

Regular Meeting Minutes of the Town Board of Commissioners Meeting of July 19, 2012 at the Highlands Civic Center, 600 North 4th Street, Highlands, North Carolina.

Town Board Present: Mayor David Wilkes, Commissioner John Dotson, Commissioner Amy Patterson, Mayor Pro Tempore Gary Drake, Commissioner Eric Pierson, and Commissioner Brian Stiehler.

Also Present: Town Manager Robert Frye, Town Clerk Rebecca Shuler, Parks and Recreation Director Lester Norris, MIS/GIS Director Matt Shuler, Public Works Director Lamar Nix, Planning and Development Director David Clabo, and Town Attorney Bill Coward.

1. Meeting Called to Order

Mayor Wilkes called the meeting to order at 7:00pm.

2. Public Comment Period

There were no public comments.

3. Adjust and Approve Agenda

Manager Frye informed the Board the Town needed to add another Closed Session under Item 10 for attorney-client privilege. Commissioner Stiehler made a motion to approve the agenda with the before mentioned addition, which was seconded by Commissioner Pierson and the vote was unanimous.

4. Approval of Minutes

Regular Meeting Minutes of June 21, 2012

Mayor Pro Tempore Drake made a motion to approve the regular meeting minutes of June 21, 2012, which was seconded by Commissioner Dotson and the vote was unanimous.

Special Meeting Minutes of July 2, 2012

Commissioner Pierson made a motion to approve the special meeting minutes of July 2, 2012, which was seconded by Commissioner Stiehler and the vote was unanimous.

5. Reports

A. Mayor

The mayor informed the Board and citizens that the Town had received a grant from the Federal Emergency Management Agency to improve and replace three oversized culverts on Spruce, Chestnut, and 5th Street totally approximately \$666,000.

B. Commissioners & Committees

Commissioner Stiehler announced that the Scholarship Golf Classic raised approximately \$16,000 and that Wildcat Cliff Country Club had graciously offered to host the event again next year, however, the tournament will be moving to September. Commissioner Stiehler also wanted to thank the public works departments for their work during recent power outages and Parks and Recreation Director Lester Norris for the softball leagues and children's programs he had organized this summer.

Commissioner Pierson stated that the insurance committee had met and that employees had been collecting information in regards to what insurances their physicians accepted.

Commissioner Dotson said the land use committee had met with Planning and Development Director David Clabo and was brought up to speed on the update of the comprehensive land use plan.

Mayor Pro Tempore Drake reported that the Tourism Development Commission would be looking for a member at large and that also in September his position would be up for appointment or reappointment. Drake also told the Board the Economic Development Committee had met and there was a considerably large business coming to town. Drake then read a letter he had prepared and asked for it to be a part of the public record of this meeting.

Mr. Mayor, Commissioners, ladies, and gentlemen of Highlands,

I've prepared this letter so that it may be a part of public record at this meeting, July 19th. I am reading this to you instead of speaking from memory to get all the facts correctly stated and also to control my anger issues.

I recently received an email that basically accused the mayor, another commissioner, the town manager, and me of inappropriate behavior at town hall. In my sixty eight years, my integrity has never been questioned and I won't allow it now.

~~**Pass out copies of the emails and read aloud now.~~

^{wire}
The email ~~was~~ sent by Kim Lewiki, owner and editor of the Highlands Newspaper, to town attorney, Bill Cowart, me, and others. Kim questioned the legality of the mayor, the town manager, and two commissioners meeting at town hall on a
I take my job as a Highlands commissioner very seriously and make it my mission to stay abreast of all town business, its employees, and citizen's concerns. My morning visits to town hall are made because I owe it to the people who elected me. I was NOT elected to simply show up once or twice a month at a meeting and pretend to be aware of all the complexities of safeguarding our town, our homes, and our citizens. Showing up for one or two meetings a month isn't enough to have a real pulse on our community and I don't know of a job anywhere that can be done effectively with limited knowledge. It is my duty to come to the meetings well informed and ready to make the necessary decisions required with little or no delays for our citizens. Also, I am a member and serve on other Macon County government boards and I feel it is incumbent upon me to relay the information I have received at these meetings to the town of Highlands and it is usually in these morning meetings.

