

PUBLIC HEARING and REGULAR BOARD MEETING of October 17, 2001, with Mayor Buck Trott and Commissioners Zeke Sossomon, Amy Patterson, H. N. James, Ron Sanders, and Mike Cavender present.

A. Public Hearing - Annexation of Highlands-Cashiers Hospital and Chestnut Hill of Highlands.

Those present for the Public Hearing included Richard Betz, Lamar Nix, Christopher Shook, Kim Lewicki, Lewis Doggett, Steve Pierson, Darrell Authier, Hank Ross, Morris Williams, Jim Graham, Clem Patton, Jack Calloway, James Neal, John Schiffli Sr., John Cleaveland, Steve Lucas, Paul Chmar, Charlie McDowell, and others.

The Mayor called the Public Hearing to order at 6:00 p.m. and stated that the purpose was to receive comments, pursuant to G. S. §160A-58.2, on the sufficiency of the petition and the desirability of the annexation of Highlands-Cashiers Hospital and Chestnut Hill of Highlands.

Jim Graham, Hospital Administrator, was present, and he briefly reviewed the history of the Hospital's request for water service from the Town. He explained that, of the original three wells on the property, one had been lost and a second was unreliable; the primary well had also gone dry from time to time over the past three years and the Hospital had been required to drain its 100,000 gallon reservoir. As a public water supply, DENR had recommended that the Hospital develop an alternate resource, and as a result they had been involved in discussions with the Town for several months, culminating in the recent understanding that Town policy would require them to go through the satellite annexation process. He said that the Hospital was obligated to provide water to Chestnut Hill of Highlands and Highlands Falls Country Club (HFCC), as well as Bryson's Quick Lube. If the Town would agree to provide a reliable source of water, the Hospital would work with the County to obtain grant funds for the line.

Replying to questions, Mr. Graham also informed the Board that current consumption was about 24,000 GPD on average; that the build-out for Chestnut Hill was 136 units, and was currently 54 units; and that 20 long-term care beds and a medical office building could be on the drawing board in the future. Fire protection was provided by the reservoir on site, which supplied a sprinkler system and fire hydrants.

Charlie McDowell was present and said that he felt the Hospital did a good job; he thought the Town should provide them with water, but not annex them, since water was the only problem. He asked if the Hospital was financially solvent, and was informed that it was; operating revenues covered costs, but could not cover capital projects without assistance from the Hospital Foundation. He asked if Chestnut Hill was financially solvent, and was told that there were some issues and problems in that area; however, the Hospital only leased the land, and did not operate the retirement community in any way.

Ken Bolt was present and explained that he was transitioning into an interim long-term management role at Chestnut Hill. He said that the development was not presently solvent, but had the potential to be solvent in the next 4 to 5 months.

Mr. McDowell then suggested that the Town give the Hospital water, while the Hospital give Chestnut Hill their well. John Cleaveland was present and said that he did not feel the two could be separated; he thought it would not make sense to run a water line and not permit Chestnut Hill to be served as well. He thought that the Town could provide water without annexation as an exception to its policy, and he urged the Board to proceed so the County could obtain grant funds.

Lewis Doggett asked about the relative cost of drilling new wells or funding a water line, and Mr. Graham reiterated his earlier point about the uncertain reliability of ground water. Mayor Trott added that he understood DENR would be developing more and more stringent

regulations for wells, and felt that at some point the State might no longer permit groundwater for public water supplies. Comm. Patterson asked if the Hospital would sell Town water to Highlands Falls; Mr. Graham said that the details would have to be worked out in an agreement.

Morris Williams was present and said he would like to see the Town make a commitment to providing water without annexation, as suggested by Mr. McDowell; he felt the two issues needed to be separated. However, he would also like to see the Town study the option of annexing the whole area, including HFCC, and providing water service; he thought that water could be fed to HFCC and then back-fed to the Hospital through the current system. He also said that residents in Highlands Falls would benefit by the ability to provide fire protection, and he felt the Town should also consider taking over their sewer system. He also said that he was not certain the Hospital understood the ramifications of annexation, such as zoning regulations, police protection, and garbage collection.

