

Regular Meeting Minutes of the Town of Highlands Board of Commissioners Meeting of May 21, 2020, via Zoom, Highlands, North Carolina

Town Board Present: Commissioner John Dotson, Commissioner Amy Patterson, Mayor Pro Tempore Donnie Calloway, Commissioner Brian Stiehler, Commissioner Marc Hehn and Mayor Pat Taylor

Also Present: Town Manager Josh Ward, Town Attorney Jay Coward, Finance Director Rebecca Shuler, Public Works Director Lamar Nix, Police Chief Bill Harrell, Parks & Recreation Director Lester Norris, Planning & Development Director Assistant Michael Mathis and Town Clerk Gibby Shaheen

1. Meeting Called to Order

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

2. Public Comment Period

Mayor Taylor read an email received from Thomas Craig. Craig supporting the Chamber of Commerce's request of outdoor dining and asked that alcohol sales be approved for responsible business owners for the outdoor dining.

3. Adjust and Approve the Agenda

MAYOR PRO TEMPORE CALLOWAY MADE A MOTION TO APPROVE THE AGENDA AS PRESENTED, WHICH WAS SECONDED BY COMMISSIONER STIEHLER AND THE VOTE WAS UNANIMOUS.

4. Approval of the March 5th, 2020, Special Meeting Minutes

COMMISSIONER STIEHLER MADE A MOTION TO APPROVE THE MARCH 5TH, 2020, SPECIAL MEETING MINUTES AS PRESENTED, WHICH WAS SECONDED BY COMMISSIONER PATTERSON AND THE VOTE WAS UNANIMOUS.

Approval of the March 17th, 2020, Emergency Meeting Minutes

COMMISSIONER STIEHLER MADE A MOTION TO APPROVE THE MARCH 17TH, 2020, EMERGENCY MEETING MINUTES AS PRESENTED, WHICH WAS SECONDED BY MAYOR PRO TEMPORE CALLOWAY AND THE VOTE WAS UNANIMOUS.

Approval of the March 23rd, 2020, Emergency Meeting Minutes

MAYOR PRO TEMPORE CALLOWAY MADE A MOTION TO APPROVE THE MARCH 23RD, 2020, EMERGENCY MEETING MINUTES AS PRESENTED, WHICH WAS SECONDED BY COMMISSIONER DOTSON AND THE VOTE WAS UNANIMOUS.

Approval of the March 25th, 2020, Emergency Meeting Minutes

COMMISSIONER PATTERSON MADE A MOTION TO APPROVE THE MARCH 25TH, 2020, EMERGENCY MEETING MINUTES AS PRESENTED, WHICH WAS SECONDED BY COMMISSIONER STIEHLER AND THE VOTE WAS UNANIMOUS.

Approval of the March 31st, 2020, Emergency Meeting Minutes

COMMISSIONER STIEHLER MADE A MOTION TO APPROVE THE MARCH 31ST, 2020, EMERGENCY MEETING MINUTES AS PRESENTED, WHICH WAS SECONDED BY COMMISSIONER PATTERSON AND THE VOTE WAS UNANIMOUS.

Approval of the April 9th, 2020, Special Meeting Minutes

MAYOR PRO TEMPORE CALLOWAY MADE A MOTION TO APPROVE THE APRIL 9TH, 2020, SPECIAL MEETING MINUTES AS PRESENTED, WHICH WAS SECONDED BY COMMISSIONER STIEHLER AND THE VOTE WAS UNANIMOUS.

5. Reports

A. Mayor

Mayor Taylor introduced Tom Neal and he updated on the present status of the Hospital and the latest on COVID-19.

Mayor Taylor acknowledged the loss of former Mayor Don Mullen and on behalf of the Town extended sympathy and condolences to the family, and they are in our thoughts and prayers.

Mayor Taylor said it was Police Chief Harrell's last meeting and he commended him for 14 years of service and he grew and build a professional police department, and he will be missed and wish him the best in his new job.

Mayor Taylor wished the graduating Seniors good luck, and mentioned that they had put a sign out in front of the school advertising it for sale.

B. Commissioners and Committee Reports

Mayor Pro Tempore Calloway announced the Land Use Committee would be meeting with Assistant Planning & Development Director Michael Mathis to review applications for the Comprehensive Plan.

C. Town Manager

Town Manager Ward echoed Mayor Taylor that Chief Harrell had shown leadership and professionalism in the police department and wished him the best in his new position.

Ward congratulated Fire Chief Ryan Gearhart and the Highlands Fire Department squad crew for a great ISO Inspection by the State Fire Marshall, the score remains a 4.

Ward stated applications are open for Highlands-Cashiers Health Foundation and we have a letter to submit for viper radio equipment and PPE.

Ward announced Land Use Committee will make a recommendation at the June meeting for the Comprehensive Plan, IT/Communications Committee will meet on the RFP for the Fiber Lease next week and Town Hall will be closed Monday for Memorial Day.

6. Consent Agenda

Public Works Department

Police Department

Parks & Recreation Department

Planning & Development Department

Treasurer's Report

Highlands Motoring Festival Fall Event Request

Highlands Motoring Festival Fall Event Request

Two weeks ago, our planning committee decided to cancel the 2020 Highlands Motoring Festival. At that same meeting we agreed to not give up on our three local charity partners in their time of greatest need. Accordingly, we laid out plans for some fall fundraising activities that will involve driving and outdoor events that would be consistent with social distancing. As we move forward, we want to be in step with the Town's quarantine requirements.

Our fall events would involve using the Kelsey Hutchinson Park with driving tours departing from there in the morning of Friday September 11 and Saturday September 12. Then on Sunday, September 13, we will stage an informal car show. We visualize this event being similar to the "High Octane" event that the Town had approved for June 14, 2020's with no sound system, no 5th Street closure, no registration, and no judging

Lester Norris has advised that these dates are available in the Park's schedule and that we should seek formal approval from Town officials.

Sincerely,

Steve Ham and Mark Chmar
2020/2021 HMF Co-Chairmen

COMMISSIONER STIEHLER MADE A MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED, WHICH WAS SECONDED BY MAYOR PRO TEMPORE CALLOWAY AND THE VOTE WAS UNANIMOUS.

