

**Town of Highlands**  
**Special Budget Worksession**  
**Highlands Recreation Center**  
**May 25, 2011**  
**1:30 PM**

**Present:** Mayor David Wilkes, Mayor Pro Tempore John Dotson, Commissioners Amy Patterson, Dennis DeWolf, Gary Drake, and Larry Rogers

**Staff Present:** Town Manager Jim Fatland, Police Chief Bill Harrell, Recreation Director Selwyn Chalker, Town Engineer/Public Works Director Lamar Nix, MIS/GIS Director Matt Shuler, Interim Planning & Development Director Mark Maxwell, Electric Dept. Supervisor Craig McCall, Water Plant Supervisor Wade Wilson, Water & Sewer Distribution Supervisor Stanley Houston, Wastewater Treatment Plant Supervisor Alec Templeton, Streets Supervisor Gene Ramey, Sanitation Supervisor Larry Holt, Accounting Supervisor Chuck Young, and Deputy Town Clerk Rebecca Shuler

**Others Present:** Kim Lewicki and Amanda Parmelee

**Call to Order**

Mayor David Wilkes called the worksession to order at 1:34 pm.

**Proposed Fiscal Year 2011-2012 Budget**

**Opening Comments**

Jim Fatland referenced the FY12 Budget Message. Town Manager budget recommendations include:

- No General Fund Tax Increase. Tax rate remains at \$.135 per \$100 in assessed valuation
- No Fire Tax Increase. Tax rate remains at \$.009 per \$100 in assessed valuation
- No increase in residential and commercial garbage rates
- An increase in monthly minimum water charge by \$4 per month, this will be the third year of a three year plan to reduce Electric Fund subsidies for Water Fund Operations
- Increases to electric rates over next three years to address Duke Energy Wholesale Increased Costs
- No salary increases for Town Employees
- Capital Equipment Requests totaling \$248,500 compared to \$488,785 last year
- Capital Improvements (to be discussed later in this worksession)

**Finance Committee Comments**

**Nonprofit Grant Recommendations**

Commissioners Dotson and Drake reported they had reviewed nonprofit grant applications totaling \$90,137 and recommended funding a total of \$21,670. A copy of

the recommendation is included as part of the minutes. Decisions were based upon criteria set forth in the nonprofit grant application and submitted projects that would benefit the biggest majority of the public.

Town of Highlands								
Non-Profit Organizations Funding Requests								
	Request	Approved	Request	Approved	Request	Approved	Request	Approved
	FY 08-09	FY 08-09	FY 09-10	FY 09-10	FY 10-11	FY10-11	FY11-12	FY11-12
<b>Organization:</b>								
1 Hudson Library*	\$40,000	\$35,000	\$40,000	\$0	\$15,000	\$0	\$5,000	\$0
2 Peggy Crosby Center	\$0	\$0	\$0	\$0	\$47,000	\$0	\$5,000	\$0
3 Highlands Historical Society	\$4,400	\$4,000	\$5,000	\$4,000	\$3,500	\$3,000	\$0	\$0
4 HCCDC	\$10,000	\$5,000	\$10,000	\$10,000	\$8,100	\$8,100	\$10,000	\$5,000
5 Bascom-Louise Gallery (The Bascom)	\$0	\$0	\$10,000	\$0	\$2,500	\$0	\$0	\$0
6 Literacy Council	\$0	\$0	\$0	\$0	\$5,000	\$0	\$9,000	\$3,000
7 Instant Theatre	\$0	\$0	\$2,434	\$0	\$0	\$0	\$0	\$0
8 Land Stewards	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Veterans Memorial of Macon County	\$25,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0
10 Community Care Clinic	\$9,445	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0
11 Highlands Emergency Council	\$0	\$0	\$4,000	\$4,000	\$4,000	\$4,000	\$8,000	\$4,000
12 Highlands Playhouse	\$0	\$0	\$75,000	\$0	\$12,000	\$12,000	\$12,500	\$6,500
13 Performing Arts Center, Inc.	\$0	\$0	\$4,000	\$4,000	\$2,500	\$2,500	\$5,000	\$0
14 Highlands-Cashiers Hospital Foundation	\$0	\$0	\$7,500	\$3,750	\$10,000	\$5,000	\$5,000	\$0
15 Jackson-Macon Conservation Alliance - Recycling	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$0
16 Jackson-Macon Conservation Alliance - Bear Smart Initiative	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$0
17 Highlands Cashiers Land Trust	\$0	\$0	\$0	\$0	\$0	\$0	\$9,511	\$3,170
18 DeShong's Gift Back, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$7,000	\$0
19 International Friendship Center	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$0
20 Highlands Biological Foundation	\$0	\$0	\$0	\$0	\$0	\$0	\$6,126	\$0
21 The Bookworm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22 The Center for Life Enrichment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 Highlands Counseling Group	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Red Cross Disaster Shelter	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Grand Totals:</b>	<b>\$88,845</b>	<b>\$62,000</b>	<b>\$157,934</b>	<b>\$25,750</b>	<b>\$109,600</b>	<b>\$34,600</b>	<b>\$90,137</b>	<b>\$21,670</b>
* Hudson Library - FY 08-09 Request is for \$120,000 over three years								04/28/11/RRS

