

**Special Meeting Minutes of the Town of Highlands Board of Commissioners  
Meeting of April 7, 2022, at the Highlands Community Building, 71 Poplar  
Street, Highlands, North Carolina**

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

Also Present: Town Manager Josh Ward, Finance Director Rebecca Shuler, Public Works Director Lamar Nix, MIS/GIS Director Matt Shuler, Police Chief Andrea Holland, Parks & Recreation Director Lester Norris, Fire Chief Ryan Gearhart and Town Clerk Gibby Shaheen

**1. Meeting Called to Order**

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

**2. Adjust and Approve the Agenda**

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

**3. Budget Amendments:  
ADA Transition Plan & Big Bear Pen Tower**

TOWN OF HIGHLANDS BUDGET AMENDMENT  
AMENDMENT # \_\_\_\_\_

April 7, 2022



FROM: General Fund

DEPARTMENT: Planning Dept.

EXPLANATION: ADA Transition Plan

	<b>Account</b>	<b>Description</b>	<b>Increase/Decrease</b>	<b>Debit</b>	<b>Credit</b>
1.	10-3000-0090	Zoning Certificates	Increase		\$19,000.00
	10-3100-0910	Fund Bal. Appropriated ~ GF	Increase		\$21,000.00
	10-4200-7300	Capital Outlay/Other Imp.	Increase	\$40,000.00	
		<b>Subtotals</b>		<b>\$40,000.00</b>	<b>\$40,000.00</b>
		<b>Totals</b>		<b>\$40,000.00</b>	<b>\$40,000.00</b>

Approved by Town Manager

Action by Town Board

Approved and Entered on Minutes Dated

Finance Director

TOWN OF HIGHLANDS BUDGET AMENDMENT  
AMENDMENT # \_\_\_\_\_

April 7, 2022



FROM: General Fund

DEPARTMENT: General Fund

EXPLANATION: Big BearPen Tower

	<b>Account</b>	<b>Description</b>	<b>Increase/Decrease</b>	<b>Debit</b>	<b>Credit</b>
1.	10-3100-0910	Fund Bal. Appropriated ~ GF	Increase		\$11,000.00
	10-4100-7300	Capital Outlay/Other Imp.	Increase	\$11,000.00	

**Subtotals \$11,000.00 \$11,000.00**

**Totals \$11,000.00 \$11,000.00**

Approved by Town Manager

Action by Town Board

Approved and Entered on Minutes Dated

Finance Director

COMMISSIONER PATTERSON MADE A MOTION TO APPROVE THE BUDGET AMENDMENTS AS PRESENTED, WHICH WAS SECONDED BY MAYOR PRO TEMPORE DOTSON AND THE VOTE WAS UNANIMOUS.

