

REGULAR BOARD MEETING OF April 15, 2009

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

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

1. Call the Order

Mayor Mullen called the meeting to order at 7:00 P.M.

2. Approve Agenda

The Mayor asked if there are any additions or deletions to the agenda.

Dennis DeWolf moved to approve the agenda, seconded by Hank Ross, and was unanimously approved by the Town Board.

3. Approve Minutes

The Minutes of April 1, 2009 Regular Town Board Meeting were approved by the Town Board subject to the following corrections: Section B(3), paragraph 3, wherein the first sentence is corrected to read "Alan Marsh addressed the Board with regards to the County Junk Ordinance Abandoned Mobile Homes". Section 7 (Macon County Economic Development is amended to read in the second line of the first paragraph "Economic Development Consultant". Section 8 Duke Energy Agreement: Proposed Electric Rate Increase, paragraph 2 is amended to add that the Board also voted on the Rate Stabilization Fund. Amy Patterson moved to approve the same, seconded by Larry Rogers and was unanimously approved by the Town Board. The minutes of April 1, 2009 are further amended to include in paragraph 10 Community Building Operations Management that it was unanimously approved by the Board.

Dennis DeWolf moved to approve the Minutes of April 1, 2009 and was seconded by Hank Ross. The Board unanimously approved the Minutes subject to the above stated corrections.

4. Public Comments

There were no public comments.

5. Reports

A. Mayor

Mayor Mullen advised the Board that he and Dennis DeWolf attended a meeting with the Scholarship Fund Committee and advised that there is in the fund approximately the sum of \$785,000.00. Due to the downward turn of the economy, the scholarship disbursement for the 2009 graduates will be approximately \$37,000.00. Mayor Mullen further advised the Board that over the past twenty years over $\frac{3}{4}$ of a million dollars have been disbursed in scholarships. Further, the Board was advised that the Town of Highlands is one of only a few towns that provide scholarships to its graduating students.

B. Committees

1. Finance Committee. Jim Fatland advised the Board to refer to item 8 of the Agenda.

2. Public Works Committee. Jim Fatland advised the Board that the capital projects (water and sewer) in advance of the budget preparation would be discussed under Agenda items 11 and 12.

3. Economic Development Committee. The Board held no discussion. Hank Ross advised the Town Board that a meeting would be held the week of April 20, 2009. Hank Ross discussed the process that the County came up with to disburse the room tax monies and the County voted unanimously to return it back to the way it was wherein the Chamber of Commerce will operate The Visitor Center and the County will provide the funding. Mayor Mullen inquired as to the percentage that would be withdrawn and would have a new number by next October.

C. Town Manager

Jim Fatland advised the Board that The Chamber of Commerce will be speaking with the Macon County Board to have the July 4th fireworks show and will ask for approval.

Regarding the Mirror Lake Project, the same will cost \$3.9 million. The Town will obtain a \$1.5 million grant, a \$1.5 million interest free loan for twenty years. The application has been amended to show the Town has

cash in lieu of borrowing \$90,000.00 and a report will be given to the Town Board at a later date.

Jim Fatland advised that as to the Water Project, that he is still waiting to hear about that and will advise the Board at a later date.

6. Consent Agenda

Mayor Mullen requested to remove the Monthly Town Board Meeting Date from the Consent Agenda.

a. Treasurer's Report

Amy Patterson moved to approve the Consent Agenda consisting of only the Treasurer's Report, Hank Ross seconded and was unanimously approved by the Board.

b. Monthly Town Board Meeting Date

Jim Fatland advised Mayor Mullen that at the previous Town Board Meeting it was decided that the Town Board would meet one time a month, on the 2nd Wednesday of each month, however, in speaking with staff it was revealed that it would be in conflict with the Zoning Board of Adjustment meeting and to move the Town Board meeting to the 3rd Wednesday of the month. Mr. Fatland also stated that since the fire truck meeting is set for May 6, 2009 to have it as a regular Town Board Meeting as opposed to a Special Meeting and start the one official meeting once a month commencing June, 2009.

Jim Fatland also advised Mayor Mullen that with one meeting a month, it would give the staff sufficient time to meet with the different committees for recommendations.

