

PUBLIC HEARING and REGULAR BOARD MEETING of May 7, 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, Lamar Nix, Larry Gantenbein, Selwyn Chalker, Jerry Cook, Kim Lewicki, Ginger Slaughter, Bill Basham, Barbara Werder, Earle Young, Eric Pierson, Steve Pierson, Wendell Underwood, Bob Wright, King Young, Bob Haynes, and Farrell Zehr.

A. Public Hearing.

The Mayor called the Public Hearing to order at 7:00 p.m. and stated that the purpose of the meeting was to hear comments from the public on a proposed amendment of Section 208.7 of the Zoning Ordinance; the amendment had been reviewed by the Planning Board and advertized pursuant to law. The proposal consisted of inserting the following words after "structure height of thirty-five feet": "except that the Town high school gymnasium height shall not exceed forty-five feet." The Mayor explained that the purpose of the amendment was to provide for sanctioned volleyball games to be held in the gymnasium, which required that height.

There were no comments from the public.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. ROSS, AND UNANIMOUSLY CARRIED TO CLOSE THE PUBLIC HEARING. The Mayor closed the Public Hearing at 7:02 p.m.

B. Regular Board Meeting.

I. Call to Order.

The Mayor called the Regular Board Meeting to order at 7:02 p.m.

II. Approval of Agenda.

Copies of the agenda had been distributed by mail. The Clerk reported that the Closed Session for reviewing applications for employment could be deleted from the agenda; the application for police officer had been withdrawn, and applicants for Street Department were still being interviewed.

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

III. Approval of Minutes.

Copies of the minutes of the April 16 Regular Board Meeting had been distributed by mail.

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

IV. Reports.

1. The Mayor reported that he had been monitoring the State legislature in recent weeks. Of particular note was a Senate bill that included \$50,000 for the Highlands Nature Center. He also reported that a bill that would have required the recording of closed sessions had been defeated. He said that he planned to attend the League of Municipalities' Town Hall Day on May 21 in Raleigh, and would thus not be able to preside over the May 21 Board meeting.

2. Comm. Ross reported that he, Comm. James, the Town Engineer, and the Town Administrator had met with Bob Wright and Jodie Cook on May 6 to discuss the Town's identification as a "cooperating agency" in the Upper Cullasaja Watershed Association's stakeholder process. He said that UCWA was applying for funding to identify

several stormwater projects, and would be developing and studying those projects in the future. Comm. James said that he felt the Town needed to carefully consider sanctioning the identification of these projects, which he felt might be mandated by the State once they were identified. Comm. Ross agreed that the Town needed to be aware that there was a potential that the State could make the Town proceed with such projects and there might be an impact on the budget, but at the same time he felt that any improvements to the stormwater system would be an improvement; he felt that the Town needed to find out what projects would be feasible.

Bob Wright was present and said that identifying the projects made good economic sense; with funding available now, the projects could be done for 25 cents on the dollar, but there would not be any funding if the projects were mandated. Federal and State funds were available because of the two impaired streams in the watershed. He reiterated UCWA's intent to work with the Town in identifying feasible projects, and proceeding only when the Town agrees. Comm. James asked the Clerk to send copies of the minutes of the meeting to each Board member.

3. The Town Administrator reported that the brief in the Bowery Road case had been filed with the Court of Appeals, and he had had some preliminary conversations with the Town Attorney concerning the upcoming Edwards case.

4. Each Board member had received a copy of the Public Services Administrator's written report for the month. Lamar Nix reported that Church Street had been marked for two-hour parking and a loading zone, as agreed at the previous meeting. He also said that the Water Treatment Plant had been operating well despite the heavy rains; when turbidity was high, the Plant had not been operated, and storage capacity had been adequate. The Wastewater Treatment Plant was also operating well; several of the repairs identified in the I & I Study had been made, and while flow had increased, the Plant had not exceeded its limits.

5. Each Board member had received a copy of the Police Chief's written report for the month. Jerry Cook was present, and reported that the Department had begun enforcing the Downtown Business District Parking Ordinance as of May 1.

6. Each Board member had received a copy of the Recreation Director's report for the month. Selwyn Chalker was present and reported that about 250 people had attended the annual Easter Egg Hunt, which he said was funded each year by an anonymous donor. He also submitted a list of part-time summer employees, together with the revised salary ranges previously submitted; the Recreation Committee had reviewed the list.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO APPROVE THE SUMMER PART-TIME EMPLOYEES, AND ALSO THE REVISED SALARY RANGES.