In recent days there have also been accusatory letters to the editor about the Mayor, the town manager, and commissioners who are simply trying to do the right thing for our citizens. Believe me, I have a business that doesn't get my full attention on some days, but again, I have taken my position as a Highlands commissioner very seriously and I intend to continue to do so. If it means meeting

in town hall and getting answers to my questions that effect responsible voting on the town board, then I will be there as often as it takes. Please feel free to drive by and check to see if my vehicle is there.

In the past months I have turned a blind eye to some questionable comments made in my direction by Kim and on many occasions have laughed with others saying that I would have to get the paper to see what I said. As recently as this past week I was asked questions by Kim concerning the very subject of this letter. Make no mistake, I had no comment in her latest issue because I wanted my words correctly stated and to be recorded as such. The latest incident questioning my integrity is no laughing matter at all. I understand that there can be some editorial privileges but going forward Kim, I ask you to please practice responsible, informed, and respectful journalism. As my grandmother once stated: There are really no pots to be stirred!

I encourage all citizens to attend our meetings and get your information first hand instead of through fabricated gossip that seems to stream through our town. If you have questions about Highlands, please contact your mayor, your town manager, or your commissioners for the answer. If we can't answer you at that very moment we will get the answer for you.

nail - Kim/Highlands Newspaper

Page 1 of 3



Gary Drake <gdrake44@gmail.com>

Kim/Highlands Newspaper

5 messages

HighlandsEditor@aol.com <HighlandsEditor@aol.com>

Mon, Jun 25, 2012 at 7:52 AM

To: bcoward@cashierslaw.com, Lawrence@sog.unc.edu

Cc: gdrake@brmemc.net, mayor@highlandsnc.org, bob.frye@highlandsnc.org, buz@ppoh.com, piersones@aol.com, jofallt@frontier.com, bstiehler@highlandscountryclub.com

Hey Bill, David Lawrence

Please clarify the legality of a mayor and a commissioner meeting daily in the mayor's office in Town Hall.

Over the years, as Town Attorney you have said under 3 elected officials are allowed to meet without the public or public notice however recently other legal minds have suggested that two elected officials make a committee and so such daily meetings are not legal.

I have been told by numerous citizens and some employees that meetings between Mayor David Wilkes and Commissioner Gary Drake are nearly a daily occurrence at Town Hall and that often times Town Manager Bob Frye is included, and sometimes Commissioner Eric Pierson, as well.

Of course the public perception is that business is being conducted or at least discussed, set up, initiated, etc., behind the scene, which suggests business in Highlands is not conducted in an open fashion.

I look forward to your response (s).

Inquiries have also been sent the NC dept. of justice and other entities.

Thank you
Kim Lewicki
Publisher
Highlands Newspaper

Gary Drake <gdrake44@gmail.com>
To: Bob Frye <bob.frye@highlandsnc.org>

Mon, Jun 25, 2012 at 11:18 AM

Bob
My question who pays bill for kims question kim or the town gary

[Quoted text hidden]

Bill Coward <bcoward@cashierslaw.com>

Mon, Jun 25, 2012 at 12:44 PM

To: "HighlandsEditor@aol.com" <HighlandsEditor@aol.com>

Cc: "David Wilkes ('wdavidwilkes@msn.com') <'wdavidwilkes@msn.com'>, Bob Frye <bob.frye@highlandsnc.org>, Amy Patterson <jofallt@frontier.com>, Brian J Stiehler CGCS <brianjstiehler@aol.com>, Eric Pierson <piersones@aol.com>, Gary Drake <gdrake44@gmail.com>, "John M. Dotson" <buz@ppoh.com>

Kim: I will need to discuss this subject with the Board before replying substantively to your request.

From: HighlandsEditor@aol.com [mailto:HighlandsEditor@aol.com]

Sent: Monday, June 25, 2012 7:53 AM

To: Bill Coward; lawrence@sog.unc.edu

Cc: gdrake@brmemc.net; mayor@highlandsnc.org; bob.frye@highlandsnc.org; buz@ppoh.com; piersones@aol.com; jofallt@frontier.com; bstiehler@highlandscountryclub.com

Subject: Re: Highlands Newspaper

[Quoted text hidden]

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Bill Coward <bcoward@cashierslaw.com>

