

BANNER ELK TOWN COUNCIL MEETING

November 10, 2025

MINUTES

The Banner Elk Town Council met on Monday, November 10, 2025, at 6:00 p.m.

Council Members present: Mayor Brenda Lyerly, Mike Dunn, David Lecka, Robert Tufts, and Charles VonCanon.

Staff present: Town Manager Rick Owen, Chief Kevin Hodges, and Attorney Eggers.

Call Meeting to Order

At 6:00 pm Mayor Lyerly called the regular Town Council meeting of November 10, 2025 to order.

Pledge of Allegiance

Mayor Lyerly led those in attendance with the Pledge of Allegiance.

Invocation

Council Member VonCanon opened the meeting with prayer.

Approval of Minutes

The Town Council Meeting minutes for October 13, 2025 will be approved at a later date.

Public Comments

There were no comments.

Approval of Stated Agenda

Mayor Lyerly asked for a motion to approve or amend the stated agenda. Council Member Dunn made a motion to move Agenda Item 5 to Item 1 and removed Item 1 from this month's agenda and Council Member Lecka seconded the motion. The motion passed unanimously.

Presentation of ABC Audit Report - Bonnie Betz

This item was removed from this month's agenda.

(formerly Agenda Item #5) Review Recommendation of Award for Wastewater Plant Improvements - Manager

Manager Owen reminded Council that the Town received money from the state budget for ARPA funding for Wastewater Treatment Plant upgrades and McGill Engineering has been working on those designs for quite a while. They were put out for bid and two were received.

Keith Webb with McGill Engineering presented the two bids that were received to add a second clarifier at the Wastewater Treatment Plant. Haren Construction Company Inc. was the low bidder after two attempts to obtain bids. He recommended that the Council tentatively accept this bid to be sent to the state for approval and wait for it to be sent back to the Town for formal reward of contract.

Manager Owen stated that the estimate given for this project was \$1.2 million dollars but none of the bids are coming in near that number. Mr. Webb explained that there is uncertainty about the delivery of materials and that contractors are overwhelmed with projects. Manager Owen explained that the number of jobs, and the funding challenges involved with them, for recovery from Helene impacts the ability to get funding and contractors for any jobs that are needed and were planned before the storm. He stated that the town needs to move on this job even if it is not ideal timing because access to the special state funds will expire by December 2026. Manager Owen stated that the town would use the partial funding through ARPA and look for different ways to make up the difference from the ARPA funding to the current bid of 2.7 million. Council Member Lecka asked about the projected start date and Mr. Webb

stated that it is expected to be March 2026. Manager Owen directed the Council to a draft of a resolution in their packet for awarding the contracting the work for the wastewater plant improvements.

Council Member Tufts made a motion to tentatively approve the recommendation to award the contract of wastewater plant improvements and Council Member VonCanon seconded the motion. The motion passed unanimously.

Resolution Authorizing Grant Application to the North Carolina Disaster Relief & Mitigation Fund - Chief Hodges

Chief Hodges explained that the Resolution allows him to apply for DRMF (Disaster Relief & Mitigation Fund) money to remodel a section of the historic school property for a police department.

Council Member Lecka asked if the decision had been made not to return the police department to its pre-Hurricane Helene location and Mayor Lyerly stated that she thought that it had. She expressed her support for the police department not going back to that location and the Council was in agreement. Council Member VonCanon asked what portion of the back Historic Banner Elk School building does the police department intend to utilize. Chief Hodges stated that they intend to use the whole back building with the front classroom being available for public use. He stated that the cafeteria space would become the new office space and that the whole back building would be remodeled to create office space, public space, and an emergency operations center space. The public space would allow for Woolly Worm use or other organizations that need a place to work away from their center. He stated that the application will not produce money that will fund the project in its entirety because of the emergency operations center. There would likely be a \$400,000 to \$500,000 shortfall, but he would also be pursuing other avenues for funding.

Council Member Lecka made a motion to approve the Resolution Authorizing Grant Application to the North Carolina Disaster Relief & Mitigation Fund and Council Member Dunn seconded the motion. The motion passed unanimously.

Designation of Applicants Agent, NC Department of Emergency Management - Manager

Manager Owen stated that under the Federal Emergency Management Agency, the state requires the Town to designate an Applicants Agent. He stated that he would be designated as the primary agent with Chief Hodges as the secondary Applicants Agent. The state needs the form recognized and passed by Council.

Council Member Dunn made a motion to acknowledge acceptance of the Agency Application form that designates Rick Owen as Primary Applicants Agent and Kevin Hodges as Secondary Applicants Agent and Council Member Tufts seconded the motion. The motion passed unanimously.

Harvin Engineering Contract Amendment - Manager

Manager Owen stated that Harvin Engineering is one of the two engineering companies that the Town is working with for Helene repairs. He explained that this would be contract amendment #2 and is to amend the current contract to include a line item for billing for a structural engineer to the contract.

Council Member VonCanon made a motion to approve the contract amendment and Council Member Tufts seconded the motion. The motion passed unanimously.

Manager Owen explained to the Council that contract amendment #1 which was made to the scope of work specifications and was signed in August, does not appear in the minutes. He asked the Council to ratify the adoption of the first amendment since it does not appear in the August meeting minutes. Attorney Eggers and manager Owen both felt the Council had discussed this amendment but did not recall at what meeting. Attorney Eggers recommended that there be a review of the recording of the August meeting to see if the minutes need to be amended.

