

REGULAR BOARD MEETING of June 19, 2002, with Mayor Buck Trott and Commissioners H. N. James, Ron Sanders, Mike Cavender, Amy Patterson, and Hank Ross present.

Also present were Richard Betz, Lamar Nix, Larry Gantenbein, Kim Lewicki, Bob Wright, Alan Marsh, Mary Helen Duke, Thomas Craig, and Barbara Werder.

I. Call to Order.

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

II. Approval of Agenda.

Copies of the agenda had been distributed by mail.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO APPROVE THE AGENDA AS DISTRIBUTED.

III. Approval of Minutes.

Copies of the minutes of the June 5 Regular Board Meeting had been distributed by mail.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. ROSS, AND UNANIMOUSLY CARRIED TO APPROVE THE MINUTES AS DISTRIBUTED.

IV. Reports.

1. The Mayor commended Police Officer Scott Nelson for organizing a bicycle rodeo for area youth. He also reported that he would be leaving Town on Saturday for the Air Force Health Study; Mayor Pro Tem Amy Patterson would be officiating at the Budget Hearing and Special Meeting of June 16. He also reported that he had attended Town Hall Day in Raleigh, and he briefed the Board on pending legislation, including a bill passed in the House securing local revenues and a clean smokestacks bill.

2. The Town Administrator reported that S&ME would be taking samples at the Underground Storage Tank site at the Town Warehouse this week or next, and the report would be filed before the deadline of July 31.

He also reported that he and Town Planner/Watershed Administrator Larry Gantenbein had been discussing the Regions Bank project with officials from the Division of Water Quality (DWQ) at some length, and he asked Mr. Gantenbein to brief the Board on the matter. Mr. Gantenbein explained in some detail the situation with respect to the project. A Special Use Permit had been issued in November and had included detailed plans for addressing a small tributary to Munger Creek, a perennial stream running through the property, by installing culvert and retention ponds; the Zoning Ordinance required a 30-foot natural vegetative buffer from the stream. No variance had been required, but the Special Use Permit had included a condition requiring U. S. Army Corps of Engineers 401 certification for disturbing the stream. The architect had worked with the Corps through the winter pursuant to a letter from the DWQ Asheville Regional Office in December, which had referred to a 30-foot buffer, and had increased the size of the retention ponds and modified the culverting of the stream. In mid-April, DWQ had sent Regions Bank a letter stating that they had requested the Corps to place approval of the 401 certification on hold, and referring to a 100-foot buffer.

The Town's understanding was that a 100-foot buffer was not required under the Watershed Rules, pursuant to the DWQ's Model Ordinance, except for the so-called high-density option, whereas the Town had used a low-density option when adopting its ordinance; under the low-density option, a Special Non-residential Intensity Allocation (SNIA) could increase the "built-upon" to 70% in up to 5% of the

Watershed. The Ordinance had been approved by DWQ on July 15, 1994, and enforced since then, including many projects which had involved Corps of Engineers and DWQ approval, and the Town had not been informed before now that its Ordinance was not consistent with State standards.

A letter had been sent by the Town requesting more information on April 30, and DWQ had replied on June 10 with a letter which seemed to avoid many of the points of the Town's letter. In conversations with Steve Zoufaly and Milt Rhodes of DWQ since then, it was alleged that the Town's Ordinance had been approved in error, and that a 100-foot buffer was required because whenever an SNIA was used it was high-density. Such a requirement would render the property in question undevelopable. Mr. Gantenbein also said that the Zoning Board had reviewed a request for a major variance on June 11 and agreed that no variance was required. DWQ had referred to a verbal confirmation of its interpretation of the Watershed Rules by the Attorney General's office, and the Town intended to ask for that interpretation in writing. A meeting was scheduled with Regions Bank officials on June 20 to discuss the matter, but whatever the resolution, it was likely that the Town would be formally informed that its Ordinance was not consistent with State standards and would be requested to amend it.

V. Old Business.

1. Each Board member had received a copy of a proposed Lease Agreement with the Chamber of Commerce for the Visitors Center in the Town Hall, as discussed at the May 1 meeting. The lease provided for utilities to be paid for by the Chamber, but the Board had not yet determined the amount of rent. Comm. Ross commented that the Chamber provided a service to the public, and said he would like to see a nominal fee; Comm. Patterson agreed.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. ROSS, AND UNANIMOUSLY CARRIED TO APPROVE THE CONTRACT, AT A MONTHLY RENT OF \$100.00.

