

**Special Meeting Minutes of the Town Board of Commissioners Meeting of May 12, 2016 at the Highlands Community Building, 71 Poplar Street, Highlands, North Carolina.**

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

**Also Present:** Town Manager Bob Frye, Town Clerk Rebecca Shuler, Public Works Director Lamar Nix, Police Chief Bill Harrell, MIS/GIS Director Matt Shuler, Fire Chief Ryan Gearhart, Parks and Recreation Director Lester Norris, Humans Resource Director Sonjia Gibson and Planning and Development Director Randy Feierabend.

**1. Meeting Called to Order**

Mayor Taylor called the meeting to order at 3:00pm.

**2. Adjust and Approve Agenda**

Commissioner Dotson made a motion to approve the agenda as presented, which was seconded by Commissioner Pierson and the vote was unanimous.

**3. Insurance Update**

The total projected increase in the town's insurance policy for the upcoming budget year is \$269,556.00.

After meeting with the town's Broker, the Insurance Committee felt that the only viable option for this year was to renew the policy and absorb the costs.

That being said, the committee felt that the town could not continue to sustain such increases and that next year the town eliminate spousal coverage.

In lieu of providing this coverage the town will assist those employees who have such policies in obtaining a replacement policy through the open market.

It is the town's broker's opinion that employees should be able to find a comparative plan at much cheaper rates than they are currently paying for town coverage due to the Affordable Health Care Act.

Commissioner Stiehler stated that the town's broker was very knowledgeable and it turned out to be a very good meeting.

Commissioner Dotson wanted to know if the town couldn't look at different policies to decrease costs.

Commissioner Pierson said the committee had looked at other policies and the increases were still similar for less of a policy.

Human Resource Director stated this change would affect 35 employees.

Commissioner Dotson question why paying half a year for no coverage and was told because open enrollment wasn't until January 2017.

Commissioner Dotson questioned putting a ceiling on the insurance of \$800,000.00.

Commissioner Calloway stated he felt it was just the repercussions of the Affordable Care Act.

Mayor Pro Tempore Patterson said she felt there were no options right now.

Commissioner Calloway said he felt the committee had done a good job reviewing.

**4. Approval of Scholarship Awards**

The following list of scholarship awards totaling \$28,465.00 was presented for approval.

|                          |            |
|--------------------------|------------|
| Chancey Gilbert          | \$1,000.00 |
| Blakely Moore            | \$1,000.00 |
| Colin Weller             | \$1,500.00 |
| Delaney Keith            | \$975.00   |
| Daniel Cole Drummonds    | \$1,500.00 |
| McKayla Hensley          | \$775.00   |
| Charles Jackson Hall     | \$775.00   |
| Austin Nichols           | \$775.00   |
| Whitney Billingsley      | \$975.00   |
| Remy Adrian              | \$975.00   |
| Kyle Gabbard             | \$775.00   |
| Dylan Vinson             | \$600.00   |
| Nathan Laderoot          | \$800.00   |
| Carter Potts             | \$600.00   |
| Mary Aislinn Fitzpatrick | \$600.00   |
| Miriana Oretea           | \$600.00   |
| John Lupoli              | \$500.00   |
| Courtney Henry           | \$700.00   |
| Tasha Thurmond           | \$700.00   |
| Kimberly Griffin         | \$500.00   |
| April Moss               | \$490.00   |
| Desiray Schmitt          | \$490.00   |
| Philip Murphy            | \$490.00   |
| Jessica Tilson           | \$450.00   |
| Danielle Shomper         | \$450.00   |
| Troy Vinson              | \$450.00   |
| Davis Moore              | \$450.00   |
| Veronica Garcia          | \$450.00   |
| Jacqueline Reyes Cuevas  | \$390.00   |
| Kirstyn Owen             | \$390.00   |
| Kaitlyn Lewis            | \$390.00   |
| Ann Marie Osteen         | \$390.00   |
| Ann Marie Crowe          | \$390.00   |
| Cody Roti                | \$390.00   |
| Ellen Beavers            | \$390.00   |
| Kassie Vinson            | \$390.00   |
| Allison Bolt             | \$390.00   |
| Evan Schmidt             | \$370.00   |
| Taylor Osteen            | \$370.00   |
| Lorraine Houston         | \$370.00   |
| Kate Marie Ebersole      | \$350.00   |

|                 |           |
|-----------------|-----------|
| Caitlin Rawlins | \$ 350.00 |
| Courtney Rogers | \$ 350.00 |
| Shelby Johnson  | \$ 350.00 |
| Brice Jenkins   | \$ 350.00 |
| Nicholai Roman  | \$ 350.00 |
| Marlena McCall  | \$ 350.00 |
| Faviola Olvera  | \$ 350.00 |
| William Hawkins | \$ 350.00 |
| Rachel Power    | \$ 350.00 |

Mayor Pro Tempore Patterson moved to approve the list of recipients, which was seconded by Commissioner Pierson and the vote was unanimous.

