

BANNER ELK TOWN COUNCIL MEETING

January 12, 2026

MINUTES

The Banner Elk Town Council met on Monday, January 12, 2026, at 6:00 p.m.

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

Staff present: Town Manager Rick Owen, Chief Kevin Hodges, Public Services Director Justin Hodges, and Attorney Four Eggers.

Call Meeting to Order

At 6:00 pm Mayor Lyerly called the regular Town Council meeting of January 12, 2026 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

Council Member Saunders made a motion to approve the minutes for the regular Town Council meeting on December 12, 2025 and Council Member Lecka seconded the motion. The motion passed unanimously.

Public Comments

Lan Holtsclaw introduced herself as a candidate for Avery County Schools Board of Education. She stated that she wanted to see how the Town Council operates, to witness feedback to the Council, and to learn how to create transparency for operations between the Town and the Avery County School system.

Mark File publicly commended Public Services Director Justin Hodges and his crew for the work that they put into the Christmas decorations around town. Mayor Lyerly echoed the commendation.

Approval of Stated Agenda

Council Member Lecka made a motion to approve this month's agenda with the amendment that the Fire Chief's agenda item be moved for when the chief makes it through the accident traffic and Council Member Dunn seconded the motion. The motion passed unanimously.

Consider Call for Public Hearing, Zoning Ordinance Amendment

Manager Owen stated that, in review, the town has come to realize that the procedural ordinance governing Board of Adjustment quorum numbers was more stringent than that set forth for the state. In response, Attorney Eggers has made and recommended a set of changes to those ordinances to align with state requirements which will allow three members of the Board of Adjustments in order to vote, with the exception of variances, which will still require four members to be present. Attorney Eggers also found some other areas in state statute that would allow for more flexibility that he also recommended. Manager Owen stated that it was not the town's intention to try to operate with fewer Board members and, in fact, in the agenda was the appointment of new members for that Board. Attorney Eggers mentioned that another area of flexibility allowed the Board of Adjustment Chair to

notify parties that there would be a continuance of their hearing so that they did not have to prepare or appear in order to learn that.

Mayor Lyerly asked for a motion for Public Hearing for these amendments. Council Member Dunn made a motion for a Public Hearing on these ordinance changes at the next meeting and Council Member VonCanon seconded the motion. The motion passed unanimously.

Board Member Appointment, Board of Adjustment

Mayor Lyerly explained that there were two applicants for the open positions on the Board of Adjustments.

Council Member Lecka made a motion to approve Bill Tuck for the in town primary Board of Adjustment position and Council Member VonCanon seconded the motion. The motion passed unanimously.

Council Member Lecka made a motion to approve Sam Brown for the in town alternate Board of Adjustment position and Council Member Dunn seconded the motion. The motion passed unanimously.

Tax Release

Manager Owen explained that this tax release was for a business that closed before the year that the tax bills went out so the county has released the tax and has asked the town to do the same. The total of the release is for \$8.50.

Council Member Saunders approved the tax release as presented and Council Member Dunn seconded the motion. The motion passed unanimously.

Contract Amendment, Grant Management with McGill

Manager Owen recalled to the Council that a couple of years ago the town received a state allocated American Rescue Plan grant related to water and sewer improvements totaling \$2 million. He stated that the grant includes a lot of paperwork and the town has not yet withdrawn any money from the grant. Manager Owen stated that two months ago the Council had approved the bid and have been waiting for the state to approve the award of the bid. Once that work begins, a lot of paperwork will be required and this will be on top of the work and paperwork already being managed with FEMA in response to the storm. He stated that McGill Engineering will add management of this grant to their contract for a \$30,000 fee.

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

Storm Recovery Update

Manager Owen provided a visual listing for the Council of the projects the town is engaged in for storm recovery sorted by where the projects currently stand.

Manager Owen stated that the projects highlighted in orange indicate the biggest urgency and include Lecka Lane, Chime Hill, Silver Springs, and Crooked Creek as well as town wide utilities with bridge and culvert work. He stated that Lecka Lane design is 99% ready to go and the bridge will be longer than the original length. In response to the storm erosion the width of the creek has increased. He stated that this requires extra work and explanation for FEMA because the general expectation is for restoration to original state.