**4. FY 2022-23 Fire Department Budget Approval**

Town of Highlands							4/4/2022 16:28
FY 2022.23 Budget Worksheet							
Fire							
Account Number	Account Name	FY 2019.20 Actual	FY 2020.21 Actual	FY 2021.22 Budget	FY 2021.22 Actual as of 03.31.22	FY 2022.23 Department Request	FY 2022.23 Approved Department Budget
<b>Revenue:</b>							
3300	Fire Department						
20-3300-0202	Charitable Contributions	12,770.00	25,721.16	10,000.00	24,177.00	10,000.00	-
20-3300-0602	Miscellaneous Receipts - Fire Dept.	9,392.35	5,944.56	-	1,000.00	-	-
20-3300-0604	Insurance Settlements	10,790.40	28,066.48	-	-	-	-
20-3300-0702	Interest Income - Fire Dept.	3,285.35	369.55	-	22.09	-	-
20-3300-0801	Gain on Sale of Equipment	-	-	-	7,800.00	-	-
20-3300-0902	Macon County - Contribution	1,050,637.98	1,089,350.60	1,063,353.00	1,037,838.64	1,078,704.00	-
20-3300-0905	Jackson County - Contribution	50,000.00	77,000.00	80,000.00	56,000.00	84,000.00	-
20-3300-0936	Transfer from Electric Fund	1,500,000.00	-	-	-	-	-
		2,636,876.08	1,226,452.35	1,153,353.00	1,126,837.73	1,172,704.00	-
<b>Expenditure:</b>							
5300	Fire Department						
20-5300-0204	Overtime	-	-	1,000.00	68.00	1,000.00	-
20-5300-0205	Salaries and Wages	101,776.38	109,346.32	121,000.00	86,386.72	121,000.00	-
20-5300-0211	Salaries - Part-Time	2,585.60	-	20,000.00	-	-	-
20-5300-0212	Wages - Fire Calls	22,410.00	21,529.59	35,000.00	9,735.00	25,000.00	-
20-5300-0214	Wages - Station Calls	4,352.15	2,142.85	3,000.00	3,000.00	3,000.00	-
20-5300-0410	Professional Services	41,384.00	-	3,300.00	-	-	-
20-5300-0505	FICA	9,718.08	9,840.96	13,000.00	7,364.82	13,000.00	-
20-5300-0605	Group Insurance	18,908.50	20,204.72	23,000.00	17,408.31	23,000.00	-
20-5300-0618	Drug Testing / Physicals	-	148.00	-	-	-	-
20-5300-0705	Retirement	9,068.54	11,082.83	13,500.00	12,571.71	15,000.00	-
20-5300-0805	Unemployment Tax	11.74	58.41	1,000.00	-	500.00	-
20-5300-1105	Telephone	2,986.93	2,711.42	3,000.00	2,243.73	3,000.00	-
20-5300-1300	Utilities	10,408.87	11,270.56	13,000.00	9,706.44	13,000.00	-
20-5300-1500	Maint. & Repair - Buildings	512.50	1,566.70	15,000.00	597.90	3,000.00	-
20-5300-1600	Maint. & Repair - Equipment	23,886.04	16,598.59	32,000.00	4,641.01	10,000.00	-
20-5300-1700	Maint. & Repair - Auto	27,583.50	43,261.90	45,000.00	13,245.77	20,000.00	-
20-5300-3100	Auto Fuel	4,847.44	5,634.20	10,000.00	5,305.90	10,000.00	-
20-5300-3210	Fuel Oil	-	590.75	-	-	-	-
20-5300-3220	Propane Fuel	1,393.98	2,300.72	4,000.00	3,418.99	4,000.00	-
20-5300-3300	Department Supplies	10,245.46	7,372.40	10,000.00	5,731.46	10,000.00	-
20-5300-3600	Uniforms	17,382.09	4,619.23	21,000.00	4,153.81	10,000.00	-
20-5300-5200	Dues & Subscriptions	4,573.43	10,106.29	10,000.00	4,309.34	10,000.00	-
20-5300-5400	Property/Liability Insurance	29,326.17	34,100.64	37,000.00	36,813.30	39,000.00	-
20-5300-5401	Training	2,273.86	1,848.99	10,000.00	4,480.21	10,000.00	-
20-5300-5500	Worker's Compensation Insurance	8,899.64	6,808.65	16,000.00	5,621.24	16,000.00	-

Town of Highlands							4/4/2022 16:28
FY 2022.23 Budget Worksheet							
Fire							
Account Number	Account Name	FY 2019.20 Actual	FY 2020.21 Actual	FY 2021.22 Budget	FY 2021.22 Actual as of 03.31.22	FY 2022.23 Department Request	FY 2022.23 Approved Department Budget
20-5300-5700	Other Expense	6,512.99	3,330.96	32,000.00	4,126.87	10,000.00	-
20-5300-5750	Safety Related Expenses	1,361.80	1,143.45	1,700.00	1,579.00	2,400.00	-
20-5300-7300	Capital Outlay/Other Improvements	1,344,926.55	120,358.51	1,103.00	21,365.50	153,304.00	-
20-5300-7400	Capital Outlay/Equipment	-	68,107.44	-	-	-	-
20-5300-7410	Loan Payments	-	-	658,750.00	658,750.00	647,500.00	-
		1,707,336.24	516,085.08	1,153,353.00	922,625.03	1,172,704.00	-
					Balanced	-	

Fireman's Relief Fund

Account Number	Account Name	FY 2019.20 Actual	FY 2020.21 Actual	FY 2021.22 Budget	FY 2021.22 Actual as of 03.31.22	FY 2022.23 Department Request	FY 2022.23 Approved Department Budget
<b>Revenue:</b>							
3300	Fireman's Relief Fund						
21-3300-0202	Contributions	-	39,290.00	20,000.00	21,540.11	20,000.00	-
20-3300-0702	Interest Income - Firemen's Relief	-	-	75.00	83.13	75.00	-
		-	39,290.00	20,075.00	21,623.24	20,075.00	-
<b>Expenditure:</b>							
5300	Fireman's Relief Fund						
21-5300-5700	Relief Payments	-	33,027.00	20,075.00	-	20,075.00	-
		-	33,027.00	20,075.00	-	20,075.00	-
Balanced						-	

COMMISSIONER PATTERSON MADE A MOTION TO APPROVE THE FIRE DEPARTMENT BUDGET AGENDA AS PRESENTED, WHICH WAS SECONDED BY COMMISSIONER STIEHLER AND THE VOTE WAS UNANIMOUS.