**5. Proposed FY 2016-17 Capital Requests**

The following capital project requests were presented.

**FY 2016-17 Capital Projects (Ver. 2)**

Red = Capital Projects Identified for Elimination

Blue = Capital Projects Identified for Possible Elimination

**Street Department**

**Street Work (Paving)**

|                        |              |
|------------------------|--------------|
| Satulah                | \$115,000.00 |
| 5 <sup>th</sup> Street | \$176,000.00 |

**Sub Total \$176,000.00**

**Repairs**

|                             |              |
|-----------------------------|--------------|
| Sidewalk Repairs            | \$50,000.00  |
| Oak Street Wall (Playhouse) | \$140,000.00 |
| Road Striping               | \$30,000.00  |

**Sub Total \$220,000.00**

**Equipment**

|                        |              |
|------------------------|--------------|
| Replacement Dump Truck | \$80,000.00  |
| Mowing Tractor         | \$120,000.00 |
| Skid Steer             | \$65,000.00  |

**Sub Total \$80,000.00**

**Total \$476,000.00**

**Sanitation Department**

|                                      |             |
|--------------------------------------|-------------|
| 10 Dumpsters/ 20 Bear Resistant Lids | \$30,000.00 |
|--------------------------------------|-------------|

**Total \$30,000.00**

**Utility Projects (Water)**

|  |              |
|--|--------------|
| Bleach Treatment Project                     | \$580,000.00 |
| Buckhorn Tank Replacement Design/Engineering | \$102,000.00 |
| Helen's Barn Project                         | \$88,000.00  |
| Satulah Tank Fence                           | \$5,000.00   |

**Total \$775,000.00**

**Utility Projects (Sewer)**

|                                |              |                     |
|--------------------------------|--------------|---------------------|
| Automatic Bar Screening Device |              | \$135,000.00        |
|                                | <b>Total</b> | <b>\$135,000.00</b> |

**Electric Department**

|                          |              |                    |
|--------------------------|--------------|--------------------|
| Replacement Pickup Truck |              | \$40,000.00        |
|                          | <b>Total</b> | <b>\$40,000.00</b> |

**Police Department**

|  |              |                    |
|--|--------------|--------------------|
| Replacement Police Vehicle (Ford Taurus)   |              | \$43,500.00        |
| Vehicle Communications Upgrades            |              | \$20,000.00        |
| Automatic Emergency Defibrillators x3      |              | \$3,000.00         |
| Traffic Control Devices (Cones/Barricades) |              | \$5,000.00         |
|  | <b>Total</b> | <b>\$63,500.00</b> |

**MIS/GIS**

|                              |                  |                     |
|------------------------------|------------------|---------------------|
| Upgrade Police Dept. Servers |                  | \$30,000.00         |
| Email Server and Archiver    |                  | \$20,000.00         |
| Document Management System   |                  | \$20,000.00         |
| Service Truck                |                  | \$40,000.00         |
| Big Bear Pen Tower Extension |                  | \$50,000.00         |
|                              | <b>Sub Total</b> | <b>\$120,000.00</b> |

|  |              |                           |
|--|--------------|---------------------------|
| Additional Staffing: Computer Support Specialist |              | \$43,000.00 plus benefits |
|  | <b>Total</b> | <b>\$163,000.00</b>       |

**Parks and Recreation Projects**

|                                      |                  |                     |
|--------------------------------------|------------------|---------------------|
| Civic Center Stage Renovations       |                  | \$206,150.00        |
| Civic Center Lower Level Renovations |                  | \$201,250.00        |
| Civic Center Windows Replacement     |                  | \$52,000.00         |
|                                      | <b>Sub Total</b> | <b>\$258,150.00</b> |

**Parks and Recreation Equipment**

|                     |                  |                    |
|---------------------|------------------|--------------------|
| Floor Scrubber      |                  | \$5,150.00         |
| Pool Vacuum         |                  | \$5,000.00         |
| Elliptical Bike     |                  | \$3,600.00         |
| Replacement Tractor |                  | \$13,000.00        |
|                     | <b>Sub Total</b> | <b>\$26,750.00</b> |

**Miscellaneous**

|                      |              |                     |
|----------------------|--------------|---------------------|
| Christmas in KH Park | <b>Total</b> | <b>\$50,000.00</b>  |
|                      | <b>Total</b> | <b>\$334,900.00</b> |

|                        |              |
|------------------------|--------------|
| Proposed Capital Cuts  | \$549,250.00 |
| Potential Capital Cuts | \$522,150.00 |

|                          |                                      |
|--------------------------|--------------------------------------|
| General Fund Departments | \$1,037,400.00                       |
| Water/Sewer Fund         | \$910,000.00                         |
| Sanitation Fund          | \$30,000.00                          |
| Electric Fund            | \$40,000.00                          |
| <b>Grand Total</b>       | <b>\$2,017,400.00/\$1,495,250.00</b> |

There was some discussion as to what portion of 5<sup>th</sup> Street was to be paved, the tax increase for 3 years for recreation projects and how the town had spent more than the increase amount and there was one more year to go before it sunset, and used vehicles and the disposal of.

