

ADJOURNED SESSION BOARD MEETING of June 12, 1996, with Mayor John Cleaveland and Commissioners H. N. James, Mike McCall, Donnie Calloway, and Zeke Sossomon present.

Also present were Richard Betz, Lamar Nix, and Shannon Baldwin.

I. The June 5 meeting had been adjourned to reconvene at this time and place for a Budget Work Session. Mayor Cleaveland called the meeting to order at 7:00 p.m.

## II. Reports.

1. The Clerk reported that Walter Hall, Macon County Finance Office, had informed him that the \$35,000 budgeted in Macon County's FY 95-96 budget for repairs to the Highlands School sewer would be disbursed before July 1. The Mayor said that Public Works Director Lamar Nix was obtaining information and prices on slip-lining this sewer and replacing manholes, as discussed at the June 5 meeting, and the County money would partially fund this project.

## III. Old Business.

1. The Board re-visited several matters discussed at the May 29 meeting at which the Town's FY 96-97 Budget had been presented, including a possible increase in the ad valorem tax rate. The Mayor stated that he would rather not see the Town increase the tax rate, but that he was realistic enough to realize that several capital projects discussed recently needed to be addressed. Comm. James said that he favored an increase in the tax rate in order to fund replacement of storm and sanitary sewers on Main Street between Third and Fourth Streets, as well as street improvements on Spring Street, Maple Street, and West Main Street. Thus far, only Powell Bill funds and a relatively amount of sidewalk funds had been budgeted each year for street improvements. Capital reserves had been depleted by recent water and sewer projects, and these projects would require more capital than we have. Comm. McCall pointed out that the Town had increased its tax rate last year from \$0.20 to \$0.23/\$100; he thought that the Room Occupancy Tax bill, if adopted, would provide some funding for these projects. The consensus of the Board was to defer action on a tax increase until next year.

2. The Board discussed a recommendation in the FY 96-97 Budget that the sewer rate be increased from 150% to 175% of the water rate, and also the possibility of an increased sewer user fee for restaurants to help defray the cost of cleaning sewer lines. The Board agreed to amend the sewer rates as recommended, and to place this matter on the agenda for the next Board meeting. The Board also agreed to monitor the accumulation of grease in the sewer lines this year, and consider an additional fee for restaurants next year if the problem continues. The Clerk was also asked to confirm that the Highlands-Cashiers Hospital was paying the out-of-town sewer use rate.

3. The Board agreed to change an error which the Clerk had pointed out at the May 29 meeting in the Sanitation Department budget; estimated landfill fees should be \$60,000, not \$50,000.

4. The Board discussed a \$1000 request from the Police Chief for office space at the Peggy Crosby Community Service Center, discussed at the May 29 and June 5 meetings. After some discussion, the Board declined to fund this request.

5. As discussed at the May 29 meeting, the Mayor asked the Board to consider making a donation of perhaps \$2500 to the Hudson Library to fund the purchase of books; he understood that Highlands was the only Town in Western North Carolina that did not provide funding for its library. Comm. James pointed out that the Town had funded the library in years past, as well as the Chamber of Commerce and Hospital, but this practice had been discontinued several years ago;

he was not opposed to the donation, but thought the Town would be opening a door to other requests. Comm. Calloway agreed; he felt that there were many worthy organizations, such as Hospice, which deserved funding. The Board discussed the legality of making donations to the library, especially since its operation was funded in part by Macon County. Comm. James said he would like to review some information on the library's budget. The Board agreed to place \$2500 in contingency, pending receipt of more information on the library's funding and the legality of making this donation.

6. The Board confirmed the FY 96-97 Budget's recommendations of new vehicles in the Street and the Electric Departments. Public Works Director Lamar Nix felt that purchase of a 4 X 4 Sports Utility vehicle, which had been discussed at the May 29 meeting, would not be necessary; funding of a similar vehicle for the Police Department was scheduled for FY 97-98, according to the Capital Improvements Plan. He recommended leaving the funds in the budget for contingency in the event that the Electric Department pickup truck needed to be replaced; the Board agreed.

