

REGULAR BOARD MEETING of June 18, 2003, with Mayor Buck Trott and Commissioners H. N. James, Hank Ross, Mike Cavender, Ron Sanders, and Amy Patterson present.

Also present were Richard Betz, Lamar Nix, Larry Gantenbein, Patrick Neal, Katy Stillerman, Debbie Putney, Kim Lewicki, Ginger Slaughter, Alan Marsh, Christy Kelly, Bob Wright, Lennie Metrick, Luke Osteen, Larry Vann, and others.

I. Call to Order.

The Mayor called the Regular Board Meeting to order at 7:08 p.m.

II. Approval of Agenda.

Copies of the agenda had been distributed by mail. The Clerk requested that a personnel matter be discussed in Closed Session under New Business. Comm. Cavender requested that the Board discuss the Chamber of Commerce and the Room Occupancy Tax under Old Business.

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

III. Approval of Minutes.

Copies of the minutes of the June 4 Regular Board meeting had been distributed by mail. Comm. Ross had pointed out an error to the Clerk prior to the meeting.

MOVED BY COMM. JAMES, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO APPROVE THE MINUTES AS CORRECTED.

IV. Reports.

1. The Mayor reported that bills had been introduced in the State Legislature increasing the State tax on cigarettes and alcohol.

2. The Town Administrator reported that Police Officer Scott Nelson had submitted his resignation.

He also reported that he had contacted Dave Harris, the consultant with Custom Communications who had drafted the Town's Pole Attachment Ordinance, Cable TV Ordinance, and Cable TV franchises five years ago. He distributed copies of a report and letter from Mr. Harris concerning the Highlands Cable Group and Northland Cable issues discussed at the June 4 meeting, and reported that Mr. Harris could make himself available if the Board desired when this was discussed at the July 2 meeting.

He also reported that he had received a telephone call from Robert Nass, owner of the Randall Lake Dam, concerning the invoices he had been forwarding to Mr. Nass for cleaning out the silt at the Water Treatment Plant's raw water intake in Big Creek. Mr. Nass had told him that, while acknowledging that he had opened the dam 2½ years ago and created some problems, he no longer felt after such a period of time that he was responsible for the silt in Big Creek. Comm. James commented that this was a hard call; since the silt had been accumulating for so long, he didn't know whether Mr. Nass could be held totally responsible. Comm. Ross said he felt the invoices sent a message, and also constituted a legal record that the Town was putting together.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. ROSS, AND UNANIMOUSLY CARRIED TO CONTINUE TO SEND MR. NASS INVOICES FOR CLEANING OUT THE SILT FROM AROUND THE INTAKE.

The Town Administrator also distributed copies of a letter dated June 12 from Christy Kelly, former Executive Director of the Highlands

Chamber of Commerce. He also reported that he had spoken to Tony Potts earlier in the day and learned that the Chamber's Board of Directors had agreed to fund the \$8,500 Town budget request for cleaning and maintenance of the public rest rooms; the Chamber had also expressed a desire to meet with the Finance Committee and discuss an agreement for continued funding of the facilities in the future.

V. Old Business.

1. Each Board member had received information provided by Ran Shaffner concerning a proposal for erection of a D. O. T. historical marker at the Town Hall honoring Professor Thomas Harbison, as discussed at the previous meeting.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO APPROVE THE PROPOSAL CONTINGENT ON REVIEW BY THE STREET COMMITTEE OF THE LOCATION FOR THE SIGN.

2. The Board had reviewed a proposal from Benchmark LLC to conduct a population study, as discussed at the previous meeting. Comm. James asked Town Planner Larry Gantenbein if he had been able to provide a list of data that the Town had already accumulated. Mr. Gantenbein said that the Land Use Planning Committee had assembled data on meters, flow rates, maps of soil types, sewer taps, number of vacant parcels in the Town and County, property already developed, topographic maps, sewer studies conducted by W. K. Dickson Company, zoning permit growth rate statistics, and both Town and County GIS data. The material would be useful to whoever conducts the study, but the expertise was in knowing how to "crunch" the data. Comm. Cavender agreed; he said it was one thing to have a lot of statistics, but another to say what the statistics mean. Mr. Gantenbein said that the Planning Board had indicated it would review this matter at the July meeting pending development of criteria by the Town Board.

Comm. Ross said that he had developed his own list of criteria, but was not certain if the Board had approved it; the criteria had been identified in the original 2002 proposal submitted by Marketek.

Mr. Gantenbein left the room to obtain a copy of the proposal; while he was gone, the Board took up Item No. 3 of Old Business, discussion of the Chamber of Commerce and the Room Occupancy Tax (see below).

When he returned to the room, he read the criteria in the Marketek proposal. It called for developing estimates of the "holding capacity" of existing and developable vacant land. The potential demand for this land for the years 2002-7 would be estimated based on a social and economic analysis and potential target markets, which would include population and household growth, age and income distribution, housing characteristics and trends, commuting patterns, employment trends and forecasts, and major employers/industries and prospects for growth. Based on this, land absorption studies would be provided for the years 2002-7. Comm. James felt that five years was not very long when considering infrastructure; the Mayor suggested 10 years. Ginger Slaughter was present and pointed out that beyond five years, information became less solid. Bob Wright was present and urged that the study look at seasonal population. Mr. Gantenbein suggested that proposals be solicited from both Benchmark and Marketek for the time frame of 2003-2025.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO OBTAIN PROPOSALS FOR A POPULATION STUDY, PURSUANT TO THE CRITERIA DEFINED BY MARKETEK, FOR THE YEARS 2003-2025.