Mon, Jun 25, 2012 at 3:40 PM

To: Bob Frye <bob.frye@highlandsnc.org>, "David Wilkes ('wdavidwilkes@msn.com') <'wdavidwilkes@msn.com'>, Amy Patterson <jofallt@frontier.com>, Brian J Stiehler CGCS <brianjstiehler@aol.com>, Eric Pierson <piersones@aol.com>, Gary Drake <gdrake44@gmail.com>, "John M. Dotson" <buz@ppoh.com>

FYI

From: Bluestein, Frayda S [mailto:bluestein@sog.unc.edu]

Sent: Monday, June 25, 2012 3:38 PM

To: HighlandsEditor@aol.com

Cc: Bill Coward

Subject: Re: Kim/Highlands Newspaper

Hi Kim:

David Lawrence is now retired and your message was forwarded to me for a response as I now work in this field.

Your question is about the legality of regular meetings involving the mayor and a commissioner and sometimes the manager and another commissioner. Under the open meetings law, notice and public access to meetings must be provided whenever a majority of a public body gathers together simultaneously. If you have a five member board, it would take three members of that board to trigger the notice requirement. Obviously, that's not the situation you've described. It's also true that a committee can constitute a public body, for example, if the board established a committee consisting of the mayor, one board member, and the manager, to meet regularly or to carry out a specific task, then their meeting, or a meeting of two of the three of them, would require notice. It does not appear from the facts you've provided that there has been any formal designation of these people as a committee. If that's the case, their informal meetings do not violate the open meetings law, again, unless the assembled group is a majority of the board. If it turns out that, although not formally designated, this group actually functions as a committee and is viewed by the board as such, then perhaps there is an argument that they should comply with the notice requirements. If that's not the case, then I don't see any legal issue raised by their informal meetings. It may be useful to consider that the statute's emphasis on a majority reflects the notion that a majority of the board is a sufficient number to take action binding the board. Similarly, if this group had some sort of delegated authority (even of an advisory nature) it could take action as a committee. If it's not a majority of the board, and it's not a committee, then it's not a group whose ideas or plans could become reality since it would require a majority of the board to approve them. So it may raise concerns, but it may not present the risk that the open meetings law focuses on.

I hope this is helpful.

Frayda



Frayda S. Bluestein

Professor of Public Law and Government

Associate Dean for Faculty Development

School of Government

The University of North Carolina at Chapel Hill

Campus Box 3330, Knapp-Sanders Building

Chapel Hill, NC 27599-3330



Gary Drake <gdrake44@gmail.com>

Kim/Highlands Newspaper

1 message

HighlandsEditor@aol.com <HighlandsEditor@aol.com>

Sun, Jul 8, 2012 at 3:32 PM

To: gdrake@brmemc.net, mayor@highlandsnc.org, bob.frye@highlandsnc.org, buz@ppoh.com, pierones@aol.com, jofallt@frontier.com, bstiehler@highlandscountryclub.com
 Cc: bcoward@cashierslaw.com

Hi everyone,

On June 25, you were emailed concerning the legality of two elected officials meeting on a regular/continuous basis at Town Hall. Bill Coward said he couldn't respond to the question until he had spoken to each of you.

As of today, July 7, there has been no response.

According to the Open Meetings Law, on the face of it, two elected officials meeting regularly isn't illegal, even though it may cause concern.

This according to the Frayda Bluestein of the School of Government. David Lawrence, who was copied in on the original email has retired.

To put citizens' concerns to rest, an article will be in the July 12 edition. I would like to hear from each of you, if possible, by noon Tuesday, July 10, and if you choose not to respond to the following questions, that will be noted.

Though as per the Open Meetings Law, it isn't illegal for two elected officials, who have not been appointed as a committee, to meet regularly, the question comes down to one of perception. We all know that something "legal" isn't always "right" in the eyes of the public.

1. As an elected official, how do you feel about the alleged practice of the Mayor meeting with one particular commissioner on a continuous/regular basis in Town Hall?
2. Do you feel such alleged meetings send the wrong message to the citizens concerning how business is conducted in Highlands?
3. Finally, do you think the practice of the alleged meetings should stop?

Please email your answers by noon Tuesday, July 10 and thank you for participating.

Kim Lewicki

C. Town Manager

Town Manager Frye reminded the Board of the joint meeting next week on Thursday, July 26, 2012 at 6:30pm at the Franklin Town Hall. Frye also reminded the Board Hwy 64 would be closed.