7. The Board agreed to again budget \$25,000 for sidewalk improvements, as recommended.

8. The Board confirmed, as reported at the May 29 meeting, that no action would be taken on the proposed position of a Mechanic discussed last month because it would not be cost effective. The Board also agreed to defer action on the position of an Athletic Director, also discussed in earlier meetings, until after the Ad Hoc Recreation Steering Committee had completed its work in September. The Board also discussed the need for continued security patrol at the Recreation Park by the Highlands Police Department.

#### IV. New Business.

1. The Board discussed several new budget requests that had been received since the FY 96-97 Budget was presented, including a request by Culligan Operating Services for an improved chlorine meter to be used at the Wastewater Treatment Plant. The meter, estimated at \$2000, had not been originally required for the laboratory; it would provide more accurate chlorine monitoring. The Board approved the request.

2. The Clerk reported that an audit proposal had been submitted by Lucas & Wood, PC, and had been scheduled for approval at the June 19 Board meeting; the audit would cost \$13,000, rather than the \$10,000 estimated, due to FEMA reporting requirements. The Board agreed to change the estimate.

3. Shannon Baldwin discussed several short-term recommendations from the Planning Board Study submitted at the May 15 meeting that could be funded in FY 96-97, including delivery zones for UPS trucks and posting of signs prohibiting U-turns—already prohibited by the Highlands Code—and directional signage for off-street parking. He also reported that the Planning Board had recommended some design changes along Spring Street, in conjunction with a change to B-1 zoning, which would make it more pedestrian-friendly; they had recommended conducting a design study, perhaps involving a competition among local architects, to be coordinated with the Public Works Director and the recently-completed construction survey. The Board felt that some of these issues should be pursued in a joint meeting with the Planning Board which had not yet been scheduled. Action was deferred on the delivery zones, but the Board agreed to post "No U-Turn" signs and directional signage for off-street parking.

4. The Clerk had provided information on wages and salaries at the beginning of the meeting, including a profile of the average employee's salary and benefit package, together with a summary of a North Carolina League of Municipalities survey showing proposed pay plan adjustments for FY 96-97 and Consumer Price Index

information. He had also provided a list of all full-time employees, their hire date, their hourly and annual rates, and a proposed 5% cost of living allowance which he had recommended as part of the budget message. Several employees were also identified who had been referred to earlier in the year—or who had been identified by himself, the Police Chief, or the Public Works Director during the budget preparation process—for additional merit consideration at this time. It was pointed out that the League of Municipalities Pay & Classification Study, approved at the April 3 meeting, was scheduled to be completed in December. The Board considered wages and salaries at some length, and agreed to approve a 5% cost of living increase for all full-time employees for the coming fiscal year, except for those listed below; the Board agreed that the following employees would receive the annual salaries indicated:

- Geraldine Crowe.....\$26,000
- Connie Sparacino.....19,000
- (Billing Clerk).....15,000
- Todd Ensley.....20,000
- Leroy McCall.....27,000
- Stanley Houston.....19,000
- Johnny Henry.....28,000
- Dale Walker.....18,000
- William "Butch" Beck.....25,000
- Nelson McKinney.....26,000

The Board agreed to consider an additional salary increase for Wade Wilson when he obtains his "A" Certificate at the Water Treatment Plant.

5. The Board discussed Turner "Junior" Ramey; it was reported that he had been unable to work for several months due to an operation and continued treatment for cancer, and all his sick leave and vacation had been depleted. The Board agreed for the Clerk to review the benefits available to him, such as disability retirement under the Town's retirement plan.

6. The Board further discussed a personnel matter concerning policy on off-duty police officers working private security, as discussed in Closed Session at the June 5 meeting. It was reported that Police Chief Jerry Cook had determined that officers David Finn and Tim O'Brien could be in violation of State law, and he had suspended them without pay pending an investigation.

7. The Clerk and the Public Works Director left the meeting room while the Board discussed their salaries.

V. Meeting was adjourned at approximately 9:15 p.m.

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Richard Betz, Town Clerk