

## **SPECIAL MEETING OF THE TOWN BOARD OF COMMISSIONERS OF JUNE 23, 2010**

Town Board Present: Mayor David Wilkes, Vice Mayor Amy Patterson, Commissioner Dennis DeWolf, Commissioner Larry Rogers, Commissioner John Dotson and Commissioner Gary Drake.

Also Present: Town Manager Jim Fatland, Recreation Director Selwyn Chalker, Town Engineer Lamar Nix and Recording Secretary Jane Capman.

### **1. Call to order**

Mayor David Wilkes called the special meeting to order at 7:00 p.m.

Commissioner John Dotson moved to approve the agenda, was seconded by Vice Mayor Amy Patterson and was unanimous.

### **2. Public Hearing on Proposed FY11 Budget**

Alan Marsh discussed sidewalks and telephone pole replacement.

As there were no further public comments, Commissioner Dennis DeWolf moved to close the public hearing, was seconded by Commissioner John Dotson and was unanimous.

### **3. Consider Approval of Budget Ordinances**

#### **A. FY10 Budget Ordinance Amendment**

Town Manager Jim Fatland discussed with the Board the Town's general fund, the town hall renovation, Bowery Road settlements, the necessity of the capital project funds and that the amendment before the Board was a housekeeping matter. Vice Mayor Patterson and Mr. Fatland discussed the fund balance and what percentage it is of the budget. Also discussed was the upcoming audit.

Vice Mayor Amy Patterson moved to approve the FY10 Budget Ordinance Amendment, was seconded by Commissioner John Dotson and was unanimous.

#### **B. FY11 Budget Ordinance**

Commissioner Gary Drake discussed the good suggestions rendered by the Finance Committee and the few differences of opinion that resulted. Mr. Drake advised that the budget was cut as the Town was tightening their belt.

Town Manager Jim Fatland thanked all of the committees for their work and advised that there would be no tax increase and that the general fund is strong. Mr. Fatland also advised that the electric fund is strong but it is "under stress" due to increases. Mr. Fatland also stated that that had met with Lamar Nix and recommended which capital projects were to be funded.

Commissioner Drake and Mr. Fatland discussed paving, Powell bills, the necessity of more funds needed for Bowery Road settlements, as advised by the Town Attorney and the water fund. Vice Mayor Patterson discussed the electric fund, capital reserves, Duke Power and profit margins. Mr. Fatland discussed stormwater fees.

Commissioner Dennis DeWolf stated that he was more comfortable with the 2011 budget, that it was reasonable and appropriate. Commissioner DeWolf also stated that the Town cannot fall behind with improvements that need to be

made. Mayor Wilkes stated that the Town of Highlands is tightening its belt and that it is good for the public to see as everyone has been doing the same due to the economy.

Lengthy discussion was had as to a tax reduction and the Board was advised that a \$0.01 reduction would reduce revenue by \$180,000.00 and next year, the budget would be more difficult. Commissioner DeWolf stated that the Town should keep the budget as is and Vice Mayor Patterson stated that a \$0.01 reduction was not sufficient enough to put the Town in a bind next year. Vice Mayor Patterson further stated that although it was great public relations it was not significant to the tax payers, not to squeeze the Town and to keep the tax rate where it was.

Commissioner Dotson stated that he agreed in whole and in part with everyone. Commissioner Dotson stated that it was the first time the budget was ever reviewed by line item with every department and that with Commissioner Drake, the “historical fat” was cut, and that the Town should be very thankful to be in the shape it is in. Commissioner Dotson stated that it is the Board’s responsibility to be good stewards. Commissioner Drake commented that people have come to him to saying that the money being spent is being spent wisely.

Mayor Wilkes discussed the scholarship golf tournament and the tremendous work done by the Board and personnel. Mayor Wilkes further discussed the tax increases, the tough economy and to keep the budget as is with no tax decrease.

Commissioner Drake discussed the 2% salary increase to the Town’s employees included in the budget. Mr. Drake advised that it was not the time to give a cost of living increase, that everyone is “feeling the crunch”, that the employees have an “excellent” benefit package and that the Town of Highlands is very blessed to have the employees that it has. Mr. Fatland stated that he was proud of the Town’s employees who feel more empowered. Mr. Fatland advised that a 2% increase is “small carrots” and would total \$44,831.00 for all departments. Commissioner Dotson agreed that “we have the best group of Town employees that I’ve seen” but that the economy is not great and wanted to know anyone who had received a 2% increase.

Commissioner Larry Rogers agreed that the Town has good employees, that to leave the tax rate as it and give the employees a 2% cost of living raise. Commissioner DeWolf stated that he believes in rewards, as a moral booster, and that “we are the benefactors of the fruits of their labor” and stated that the employees should be given a 2% increase.

Commissioner John Dotson moved to approve the FY11 Budget Ordinance as presented, was seconded by Commissioner Larry Rogers and was unanimous.

Mayor Wilkes thanked everyone one and stated that the Town has an excellent group of employees. Vice Mayor Amy Patterson expressed her thanks to the Finance Committee.

#### 4. **Board Appointment to Performing Arts Center**

Mayor Wilkes appointed Commissioner Dennis DeWolf to the Performing Arts Center Board.

#### 5. **Adjourn**

Commissioner Dennis DeWolf moved to adjourn, was seconded by

Commissioner Gary Drake and the Town Board meeting adjourned at 8:05 p.m.

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James R. Fatland  
Town Manager

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Jane J. Capman  
Recording Secretary

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David Wilkes  
Mayor