

Regular Meeting Minutes of the Town Board of Commissioners Meeting of June 18, 2015 at the Highlands Community Building, 71 Poplar St., Highlands, North Carolina.

Town Board Present: Commissioner John Dotson, Commissioner Amy Patterson, Commissioner Donnie Calloway, Commissioner Eric Pierson, Mayor Pro Tempore Brian Stiehler, and Mayor Patrick Taylor.

Also Present: Town Manager Bob Frye, Town Clerk Rebecca Shuler, Town Attorney Jay Coward, Public Works Director Lamar Nix, Planning and Development Director Josh Ward, Police Chief Bill Harrell, MIS/GIS Director Matt Shuler, and Parks and Recreation Director Lester Norris.

1. Meeting Called to Order

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

2. Public Comment Period

Steve Mehder informed the board about the successful weekend the Motoring Festival's car show had been and expressed interest in holding the event in the park again in the future.

Heather Prine addressed the board in regards to constructing a roundabout at the intersection of NC28 and also placing a stop sign on the hill in front of the Peggy Crosby Center.

3. Adjust and Approve Agenda

Manager Frye asked that a wayfinding request from the Center for Life Enrichment be incorporated into the agenda as item 11 and the remaining items be moved to items 12 and 13. Commissioner Pierson moved to approve the agenda with the before mentioned addition, which was seconded by Commissioner Calloway and the vote was unanimous.

4. Approval of the May 28, 2015 Regular Meeting Minutes

Commissioner Patterson made a motion to approve the regular meeting minutes of May 28, 2015 as presented, which was seconded by Mayor Pro Tempore Stiehler and the vote was unanimous.

5. Reports

A. Mayor

Mayor Taylor informed the Board he had been tracking the redistribution of sales tax, gave an update on the pool progress and spoke of a meeting he had been in with the park coalition.

B. Commissioners and Committee Reports

There were no commissioner or committee reports.

C. Town Manager

Manager Frye informed the Board that Langston Construction had placed an apology letter in the newspaper in reference to the issue with the lake drainage.

Frye said he had a request from the Rotary club to remove the divider curtains in the community building. It was agreed by consensus to have it removed.

He also informed the board that the July board meeting would be held at the Rec. Park due to the Community Building being rented out to the Ichiban flower arranging group.

6. Consent Agenda

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

Bids for gravel hauling are bid out annually. This year the Town request bids to be turned in on Friday, June 12, 2015 by noon. The Town received three bids. Staff recommended that the board award the bid to the lowest responsible bidder, Sam's Grading.

Commissioner Calloway moved to approve the consent agenda as presented, which was seconded by Commissioner Pierson and the vote was unanimous.

7. Public Hearing: Presentation of FY 2015-16 Budget

A. Open Public Hearing

Commissioner Pierson made a motion to open the public hearing at 7:11pm, which was seconded by Commissioner Dotson and the vote was unanimous.

B. Staff Comments/Recommendation

Background

As required by the General Statutes of North Carolina, the revenues and expenditures presented within this budget are balanced.

In order to present a balanced budget across all funds, it was necessary to appropriate \$22,289.00 from undesignated General Fund Balance and a further \$281,876.00 from the Electric Reserve Fund for a combined total of \$304,205.00.

These funds were used to offset capital project deficits within the Parks and Recreation Department, Water Department, Sewer Department, and Sanitation Departments related to equipment purchases.

This will leave the following amounts in the respective funds:

\$2,060,409.00 in undesignated general fund balance

\$2,703,992.00 in the electric reserve fund

All other funds are self-supporting and require no outside fund transfers to enable them to operate.

Budget Highlights

As presented, the overall FY 2015-16 Budget has revenues and expenditures totaling \$13,787,317.00

It is proposed to raise the Ad Valorem tax rate from its current .150 per \$100.00 valuation to .164 per \$100.00 valuation. The additional .014 will enable the Town of Highlands to maintain a revenue neutral tax rate in light of the 7.5% drop in property valuation resulting from the recently completed Macon County property revaluation.

It is proposed to raise the current Highlands Volunteer Fire Department tax rate of .009 per \$100 valuation to \$.01 per \$100 valuation. The additional .01 will enable the Highlands Volunteer Fire Department to maintain a revenue neutral tax rate in light of the 7.5% drop in property valuation resulting from the recently completed Macon County property revaluation.

The current Town of Highlands minimum charge for electrical service remains unchanged at \$20.31 per month for residential customers and \$22.67 (single phase) or \$32.69 (three phase) per month for commercial users.

The current Town of Highlands minimum charge for water and sewer service remains unchanged at \$32.00 per month for residential customers and \$42.00 per month for commercial users.

The current Town of Highlands minimum charge for residential trash pickup remains unchanged at \$18.50 per month for residential customers.

TOTAL EXPENDITURES

Total Expenditures for all funds is split between the individual funds as follows:

General Fund	\$4,693,253.00
Scholarship Fund	\$43,500.00
Fire and Rescue Special Revenue Fund	\$369,793.00
Cemetery Fund	\$41,200.00
Water Enterprise Fund	\$1,543,563.00
Sewer Enterprise Fund	\$651,323.00
Capital Projects Fund	\$158,140.00
Sanitation Enterprise Fund	\$779,669.00
Electric Enterprise Fund	\$5,506,876.00
Total Expenditures	\$13,787,317.00

GENERAL FUND

Total expenditures for the FY 2015-16 General Fund Budget is \$4,693,253.00. These funds are split between the individual departments/funds as follows:

Governing Body	\$36,348.00
Administration	\$959,046.00
Planning/Zoning	\$94,351.00
MIS/GIS	\$549,629.00
Police Department	\$1,253,360.00
Street Department	\$905,559.00
Public Buildings	\$87,826.00
Parks and Recreation	\$605,920.00
Recreation-Pool	\$201,214.00
Total Expenditures	\$4,693,253.00

FY 2015-16 BUDGET MESSAGE

June 18th 2015

The Honorable Mayor Patrick Taylor and Town Commissioners
Town of Highlands, North Carolina

Dear Mayor Taylor:

I am pleased to present the FY2015-16 Budget for your review and consideration.

As required by the General Statues of North Carolina, the revenues and expenditures presented within this budget are balanced.

In order to present a balanced budget across all funds, it was necessary to appropriate \$22,329.00 from undesignated General Fund Balance and a further \$281,876.00 from the Electric Reserve Fund for a combined total of \$304,205.00.

These funds were used to offset capital project deficits within the Water Fund, Sewer Fund and Sanitation Fund related to equipment purchases.

This will leave the following amounts in the respective funds:

\$2,060,409.00 in undesignated general fund balance

\$2,703,992.00 in in the electric reserve fund

All other funds are self-supporting and require no outside fund transfers to enable them to operate.