7. Each Board member had received a copy of the Town Planner/Zoning Administrator's report for the month, including an activity report on the April 28 Planning Board meeting. Larry Gantenbein was present and reviewed the report. The Planning Board had recommended drafting a letter to the First Baptist Church; this item was on the agenda under Old Business later in the meeting. The Board had also recommended amending the Zoning Ordinance with respect to (1) the Highlands Biological Station and (2) clarifying density for land under water; he asked if the Board was prepared to set a public hearing for the amendments.

Comm. Ross stated that the Board of Commissioners had agreed about a year ago to put together a Population Study; the project had been passed from one Committee to another, and finally been given to the Land Use Planning Committee, which had been dissolved. He said that he would like to re-introduce this matter and set a date as soon as possible, going back to Square One. He understood that the Land Use Planning Committee had come up with about 75% of what a consultant

would find, but felt that an independent consultant was needed to pull the information together. A population study for the next 20 years could be used for the Land Use Plan, the Wastewater Treatment Plant, and any other utility study. He proposed that Mr. Gantenbein put together a plan to work with a consultant and obtain a cost for such a study by the next meeting; he thought that it may not need to go to a Request for Proposal procedure.

Mr. Gantenbein agreed to put together the parameters for such a study, determining what data we already had and what we needed; if told specifically what the Board wanted done, he would proceed. Comm. Ross reiterated that he wanted him to begin work on the project right away.

Comm. Cavender said that he thought the study was a good idea; he had never been satisfied with what W. K. Dickson had come up with, and he felt that it was important for the Town to have unbiased demographics if it was going to have confidence in the figures compiled and proceed with a Wastewater Treatment Plant expansion costing between \$4 and \$6 million.

The Mayor reported that Macon County had just had a population study done, and he understood that it had estimated that the County population was going to increase from 28,000 to 100,000 over the next decade. The study had been done by a firm from Ohio, which had done a similar study for Haywood County.

Comm. Ross suggested that Mr. Gantenbein develop a list of potential consultants--including Marketek (the original firm contacted by Comm. Ross a year ago) and the firm that the Mayor had spoken of--and specific criteria for the information to be provided in such a study by the next meeting.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. ROSS, AND CARRIED TO REQUEST THE TOWN PLANNER TO CONTACT MARKETEK AND OTHER CONSULTANTS, DETERMINE WHAT WOULD BE NEEDED TO CONDUCT A POPULATION STUDY AND ALSO TO REVIEW THE DICKSON STUDY, AND REPORT BACK TO THE BOARD AT THE NEXT MEETING. The Motion carried, with Comms. Cavender, Ross, and Patterson voting "aye," and Comms. James and Sanders voting "nay."

The Board also asked about the plan for a fifty-car underground parking garage proposed by Old Edwards Inn for Spring Street, which had been reviewed by the Appearance Commission on April 28. Mr. Gantenbein outlined the plan, and in reply to a question from Comm. Ross, said that a brick sidewalk would be constructed along Spring Street; the Town would provide the brick, and the owner would be responsible for the labor, like the sidewalk approved by the Zoning Board for the Thomas Craig building under construction on South Fourth Street. Comm. James said that he felt in both of these cases Town policy required the developer to provide for the entire cost of a sidewalk. It was explained that both sidewalks were identified on the Master Sidewalk Plan, but the Plan called for installation of a sidewalk to Town specifications, i.e., six-foot wide concrete; Comm. Ross felt that brick sidewalks should be Town policy. Comm. Patterson suggested that before the Board formulated policy, it should review where brick was acceptable and where it was not. Comm. Sanders pointed out that there were several existing sidewalks that were also badly in need of repair. After some discussion, the consensus of the Board was to (1) request the Town Engineer to estimate the cost of the brick for both sidewalks, (2) ask the Street Committee to review all of the existing sidewalks in Town needing repair, and (3) ask the Planning Board to review the Master Sidewalk Plan and identify areas where brick should be required.

The Board returned to consideration of a public hearing.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO SET A PUBLIC HEARING FOR 7:00 P.M. ON JUNE 4 FOR THE PURPOSE OF HEARING COMMENTS ON AMENDING THE ZONING ORDINANCE WITH RESPECT TO (1) THE HIGHLANDS BIOLOGICAL STATION AND (2) CLARIFYING DENSITY FOR LAND UNDER WATER.

8. Each Board member had received a copy of the Treasurer's Report for the month.

MOVED BY COMM. JAMES, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO ACCEPT THE TREASURER'S REPORT.

