

REGULAR BOARD MEETING of October 4, 2000, with Mayor Buck Trott and Commissioners Zeke Sossomon, Amy Patterson, H. N. James, Ron Sanders, and Mike Cavender present.

Also present were Richard Betz, Lamar Nix, Bill Coward, Maureen Lackey, Selwyn Chalker, Kim LeWicki, Bill Rethorst, Bob Wright, Robin Minus, Mildred Johnson, Alan Marsh, Bronce Pesterfield, Larry Guido, Greg Crawford, Jim Graham, Allen Shultz, Victor Lofquist, Ann Jones, Clem Patton, John Schiffli, John Lupoli, and others.

I. Call to Order.

The Mayor called the Regular Board Meeting to order at 7:00 p.m.

II. Approval of Agenda.

Copies of the agenda had been distributed by mail.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. JAMES, AND UNANIMOUSLY CARRIED TO APPROVE THE AGENDA AS DISTRIBUTED.

III. Approval of Minutes.

Copies of the minutes of the September 20 Regular Board Meeting had been distributed by mail.

MOVED BY COMM. JAMES, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO APPROVE THE MINUTES AS DISTRIBUTED.

IV. Reports.

1. The Mayor reported that he had proclaimed October "AARP Month" in the Town of Highlands pursuant to a request from Dorothy Crawford, State Coordinator for the Health Advocacy Service.

He also reported that D. O. T. District Engineer Brian Burch had indicated that Small Urban Funds were available to pave a 350-foot section of Chowan Road from US-64 to the top of the hill; the road already had adequate right-of-way, and the funds could not be carried over and would be lost if not used.

MOVED BY COMM. JAMES, SECONDED BY COMM. SANDERS, AND UNANIMOUSLY CARRIED TO SUPPORT THE PAVING OF THIS SECTION OF CHOWAN ROAD BY THE D. O. T.

2. Each Board member had received a copy of a letter dated October 3 from Town Attorney Bill Coward to the Town Administrator regarding the placement of the Bowery Road "district" on the North Carolina National Register of Historic Places. The letter indicated that such a designation would not be a valid defense to a condemnation except in the unlikely event that the Department of Cultural Resources actually acquired the Bowery Road district. However, the letter said the designation could have an "upwards effect on jury verdicts and increase the cost of the project."

3. Each Board member had received the Public Services Administrator's written report for the month. Lamar Nix also reported that bids on the Fourth Street Sewer Line project would be received at 2:00 p.m. on October 18. The Town portion of the West Shore Lake Sequoyah sewer project was also going well, with approximately one-third of the pressure line installed. He reported that the D. O. T. had excavated holes for foundations for the signal poles on Main Street, but had encountered rock and had left the site. The Mayor and several Board members felt that the holes could be hazardous with the large numbers of visitors expected in Town this month; Mr. Nix offered to cover one of the holes with a steel plate, temporarily fill the other ones, and call the D. O. T. to see if

the project can be expedited.

4. Each Board member had received the Police Chief's written report for the month. Jerry Cook had been unable to attend the meeting.

5. Each Board member had received a copy of the Recreation Director's report for the month. Selwyn Chalker was present and reported that the pool decks were nearly completed. He also submitted a copy of a quotation for replacement of the chiller at the Highlands Civic Center.

6. Each Board member had received a copy of the Town Planner/ Zoning Administrator's report for the month. Maureen Lackey was present and reviewed the report with the Board. She also reported that she was continuing to pursue the \$50,000 grant application for the Greenways Trail refurbishment. The grant was an 80/20 match, but the 20% could be "in kind."

7. Each Board member had received a copy of the Treasurer's Report for the month.

MOVED BY COMM. JAMES, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO ACCEPT THE TREASURER'S REPORT.

8. Each Board member had received a copy of the Town Administrator's report for the month. Richard Betz had also distributed copies of the first draft of a map showing the proposed Extra-territorial Jurisdiction, pursuant to Board request at the September 6 meeting. He said the item would be placed on the agenda for discussion at the next Board meeting.

He also reported that Donnie Calloway had requested that the Town consider removing the two 15-minute parking spaces in front of the Town Hall because they were hazardous. The Board took the request under advisement.

V. Old Business.

1. Each Board member had received copies of a proposed agreement between the Town and Highlands Mountain Club, whereby the Town would connect the new West Shore Lake Sequoyah sewer project to their system and eliminate the package plant, and the Club would pay \$203,500 in connection fees in two installments. The agreement had been prepared by Bill Coward, with requested amendments by Richard Melvin, the Club's attorney. Bill Coward said that the agreement did not need to be executed until the easement for the sewer line had been prepared. Comm. Sossomon said he would like the opportunity to review the agreement and suggest some changes.

MOVED BY COMM. JAMES, SECONDED BY COMM. SANDERS, AND UNANIMOUSLY CARRIED TO TAKE THE AGREEMENT UNDER ADVISEMENT AND PERMIT THE TOWN ATTORNEY AND COMM. SOSSOMON TO WORK ON THE APPROPRIATE CORRECTIONS.

VI. New Business.

1. W. K. Dickson engineer Victor Lofquist was present, and reported that the following bids had been opened at the 3:00 p.m. bid opening on October 3 for the Maple Street Project:

	<u>Base Bid</u>	<u>Alternate Bid</u>
Carolina Mountain Construction	\$408,769.00	\$472,851.00
Larry Rogers Construction	437,219.66	499,057.66
Parker Excavating	358,366.00	424,040.00
Phillips & Jordan Inc.	275,000.00	75,000.00

Mr. Lofquist explained that the bid documents had requested lump sum bids on both construction of the road base (Base Bid) and construction of the road base plus paving, curb & gutter, and sidewalk

(Alternate Bid). Apparently the low bidder, Phillips & Jordan, had intended for the alternate bid to be an add-on amount, whereby the bid amount entered on that line should have been \$350,000; he said the bidder had confirmed that in a phone conversation immediately after the bid opening. In discussing this with Freyda Bluestein of the Institute of Government, however, Ms. Bluestein felt that the bid was improper because it did not indicate in any way that it was an add-on. The options she suggested were to award the base bid only, go to the second lowest bid, or re-advertize; she felt that otherwise the Town might be open to an objection or complaint.

