

**MINUTES OF THE TOWN OF LAKE LURE
REGULAR TOWN COUNCIL MEETING**

Tuesday, June 9, 2026 @ 5:00 pm
Town Hall at The Landings



Agenda

Roll Call:

Mayor, Carol C, Pritchett
Commissioner Patrick Bryant
Commissioner Scott Doster
Commissioner Jim Proctor
Commissioner David DiOrio

Town Manager, Olivia Stewman
Marty Benson, Attorney
Kimberly Martin, Town Clerk

Absent

I. Call to Order

Mayor Pritchett called the meeting to order at 5:01 pm.

II. Agenda Adoption

Commissioner Patrick Bryant made a motion to adoption the agenda with the addition of Item I Resolution No. 26-06-09B Authorizing the Town Manager to Apply for and, if Awarded, Accept, Receive, and Administer a Federal Emergency Management Agency (FEMA) Community Disaster Loan (CDL) in an Amount up to 1,962,872.00. Commissioner Jim Proctor seconded the motion, and all were in favor.

III. Mayor's Communication

Mayor Carol C. Pritchett welcomed attendees and expressed appreciation for the community's continued support of the Town of Lake Lure.

Patricia Temple who on May 8, 2026, swam the circumference of the lake including the major coves raised more than \$10,000. A check was presented to Dustin Waycaster for the first responders to be used as needed.

Mayor Carol C. Pritchett presented Patricia Temple a proclamation recognizing her courage and dedication to bring such positive attention and inspired support for the ongoing restoration of Lake Lure.

IV. Town Managers Communication

A. Monthly Report/ Storm Recovery

Town Manager Olivia provided updates on storm recovery, lake operations, infrastructure projects, and community initiatives.

May was a highly active month for the Town, with significant progress on storm recovery, infrastructure projects, grant applications, and operational initiatives.

The Town continues working with FEMA, state agencies, and grant consultants to secure funding and reimbursement for Hurricane Helene recovery projects. Multiple grant applications have been submitted through programs including FEMA Public Assistance, HMGP, CDBG-DR, EDA, ARC, and House Appropriations Community Project Funding.

The Town received several funding awards, including:

- \$562,500 toward the sewer replacement project.
- A Disaster Relief Mitigation Fund grant for a dam failure impact study.
- Multiple Hurricane Helene State Revolving Fund loans, including funding for the wastewater treatment plant, Yacht Island waterline, and chemical storage facility.

A \$31 million State Revolving Fund loan was offered for sewer replacement, including \$6 million in principal forgiveness.

More than **\$5 million** in FEMA project obligations have been approved across debris removal, emergency measures, bridge design, water and wastewater repairs, road damage, and engineering projects. Additional obligations totaling approximately **\$3.6 million** remain pending reimbursement.

Fuel pump, Lake Lure Tours docks, marina building, and boardwalk reconstruction continue. Material delivery delays pushed completion beyond Memorial Day. Tour boat docks are expected to be operational by mid-June. Full marina and boardwalk reconstruction remains on track for mid-July completion.

Contracts have been carried out with NHM Constructors for the Boys Camp Bridge Replacement. Construction is expected to begin in late June with a 120-day completion timeline.

Permitting, easement acquisition, and design efforts continue for the Sewer replacement. FEMA discussions regarding funding have been encouraging. Funding availability remains a key factor in project advancement.

Schematic design is complete and entering the next phase of development. Schnabel is expected to complete the 30% design phase in June before moving into detailed design.

Sediment haul-off is nearly complete. The Town is pursuing permits for expanded dredging and preparing for the 2027 dredging cycle. Dam debris boom anchors have been installed. Engineering is underway for a redesigned boom system near Morse Park.

Following the conclusion of the SMART Program, Town staff resumed debris collection. Pickup schedules have been established, with residents required to submit requests through the Town's service request system.

Helene recovery funding was secured to connect residents who lost well water access to the municipal water system. The Town is evaluating a possible extension into the Lakeridge area if funding permits.

Lake level gauges are operational and provide real-time data through the Town website. Stream gauge installation is in progress.