BUDGET HIGHLIGHTS

As presented, the overall FY 2015-16 Budget has revenues and expenditures totaling \$13,787,317.00

It is proposed to raise the Ad Valorem tax rate from its current .150 per \$100.00 valuation to .164 per \$100.00 valuation. The additional .014 will enable the Town of Highlands to maintain a revenue neutral tax rate in light of the 7.5% drop in property valuation resulting from the recently completed Macon County property revaluation.

This rate is based on an approximate valuation of \$1,645,000,000.00 and an estimated collection rate of 98.6%.

It is proposed to raise the current Highlands Volunteer Fire Department tax rate of .009 per \$100 valuation to \$.01 per \$100. The additional .001 will enable the Highlands Volunteer Fire Department to maintain a revenue neutral tax rate in light of the 7.5% drop in property valuation resulting from the recently completed Macon County property revaluation.

The current Town of Highlands minimum charge for electrical service remains unchanged at \$20.31 per month for residential customers and \$22.67 (single phase) or \$32.69 (three phase) per month for commercial users.

The current Town of Highlands minimum charge for water and sewer service remains unchanged at \$32.00 per month for residential customers and \$42.00 per month for commercial users.

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Cemetery Fund	\$41,200.00
Water Enterprise Fund	\$1,543,563.00
Sewer Enterprise Fund	\$651,323.00
Capital Projects Fund	\$158,140.00
Sanitation Enterprise Fund	\$779,669.00
Electric Enterprise Fund	\$5,506,876.00
Total Expenditures	\$13,787,317.00

GENERAL FUND

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Governing Body	\$36,348.00
Administration	\$959,046.00

Planning/Zoning	\$94,351.00
MIS/GIS	\$549,629.00
Police Department	\$1,253,360.00
Street Department	\$905,559.00
Public Buildings	\$87,826.00
Parks and Recreation	\$605,920.00
Recreation-Pool	\$201,214.00
Total Expenditures	\$4,693,253.00

ENTERPRISE FUNDS

The Town of Highlands operates the following operates the following Enterprise Funds:

Water
Sewer
Sanitation
Electric

WATER FUND

Total expenditures for the FY 2015-16 Water Utility Enterprise Fund is \$1,543,563.00

It is proposed to maintain water usage rate charges at the current FY 2014-15 levels. A detailed listing of all water utility charges can be found in the accompanying Town of Highlands FY 2015-16 Fee Schedule.

It is proposed to transfer \$118,954.00 from the Electric Fund to cover the costs associated the purchase of a new tracked excavator and ton service truck for the Water Department.

SEWER FUND

Total expenditures for the FY 2015-16 Sewer Utility Enterprise Fund is \$651,323.00.

It is proposed to maintain sewer usage rate charges at the current FY 2015-16 levels. A detailed listing of all water utility charges can be found in the accompanying Town of Highlands FY 2014-15 Fee Schedule.

It is proposed to transfer \$36,323.00 from the Electric Fund to cover the costs associated the purchase of a new service truck.

ELECTRIC FUND

Total expenditures for the FY 2014-15 Electric Enterprise Fund is \$5,151,930.00

In order to present a balanced budget across all funds, it was necessary to appropriate \$281,876.00 from the Electric Reserve Fund to offset capital project deficits within the Water Fund, Sewer Fund and Sanitation Fund related to equipment purchases.

These funds were allocated as follows:

Water Fund:	\$118,954.00
Sewer Fund:	\$36,323.00
Sanitation Fund:	\$199,669.00

The current Town of Highlands minimum charge for electrical service remains unchanged at \$20.31 per month for residential customers and \$22.67 (single phase) or \$32.69 (three phase) per month for commercial users. Please refer to the Town of Highlands FY 2015-16 Fee Schedule for a detailed listing of all Town electrical charges.

SANITATION FUND:

Total expenditures for the FY 2014-15 Sanitation Enterprise Fund is \$779,669.00

It is proposed to transfer \$199,669.00 from the Electric Fund into the Sanitation Fund to cover the cost of the purchase of a new 20 yard trash truck.

It is proposed to maintain the current Town of Highlands minimum charge for residential trash pickup at \$18.50 per month for residential customers.

SPECIAL REVENUE FUNDS

The FY 2014-15 Budget includes the following Special Revenue Funds:

Fire Department
Capital Projects

FIRE DEPARTMENT FUND

The Highlands Volunteer Fire Department provides service to Town of Highlands and a portion of unincorporated areas of Macon and Jackson Counties.

As 100% of the revenue for the Fire Department is generated through the Fire District Ad Valorem property tax and not the Town of Highlands General Fund; a Special Revenue Fund was established to provide accountability.

It is proposed to raise the current Highlands Volunteer Fire Department tax rate of .009 per \$100 valuation to \$.01 per \$100 valuation. The additional .001 will enable the Highlands Volunteer Fire Department to maintain a revenue neutral tax rate in light of the 7.5% drop in property valuation resulting from the recently completed Macon County property revaluation.

CAPITAL PROJECTS FUND

Total expenditures for the FY 2015-16 Capital Projects Fund is \$158,140.00 and includes the following fund transfers:

General Fund	\$15,698.00
Sewer Fund	\$56,967.00
Electric Fund	\$85,475.00

These funds are allocated to various projects to pay for debt service on the Kelsey-Hutchison storm water project (\$15,698.00), debt service on the town’s new radio read water meters (\$85,475.00), and debt service on the Mirror lake sewer project (\$56,967.00).

LONG TERM OUTLOOK

At the current time, the financial outlook for the Town of Highlands remains upbeat.

The Town’s undesignated General Fund Balance remains strong and all Enterprise Funds are stable and covering all of their operating costs.

It is important to note however, that the Town has made significant use of its undesignated general fund reserves in the FY 2014-15 budget with a total of \$806,310.00 being withdrawn for use.

That the Town was able to do this speaks well for its forethought in building up its fund balance as their use in the FY 2014-15 budget illustrate how they can be used for the betterment of the town by funding projects that otherwise would not have been able to been completed.

That being said, it is important to acknowledge that the level of fund withdrawal from the General Fund cannot be sustained at its current rate for any length of time; nor

should it be. With that in mind, it now seems advisable to keep transfers from the General Fund to a minimum in order to allow the fund balance to replenish and to enable the 1.5 cent portion of the property tax earmarked for recreation that was enacted in the FY 2014-15budget; in part to offset the fund withdraws mentioned above; time to build up funds that can then be placed into the Parks and Recreation Budget without placing a stress on the town general fund reserves.

The Electric Fund; thanks to the series of significant rate increases enacted over the last 2 years; is now stable and has begun to slowly replenish itself and is now able to resume transfers to other funds to offset their capital project costs.

Given the extent to which the Town depends upon the Electric Fund to finance significant portions of its capital improvement program; it is critical for the town to closely monitor the rate increase estimates provided each year by Duke Energy and adjust its rates accordingly so as to avoid a repeat of the very large rate increase the town was forced to enact in FY 2011-12.

