

(NOTE: Regular Board Meeting Scheduled for February 4, 2009 was cancelled and rescheduled to February 11, 2009 due to inclement and cold weather)

REGULAR BOARD MEETING OF FEBRUARY 11, 2009

Present: Mayor Don Mullen, Vice Mayor Amy Patterson, Commissioners Hank Ross, Dennis DeWolf, John Dotson and Larry Rogers

Staff Present: Town Manager Jim Fatland, Police Chief Bill Harrell, Recreation Director Selwyn Chalker, Public Services Director Lamar Nix, Town Planner Joe Cooley and Code Enforcement Officer Josh Ward

I. Call to Order

Mayor Mullen called the meeting to order at 7 P.M.

II. Approve Agenda

The Mayor asked if there any additions or deletions to the agenda. Town Attorney stated that a closed session should be added to discuss potential litigation in regard to Carolina Transformer

III. Approve Minutes

The Minutes of January 21, 2009 Regular Town Board Meeting & January 29, 2009 Board Retreat were approved by the Town Board without any changes or corrections

IV. Public Comments

None

V. Reports

1. **Mayor**-The Mayor announced that the Richard Betz Retirement Party will be held at the Community Building on Friday February 20, 2009 from 5PM to 8PM; that he and Town Planner Joe Cooley attended the Macon County Board Retreat where general discussion occurred but no action taken; announced that the Macon County Board will be holding two meetings each month and provided schedule for Board Members to attend; that he had talked to Senator Richard Burris' office and Congressman Heath Shuler's office about Federal Stimulus Funds; and that he and staff will be attending a Federal Stimulus Workshop on February 19 in Asheville that will be hosted by Congressman Heath Shuler.
2. **Committees**-Finance Committee report deferred to Financial Software agenda item; Recreation Committee report deferred to Houston House agenda item
3. **Town Attorney**-Matter with Carolina Transformer deferred to closed session

4. **Engineer/Public Services Director**-Lamar Nix referenced his monthly report.
5. **Police Chief**-Chief Bill Harrell referenced his monthly report.
6. **Recreation Director**-Selwyn Chalker referenced his monthly report. In addition, reported that he will be requesting proposals for Park & Recreation Master Plan. He reported that the Recreation Committee met earlier to move forward with Master Plan as discussed at the recent Board Retreat.
7. **Planning/Zoning Administrator**-Joe Cooley referenced his monthly report.
8. **Treasurer Report for Month Ended January 31, 2009**-Town Manager Jim Fatland reported that the Finance Committee met earlier that day with a number of questions about the financial report. He said that staff would be meeting with the Finance Committee to respond to questions at their next meeting. The Town Board approved the Treasurer's Report for month ended January 31, 2009 as submitted.
9. **Monthly Calendar**-Town Manager Fatland reported that on the first meeting each month, a calendar showing dates of Board and Committee Meetings will be part of the agenda information packet
10. **Town Manager**-Jim Fatland reported that his report would focus on the Federal Stimulus Funds. Fatland reported that he submitted water projects (Dredging of Lake Sequoyah, Radio Read Meters, Big Bear Pen Waterline Upgrade and Emergency Generators) to the North Carolina Water Supply Section prior to the February 4, 2009 deadline. He also reported that Mirror Lake and Lake Sequoyah Sewer Improvements would be submitted to the NCDENR Construction Grants office prior to the February 20, 2009 deadline. He also reported that Congressman Shuler requested a list of Town of Highlands projects by February 16, 2009 in advance of his meeting with the region on February 19, 2009.

VI. Old Business

None

VII. New Business

1. Annual Audit Contract for Year Ended June 30, 2009

The proposed one-year contract with Martin Starnes, CPAs to provide audit services for the year ended June 30, 2009 totals \$20,500. This reflects a 3.5% increase over the previous year. The contract amount includes the cost of the audit and preparation of the financial statements. Printing costs, as in the past, would be additional. Motion by Commissioner Patterson and seconded by Commissioner Rogers to approve the audit contract with Martin Starnes, CPAs for \$20,500 plus printing costs.

2. Request to Close Pine Street for Chamber Music Festival

Nancy Gould-Aaron, Executive Director, for the Highlands Cashiers Music Festival presented a request to close Pine Street between 4th and 5th Streets on July 10, 2009 for the Chamber Music Festival. On motion by Commissioner DeWolf and seconded by Commissioner Ross, the Town Board unanimously approved the request.