Comm. Cavender asked who would own and control the water line, whether or not it was annexed? Comm. Sossomon felt that the Town should own it, but he was not sure what obligation would be incurred by the proposed grant funding. Comm. Cavender agreed, and expressed concern that there might be strings attached if the County obtained grant money; Comm. Patterson agreed. Comm. James felt the line should be privately owned by the Hospital, but would become a Town line if areas were annexed.

Hank Ross was present and asked about the relative cost of operating wells versus paying for Town water; Comm. Sossomon commented that reliability was the issue.

Dorothy Houston was present and expressed concern over an unfair increase in taxes; she felt they should get their own water.

Bob Wright was present and said that reliability was the issue for the critical care system at the Hospital; having a second source would provide a backup and eliminate a single-point failure. He said that the Upper Cullasaja Watershed Association would support providing water to the Hospital either through annexation or not.

MOVED BY COMM. JAMES, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO ADJOURN THE PUBLIC HEARING.

The Mayor adjourned the public hearing at 6:50 p.m. and announced a 10-minute recess.

B. Regular Board Meeting.

In addition to those present for the Public Hearing, others had arrived for the Regular Board Meeting, including Bill Coward, Gladys McDowell, Mark Rosenthal, Pat Moore, Edna Foster, Alice and Kent Nelson, Steve Pierson, and John Lupoli Sr.

I. Call to Order.

The Mayor called the Regular Board Meeting to order at 7:00 p.m.

II. Approval of Agenda.

Copies of the agenda had been distributed by mail.

MOVED BY COMM. SOSSOMON, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO APPROVE THE AGENDA AS AMENDED.

III. Approval of Minutes.

Copies of the minutes of the October 3 Regular Board Meeting had been distributed by mail.

Comm. Cavender said that he remembered that the stop sign on Webbmont Road was to be on that road, not on Watkins Road where it intersects Webbmont as recorded in the minutes of the previous meeting; Comms. James and Patterson understood the opposite. Comm. Cavender explained that much of the problem was with traffic coming down Webbmont, and thought the D. O. T. should be asked to place a stop sign there.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. SOSSOMON, AND CARRIED TO REQUEST THE STATE D.O.T. TO INSTALL A STOP SIGN ON WEBBMONT ROAD AT WATKINS ROAD. Comms. Cavender, Sossomon, Patterson, and Sanders voted "aye;" Comm. James voted "nay."

MOVED BY COMM. CAVENDER, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO APPROVE THE MINUTES OF THE OCTOBER 3 MEETING AS DISTRIBUTED.

IV. Reports.

1. The Mayor reported that he and the Town Administrator had attended the North Carolina League of Municipalities convention in Asheville, which had covered many subjects, including the State and Federal budgetary problems. He also said that he had heard a briefing from the Asheville Fire Department, Police Department, and F.B.I. concerning preparedness in the wake of the September 11 attack, which was impacting all municipalities. He said that an Emergency Plan developed in 1977 was being updated, and Town Police and Fire Department personnel were going into training; he assured the public that local, State, and Federal authorities alike were prepared to handle almost any emergency situation.

2. The Treasurer reported that the \$24,260 intangibles tax reimbursement had been received from the State.

V. Old Business.

1. The Board again considered an Ordinance approving the transfer and assignment of the franchise to operate a cable television system by Northland Cable Properties Six Limited Partnership to Northland Cable Television, Inc., as approved on first reading at the previous meeting.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. SOSSOMON, AND UNANIMOUSLY CARRIED TO APPROVE THE ORDINANCE ON SECOND READING.

A copy is attached hereto and made a permanent part of this record.

2. The Board again considered a proposal from the Performing Arts Center Inc. (PACI), as discussed at the previous meeting, whereby the PACI would purchase Lots 313 and 315 on Laurel Street, provide a 5-year sublease for the building currently located on the property, and gift the property to the Town; the Town would upgrade the property for parking and lease it back to the PACI. The Town Attorney had reviewed the contract for the sub-leased property as requested.

Lamar Nix confirmed again that the cost of placing fill dirt and 6" of stone on the parking lot would cost approximately \$6,000. Comm. Patterson said that the PACI Board was exploring the feasibility of permeable paving surfaces, but no price had yet been obtained.

Pat Moore was present and suggested that gravel be placed on the parking lot initially and then the surface be converted over time.