3. Comm. Cavender said that he had spoken to many people and was also personally concerned about the direction the Chamber of Commerce was going in attracting transient hotel and restaurant tourists, which seemed to be a shift in policy from supporting cultural activities that draw people who appreciate Highlands. He said he was not sure if the present course was beneficial to the Town, and suggested that perhaps the Town consider taking over the Room Occupancy Tax and operating the Visitors Center. He suggested that

a Travel and Tourism Authority could be established that would make recommendations to the Town Board for approval, like the Scholarship Committee. He noted that the Tax had generated between \$220,000 and \$250,000 in recent years, and he pointed out that that was the Town's money, even though it was collected by the hotels and motels.

Comm. Sanders thought such an idea might be a good one. He said that there had been a lot of enjoyable events in the past which were no longer being held. He also said that a lot of people had been upset over the dismissal of Wistar Gary and Alan Marsh as Visitors Center volunteers.

Comm. Patterson said that she had also had a lot of people speak to her about the issue. She felt that the Visitors Center and the Chamber of Commerce were different and had two different agendas, and she felt that perhaps the Town should administer the Visitors Center events.

Comm. James felt that this item should be placed on the agenda so that all concerned could be present; Comm. Sanders agreed.

Comm. Ross did not feel that there had been a major shift in the Chamber of Commerce's direction; instead, the emphasis had moved to different areas, such as Artwalk instead of the Taste of Highlands. He also said that the Chamber of Commerce did not pay for advertizing, it just coordinated it in order to attract from high-end locations the kind of people who might want a second home here. He felt that the shift was less than it seemed and that the Chamber of Commerce still had the Town's best interests at heart, and he said that part of the recent problem had been driven by media frenzy.

The Mayor said that he had learned that a Travel and Tourism Authority was not required by the General Statutes or the local enabling bill, although most municipalities had one. He also pointed out that 50% of Visitors Centers throughout the State were operated by municipalities.

By consensus, the Board agreed to place this item on the agenda for discussion at the July 2 Board meeting.

VI. New Business.

1. The Town Administrator had provided a tabulation of several informal bids which had been received.

- Informal Bids on Stone and Sand:

Informal bids had been received and tabulated from Bryson's Grading and Trucking and from LBM Industries. LBM Industries was the low bidder for most of the items, and he recommended awarding the contract to them.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. ROSS, AND UNANIMOUSLY CARRIED TO AWARD THE CONTRACT TO LBM INDUSTRIES.

- Gasoline and Diesel Fuel:

Informal bids had been received and tabulated from J. H. Duncan Oil Company, D & J Express Mart, and Farmer's Market. By approximately the same margin, D & J Express Mart had been the low bidder on gasoline and Farmer's Market had been the low bidder on diesel fuel; however, a survey of Town vehicles had revealed that most were diesel. He recommended awarding the contract to Farmer's Market.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO AWARD THE CONTRACT TO FARMER'S MARKET.

Lennie Metrick was present and also reported that the Town would be eligible to apply for purchasing fuel tax-free, rather than filing for the federal excise tax later.

• Preventive Maintenance at Highlands Civic Center:

One informal bid had been received from Integrated Building Services Inc. for an annual cost of \$1,980, the same as last year. He recommended awarding the contract.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO AWARD THE CONTRACT TO INTEGRATED BUILDING SERVICES INC.

• Cleaning of Public Restrooms:

One informal bid had been received from John Stanfield for cleaning the Public Restrooms for \$940/month, the same amount as last year. He recommended awarding the contract.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO AWARD THE CONTRACT TO JOHN STANFIELD.

• Cleaning of Highlands Civic Center:

Seven informal bids had been received for cleaning the Civic Center. He recommended awarding the contract to the low bidder, Manuela Tosca Frias, for \$150/week, on a 90-day probationary basis.

MOVED BY COMM. CAVENDER, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO AWARD THE CONTRACT TO MANUELA TOSCA FRIAS.

2. The Treasurer reported that the Finance Committee had met on June 16 and made the following recommendations. The purpose of the recommendations was to increase revenues and decrease expenditures in the FY 03-04 Budget presented on May 28:

• Tax Rate. The Committee had agreed to recommend setting the tax rate at \$0.15/\$100 valuation, not \$0.13/\$100 as presented in the budget (the current rate is \$0.18). The estimated additional revenue would be \$191,912.

• Contingencies. The Committee had agreed to recommend reducing contingencies in the General Fund to 2.5% (rather than 3% to 4%), except for the Fire Department budget which had been approved. The savings in expenditures would be \$55,000.

• Sidewalks. The Committee had agreed to delete the new line for "Capital Outlay Sidewalks" (\$50,000), and change the name of the next line to "Capital Outlay Additional Paving & Sidewalks" (\$100,000). The savings in expenditures would be \$50,000.