2. Each Board member had received a memo from Larry Gantenbein containing the results of an informal survey he had conducted of other small Towns on zoning fees, as discussed at the previous meeting. Mr. Gantenbein recommended increasing Special Use Permit, Variance, Appeals, and Re-Zoning Petition fees to \$100.00, and increasing fees for Zoning Certificates to \$5.00 for the first \$25,000, then \$2.00 per \$1000.00 cost of improvements.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. ROSS, AND UNANIMOUSLY CARRIED TO ADOPT THE FEES AS RECOMMENDED.

3. The Town again considered providing Dental Insurance to Town employees, as discussed at the previous meeting. The Town Administrator reported that he had polled all employees and discovered that 100% of employees would like to see this benefit, although only 83% said they would or could pay the additional cost for covering spouse and family. He also reported that he had received revised rates based on a new census; the annual cost to the Town of providing dental insurance would be \$24,117 if funded 100% employee/100% family, or \$9,260 if funded 100% employee/0% employee.

The Board discussed the matter at some length. Comm. Patterson was concerned that the benefit, if funded 100%/100%, was not equitable, since employees with families would benefit more than those without; she said she would rather provide more salary or other compensation.

Larry Gantenbein commented that the cost of obtaining insurance outside of the plan would be two to three times as much, which would mean that many employees could not obtain the benefit at all. Alan Marsh pointed out that if health costs continued to increase and the Board needed to cut costs in the future, this was another benefit that would have to be cut. The Mayor said he was in favor of the benefit because it helped to retain the good team the Town had in place. Comm. James agreed it was a good benefit, but he felt that the Town should fund 100% of the cost for employees and let employees pay for family coverage if desired.

MOVED BY COMM. SANDERS, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO PROVIDE DENTAL INSURANCE PURSUANT TO THE PROPOSAL FROM MET-LIFE INSURANCE, WITH THE TOWN PROVIDING 100% OF FUNDING FOR EMPLOYEES ONLY.

4. Comm. Cavender has asked that the Cost of Living Allowance be placed on the agenda. Although the Treasurer had recommended a 3% COLA this year, he felt that he had come to appreciate Town employees more each year, and nothing said thank you like money. He said Highlands was an expensive place to live, and he knew that many employees worked two or even three jobs; he recommended a 5% COLA for this year.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. SANDERS, AND UNANIMOUSLY CARRIED TO APPROVE A 5% COST OF LIVING ALLOWANCE FOR ALL EMPLOYEES.

Comm. James said that he would like to see the salaries of lower-paid employees increased. Comm. Ross agreed, noting that the gap between higher- and lower-paid employees increased over a number of years using a straight COLA. The Mayor commented that the cost of living was the same for all employees. The Town Administrator recommended that the Board periodically review the salary schedule to insure that it still accurately reflects area salaries. The Board agreed to discuss this matter further, relating to individual salaries, in Closed Session.

5. The Treasurer asked for any comments on the FY 02-03 Budget that had been presented. Comm. Ross reported that Leadership Highlands would be approaching the Board with a proposal to landscape Maple Street, and he asked that the "Landscaping Streets" expenditure in the Street Department be increased from \$10,000 to \$20,000. The Treasurer reported that he was seeking more recent information on State reimbursements projected to be withheld next year, and he might recommend reducing the "Franchise Tax" revenue in the General Fund accordingly, from \$25,000 to \$0, at the Special Meeting adopting the budget on June 26. The Board agreed to the changes by consensus.

6. Copies of a letter dated June 7 from Mary Helen Duke had been distributed with the agenda. Ms. Duke was present and expressed a concern, detailed in the letter, over the procedure the Town had followed in asking for only one proposal for the population study approved at the previous meeting; she questioned the advisability of spending \$15,000 for a study and not providing the opportunity for firms, including those in North Carolina, to submit proposals. The Board then discussed the population study in some detail. The Town Administrator said that he had contacted Frayda Bluestein at the Institute of Government and determined that approving such a proposal was not covered by the competitive bidding statute. Comm. James noted that he had been opposed to the population study at the previous meeting; he felt that it was being conducted for the wrong reasons and that it was focusing on the Wastewater Treatment Plant. The Mayor felt that RFPs should be prepared and should be more specific. Comm. Ross agreed that the proposal from Marketek had needed more clarification before a contract was prepared, and noted that it had just been a starting point.