9. The Town Administrator reported that the apparent low bid on paving received at the April 16 meeting from HMC Paving and Construction had been reviewed, and a mathematical error had been discovered; the bid actually totaled \$135,333, not \$110,148. The low bid had thus been Rhodes Brothers Paving Inc., \$112,720.53, and the contract had been executed; paving would begin as soon as weather permitted.

#### V. Old Business.

1. Copies of a proposed letter to the First Baptist Church had been prepared by the Zoning Administrator, as requested at the previous meeting, and had been included in the agenda package. Mr. Gantenbein explained that the letter was nothing new; it merely explained what the current Ordinance said. The parking requirement for churches was based on the sanctuary seating, unless other uses, such as Day Care Centers, were specifically identified in the Parking Schedule. The Board agreed by consensus to take no action, and not to send the letter; it was agreed that the parking requirement for the Church could only be determined upon submittal of more detailed plans.

2. As recorded in the minutes of the April 16 meeting, a petition for annexation had been received dated March 11, 2003, prepared by Richard Melvin, from three property owners involving four parcels of property, owned by W. E. and Marie Haynes, John King Logan and Janet S. Young, and Mary Berry. The Board had agreed that the petition should include the entire 22-acre Haynes tract, rather than splitting the parcel, and the Clerk reported that a revised petition for annexation had been received including the entire tract.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. SANDERS, AND UNANIMOUSLY CARRIED TO SET A PUBLIC HEARING PURSUANT TO STATUTE FOR JUNE 4, IMMEDIATELY FOLLOWING THE PUBLIC HEARING FOR THE TWO ZONING AMENDMENTS PREVIOUSLY SCHEDULED FOR 7:00 P.M.

Comm. James said that he felt it should be made clear that, if subdivided, utilities would have to be installed pursuant to Town standards. King Young was present and stated that there were no immediate plans for subdividing the property; the purpose of the petition was to obtain Town water service for a single house.

#### VI. New Business.

1. The Board again considered an amendment of the Zoning Ordinance, subject of a public hearing immediately preceding the meeting.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. SANDERS, AND UNANIMOUSLY CARRIED TO ADOPT THE FOLLOWING AMENDMENT OF THE ZONING ORDINANCE, EFFECTIVE IMMEDIATELY:

Add the highlighted words to Section 208.7, Structure Height, after the words "nor shall the height of the structure exceed thirty-five feet":

"except that the Town high school gymnasium height shall not exceed forty-five feet."

2. The Board had agreed at the previous meeting for a Committee consisting of Comms. Sanders, Cavender, and Ross to solicit proposals for a landscaping maintenance contract. The proposals had been prepared by Comm. Ross as outlined at the meeting, and had been distributed by Comm. Sanders to all of the landscapers in Town,

including Group One, who had the current contract. Two sealed informal proposals had been received, indicating the following lump sums for General Maintenance for 2003:

- Tate Landscape Services LLC.....\$7,500.00
- Holland Landscape.....8,857.50

Because the proposals had also requested unit price information for annuals, perennials, trees, and shrubs, the Board asked the Committee to review them and make a recommendation at the next meeting.

3. Each Board member had received a nomination form, copy of appointment policy, list of members whose terms were due to expire, report on terms served, and list of citizens who had expressed an interest in serving on various Boards and Committees of the Town; the Clerk asked that the nominations be returned to him for tabulation before the May 21 meeting.

4. Earle Young was present, provided a brief biographical sketch of himself, and spoke to the Board about a proposed Highlands Historic Merchants Association, which would consist of 125 members. The purpose of the organization was to enhance the historic downtown area, including an emphasis on beautification, clean streets, trash contains, etc.; it would not compete with any other organization, and would not require any Town funding. Mr. Young displayed several old photographs, as well as a walking map, similar to a map developed recently in Cashiers, which he said would be made available for visitors. He also displayed a bracket, which he said he was requesting the Town to mount on approximately 100 wooden Town utility poles in the downtown area in order to hang flower baskets like the ones approved last year. He also asked the Board to consider placing signs in the tree planters, which would be illuminated at night, reading "Welcome to Highlands - Share the Parking." He also proposed installing a flag and a memorial on the Young property on the north side of Main Street dedicated to those veterans from Highlands Township who had given their lives. Finally, he urged the Board to permit non-profit organizations to have bake sales on private sidewalks. He said that it had been a privilege to have lived in Highlands, and he felt that now it was time to give back.