Town Attorney Bill Coward was present and agreed that there was some legal risk, but he felt that it was unlikely that, if challenged, a Court would not support the Town's interpretation. Comm. Patterson felt that a reasonable person would have to interpret the bid that way.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. JAMES, AND UNANIMOUSLY CARRIED TO AWARD THE BID TO THE LOW BIDDER, PHILLIPS & JORDAN INC., CONTINGENT ON WRITTEN CLARIFICATION THAT THE LUMP SUM ALTERNATE BID WAS \$350,000.

Mr. Lofquist also reported that his firm had been contacted by architects about doing some site work for Highlands Country Club; by consensus, the Board had no objection.

2. The Town Administrator reported that only two bids had been received for the West Shore Lake Sequoyah Project at the 2:00 p.m. bid opening on October 3. The project had been readvertized for 2:00 p.m. October 18.

3. The Board discussed two letters from Highlands-Cashiers Hospital dated September 5 and October 4, offering to transfer the Peggy Crosby Center property to the Town. The Mayor briefly reviewed all of the functions that the Crosby Center fulfilled in Town. He said that he and Comm. Sossomon served on the Crosby Center Board, and he felt that the Center's Board wanted to continue the same lease arrangement that it now had with the hospital. Ann Jones was present, and he asked her about the difference between revenues and expenditures at the Center. Ms. Jones submitted some budget figures indicating that the building expenses were approximately \$60,000.

Comm. James felt that the Town should clarify whether the Center would continue to operate as it is. He also said that he could not help feeling that the Town would be taking on a burden for the taxpayers.

Comm. Cavender said that he felt it would be appropriate for the Hospital Planning Committee to meet again and take a closer look at the information available now, and include the Peggy Crosby Board in the meeting.

Clem Patton was present and said that the Center served no purpose for the hospital. However, he felt the hospital needed to be assured that the interests of the Crosby Center would be maintained, and both the Hospital Board and the Crosby Foundation Board would have to approve any agreement to transfer the Center. He also said that, although the hospital had a lease with the Center for one more year, he felt the hospital had a moral obligation that extended beyond that. Comms. James and Cavender commented that that was new information to them.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. JAMES, AND UNANIMOUSLY CARRIED TO SCHEDULED A MEETING OF THE HOSPITAL PLANNING COMMITTEE TO REVIEW THE NEW INFORMATION, AND TO INCLUDE A REPRESENTATIVE FROM THE CROSBY CENTER.

4. The Board then discussed a joint letter dated September 25 from the Highlands-Cashiers Hospital Inc. and Chestnut Hill of Highlands, requesting that the Town consider satellite annexation of the two

properties. Jim Graham was present and indicated that they were prepared to submit a formal petition for annexation.

Comm. James said that the request would involve construction of a water line to the property, and he was interested in knowing if the hospital was willing to pay for installing such a line. He also wondered if the roads were state-maintained or private. He felt that these and other questions should be addressed by the Hospital Planning Committee.

MOVED BY COMM. JAMES, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED FOR THE HOSPITAL PLANNING COMMITTEE TO MEET AND ANSWER THESE AND OTHER APPROPRIATE QUESTIONS.

5. Each Board member had received a memo from "106 Sewer Project Developers" outlining a proposal to install a sewer along NC-106. Bronce Pesterfield was present, and explained that the project would consist of the construction of the gravity sewer project identified in the Capital Improvement Program for FY 01-02. Surveying and engineering had been completed on the segment from Larry Guido's property to the Spring Street Lift Station, and the additional costs would consist of surveying and engineering to tie into the West Shore Lake Sequoyah project at Arnold Road, a contract to administer the project, the construction contract, and interest. The developers would form a Limited Liability Company and reimburse the Town for the cost of the project; timing would coincide with the other project.

Comm. James asked what type of reimbursement he had in mind: 50%? Mr. Pesterfield said that he felt 100% of the cost would be fair, since the Town planned to fund the project next year anyway. The benefits of "jump-starting" the project would include savings on inflationary costs and immediate service connections and connection fees along NC-106. The costs could be reimbursed by the Town within three years.

Bill Coward said that the Town would have to go through the public contract bidding process. Funds could be collected, held in escrow, and donated to the Town, but the Town would have to bid the project, award the bid, and pay the contractor.

John Lupoli was present and reported that to date only he and Larry Guido were committed, although others were interested. In order to provide an incentive, it had been suggested that one to three sewer taps be provided to the developers.

Comm. James disagreed with that idea. Comm. Cavender commented that the project might be more enticing to the Town if there were no interest. Comm. James asked if a cost estimate had been made. Mr. Pesterfield said that it had not, but that off the top of his head he thought the project might cost \$500,000.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. SANDERS, AND UNANIMOUSLY CARRIED THAT THIS MATTER BE REVIEWED BY THE UTILITIES COMMITTEE, THE TOWN ENGINEER, AND INTERESTED PARTIES, AND A RECOMMENDATION THEN MADE TO THE BOARD.

VII. MOVED BY COMM. SOSSOMON, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO ADJOURN.

There being no further business to come before the Board, the meeting was declared adjourned by the Mayor at 8:25 p.m.

Richard Betz, Town Clerk