7. Public Hearing:

Amendments to Articles 10, 13 & 15 of the Unified Development Ordinance

- 1. Section 10.3.6: Pertaining to Regulations for Subdivision Roads**
- 2. Section 13.3.11 & 13.2.3: Pertaining to Regulations for Illuminated Signs**
- 3. Section 15.4.1 & 15.4.3: Pertaining to Regulations for Civil Penalties**

A. Open Public Hearing

MAYOR PRO TEMPORE CALLOWAY MADE A MOTION TO OPEN THE PUBLIC HEARING ON THE REVISIONS TO THE UNIFIED DEVELOPMENT ORDINANCE AT 7:28PM, WHICH WAS SECONDED BY COMMISSIONER STIEHLER AND THE VOTE WAS UNANIMOUS.

B. Staff Comments/Recommendation

Assistant Planning & Development Director Michael Mathis stated the concern about street paving in private residential subdivisions was brought to the attention of the Planning Department back in October 2019. Mathis continued that the ordinance is written, there is no hard-surface paving requirement for private residential subdivision roads at any grade. The suggested ordinance amendment was brought to the Land Use Committee's attention in November of 2019, and recommended all private subdivision roads to be paved that exceed a specific grade; to the Planning Board in December of 2019, and recommended all private subdivision roads to be paved that exceed a five (5) percent grade; and to the Town Board in February of 2020 for review and discussion, and recommended all private subdivision roads be paved no matter the grade.



Pursuant to an affirmative vote of _____ yeas and _____ nays by the Board of Commissioners of the Town of Highlands at its regular meeting on the _____ day of _____, 2020, and an affirmative vote of _____ yeas to _____ nays by The Board of Commissioners at its regular meeting on the _____ day of _____, 20____ if required, the following ordinances are hereby AMENDED:

Unified Development Ordinance of Highlands, NC (UDO)
Article 10 – Infrastructure, Sec. 10.3 Streets, 10.3.6 Street Paving

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

Sec. 10.3 - Streets

10.3.6 Street Paving

- A. *Public Streets.* All streets designated "public" shall be paved in accordance with the applicable review authority standards and specifications.
- B. *Private Residential Subdivision.* Hard surface paving such as asphalt or concrete is ~~optional~~ **required** for **all private**, single-family residential subdivision streets **exceeding a 5% grade and requiring a right-of-way designation.** ~~designated "private"; however, They must shall~~ in all other respects meet the requirements of Town Ordinances.
- C. *Commercial Subdivisions.* All streets in commercial or multi-family subdivisions, whether public or private, shall be paved.



**STATEMENT OF CONSISTENCY
WITH THE TOWN OF HIGHLANDS LAND USE PLAN FOR THE
AMENDMENTS TO THE UNIFIED DEVELOPMENT ORDINANCE (“UDO”)
OF THE TOWN OF HIGHLANDS PER NCGS 160A-383**

**SECTION 10.3.6
Pertaining to Regulations for Subdivision Roads**

BE IT HEREBY RESOLVED by the Town Board of the Town of Highlands, North Carolina, that in accordance with provisions of North Carolina General Statute 160A-383, the Town Board hereby finds and determines that the amendments to the Unified Development Ordinance of the Town of Highlands, is consistent with the goals, objectives and policies of the Town’s adopted Land Use Plan. Specifically, the amendments will clarify and add additional requirements for private subdivision roads. The amendments are found to be reasonable and in the public interest. Specifically, the amendments will assist property owners against sedimentation and erosion issues.

Upon motion duly made by _____, seconded by _____, the above statement was duly recommended by the Board of Commissioners of the Town of Highlands at the regular meeting held on the 21st day of May, 2020.

Upon call for a vote, the following Members voted in the affirmative: _____.

And the following Members voted in the negative: _____.

This the 21st day of May, 2020.

Patrick Taylor, Mayor

Attest:

Gilberta B. Shaheen, Town Clerk

Assistant Planning & Development Director Michael Mathis stated the internally illuminated signs ordinance was first challenged at the October 2019 Town Board Meeting. This issue was taken to the Land Use Committee for review in November 2019,

to the Planning Board in December 2019, and to the Town Board in February 2020, and the recommendation from the Planning Board is to prohibit any sign whose light source is within or behind the sign, excluding Section 13.4.2, Item H, Restaurant Message Boards, and Section 13.4.1, Item B, Real Estate Listings Within Commercial Windows.



Pursuant to an affirmative vote of _____ yeas and _____ nays by the Board of Commissioners of the Town of Highlands at its regular meeting on the _____ day of _____, 2020, and an affirmative vote of ____ yeas to ____ nays by The Board of Commissioners at its regular meeting on the ____ day of _____, 20____ if required, the following ordinances are hereby AMENDED:

Unified Development Ordinance of Highlands, NC (UDO)

Article 13 – Sign Standards, Sec. 13.3.1 Off-Premises Signs, including Outdoor Advertising Signs and Sec. 13.3.11 Internally Illuminated Signs

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

ARTICLE 13 – Sign Standards

Sec. 13.3 - Prohibited Signs

The following signs shall be prohibited, and may neither be erected nor maintained. The standards shall apply both to prohibited sign locations and sign types.

13.3.1 Off-Premises Signs, Including Outdoor Advertising Signs

Any sign which is not located on the premises that it identifies or advertises, with the exception of signs permitted in Sec. 13.4.2, Permanent Regulated Signs Allowed Without a Permit, Item E for name plate signs, and Item F for Customary Incidental Home Occupations; political signs permitted in Sec. 13.4.1, Temporary Regulated Signs Allowed Without a Permit, Item H; signs on Public Information Centers per Sec. 13.5.2, Permanent Regulated Signs Requiring a Permit, Item H; and signs identifying businesses in shopping centers located other than at the actual building frontage of the individual business per Sec. 13.5.2, Permanent Regulated Signs Requiring a Permit, Items F and G. Outdoor advertising signs permitted prior to May 7, 1986 by the State of North Carolina under the Outdoor Advertising Control Act shall be nonconforming in accordance with Sec. 13.2.6, ~~Nonconforming~~ Nonconforming Signs, Item D, Outdoor Advertising Signs.

