

BUDGET HEARING and SPECIAL BOARD MEETING of June 26, 1996, with Mayor John Cleaveland and Commissioners H. N. James, Mike McCall, Donnie Calloway, and Zeke Sossomon present.

Also present were Richard Betz, Shannon Baldwin, and Jim Sparks.

A. Budget Hearing.

The Mayor called the Budget Hearing to order at 7:00 p.m., and stated that this was the time and place to receive comments from the public on the FY 96-97 Budget, as presented by the Budget Officer on May 29, 1996, and pursuant to §G.S.159-12(b). Notice of the Budget Hearing had appeared in The Highlander newspaper in accordance with the statute.

The Budget Officer reviewed the changes he had drafted to the Budget which he had presented, pursuant to the Budget Work Session at the June 12 Adjourned Session Board Meeting, including a proposed increase in the ad valorem tax rate from \$0.23 to \$0.26/\$100 valuation due to the Room Occupancy Tax not being adopted by the Legislature this Session. He reported that the three-cent tax increase would raise an estimated \$95,175 in revenues; together with \$4825 appropriated from Fund Balance in the General Fund, \$100,000 would be transferred to Capital Reserve for Streets in the Capital Projects Fund. The estimated general contract for the Performing Arts Center had also been revised upward from \$7,000,000 to \$7,500,000, based on the bid opening at 2:00 p.m. this afternoon; the bids will be tabulated and placed on the agenda for acceptance at the July 3 meeting.

Comm. James wanted the record to indicate that the funds raised from the tax increase are to be accumulated specifically toward future street improvements—including sanitary and storm sewers—on Main Street between Third and Fourth Streets, on Maple Street, on Spring Street, and on West Main Street.

There were no comments from the public.

MOVED BY COMM. CALLOWAY, SECONDED BY COMM. MCCALL, AND UNANIMOUSLY CARRIED TO CLOSE THE BUDGET HEARING.

The hearing was closed.

B. Special Board Meeting.

I. The Mayor called the Special Board Meeting to order at 7:10 p.m.

II. Old Business.

1. The Board had discussed the need to increase the ad valorem tax rate during the preceding Budget Hearing.

MOVED BY COMM. JAMES, SECONDED BY COMM. CALLOWAY, AND UNANIMOUSLY CARRIED TO APPROVE AN INCREASE IN THE AD VALOREM TAX RATE FROM \$0.23 TO \$0.26 PER \$100 OF VALUATION, AND TO ACCUMULATE THE ADDITIONAL REVENUES IN A CAPITAL RESERVE FUND FOR STREET IMPROVEMENTS.

2. The Mayor again discussed with the Board a request for funding from Hudson Library for the purchase of books. Comm. James said that he was not opposed to the request, but he wondered about requests from similar organizations like the Literacy Council. Comm. Calloway was also concerned about Board policy in making such donations; he asked on what basis the Board could pick and choose organizations to support. Comm. Sossomon felt a distinction could be made between a municipal function like a library available to and benefitting everyone in the community, and one like the Literacy Council directed at a particular group of people. Comm. James asked what the difference would be between the library and the school system; both were County functions. Comm. Sossomon pointed out that

funding for a library is an elective function of the County, whereas schools are a required function.

MOVED BY COMM. SOSSOMON, SECONDED BY COMM. MCCALL, AND CARRIED TO MAKE A ONE-TIME DONATION TO THE HUDSON LIBRARY OF \$2500 FOR THE PURCHASE OF BOOKS. Comms. Sossomon, McCall, and James voted "aye;" Comm. Calloway voted "nay," citing past policy of the Board not to provide funding for similar organizations.

3. The Board discussed appointing a member to the Zoning Board to replace Dr. Louis Reynaud, whose term expired July 1.

MOVED BY COMM. CALLOWAY, SECONDED BY COMM. SOSSOMON, AND UNANIMOUSLY CARRIED TO APPOINT DAVID BEE TO A THREE-YEAR TERM ON THE ZONING BOARD AS AN ALTERNATE MEMBER.

The Board also discussed appointments to the Planning Board and the Land Use Planning Committee, but deferred action. Among the persons discussed were Dr. Louis Reynaud, Frieda Bennett, Joan Jefferson, Alan Marsh, Jack Peay, and Dr. Amy Patterson.

The Board asked Jim Sparks of The Highlander newspaper, who was present, to publicize in an article in the paper that the Board was seeking full-time in-Town citizens to serve on the Land Use Planning Committee, and asking them to contact Shannon Baldwin if interested.

Comm. Calloway felt that the Town should hold an appreciation dinner for Zoning Board and Planning Board members each year, and the Board agreed.

4. The Clerk had tabulated the bids on the Town's annual fuel contract, which had been received informally at the June 19 meeting.

MOVED BY COMM. CALLOWAY, SECONDED BY COMM. SOSSOMON, AND UNANIMOUSLY CARRIED TO AWARD THE BID ON GASOLINE TO HIGHLANDS CONVENIENCES INC. DBA 64 STOP AND SHOP, AND TO AWARD THE BID ON DIESEL FUEL TO D & J EXPRESS MART.

Comm. James asked the Clerk to ensure that Town vehicles use regular fuel instead of premium fuel whenever possible.

III. New Business.

1. MOVED BY COMM. SOSSOMON, SECONDED BY COMM. CALLOWAY, AND UNANIMOUSLY CARRIED TO ADOPT AN ORDINANCE TO AMEND THE BUDGET OF THE TOWN OF HIGHLANDS FOR THE FISCAL YEAR JULY 1, 1995 THROUGH JUNE 30, 1996. A copy is attached hereto and made a permanent part of this record.

2. MOVED BY COMM. SOSSOMON, SECONDED BY COMM. CALLOWAY, AND UNANIMOUSLY CARRIED TO ADOPT THE TOWN OF HIGHLANDS BUDGET ORDINANCE FOR THE FISCAL YEAR JULY 1, 1996 THROUGH JUNE 30, 1997. A copy is attached hereto and made a permanent part of this record.

3. The Mayor reported that Craig Cranston, engineer for Howard B. Bloomer III, had asked to meet with the Street Committee and the Public Works Director to look at the road in the Bloomer Subdivision, which had been rejected at the June 19 Board meeting. Committee members Comm. Calloway and Comm. Sossomon agreed to meet at 8:00 a.m. on June 28.

4. The Board discussed for some time a police personnel matter discussed at the previous Board meeting. Comm. Sossomon said that he felt the Board needed to back up its Department Heads when they made dependable decisions. He had heard enough at the previous meeting to believe that the Police Chief had had a reason to suspend Officers David Finn and Tim O'Brien, but he had also heard enough to believe that the reason no longer exists. He felt it was important that the Board make clear that what Chief Cook did was correct, but

that the reasons had changed. He was willing to bring the two officers back onto active duty if they were willing to abide by the rules, and he did not believe there was enough reason to discharge them.

MOVED BY COMM. JAMES, SECONDED BY COMM. SOSSOMON, AND UNANIMOUSLY CARRIED TO GO INTO CLOSED SESSION TO FURTHER DISCUSS THIS PERSONNEL MATTER.

Jim Sparks and Shannon Baldwin then left the meeting room, and the Board discussed this matter further.

MOVED BY COMM. CALLOWAY, SECONDED BY COMM. MCCALL, AND UNANIMOUSLY CARRIED TO GO INTO OPEN SESSION AND TO ADJOURN.

IV. Meeting was adjourned at approximately 8:00 p.m.

Richard Betz, Town Clerk