The Town Administrator said that no approval would be required for the maps, and that non-profit bake sales were already permitted on private sidewalks. The Town Engineer said that he had met with Mr. Young and he understood that two new poles would have to be installed: a pole at the corner of Fifth and Main (which he recommended not installing because it was in a parking area), and a pole at the corner of Fourth and Pine. Comm. James asked who the officers were in the Association; Mr. Young said that the non-profit organization had not yet been legally set up, but that Ralph Deville and Bill Bubenick had expressed an interest in serving.

After some discussion, the Board agreed for the Street Committee to review both the request for the flower basket brackets and the request for the signs in the planters.

5. The Town Administrator had prepared a memo summarizing the April 14 meeting of the Finance Committee and its recommendations on various elements of the FY 03-04 Budget, which had been distributed with the agenda package. He then reviewed the memo in some detail.

He said that the revaluation figures provided by the Macon County Tax Office had indicated an increase in Highlands of 64%, from \$617,344,000 in valuation to \$1,012,213,650. In order to remain "revenue neutral," the Committee had recommended establishing a tax rate of \$0.13 per \$100 valuation; this rate should generate, after collection costs and anticipated appeals, and with a growth rate of 8%, a revenue of \$1,247,428.

The budget request from the Town to Macon County (\$238,000 for Recreation, and an extension of the joint Water/Sewer Agreement for another five years) had not yet been addressed.

He reported that Barbara Werder, President of the Highlands Chamber of Commerce Board of Directors, had met with him and with the Mayor earlier in the week and had indicated that the Chamber would not be providing the \$8,500 in funding required for the cleaning and maintenance of the Public Rest Rooms, as it had for several years, in order to provide for additional restrooms. Ms. Werder was present, and said that the Chamber was considering leasing a 1400 SF site in Wright Memorial Square, which would contain two single-stall rest rooms, the Chamber of Commerce office, and the Visitors Center, which would be relocated from the Town Hall upon completion of construction in 90 to 120 days. With the loss of Room Tax revenue from 32 rooms which were not in operation this year, and with an estimated cost of \$30,000 to renovate the building, she felt that the Chamber could not provide the funding. She also pointed out that the Chamber funded over \$3000 each year for port-a-johns during the month of October. Comm. James said that the public rest rooms had been the Chamber of Commerce's idea originally, and he felt that if they were encouraging people to come to Highlands, they should pay for them. Comm. Ross asked if the rest rooms would be advertized, and was told they would. The Town Administrator asked if the size would be adequate; he pointed out that the existing public restrooms contained several stalls, and there was often a line waiting outside. Bill Basham reiterated that, in every survey that had been conducted by the Chamber, the number one problem identified was the lack of public restrooms; this was a way to address that problem. Ms. Werder also said, in response to a question, that merchants were being encouraged to keep their own rest rooms open to the public.

The review of the Finance Committee meeting continued. A request to Jackson County for \$12,940.97 for fire protection for Jackson County property located in the Highlands Fire District had been denied, and the County had also rejected the idea of a Fire Tax, deciding instead to provide only \$6,000 in the upcoming budget. This information had been forwarded to the Highlands Fire Department for discussion, and it had agreed to send letters requesting donations from the areas served, as it had in the past. The two Capital Projects were the Wastewater Treatment Plant (\$4,908,000, the bulk of expenditures in FY 04-05) and the Hospital Water Line project (\$1,351,300). The Committee had reiterated the Board's previous decision that the "Town" portion of the Hospital project would consist of a \$200,000 donation from the Hospital, plus a portion of "new" Water/Sewer Agreement funding requested from Macon County beginning with FY 04-05. The Committee had agreed that \$100,000 should again be budgeted for extra street paving over and above Powell Bill funding. It also felt that the Board should consider budgeting an unspecified amount each year for sidewalk improvements, to be identified by the Street Committee; projects mentioned had included "filling in the gaps" on the Master Sidewalk Plan, and revisiting a proposed sidewalk along the east side of Chestnut Street to the Performing Arts Center (estimated at \$50,000 by the Town Engineer on September 4, 2002).

The Committee had also discussed the paving of the "Town" portion of Bowery Road at some length. It had been reported at the April 9 meeting that the Town had a recorded 60-foot right-of-way except for four properties along the north side of the western end of the portion investigated, owned by Tracy, Westbrook, Lund, and Kolb; it now appeared that right-of-way could be obtained from at least three of those parcels. The Committee had agreed, however, that paving this portion of the road at this time was not a priority; it had agreed to place it in the Capital Improvement Program for FY 07-08. He also reported that, since the meeting, the Town Engineer had estimated the cost of asphalt for the section at \$80,000. Comm. Ross asked why the Committee had made the recommendation. Comm. Patterson pointed out that there were no funds now and she did not feel it was a priority, although projects could be moved up or down in the Capital Improvement Program as conditions changed. Comm. James agreed, and also said that it was unknown how much the Town would be obligated to spend on the condemnation. Comm. Ross asked about the time frame for the improvements on the first portion of the road; the Town Administrator replied that the Court of Appeals

was expected to rule in November, but the possibility of and the time frame for an appeal to the State Supreme Court was difficult to predict.

