the debit card for the TDA to be left at Town Hall. Simon asked for a formal request on Town letterhead.

Jack Gross asked if he was understanding correctly that the TDA chair had been asked to surrender the Town debit card and she refused unless the request was put on Town letterhead.

Simon stated she had spoken with Dennison and was informed that the Mayor had no right to request the debit card.

Jack Gross informed Simon that she worked for the Council.

Mayor Gross told Simon to turn in the card as asked and not to spend any more TDA funds. Simon stated that there would be debits from the account for renewal of software and Christmas décor. Simon confirmed that Dennison was aware of the purchases and told her not to cancel the Christmas decoration order. Gross repeated, do not spend any more funds and turn the card in.

**Request for Public Comment:**

Jack Gross: “With regards to the TDA the overwhelming majority of those in attendance did not support the moving forward with the establishment of the TDA for the Town of Lake Santeetlah. The Council passed a Resolution with a 3-2 vote. Now here we are and everyone’s expectations have come to prove. Diana Simon was placed as the TDA chair temporarily at the beginning. She does not collect the tax, yet past Council reaffirmed her to the position. Many community members stated how hard it would be to properly and legally spend TDA funds. It has now become apparent that the fears of those community members were true. I personally attend 99% of the TDA meetings. I was not able to attend the last meeting due to lack of notification and no Zoom attendance was offered. Gross was advised that the meeting was all about himself, Jack. The statements made by the chair, Diana Simon were assumptions, plain and simple. The TDA expenditures made in regards to the front entrance would be described as legal only if a sign was installed identifying that the planter and landscaping was funded by TDA. There is no such sign to date. With the proof of the actual government audit, my opinion would be that Diana Simon, who served at the pleasure of the Town of the Lake Santeetlah Council be removed from the position of the chair of the TDA hopefully next month.”

Simon commented, “Section 3 Attendance/Removal, please refer to that.”

**Old Business:**

1. **Report on lease of Robbinsville’s tool for water line identification:** Mayor Gross stated the agreement had been approved and signed by the Town of Robbinsville. Scott Kamps and Robbinsville’s employee would work together on a schedule moving forward. Kamps hopes to begin sometime after Thanksgiving.
2. **Update of repairs on exit gate:** The exit gate continues to provide issues even after several attempts of repair by the repairman. Kamps has the manual and plans to try and identify the problem as he has the time. There are signs posted with instructions and a button that can be pressed to automatically open the gate if needed. The gate will remain open until Kamps identifies the problem.
3. **Ethics Training:** According to State law all Councilmembers are required to complete ethics training within one year of being elected. Gross stated that only three had currently completed and turned in the certificate. Simon acknowledged that she was certified and had turned in the certificate. Hager still needs to complete the course.

**New Business:**

1. **Report on training for Edmunds Financial Software/Kim Matheson:** Matheson explained the Edmunds software has a lot of capabilities that will benefit both residents and Town Staff. The front entrance project, could have been categorized in the software and all donations could have been tracked easily with the software. Residents will have the capability to go online and pay water payments. Notifications can be sent straight to Kamps, such as, turning water off and on or reading a meter on a certain day. Payroll will be done by Town Staff and no longer outsourced, saving the Town approximately $10,000 annually. Making the transfer takes time, it seems that it will be July when the new software goes “live.”
2. **TDA & Planning Board Member – Tanya Capeling Resignation:** Mayor Gross acknowledged that Capeling sold her house and resigned from both the TDA and Planning Board.
3. **Policy for Parking on Town Property:** Gross pointed out that complaints had been received for commercial equipment being parked on Town property for long periods of time. Gross has spoken with the Town attorney about the best way to approach the issue. The attorney advised to start by placing signs in the area. The Council should then proceed to work on a policy that can be enforced to prohibit commercial equipment from parking on Town property for an extended period. Gross acknowledged that contractors bring in equipment and need to park a trailer for a few days in the area but this particular piece has been there for an extended time. The Town is being taken advantage of according to Gross resulting in the need for signs and a policy. Simon asked if the owner had been asked to move it. Gross has asked for the equipment to be moved and it was for a short period but has since returned. Simon stated she spoke with the homeowner yesterday and the equipment is being used to remove a roof on a house and would be used again shortly. Hager informed Gross that the Council must be careful about picking and choosing who they would pick on. Gross owns the property above Town Hall and the deed says that one passenger vehicle can be parked on Town property, Hager pointed out the trailer at Town Hall was not considered a, one passenger vehicle. Emerson stated that the item on the agenda stated policy for parking on Town property. The Council should discuss should there be a policy and share ideas for a policy if so. Matheson explained that there isn’t a lot of room available for parking within the Town and there should be a policy to determine what is allowed, time frames and so forth.