13.3.11 Internally Illuminated Signs

Any sign whose light source is within **or behind** the sign; ~~with the sign having a transparent or translucent background or cover which silhouettes opaque or translucent letters or designs,~~ **excluding** for Sec. 13.4.2, Item H, restaurant message boards and 13.4.1, Item B, real estate listings within commercial windows.



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**SECTIONS 13.3.11 & 13.2.3
Pertaining to Regulations for Illuminated Signs**

BE IT HEREBY RESOLVED by the Town Board of the Town of Highlands, North Carolina, that in accordance with provisions of North Carolina General Statute 160A-383, the Town Board hereby finds and determines that the amendments to the Unified Development Ordinance of the Town of Highlands, is consistent with the goals, objectives and policies of the Town’s adopted Land Use Plan. Specifically, the amendments will clarify the current requirements for illuminated signs. The amendments are found to be reasonable and in the public interest. Specifically, the amendments will help preserve the Town of Highlands Dark Sky Initiative.

Upon motion duly made by _____, seconded by _____, the above statement was duly recommended by the Board of Commissioners of the Town of Highlands at the regular meeting held on the 21st day of May, 2020.

Upon call for a vote, the following Members voted in the affirmative:

_____.

And the following Members voted in the negative: _____.

This the 21st day of May, 2020.

Patrick Taylor, Mayor

Attest:

Gilberta B. Shaheen, Town Clerk

Assistant Planning & Development Director Michael Mathis said while reviewing the civil penalties process in reference to a specific zoning violation, the Planning Department noticed an issue with Section 15.4.1 Citations. The citation ordinance, as written, only allows Town staff the ability to cite offenders who have violated Section 13 Sign Standards and Section 11.2.2 Tree Protection. Any other zoning violation must go to the Board of Commissioners, in closed session, to determine if a penalty is warranted and, if so, the amount of said citation. Also discussed at both meetings was §15.4.3 Determination of Amount of Penalty. By amending this section, the ordinance would still allow the Board of Commissioners full authority when dealing with erosion control and sedimentation issues. The Planning Board recommended amending the ordinance as presented to allow the Planning Department and Code Enforcement more authority when dealing with zoning violations.



ORDINANCE AMENDMENT

Pursuant to an affirmative vote of _____ yeas and _____ nays by the Board of Commissioners of the Town of Highlands at its regular meeting on the _____ day of _____, 2020, and an affirmative vote of _____ yeas to _____ nays by The Board of Commissioners at its regular meeting on the _____ day of _____, 20____ if required, the following ordinances are hereby AMENDED:

Unified Development Ordinance of Highlands, NC (UDO)
Article 15 – Inspections, Violations and Enforcement, Sec. 15.4 Civil Penalties,
15.4.1 Citations and 15.4.3 Determination of Amount of Penalty

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

ARTICLE 15 – Inspections, Violations and Enforcement

Sec. 15.4 - Civil Penalties

15.4.1 Citations

If an offender fails, for ~~thirty (30)~~ **ten (10)** days or more, to take all corrective actions required by a Notice of Violation, **the offending party shall become subject to an immediate civil penalty assessed from the date of the violation with the issuance of a citation.** ~~the Board of Commissioners shall meet in open session (unless otherwise authorized to consider a matter in closed session under G.S. 143-318.11) and determine whether to assess a civil penalty and the amount of such penalty.~~ The Town shall send notice of the **violation date of such determination** to the offender at the offender's last known address, by first class mail, at least ten (10) days prior to the **issuance of a citation.** ~~Board's meeting.~~ Notwithstanding any other provision herein, for violations of Article 13, Sign Standards and Article 11, Section 11.2.2, Tree Protection, the issuance of a Notice of Violation that imposes an immediate penalty shall require payment as stated in the Notice of Violation without issuance of a citation or any further action by the Planning and Development Director ~~or the Board of Commissioners.~~ Service of such Notice of Violation shall be accomplished by giving the owner of the property (or any other person apparently in charge of the premises) a copy thereof.

(Amend. of 8-21-14)

15.4.3 Determination of Amount of Penalty **for Erosion Control and Sedimentation Issues**

In determining the amount to assess for an **erosion control and sedimentation issue**, the Board shall consider each of the following factors:

- A. The degree and extent of harm caused by the violation;
- B. The cost of rectifying the damage, including clean up costs, devaluation of the property, and value of animal and plant life damaged, and other reasonable costs;
- C. The amount of money the offender saved by noncompliance;
- D. Whether the violation was committed willfully;

- E. Whether the violator reported the violation;
- F. Whether the violator took reasonable measures to comply with this Ordinance;
- G. Whether the violator voluntarily took reasonable measures to restore any areas damaged by the violation;
- H. The prior record of the offender in complying or failing to comply with this Ordinance or any other Local, State, or Federal pollution control rule or regulation;
- I. The date of the violation or the date it was detected; and
- J. Any other relevant mitigating and aggravating factors.



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**SECTIONS 15.4.1 & 15.4.3
Pertaining to Regulations for Civil Penalties**

BE IT HEREBY RESOLVED by the Town Board of the Town of Highlands, North Carolina, that in accordance with provisions of North Carolina General Statute 160A-383, the Town Board hereby finds and determines that the amendments to the Unified Development Ordinance of the Town of Highlands, is consistent with the goals, objectives and policies of the Town’s adopted Land Use Plan. Specifically, the amendments will clarify the current requirements for civil penalties. The amendments are found to be reasonable and in the public interest. Specifically, the amendments will allow town staff more enforcement authority.

Upon motion duly made by _____, seconded by _____, the above statement was duly recommended by the Board of Commissioners of the Town of Highlands at the regular meeting held on the 21st day of May, 2020.

Upon call for a vote, the following Members voted in the affirmative:

_____.

And the following Members voted in the negative: _____.

This the 21st day of May, 2020.