It is important to remember that the Water, Sewer, and Sanitation Funds are reliant on transfers from the Electric Fund in order to fund either in part; or in entirety; the capital project needs of those funds. Without these offsetting transfers, the town would be forced to significantly increase the fees charged for water, sewer and sanitation services to incorporate the capital; project and equipment needs of these funds.

Additionally, due in large part to the ability to transfer funds from the Electric Reserve the town has been able to keep its long term debt load extremely low.

CLOSING COMMENTS

I would like to commend Mayor Patrick Taylor and the Town Board for their guidance in working with staff as the budget evolved from its first drafts to its final form. Clear concise directives from our elected officials made developing the budget much easier.

I would also like to commend town staff for the diligent work they put into the budget and the diligence with which they worked to hold the line on expenses.

In closing, I would like to say that I look forward to implementing this budget and in so doing I hope that we achieve our goal of providing quality public services to our community.

Sincerely,

TOWN OF HIGHLANDS

Robert A. Frye Jr.
Town Manager

FY 2015-16 Capital Projects

Street Department

Street Work (Paving)

Maple Street	\$40,000.00
Sub Total	\$40,000.00

Repairs

4 th Street Wall	\$195,000.00
Sub Total	\$195,000.00

Equipment

Replacement Service Truck	\$65,000.00
Sub Total	\$65,000.00
Total	\$300,000.00

Sanitation Department

Replacement Trash Truck (Commercial Route)	\$208,000.00
Total	\$208,000.00

Water Department

Waterline Replacement Projects

Buckhorn Water Tank Rehab	\$30,000.00
Sub Total	\$30,000.00

Equipment

Additional Ton Truck	\$65,000.00
Additional Small Excavator	\$45,000.00
Sub Total	\$110,000.00
Total	\$ 140,000.00

Water Treatment

Caustic Soda Storage Tank Rehab	\$30,000.00
Total	\$30,000.00

Waste Water Treatment

Tank Rehab	\$40,000.00
Replacement Pickup Truck	\$40,000.00
Total	\$80,000.00

Electric Department

Replacement Line Truck	
Total	\$190,000.00

Police Department

Replacement Police Vehicles (Ford Taurus) x2	
Total	\$86,200.00

MIS/GIS

Broadband/Fiber Project	\$100,000.00
Current Public Restroom Renovation/Repurposing	\$50,000.00

Email Server and Archiver	\$20,000.00
Paperless Document System	\$20,000.00
Technology Grant Match for Police Department	\$22,500.00
Service/Bucket Van	\$70,000.00
Total	\$282,500.00

Parks and Recreation

Entry Sign	\$10,500.00
Ball Field Backstop and Fence Replacement	\$45,000.00
Total	\$55,500.00

Less Projects Listed for Potential Elimination

General Fund Departments	\$723,700.00
Water Fund	\$170,000.00
Sewer Fund	\$80,000.00
Sanitation Fund	\$208,000.00
Electrical Fund	\$190,000.00
Grand Total (All Projects)	\$1,371,700.00

**THE FEE SCHEDULE
OF THE
TOWN OF HIGHLANDS
STATE OF NORTH CAROLINA**

Effective July 1, 2015
UTILITIES - GENERAL

Deposits October 18, 2011

In accordance with the Highlands Code, a signed contract shall be required before any utility service is provided. If the customer is not the owner of the building for which utility service is requested, then a deposit shall be required before service is provided. If a deposit is deemed necessary the amounts are \$150 for residential accounts and \$300 for commercial accounts.

Penalties for Delinquent Accounts July 1, 2012

The due date for all utility accounts shall be twenty-one (21) days after the billing date. Interest in the amount of 1.5% will be charged on delinquent accounts. Service will be disconnected if bill is not paid within thirty (30) days of billing date, and reconnection fees will be charged.

Re-Connection Fee for Utilities October 18, 2011

Utility service may be disconnected in any year on June 30 without incurring a re-connection fee, upon receipt of written notice in advance of that date. Otherwise the reconnection fee shall be as follows:

! If disconnected one year or more: one-half of the water connection fee + \$75.00 for Electric

! If disconnected less than one year: all applicable minimum charges which have accrued while disconnected (water, sewer, electric, garbage, and sales tax) + \$75.00

If service is re-connected after business hours, the fee is increased from \$75 to \$150.

Including C-T meters.

Minimum Charges October 18, 2011

Monthly minimum charges are in effect for electricity, water, sewer, and garbage service regardless of usage.

Policy on Non-Payment of Utility Bills

Section 15-4 of the Highlands Code gives the Town the authority to disconnect utility service for failure to pay the utility bill:

“Delinquent utilities accounts shall be discontinued thirty (30) days from the billing date of such accounts, and a penalty shall be affixed in an amount determined by the board from time to time and listed in the manual of fees and charges maintained in the clerk's office.”

Section 15-97(b) of the Highlands Code reinforces the authority to disconnect:

"If consumer shall fail to pay any bill within a period of ten (10) days after date of such bill, town may apply any deposit made by consumer in the liquidation of such bill and, at the option of the town; service may be discontinued until the deposit is reestablished to its full amount.”

On the thirtieth day pursuant to the foregoing prescribed time schedule for delinquent utility accounts the Billing Clerk shall review with the Town Manager (or, in his absence, the Administrative Assistant) the list of customers who have not remitted payment. Electric service shall be disconnected on the following day, except as approved by the Town Manager. The Town Manager may in his option delay disconnection of power in unusual circumstances, such as death in a family or extended travel time for established customers with good payment record. Service will not be ordinarily disconnected on a Friday or on the day preceding a Town holiday.

In order for service to be re-connected, the entire past due amount of the bill must be paid, in addition to the reconnection fee set forth in the Fee Schedule. In cases of unusually high bills, such as might result from a large water leak, or due to financial difficulty, the Town Manager may approve repayment over a period of time pursuant to an agreement to be executed between the Town and the customer. Failure to remit payment pursuant to such a re-payment schedule shall result in disconnection of service in the same manner as above.

Upon information that a customer has vacated the premises and left an unpaid utility bill, service shall be immediately disconnected. The deposit, if any, shall be applied to the bill as necessary. Payment of the balance of the amount shall be pursued by any means deemed appropriate by the Town Manager, including Small Claims Court or other legal action.

Policy on Installing Demand Meters

The Town of Highlands Code of Ordinances, Section 15-95(a), authorizes the Town to install and maintain electric meters:

"The Town shall install and maintain, at its expense, such meter as may be required to measure the demands and consumption of electrical energy and will inspect such meter from time to time.

In its discretion, the Electric Distribution Superintendent may require the installation of a demand meter. Such a meter is used to measure the power being used during a demand interval in kilowatts (kW) in addition to the cumulative monthly kilowatt hour (kWh) usage. When a customer applies for electric service, a determination is made whether or not a demand meter should be required to measure kilowatt demand. In general, demand meters will be required for commercial businesses having high kilowatt usage, such as hotels and motels, restaurants, grocery stores, convenience stores, three-phase commercial services, or other large commercial businesses.

