

REGULAR BOARD MEETING of February 19, 1997, with Mayor John Cleaveland and Commissioners H. N. James, Mike McCall, and Ron Sanders present. Comm. Calloway arrived later in the meeting.

Also present were Richard Betz, Lamar Nix, Jerry Cook, Shannon Baldwin, Jolene Niblack, Georgia Allen, Alan Marsh, and Bob Crowder.

I. Mayor Cleaveland called the meeting to order at 7:00 p.m.

II. Reports.

1. The Mayor reported that he, the Clerk, and the Public Works Director had attended the Water Quality Division's public meeting on the Draft Savannah River Basinwide Water Quality Management Plan yesterday in Highlands. The Clerk reported that he had attended the public meeting on the Little Tennessee River Plan in Franklin the previous evening. The Mayor felt the Management Plans provided good information and reasonable recommendations.

2. Public Works Director Lamar Nix reported on routine maintenance in the Electric, Street, and Water departments. He said the Water Department was prepared to begin work on a water line north of Upper Lake Road on Big Bearpen Mountain as soon as the question of easements has been resolved. The new Water Treatment Plant was running well, and the treated water had much lower levels of turbidity; he felt the Town would be read to call the State for final approval soon. Most of the Highlands School Sewer Line project had been completed, and work on the manhole on Chestnut Street would begin this week. Mr. Nix also said that he needed to meet with the Utilities Committee to resolve a question on sewer policy.

3. The Clerk reported that the Town had received the preliminary COSAC from Nantahala, reflecting an increase in demand of 3.8% and an increase in energy of 5%. Comm. McCall asked if the Town was still exploring other potential sources of power. The Clerk said that two proposals had been received, and thus far one had been reviewed by Spiegel & McDiarmid and the Town's rate consultant, GDS Associates; neither of them appeared to be advantageous at this time. He said that the Town was also exploring possible areas of common interest with Haywood EMC, possibly to include a power supply proposal. The Public Works Director reported that the Electric and Trimming crews had attended an excellent joint training session with Haywood linemen in Cashiers on Monday as a result of some of the discussions. Haywood officials were also trying to arrange a joint meeting with Western Carolina University officials in the near future.

4. Georgia Allen was present and asked about the question concerning a Town Manager which the Board had agreed to delete from the Land Use Survey at the previous meeting. She asked how the form of government in Highlands could be changed. Bob Crowder was present from the League of Municipalities, and said that the Board could change the structure of government if it chose to do so. The Mayor explained that the Board had already designated the Town Administrator to perform most of the duties of a Town Manager; he felt that the Board was accountable to the citizens, however, and it should set policy on the type of structure of government, rather than basing such policies on the results of a survey. He did not think the question belonged on a Land Use Survey; he felt the question was a political one.

Jolene Niblack objected to the word political; she pointed out that another question asking about Town services had been left on the survey. Shannon Baldwin pointed out that Geoffrey Willett had drafted the question.

Comm. McCall questioned why the Town Administrator had tried to have the question removed from the survey before it came to the Board. The Town Administrator replied that he had been given the survey to review by Town Planner Shannon Baldwin, and had felt that the way the question was asked would slant the response toward one of

the answers, since the option of a Mayor-Council form of government with an Administrator was not among the responses. He said that he had discussed the question with Mr. Baldwin, with Jolene Niblack, and with Geoffrey Willett; Mr. Willett had agreed with him, and had suggested he call Ms. Niblack, which he did. He had then mailed the survey to all Board members as requested, and had included with it a memo he had drafted to Ms. Niblack explaining his objections.

Comm. James pointed out that the question had already been decided at the last meeting; he moved that the discussion end, and that the Board address the business that was on the agenda.

III. New Business.

Bob Crowder, Membership Services Consultant with the League of Municipalities, was present to review a Pay and Classification Study which the League had contracted to perform in April of 1996. In an extensive and wide-ranging discussion, he presented the completed classification plan, pay plan, and revised personnel policies as working papers for the Board to review, and suggested that the Board take them under advisement and study them in some detail.

Mr. Crowder then outlined the process for preparing the study, including his analysis of all job classifications through the use of job evaluation questionnaires and field audits during which all employees were interviewed. He reviewed the proposed pay scales, which had been based on extensive information from other public and private sector employers. The proposed salary schedule was arranged by grades and steps, with each half-step a 2½% increase. He felt that the Town had done a good job at establishing competitive entry levels, with some exceptions. The report recommended relatively minimal salary increases for most employees to bring them in line with the nearest step on the salary schedule, as well as some more substantial increases for some entry-level positions.

He said that the Town's current personnel policies were basically in good shape, but several areas had needed to be added, and he had restructured the document accordingly. Some of the changes he proposed included a new Article emphasizing that employment was at will, and not an employee contract, which he recommended the Board adopt as a resolution; an expanded General Provisions section spelling out merit principles, responsibilities of various personnel, and administration of the plan; detailed provisions regarding the proposed pay scale; reworked overtime policy and work week definitions to comply with FLSA; revised on-call policies; a Performance Bonus Plan; a new Recruitment section; annual performance evaluations; liberalized vacation earnings; and a proposed reduction in the accumulation rate for sick leave.

The study also recommended that Highlands take advantage of the death benefit—annual salary, or up to \$20,000 maximum—available under the Local Government Retirement System, in addition to the existing \$10,000 life insurance policy; encourage employees to take advantage of the Local Government Credit Union; and consider providing a 401K plan for employees other than Police Officers.

Mr. Crowder pointed out that the salary data he used in the study was as of July 1, 1996; several options were summarized for implementation of the salary schedule, including retroactive or partially-retroactive options. The consensus of the Board was that time was needed to review the study, and any changes should be incorporated into the upcoming FY 97-98 budget year process.

The Board then discussed several aspects of the study and related issues among themselves and with Mr. Crowder. The Mayor thanked Mr. Crowder for the amount of work he had put into the study.

Comm. Calloway arrived at approximately 9:00 p.m.

2. MOVED BY COMM. SANDERS, SECONDED BY COMM. MCCALL, AND

UNANIMOUSLY CARRIED TO GO INTO CLOSED SESSION TO DISCUSS A LEGAL MATTER AND A PERSONNEL MATTER.

- a. The Mayor discussed the Town's land lease with the Highlands Emergency Council for their building on Poplar Street.
- b. Each Board member had received a copy of a letter of resignation from Town Planner/Zoning Administrator Shannon Baldwin effective February 28; Mr. Baldwin was taking a position in the Town of Banner Elk. The Clerk reported that he had advertized for the position, but he suggested that the Town needed to appoint an acting Zoning Administrator until the position is filled.

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

3. MOVED BY COMM. SANDERS, SECONDED BY COMM. MCCALL, AND UNANIMOUSLY CARRIED TO APPOINTED RICHARD BETZ ACTING ZONING ADMINISTRATOR UNTIL THE POSITION IS FILLED.

VI. Meeting was adjourned by common consent at approximately 9:15 p.m.

Richard Betz, Town Clerk