Draft revisions have been completed for the comprehensive plan. Public review and board discussions are scheduled through the summer. Council adoption is anticipated in August.

Construction preparation has begun with grading and survey work underway for the Public Works Building. FEMA will not fund a replacement building for Town Hall. The Town will focus on rehabilitating the existing facility. Cost estimates between FEMA and the Town remain under review before full restoration begins.

The Town continues making substantial progress on recovery from Hurricane Helene while simultaneously advancing major infrastructure projects. The primary focus remains securing outside funding, restoring critical utilities and facilities, rebuilding lake-related infrastructure, and improving long-term resilience through mitigation and planning initiatives.

Staff assisted with setup of the new water park equipment at the Beach Marina and completed cleanup of the beach area in preparation for the summer opening season. Staff also launched the lake debris cleanup program, with cleanup operations now occurring on the first and third Wednesdays of each month to support ongoing lake maintenance and safety efforts.

Downtown park areas were cleaned and maintained, and staff prepared flower beds, planted seasonal flowers, spread mulch, and installed hanging baskets throughout the downtown area to enhance community appearance. Staff also provided setup and takedown support for multiple community events, including the Lake Opening Ceremony at Morse Park, the craft fair, and the Memorial Day event at the Lake Lure Inn. In addition, staff unloaded a truckload of art supplies and donations at Lake Lure Classical Academy and cleaned the AT&T lot in preparation for the ribbon cutting ceremony.

Staff completed repairs to the roadway at Proctor Road and Wolf Creek and finished asphalt patching operations on Washburn Road, Asa Gray Drive, and Fred A. Olds Road. Roadside and intersection mowing and weed eating activities continued throughout Town to maintain visibility and appearance. Staff also assisted with setup of the belt press at the Wastewater Treatment Plant to support utility operations.

Utility Maintenance Technicians Cody McFalls and Donnie Martin completed the Hand Built Trail class to support continued improvements and maintenance of Town trail systems.

Director Williams reports that the department continues providing permitting support and guidance as residents move forward with repairs and rebuilding projects. Staff also continued assisting property owners affected by Tropical Storm Helene. The following permits were issued in May:

- 17 Zoning Permits
- 12 Lake Structure Permits
- 8 Vacation Rental Operator Permit
- 13 Certificates of Completion

The Fire / Emergency Management Department responded to 36 fires, medical, and rescue calls in May. Firefighters completed 428 hours of training, reflecting a continued commitment to professional development, preparedness, and operational readiness.

Throughout the month, officers maintained a strong presence across Town while supporting numerous community events celebrating the reopening of Lake Lure and the start of the busy season. With hundreds of visitors returning to enjoy the lake, downtown, and local attractions, officers remained actively engaged in traffic control, event support, public safety operations, and routine patrol activities. The increased activity throughout Town reflects the continued return to normalcy and the community's excitement as Lake Lure welcomes residents and visitors back for the summer season.

Overall, the Finance Department has maintained strong oversight of revenues and expenditure, completed audit preparations, and continues to actively pursue funding opportunities to support the Town's ongoing operations and financial stability.

Throughout May, Communications Director Laura Krejci successfully managed public engagement, social media, grant coordination, and event planning, ensuring transparency, active community involvement, and effective dissemination of critical Town information.

V. Council Liaison Reports and Comments

Commission Scott Doster reported that the ABC Board met in May and things continue to do go well. Will be upgrading equipment which will be included in the 26-27 Budget. Currently progressing with inventory and store audits.

The Zoning and Planning Board did not meet.

Commissioner Dave DiOrio advised that the Board of Adjustments did not meet this month. The Lake Advisory Board met and continue to monitor lake operations. Large police presences with citations being issued due to non-permitted boats. Plans are in the works for a non-motorized boat ramp in the river channel.

Commissioner Jim Proctor advised the Parks and Recreation board met and volunteer hours continue to be recorded and the trail work being done is impressive. New trail should be opening soon. Flowering bridge has plans to recreate Rainbow Bridge and received a donation from united way in the amount of \$66,000. Also, we have met with Foothills to review the comprehensive plan.