**5. Proposed FY 2022-23 Capital Requests**

Town Manager Josh Ward presented the proposed FY 2022-23 Capital Requests.

**FY 2022-23 Capital Items List**

**Street Department**

**Street Paving**

Oak Street (1 <sup>st</sup> to 3 <sup>rd</sup> )	\$134,000.00
1 <sup>st</sup> Street	\$20,000.00
Cook Road	\$31,000.00
Bruner Lane	\$23,000.00
Lucerne Drive (top)	\$12,000.00
Talley Road / Lane	\$50,000.00

**Currently Unpaved**

Old Walhalla Road	\$47,000.00
Cullasaja Drive Extension	\$52,000.00
<b>Sub Total</b>	<b>\$369,000.00</b>

**Repairs / Maintenance**

**Sidewalks**

Oak & 1 <sup>st</sup> Streets	\$154,000.00
Main Street – Presbyterian Church	\$70,000.00
US 64 (Pinecrest to 4 <sup>th</sup> Street Cottages)	\$50,000.00
3 <sup>rd</sup> Street Elevated Sidewalk	\$61,000.00
(3) Tree Planter Replacements at Reeves	\$17,000.00

**Sub Total \$352,000.00**

**Equipment**

Replace Motor Grader	\$265,000.00
Snow Plow / Spreader	\$25,000.00

**Sub Total \$290,000.00**

**Total \$1,011,000.00**

**Sanitation Department**

**Equipment**

Compact Rear Loader Truck	\$135,000.00
Dumpsters	\$30,000.00

**Total \$165,000.00**

**Electric Department**

**Equipment**

Replace 2009 International / Altec Bucket Truck \$251,000.00  
Gibson Street Electric Project \$59,000.00

**Total** **\$310,000.00**

**Water / Sewer Department**

Gibson Street Water / Sewer / Electric \$608,000.00  
Replacement of Carolina Way Sewer Line \$222,000.00  
Water Meter Replacement Replacement \$380,500.00  
Water Booster Pump Generators:  
• Moorewood \$136,000.00  
• Ravenel \$80,000.00  
• Satulah \$136,000.00  
• Holt Knob \$47,000.00  
• Brushy Face \$35,000.00  
Sewer Pump Station Generator Replacement \$41,000.00

**Subtotal** **\$1,685,500.00**

**Water Treatment Plant**

Service Contracts (Idexx, Tholen, Covington, Heyward, Patton) \$25,000.00  
Clean Decant Tanks \$50,000.00  
Pump Rebuilds \$50,000.00  
Rock Trap Repair / Services \$2,600.00  
Chemical Mixers \$8,000.00  
Replacement Equipment (DR 3900, CL17) \$8,000.00  
Misc. Tools/Equipment \$4,000.00

**Subtotal** **\$147,600.00**

**Wastewater Treatment Plant**

Belt Press Replacement / Process Improvements \$900,000.00  
Tank Cleaning \$65,000.00  
Pump Station Parts \$60,000.00

**Subtotal** **\$1,025,000.00**

**Total** **\$2,858,100.00**

**Police Department**

(2) Replacement Patrol Vehicles \$84,000.00  
(2) Sets of Equipment \$26,000.00  
17 Panasonic Body worn Cameras with accessories \$29,500.00  
Shed for Emergency Response Truck & RTV \$25,000.00

**Total** **\$164,500.00**

**Parks & Recreation Department**

**Projects**

Installation of Ice/Snow Guards on Civic Center Roof	\$25,000.00
<b><u>Total</u></b>	<b><u>\$25,000.00</u></b>

**MIS/GIS Department**

Big Bear Pen & Little Bear Pen Upgrades to Scada	\$48,000.00
Server Upgrade	\$17,000.00
<b><u>Total</u></b>	<b><u>\$65,000.00</u></b>

	Proposed FY 2022-23	FY 2021-22
General Fund Departments	\$1,265,500.00	\$1,638,000.00
Water/Sewer Fund	\$2,858,100.00	\$1,818,000.00
Electric Fund	\$310,000.00	\$368,000.00
Sanitation Fund	\$165,000.00	\$125,000.00
<b><u>Grand Total</u></b>	<b><u>\$4,598,600.00</u></b>	<b><u>\$3,949,000.00</u></b>

Mayor Taylor suggested the Board think about the current need for afterschool and summer program and about the construction of a new building with community efforts, the county and private partners. The Houston house is not usable and needs to be demolished.