Privacy Policy

Billing and account information will not be provided to the media, or to a business, agency, or other individual not included on the account, without the permission of the account holder. Current billing information may be released (excluding account history information) when it is deemed in the best interest of both the Town and the individual account holder in order to aid the account holder in paying the current bill. Information may also be shared, at the discretion of the Town, with another power company or municipality routinely requesting account history information.

UTILITIES – ELECTRIC

Temporary Electric Service June 1, 1995

\$100.00

Electric Rates July 1, 2014

Residential: Basic Charge: \$20.31

.1146 cents/kWh

Commercial: Basic Charge (single phase) \$22.67

Basic Charge (three phase) \$32.69

First 3000 kWh: .1144

Next 6000 kWh: .0808

All over 9000 kWh: .0803

Demand: \$7.64/kWh per month

Yard Lights July 1, 2011

\$9.25 per month (plus initial cost of light and installation)

Special Readings June 1, 1997

\$20.00

Service Calls Effective September 20, 2012

\$75.00 during regular business hours and \$150.00 after business hours

Solar PV Interconnection Rate Schedule Effective May 17, 2012

SMALL POWER SUPPLIER REIMBURSEMENT FORMULA
FOR PHOTOVOLTAIC GENERATION NO LARGER THAN 10 kW
(WITH DEMAND CREDIT)

Rate SPP DEMAND

- 1) Monthly Payment (Energy Credit and Demand Credit): The Town shall pay Seller the sum, which is grossed up for line losses back to the Duke generator busbar, of the Energy Credit and the Demand Credit reduced by a special meter reading and billing of \$25.00, subject to adjustment by annual true-up.

$$\text{MPSS} = (((\text{CER} \times \text{CES}) + (\text{CDR} \times \text{CDA})) * (1 + \text{LLF})) - \$25.00$$

- 2) Trueup: In June of each year, a true-up of estimated demand and energy will occur, thereby resulting in a charge or a credit to the small power supplier. The formula for this charge or credit will be applied in July of each year and is as follows:

$$\text{True-Up} = (\text{PPAER} \times \text{PES}) + (\text{PPADR} \times \text{PDA})$$

MPSS = Monthly payment to Small Power Production Supplier.

CER = Current month Energy Rate per kWh, as shown on the Town's current bill from its supplier, Duke Energy Carolinas, LLC.

CES = Current month Energy Supplied, in kWh, by the Small Power Production Supplier as defined as the most recent billing cycle energy produced by the Supplier.

CDR = Current month Demand Rate per kW, as shown on the Town's current bill from its supplier, Duke Energy Carolina, LLC.

CDA = Estimated 12-month demand avoided as a result of the kW supplied by the Small Power Production Supplier.

LLF = the sum of Duke's line loss factor as identified in NITSA combined with a 3% town line loss.

PPAER = the difference between the previous year's monthly energy rate per kWh and the adjusted energy rate per kWh, as shown on annual workpapers provided by Duke Energy Carolinas, LLC, in June of each year.

PES = Previous calendar year's energy supplied, in kWh, by the Small Power Production Supplier.

PPADR = the difference between the previous year's monthly demand rate per kW and the adjusted demand rate per kW, as shown on annual workpapers provided by Duke Energy Carolinas, LLC, in June of each year.

PDA = the difference between the estimated 12-month demand avoided (CDA) and the 12-month actual demand for the previous calendar year.

\$25 = A charge of \$25.00 for meter reading, billing and administrative overhead.

In order to qualify for payments under this rate schedule, the Small Power Production Supplier must have a demand meter installed by the Town.

Rates are subject to change at any time at the discretion of the Highlands Town Board. Any changes in the Town's avoided cost will necessarily require a revision in the provisions of the above Schedule.

Supplier may terminate its sales to the Town on thirty (30) days' notice to the Town.

TOWN OF HIGHLANDS
SMALL POWER SUPPLIER REIMBURSEMENT FORMULA
FOR PHOTOVOLTAIC GENERATION NO LARGER THAN 10 kW
(WITHOUT DEMAND CREDIT)

Rate SPP NO DEMAND

- 1) Monthly Payment (Energy Credit): The Town shall pay Seller the sum of the Energy Credit reduced by a meter reading and billing charge of \$8.25, subject to adjustment by annual true-up.

$$\text{MPSS} = ((\text{CER} \times \text{CES}) * (1 + \text{LLF})) - \$8.25$$

- 2) Trueup: In June of each year, a true-up of estimated energy will occur, thereby resulting in a charge or a credit to the small power supplier. The formula for this charge or credit will be applied in July of each year and is as follows:

$$\text{True-Up} = (\text{PPAER} \times \text{PES})$$

MPSS = Monthly payment to Small Power Production Supplier.

CER = Current month Energy Rate per kWh, as shown on the Town's current bill from its major supplier, Duke Energy Carolinas, LLC.

CES = Current month Energy Supplied, in kWh, by the Small Power Production Supplier as defined as the most recent billing cycle energy produced by the Supplier.

LLF = the sum of Duke's line loss factor as identified in NITSA combined with a 3% town line loss.

PPAER = the difference between the previous year's monthly energy rate per kWh and the adjusted energy rate per kWh, as shown on annual workpapers provided by Duke Energy Carolinas, LLC, in June of each year.

PES = Previous calendar year's Energy Supplied, in kWh, by the Small Power Production Supplier.

\$8.25 = A charge of \$8.25 for meter reading and administrative overhead.

Rates are subject to change at any time at the discretion of the Highlands Town Board. Any changes in the Town's avoided cost will necessarily require a revision in the provisions of the above Schedule.

Supplier may terminate its sales to the Town on thirty (30) days' notice to the Town.

UTILITIES - WATER

Water Connection Fees July 1, 2006

3/4" meter	\$1000 inside Town, \$1500 outside
1" meter	\$1200
Between 1" and 2"	\$1400
2" and larger	\$1600 plus cost of meter and installation

Water Rates Effective July 1, 2011

Minimum Charges Residential:

Size of Meter

3/4"	32.00 inside Town, 52.00 outside Town
1"	42.00
2"	72.00
3"	92.00

Minimum Charges Commercial:

Size of Meter

3/4"	42.00
1"	52.00
1 1/2"	82.00
2"	97.00
3"	112.00

Usage Rates:

3/4" Meter:

First 2,500 gallons: minimum charge

Next 1,000,000 gallons: \$5.00 per 1000 gallons

1" Meter:

First 9,000 gallons: minimum charge

Next 1,000,000 gallons: \$5.00 per 1000 gallons

2" Meter:

First 10,500 gallons: minimum charge

Next 1,000,000 gallons: \$5.00 per 1000 gallons

First 12,500 gallons: minimum charge

Next 1,000,000 gallons: \$5.00 per 1000 gallons

Water Leaks

It is the policy of the Town of Highlands, in the event of a water leak on the customer's side of the meter, to adjust the water portion of the bill 50%, less the minimum charge. Such adjustment will be made only one time in any given 12-month period.