Commissioner Patrick Bryant advised the short-term rental board met on May 28th. Discussions continued and a recommendation has been made to council for a fee increase from \$300 to \$500. Recommendations have also been made to zoning and planning to review occupancy and parking requirements. The board continues to review short-term rentals with guidance from the town attorney and town staff.

VI. Public Hearing

a. Ordinance No. 26-06-09 Adopting the Fiscal year 2026-2027 Budget

i. Staff Report

Town Manager, Olivia Stewman provided the general fund budget set at \$8,829,487, water/sewer fund at \$1,237,770, electric fund at \$1.

Overall tax rate increased by \$0.02 to 37.7 cents per \$100 assessed value
Shifted 2 cents from municipal services to fire district tax to cover fire department operating costs. Budget supports replacing aging fire engine, addressing firefighter pay deficits, and staffing needs.

ii. Public Hearing

There were no public comments for the public hearing.

Commissioner Jim Proctor made a motion to leave the closed session.

Commissioner Dave DiOrio seconded the motion and all were in favor.

iii. Commission Deliberation

Board discussed the proposed budget and no issues were mentioned.

iv. Consideration for Adoption of Ordinance No. 26-06-09 Adopting the Fiscal year 2026-2027 Budget

Commissioner Jim Proctor made a motion to approve Ordinance No. 26-06-09 Adopting the Fiscal Year 2026-2027 Budget. Commissioner Dave DiOrio seconded the motion and all were in favor.

b. Ordinance No., 26-06-09A Amending Chapter 36 ("Zoning") to Limit the Size of Accessory Buildings

i. Staff Report

Community Development director, Mike Williams, presented to council the changes being recommended to the accessory buildings. Zoning and Planning noticed some discrepancies in the wording from when it was first presented. These have since been reviewed and corrected. (available upon request). Addresses concerns over oversized storage buildings, becoming unintended living spaces. Applies to residential zoning districts to maintain neighborhood character. Zoning and planning board supported the proposal after reviewing community concerns.

ii. Public Hearing

There were no public comments for the public hearing.

Commissioner Scott Doster made a motion to leave closed session.

Commissioner Patrick Bryant seconded the motion and all were in favor.

iii. Commissioner Deliberation

Council reviewed the redline changes provided and no additional comments were made.

iv. Consideration for Adoption of Ordinance No. 26-06-09A Amending Chapter 36 ("Zoning") to Limit the Size of Accessory Buildings

- v. Commissioner Scott Doster made a motion to approve the Adoption of Ordinance No. 26-06-09A Amending Chapter 36 ("Zoning") to Limit the Size of Accessory Buildings. Commissioner Patrick Bryant seconded the motion and all were in favor.

VII. Consent Agenda

A. Approval of May Minutes

Commissioner Dave DiOrio made a motion to approve consent agenda as presented.

Commissioner Jim Proctor seconded the motion and all were in favor.

VIII. Unfinished Business

There was no unfinished business.

IX. New Business

A. Consider Approval of 2027 Drawdown Schedule

Town Manager, Olivia Stewman advised drawdown allows sewer repairs, ramp construction, dredging, and seawall work. Contractors must complete work by March 15 for lake refilling flexibility. Town will only draw down as long as necessary, with progress monitored closely.

Commissioner Jim Proctor made a motion to approve the 2027 Drawdown Schedule.

Commissioner Dave DiOrio seconded the motion and all were in favor.

B. Consider Adoption of FY26-27 Utility Fee Schedule, Land Use Fee Schedule, and General Fee Schedule

Town Manager, Olivia Stewman provided new fee schedules. Fee increases mostly with the utilities. Water connection fees increased to cover rising material and installation costs. New policy for water connections over 2 inches to be billed actual cost to property owners. Short-term rental permit fee raised from \$300 to \$500 based on advisory board recommendation.

Commissioner Scott Doster made a motion to approve FY26-27 Utility Fee Schedule, Land Use Fee Schedule, and General Fee Schedule. Commissioner Dave DiOrio seconded the motion and all were in favor.