Patrick Taylor, Mayor

Attest:

Gilberta B. Shaheen, Town Clerk

C. Public Comments

There were no comments.

D. Close Public Hearing

COMMISSIONER STIEHLER MADE A MOTION TO CLOSE THE PUBLIC HEARING FOR THE REVISIONS TO THE UNIFIED DEVELOPMENT

ORDINANCE AT 7:36PM, WHICH WAS SECONDED BY MAYOR PRO TEMPORE CALLOWAY AND THE VOTE WAS UNANIMOUS.

E. Council Action

COMMISSIONER PATTERSON MADE A MOTION TO APPROVE THE AMENDMENTS TO ARTICLE 10, SECTION 10.3.6: PERTAINING TO REGULATIONS FOR SUBDIVISION ROADS OF THE UNIFIED DEVELOPMENT ORDINANCE AS AMENDED TO REFLECT ALL PRIVATE ROADS TO BE PAVED, WHICH WAS SECONDED BY COMMISSIONER HEHN AND THE VOTE WAS UNANIMOUS.

COMMISSIONER COMISSIONER DOTSON MADE A MOTION TO APPROVE THE AMENDMENTS TO ARTICLE 13, SECTION 13.3.11 & 13.2.3: PERTAINING TO REGULATIONS FOR ILLUMINATED SIGNS OF THE UNIFIED DEVELOPMENT ORDINANCE AS PRESENTED, WHICH WAS SECONDED BY COMMISSIONER STIEHLER AND THE VOTE WAS UNANIMOUS.

COMMISSIONER PATTERSON MADE A MOTION TO APPROVE THE AMENDMENTS TO ARTICLE 15, SECTION 15.4.1 & 15.4.3: PERTAINING TO REGULATIONS FOR CIVIL PENALTIES OF THE UNIFIED DEVELOPMENT ORDINANCE AS PRESENTED, WHICH WAS SECONDED BY COMMISSIONER STIEHLER AND THE VOTE WAS UNANIMOUS.

8. Resolution Approving Participation in the Southwestern NC Home Consortium

Mayor Taylor stated that this is a regional initiative for the Southwest Commission to obtain federal funds for affordable housing for this region.



**A Resolution Approving Participation of the Town of Highlands
In the “Southwestern NC Home Consortium”
and
Authorizing the Chief Executive Officer to Enter Into and Execute
A Home Investment Partnership Act Consortium Agreement
Resolution No. 2020-06-Res**

WHEREAS, the National Affordable Housing Act of 1990 created the HOME Investment Partnership Program; and

WHEREAS, a provision of the HOME Program is that multiple governmental bodies may join together to form a consortium and thereby qualify for a HOME formula grant; and

WHEREAS, Haywood County (Lead Entity) and the Southwestern NC Planning and Economic Development Commission (Administrative Agent) have proposed that such a consortium will facilitate regional and intergovernmental cooperation and the accomplishment of common goals and objectives; and

NOW, THEREFORE, BE IT RESOLVED, the Town of Highlands Board of Commissioners authorizes the Mayor to negotiate and execute the “HOME Investment

Partnership Act Consortium Agreement,” substantially in the form as attached herewith, subject to approval of the Town Attorney as to for and legality.

Upon motion duly made and seconded, the above resolution was unanimously adopted by the Board of Commissioners at a regularly scheduled meeting held on the 21st day of May, 2020.

This the 21st day of May, 2020.

Patrick L. Taylor, Mayor

ATTEST:

Gilberta B. Shaheen, Town Clerk

SOUTHWESTERN NC HOME CONSORTIUM
JOINT COOPERATION AGREEMENT
FOR
HOME INVESTMENT PARTNERSHIP ACT

THIS AGREEMENT, entered into this _____ day of _____, 2020, by and between the County of Haywood (herein called the “Lead Entity”), County of Cherokee, County of Clay, County of Graham, County of Jackson, County of Macon, and County of Swain (herein called the Counties) and all other municipalities within Haywood County (including Canton, Clyde, Maggie Valley and Waynesville), Cherokee County (including Andrews and Murphy), Clay County (including Hayesville), Graham County (including Lake Santeetlah, Robbinsville and Fontana Dam), Jackson County (including Dillsboro, Forest Hills, Sylva and Webster), Macon County (including Franklin and Highlands) and Swain County (including Bryson City), herein known as Members, said parties to the agreement being geographically contiguous units of general local government of the State of North Carolina, and is made pursuant to North Carolina Statutes, Article 20 of Chapter 160A.

WITNESSETH THAT:

WHEREAS, the Cranston-Gonzales National Affordable Housing Act of 1990 (herein called the “Act”) makes provisions whereby units of general local government may enter into cooperation agreements and form a Consortium to undertake or assist in undertaking affordable housing pursuant to the HOME Investment Partnership Program (HOME Program); and

WHEREAS, it is the desire of the parties that the Lead Entity will act in a representative capacity for the Members as well as itself. The Members desire that the Lead Entity assume overall responsibility for ensuring that the Consortium is carried out in compliance with the requirements of the Act, state and federal regulations’ program requirements and the Consolidated Plan for the Consortium. The Lead Entity through written agreement is utilizing the Southwestern NC Planning and Economic Development Commission (Administrative Agent) to assist in carrying out the daily administration responsibilities of the Consortium. That written agreement specifies the duties and responsibilities of the Administrative Agent to carry out the administrative and other functions necessary, required and desirable to fulfill the requirements of the Act, its regulations, United States Department of Housing and Urban Development directives and state and federal law.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. The parties agree to cooperate to undertake or to assist in undertaking housing assistance activities for the HOME program. The Members hereby authorize the Lead Entity to apply for and receive HOME funding from the United States Department of Housing and Urban Development. The Lead Entity is authorized to act in a representative capacity for all Members for purposes of the HOME program.

2. The Members hereby authorize the Lead Entity to establish a local HOME Investment Trust Fund for receipt and disbursement of HOME funds and repayments.