Service Calls Effective September 20, 2012

\$75.00 during regular business hours and \$150.00 after business hours

UTILITIES - SEWER

Sewer Connection Fees September 21, 2005

Single dwelling unit: \$2500

Multiple dwelling unit: \$2500 per dwelling unit

Single business: \$3500

Multiple business: \$3500 per business occupant

Hotels, motels, tourist homes: \$3000 initial fee, plus \$500 additional for each room*

Restaurants: \$5000 initial fee, plus \$100 additional for each seat*

Assisted Living Units: One-half the single dwelling unit connection fee.

*For changes in use to a use requiring a greater connection fee, the initial fee is waived but the additional amount must be paid.

Sewer Connection Fees Outside Corporate Limits March 6, 1996

Sewer Connection Fees for property outside the Corporate Limits of the Town shall be 200% of the corresponding connection fee inside the Corporate Limits.

Sewer Rates July 1, 2012

100% of water rate

Fee for Disposal of Waste from Pumping Truck ~~April 22, 1998~~ **Effective July 1, 2015**

~~1500-gallon truck: \$35 per load~~

~~2500-gallon truck: \$50 per load~~

\$125.00 per load

UTILITIES - SOLID WASTE

Residential Garbage Rates July 1, 2012

Residential: \$18.50 per month

[Note: Residents qualifying for ad valorem property tax senior citizens exclusion shall not be charged for garbage collection.]

Commercial Garbage Rates July 1, 2012

Commercial: \$18.50 per month for each weekly pickup, up to 6 pickups per week.

[Note: It is mandatory for businesses generating large amounts of garbage to pay for six pickups per week.]

In addition, the following charges apply based on the amount of cardboard generated:

<u>Type User</u>	<u>Added Fee</u>
Small	\$17.25
Medium	\$34.50
Large	\$69.00

Dumpster Fees July 1, 2012

\$46.00 per month for single business use.

For more than one business using a dumpster, the charge is \$46.00 per month divided by the number of users.

Dumpster fees are in addition to the current commercial garbage rates.

96-Gallon Commercial Toter Receptacles July 1, 2012

\$5.75 per month per receptacle

LAND USE

Zoning Certificates July 1, 2012

New Construction: Minimum of \$25.00 for up to \$25,000 of the cost of improvements, then \$2.00 per \$1000 of the cost of improvements above the minimum.

Interior Modifications Only: \$25.00

Simple Review of Plat for Transfer of Title Only: \$25.00

Sign Permits

TEMPORARY SIGNS

Banner for civic event or special holiday: \$25.00 December 15, 1993

Sign for initial opening or special sales: \$50.00 for a maximum of 10 days July 1, 2012

PERMANENT SIGNS July 1, 2012

Wall signs: \$1.00 per square foot of sign face, \$25.00 minimum for each separate sign

Hanging signs: \$1.00 per square foot of sign face, \$25.00 minimum

Free-standing signs: \$1.00 per square foot of sign face, \$50.00 minimum

Temporary Development signs: \$100.00

REAL ESTATE SIGNS IN SETBACK AREA: \$15.00 per sign [Effective 4/17/96]

Civil Penalties Schedule August 21, 2014

Zoning Violations: \$100.00 per day, per violation, until the violation(s) are remedied, per Section 15.2.2, Continuing Offenses, Unified Development Ordinance.
\$500.00 per tree removal without prior Town approval per Section 11.2.2, Tree Protection, as referenced in Section 15.4 Civil Penalties, 15.4.1, Citations, Unified Development Ordinance.

Application for Special Use Permit, Variance, or Appeal July 1, 2012

\$250.00

Application for Re-Zoning July 1, 2012

Conventional re-zoning..... \$ 500.00

Conditional District re-zoning.....\$1,500.00

Application for Subdivision July 1, 2012

\$500.00

Review of Erosion Control Permit

Minimum Fee of \$300.00, plus any cost over \$250.00 incurred as a result of review by the Town's Consulting Engineers.

BUSINESS LICENSES

General

Set each year by the Board of Commissioners, in accordance with the General Statutes (see references below). Business licenses are valid from May 1 through April 30. New Licenses issued after six months of any license year shall be prorated for the remaining portion of the valid license year.

Business Licenses Limited by General Statutes ~~July 1, 2012~~ (Reference 6-34) Effective July 1, 2015

Town policy is to charge the maximum permitted by the General Statutes, as shown below, except where indicated.

Category	Amount	G. S. Reference
Barbers, beauticians	\$2.50/employee	160A-211(b) (105-75.1)
Contractor, Electrical*	\$50.00	160A-211 (105-91)
Contractor, General	\$10.00	160A-211 (105-54(g))
Contractor, Heating*	\$50.00	160A-211 (105-91)
Contractor, Plumbing*	\$50.00	160A-211 (105-91)
Dry Cleaners	\$50.00 (Solicit only Inside County)	160A-211 (105-74)
	\$100.00 (Solicit Outside County)	
Firearms	\$50.00	160A-211 & 153A-152
		105-80(e)
Other Weapons (knives, daggers, similar things)	\$200.00	160A-211 & 153A-152
Hotels and Motels	\$1.00/room (\$25 min.)	160A-211 105-61(f)
Itinerant Merchant	\$100.00	160A-211 & 153A-152
		105-53(m)
Laundries (Outside Town)	\$50.00 (Solicit only Inside County)	160A-211 105-85
Laundries (Inside Town)	\$100.00 (Solicit Outside County)	160A-211 105-85
Outdoor Advertising	\$35.00	160A-211 105-87(j)
Peddler	of farm products \$25, on foot \$10, with vehicle \$25	160A-211 & 153A-152
		105-53(m)
Specialty Market Operators	\$200.00	160A-211 and 153A-152
Restaurants	\$25 no seats or seats for no more	
	than four seats, \$85 for 5 or more seats	160A-211 105-62(e)
Service Stations	\$12.50	160A-211 & 153A-152
		105-89(a)(6)
Tourist Homes	Same as Hotels	160A-211 105-61(f)
Campgrounds and Trailer Parks	\$12.50	160A-211 & 153A-152
		105-102.5(b)(4)

TV/Radio sales or repair	\$5.00	160A-211 & 153A-152	105-102.5(b)(9)
Video games	\$5.00/machine	160A-211 & 153A-152	105-66.1(c)
Video movies, rental or sale	\$25.00	160A-211 & 153A-152	105-102.5(b)(1)
Beer - On-premise	\$15.00	160A-211	105-113.79
Beer - Off-premise	\$5.00	160A-211	105-113.79
Wine - On-premise	\$15.00	160A-211	105-113.79
Wine - Off-premise	\$10.00	160A-211	105-113.79
Undertakers	\$50.00	106A-211	105-46
Sundries	\$4.00	106A-211 & 153A-152	105-102.5
Sellers of Ice Cream	\$2.50	106A-211 & 153A-152	105-102.5