Commissioners decided the Houston house should be demolished as soon as possible and asked for the cost of demolition.

**6. Cost of Living Adjustment (COLA) Discussion**

Town Manager Josh Ward reported each year he reviews the Consumer Price Index to determine a proposal for the annual Cost of Living Adjustment (COLA). With the issue of inflation building for the past 12 months, the CPI was higher than he had ever seen. Currently, the 12 month is up 8.4%. The CPI has been at or above 5.6% since May of 2021. On a typical year, the increase would be between 0-3%. The following is a breakdown of the proposed COLA increases from 3% to 6%.

- 3% COLA Increase: \$98,640
- 4% COLA Increase: \$131,520
- 5% COLA Increase: \$164,400
- 6% COLA Increase: \$194,500

Ward continued that in his opinion the most critical part of this year's COLA increase is to retain our current employees and attract new employees when we have openings. Due to the lack of work force over the last couple years, current salaries across the board are trending higher to attract workers. Recently we experienced the departure of our wastewater plant ORC, due in part to a higher salary offer. Recently, Macon County increased the pay for sheriff's department positions. Salary increases like these make it more difficult for the Town of Highlands to recruit those candidates to travel up the mountain. The recommendation would be to select either the 5% or 6% Cost of Living Adjustment for the upcoming year.

Discussion was held and the Board requested an in-house study of salaries.

**7. Insurance Update**

Town Manager Josh Ward said after a couple of years with MedCost, last year we received an attractive offer from Blue Cross / Blue Shield and therefore we selected

them as our employee health care provider. The service has been good overall, after initially working through some issues with the HRA administration and a few pharmaceutical changes.

Recently, Human Resource Director Emilie Nickerson and I met with Mike Norris and Emily West with the Wayah Insurance Agency. They presented us with the renewal proposal from Blue Cross / Blue Shield, which included an increase of 10%. The plan will remain the same, except for a change in pharmaceuticals affecting a few specific drugs. After discussing the proposal, it was agreed that Mr. Norris should go back to BCBS to negotiate a reduction to the proposal. Mr. Norris did go back to BCBS and came back with a final proposal including a 4% increase to the current plan. The stipulation from BCBS was that we accept the proposal and not seek any other bids. Being we have only been with BCBS for one year, and only MedCost has been close in price in recent years, the decision was to stay with BCBS for another year. The overall increase to the Town of Highlands is \$23,115.