6. Consent Agenda

Public Works Department
 Police Department
 Parks & Recreation Department
 Planning & Development Department
 Treasurer's Report

Mayor Pro Tempore Drake moved to approve the Consent Agenda, which was seconded by Commissioner Patterson and the vote was unanimous.

7. Discussion: Highlands Playhouse**A. Report on Status of Playhouse Repairs**

MIS/GIS Director Matt Shuler presented a PowerPoint outlining the work the Town had completed and the items that need to be looked at for maintenance and repair at the Playhouse. Items include things that had been completed such as the roof repair, the

installation of two five ton air conditioning units, and wiring upgrades. Items to be reviewed include things such as ceiling joist repairs, ADA issues with sidewalks, handrails, restrooms and entrances, replacement of rotten doors, removal of romex wiring, attic access, uncovered insulation, and the possibility of a sprinkler system.

B. Interim Playhouse Lease

Commissioner Dotson opened the discussion by saying the lease was distributed to the Playhouse Board the night before their meeting so they hadn't had time to properly review it.

Commissioner Patterson commented that the Board needed to define substantial repairs under Item 9 of the lease and after much discussion on the definition of substantial repairs; Mayor Wilkes suggested that any items other than cosmetic changes have Town Staff approval and Staff can then determine whether or not they want to oversee such projects. Attorney Coward was directed to make the aforementioned change in the lease and send it out for review.

8. Planning Matters

A. Sedimentation and Erosion Control Memorandum

The Board was presented with a Memorandum of Agreement between the North Carolina Sedimentation Control Commission and the Town of Highlands.

Commissioner Patterson wanted to make sure this memorandum didn't affect the way the Town currently handled sedimentation control. Planning and Development Director Clabo assured the Board it didn't change anything other than it made our responsibilities clearer. Commissioner Pierson moved to approve the Memorandum of Agreement between the North Carolina Sedimentation Control Commission and the Town of Highlands, which was seconded by Commissioner Stiehler and the vote was unanimous.

B. Request for Annexation: Town Clerk's Certification

Town Clerk Shuler presented the Clerk's Certification and a Resolution Fixing Date of Public Hearing on Question of Annexation Pursuant to NCGS §160A-31 Governing Contiguous Annexations for the Kriswood Subdivision.

Resolution of the Town of Highlands Board of Commissioners Fixing Date of Public Hearing on Question of Annexation Pursuant to N.C.G.S. § 160A-31 Governing Contiguous Annexations Resolution No. 2012-06-Res

WHEREAS, a petition requesting annexation of the area described herein was received on the 2nd day of April, 2012 by the Town of Highlands; and

WHEREAS, the Town of Highlands Board of Commissioners has by resolution directed the Town Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification of the Town Clerk as to the sufficiency of the petition was made on the 5th day of July, 2012;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Town of Highlands, North Carolina that:

Section 1. A public hearing on the question of annexation of the area described herein will be held at the Highlands Community Building, 71 Poplar Street, Highlands, North Carolina at 7:00pm on the 16th day of August, 2012.

Section 2. The area proposed for annexation is described as follows and shown on the attached map taken from the current Macon County Tax Map:

