

REGULAR BOARD MEETING of March 19, 2003, with Mayor Buck Trott and Commissioners H. N. James, Ron Sanders, Hank Ross, Mike Cavender, and Amy Patterson present.

Also present were Richard Betz, Larry Gantenbein, Kim Lewicki, Bob Wright, Jodie Cook, George Schmitt, Bill Rethorst, Bob Sutton, Ginger Slaughter, and Farrel Zehr.

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. The Clerk asked that one item be added which had erroneously been omitted--approval of the Audit Contract--and that an item of New Business be amended, changing the name for a subdivision variance from Kendall Hobson to Toad Hall Subdivision.

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

III. Approval of Minutes.

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

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

IV. Reports.

1. The Mayor commended the 2002 Class of Leadership Highlands for the hard work they had done landscaping Maple Street. Comm. Ross, who had prepared the plans for the project, said that many people were responsible for its success, including the Town of Highlands for funding the project, the Street Department for providing manpower, Bill Nellis for donating shrubbery, and Gene Littrell for helping to install the landscaping.

The Mayor briefed the Board on a bill which had been introduced into the Legislature--SB-322, Interconnection of Public Water Systems--and referred to a League of Municipalities Legislative Bulletin which had been included in the agenda package. The League opposed the legislation, which was similar to a bill which had been soundly defeated two years ago and gave DENR the authority to mandate the interconnection of public water supplies under certain circumstances; the Mayor had expressed his concerns to Senator Bob Carpenter and Rep. Roger West.

The Mayor also reported that he had learned that the Georgia Department of Transportation was planning on replacing the bridge on US-28 across the Chattooga River with a lower bridge; the work would negate the option of keeping the bridge in operation, and it was proposed that the road would be closed for six months to a year.

He understood there would be a public hearing on the bridge closing at the Satolah Fire Department soon, and had been assured that the D.O.T. would notify the Town of the date.

2. The Town Administrator reported that he had been informed by Macon County Tax Supervisor Richard Lightner that the property revaluation going into effect in the coming fiscal year indicated an increase for Highlands Township of 55%, from \$1,439,240,206 to \$2,226,875,030, and an increase in the Town of 64%, from \$617,344,000 to \$1,012,213,650. He said that the Finance Committee would be scheduling a meeting in April to discuss the Town tax rate and other preliminary budgetary matters.

He also provided copies of the proposed Fire Department budget, which was scheduled for approval on April 2; the fire tax proposed was 0.010 per \$100 in revaluation, a decrease from the previous year's rate of 0.015, which would result in approximately the same revenue, \$213,826. The budget also included a proposal to continue health insurance coverage for 10 members through the end of the year, and to reimburse firemen not covered by insurance \$150 per month.

He also provided each Board member with information on the current pay scale for part-time employees at the Recreation Park, as discussed at the previous meeting; the Board agreed to take the information under advisement.

He also reported that he had received an offer of \$700 for the Ford Crown Victoria Police Car which had been advertised unsuccessfully for sale for some time. He now understood that the vehicle would not run and required some \$300 in repairs, and he said that the Police Chief had revised the suggested minimum bid from \$2000 to \$1000. The Board rejected the offer.

He also reported that all of the first half of the sewer connection fees had been received from S. B. Association, in accordance with the agreement; the total was \$114,800.

V. Old Business. None.

VI. New Business.

1. The Town Administrator reported that he had been working with McGill Associates on the grant applications for the Highlands-Cashiers Hospital Water line, as approved at the previous meeting. The following two resolutions were required as part of the grant application to the North Carolina Rural Center; the deadline was March 31:

**RESOLUTION
OF TOWN OF HIGHLANDS**

The Town of Highlands, at a regular meeting of its governing body, the Board of Commissioners, on the 19th day of March, 2003, adopted and recorded the following Resolution:

RESOLVED, that in accordance with North Carolina General Statutes § 143-128, The Town of Highlands confirms its practice of earnestly striving to recruit minority businesses for participation in contracts for the erection, construction, alteration or repair of any buildings or improvements for the Town of Highlands. Particularly, the Town of Highlands RESOLVES that it shall have a verifiable ten percent (10%) goal for participation by minority businesses (as defined in N.C.G.S. § 143-128) in total value of work for each building project. This verifiable percentage goal shall apply in separate prime contract systems, alternative contracting systems authorized by State Building Commission under N.C.G.S. § 143-135.26(9), and shall apply in single-prime contract systems and shall be binding on any prime contractor connected with such single-prime contract systems.

The following are the guidelines adopted as those actions that will be taken to ensure a good faith effort in the recruitment and selection of minority businesses for participation in contracts awarded under N.C.G.S. § 143-128:

1. Advertisement of request for bids shall be placed in the major newspapers (i.e. newspaper with the largest circulation) surrounding the greater Asheville, North Carolina area.

2. Advertisement of request for bids shall be placed in at least one newspaper which has a circulation primarily composed of minority owned contractor businesses.

3. Submission of plans and specifications to at least one major "Plan Room" such as the F.W. Dodge Plan Room and/or Associated General Contractors, where plans are available for public viewing without discrimination, and where information regarding obtaining specifications and plans for submission of bids is supplied.