TOWN OF HIGHLANDS MEDICAL PLAN ANALYSIS		EFFECTIVE JULY 2022			
		MIT (League of Municipalities) MED 5000 WITH HRA (50%)		BCBSNC	
		July 2020 - June 2021	Renewal offer July 2021 - June 2022	July 2021 - June 2022	Renewal July 2022 - June 2023
		Unlimited In-Network	Unlimited In-Network	Unlimited In-Network <b>CURRENT</b>	Unlimited In-Network <b>Renewal</b>
Insurance Carrier				BCBSNC	BCBSNC
Type of Plan				#5608982 with HRA (50/50 ded/coins)	#5814441 with HRA (50/50 ded/coins)
Lifetime Maximum					
Deductible					
Individual		\$5,000	\$5,000	\$3,500	\$3,500
Family		\$10,000	\$10,000	\$7,000	\$7,000
Out of Pocket Maximum					
Individual		(Max includes ded, copays, coins, and Rx)	(Max includes ded, copays, coins, and Rx)	(Max includes ded, copays, coins, and Rx)	(Max includes ded, copays, coins, and Rx)
Family		\$5,000	\$5,000	\$5,000	\$5,000
		\$10,000	\$10,000	\$10,000	\$10,000
Inpatient Hospitalization		100% after ded	100% after ded	70% after ded	70% after ded
Inpatient Mental Health/SA*		100% after ded	100% after ded	70% after ded	70% after ded
Outpatient Surgery		100% after ded	100% after ded	70% after ded	70% after ded
Emergency Room		\$350 copay	\$350 copay	\$500 copay	\$500 copay
Urgent Care		100% after ded	100% after ded	\$75 copay	\$75 copay
Primary Care Office Visit		\$35 copay	\$35 copay	\$35 copay	\$35 copay
Specialist Office Visit		\$45 copay	\$45 copay	\$70 copay	\$70 copay
Mental Health/SA Office Visit		100% no ded	100% no ded	\$10 copay	\$10 copay
Telehealth				\$10 copay	\$10 copay
Preventive Exam:					
Primary Care Provider		100% no ded	100% no ded	100% no ded	100% no ded
Specialist		100% no ded	100% no ded	100% no ded	100% no ded
Prescription Drugs:					
		Amount you pay for 30 day supply	Amount you pay for 30 day supply	Amount you pay for 30 day supply	Amount you pay for 30 day supply
Deductible		n/a	n/a	n/a	n/a
Tier 1		\$10 copay	\$10 copay		
Tier 2		\$100	\$100		
Tier 3		\$100	\$100	100% no ded for Preventive OTC, \$10	100% no ded for Preventive OTC, \$10
Tier 4		\$100	\$100	Tier 1, max \$100 Tiers 2,3, and 4	Tier 1, max \$100 Tiers 2,3, and 4
Coverage Tier					
Employee Only	EE 30	\$665.00	\$664.00	\$595.39	\$619.36
Employee+Spouse	ES 15	\$1,428.00	\$1,425.00	\$1,313.12	\$1,365.62
Employee+OneChild	EIC 0	\$939.00	\$936.00	\$853.13	\$887.50
Employee+Child(ren)	EC 8	\$939.00	\$936.00	\$853.13	\$887.50
Employee+Family	FAM 8	\$2,039.00	\$2,034.00	\$1,887.83	\$1,963.94
Retirees	RET 0	\$0.00	\$0.00	\$0.00	\$0.00
Estimated Monthly Premium		\$665,194.00	\$665,055.00	\$595,486.18	\$618,876.82
Dollar Change		N/A	-\$139.00	-\$6,707.82	\$2,380.44
Percentage Difference			-0.2%	-8.8%	4.0%
Annualized Premium		\$782,328.00	\$780,660.00	\$713,834.16	\$742,519.44
SUGGESTED					
Cost to Employer		MONTHLY \$52,879.50	MONTHLY \$52,779.50	MONTHLY \$47,902.49	MONTHLY \$48,828.79
Cost to Employee		\$0.00	\$0.00	\$0.00	\$0.00
		EE \$0.00	EE \$0.00	EE \$0.00	EE \$0.00
		ES \$381.50	ES \$380.50	ES \$358.87	ES \$373.13
		EIC \$137.00	EIC \$136.00	EIC \$128.87	EIC \$134.07
		EC \$137.00	EC \$136.00	EC \$128.87	EC \$134.07
		FAM \$687.00	FAM \$685.00	FAM \$646.22	FAM \$672.29
		RET \$0.00	RET \$0.00	RET \$0.00	RET \$0.00
EMPLOYER ANNUALLY DIFFERENCE		\$634,554.00	\$633,354.00	\$574,829.82	\$597,945.48
			<b>-\$1,200.00</b>	<b>-\$59,724.18</b>	<b>\$23,115.66</b>

\*Additional limits may apply. rates include \$32 pepm broker consulting fee

COMMISSIONER HEHN MADE A MOTION TO ACCEPT THE TOWN MANAGER'S RECOMMENDATION AND REMAIN WITH BLUE CROSS BLUE SHIELD, WHICH WAS SECONDED BY COMMISSIONER STIEHLER AND THE VOTE WAS UNANIMOUS.

### 8. Consulting Fee Agreement Renewal – Wayah Insurance

Town Manager Josh Ward said the current consulting agreement with Wayah Agency is up for renewal this year. We contracted with Wayah Agency three years ago and it has been a great working relationship between Mike Norris and Emily West of Wayah Agency and Human Resource Director Emilie Nickerson and myself. The fee of \$32 per employee will stay the same. The recommendation is to approve the new three-year agreement with the Wayah Agency.

COMMISSIONER HEHN MADE A MOTION TO APPROVE THE CONSULTING FEE AGREEMENT RENEWAL AS PRESENTED, WHICH WAS SECONDED BY MAYOR PRO TEMPORE DOTSON AND THE VOTE WAS UNANIMOUS.

**9. Adjournment**

AS THERE WERE NO FURTHER MATTERS TO COME BEFORE THE BOARD OF COMMISSIONERS, MAYOR PRO TEMPORE DOTSON MOVED TO ADJOURN WHICH WAS SECONDED BY COMMISSIONER PIERSON AND UPON A UNANIMOUS VOTE, THE TOWN BOARD ADJOURNED AT 4:35PM.

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Patrick Taylor  
Mayor

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Gilberta B. Shaheen  
Town Clerk