Council Member Dunn made a motion to review the recording of the August meeting and amend the August 2025 minutes to include the affirmative vote on the contract amendment if it was discussed in that meeting and Council Member Lecka seconded the motion.

Council Member Lecka made a motion to affirm the adoption of contract amendment #1 and Council Member Dunn seconded the motion.

Discussion, Memorandum of Understanding - Elk River Airport - Attorney Eggers

Attorney Eggers explained that a member of Elk River Club has opened this topic which has led to a discussion with the disaster mitigation specialist about the airport becoming an emergency asset resource. This would create a mutually beneficial relationship between the Town and Elk River Club. The Town would have access to the airport in emergency situations and Elk River Club could then apply for certain grants to fix and maintain the runway. Utilization would only be able to be enacted by the Mayor or the Council. This memorandum would include the ability to break the contract with ninety-day notice, and it would not cost either party any money.

Council Member Tufts made a motion to enter into a Memorandum of Understanding with Elk River Property Owner's Association for use of the airport during natural disasters and Council Member Lecka seconded the motion. The motion passed unanimously.

Storm Recovery Update – Manager

Manager Owen stated that staff is currently looking at a lot of designs for culverts, bridges, and storm drainage designs for projects that are hoped to be completed throughout the winter. He expressed disappointment at the slowdowns due to waiting for engineering, geotechnical, soil boring, surveying, and H&H studies. Manager Owen stated that the two engineering companies are starting to make some progress. He stated that the first geotechnical study was received last week and the others are supposed to come in within two weeks of each other. He stated that the goal is to get projects out and bid and ready to construct in the spring.

Manager Owen reported that FEMA is looking to close out their cases in Western North Carolina and are putting pressure on filers to complete their paperwork and accept their offers. He stated that the engineers for the town are refocusing on total cost analysis to provide the most accurate end cost projections.

Manager Owen explained that FEMA designates small projects and large projects. With large projects, money can be withdrawn from the estimate and with small projects there is a one time, lump sum, pay out. The large projects designation is set at projects costing \$1,037,000 or more. The large project number used to be \$100,000 so that makes a big difference. There are 8 projects that are obligated for \$1.3 million and 9 that are in review with FEMA and are being pushed to closure. There are 11 projects still in project development. Manager Owen explained that it is likely there will be a small project audit process and that it involves the examination of all projects to see how each project was paid out and which projects were under or over the projected cost in order to assess what would still be paid to the town.

Manager Owen and Chief Hodges are working on grant opportunities and Cory with the Council of Governments has provided support as well. Chief Hodges shared that other grant opportunity applications are being submitted and the application to the North Carolina Community Foundation grant is for \$100,000 for the replacement of the pedestrian bridge. Chief Hodges explained that the NC Community Foundation grant would be used to fund the replacement of the bridge in Tate-Evans Park. As part of the application for the grant, the grant requires that the governing body is aware that the application is being filed. He stated that there could be need in the future for additional resolutions for additional grants to aid recovery from Hurricane Helene.

Council Member Lecka discussed other communities that are struggling with getting money. Council Member Tufts asked a clarifying question about the small projects and the audit process and Manager Owen affirmed that the town would have to complete the small projects and in some cases that will be before they receive the money that FEMA offered but the town would have to cover the cost between the amount received and the final cost. Attorney Eggers stated that there is an appeal process if needed, as well.

Manager's Update & Staff Reports

Manager Owen recounted the staff reports that were included in this meeting's packet.

Closed Session

Council Member Lecka made a motion to move to closed session for Attorney/Client privilege matters and for Personnel and Council Member Dunn seconded it.

The Council moved to Closed Session at 6:49.

Other Business

Council Member Lecka made a motion for annual Christmas bonuses to be paid out to staff this month and Council Member Tufts seconded it. This would be \$500 for staff and \$1500 for Chief Hodges, Public Services Director Hodges, and Manager Owen. The motion passed unanimously.

Manager Owen explained that the Town had been waiting for bids to put the temporary bridge in at Lecka Lane. It was intended that this would be an informal bid process with a threshold of \$150,000, with bids being received prior to four o'clock today. The town had been working with five independent contractors to provide bids. Only two bids were received. The first bid came in at \$266,000 and the second came in at \$299,000. Both contractors said that the work wouldn't begin until the middle of December and could complete it by the end of the year. Due to the bids being over the informal bid threshold this would change the process and require the Town to follow formal bidding requirements which could add months to the process. It would also require confirming FEMA would cover this kind of cost.

Manager Owen stated that he didn't feel the Town could put out that amount of money without the knowledge that it would be reimbursed. They discussed access to homes on Lecka Lane. The Council and Manager Owen discussed working with Mr. Acceturro to complete his bridge project. Manager Owen stated staff would be contacting the contractors that bid the work to try to determine the disconnect in the anticipated cost and the bid prices and then move on from there.

Council Member Dunn recognized Council Member Tufts and the work he has done as a Council Member.

The Council discussed a Christmas Party for this year. The Christmas Party was set for Thursday, December 18, 2025, at the Town Hall from 5:00 to 7:00 pm for Town staff and Board members.

Adjourn

With no further business, Council Member VonCanon motioned to adjourn and was seconded by Council Member Tufts. The motion passed and the meeting was adjourned at 7:32 pm.

Approved: _____
Mayor Brenda Lyerly

Attested: _____