

BUDGET HEARING and SPECIAL BOARD MEETING of June 29, 2005, with Mayor Buck Trott and Commissioners Amy Patterson, H. N. James, Hank Ross, Dennis DeWolf, and Alan Marsh present.

Also present were Richard Betz, Adam Thompson, and John Gaston.

A. Budget Hearing.

The Mayor called the Budget Hearing to order at 8:00 a.m., and stated that this was the time and place to receive comments from the public on the FY 05-06 Budget, as presented on May 18, 2005; notice had appeared in The Highlander newspaper pursuant to law.

John Gaston was present representing the Hudson Library Board of Directors. He said that the library would be expanding into the place vacated by the Bascom-Louise Gallery soon.

The Mayor closed the hearing.

B. Special Board Meeting.

I. The Mayor called the Special Meeting to order at 8:05 a.m.

II. Approval of Agenda.

Copies of the agenda were distributed at the meeting.

MOVED BY COMM. ROSS, SECONDED BY COMM. MARSH, AND UNANIMOUSLY CARRIED TO APPROVE THE AGENDA.

III. Business.

1. The Board reviewed the Ordinance amending the FY 04-05 budget, copies of which were distributed at the meeting. The Treasurer explained that the purpose of amending the budget was to satisfy auditing requirements by adjusting estimates used to prepare the original budget and to recognize decisions made to fund new projects during the fiscal year, such as the Highlands Country Club Fairway No. 1 Sewer Project; most municipalities the size of Highlands amended the budget once at the end of the year. He said that the numbers used for the amended budget were only estimates; actual revenues and expenditures would be reflected in the audit. Comm. James said he felt that when larger projects were approved during the year, the budget should be amended at the time they were approved.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. DEWOLF, AND UNANIMOUSLY CARRIED TO ADOPT AN ORDINANCE TO AMEND THE BUDGET OF THE TOWN OF HIGHLANDS FOR THE FISCAL YEAR JULY 1, 2004 THROUGH JUNE 30, 2005. A copy is attached hereto and made a permanent part of this record.

2. The Board reviewed the proposed FY 05-06 budget, copies of which were distributed at the meeting. The Treasurer reported that he had incorporated the items identified at the Budget Work Session on June 15 into the new budget, including \$140,000 for the Town Ballpark renovations, additional funds for the Police Separation Allowance, and increased funds for Town Hall renovations.

The Board then discussed the budget and the budgeting process at some length. Comm. Ross said that he had not had time to review the amended budget, and wondered how he could become more involved in the process of developing the new budget, such as in the identification of future capital projects. Comm. Marsh said that he did not know he could attend Finance Committee meetings; the Treasurer explained that these meetings were open and anyone, including the Press or the full Board, could attend. Comm. James felt that not enough work sessions had been held this year. The Treasurer explained in some detail how the budget development process and capital improvement program functioned. The Mayor pointed out that the Board had been provided with copies of the budget on May 18 and had six weeks to review it; he suggested that next year a

training session or orientation could be scheduled early in the process. After some discussion, the Treasurer agreed to scheduled earlier budget work sessions so that the Board would have ample time for input into the process.

MOVED BY COMM. JAMES, SECONDED BY COMM. PATTERSON, AND CARRIED TO ADOPT THE TOWN OF HIGHLANDS BUDGET ORDINANCE FOR THE FISCAL YEAR JULY 1, 2005 THROUGH JUNE 30, 2006, WITH AN AD VALOREM TAX RATE OF 0.16 PER \$100.00 VALUATION. A copy is attached hereto and made a permanent part of this record. Comms. James, Patterson, Ross, and DeWolf voted "aye." Comm. Marsh initially stated that he wished to abstain; it was pointed out that he could not abstain, that it would count as an "aye" vote. He then said that he wished to vote "nay" because he was confused.

IV. MOVED BY COMM. JAMES, SECONDED BY COMM. MARSH, 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 a.m.

Richard Betz, Town Clerk

and Alan Marsh present.

Also present was Richard Betz.

I. The Mayor called the Special Meeting to order at 7:00 p.m. and stated that the purpose of the meeting was to interview candidates for the position of Police Chief in closed session.

Comm. Ross asked that the agenda be amended to discuss the acquisition of real property in closed session.

MOVED BY COMM. ROSS, SECONDED BY COMM. DEWOLF, AND UNANIMOUSLY CARRIED TO AMEND THE AGENDA ACCORDINGLY.

II. Business.

1. MOVED BY COMM. MARSH, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO GO INTO CLOSED SESSION PURSUANT TO G. S. §143-318.11(A)(6) TO REVIEW APPLICATIONS FOR EMPLOYMENT, AND PURSUANT TO G. S. §143-318.11(A)(5) TO DISCUSS THE ACQUISITION OF REAL PROPERTY.

A. The Board interviewed five candidates for the position of Police Chief.

B. The Board discussed the acquisition of a parcel of real property.

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

2. MOVED BY COMM. PATTERSON, SECONDED BY COMM. MARSH, AND UNANIMOUSLY CARRIED TO OFFER THE POSITION OF POLICE CHIEF TO WILLIAM HARRELL AT THE BEGINNING SALARY OF 21-1 (\$39,467).

The Board agreed that the minutes should reflect its appreciation of Willy Houston for filling in as Interim Police Chief since the retirement of Jerry Cook.

III. MOVED BY COMM. PATTERSON, SECONDED BY COMM. ROSS, AND UNANIMOUSLY CARRIED TO ADJOURN.

There being no further business to come before the Board, the meeting was declared adjourned by the Mayor at 10:15 p.m.

Richard Betz, Town Clerk