3. The Lead Entity and Members shall cooperate in the implementation of the HOME Program and shall cooperate in the preparation of the Consolidated Plan by providing information to the Lead Entity. The Members shall execute and submit the required certifications, and shall prepare and submit plans for monitoring compliance with the Consolidated Plan. The Lead Entity, through the Administrative Agent, assumes overall responsibility for ensuring that the Consortium's HOME Program is carried out in compliance with the requirements of the HOME Program, including requirements concerning a Consolidated Plan in accordance with HUD regulations in 24 CFR Parts 91 and 92, respectively, and the requirements of 24 CFR 92.350.

4. The Lead Entity and each Member shall be responsible for providing matching funds required by federal regulations for any funds allocated for that jurisdiction. No Member shall refuse to provide matching funds required by its projects for the period of time that the participation of that Member is required in the Consortium by HUD regulations and this Agreement. Each Member shall reimburse the Lead Entity immediately and in full for any and all expenses incurred by Lead Entity as a result of the failure of any Member to provide the matching funds. Matching funds will not be required when the Member does not have a project within its jurisdiction.

5. The Consortium agrees, that unless this requirement is suspended by HUD, that a minimum of fifteen percent (15%) of all HOME funds received will be set aside for the use of Community Housing Development Organizations (CHDOs) which have 501(c)(3) tax status as required by federal law.

6. The Lead Entity and the Administrative Agent will be paid an administrative fee totaling ten percent (10%) of the overall HOME funds allocation for the performance of their duties administering the HOME program in accordance with the applicable requirements of 24 CFR part 92. Said fee will be shared between the parties as stipulated in a separate administrative agreement. Only costs associated with the management and administration of the HOME program will be charged against HOME administrative allocations.

7. The Members do hereby agree to inform the Lead Entity through the Administrative Agent, in writing, of any income generated by the expenditure of HOME funds received by the Members, and that such program income must be paid to the Lead Entity for deposit into the Trust Fund or may be retained by the Members only if its use is defined in a separate agreement and approved by the United State Department of Housing and Urban Development.

8. The Members and Lead Entity shall affirmatively advance fair housing. And make all benefits of the program available in accordance with fair housing regulations.

9. The Members, as parties to the Consortium, agree that they shall direct all activities, with respect to the Consortium, to the alleviation of housing problems in the State of North Carolina.

10. This section shall not be construed as waiving any defense or limitation which any party may have against any claim or cause of action by any person not a party to this agreement.

11. The terms of this agreement will cover the period necessary to carry out all activities that will be funded from funds awarded for three federal fiscal years. The units of general local government which join the Consortium will remain in the Consortium for this entire period. The qualification period is Federal Fiscal Years 2021 -2023. The time for which this agreement remains in effect is until the HOME funds from each of the Federal Fiscal Years set out above are closed out pursuant to 24 CFR 92.507. No Consortium member may withdraw from the agreement while the agreement remains in effect.

12. This agreement will automatically renew for participation in successive three-year qualification periods. By the date specified in HUD's consortia designation notices, the Consortium's Lead Entity, through the Administrative Agent, will notify each participating unit of general local government in writing of its right not to participate for the successive three-year qualification periods. A copy of the notification to each jurisdiction must be sent to the HUD Field Office by the date specified in the consortia designation notice. The Lead Entity shall have the authority to amend the HOME consortium agreement on behalf of the consortium's members. The Lead Entity will incorporate all changes necessary to meet the requirements for cooperation agreements set forth in a Consortia Qualification Notice applicable for a subsequent three-year period, and will submit the amendment to HUD as specified in the Consortia Qualification Notice for that period, and failure to comply will void the automatic renewal of the consortia agreement.

13. The Members and Lead Entity agree that this Cooperation Agreement may require modifications when final regulations on HOME and Consolidated Plan are provided by the United States Department of Housing and Urban Development and will cooperate in executing a revised or amended written agreement acceptable to all parties.

14. Should disputes arise between any participants in the Consortium resulting in legal action, such actions shall be filed in the appropriate courts of Haywood County. All parties hereto located in Counties outside Haywood County specifically waive any alternate venue.

15. The program start date for the Consortium is July 1, 2021 – June 30, 2022, and all units of general local government are on the same program year.

16. A Consortium Committee has been formed with one representative from each Member. The Consortium Committee will meet quarterly to receive Consortium updates and to review progress made towards Consolidated Plan goals. The Lead Entity, through the Administrative Agent, shall establish all policies, determine funding allocations, and control all activities of the consortium. The Administrative Agent will accept project recommendations from all HOME consortium members, but reserves the right to make final funding decisions consistent with the Consolidated Plan.

IN WITNESS WHEREOF, the Lead Entity and the Members have caused this Agreement to be executed by a duly authorized officer of each party.

TOWN OF _____

By: _____

Mayor, Town Council

ATTESTED:

By: _____

SEAL

STATE OF NORTH CAROLINA

TOWN OF _____

I, a Notary Public of the Town of _____ and State of North Carolina, certify that _____ personally came before me this day and acknowledge that he/she is Mayor of the Town Council, a North Carolina body corporate, and that by authority duly given and as the act of the _____ Town Council, the foregoing instrument was signed in its name and by its Mayor, sealed with its corporate seal and attested by himself/herself as its Mayor.

Witness my hand and seal this _____ day of _____, 20 ____.

(Signature)
_____, Notary Public
(Printed Name)

SEAL

My Commission Expires: _____

APPROVED AS TO FORM:

(Signature)

(Printed Name)

Attorney for _____ Town Council

COMMISSIONER HEHN MADE A MOTION TO APPROVE THE RESOLUTION AS PRESENTED, WHICH WAS SECONDED BY COMMISSIONER PATTERSON AND THE VOTE WAS UNANIMOUS.

9. Request from H-C Health Foundation to Use Founder’s Park

Mayor Taylor stated the Foundation had requested to use Founder’s Park on June 13, 2020, from 8:00am to 1:00pm for testing as many as possible essential worker’s and others for people who are uninsured or self-pay.

Commissioner Patterson asked why Founder’s Park, wasn’t there a better place for this to be done. Commissioner Dotson suggested the Recreation Park and everyone agreed.