The Committee had also reviewed requests for donations from the Peggy Crosby Center for \$30,000 (\$20,000 last year) and the Hudson Library for \$12,000 (same as last year). Since the meeting, a request had been received from the Highlands Historical Society for \$15,000 (same as last year). The Committee had agreed to request more information from the Peggy Crosby Center, and also to request a financial statement from Highlands Emergency Council before considering whether to renew the decision last year to defer utility charges for its building on Poplar Street; that information was being compiled.

The Committee reviewed Board action of March 5, 2002, donating \$5,050 to the Highlands Playhouse for repairs at that building; it recommended not budgeting any additional funds this year, and recommended discussing this issue (as suggested at the March 5 meeting) when the lease expires December 31, 2003. The Committee also reviewed Board action of January 15, 2003, donating \$10,000 to the Jackson-Macon Conservation Alliance for the woolly adelgid program; it recommended not budgeting any funds this year for the program, but retaining an adequate contingency in the General Fund.

The Committee also reviewed the following list of other capital expenses, vehicles, and equipment, much of which had been included in the Capital Improvement Program (CIP) for this fiscal year as indicated and "moved forward":

- Replacement water tanks on Dog Mtn./Satulah Mtn., CIP; Dog Mtn. tank repaired this year, Satulah Mtn. tank moved to FY 04-05 at \$100,000.
- Warehouse Building No. 2, CIP, revised estimate \$250,000, moved to FY 04-05.
- Replace 1988 F-250 Service Truck, CIP; estimated cost \$40,000.
- Replace 1993 Int'l. Garbage Truck, CIP; estimated cost \$85,000.
- Replace police patrol car, CIP; estimated cost 20,000.
- Replace lining in Recreation Park Swimming Pool, CIP, revised estimate \$30,000.
- Replace Heat Pump at Town Hall, CIP, estimated cost \$1,500.
- Replace Ingersoll-Rand air compressor; not in CIP, Town Engineer to provide estimate.
- Small excavator; not in CIP, consider in FY 04-05.
- County dispatch equipment, not in CIP, estimated cost \$13,000.
- Computer software, not in CIP, estimated cost \$10,000.

The Committee reviewed a job description for a proposed new position in the Town Office, a GIS/Autocad Technical assistant.

It also agreed to retain the practice of transferring \$50,000 from the General Fund to the Water Fund each year, a "holdover" from a budgetary requirement several years ago to prorate State Sales Tax revenues between the two funds. The Committee also heard a report on a survey of the Highlands Cemetery property which had been prepared by Sprinkle Surveying, and a proposal to begin clearing additional land for grave sites in FY 04-05; the estimated cost would be \$75,000.

The Fire Department Budget, approved on April 9, had been forwarded to the County, and it was anticipated that it would be approved; it included \$75,000 this year toward a \$150,000 vehicle in FY 04-05.

The Town Administrator reported, however, that it had recently come to the Town's attention that the firemen had not been transitioned to COBRA on July 1, 2003, as he had understood; the underwriter had

been contacted to determine if the Firemen were eligible for regular coverage or not, and the Fire Department, which was aware of the misunderstanding, was still planning to begin paying firemen \$150 per month after December 31, 2003 (pursuant to the budget submitted), but it now appeared that COBRA coverage would be available for an additional twelve months. Preliminary Health Insurance rates indicated an increase of approximately 27%, a significant increase, but still much lower than Municipal Insurance Trust rates according to a seminar which he and the Assistant Treasurer had attended recently in Asheville. A slight reduction in Property/GL insurance would go into effect due to participation credits, and an increase of 13% in Workers Compensation was expected. A report on employee cost-of-living increases and individual merit and longevity recommendations had been prepared and was ready to be reviewed by the Finance Committee.

The Finance Committee agreed tentatively to meet at 5:00 p.m. on May 13 to finalize salary and other budgetary matters.

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

There being no further business to come before the Board, the meeting was declared adjourned by the Mayor at 9:00 p.m.

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Richard Betz, Town Clerk