• Cemetery. The Committee had agreed to recommend deferring "Clearing New Area" and to place it in the Capital Improvements Program for consideration next year. The savings in expenditures would be \$75,000.

• Solid Waste Rates. The Committee had agreed to recommend increasing commercial solid waste rates and dumpster charges, effective July 1. The estimated additional revenue would be \$14,500. The proposed amended rates are as follows:

Commercial Garbage Rates [Effective July 1, 2003]

Commercial: ~~\$10.00~~ **\$12.00** per month for each weekly pickup, up to 6 pickups per week.

[Note: It is mandatory for businesses generating large amounts of garbage to pay for six pickups per week.]

Dumpster Fees [Effective July 1, 2003]:

~~\$24.00~~ **\$30.00** per month for single business use.

For more than one business using a dumpster, the charge is ~~\$24.00~~ **\$30.00** per month divided by the number of users.

Dumpster fees are in addition to the current commercial garbage rates.

- Water Rates. The Committee had agreed to recommend increasing the water base rate approximately 36% and increasing the usage rates 20%, effective July 1. The estimated additional revenue would be \$165,000. The proposed amended rates are as follows:

Water Rates [Effective July 1, 2003]

Minimum Charges—Residential:

<u>Size of Meter</u>	<u>Inside Town</u>	<u>Outside Town</u>
3/4"-----	11.00 15.00	22.00 30.00
1"-----	14.30 20.00	28.60 40.00
1½"-----	25.30 35.00	50.60 70.00
2"-----	30.80 40.00	61.60 80.00
3"-----	36.30 50.00	72.60 100.00

Minimum Charges—Commercial:

<u>Size of Meter</u>	
3/4"-----	14.70 20.00
1"-----	19.00 25.00
1½"-----	33.75 45.00
2"-----	41.00 55.00
3"-----	48.40 65.00

Usage Rates:

3/4" Meter:

First 2,500 gallons: minimum charge
Next 10,000 gallons: ~~\$2.00~~ **\$2.40** per 1000 gallons
Next 1,000,000 gallons: ~~\$2.50~~ **\$3.00** per 1000 gallons

1" Meter:

First 9,000 gallons: minimum charge
Next 10,000 gallons: ~~\$2.00~~ **\$2.40** per 1000 gallons
Next 1,000,000 gallons: ~~\$2.50~~ **\$3.00** per 1000 gallons

2" Meter:

First 10,500 gallons: minimum charge
Next 10,000 gallons: ~~\$2.00~~ **\$2.40** per 1000 gallons
Next 1,000,000 gallons: ~~\$2.50~~ **\$3.00** per 1000 gallons

3" Meter:

First 12,500 gallons: minimum charge
Next 10,000 gallons: ~~\$2.00~~ **\$2.40** per 1000 gallons
Next 1,000,000 gallons: ~~\$2.50~~ **\$3.00** per 1000 gallons

- Sewer Rates. The Committee had agreed to recommend decreasing the sewer rate from 175% of water charges to 135%; this was estimated to generate the same revenue as the last fiscal year. The proposed amended rates are as follows:

Sewer Rates [Effective 7/1/03]

~~175%~~ **135%** of water rate

- Holt Knob Water Improvements. The Committee had agreed to

recommend budgeting \$150,000 for the project. It would be funded from a Water Fund transfer to the Capital Projects Fund.

- The Committee had agreed that late budget requests from the Highlands Playhouse (\$3,000) and the Macon County Humane Society (\$5,000) were not to be included in the budget.

- The Committee had also agreed that all expenditures in FY 03-04 should be very closely scrutinized in all Departments by the Treasurer, the Public Services Administrator, and the Department Heads.

The Treasurer reported that the revenue generated or expenditures reduced compared to the budget presented on May 28 would be \$386,412 in the General Fund and \$165,000 in the Water Fund.

MOVED BY COMM. JAMES, SECONDED BY COMM. CAVENDER, AND UNANIMOUSLY CARRIED TO APPROVE THE FOREGOING RECOMMENDATIONS AND TO INCORPORATE THEM INTO THE BUDGET.

3. MOVED BY COMM. CAVENDER, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO GO INTO CLOSED SESSION PURSUANT TO G. S. §143-318.11(A)(6) TO DISCUSS A PERSONNEL MATTER IN THE TRIMMING DEPARTMENT. All present left the room except the Clerk and the Public Services Administrator.

The Board discussed the resignation of Christopher Henry in the Trimming Department with the Clerk and the Public Services Administrator. It also agreed for the Town Administrator to prepare a proposed amendment of the Personnel Manual that would clarify Town policy on dismissal of employees.

The Town Administrator also distributed copies of a confidential letter dated June 12, 2003, from attorney James F. Jordan, regarding a possible litigation matter involving Main Street Inn Inc. discussed in Closed Session on June 4. The letter was not discussed since the Town Attorney was not present.

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

VII. There being no further business to come before the Board, the meeting was declared adjourned by the Mayor at 8:27 p.m.

Richard Betz, Town Clerk