

Town of Maggie Valley
Regularly Scheduled Board of Aldermen Meeting
July 22, 2010
MINUTES

Members Present: Mayor Roger McElroy, Aldermen: Saralyn Price, Colin Edwards, Scott Pauley, and Phil Aldridge
Staff Present: Manager Tim Barth, Captain Jason Moody, Chief Scott Sutton, ABC Officer Doyce Stevens, Planning Director Nathan Clark, Public Works Director Mike Mehaffey, Detective Archie Shuler, Festival Director Audrey Hagar, and Town Clerk Vickie Best
Others Present: 12 people were in attendance

Meeting Called to Order

Mayor McElroy called the meeting to order at 5:35 p.m. in the Town Hall Boardroom. Mayor McElroy asked for a consensus on the addendum to the agenda. Council approved the addendum.

Consent Agenda

1. Correction and Approval of Minutes for June 14 and June 22, 2010.
2. Resolution Number 10-17: Directing the Clerk to investigate the sufficiency of a petition for the annexation of parcel 8607-23-1984 located on Jonathan Creek Road.

**ALDERMAN PRICE MADE A MOTION TO APPROVE THE CONSENT
AGENDA ITEMS AS PRESENTED.
MOTION CARRIED UNANIMOUSLY.**

Appearance of Robin Lewis, with Robin Lewis Consulting Inc. to discuss some information regarding business licenses

Ms. Lewis addressed Council explaining that she had been asked to provide the Board with facts concerning business licenses and the benefits of going to gross receipts as opposed to the flat fee schedule. Privilege Licenses have been in existence since 1862. The revenues from the business licenses go straight into the general fund to be used to provide services or maintain infrastructure. These are additional revenues that can be generated without state approval. The state guidelines for exercising the use of business licenses must be met and some cities, counties, and businesses are restricted by those guidelines.

Many cities across North Carolina are going to gross receipts due it being more equitable. The City of Hendersonville has just gone to gross receipt collections. Large profitable business, like a big box store, would pay more and small businesses would pay less. The larger box businesses also put a greater strain on the cities infrastructure i.e. increased traffic, land fill use, crime, etc. Business Licenses fees help to keep property taxes down. A raise in property taxes hurts residents on limited income, with disabilities, etc. Again, going to gross receipt fees is more equitable than any other approach. Gross receipts are a growth tax.

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Alderman Aldridge was adamant that the Town should encourage business rather than throwing up additional red flags that may discourage business.

Businesses across the Nation know that paying privilege license fees are a part of doing business.

Alderman Aldridge asked that the business/privilege license discussion be postpone until more information can be provided. Alderman Aldridge felt a workshop should be held before a decision is made on the subject.

Terry Ramey: To discuss the Tow Truck Drivers being sent a Business License Application

Mr. Ramey explained that he had been asked to speak on behalf of the local tow truck drivers to come and speak about the business license application being sent to them when in fact they may not do business in Maggie Valley. The tow truck drivers also want to know what benefit they receive for purchasing a license. Maggie Valley Police Department does not have a rotation schedule. Mr. Ramey went on to explain that the law states you must hang the business license on the wall of your business. Mr. Ramey stated that he has a \$5 business license hanging in his office in the Town of Waynesville but where is he to hang a Maggie Valley license, in the tow truck. The tow truck drivers just won a lawsuit against the N.C. Highway Patrol for being unfair. "How are you [Council and Staff] going to treat everyone fairly?"

Mr. Ramey contended that the tow truck drivers provide a service by clearing roads of wrecks, picking up DUI vehicles, etc. The drivers receive few calls from Maggie Valley.

Ms. Lewis stated that regardless of the method of collection chosen, the Town needs to stay consistence across the board for all individuals/ companies doing business within the Maggie Valley corporate limits. Because the Town has not previously charged a certain business, but then it is discovered, then that business should begin paying from that year forward, if doing business in Town. There are no statues of limitation on business licenses.

**ALDERMAN ALDRIDGE MADE A MOTION TO POSTPONE MAKING A
DECISION UNTIL MORE INFORMATION IS PROVIDED AND THAT STAFF
SENDS ALL WRECKER SERVICES A NOTIFICATION.
MOTION CARRIED UNANIMOUSLY.**

4. Consideration of Allowing the Maggie Valley Fire Department to use the Festival Grounds at no cost for their 50th Anniversary Celebration

Alderman Pauley explained that a lifelong resident in the community is in bad shape with cancer. The MVFD felt a fund raiser to help this family would be a great way of celebrating 50 years of neighbor helping neighbor. 100% of all funds raised will be given

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to the family. The MVFD will sell food and have entertainment for a day of fun. The MVFD will clean the property after the event.