100 Dog Mountain Road, Parcel 7439499946, Deed Book/Page E-24/204, Map Sheet 7439.01, .42 acres
122 Dog Mountain Road, Parcel 7439497987, Deed Book/Page E-24/2469, Map Sheet 7439.01, .60 acres
125 Dog Mountain Road, Parcel 7530408099, Deed Book/Page H-33/143, Map Sheet 7530.03, .31 acres
67 Dog Mountain Road, Parcel 7530500122, Deed Book/Page Q-22/1986, Map Sheet 7530.04, .50 acres
296 Dog Mountain Road, Lot 28 Kriswood Sub, Parcel 7530406063, Deed Book/Page N-30/1035, Map Sheet 7530.03, .98 acres
150 Dog Mountain Road, Lot 29 & N. Pt. of 28 Kriswood Sub, Parcel 7530407254, Deed Book/Page E-24/891, Map Sheet 7530.03, .80 acres
366 Dog Mountain Road, Lot 1 Kriswood Sub, Parcel 7439491979, Deed Book/Page I-18/301, Map Sheet 7439.01, 1.75 acres
Dog Mountain Road, Lot 2 Kriswood Sub, Parcel 7530401177, Deed Book/Page Q-14/174, Map Sheet 7530.03, 1.12 acres
412 Dog Mountain Road, Lot 3 Kriswood Sub, Parcel 7530402343, Deed Book/Page B-21/848, Map Sheet 7530.03, 1.60 acres
446 Dog Mountain Road, Lot 3A Kriswood Sub, Parcel 7530402530, Deed Book/Page N-20/205-206, Map Sheet 7530.03, .99 acres
452 Dog Mountain Road, Lot 4 Kriswood Sub, Parcel 7530403648, Deed Book/Page K-23/2183, Map Sheet 7530.03, 1.75 acres
846 Dog Mountain Road, Lot 5 Kriswood Sub, Parcel 7530403962, Deed Book/Page R-29/2001, Map Sheet 7530.03, 1.40 acres
836 Dog Mountain Road, Lot 14 Kriswood Sub, Parcel 7530405928, Deed Book/Page F-19/572-574, Map Sheet 7530.03, 1.20 acres
814 Dog Mountain Road, Lot 13 Kriswood Sub, Parcel 7530416134, Deed Book/Page R-33/2410, Map Sheet 7530.03, .65 acres
778 Dog Mountain Road, Lot 12 Kriswood Sub, Parcel 7530416366, Deed Book/Page L-20/488-489, Map Sheet 7530.03, .61 acres
Dog Mountain Road, Lot 11 Kriswood Sub, Parcel 7530416575, Deed Book/Page R-32/2173, Map Sheet 7530.03, .59 acres
Dog Mountain Road, Lot 6 Kriswood Sub, Parcel 7530414250, Deed Book/Page D-24/1120, Map Sheet 7530.03, .74 acres
Dog Mountain Road, Lot 7 Kriswood Sub, Parcel 7530413311, Deed Book/Page O-18/238, Map Sheet 7530.03, .68 acres
919 Dog Mountain Road, Lot 8 Kriswood Sub, Parcel 7530414461, Deed Book/Page S-19/664-665, Map Sheet 7530.03, 1.12 acres
735 Dog Mountain Road, Lot 9 Kriswood Sub, Parcel 7530414633, Deed Book/Page X-14/154, Map Sheet 7530.03, 1.49 acres
Dog Mountain Road, Lot 7A Kriswood Sub, Parcel 7530412486, Deed Book/Page 1A/1830, Map Sheet 7530.03, .08 acres
715 Dog Mountain Road, Lot 10 Kriswood Sub, Parcel 7530415818, Deed Book/Page Z-33/1566, Map Sheet 7530.03, 1.87 acres
703 Dog Mountain Road, Lot 15 Kriswood Sub, Parcel 7530418718, Deed Book/Page H-16/111, Map Sheet 7530.03, 1.96 acres
675 Dog Mountain Road, Lot 16 Kriswood Sub, Parcel 7530419502, Deed Book/Page H-22/1070, Map Sheet 7530.03, 1.22 acres
Dog Mountain Road, Lot 17 Kriswood Sub, Parcel 7530419301, Deed Book/Page R-11/68, Map Sheet 7530.03, 1.24 acres
Dog Mountain Road, Lot 18 Kriswood Sub, Parcel 7530418165, Deed Book/Page C-21/2471, Map Sheet 7530.03, 1.12 acres
543 Dog Mountain Road, Lot 19 Kriswood Sub, Parcel 7530407993, Deed Book/Page C-21/2471, Map Sheet 7530.03, 2.16 acres
469 Dog Mountain Road, Lot 20 Kriswood Sub, Parcel 7530406635, Deed Book/Page R-32/748, Map Sheet 7530.03, 1.61 acres
443 Dog Mountain Road, Lot 21 Kriswood Sub, Parcel 7530405482, Deed Book/Page G-34/830, Map Sheet 7530.03, .80 acres
425 Dog Mountain Road, Lot 22 & Lot 23 Kriswood Sub, Parcel 753040193, Deed Book/Page N-34/1437, Map Sheet 7530.3, 1.96 acres
219 Dog Mountain Road, Lot 27 Kriswood Sub, Parcel 7530408420, Deed Book/Page C-28/1440, Map Sheet 7530.03, .81 acres
Dog Mountain Road, Lot 26 Kriswood Sub, Parcel 7530408577, Deed Book/Page G-32/2, Map Sheet 7530.03, 1.04 acres
Dog Mountain Road, Lot 25 Kriswood Sub, Parcel 7530409763, Deed Book/Page R-9/266, Map Sheet 7530.03, .87 acres
229 Dog Mountain Road, Lot 24 Kriswood Sub, Parcel 7530500984, Deed Book/Page V-25/540, Map Sheet 7530.04, 1.37 acres