3. Emergency Action Plan for Houston Dam

Public Services Director Lamar Nix reported that the North Carolina Department of Environmental Natural Resources requires emergency action plan for Houston Dam. McGill Associates has submitted a proposal to prepare the emergency action plan which includes on-site investigation of the dam and downstream area to review existing conditions, preparation of emergency situations, actions and procedures. The proposed cost is \$5,900. On motion by Commissioner Patterson and seconded by Commissioner Dotson, the Town Board unanimously approved the proposal from McGill Associates for a cost not to exceed \$5,900 with funds being transferred from the Electric Fund to the Water & Sewer Fund.

4. Resolutions Authorizing Application for Federal Funds

a. Sewer System Improvements

Fatland reported that at the January 21, 2009 Town Board meeting staff discussed the opportunity of seeking federal stimulus funds for Lake Sequoyah & Mirror Lake Sewer System Improvements. However, we asked that the Resolution Authorizing Application for Federal Funding for Sewer System Improvements be continued pending 1) proposal for design services and 2) further discussion at the Board Retreat on January 29th. At the Board Retreat staff shared the design proposal submitted by McGill Associates. As shown on the attached proposal, the design costs for preliminary engineering reports, surveying, preliminary and final design, permitting, bidding and award phase total \$413,400. As mentioned at the retreat, to be eligible for federal stimulus funds, projects must be "shovel ready". The timeframe to complete the design is April 24, 2009. Staff offered the following recommendation for Town Board consideration.

- (1) Approve design services with McGill Associates for Lake Sequoyah and Mirror Lake Sewer System Improvements in amount not to exceed \$413,400
- (2) Approve Resolution Authorizing Application for Federal Funding for Sewer System Improvements
- (3) Approve Budget Amendment to transfer \$413,400 from Electric Fund Capital Reserves to Water & Sewer Fund

On motion by Commissioner Rogers and seconded by Commissioner DeWolf, the Town Board approved staff recommendation unanimously.

RESOLUTION AUTHORIZING APPLICATION

FOR FEDERAL FUNDING

SEWER IMPROVEMENT PROJECTS

HIGHLANDS, NORTH CAROLINA

WHEREAS, the Town of Highlands has obtained cost estimates for sewer improvements for Lake Sequoyah and Mirror Lake; and

WHEREAS, the proposed project will provide sewer service to the remaining areas immediately adjacent to Lake Sequoyah and Mirror Lake; and

WHEREAS, the proposed project is consistent with the Master Plan for Sewers prepared by Engineer W.K. Dickson in 1989; and

WHEREAS, this area is critical to the watershed due to its proximity to the Town of Highlands' water supply; and

WHEREAS, the proposed project will provide sewer service to approximately 300 residences within the Town of Highlands corporate limits; and

WHEREAS, the total estimated cost for Lake Sequoyah Sewer Line is \$5,985,000 and for Mirror Lake Sewer Line is \$3,425,000; and

WHEREAS, the project is under design and will be ready to advertise for construction bids within 120 days; and

NOW THEREFORE, BE IT RESOLVED, that the Town of Highlands Board of Commissioners hereby request Federal Funding in the amount of \$9,410,000.

ADOPTED THIS 11th DAY OF FEBRUARY 2009.

APPROVED: _____

MAYOR

ATTEST: _____

TOWN CLERK

b. Big Bear Pen Water System Improvements

Fatland reported at the January 21, 2009 Town Board an opportunity of seeking federal stimulus funds for Big Bear Pen Water System Improvements. However, staff requested that the Resolution Authorizing Federal Funds for Water System Improvements be continued pending 1) proposal for design services and 2) further discussion at the Board Retreat on January 29th. The cost for preliminary engineering report, surveying, preliminary and final design, permitting assistance and bid and award phase totals \$18,800. Nix reported that the timeframe to complete the design would be 45 days. Staff offered the following recommendation.

- (1) Approve Design Services with McGill Associates for Big Bear Pen Water System Improvements in an amount not to exceed \$18,800
- (2) Approve Resolution Authorizing Application for Federal Funds for Big Bear Pen Water Improvement Project

On motion by Commissioner Ross and seconded by Commissioner Patterson, the Town Board approved staff recommendation unanimously.