COMMISSIONER DOTSON MADE A MOTION TO ALLOW THE FOUNDATION TO USE THE RECREATION PARK, WHICH WAS SECONDED BY COMMISSIONER STIEHLER AND THE VOTE WAS UNANIMOUS.

10. July 4th Fireworks Discussion

Director of the Chamber of Commerce Kaye McHan stated the Chamber had the pleasure of hosting the 4th of July fireworks, but with limited numbers available to congregate they asked to use the alternate date of Saturday, September 5, 2020.

MAYOR PRO TEMPORE CALLOWAY MADE A MOTION TO AMEND THE DATE FOR THE FOURTH OF JULY IF NOTHING ELSE IS SCHEDULED, WHICH WAS SECONDED BY COMMISSIONER STIEHLER AND THE VOTE WAS UNANIMOUS.

11. Outdoor Dining Options for Restaurants

Director of the Chamber of Commerce Kaye McHan reviewed the request to allow restaurants to have outdoor seating during Phase 2 and extend into Phase 3 if needed, retain current takeout parking and allow serving and consumption of alcoholic beverages with the outdoor seating with the business owner’s assuming responsibility. Town Manager Josh Ward shared information collected in response to this request, including speaking with NC DOT Director Brian Burch in the 114 Division out of Sylva and he said it would be an encroachment onto the states right-of-way, which would require an application process to obtain a permit to use the encroachment. Ward also spoke with Stacy Cox of the League and the liability concerns for the town would be high, and Fire Marshal Jimmy Teem said that 50% included outside area as well and the ADA access cannot be blocked.

Town Attorney Jay Coward brought up a problem for equal opportunity for other merchants for those who cannot have the same benefits and cautioned against it and felt it put the town at too much risk. Town Manager Josh Ward said he had a call from a retail owner requesting the same consideration.

MAYOR PRO TEMPORE CALLOWAY MADE A MOTION FOR THE TOWN PLANNER AND MANAGER TO LOOK INTO SEATING REQUEST FOR SIDEWALK DINING IF FEASIBLE WITHIN AN AREA, AND 2 PARKING SPACES FOR TAKEOUT UNTIL PHASE 3. DISCUSSION ABOUT LIABILITY, TIME AND ADA CONCERNS WAS

HELD. MAYOR PRO TEMPORE CALLOWAY AMENDED HIS MOTION TO ALLOW TAKEOUT TO 2 PARKING SPACES UNTIL PHASE 3, WHICH WAS SECONDED BY COMMISSIONER STIEHLER AND THE VOTE WAS UNANIMOUS.

Permission was given to McHan to use the W-W-W signage with Town Manager Josh Ward to approve placement to keep from impeding visual in traffic.

12. Budget Amendment: Sewer Plant SCADA

Town Manager Josh Ward presented the Budget Amendment and said some critical equipment was needed for the Wastewater Treatment Plant can monitor the station and is also state required.

TOWN OF HIGHLANDS BUDGET AMENDMENT
AMENDMENT # _____

May 19, 2020

FROM: Sewer Fund



DEPARTMENT: Sewer Dept.

EXPLANATION: **To add Scada to the pump station that overflowed at the Sewer Plant.**

Account	Description	Increase/Decrease	Debit	Credit
31-3800-0910	Fund Balance Appropriated	Increase		\$37,000.00
31-8210-7400	Capital Outlay/Other Improvements	Increase	\$37,000.00	
		Subtotal	\$37,000.00	\$37,000.00
		Totals	\$37,000.00	\$37,000.00

Approved by Town Manager _____

Action by Town Board _____

Approved and Entered on Minutes Dated _____

Finance Director _____

13. FY 2020-21 Budget Presentation

**TOWN OF HIGHLANDS
FY 2020-21 BUDGET MESSAGE**

May 21st, 2020

Mayor Patrick Taylor and Town Board of Commissioners

I am pleased to present the FY 2020-21 Budget for your review and consideration.

As required by the General Statutes of North Carolina (The Local Government Budget and Fiscal Control Act), the revenues and expenditures presented within this budget are balanced.

In order to present a balanced budget, it was necessary to appropriate \$1,832,621.00 from undesignated General Fund Balance and 354,222.00 from the Electric Fund.

These funds were used to offset capital project deficits & debt service within several departments.

The current General Fund Balance is approximately \$2,000,000.00
 The current General Fund Reserve Balance is approximately \$4,900,000.00
 The current Electric Reserve Fund Balance is approximately \$4,900,000.00
 All funds are self-supporting and require no outside fund transfers to operate, with the exception of the Sanitation Department, where there is a \$58,150.00 shortfall.

Budget Highlights:

As presented, the overall FY 2020-21 Budget has revenues and expenditures totaling \$20,154,080.00.

The ad valorem property tax rate remains at \$0.1565 per \$100.00 valuation. The tax rate does include .015 earmarked for street paving projects, which is scheduled to sunset June 30th of 2023. The valuations are determined by the Macon & Jackson County Tax Departments. This rate is based on an approximate valuation of \$1,830,000,000 and an estimated collection rate of 98%.

The Highlands Volunteer Fire Department tax rate remains \$.03 per \$100.00 valuation.

The current Town of Highlands charges for water, sewer, electric and sanitation services remains unchanged.

The Local Option Sales Tax Distribution is projected to decrease approximately 25%, due to the Covid-19 outbreak.

The proposed budget includes no cost-of-living adjustment for employees.

The proposed budget includes a 13% increase in the employee health insurance premiums with MedCost, which will now include co-pays for specific services.