185 Dog Mountain Road, Lot 30 Kriswood Sub, Parcel 7530500400, Deed Book/Page U-22/2291, Map Sheet 7530.04, 1.84 acres

Section 3. Notice of the public hearing shall be published in the Highlander Newspaper, a newspaper having general circulation in the Town of Highlands, at least ten (10) days prior to the date of the public hearing.

Upon motion duly made and seconded, that above resolution was unanimously adopted by the Board of Commissioners at their regularly scheduled meeting held on the 19th day of July, 2012 in the Highlands Community Building, 71 Poplar Street.

This the _____ day of June, 2012.

David Wilkes, Mayor

ATTEST:

Rebecca R. Shuler, Town Clerk

Commissioner Patterson questioned whether there were any other things the Board might need to know as far as utility infrastructure and right-of-way before they voted on the annexation. Public Works Director Nix informed the board the water system was already owned by the town, road right-of-ways were already established, and Fire Protection is already provided through the Gates of Highlands.

Mayor Pro Tempore Drake made a motion to set the public hearing on the question of annexation for 7pm Thursday, August 16, 2012 at the regularly scheduled Town Board of Commissioners' meeting, which was seconded by Commissioner Stiehler and the vote was unanimous.

Commissioner Pierson then made a motion to adopt the Resolution Fixing the Date of Public Hearing on Question of Annexation Pursuant to NCGS §160A-31 Governing Contiguous Annexations establishing the public hearing for the same date and time as the previous motion made by Mayor Pro Tempore Drake. The motion to adopt the Resolution was seconded by Mayor Pro Tempore Drake and the vote was unanimous.

9. Miscellaneous Matters

A. Town Board Regular Meeting Schedule

At the Town Board Meeting on June 21, 2012 the Board of Commissioners voted to hold one monthly meeting on the third Thursday of each month at 7pm at the Highlands Community Building. The Board was presented with the following regular meeting schedule for the remaining portion of 2012.

<u>Month</u>	<u>Date</u>
July	19 th
August	16 th

September	20 th
October	18 th
November	15 th
December	6 th

Mayor Pro Tempore Drake made a motion to accept the regular meeting schedule for 2012, which was seconded by Commissioner Stiehler. The vote was 4 to 1 with Commissioner Dotson opposed.

B. ABC Commission Resolution

The Town Board was presented with a Resolution of the Town of Highlands regarding the designation of an official to make recommendations to the North Carolina Alcoholic Beverage Control Commission on ABC Permit Applications. Manager Frye told the Board that currently the Mayor signs the applications but felt it may be more appropriate that staff handle these applications.

RESOLUTION OF THE TOWN OF HIGHLANDS, COUNTY OF MACON, REGARDING THE DESIGNATION OF AN OFFICIAL TO MAKE RECOMMENDATIONS TO THE NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL COMMISSION ON ABC PERMIT APPLICATIONS Resolution No. 2012-09-Res

WHEREAS, NCGS §18B-904(f) authorizes a governing body to designate an official, by name or by position, to make recommendations concerning the suitability of persons or locations for ABC permits; and

WHEREAS, the Town of Highlands, County of Macon, wishes to notify the NC ABC Commission of its designation as required by NCGS §18B-904(f);

NOW, THEREFORE, BE IT RESOLVED that Robert A. Frye, Jr., Town Manager, is hereby designated to notify the North Carolina Alcoholic Beverage Commission of recommendations of the Town of Highlands, County of Macon, regarding suitability of persons and locations for ABC permits within its jurisdiction.