RESOLUTION AUTHORIZING APPLICATION

FOR FEDERAL FUNDING

BIG BEAR PEN WATER IMPROVEMENT PROJECT

HIGHLANDS, NORTH CAROLINA

WHEREAS, the Town of Highlands has obtained cost estimates for upgrading the existing water system on Center

Drive and Margaret's Lane of Big Bear Pen; and

WHEREAS, the existing water lines are shallow and freeze in extremely cold weather thus interrupting service to residences in the area and do not provide sufficient flow for fire protection; and

WHEREAS, the total estimated cost for the water line upgrade is \$195,000; and

WHEREAS, the project is under design and will be ready to advertise for construction bids within 120 days; and

NOW THEREFORE, BE IT RESOLVED, that the Town of Highlands Board of Commissioners hereby request Federal Funding in the amount of \$146,250 or 75% of the project costs and further agrees to commit \$48,750 or 25% in local funds for the estimated \$195,000 project cost.

ADOPTED THIS 11TH DAY OF FEBRUARY 2009.

APPROVED: _____

ATTEST: _____

MAYOR

TOWN CLERK

c. Radio Read Meters for Water & Electric Systems

Fatland presented a Resolution Authorizing Application for Federal Funding for the purchase and installation of radio read meters. Nix discussed the benefits to the Town and the savings by reducing meter reading from two full time employees to one full time employee. On motion by Commissioner Patterson and seconded by Commissioner Dotson, the Town Board unanimously approved the Resolution seeking Federal Stimulus Funds for radio read meters.

RESOLUTION AUTHORIZING APPLICATION

FOR FEDERAL FUNDING

PURCHASE AND INSTALLATION OF RADIO READ METERS

HIGHLANDS, NORTH CAROLINA

WHEREAS, the Town of Highlands has obtained cost estimates for the purchase and installation of radio read meters for the electric and water systems; and

WHEREAS, the proposed project will provide for efficiencies in meter reading; and

WHEREAS, the estimated cost to purchase water meters is \$600,000; and

WHEREAS, the estimated cost to purchase electric meters is \$200,000; and

WHEREAS, the estimated cost to install water and electric meters is \$200,000; and

WHEREAS, the total estimated cost for purchase and installation is \$1,000,000; and

NOW THEREFORE, BE IT RESOLVED, that the Town of Highlands Board of Commissioners hereby request Federal Funding in the amount of \$750,000 which represents 75% of the total project cost.

ADOPTED THIS 11th DAY OF FEBRUARY 2009.

APPROVED: _____

ATTEST: _____

MAYOR

TOWN

- 5. **Application for Preliminary and Final Plat Filed by Linda Parrish.** Town Planner Joe Cooley reported that the Town Planning Board recommends approval of the application for the preliminary and final plat filed by Linda Parrish. Commissioner Patterson suggested that an easement be recorded for a septic system repair area. Commissioner Dotson questioned if the Town has jurisdiction on the septic system issue. A lengthy discussion followed. Town Attorney Bill Coward suggested that the Town Board approve preliminary and final plat contingent upon Town Attorney working with Parrish's Attorney on easement clarification. On motion by Commissioner Patterson and seconded by Commissioner Dotson, the Town Board unanimously approved the application for the preliminary and final plat filed by Linda Parrish contingent upon Town Attorney requiring an easement for a septic system repair area over the entire parcel for use of the 0.75 acre parcel as needed.
- 6. **Request Approval to Hire Part Time Help.** Fatland stated that this agenda item was presented and discussed at the Board Retreat held on January 29th. Fatland reported that the GIS System implementation has been delayed because of computer services needed by employees in all departments and maintenance of the server and web site. The Engineering GIS Tech has provided both GIS and IT support for the Town. Hiring a part-time employee for computer and web site support and maintenance of the server will greatly improve the efficiencies for both GIS and IT. The part time IT position will report to the Engineering GIS Technician and work from 16 to 24 hours per week. Fatland also reported the need for a Recording Secretary to record and prepare the Town Board minutes. He stated that the Planning and Zoning Boards have utilized Jane Capman to attend meetings to record and prepare minutes. The Town Board minutes have been prepared by the Town Administrator and now the Town Manager. Staff recommends that the recording secretary be retained to prepare Town Board minutes as well. Staff recommendation for part time IT support and recording secretary is as follows.