Manager Owen said that the work for Chime Hill is fairly simple because it serves fewer people and hasn't failed yet. This project will be the last one on the list.

Manager Owen stated that the Crooked Creek and Silver Springs projects will be similar projects. He stated that the engineers are recommending concrete culverts instead of a corrugated metal pipe for Crooked Creek. He stated that there is current exploration for by-passing when the construction is taking place and the proposal is for maintaining one-way access. He stated that there will be work with FEMA to discuss the variations and mitigations required for these projects. He stated that two of the biggest problems during the storm was washing out under the footings and so the plan for the re-build is to go deeper so that the footings are a couple of feet below creek level.

Manager Owen stated that the two major water lines, one going past Dobbins Road and one going down to Dollar General, need to be replaced. The plan for the line leading to Dollar General is to move it on the opposite side of the road from the creek. He stated that in the coming year there will be a by-pass out by Dobbins Road as DOT works on the culvert and they will work with Public Services Director Hodges during the utility work. Manager Owen stated that the town would not do the water line replacement there until that work comes together.

Manager Owen explained that the yellow group are projects that are under review and that the town thinks should be wrapped up. He stated that the town wide SCADA is under contract and they should be in town in the next week or so to start the project. He stated that for this project insurance will cover a large portion of it but the town wants to assure that FEMA will cover the additional costs related to that.

Manager Owen stated that the Police Department building and contents were not covered by insurance and the town is negotiating with FEMA for any funds possible to support the needs for that project. He stated that Chief Hodges is working on a memo presenting a timeline of what happened at that location.

Manager Owen stated that a lot of geotechnical work had been conducted at Penny Lane and damage under the road bed had been identified that the town will now be able to fix. He stated that this project is getting ready to be designed.

Manager Owen explained that the park and the creek are pending initial project development and do not yet have an initial scope of work as the town works with FEMA for costs and estimates.

Manager Owen explained that all the projects in the bright green are projects that have been obligated, completed, and reimbursed.

Manager Owen stated that everything on the list has a completion date of March 28, 2026 and every one of the items needs a Time Extension Request in order to continue with them if they are not completed at that time and a one page memo needs to be attached explaining status, progress, and timeline.

Manager Owen shared that he was on a phone call with Congressman Edwards, the regional director for FEMA, a group totaling about 40 other people from Western North Carolina, heads of Emergency Management in North Carolina, and the Western North Carolina FEMA representative. They were discussing time extensions, low bidding, inability to get engineers, inability to get workers, reimbursements and budgets. He stated that everyone was saying the same things and that there was a lot of fear because of the amount of money that has had to be expended so far that may not be reimbursed and that there needs to be a new mechanism to get money out. Manager Owen stated that the director of FEMA's Region 4 listened and there seemed to be actionable responses. He shared that there was networking happening on the call and Mr. Edwards recommended that the phone numbers be utilized and needs get pushed up through the levels of FEMA. He stated that lots of communities are facing the same challenges and the phone call really highlighted how big the storm and its damage was. He shared that FEMA withholds 25% of large project funds until completion and this is unworkable for many communities.

Council Member Saunders asked if there were items on the list that represented projects that had been estimated at 40% of the cost. Manager Owen stated that there were and that the sewer plant was a good example of that. He stated that the cost estimate was around \$100,000 and just the engineering estimate for the stuff needed to do the work was at \$500,000. He stated that the sewer plant project has been sent back to FEMA for re-evaluation.

Manager Owen stated that if the Town accepts money that is not sufficient, it will not be possible to go back and adjust that so it is important to work carefully through the process to get the estimate to match the projected cost. He stated that Crooked Creek and Lecka Lane are examples of projects that the Town is working towards the estimate to match the projected costs.

Manager Owen stated that the red VonCanon home that is waiting to be evaluated for buy out has not made it to consideration yet, so it will have to just sit there until it is processed, which is a hardship for the owner. He explained how the buy out process works and stated that there are many communities with properties in the same situation

Council Member Lecka asked Manager Owen if decisions at FEMA are made by individuals or by groups. Manager Owen said that the call he had been on discussed that and the general consensus of the people calling in was that it needed to be more clear.