**ALDERMAN ALDRIDGE MADE A MOTION TO ALLOW THE MAGGIE VALLEY FIRE DEPARTMENT TO USE THE FESTIVAL GROUNDS AT NO COST.
MOTION CARRIED UNANIMOUSLY.**

Consideration of the Town acquiring a one-year Alcohol Permit for the Festival Grounds

Festival Director Hagar informed Council that the 4th of July Celebration went well.

Director Hagar presented the following information:

General Understanding; NC Alcohol Permit:

- For profit promoters/producers may not obtain a permit to sell alcohol in the state of North Carolina. They must partner with non-profit organizations that meet all NC ABC requirements.
- Non-profit organizations may request and obtain a special one time permit for each event. There can only be one permit per venue, per event
- Promoter/Producers split the net profits with the non-profit. This % varies depending on the arrangements.

Reasons for Consideration

- Revenue – Offset the costs of grounds maintenance and operations. The Maggie Valley Festival Grounds is currently operating at a deficit. While much of this is the cost of doing business, as a non-profit organization, the Town of Maggie Valley is incumbent to look at all possible revenue streams to offset some of those expenses without further burdening the tax payers.
- Sales – We need to make it easy for promoters to do business with the Town of Maggie Valley. This is an opportunity to ensure all revenue streams are open to promoters. We want to make the permit process easy for local, regional and national promoters interested in renting the facility (and enable them) to benefit from all possible revenue streams, including alcohol.
- Control – Responsible Sales; Maggie Valley Police Department are enforcement officers but at past festivals have often found themselves in administrative roles cutting off individuals at the request of volunteers/"bartenders" and/or to avoid issuing a violation to the promoter. This had become more "expected" instead of isolated incidences. Police Officers have to go back to more of an enforcement role. Only upon request from the promoter or at their discretion, should the Police department step into an administrative role.
 - Bartenders should be experienced and have the ability to cut someone off when and if necessary. While volunteers may go through the ABC training indicating they understand the regulations and requirements of

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sales, that does not mean they are qualified to sell alcohol or cutoff someone when needed. Bartender is a professional occupation. For some, not all, volunteers, it may not be in their DNA.

- Also, the urge to sell more beer and make revenue may offset the urge to sell responsibly and control consumption.
- Requests of volunteers from the Maggie Valley Police department to cut someone off or sell responsibly have sometimes fallen on deaf ears.
- It is up to each promoter to sell alcohol responsibly or be prepared to receive an infraction citation. That includes the Town of Maggie Valley is applicable regardless if there is a permanent or special one time permit involved.
- Regardless of the decision today and who holds the permit, this issue needs to be resolved.

Trial run – July 4th 2010 – Promoter Town of Maggie Valley pulled a special one time permit to sell alcohol at the event. Jerry Walker was paid \$200.00 to oversee the alcohol sales at the event. Four qualified bartenders with previous experience and NC training were hired @ \$8 per hour to sell both non-alcoholic and alcoholic beverages at the event. Four soft drink/water sales persons were hired to sell non-alcoholic beverages for the Town of Maggie Valley @ \$8 per hour as well. The event was held without incident regarding alcohol.

Estimated Profit: \$2,368.09

Original Recommendation:

- Board of Alderman to decide if the Town of Maggie Valley should pull a permanent alcohol permit for the Festival Grounds.
- Since our work sessions and the 4th of July event, extensive research has been done regarding this decision. Based on the research which will be shown, my recommendation has changed.

New Recommendation:

- Through new research, recommendation is for the Town of Maggie Valley to pull a special one time permit for each event that sells alcoholic beverages.
 - Festival Director will negotiate splits on concessions with all new and existing promoters and events.
 - Existing promoters have the option of status quo or to work with the Town of Maggie Valley as the non-profit partner.
- Promoters need to have access to all revenue streams. We want to make it easy for promoters to do business with the Town of Maggie Valley. Based on promoter needs and event setup; Splits will be negotiated on all concessions including alcoholic and non-alcoholic beverages, food, gate, etc. Whatever works best for the promoter and meets safety and sanitary requirements.

The risks, costs, margin reduction, alienation are not offset by the revenue increase.

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Ms. Marion Hamel addressed Council stating that she is a taxpayer and a promoter. Ms. Hamel stated that she is adamantly opposed to the Town forcing out the non-profits organizations going on to explain why. Ms. Hamel promotes two annual events for which she pays the rental fee, \$500 for insurance, advertising, and pays for cleaning the property after the event. As the promoter, Ms. Hamel felt she should have the right to choose the non-profit to partner with during her events. If the profit margins are decreased then the money for the Knights of Columbus would be decreased or eliminated. 100% of the money earned by the Knights of Columbus goes toward sending disabled veterans home for Christmas. Ms. Hamel informed Council that Chris Anthony and his motorcycle rally would leave Maggie Valley as well.