- (1) Authorize hiring of part-time employee for IT and web-site support services at cost not to exceed \$20 per hour
- (2) Approve the hiring of Jane Capman to serve as Recording Secretary at a cost of \$75 per meeting.

On motion by Commissioner Patterson and seconded by Commissioner Dotson, the Town Board unanimously approved the hiring part time positions for IT support not to exceed 24 hours per week and not to exceed \$20 per hour and further approved the hiring of Jane Capman to serve as Recording Secretary at a cost of \$75 per meeting.

- 7. **Proposed Financial Software.** Fatland reported that the proposed financial software was discussed at the Finance Committee meeting held earlier today. Fatland praised Engineering GIS Technician Matt Shuler for preparation of the staff report and added that Shuler will be a tremendous asset for the Town in the purchase and installation of new software. Fatland stated that staff recommends Computer

Software Innovations (CSI) at a cost of \$66,451 for their product that will meet the Town needs for the next several years. Fatland said several factors supported the CSI recommendation. First, CSI provides all the modules (applications) needed; second, ability to meet future needs; third, strong database and password protected; fourth, strong list of North Carolina clients; and fifth, service. Fatland also added that the CSI proposal includes data conversion from prior year. The start-up date for the new software is July 1, 2009.

On motion by Commissioner Patterson and seconded by Commissioner Dotson, the Town Board unanimously approved the CSI proposal at a cost of \$66,451.

8. **Proposed Cost for Houston House Repairs & Improvements.** Fatland called upon Recreation Director Selwyn Chalker to present the latest estimate to repair and improve the Houston House. Chalker stated earlier today the Recreation Committee discussed the proposal at length. The latest estimate includes quotes from local contractors along with the cost for asbestos abatement. Commissioner DeWolf stated that although the estimated cost is below the \$48,000 budget that the budget should remain unchanged to allow for contingencies. Recreation Director Chalker reported that the Recreation Committee met earlier in the day and recommended proceeding with the project. On motion by DeWolf and seconded by Commissioner Ross, the Town Board unanimously approved the project budget, repair estimates and authorized staff to proceed with repairs and improvements.

9. **Engineering Services for Dredging Big Creek Arm of Lake Sequoyah**

Fatland reported that the Town Board at their regularly scheduled meeting held on January 21, 2009 approved a Resolution Authorizing Application for Federal Funds for dredging the Big Creek Arm of Lake Sequoyah. Subsequent to Town Board action, staff has been in contact with the Army Corps of Engineers to schedule a meeting about the dredging project. The Army Corps of Engineers has previously reviewed the proposed project, but due to lack of funding were unable to move forward. However, the Army Corps expects additional funding from Federal Stimulus funds. In order for the Town to be eligible for federal funds, permits must be obtained. Nix stated that he requested a proposal from McGill Associates to complete all necessary applications for permitting. McGill Associates has agreed to commit resources to ensure timely completion of the permitting process and submitted a cost proposal for \$65,000. Commissioner Patterson questioned the cost. Nix said that services to be provided by McGill Associates are extensive to obtain the necessary permits required. Nix reported that the permitting process is vital if the Town is to be successful in obtaining Army Corps of Engineers grant funding. Fatland recommended that funds be transferred from the Electric Fund to Water & Sewer Fund. On motion by Commissioner Ross and seconded by Commissioner Rogers to approve the engineering proposal submitted by McGill Associates for the permitting process of dredging the Big Creek Arm of Lake Sequoyah at a cost of \$65,000 and further that funds be transferred from the Electric Fund to the Water & Sewer Fund. The Town Board approved the motion unanimously.

- VIII. **Other Business.** Mayor Mullen asked if there was any other business to come before the Town Board before we go into closed session. Town Manager Fatland suggested that the regularly scheduled meeting for February 18, 2009 be cancelled since many of the agenda items were moved up to tonight's meeting and in addition suggested that future Town Board meetings be held at the Community Building. Seeing no objection from Town Board Members, the Mayor so ordered.

- IX. **Closed Session.** Town Attorney Bill Coward requested a closed session to discuss legal issues pertaining to Carolina Transformer. A motion and second and unanimous decision by the Town Board to convene to a closed session at 8:22 P.M.

Open Session. Mayor Mullen reconvened the Town Board meeting back into open session. No action was

taken.

X. **Adjourn.** The meeting was adjourned by the Mayor at 8:30 P.M.

James R. Fatland, Town Clerk