MOVED BY COMM. JAMES, SECONDED BY COMM. SOSSOMON, AND UNANIMOUSLY CARRIED THAT THE BOARD SUPPORT THE PROPOSAL WITHOUT STRINGS ATTACHED CONCERNING THE PAVING SURFACES.

Comm. Cavender asked if it would be appropriate for the Planning Board to review the zoning of the entire area. It was suggested that the question of re-zoning the property from R-2 Residential to Governmental/Institutional be deferred until after funds had been

raised, at which time Planning Board review and a public hearing would be required.

VI. New Business.

1. The Board again considered provision of water to Highlands-Cashiers Hospital and Chestnut Hill of Highlands, subject of a public hearing immediately prior to the Regular Board Meeting.

MOVED BY COMM. JAMES, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO PROVIDE WATER SERVICE TO HIGHLANDS-CASHIERS HOSPITAL AND CHESTNUT HILL OF HIGHLANDS, WITHOUT ANNEXATION, SUBJECT TO REPRESENTATIVES FROM THE TOWN BOARD AND THE HOSPITAL WORKING OUT THE DETAILS OF A CONTRACT. It was agreed that some of the details in the contract should include a statement that this action was an exception to the general policy because of the nature of the hospital, as well as detailed provisions regarding control over who accesses the line in the future, connection fees, and user fees. It was also agreed that the Utilities Committee should represent the Town in working on the contract.

2. The Clerk reported that invitations for bids had been requested for three vehicles for this date. However, only one informal bid had been received on a police car, and the Public Services Administrator recommended re-bidding the service truck in the Electric Department due to some changes in the specifications which had come to light during the bidding process. The Board agreed by consensus to re-advertize these vehicles.

Bids had been opened by the Clerk and Public Services Administrator at 12:00 noon earlier in the day, as advertized, on a New Holland or equivalent loader backhoe, as follows:

Bidder	Amount
Powell Bros. Tractor & Equipment Inc.	\$50,396.00
Carolina Tractor	59,670.00
Interstate Equipment Company	50,286.00

The Public Services Administrator had reviewed the bids, stated that they met specifications, and recommended approving the low bid from Interstate Equipment Company.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO ACCEPT THE LOW BID.

3. The Board again discussed two proposals for antennas on Big Bearpen and Satulah Mountain, as reported by the Town Administrator at the last meeting. The Town Engineer reported that the new site on Satulah Mountain was large enough for the tower and required building, but suggested it be placed on the rear of the property. The Town Administrator also reported that Board members had asked him about requiring the other sites in Table A which permitted 80-foot monopoles to be stealth or camouflaged technology, like the antenna proposed for the new site. He said that he had discussed this with SpectraSite consultant Susan Rabold, and she felt that the Town could justify such an amendment based on the reliance of the local economy on aesthetics. The proposed tower on the new Satulah Mountain site would be an 80-foot camouflaged monopole, with payment of \$30,000 up front, plus a 5-year lease at \$800/month, 4% annual increase, with four options to renew, as recommended by SpectraSite.

MOVED BY COMM. JAMES, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO ASK THE PLANNING BOARD TO MAKE A RECOMMENDATION ON TABLE A IN THE ZONING ORDINANCE, INCLUDING THE ADDITION OF BOTH THE NEW SITE ON SATULAH AND CHANGING THE 80-FOOT MONOPOLES ON THE OTHER SITES TO STEALTH OR CAMOUFLAGED TECHNOLOGY.

The proposal for Big Bearpen consisted of a 20-foot extension on top of the 80-foot Big Bearpen tower. The company would be willing to pay all of the costs of relocating the small building inside the fence, buying the 20-foot extension, and paying for the erection. The proposed 5-year lease would be \$1550 per month, 4% annual increase, with four options to renew, as recommended by SpectraSite.

MOVED BY COMM. JAMES, SECONDED BY COMM. SANDERS, AND UNANIMOUSLY CARRIED TO APPROVE THE 20-FOOT EXTENSION TO THE TOWN'S BIG BEARPEN TOWER AS PROPOSED.