The Town of Highlands

Allen L. Trott, Mayor

(TOWN SEAL)

ATTEST:

Richard Betz, Town Clerk

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**RESOLUTION
OF TOWN OF HIGHLANDS**

WHEREAS, The 1998 Critical Needs Bond Act has authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment works, wastewater collection systems, and water supply systems, water conservation projects; and

WHEREAS, The Town of Highlands has need for and intends to construct the following water improvements: the proposed project will consist of the construction of approximately 12,000 linear feet of 10- to 12- inch water line from the Town of Highlands water system to Highlands-Cashiers Hospital, the construction of a booster pump station to convey water from the Town water system to the Hospital, installation of a master water meter, modification of the Hospital's well water system.

WHEREAS, the Town of Highlands intends to request grant assistance from the Supplemental Grants Program for the project;

NOW THEREFORE, be it resolved by the Board of Commissioners of the Town of Highlands:

- That Highlands will arrange financing for all remaining costs of the project, if approved for a grant.
- That Highlands will provide for efficient operation and maintenance of the project on completion of construction thereof.
- That Richard Betz, Town Administrator, and successors so titled, is hereby authorized to execute and file an application on behalf of Highlands with the NCREDC (Rural Center) for a grant to assist in the construction of the project described above.
- That Richard Betz, Town Administrator, and successors so titled, is hereby authorized and directed to furnish such information as the Rural Center may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.
- That Highlands has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto.

This resolution is adopted this the 19th day of March, 2003.

The Town of Highlands

Allen L. Trott, Mayor

(TOWN SEAL)

ATTEST:

Richard Betz, Town Clerk

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The Board discussed the two resolutions in some detail. Comm. Cavender commented that he had a concern, in the second resolution, with the provision that "Highlands will arrange financing for all remaining costs of the project, if approved for a grant." He wanted it to be clear that the phrase did not obligate the Town to provide any funds for the project; Comm. Patterson agreed, as did Comm. James.

The Town Administrator explained that he understood the language was needed for the application and would not obligate the Town to accept the grant, advertize for bids, or approve bids for the project.

He said that the Town had learned that, as part of the application, the Town would be required to provide \$100,000 in funding for the project. The Mayor had been informally discussing with the County Commissioners the possibility of extending the Macon County Water Supply & Wastewater Treatment Improvements Fund--the next item on the agenda--but if that funding was not provided, the Town would not be obligated to provide any funds.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. JAMES, AND UNANIMOUSLY CARRIED TO ADOPT BOTH OF THE FOREGOING RESOLUTIONS, SUBJECT TO THE EXPLICIT UNDERSTANDING THAT THEY DO NOT OBLIGATE THE TOWN TO PROVIDE ANY FUNDS FOR THE PROJECT.

Comm. Cavender also asked about the status of right-of-way along US-64 for the line. The Town Administrator said that he had discussed this with the Town Attorney; he recommended that the Town acquire the right-of-way for the project, rather than relying on the D.O.T. road right-of-way.

2. The Board then discussed drafts of budget request letters as follows:

A. Macon County. The letter asked for an increase in funding for the Recreation Park due to increased expenses in that Department; \$150,000 had been provided for several years, an amount that he understood had originally been intended to equal half of the expenditures. The letter also asked for an extension of the Macon County Water Supply & Wastewater Treatment Improvements Fund, which had been established in 1990 for eight years, extended in 1999 for an additional five years, and was scheduled to provide the final annual installment of \$300,000 in July of 2003 for FY 03-04. The FY 03-04 funds were earmarked for the Wastewater Treatment Plant, but the letter pointed out that there was a need for funding for other water and sewer projects, including the Highlands-Cashiers Hospital Water Line.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. ROSS, AND UNANIMOUSLY CARRIED TO REQUEST \$238,000 IN FUNDING FOR THE RECREATION PARK, AND AN EXTENSION OF THE WATER/SEWER FUND FOR ANOTHER FIVE YEARS.

B. Jackson County. The letter asked, in lieu of Jackson County establishing a fire tax, for an amount equivalent to the revenues from the proposed Macon County fire tax of 0.010 per \$100 valuation on a valuation of \$129,409,683 for property in Jackson County that was in the Highlands Fire District. Failing that, the Fire Department could opt to no longer serve as the first responding (primary) fire protection for residents in the Wildcat Ridge, Cullasaja Club, Highlands Falls Country Club, and Town areas of Jackson County. The total amount requested was \$12,940.97.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. SANDERS, AND UNANIMOUSLY CARRIED TO APPROVE THE REQUEST.

C. Chamber of Commerce. As in previous years, the letter requested funding for 50% of the cost of the public rest rooms, which this year was estimated at \$17,000; the request was for \$8,500.

MOVED BY COMM. ROSS, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO APPROVE THE REQUEST.