Other Business Licenses July 1, 2012 (Reference 6-34)

Town policy is to charge \$35.00 for each of the following categories, per General Municipal License Taxing Power:

Category	Amount	G. S. Reference
Art Galleries	\$35.00	160A-211
Antique and Gift Shops	"	"
Bakery	"	"
Bookstores	"	"
Building Material Dealers	"	"
Clothing Stores	"	"
Dance Studio	"	"
Department Stores	"	"
Drug Stores	"	"
Exercise & Fitness	"	"
Florist	"	"
Furniture Stores	"	"
Grocery Stores	"	"
Hardware Stores	"	"
Jewelry Stores	"	"
Miscellaneous	"	"
Newspapers	"	"
Nurseries	"	"
Office Supplies	"	"
Photo Shops	"	"

Printing	"	"
Repair Shops	"	"
Retail	"	"
Sign Painting	"	"
Storage Warehouse	"	"
Wholesale	"	"

Businesses Exempt from Licensing

Certain businesses are exempt from licensing exempt under various sections of the General Statutes (such as G.S. 105-41). They include the following:

Accountants

Architects

Attorneys

Banks

Chiropractors

Dentists

Physicians

Engineers

Insurance agents

Land surveyors

Photographers

Real estate brokers

Surgeons

Veterinarians

Pawn Shops February 16, 2005

The business license for pawn shops is \$275.00 per year.

Electronic Gaming July 1, 2011

\$3,000 per establishment and \$500 per machine in the establishment.

Regulation of Taxis Effective July 1, 2015

Per NCGS §160A-304 Taxis, Limousines, etc. \$15.00

Penalties July 1, 2012

The penalty for unpaid business licenses is 5% of the amount of the tax for each 30 day period that the tax is unpaid, with a minimum of 25%, or \$5, whichever is greater.

MISCELLANEOUS FEES

Fee to Answer Fire Call Outside 5-mile Radius (Reference Section 4-6)

\$250.00

Charges on Returned Checks November 6, 1991

The Town of Highlands has a policy of charging the payor a \$20.00 fee if a returned check is redeposited and comes back bad a second time.

False Burglar Alarms and Fire Alarms May 28, 2015

BURGULAR ALARMS: **False alarm** means activation of an alarm by any means that elicits a response by police when no situation requiring such a response does, in fact, exist. This includes accidental, avoidable, and unnecessary alarm activation due to user error, equipment malfunction, improper or unsuited equipment, but does not include alarm activation caused by violent conditions of nature (including but not limited to lightning storms) or other extraordinary circumstances not reasonably subject to control by the alarm user or alarm business. Other issues will be looked at on an individual case by case scenario.

The alarm user shall be assessed the following fees based on the number of false alarm days in one year (January 1st-December 31st).

The civil penalties are as follows:

1 False Alarm or consecutive alarms in one month until the customer is notified of alarm issue(s)	Free ~ Courtesy
2 or more false alarms	\$100.00 each

FIRE ALARMS: \$250.00 per false alarm, except that one free false fire alarm is permitted per year. August 3, 1994

Pole Attachment Fees June 25, 1997

\$10.00 per pole annually

Pole Attachment Permit Fee March 21, 2013

\$50.00 per pole

Cemetery Fees July 1, 1998

Highlands Memorial Park Cemetery Lot (single grave site).....	\$400
Contribution to Perpetual Care Fund.....	\$300
Corner Marker Installation	\$80

Fees for Columbarium March 6, 2002

For qualifying individuals	\$1000
For non-qualifying individuals	\$1400

Fine for Parking Violations August 16, 2011

\$10.00 first violation
\$50.00 every violation thereafter

Citation for Violation of Section 7-117, Downtown Business District Parking Ordinance August 17, 2014

From April 15 to May 15 each violator will be issued one written warning. During this time period, if the violator is found in violation again, a citation will be issued. Each citation is \$50.00 payable within 15 days of date of issuance. If not paid within the 15 days, a civil summons from a magistrate will be issued to the violator causing the violator to be required to appear in district court accruing court costs on top of the cost of citation. If the violator pays the citation after receiving the civil summons, he/she is still required to pay court costs.

Citation for Violation of Section 7-107 Passenger loading zones & Section 7-108 Commercial loading zones April 17, 2014

Each citation is \$50.00 payable within 15 days of date of issuance. If not paid within the 15 days, a civil summons from a magistrate will be issued to the violator causing the violator to be required to appear in district court accruing court costs on top of the cost of citation. If the violator pays the citation after receiving the civil summons, he/she is still required to pay court costs.

Permit Fee and Fine for Violation of Section 13-18 Use of streets and sidewalks during construction activities June 19, 2014

Permit Fee ~ \$100.00 plus the amount applicant is responsible for compensation associated with the use of off duty Highlands Police Officers in coordination with the Police Chief.
Fine for Violation ~ \$100.00 per day, each day continuing violation shall constitute a separate offense.

Boat Permit for Boats on Lake Sequoyah June 7, 2000

Annual Permit.....	\$10.00
Daily Permit	5.00

Impoundment Fee for Automobiles Towed to Town Warehouse October 6, 2003

Per Day	\$5.00
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GIS Maps December 5, 2005

82 X 11	\$ 2.00
11 X 17	4.00
13 X 19	5.00
24 X 36	15.00
36 X 48	25.00

Administration ~~July 1, 2012~~ July 1, 2015

Copies	\$.25 \$.10/page
Audio/Information on CD	\$5.00

RECREATION

Fitness Center Single	Family	Time Period
\$150.00	\$250.00	1 year
\$100.00	\$175.00	6 months
\$70.00	\$120.00	3 months
\$35.00	\$60.00	1 month
\$20.00	\$30.00	1 week
\$7.00	\$15.00	1 day
Tennis	Hourly	Season Pass
	\$2 per Player	\$60.00
Swimming Pool	Per Day	Season Pass
Child 12 & Under	\$2.00	\$50.00
Adult	\$3.00	\$50.00
Family of 2		\$90.00
Family over 2		\$125.00
Rental Facilities		
Meeting room 25'x45'	\$15/hr	
Kitchen	\$15/hr	
Arts and Crafts Room	\$15/hr	
1/2 Arts and Crafts Room	\$10/hr	
Gym (Bleachers only)	\$30/hr	
Gym (Bleachers and Chairs)	\$50/hr	
Stage	\$50/hr	
Ball Field	\$100/day(\$100 deposit required) \$150/weekend	
Zachary Field	\$100/day(\$100 deposit required) \$150/weekend(\$100 deposit required)	
K/H Park	\$250/day(\$100 deposit required non-alcoholic)	
Picnic Shelter	\$20/day	
Setup/ Take down (Civic Center)	\$75/day	
Facility Attendant (after hours)	\$20/hr	
Pool	\$25/hr	
Lifeguard (1 per 25 Swimmers)	\$15/hr	
Community Building		
Non-Alcohol	Full Day (8-16 hours) \$350 Half Day (4-8 hours) \$200	

	Per hours less than 4	\$35/hr
Alcohol	Full Day (8-16 hours)	\$1,000
	Half Day (4-8 hours)	\$500
	Per hours less than 4	\$100/hr
Cleaning Fee		\$75
Setup Fee		\$50
Deposits		
Alcohol Served		\$1,000
Alcohol not Served		\$250

*Non-profit groups under IRS code section 501© will receive a 20% discount for rental fee only, not for the security deposit.