4. The Board then discussed the Closed Session items on the agenda, including a request to discuss a proposed compromise on the Bowery Road condemnation with the Town Attorney and a request to discuss acquisition of real property. Comm. James asked the Town Attorney if he had seen any compromise; he said that he had asked for something in writing, but had never seen anything. Mr. Coward said that he was not aware of anything other than the general discussion at the September 19 meeting. Comm. Patterson asked if this matter had to be discussed in Closed Session. Mr. Coward said that it was not required, but was an option if the Board decided that it was necessary to preserve the Attorney-Client privilege. Discussion of handling of a lawsuit was also a proper subject of a Closed Session.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO GO INTO CLOSED SESSION PURSUANT TO G. S. §143-318.11(A)(3) TO DISCUSS A PROPOSED COMPROMISE ON THE BOWERY ROAD CONDEMNATION WITH THE TOWN ATTORNEY.

Comm. Cavender said that two representatives of the Bowery Road property owners, Alice and Kent Nelson, wished to remain in Closed Session. Kim Lewicki said that she wanted to stay, too. The Town Attorney said that other parties should not be permitted to remain unless they were clients; otherwise, the purpose of the Closed Session would be frustrated. Morris Williams said that he could understand the Town closing the discussion, but he felt he and other contributors to the Bowery Road Escrow Fund were entitled to know what the proposal was. Comm. James said that he felt the Town Board should have known what it was before now, too, which was why he had raised the question initially.

After some additional discussion, all left the room except the Clerk, the Town Attorney, and the Town Engineer.

Comm. Cavender displayed a Macon County tax map and accompanying notes indicating the approximate location of a proposed two-lane improvement to Bowery Road, 18-feet in width, with a 4-foot ditch on one side, which he said the property owners would like the Board to consider as an alternative to condemnation. The Board discussed the proposal with the Town Attorney at some length.

MOVED BY COMM. SOSSOMON, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO GO INTO OPEN SESSION. Members of the public were invited back into the meeting room.

The Mayor explained that a compromise had been presented, but that the Board had agreed that the improvements outlined would not provide for an adequate road. He said he felt the Board might consider a proposal if a survey was prepared indicating that the road itself would be constructed to the minimum standards of the State, together with an affidavit signed by all of the owners of property involved indicating their willingness to support a compromise.

Comm. Cavender asked if the Board wanted the Street Committee to continue talking to the property owners involved; Comm. James said he did not.

Comm. Patterson stated that the Board appreciated the gesture of a compromise, but she felt that the road should be a safe and adequate one, meeting certain standards of construction.

Mark Rosenthal said he understood that a 45-foot right-of-way was the minimum that the State would accept; he asked if that was not a definition of an adequate road.

Comm. Patterson replied that the Board was looking at an adequate road, which was not necessarily what the State was requiring for a right-of-way. Comm. Cavender added that it was possible that the Town could construct an adequate road with less than a 45-foot right-of-way.

Morris Williams said he always thought that a compromise involved two opposing sides meeting in the middle; he wondered what the compromise was in this case. He also noted that there were places that needed to be widened and trees that needed to be removed; now that he understood the Town owned the right-of-way, he remembered the Mayor stating that bulldozers would roll, and he wondered when they were going to roll. The Mayor reported that he had talked to D.O.T. officials and he understood that the necessary funds were in the process of being transferred to small urban funds.

Mark Rosenthal reminded the Board that there were nearly 60 contributors to the Bowery Road Escrow Fund, many of whom were registered voters. He pointed out that the contributors had done everything that the Board had requested, successfully raising an extraordinarily high amount of money; he felt that the Board should go ahead with what it had promised.

MOVED BY COMM. SOSSOMON, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO GO INTO CLOSED SESSION PURSUANT TO G. S. §143-318(A)(5) TO DISCUSS THE ACQUISITION OF REAL PROPERTY. All present again left the room again except the Clerk and the Town Attorney.

The Board discussed the proposed acquisition of real property at some length.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. SANDERS, AND UNANIMOUSLY CARRIED TO GO INTO OPEN SESSION. Members of the public were invited back into the meeting room.

The Mayor explained that the Board had agreed that it could not participate in the acquisition of real property at this time.

VII. The Board agreed by consensus to adjourn.

There being no further business to come before the Board, the meeting was declared adjourned by the Mayor at 9:05 p.m.

Richard Betz, Town Clerk