Resident Ralph Strunk suggested that the front entrance be restricted to 30 minute parking. Strunk also acknowledged that he was not informed that there was a 3% surcharge when paying the water bill by credit card. Strunk asked that Staff inform residents of this fee. Matheson explained that if he was not informed it was staff error. Typically anyone who asks to pay with a card is informed of the fee.

Kelly Keith, owner of the commercial equipment being discussed, stated that they did not plan to have it parked there for a long period of time. There has been a delay with the contractor. The equipment will be used to remove the roof from their home and then taken back to Asheville. Keith apologized for the delay and hopes to have it moved soon. The expense of moving the large piece back and forth seemed avoidable by leaving it parked in the area, but Keith didn’t realize that it was causing this amount of trouble. Keith acknowledged that someone from the office had contacted her husband about moving it, but they had not spoken to anyone from the Council.

Chris Bradley shared an idea of approaching Randall Veal about using the upper lot at the Marina for large equipment parking for a short period.

Alan Davidson stated in order to handle the issue of parking on Town property and avoid picking and choosing, all parking could be permitted. A permit could be obtained at Town Hall. No parking (for longer than 30 minutes) signs posted throughout the Town and if longer time frame is needed it must be permitted. Mayor Gross asked for a volunteer to write down ideas for a policy to present at the December meeting. Emerson agreed to work on this request.

**Discussion:**

1. **Graham County Christmas Parade:** Mayor Gross stated the Graham County Christmas parade is December 10th. Gross would like for the Town to participate. If anyone would like to volunteer please contact Mayor Gross.

**Final Public Comment:**

Jack Gross stated the Trunk of Treat held by Robbinsville was an outstanding event. A few community members dressed as pirates for the evening and had a booth handing out candy and treats to approximately 1000 kids. Gross thanked everyone who helped and attended.

Susan Robinson praised the Council and staff for progress being made in certain areas. The new software sounds exciting and beneficial for the Town. Robinson stated, it is the expectation of the taxpayers of this town that at all times during Town Council meetings a tone respect remain towards fellow Council members and residents. It is very important if all the facts are not available, just as the auditor stated during her presentation, that no assumptions are made. The word investigate can be interpreted as some type of wrongdoing, however is often common verbiage of an auditor. Please reserve any judgement until all facts are received. If there are issues that are not listed on the agenda please don’t argue about it during a Town Council meeting, Robinson asked. Treat each other with respect and work together as a Town.

Ralph Strunk thanked everyone involved with the front entrance project.

**Announcements:**

* The next regular scheduled Council Meeting will be held December 8, 2022 at 5:30PM. This meeting will be held at Town Hall and by Zoom.
* Town Staff and Council will have a special Christmas dinner at 4:00PM prior to the meeting on December 8th. We would love for you to join us as we celebrate this season.
* Town Hall will be closed tomorrow, November 11th in honor of Veteran’s Day.

**Motion to Adjourn.**

Councilmember Hager made a motion to adjourn the meeting. Emerson seconded. The meeting was adjourned at 6:40PM.

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Connie Gross, Mayor Kim Matheson, Town Administrator