*Exercise Class Recommendations ~ Exercise Instructors are being charged \$10 per class. Lester's recommendation is that they be charged 20% of what they charge. The instructor would have the responsibility of keeping records of attendance and what they charge and at the end of each month they provide the recreation department a report along with the 20% for the month.

*Benefits for medical assistance or natural disasters (hospitalizations, house fires, tornados, windstorms, etc.) a flat rate of \$100. A charge of \$20 per hour will be charged if a staff member has to stay past their scheduled time.

**TOWN OF HIGHLANDS
BUDGET ORDINANCE
FISCAL YEAR 2015
JULY 1, 2015 THRU JUNE 30, 2016**

BE IT ORDAINED: by the Board of Commissioners of the Town of Highlands, North Carolina, assembled this 18th day of June 2015, that the following fund revenues and department and/or fund expenditures be adopted:

TOTAL EXPENDITURES

Total Expenditures for all funds is split between the individual funds as follows:

General Fund	\$4,693,253.00
Scholarship Fund	\$43,500.00
Fire and Rescue Special Revenue Fund	\$369,793.00
Cemetery Fund	\$41,200.00
Water Enterprise Fund	\$1,543,563.00
Sewer Enterprise Fund	\$651,323.00
Capital Projects Fund	\$158,140.00
Sanitation Enterprise Fund	\$779,669.00
Electric Enterprise Fund	\$5,506,876.00
Total Expenditures	\$13,787,317.00

GENERAL FUND

Total expenditures for the FY 2015-16 General Fund Budget is \$4,693,253.00. These funds are split between the individual departments/funds as follows:

Governing Body	\$36,348.00
Administration	\$959,046.00

Planning/Zoning	\$94,351.00
MIS/GIS	\$549,629.00
Police Department	\$1,253,360.00
Street Department	\$905,559.00
Public Buildings	\$87,826.00
Parks and Recreation	\$605,920.00
Recreation-Pool	\$201,214.00
Total Expenditures	\$4,693,253.00

SECTION III. TAX RATES ESTABLISHED

An Ad Valorem tax rate of \$.164 per \$100 valuation is hereby established for General Fund purposes for the Town of Highlands for FY15. It is proposed to raise the Ad Valorem tax rate from its current .150 per \$100.00 valuation to .164 per \$100.00 valuation. The additional .014 will enable the Town of Highlands to maintain a revenue neutral tax rate in light of the 7.5% drop in property valuation resulting from the recently completed Macon County property revaluation.

This rate is based on an approximate valuation of \$1,645,000,000.00 and an estimated collection rate of 98.6%.

A Fire tax rate of .01 per \$100.00 valuation is hereby established for the Highlands Volunteer Fire Department. It is proposed to raise the current Highlands Volunteer Fire Department tax rate of .009 per \$100 valuation to \$.01 per \$100. The additional .001 will enable the Highlands Volunteer Fire Department to maintain a revenue neutral tax rate in light of the 7.5% drop in property valuation resulting from the recently completed Macon County property revaluation.

SECTION IV. BUDGET ORDINANCE

This ordinance shall be the basis of the financial plan for the Town of Highlands during the fiscal year 2015. The approved annual budget for all funds, which shows line item detail, will be used for tracking revenue and expenditures.

ATTEST:

APPROVED:

Robert A. Frye, Jr., Town Manager

Patrick Taylor, Mayor

Town of Highlands
Project Budget Ordinance

BE IT ORDAINED by the Governing Board of the Town of Highlands, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The project authorized includes improvements to Lake Sequoyah Raw Water Intake.

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the bond resolution, grant documents, and the budget contained herein.

Section 3. The following amounts are appropriated for the project:

Lake Sequoyah Raw Water Intake Project	<u>\$2,647,241</u>
	\$2,647,241

Section 4. The following revenues are anticipated to be available to complete this project:

North Carolina Department of Environment and Natural Resources	\$2,068,450
Town of Highlands Contribution for Raw Water Intake & Dam Repair	<u>\$ 578,791</u>
	\$2,647,241

Section 5. The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to satisfy the requirements of the grantor agency, the grant agreements, and federal regulations. The terms of the bond resolution also shall be met.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

Section 7. The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and on the total grant revenues received or claimed.

Section 8. The Finance Officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this Board.

Section 9. Copies of this capital project ordinance shall be furnished to the Clerk to the Governing Board and to the Finance Officer for direction in carrying out this project.

Adopted this the 18th day of June, 2015.

Patrick L. Taylor, Mayor

ATTEST:

Rebecca R. Shuler, Town Clerk

C. Public Comment

Heather Prine questioned whether the town had looked at leasing vehicles instead of purchasing. Manager Frye informed Ms. Prine that is had been and was more expensive.

D. Close Public Hearing

Commissioner Pierson made a motion to close the public hearing at 7:16pm, which was seconded by Mayor Pro Tempore Stiehler and the vote was unanimous.

E. Council Action

Commissioner Dotson made a motion to approve the FY15/16 budget, which was seconded by Mayor Pro Tempore Stiehler and the vote was unanimous.

8. Public Hearing: Amendments to UDO Section 11.2.2 Tree Protection

A. Open Public Hearing

Commissioner Pierson made a motion to open the public hearing at 7:17pm, which was seconded by Commissioner Dotson and the vote was unanimous.

B. Staff Comments/Recommendation

Since the recent amendments to Section 11.2.2, Tree Protection, staff has encountered business owners who are faced with the removal of dead trees, mainly hemlocks. In many cases, the trees have become dangerous to the patrons of the businesses or surrounding properties. A number of trees are in places that will not allow for their replacement. The Land Use Committee discussed changes to the Tree Ordinance to address the issue of dead trees within the commercial and non-residential zoning districts. Currently, dead trees must be replaced. The attached draft would allow dead trees to be removed from commercial and non-residential districts without the replacement requirement.

In addition, the pruning of a living tree in non-residential districts would require an arborist report describing when and how much of the tree is to be pruned.

C. Public Comment

There were no public comments.