3. Bob Wright, Executive Director of the Upper Cullasaja Watershed Association, was present to report to the Board. He said that the UCWA, since its initial study of the water resources in the area in 2000, had restored several key measuring systems, including a USGS stream gauge in the Cullasaja River, ten rain gauges at the various country clubs, and Public Water Supply data on groundwater and surface water pumpage. He distributed copies of a report prepared by Wright Associates, entitled "Final Report: Water Resources Study," which indicated that water is not a limiting resource on the Plateau; in fact, it appeared that there was plenty of water, and water levels had been recovering and were now stable.

The UCWA was looking forward to a USGS study of the area in the near future, and was also continuing to evaluate data from the Town Water Treatment Plant; that data indicated that there was enough surface water treated at the Water Plant to provide the entire Plateau with water, and it also indicated that both groundwater and surface water consumption had declined. He speculated that this trend could be due to changing demographics or to voluntary conservation efforts by consumers.

Mr. Wright also pointed out that the WARP report published last year had addressed the impaired status of two streams in the watershed.

The UCWA had been successful in obtaining grant funds for studying the entire watershed, and was hopeful that more grant money that was available could be obtained, such as 319 money. At the same time, he felt that DENR had Highlands "in its sights" for Phase II stormwater regulations, which he said would require certain kinds of projects. He felt that this provided an opportunity for the Town and other local stakeholders to take proactive measures, such as undertaking small projects which might include retention ponds, diffusers, and wetlands. He asked for permission to meet with a Committee of the Board to discuss these issues and projects, pointing out that there was no sense in applying for funds unless there was a commitment from the Town and the other stakeholders.

Comm. James said that he would like to discuss some of these options with the Town Engineer; he was hesitant to invite federal regulations before they were due. The Board agreed by consensus to take the request under advisement.

The Town Administrator said that he had researched the upcoming stormwater regulations and discussed them with the Town Engineer, and he felt that the Town was already well on the way to implementing them.

4. Town Planner Larry Gantenbein reported that two applications for variances from the Subdivision Ordinance had been received. One application involved a subdivision road in Shelby Place twelve feet in width, an issue which had been discussed by the Board in July of 2000 and in other previous meetings; the road was used as a driveway by George Schmitt, but could also provide potential access to other lots. He had discussed the application with Bill Rethorst,

President of the Shelby Place Homeowners Association, and thought that a solution could be worked out.

The other application involved a subdivision at the Toad Hall property on US-64, subject of a re-zoning from R-1 to R-2 several years ago and also a setback variance which had been denied; that application would involve a road grade of up to 18%, rather than the 14% required by the Subdivision Ordinance. A related issue for that property that had arisen at an earlier meeting, the Town Administrator pointed out, would be the calculation of lot size, since half of the property was under Lake Sequoyah.

Mr. Gantenbein explained that, under new case law, confirmed in recent discussions with the Institute of Government, the Board would be acting in a quasi-judicial manner in granting variances; it would therefore be required to follow the same procedures that applied to the Zoning Board, including a public hearing, sworn testimony, findings of fact, and issuance of a ruling. Both cases were scheduled to be presented to the Planning Board for a recommendation at the March 24 meeting pursuant to the Ordinance.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. JAMES, AND UNANIMOUSLY CARRIED TO SET A PUBLIC HEARING TO HEAR TESTIMONY ON THE TWO VARIANCE APPLICATIONS FOR 7:00 P.M. ON APRIL 16, 2003.

5. The Town Planner had also included in the agenda package a letter from Donny Luke of Architectural Design Studio, P. A., the architect for the new Highlands School gymnasium. The letter indicated that, in order to hold regulation volleyball games, the gymnasium would have to exceed the maximum 35-foot height requirement in the Zoning Ordinance. The project failed to meet several of the tests for a variance, however, such as inability to make reasonable use of the property, hardship peculiar to the property, and hardship due to the physical nature of the property. His opinion, which had been confirmed by a consultant at the Institute of Government, was that in order to preserve the integrity of the Zoning Ordinance it should be amended to provide for a greater height for a gymnasium in the GI district.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. JAMES, AND UNANIMOUSLY CARRIED TO REFER THE PROPOSED ZONING AMENDMENT TO THE PLANNING BOARD FOR A RECOMMENDATION, AND TO SET A PUBLIC HEARING FOR 7:00 P.M. ON MAY 7, 2003.

6. The Treasurer reported that the Finance Committee had met on March 11 and reviewed six proposals which had been received pursuant to invitation for auditing services. The Committee recommended awarding the audit to the firm of Martin Starnes & Associates of Taylorsville, NC. The cost would be \$15,000 for the first year, \$17,250 in 2004, and \$17,750 in 2005; the intent, pursuant to the RFP, was to continue the relationship with the auditor for no less than three years on the basis of annual negotiation after the completion of the first year's contract.

MOVED BY COMM. JAMES, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO AWARDED THE AUDIT TO MARTIN STARNES & ASSOCIATES.

VII. MOVED BY COMM. SANDERS, SECONDED BY COMM. JAMES, AND UNANIMOUSLY CARRIED TO ADJOURN.

There being no further business to come before the Board, the meeting was declared adjourned by the Mayor at 8:30 p.m.

Richard Betz, Town Clerk