### Proposed Electric Rate Increase

Commissioners Dotson and Drake called upon Jim Fatland to address the proposed electric rate increase. Mr. Fatland referred to scenarios presented by Mr. Kevin O'Donnell, a Nova Energy Consultant, and recommended that all electric basic charges be raised by \$10.00 and all other kWh charges to be raised 4.3%. There was discussion as to hiring a consultant to research the electric system and rates as compared with other surrounding co-ops and report back to Finance Committee in September.

Mr. Fatland informed everyone there was another Finance Committee meeting scheduled for May 31 to discuss gaming operation fees, accepting credit cards for utility payments, and purchasing and installing radio read water meters.

### Personnel Requests

Mr. Fatland stated there was only one recommended change to this year's personnel. That change would be making Deputy Town Clerk/Part Time Secretary to Town Manager Rebecca Shuler a full time employee. Mr. Fatland reference a worksheet showing the expense of this change would to cost the town an additional \$413.00 annually.

### Capital Improvement Requests

Mr. Fatland called upon Lamar Nix to discuss the capital improvement requests for FY2011-2012. Mr. Nix discussed the following projects:

**Water Fund:** New Intake at Lake Sequoyah Dam Design & Permitting, Lake Sequoyah Dam Repair/Improvement Design & Permitting, Water Treatment Plant Onsite Generation Design, Water Treatment Plant Filter Rehab Design, and Scada Systems for Ravenel and Satulah

**Sewer Fund:** Sewer Master Plan and Sludge Removal System

**Electric Fund:** Pole Change Outs

Mr. Fatland called upon Bill Harrell to discuss the **General Fund** project: Renovation of ABC Store for Police Dept. Construction and Master Plan for hardscape and landscaping

Mr. Fatland then discussed the **Recreation Fund** projects: Emergency Generator Hook-up and the Greenway Projects.

Mr. Fatland stated the Town was waiting to hear about funding it requested for the generator hook-up from the County. He also stated the Greenway Funding was the match for a grant the Greenway Committee had received.

## **Enterprise Funds**

Mr. Fatland called on Electric Department Supervisor Craig McCall to start the discussion.

**Electric Fund:** Craig reported that one of his trucks needs replacing this year. It is over ten years old and is beginning to be unsafe for use. Craig also thanked the board for allowing the additional lineman for his crew last year. He reported on how much difference it had made and how much more copper they had been able to change out due to this addition.

### **Water Fund**

**Water & Sewer Distribution:** Mr. Fatland stated this was the third year a \$4.00 increase to the water rates would take place. Two years ago the Water & Sewer Distribution Department Budget was in the negative and now it is breaking even.

**Water Treatment Plant:** Mr. Fatland called upon Wade Wilson who explained the importance of the capital projects that needed to be done at the Water Treatment Plant already mentioned by Lamar Nix.