MOVED BY COMM. ROSS, SECONDED BY COMM. JAMES, AND UNANIMOUSLY CARRIED TO RESCIND THE MOTION AT THE JUNE 5 MEETING APPROVING THE POPULATION STUDY.

The consensus was that an RFP should be prepared. Larry Gantenbein suggested putting together a small Committee to work out the details, perhaps in consultation with Geoffrey Willett.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. ROSS, AND UNANIMOUSLY CARRIED TO APPOINT A COMMITTEE CONSISTING OF COMM. ROSS, THE TOWN ADMINISTRATOR, THE TOWN PLANNER, THE CHAIR OF THE ZONING BOARD, AND THE CHAIR OF THE PLANNING BOARD, TO CONSULT WITH GEOFFREY WILLETT, FOR THE PURPOSE OF DEVELOPING A REQUEST FOR PROPOSAL FOR A POPULATION STUDY SIMILAR TO THE ONE PROPOSED BY MARKETEK.

Mary Helen Duke reiterated her comments that the Town should consider adopting a policy so that in the future this was not a problem.

VI. New Business.

1. The Board discussed appointment of a Land Use Planning Committee. It was agreed by consensus that six members should be appointed to this Committee, in addition to the seven members of the Planning Board, and that each Board member should come up with two names to place into nomination at the first meeting in July.

2. MOVED BY COMM. PATTERSON, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO GO INTO CLOSED SESSION PURSUANT TO G. S. §143-318(A)(6) TO CONSIDER INDIVIDUAL SALARIES. All present left the room except the Clerk and the Public Services Administrator.

The Board reviewed the recommended salaries presented in closed Session at the May 15 meeting in greater detail. The Clerk and Public Services Administrator were asked to leave the room; they did so, and then returned when requested. The Board then discussed providing step increases to all employees earning less than \$23,000 annually after the recommended merit and longevity increases.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO GO INTO OPEN SESSION.

3. MOVED BY COMM. SANDERS, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO APPROVE THE FOLLOWING SALARY GRADE AND STEP INCREASES, IN ADDITION TO THE 5% COST OF LIVING ALLOWANCE APPROVED EARLIER IN THE MEETING:

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| Richard Betz | 25-12/13 |
| Hilda Brown | 15-1 |
| Lamar Nix | 24-14 |
| Larry Gantenbein | 17-7 |
| Gail Reese | 12-1 |
| Dawn James | 10-1 |
| Jerry Cook | 21-8 |
| James McCall | 15-4 |
| Todd Ensley | 13-7 |
| R. L. Forrester | 11-8 |
| Willie Houston | 16-3 |
| Clifford Ammons | 11-6 |
| Gary Dalton | 11-4 |
| Tim Cook | 11-1 |
| Tony Carver | 11-1 |
| Scott Nelson | 11-1 |
| James Baty | 8-6 |
| James Ramey | 10-9 |
| Wade Wilson | 16-7 |
| Kevin Waller | 12-3 |
| Jimmy Mull | 14-3 |
| Leroy McCall | 15-12 |
| Stanley Houston | 12-10 |
| Kenneth Norris | 9-6 |
| Wayne Johnson | 9-10 |
| Dale McMahan | 9-6 |
| Eugene Ramey | 15-4 |
| Lee Reddish | 9-5 |
| Jonathan Shaheen | 9-4 |
| Jason Wilbanks | 9-3 |
| Larry Holt | 14-3 |
| Kenneth Carver | 9-3 |
| John Smith | 5-13 |
| Petey Bryson | 10-4 |
| Robert Lambert | 9-1 |
| Randy Thrift | 9-3 |
| Craig McCall | 20-13 |
| Greg James | 19-13 |
| David Leffler | 18-13 |

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| Clay Talley | 18-13 |
| Norman Houck | 10-4 |
| Matt Shuler | 13-5 |
| Steven Bryson | 10-6 |
| Selwyn Chalker | 19-8 |
| Bonnie Bryson | 10-6 |
| Wymer Bryson | 7-10 |
| Maxine Ramey | 5-4 |
| David Kennemore | 7-4 |
| Mike Houston | 16-12 |
| Howard Brown | 14-8 |

VII. MOVED BY COMM. CAVENDER AND UNANIMOUSLY CARRIED TO ADJOURN.

There being no further business to come before the Board, the meeting was declared adjourned by the Mayor at 9:30 p.m.

Richard Betz, Town Clerk