D. Close Public Hearing

Commissioner Pierson made a motion to close the public hearing at 7:19pm, which was seconded by Commissioner Patterson and the vote was unanimous.

E. Council Action

Unified Development Ordinance ~ Section 11.2.2, Tree Protection

(EXISTING CODE LANGUAGE IN BLACK, PROPOSED DELETIONS IN BLUE &
PROPOSED AMENDMENTS IN RED.)

11.2.2 Tree Protection

The Town of Highlands strongly encourages property owners to save any existing tree eighteen (18) inches or more in diameter whenever possible.

No large or medium tree eight (8) inches DBH (Diameter at Breast Height) or greater shall be removed in any commercial or other non-residential zoning district, except upon obtaining required approvals for a commercial building project or upon issuance of a tree removal permit by the Planning and Development Director for one of the following reasons:

A. When the a tree is dead or

- B. When the a living tree, as a result of storm, fire, accident, or other is damaged due to an acts of nature and is required to be removed because of places placing life, limb, or property in immediate jeopardy or
- C. When the a tree is diseased, infected, or infested and accompanies a report from an ISA (International Society of Arboriculture) certified arborist.

The approval of any tree removal permit shall include a replacement tree requirement, except for permits approved per Item A. Each tree to be removed must be replaced with a tree containing replacement tree shall be a minimum three (3) to four (4) inches DBH. Replacement trees and must be selected from the Recommended Plant List maintained in the office of the Planning and Development Director. Replacement trees shall be reasonably maintained and attended for a period of not less than eighteen (18) months to promote successful establishment thereof.

Approval shall also be obtained from the Planning and Development Director before conducting any pruning of trees eight (8) inches DBH or larger. The pruning shall be conducted in accordance with specific instructions provided by an ISA certified arborist.

Commissioner Calloway made a motion to approve the amendment to Section 11.2.2 of the UDO, which was seconded by Commissioner Patterson and the vote was unanimous.

9. Financial Matters:

Due to expenditure issues, it is necessary to amend the FY 2014-15 budget. Administration has higher than anticipated expenditures in Professional Services – Legal, Group Insurance – Retirees, Postage, Property/Liability Insurance and Other Expense. The increase in Other Expense is due to the zoning reaffirmation mass mailing. Street Department has higher than anticipated expenditures in Maintenance & Repair - Auto. Public Buildings has higher than anticipated expenditures due to repairs to the EMS Building and payments for the Main Street Public Restrooms. Invoices for April, May and June 2014 for the Main Street Public Restrooms were paid in FY 2014-15 because they were not submitted to the Town until after the FY 2013-14 audit fieldwork had been completed. Recreation has additional expenditures in Capital Outlay/Other Improvements related to the pool enclosure. The Water Treatment Plant has higher than anticipated expenses in Maintenance/Repair/Equipment-Water Plant and Departmental Supplies-Water Plant.

Typically the Town receives more revenue in some line items than is originally budgeted, such as property taxes and franchise taxes. The Town also receives revenue during the fiscal year that is not budgeted, because there is no way to determine if any funds will be received or how much will be received. Funds received from the ABC Store and Miscellaneous Income in FY 2014-15 are examples of revenue that were not originally budgeted. Staff is appropriating these funds in order to cover the increased expenditures in Street Department and Public Buildings. The funds to cover the increased expenses in the Water Treatment Plant is coming from the Water Department in the form of a transfer.

Budget amendments needed are as follows:

\$ 50,000 Administration
\$ 30,000 Street Department
\$ 12,618 Public Buildings
\$ 27,614 Recreation
\$100,000 Water Treatment Plant
\$220,232 Total

Please note that no fund balance appropriations are necessary.

Commissioner Patterson questioned when the pumps at the water plant had gone out.

Public Works Director Nix said it was the actuators and with the NC28 project being under budget that money was used to replace them.

Commissioner Pierson made a motion to approve the FY14/15 budget amendments as presented, which was seconded by Commissioner Calloway and the vote was unanimous.

10. MIS/GIS Matters:

A. Update Verizon Tower Contract

MIS/GIS Director gave the board an update on the Verizon contract. Verizon is in the process of creating new contract to extend Big Bear Pen Tower. The contract will hopefully be back before the Board in July. The new contract will include a hard “On Air” date, a two-year abatement of the lease price has been added back into the contract and a completion date “On Air” has been verbally set for the third quarter of 2017. He also stated that had the previous contract in hand.

B. US Cellular Proposal

US Cellular has proposed the construction of an 80’ tower behind the EMS building. A site plan and a few pictures of the town’s bucket truck raised to its maximum height of 76’ were presented. US Cellular would like approval of the concept from the Town Board before moving forward with any further engineering and/or plans. With approval, they will bring full site plans and contract documents to the board for approval in the next few months.

Chuck Burton, US Cellular Representative was on hand to answer questions. After much discussion as to why this location was preferred over the Big Bear Pen site, if other sites such as church steeples were looked into, color and shape of the pole, rental amounts, and text versus data services, Mayor Pro Tempore Stiehler expressed that he had some reservations.

Commissioner Patterson stated that she did not have any reservations. Patterson said if the town wanted to continue to stay behind and wanted people to come, that we needed to move forward.

Commissioner Calloway stated he didn’t understand why Big Bear Pen was not desirable.

Commissioner Pierson made a motion to approve the concept for further exploration and presentation to the Board, which was seconded by Commissioner Dotson and the vote was unanimous.

11. Request for Wayfinding

Manager Frye informed the Board that the Center for Life Enrichment had request a wayfinding sign. Frye said he didn’t want to take away from what they do however we have limited space and the Peggy Crosby has for profits and nonprofits all in one location.

Town Clerk Rebecca Shuler questioned if the group had been contacted that the item was on the agenda. Upon response from Manager Frye and Mayor Taylor, Commissioner Calloway request the item be tabled until the July meeting. Commissioner Patterson stated that she agreed that they should know it order to be in attendance.

**12. Closed Session:Attorney Client Privilege pursuant to NCGS 143-318.11(a)(3)
Possible Expansion of Industry pursuant to NCGS 143-318.11(a)(4)**

Commissioner Pierson made a motion to go into Closed Session pursuant to NCGS §143-318.11(a)(3) and (a)(4) to discuss litigation between the town and John Shearl, litigation between the town and Scott Neumann, and possible expansion of industry at 8:02pm, which was seconded by Mayor Pro Tempore Stiehler and the vote was unanimous. Once discussion was held, Commissioner Calloway moved the Board back into open session at 9:05pm, which was seconded by Commissioner Pierson and the vote was unanimous.

No action was taken.

13. Adjournment

As there were no further matters to come before the Board of Commissioners, Commissioner Calloway moved to adjourn, which was seconded by Commissioner Pierson and the upon a unanimous vote, the Town Board adjourned at 9:06pm.

Patrick Taylor
Mayor

Rebecca R. Shuler, CMC, NCCMC
Town Clerk