**Sewer Fund:** Alec explained how the sludge removal system would benefit the Wastewater Treatment Plant especially with the increased number of sewer customers.

**Sanitation Fund:** Mr. Fatland reported that landfill tipping fees will remain the same this year. The FY2012 Sanitation Budget is proposed without a rate increase. Sanitation Supervisor Larry Holt reported the large expense in the department supply line item was for the purchase of dumpsters and trash cans. He explained that the dumpsters and trash cans generally last for ten or so years. So this isn't a yearly expense.

## **Special Revenue Funds**

**Recreation and Fire Department Funds:** Budgets approved by the Town Board at the Regular Meeting of April 6, 2011. It was mentioned to lower the \$500,000 from Macon County to the actual number of \$495,000.

## **General Fund**

**Streets:** Mr. Fatland thanked the Street Department for all their hard worked and discussed briefly the fine tuning of the painting and striping. Mr. Fatland pointed out the \$100,000.00 allocated for the Downtown Streetscape Projects that the board had approved proceeding with previously this year. He also mentioned that several sidewalk requests had been made to the North Carolina Department of Transportation.

**Planning & Development:** Mr. Fatland called upon Mark Maxwell who explained that the planning & development budget included money for wayfinding and the main street program support. He also suggested doing the land use update in house.

**Police:** Mr. Fatland called upon Bill Harrell to discuss the Police Department budget. Bill stated that the police department was in good shape. They have cut the cell phones by six. However, communications have enhanced by being able to get in touch with an officer 24/7. The amount for schools and training continue to rise. The proposed capital outlay/other improvements for \$10,000.00 is to complete improvements and securing of the impound yard. The capital outlay/equipment is for the furnishing and equipment for the new police station.

**MIS/GIS:** Matt Shuler addressed the board presenting a new budget for his department for FY2011-2012. Matt explained that all equipment and services he and coworker Chuck Crisp provide to other departments had been hard to track for expense purposes as it had all been previously lumped together in the administration department. Matt was then questioned by several commissioners as to the process of going green and purchasing iPads for the agendas for commissioners and department heads. Matt explained the options and informed the board the iPads would pay for themselves in two years.

**Administration:** Mr. Fatland addressed the board in reference to the administration department budget. Commissioner Patterson questioned the amount budgeted in the Salaries and Wages line item and the detail of items in the Miscellaneous category.

## **Trust Funds**

**Scholarship:** Mr. Fatland began to discuss the scholarship fund and called on the Mayor to discuss the first annual fishing tournament. The Mayor stated the tournament did real well for the first year. He thanked Matt Shuler for the beautiful fishing map he created. Mr. Fatland then stated the scholarship committee was having a meeting at 4:00pm today and the Highlands School Awards Assembly will be June 1, 2011 at 10:00am.

**Cemetery:** Mr. Fatland called upon Lamar Nix to discuss the Cemetery Fund and Mr. Nix stated the only thing he would do different would be to bid out the

mowing contract next year. The board then agreed that all contracts need to be bid out next year.

**Other**

**Recycling:** Mr. Fatland discussed the need for a recycling center in Highlands. He stated that the Sustainability Committee had also recommended it. The \$73,800 allotment would account for the paving, concrete pads, fencing, small employee building, and porta john to the site would adjacent to the dog park in the Rec. Center's lower over flow parking lot. Mr. Fatland had discussed the project with Solid Waste Director Chris Stahl of the County and stated the County pays their staff minimum wage. The County could staff the facility and the Town in return would reimburse them.

There was discussion to set the Budget Public Hearing for Wednesday, June 15<sup>th</sup> at the regularly scheduled Town of Commissioners' Meeting.

**Adjourn**

The mayor called for a motion to adjourn. Motion was made to adjourn the budget work session by Commissioner Gary Drake, seconded by Commissioner Amy Patterson, and was unanimous. The meeting was adjourned at 4:15 pm.

**Approved:**

**Attest:**

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David Wilkes, Mayor

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Jim Fatland, Town Manager

**Prepared By:**

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Rebecca R. Shuler, Deputy Town Clerk