**6. Review Preliminary Revenue and Expenditures**

These are preliminary figures and are subject to change.

As presented, the revenue figures include the following fee increases:

Water: \$3.00 increase to monthly minimum charge.

Sewer: \$1.50 increase to monthly minimum charge.

Sanitation: \$1.50 increase to monthly minimum charge.

The figures as presented do not include any fund balance transfers or appropriations.

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**Preliminary FY 2016-17 Revenues and Expenditures and Capital Items**

| General Fund            | Expenditures   | Revenues       | Capital Requests |                |
|-------------------------|----------------|----------------|------------------|----------------|
|                         |                |                |                  |                |
| Governing Body          | \$36,348.00    |                |                  |                |
| Administration          | \$959,046.00   |                |                  |                |
| Planning/Zoning         | \$94,351.00    |                |                  |                |
| MIS/GIS                 | \$267,129.00   |                | \$163,000.00*    |                |
| Police                  | \$1,167,160.00 |                | \$63,500.00      |                |
| Street                  | \$605,559.00   |                | \$476,000.00     |                |
| Recreation              | \$550,920.00   |                | \$334,900.00     |                |
| Recreation Pool         | \$201,000.00   |                |                  |                |
| Public Buildings        | \$87,826.00    |                |                  |                |
| Insurance/COLA Increase | \$330,000.00   |                |                  |                |
|                         |                |                |                  |                |
| <b>Total</b>            | \$4,299,339.00 | \$4,741,255.00 | \$1,037,400.00   | <\$595,484.00> |
|                         |                |                |                  |                |
| Enterprise Funds        | Expenditures   | Revenues       | Capital Requests |                |
|                         |                |                |                  |                |
| Water Dept.             | \$600,487.00   | \$1,519,917.00 | \$88,000.00      | <628,646.00>   |
| Water Treatment         | \$773,076.00   |                | \$687,000.00     |                |
| Sewer                   | \$571,196.00   | \$667,523.00   | \$135,000.00     | <38,673.00>    |
| Electric                | \$4,961,930.00 | \$5,001,930.00 | \$40,000.00      |                |
| Sanitation              | \$571,669.00   | \$601,669.00   | \$30,000.00      |                |

|                       |                 |                 |                |                  |
|-----------------------|-----------------|-----------------|----------------|------------------|
| Scholarship           | \$43,500.00     | \$43,500.00     |                |                  |
| Cemetery              | \$41,200.00     | \$41,200.00     |                |                  |
| Capital Projects      | \$158,140.00    | \$158,140.00    |                |                  |
|                       |                 |                 |                |                  |
| Altitude<br>Broadband | \$443,000.00*   |                 |                | <\$443,000.00>   |
|                       |                 |                 |                |                  |
| Fire Department       | \$413,000.00    | \$413,000.00    |                |                  |
|                       |                 |                 |                |                  |
|                       |                 |                 |                |                  |
| <b>Total</b>          | \$8,577,198.00  | \$8,446,879.00  | \$980,000.00   | <\$1,110,319.00> |
|                       |                 |                 |                |                  |
| <b>Grand Total</b>    | \$12,876,537.00 | \$13,188,134.00 | \$2,017,400.00 | <\$1,705,803.00> |

\*Includes new personnel costs

Commissioner Dotson questioned whether everyone that had sewer ran by their property was connected or had paid the sewer connection fee. Public Works Director Lamar Nix informed Dotson the town had great success in the projects that had been completed.

Mayor Pro Tempore Patterson questioned MIS/GIS Director Shuler as to whether the town was confident that putting the tower up would speed up Verizon’s attachment. Shuler stated that is sure seemed that way, but that Highlands was so less dense than other areas that they had no motivation to do it themselves any time soon.

Patterson then questioned an estimate of broadband customers to get an idea of the upcoming year’s projections.

7.     **Adjournment**

As there were no further matters to come before the Board of Commissioners, Commissioner Stiehler moved to adjourn which was seconded by Commissioner Calloway and upon a unanimous vote, the Town Board adjourned at 4:01pm.

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Patrick Taylor  
Mayor

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Rebecca R. Shuler, CMC, NCCMC  
Town Clerk