Banner Elk Fire Rescue Stipend Fund Presentation - Fire Chief, Will Treen

Fire Chief Treen stated that he wanted the Council to be aware that the Federal stipend funding will run out by April and that Banner Elk Fire and Rescue would be looking for help. This stipend funds paid coverage outside of the county paid coverage of 7 am to 3 pm, Monday through Friday. He explained that if nobody is stationed at the Fire House it changes the response time.

Mayor Lyerly stated that the Banner Elk Fire and Rescue had the Town's support and they would reach out to town neighbors that utilize the Banner Elk Fire and Rescue services. Council Member Lecka asked if they receive \$20,000 from the county and Chief Treen affirmed that to be true.

Chief Treen stated that the budget is coming up and \$30,000 has been requested instead of the current \$20,000. He stated that Banner Elk has significantly more calls than other companies in the county and the money is harder to stretch over the higher call volume.

Council Member Saunders asked if the stipends paid to individuals was in keeping with the neighboring fire departments and Chief Treen stated that it was 20 per call and 100 per shift with shifts running from 3-11 pm and 11pm -7 am.

Attorney Eggers asked if the Fire Chief was a 501c3 and Chief Treen stated that they were not but that they had a Fire and Rescue foundation set up and donations would be tax deductible.

Council Member Dunn asked who responded if no one was present at the Banner Elk station. Chief Treen stated that aid is not required in all circumstances and that other stations would respond if they could. He stated that Linville has 24-hour staffing and was quick to help but that it wasn't guaranteed and for some calls not required.

Manager Owen stated that the fire district for Banner Elk is bigger than the Town limits so impacts more than Town taxpayers. He stated that it is important for information to get out so that the affected areas are aware of the need for funding for the Banner Elk station and why it can't be completely funded by the Town taxpayers. He emphasized that the Banner Elk fire district is actually huge. Council Member Saunders explained that the loss of the grant is a loss of \$50,000 for the Fire Station.

Mark File spoke from the audience and stated that the Banner Elk Fire Rescue are fire fighters and not fundraisers. He stated that action needed to be taken on their behalf and quickly.

Manager’s Update & Staff Reports

Manager Owen handed out the application of Martha Laura Miller for Board of Adjustment as an ETJ member. He stated that she had already been approved at last Monday’s County Commissioner’s meeting and said that she has previously served on the Planning Board.

Mayor Lyerly highlighted that the Council had yearly reports from Chief Hodges and Public Service Director Hodges. Council Member Lecka commended both staff for the jobs they do for the town.

Closed Session

The Council made a motion to move into closed session for an investigative matter.

Council Member Dunn made a motion to move out of Closed Session and Council Member Saunders seconded the motion. The motion passed unanimously.

Other Business

Chief Hodges stated to the Council that the Police Department would like to install three Flock cameras on a 60-day trial period on a signed contract. He stated that the initial cost is \$11,700 and after that it would cost \$9,000, \$3,000 per camera. Chief Hodges said that the 60-day trial provides all the features, including a convoy feature, but the base price does not include the extra feature. He stated that the Police Department would have access to a convoy search feature during the trial period to see if they would find value in that as an add on to the original cost. Chief Hodges explained that once they had access to the system, they could see any of the cameras nationwide. He stated that he would be able to pull data from any individual camera within thirty days. Chief Hodges stated that Beech Mountain is also in conversation with Flock for the installation of cameras, as well. He affirmed that entering into the program would provide access to data nationwide. He stated that data is available for the past thirty days on each camera installed.

Chief Hodges stated that every Lowe’s Hardware in the nation has a Flock camera installed, which means that the Banner Elk Lowe’s already has a Flock camera. Attorney Eggers explained that the camera information only goes to law enforcement, regardless of who installed the camera. The data is not for the public.

Council Member Saunders pointed out that the cost of the Flock camera system was put into perspective when juxtaposed to the service provided and the cost of an officer.

Council Member Lecka made a motion to approve the 60 day trial of the Flock cameras and Council Member Dunn seconded the motion. The motion passed unanimously.

Adjourn

With no further business, Council Member Saunders motioned to adjourn and was seconded by Council Member Lecka. The motion passed and the meeting was adjourned at 7:27 pm.

Approved: _____
Mayor Brenda Lyerly

Attested: _____