TOTAL EXPENDITURES

Total expenditures for all funds are split between the individual funds as follows:

General Fund	\$ 6,532,836.00
GF Capital Projects Fund	\$ 2,294,000.00
Scholarship Fund	\$ 62,500.00
Fire & Rescue Special Revenue Fund	\$ 1,115,180.00
Cemetery Fund	\$ 60,000.00
Water Enterprise Fund	\$ 1,923,230.00
Sewer Enterprise Fund	\$ 833,762.00
Capital Projects Fund	\$ 217,422.00
Sanitation Enterprise Fund	\$ 950,150.00
Electric Enterprise Fund	\$ 6,165,000.00
Total Expenditures	\$ 20,154,080.00

GENERAL FUND

Total expenditures for the FY 2020-21 General Fund Budget is \$6,532,836.00. These funds are split between the individual departments/funds as follows:

Governing Body	\$28,310.00
Administration	\$1,464,348.00
Planning/Zoning	\$174,850.00
MIS/GIS	\$483,750.00
MIS/GIS Fiber	\$238,500.00
Police Department	\$1,557,850.00
Street Department	\$1,256,500.00
Public Buildings	\$110,900.00
Parks and Recreation	\$662,600.00

Recreation-Pool	\$502,128.00
Recreation-Ice Rink	\$53,100.00
Total Expenditures	\$6,532,836.00

ENTERPRISE FUNDS

The Town of Highlands operates the following Enterprise Funds:

- Water
- Sewer
- Sanitation
- Electric

WATER FUND

Total expenditures for the FY 2020-21 Water Utility Enterprise Fund is \$1,923,230.00.

Total capital for the Water Utility Enterprise Fund is \$429,572, including \$305,500.00 for new capital items and \$124,072 reflected within the Capital Projects Fund for the completion of the Buckhorn Water Tank Construction Project.

The current Town of Highlands water rates remain unchanged.

SEWER FUND

Total expenditures for the FY 2020-21 Sewer Utility Enterprise Fund is \$833,762.00.

Total capital for the Sewer Utility Enterprise Fund is \$89,000.00

The current Town of Highlands sewer rates remain unchanged.

ELECTRIC FUND

Total expenditures for the FY 2020-21 Electric Enterprise Fund is \$6,165,000.00.

In order to present a balanced budget across all funds, it was necessary to appropriate \$354,222.00 from the Electric Fund to provide the funding necessary to complete the Buckhorn Water Tank Construction Project and cover the deficit within the Sanitation Department.

The current Town of Highlands electric rates remain unchanged.

SANITATION FUND:

Total expenditures for the FY 2020-21 Sanitation Enterprise Fund is \$950,150.00.

The sanitation fund will require a \$230,150.00 transfer from the electric fund to cover operations and capital needs in FY 2020-21.

The current Town of Highlands minimum charge for residential and commercial trash pickup remains unchanged. With that being said, after two consecutive years of operational deficits, I recommend staff and the finance committee meet and study the fee schedule for both residential and commercial pickup and determine the amount of increase required to balance the fund for FY 2021-22.

SPECIAL REVENUE FUNDS

The FY 2020-21 Budget includes the following Special Revenue Funds:

- General Fund Capital Projects
- Fire Department
- Capital Projects

GENERAL FUND CAPITAL PROJECTS FUND

Total expenditures for the FY 2020-21 General Fund Capital Projects Fund is \$2,294,000.00.

The Fund was created to manage the loan for the Aerial Fiber Construction Project approved in FY 2018-19.

FIRE DEPARTMENT FUND

Total expenditures for the FY 2020-21 Fire Department Fund is \$1,115,180.00. The Highlands Volunteer Fire Department provides service to Town of Highlands and a portion of unincorporated areas of Macon and Jackson Counties.

The revenue for the Fire Department is generated 100% through the Fire District Ad Valorem property tax and not the Town of Highlands General Fund.

The Highlands Volunteer Fire Department tax rate remains \$.03 per \$100 valuation.

CAPITAL PROJECTS FUND

Total expenditures for the FY 2020-21 Capital Projects Fund is \$217,422.00 and includes the following fund transfers:

General Fund	\$15,698.00
Water Fund	\$20,685.00
Sewer Fund	\$56,967.00
Electric Fund	\$124,072.00

These funds are allocated to various projects to pay for debt service on the Kelsey-Hutchinson Founders Park storm water project (\$15,698.00), debt service on the Lake Sequoyah water intake project (\$20,685.00) and debt service on the Mirror Lake sewer project (\$56,967.00). These funds are also allocated for the completion the Buckhorn Water Tank Replacement (\$124,072.00).

FINANCIAL OUTLOOK

At the current time, the short term outlook is impossible for anyone to predict as we slowly open up and begin to recover from the Covid-19 outbreak. With the significant reduction made in capital project expenditures in the FY 2020-21 budget, we are provided assurance that our reserves will remain strong in case they are relied upon. Nevertheless, the long term financial outlook for the Town of Highlands remains strong. I believe Highlands will remain an attractive destination for second home owners and weekenders, long into the future.

The Town's undesignated General Fund Balance remains strong, and with the exception of the Sanitation Department, all Enterprise Funds are stable and covering their operating costs.

The Electric Fund is stable and continues to provide funding necessary to offset capital project costs in other departments. As with all Town utilities, the electric fund revenue should be monitored closely each year, as Duke Energy continues to increase wholesale rates.

Due to the ability to transfer funds from the Electric Reserve, the town has been fortunate to keep its long term debt extremely low.

CLOSING COMMENTS

I would like to thank Mayor Taylor and the Town Board for their guidance in working with staff during the budget development process.

I would also like to commend the town department heads, for the diligent work they put into the budget, in order to ensure sufficient funding in the areas needed.

In closing, I look forward to implementing this budget and I hope that we continue to achieve our priorities and goals of providing quality public services to the community.