BE IT FURTHER RESOLVED that notices to the Town of Highlands, County of Macon, should be mailed or delivered to the official designated above at the following address:

PO Box 460
210 N. 4th St.
Highlands, NC 28741
(828)526.2118 ext. 1110

Upon motion duly made and seconded, the above resolution was unanimously adopted by the Board of Commissioners at a regular scheduled meeting held on the 19th day of July, 2012 in the Highlands Civic Center, 600 N. 4th St.

This the 19th day of July, 2012.

David Wilkes, Mayor

ATTEST:

Rebecca R. Shuler, Town Clerk

Commissioner Pierson made a motion to approve the Resolution designating Town Manager Bob Frye as the official to make recommendations to the North Carolina Alcoholic Beverage Control Commission on ABC Permit Applications. Commissioner Stiehler seconded the motion.

Commissioner Dotson said he felt that the Mayor had better knowledge of who people are and what their situations might be as opposed to the Town Manager. Mayor Wilkes said he felt staff would be more objective and the designee should remain the same no matter who the Mayor should be.

The vote was 4 to 1 with Commissioner Dotson opposed.

C. Resolution Adopting Town Insurance Cafeteria Plan

The Board was presented with a Resolution for the Adoption of the Town of Highlands Cafeteria Plan. Mayor Wilkes questioned what the basic change from last year included. Manager Frye informed the Board the prescription drug co-pay had went from \$4 to \$10, the basic plan was a 80/20 split, and Blue Cross was handling the reimbursements to employees so we no longer had a third party involved.

RESOLUTION OF THE TOWN OF HIGHLANDS BOARD OF COMMISSIONERS FOR THE ADOPTION OF THE TOWN OF HIGHLANDS CAFETERIA PLAN Resolution No. 2012-10-Res

WHEREAS, the form of Cafeteria Plan, as authorized under Section 125 of the Internal Revenue Code of 1986, presented to this meeting is hereby adopted and approved and that proper officers of the Employer are hereby authorized and directed to execute and deliver to the Plan Administrator one or more copies of the Plan; and

WHEREAS, the Plan Year shall be for a period beginning on July 1, 2012 and ending June 30, 2013; and

WHEREAS, the Employer shall contribute to the Plan amounts sufficient to meet its obligation under the Cafeteria Plan, in accordance with the terms of the Plan Document and shall notify the Plan Administrator to which periods of said contributions shall be applied; and

WHEREAS, the proper officers of the Employer shall act as soon as possible to notify employees of the adoption of the Cafeteria Plan by delivering to each Employee a copy of the Summary Plan Description for the Town of Highlands' Flexible Benefits Plan approved and adopted in the foregoing resolution.

NOW, THEREFORE, BE IT RESOLVED, that the Town of Highlands Board of Commissioners met on the 19th day of July, 2012 and discussed the implementation of the Town of Highlands Flexible Benefits Plan to be effective, July 1, 2012, and that attached hereto as Exhibits A and B respectively are true copies of the Plan Document and Summary Plan Description for the Town of Highlands' Flexible Benefits Plan approved and adopted in the foregoing resolution.

Upon motion duly made and seconded, the above resolution was unanimously adopted by the Board of Commissioners at a regular scheduled meeting held on the 19th day of July, 2012 in the Highlands Civic Center, 600 N. 4th St.

This the 19th day of July, 2012.

David Wilkes, Mayor

ATTEST:

Rebecca R. Shuler, Town Clerk

Commissioner Stiehler made a motion to approve the Resolution adopting the Town of Highlands Cafeteria Plan, which was seconded by Commissioner Patterson and the vote was unanimous.

10. Closed Session: Personnel Matters under [NCGS §143-318.11(a)(6)] and Attorney-Client Privilege under [NCGS §143-318.11(a)(3)]

Mayor Wilkes moved the Board into Closed Session at 8:20pm. The Board met in closed session pursuant to NCGS §143-318.11(a)(6) and §143-318.11(a)(3) to discuss a personnel and legal matter. Mayor Pro Tempore Drake moved the Board back into to open session at 8:59 pm, which was seconded by Commissioner Pierson and the vote was unanimous. No action was taken.

11. Adjournment

As there were no further matters to come before the Board of Commissioners, Mayor Pro Tempore Drake moved to adjourn, which was seconded by Commissioner Pierson and upon unanimous vote, the Town Board adjourned at 9:01pm.

David Wilkes
Mayor

Rebecca R. Shuler
Town Clerk