C. Consider Adoption of FY26-27 Salary Grade

Town Manager, Olivia Stewman provided a brief statement advising with the recent salary study the town conducted there were some gaps in pay scales. The new pay scale reflects these changes. The approved budget includes these changes along with a 2.8% Cola (cost of living adjustment).

Commissioner Patrick Bryant made a motion to approve the FY26-27 Salary Grade. Commissioner Scott Doster seconded the motion and all were in favor.

D. Review Draft Memorandum of Understanding with Camp Lurecrest and Consider Authorization for the Town Attorney to Finalize the MOU, with Assistance from Town staff, and for the Town Manager to Execute the Final Agreement

Town Manager, Olivia Stewman advised the MOU outlines mutual commitment with Camp Lure Crest for easement access supporting lake drawdown work. Labella contracted for design.

Commissioner Dave DiOrio made a motion to approve the Draft Memorandum of Understanding with Camp Lurecrest and Consider Authorization for the Town Attorney to Finalize the MOU, with Assistance from Town staff, and for the Town Manager to Execute the Final Agreement. Commissioner Scott Doster seconded the motion and all were in favor.

E. Consider Approval of Labella Task 27 for Mallard Cove Deep Water Access Ramp

Labella contracted for design at a cost of \$76,300, plus optional \$15,000 for permitting and construction support. Design timeline aims to complete permits and bids before next lake drawdown season.

Commissioner Jim Proctor made a motion to approve Labella Task 27 for Mallard Cove Deep Water Access Ramp. Commissioner Dave DiOrio seconded the motion and all were in favor.

F. Consider Adoption of Resolution No. 26-06-09 Supporting Legacy Tree Fund Grant Application

Town Manger, Olivia Stewman advised town staff pursued grants for community improvements and updated audit contracts to reflect extended review timelines. \$5,000 Legacy Tree Fund grant application to enhance Morris Park tree planting. Matching contribution up to \$5,000 to be met via volunteer labor and staff participation

Commissioner Jim Proctor made a motion to approve Resolution No. 26-06-09 Supporting Legacy Tree Fund Grant Application. Commissioner Patrick Bryant seconded the motion and all were in favor.

G. Consider Approval of Amendment to the FY 2024 Audit Contract and Authorization to Execute the FY 2025 Audit Contract

Finance Director, Steve Ford provided a brief overview of the Audit Contract. FY24 audit contract amended to cover additional time and coordination delays. FY25 audit contract authorized to proceed under new terms with improved legal support

Commissioner Jim Proctor made a motion to approve Amendment to the FY2024 Audit and Authorization to Execute the FY 2025 Audit Contract. Commissioner Patrick Bryant seconded the motion and all were in favor.

H. Resolution No. 26-06-09A Directing the Town Clerk to Investigate a Petition Received Under G.S. 160A-31

Town Manager Olivia Stewman advised that the town has received a petition for a voluntary annexation for parcel 1656091. The process has been verify with the attorney and the first step is to pass a resolution allowing the town clerk to investigate the petition to be sure it meets all requirements. Once complete then the town can move onto the next steps of the process.

Commissioner Scott Doster made a motion to approve Resolution No. 26-06-09A Directing the Town Clerk to Investigate a Petition Received Under G.S. 160A-31. Commissioner Dave DiOrio seconded the motion and all were in favor.

I. Resolution No. 26-09-09B Authorizing the Town Manager to Apply for and , If awarded, accept, receive, and administer a federal Emergency Management Agency (FEMA) Community Disaster Loan (CDL) in an Amount up to \$1,962,872.00

Town Staff have been working with FEMA on their community disaster loan which provides bridge funds to local governments for recovering or for covering operational costs after a disaster. Which revenues are impacted, which the town certainly were. The discussions with them began shortly after Helene. And FEMA has now concluded that we are eligible for an amount of \$1,962,872. As mentioned during the budget discussion, our property tax collection rate really did not decline like we thought it might. So, this does not account for any loss there but mostly for recreational loss. That's the majority of what we're looking at here. This would help with cash flow and continued recovery.