Sincerely,

Joshua P. Ward
Town Manager
Town of Highlands

**TOWN OF HIGHLANDS
BUDGET ORDINANCE
FISCAL YEAR 2020 - 2021
JULY 1, 2020 THRU JUNE 30, 2021**

BE IT ORDAINED by the Board of Commissioners of the Town of Highlands, North Carolina, assembled this 18th day of June 2020, that the following fund revenues and department and/or fund expenditures be adopted:

SECTION I. TOTAL REVENUES

General Fund	\$ 6,532,836.00
GF Capital Projects Fund	\$ 2,294,000.00
Scholarship Fund	\$ 62,500.00
Fire & Rescue Special Revenue Fund	\$ 1,115,180.00
Cemetery Fund	\$ 60,000.00
Water Enterprise Fund	\$ 1,923,230.00
Sewer Enterprise Fund	\$ 833,762.00
Capital Projects Fund	\$ 217,422.00
Sanitation Enterprise Fund	\$ 950,150.00
Electric Enterprise Fund	<u>\$ 6,165,000.00</u>
Total Revenues	\$ 20,154,080.00

SECTION II. TOTAL EXPENDITURES

General Fund	\$ 6,532,836.00
GF Capital Projects Fund	\$ 2,294,000.00
Scholarship Fund	\$ 62,500.00
Fire & Rescue Special Revenue Fund	\$ 1,115,180.00
Cemetery Fund	\$ 60,000.00
Water Enterprise Fund	\$ 1,923,230.00
Sewer Enterprise Fund	\$ 833,762.00
Capital Projects Fund	\$ 217,422.00
Sanitation Enterprise Fund	\$ 950,150.00
Electric Enterprise Fund	<u>\$ 6,165,000.00</u>
Total Expenditures	\$ 20,154,080.00

SECTION III. TAX RATES ESTABLISHED

An Ad Valorem tax rate of \$.1565 per \$100 valuation is hereby established for General Fund purposes for the Town of Highlands for FY 2020-21, which includes \$.015 earmarked for Street Paving Projects. This rate is based on an approximate valuation of \$1,830,000,000.00 and an estimated collection rate of 98%.

A Fire tax rate of .03 per \$100.00 valuation is hereby established for the Highlands Volunteer Fire Department.

SECTION IV. BUDGET ORDINANCE

This ordinance shall be the basis of the financial plan for the Town of Highlands during the fiscal year 2020-21. The approved annual budget for all funds, which shows line item detail, will be used for tracking revenue and expenditures.

ATTEST:

APPROVED:

Joshua P. Ward, Town Manager

Patrick Taylor, Mayor

FY 2020-21 Capital Items List

Street Department

Street Paving

Cullasaja Drive	\$156,000.00
Hickory Street	\$89,000.00
Church Street Alley	\$17,000.00
Chowan Drive	\$111,000.00
Pinecrest Road	\$50,000.00
Sub Total	\$423,000.00

Repairs / Maintenance

Sidewalks

Main Street – Loafers Bench	\$3,500.00
Main Street – Reeves	\$21,000.00
Satulah Road	\$11,000.00
Pierson Drive	\$15,000.00
Sub Total	\$50,500.00

Streets / Sidewalks

Misc. Sidewalk Repairs	\$30,000.00
Salt	\$30,000.00
Paint Striping	\$20,000.00
Sub Total	\$80,000.00

Total **\$553,500.00**

Sanitation Department

Equipment

Replace 2004 Peterbilt	\$172,000.00
Replace Dumpsters	\$30,000.00
Total	<u>\$202,000.00</u>

Electric Department

Equipment

Replace 2004 Yanmar Excavator	\$73,000.00
Replace 2004 Hudson Trailer	\$8,000.00

Replace 2010 Vermeer Chipper	\$85,000.00
<u>Total</u>	<u>\$166,000.00</u>
<u>Water / Sewer Departments</u>	
Projects	
Valentine Lane Waterline Improvements	\$192,000.00
Subtotal	\$192,000.00
Equipment	
Replace 2010 Service Truck	\$60,000.00
WTP Service Contracts (Hach, Idexx, Tholen, Generator)	\$17,500.00
WTP Tank Cleaning	\$20,000.00
WTP Lab Equipment	\$16,000.00
WWTP Belt Press Upgrades/Repairs	\$55,000.00
WWTP Replacement Equipment (UV Lights & Polymer)	\$34,000.00
Subtotal	\$202,500.00
<u>Total</u>	<u>\$394,500.00</u>
<u>Police Department</u>	
(5) Viper Communications Packages	\$34,000.00
<u>Total</u>	<u>\$34,000.00</u>
<u>Fire Department</u>	
Replacement Vehicle - Asst. Chief	\$32,000.00
Replacement Vehicle Equipment	\$10,000.00
Viper Communications Packages	\$25,000.00
<u>Total</u>	<u>\$67,000.00</u>
<u>Parks & Recreation Department</u>	
Projects	
Community Bldg. Parking Lot Lighting (5 decorative poles)	\$15,000.00
Dog Park Pavilion Repairs	\$11,500.00
<u>Total</u>	<u>\$26,500.00</u>
<u>MIS/GIS Department</u>	
Replacement Servers	\$20,000.00
Replacement Core Router	\$5,000.00
Network Audit	\$18,000.00
<u>Total</u>	<u>\$43,000.00</u>
<u>Planning & Dev. Department</u>	
Comprehensive Plan Development	\$100,000.00
<u>Total</u>	<u>\$100,000.00</u>

	Proposed FY 2020-21	FY 2019-20
General Fund Departments	\$757,000.00	\$1,019,400.00
Water/Sewer Fund	\$394,500.00	\$1,744,500.00
Electric Fund	\$166,000.00	\$318,000.00
Sanitation Fund	\$202,000.00	\$153,000.00
<u>Grand Total</u>	<u>\$1,519,500.00</u>	<u>\$3,234,900.00</u>
Fire Department Special Fund	\$67,000.00	N/A

COMMISSIONER STIEHLER MADE A MOTION TO SCHEDULE A PUBLIC HEARING FOR THE APPROVAL OF THE FY 2020-21 BUDGET AT THE REGULAR SCHEDULED BOARD OF COMMISSIONER'S MEETING ON JUNE 18, 2020 AT 7:00PM WHICH WAS SECONDED BY MAYOR PRO TEMPORE CALLOWAY, AND THE VOTE WAS UNANIMOUS.

14. Adjournment

AS THERE WERE NO FURTHER MATTERS TO COME BEFORE THE BOARD OF COMMISSIONERS, MAYOR PRO TEMPORE CALLOWAY MOVED TO ADJOURN WHICH WAS SECONDED BY COMMISSIONER STIEHLER AND UPON A UNANIMOUS VOTE, THE TOWN BOARD ADJOURNED AT 9:07PM.

Patrick Taylor
Mayor

Gilberta B. Shaheen
Town Clerk