Ms Hamel also asked if the taxpayers know that tax dollars pay employees to work the Trout Festival. There have never been problems with a promoter getting a non-profit to sell alcohol nor has a promoter ever received a violation.

Alderman Price asked ABC Officer Doyce Stephens and Chief Scott Sutton to address Ms. Hamel's statement.

Chief Sutton reported that there have been issues that have arisen but the Police Officers took care of the situation with the servers. Not all servers are at fault. Professional servers do have more knowledge in selling alcohol because of experience. The Police Department tries to work with promoters, minor infractions have been taken care of and the event moved forward. Chief Sutton agreed that full time ABC permits would necessitate more requirements. The Police Department stands ready to work either way.

Alderman Price reiterated that Council is here to work with people. Everything can be worked out.

Alderman Pauley stated that the Town is not out to take anything from anyone. The Town does not want to lose Chris Anthony's or Ms. Hamel's events.

Tammy Wight, owner of the Clarkton Motel, agreed, but added that promoters should have a choice. She too, being in the motel business, does not want to lose any events.

Alderman Aldridge admitted that he was in favor of getting the alcohol sales, but after speaking with several people and the knowledge he gained while running Phil's Grocery about ABC laws, he had changed his mind. Alderman Aldridge agreed with Ms. Hagar's recommendation. The promoter should have a choice.

Ms. Hamel stated that she also agrees with the new recommendation. The goal is to bring business to Maggie Valley; but she is concerned about cutting out non-profit organizations.

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ALDERMAN ALDRIDGE MADE A MOTION TO ACCEPT DIRECTOR HAGAR'S RECOMMENDATION ON THE TOWN GETTING THE ALCOHOL PERMIT ON A CASE BY CASE BASIS. MOTION CARRIED UNANIMOUSLY.

Approval or Denial of the Vintage Volkswagen Event. *30-50 Limited /restrictive Camping on the Grounds

Mayor McElroy stated that Council would like to have more time to think about the issue of camping. The Parks, Recreation, Festival Advisory Committee recommended allowing camping for the event, with restrictions. Staff will develop restriction and a vote will be taken at the next regularly scheduled meeting.

Manager's Report

The repaving of Soco Road is continuing. The concrete work will begin within the next two weeks. The concrete work will consist of fixing driveway entrances.

The Town has received the sewer impact fees for the Health Care Facility. The contractor will be purchasing a building permit soon (Haywood County).

The Moody Farm Sidewalk project is moving along very well. The engineers are now looking at how to interconnect the new sidewalk with the old sidewalk. When complete, the Town of Maggie Valley will have 3.8 miles of looping sidewalk. The cost of the additional engineering to fix the problem will be \$3,400.

ALDERMAN PRICE MADE A MOTION TO AUTHORIZE MR. CLARK TO MOVE FORWARD WITH THE ADDITIONAL ENGINEERING AND TO APPROVE THE SPENDING OF \$3490 OUT OF THE TOWN BUDGET. MOTION CARRIED UNANIMOUSLY.

Request for Donations for the Veterans

Mr. Fred Underwood, Commander of Chapter 89, addressed the Board requesting a donation to help the veterans. The funds are used to help disabled veterans pay a power bill when a veteran is having a difficult time. Last Christmas gift bags were delivered to 110 veterans in 13 rest homes. The organization has 304 members in three counties.

ALDERMAN ALDRIDGE MADE A MOTION TO DONATE \$500 TO THE DISABLED VETERANS. MOTION CARRIED UNANIMOUSLY.

Other Business

Alderman Pauley informed Council that he had attended a Parks, Recreation, and Festival Advisory Committee meeting. The members of the PRFAC are questioning if the committee is needed now that a full-time Festival Director is in place and the Board of

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Aldermen have the final say on all new events. Alderman Pauley asked that Council give this some consideration and that it be placed on the next agenda.

Public Comment

Mr. Dan Massey addressed Council stating that he felt it would be wrong to assess a business license on what the business's gross receipts are. It is not the Town's business to know what each business is making in profit or loss. This would bring more turmoil to the Town.

Adjournment

**ALDERMAN ALDRIDGE MADE A MOTION TO ADJOURN AT 7:38 P.M.
MOTION CARRIED UNANIMOUSLY.**

Mayor Roger McElroy

Vickie Best, CMC, Town Clerk