Commissioner Jim Proctor made a motion to approve Resolution No. 26-09-09B Authorizing the Town Manager to Apply for and, if awarded, accept, receive, and administer a federal Emergency Management Agency (FEMA) Community Disaster Loan (CDL) in an Amount up to \$1,962,872.00. Commissioner Scott Doster seconded the motion and all were in favor.

X. Public Comment

Tim Fisk: 132 Tanner Dr.

Here to speak on behalf of the new sewer project. I am a landowner and the town has requested an easement from. I am surprised by the agreement. (Read agreement that he received out loud) I want the Town to be aware of this and will have to further think.

Town Manager, Olivia Stewman, would reach out and speak with him regarding the easement. The town is always willing to negotiate and work with residents.

Billy Clarke: Attorney

Billy Clark, lawyer with Robert Stevens in Asheville and I represent Luring Properties llc. Carmen Scott and James Scott are here. They own the property in Mallard Cove which is right next door to the Camp Lurecrest property where you have made a decision to evaluate the possibility of constructing an easement and access road and boat ramp in Mallard Cove. First of all, I'm disappointed because we've been dealing with the town since January of this year. I had a public records request I submitted. Then we did have an opportunity to meet with the town manager and the town public works director, and we heard the Labella guy on the phone and we got February 27th proposal sent another public records request to the town attorney Marty Benson on April 30th to which I got an email response today. And that letter clearly asked for any public records related to this project. I didn't find out until yesterday through my own efforts that this matter is going to be in the town agenda tonight. So, we have an outstanding public record request and we're going to insist that any town records on this project, including emails and text messages are to be provided to us. And if not, we'll have to pursue legal remedies. That's item one.

And the Scotts have driven up here from Charleston today to be here three and a half hours to attend this meeting. The second thing is we think there are significant environmental issues and I outlined those in a letter which I sent to Mr. Benson yesterday and I sent the copies. If anyone doesn't have it, I'm glad to provide that letter to you. Concerns in those letters are significant. We don't think that proper setback is even wide enough to build a turnaround spot down next to the lake. The ramp will interfere probably with the Scott's dock and it will probably increase boat traffic coming in and out of there will probably interfere with their access to the lake. I'm going to let the Scotts speak for themselves make their own presentations here. Those are our concerns, we outlined them and we're going to monitor this project.

Carmen Scott: 269 Charlotte Dr.

Good afternoon council. My name is Carmen Scott. I am the homeowner, one of the homeowners at 269 Charlotte Drive. It is a second home for us but we do spend a significant amount of time there and as Billy said, we live immediately adjacent to parcel. It is unfortunate that we must be here tonight because we have been trying to deal with the town and express the issues that we believe prevent this project from moving forward since January, since we first learned about it. And I'm also a little stunned that the council voted to proceed at least initially with investigating the project when this is a very boldly contested matter. As has been noted by various correspondence sent to council, sent to the town manager and to the town council. We have outlined in those letters not just our concerns but the legal issues that we see there being for the town and legal remedies that are available to us as homeowners should

the town proceed. The town has proceeded and we believe that due diligence is a lack of. In these. In this project. For multiple reasons we believe this parcel does not work. The first is that this is a very residential area. Anyone familiar with Mallard Cove knows that. It does not allow for industrial usage. What is proposed is very industrial usage. You're proposing moving barges and heavy equipment and excavators down a gravel road that is going to go into what is only a residential area. But as Billy said is very, very narrow and close to our property. To allow for this to turn into an industrial area would be illegal. As you probably know, North Carolina only allows for spot zoning in very specific under very strict criteria, none of which the town meets. Even if this area could be resumed, we don't believe that the town can meet any of the setback requirements as outlined in previous questions correspondence to the town. There are significant setbacks that must be met. Even if it's determined to be a public project, there are significant setbacks that have to be met. The environmental damage that Billy touched on. We have engaged an environmental consultant who has provided his assessment of this area. And we believe that there are significant environmental issues, including the potential of endangered species on the. The lake, as mentioned before, is under hot scrutiny right now about the water product quality issues. It's all over the press and I understand that there are efforts to mitigate that. But it is an issue on a personal level. There is a significant effect of our enjoyment of our property. This will not only devalue our property significantly, but we do not believe that this ramp as proposed by Labella. I would challenge each of you to visit the site and look at it. Our boat house sits immediately parallel to this site. It is impossible to do this. And finally, thank you for the additional time. We believe that there's another site on the lake that is perfectly appropriate for this. It is already zoned commercial. It meets the zoning requirements. No set of issues exist on that property. It doesn't require road construction. There's already a road constructed there. No infrastructure would be needed other than the positioning of a ramp. So, we implore the council to reconsider his project. To reconsider spending taxpayer money before knowing these issues and going forward with this.

James Scott: 269 Charlotte Dr.

James Scott, I appreciate the situation you guys are in. It's a difficult job and it is a tremendous job that you guys have been through for the last 18 months. And I know it's very difficult getting stuck having to arbitrate these kinds of issues. But I did want to echo what Carmen and what Billy said here. I've actually brought some photos too. I think that'll help illustrate it. What's been identified by Headwaters environmentally higher. It is a wetland issue. It has stream issues, has soil issues. It also has likelihood of endangered turtles. We take it upon ourselves to do the due diligence. We hope that the town will do the same. As Carmen noted. It also doesn't meet any of the zoning requirements. It's residentially zoned. You would have to rezone. Has a whole host and check challenges there. Now I've been coming up Lake Lure since I was a student at Walter College. In fact, one of my fraternity brothers who I first introduced me to Lake Lure lives right across the lake for me. We get together every summer with our kids and whatnot. We bought this house a number of years ago as our second home. So we retired in 10 years. We love how it is a pristine, beautiful area. The fish here are incredible. I see the fishermen out there every morning. What is proposed for Mallard Cove is effectively a port. If you look at the proposal it is for barges, excavators, heavy equipment and debris. Ask yourself 6 o'clock in the morning. Do you want to hear those barges coming in there? Do you want to hear those excavators backing up and

getting on there at the end of the day, do you want to sitting out there enjoying a sunset which are beautiful and out there you see the barges coming back in and unloading debris. What happens if there's a flip over of an excavator there? This is a pristine environment here that the town is now looking to literally change. It's a very steep gorge. You would have to kind of carve all the way down in there. You're going to upset the soil. We all know about the slides that have gone on over here for the last 18 months. Even just more recently the that we're creating a hazard here. We're encumbering taxpayers with hundreds of thousands of dollars to construct this then potentially have to litigate it if it goes that far. When there are other properties available. What we have asked, continue to ask and been asking since January is for the town to do its due diligence and look at these other properties. We recognize that it's close to the staging area there at the old golf course. We ask the town to reconsider this decision to protect on of our awesome coves.

Andrew Souther: 131 Sunset Lane

I want to thank you all for all the work and continued support. It reflects people's dreams and visions. The other thing I had a question on was on the floating dock. That was by Lured Market. That little chapel. There was about a four-slip floating dock. Did that survive the storm? Is that going to make it back?

Yes, they will be put back.

XI. Closed Session in Accordance with G.S. 143-318.11 (a)(3) for Attorney Client Privilege or Legal Claims

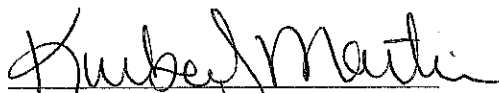
Commissioner Patrick Bryant made a motion to go into closed session in accordance with G.S. 143-318.11 (a)(3) for Attorney Client Privilege or Legal Claims. Commissioner Jim Proctor seconded the motion and all were in favor.

Commissioner Patrick Bryant made a motion to leave closed session. Commissioner Dave DiOrio seconded the motion and all were in favor.

XII. Adjournment

Commissioner Scott Doster made a motion to adjourn the meeting, Commissioner Jim Proctor seconded the motion and all were in favor. The meeting ended at 7:11 pm.

ATTEST:


Kimberly Martin, Town Clerk


Carol C. Pritchett, Mayor