Amy Patterson moved to approve that the Town Board meetings will take place on the 3rd Wednesday of the month as opposed to the 2nd Wednesday of the month, that the May 6, 2009 meeting will be a Regular Town Board Meeting and that the Town Board will meet once a month commencing June 1, 2009, was seconded by Dennis DeWolf and unanimously approved by the Board.

7. Renovation of Town Hall and ABC Building

Jim Fatland advised the Town Board that the Agenda item was reviewed by the Architect Review Committee. This past year, the Town Board retained Sorin Architecture to prepare schematic design for a new Town Hall/Police Department. The estimated cost was \$5.1 million. During the retreat the Town Board requested staff evaluate space needs and return with lower cost options. Staff met with the

Town Architectural Review Committee to discuss renovation of Town Hall and the ABC Store. At the Town Board meeting on March 18, 2009 staff shared plans to renovate Town Hall. The Town Board authorized staff to obtain construction cost estimates from local contractors. Staff has received six cost proposals.

Architects for the ABC Store Renovation were interviewed by Police Chief Harrell, Town Manager Jim Fatland and Town Commissioner Amy Patterson. The firm of Stewart Cooper Newell Architects is recommended for approval. The firm has extensive experience in public safety facilities, experience on preparing USDA grant and finance applications, and understanding of Federal Procurement Regulations.

It was recommended to the Town Board the following:

Police Department: Approve the use of the former Highlands ABC Store to be renovated for use by the Highlands Police Department. Approve the hiring of Stewart Cooper Newell Architects to proceed with schematic design and prepare cost estimate for the renovation of the ABC Store for the Highlands Police Department in an amount not to exceed \$16,200.00. Any further work beyond schematic design would require Town Board approval. Jim Fatland advised the Board that the presentation would be made to the Town Board and that construction would be done by seal bid. Mr. Fatland further advised the Board that the architectural firm was picked due to its extensive experience in renovating existing buildings for public safety use. The Board raised a concern that it would like to keep the potential contractors, sub-contractors, electricians, etc. local.

Dennis DeWolf raised his concerns regarding hiring an outside architectural firm as there is talent in this area and why should the Town “go off the mountain”.

Town Hall: Approve renovation of existing Town Hall instead of building a new Town Hall. Approve the hiring of Shirley Construction for General Contractor for Town Hall Renovation. The construction proposal includes electrical work for renovation plus wiring for emergency generator. The construction bid totals \$101,995.00. It was recommended to the Board to approve the hiring of Schmitt Building Contractors, Inc. for roof replacement at Town Hall and approve Town Hall Renovation Budget.

The fiscal impacts will be the following:

Police Department: Funds for architect’s preparation of schematic design in the amount of \$16,200.00 are available in the FY09 Police Department Budget. Staff will prepare finance plan for renovation once construction cost estimate has been prepared by the architect. Amy Patterson inquired the length of time it would take to reach the schematic phase and was advised it would be between 30 to 60 days.

Town Hall: The Town Board has set aside \$115,000.00 per year for a new Town

Hall. Total funds set aside total \$230,000.00 in capital project reserves. Jim Fatland further advised the Board that Matt Shuler spoke with Schmitt Building Contractors regarding the removal of asbestos and will obtain a separate cost for that approval.

Town Board members discussed the numerous proposals submitted, the different estimates received and the interview process held with the different firms.

Hank Ross moved to approve that the ABC Store be renovated for the Police Department, was seconded by Larry Rogers and was unanimously approved by the Town Board.

Larry Rogers moved to approve the hiring of Stewart Cooper Newell Architects to proceed with schematic design, was seconded by Hank Ross and was approved by the Town Board. Dennis DeWolf voted against as he objected to the hiring from outside of the Town of Highlands.

Dennis DeWolf moved to approve the renovation of the existing Town Hall in lieu of building a new Town Hall and to hire the firm of J.T. Turner Construction Co., was seconded by Hank Ross and was approved by the Town Board. Larry Rogers abstained as he had a conflict.

Hank Ross moved to approve the hiring of Schmitt Building Contractors, Inc. for roof replacement at Town Hall, was seconded by John Dotson and was unanimously approved by the Town Board.

8. Insurance Brokers

Jim Fatland advised the Board that this was reviewed with the Finance Committee on April 3, 2009. The Town Finance Committee interviewed insurance brokers on March 30, 2009 and April 3, 2009.

Currently the Town of Highlands utilizes Wall Street Capitol for insurance broker for employees medical, dental and life insurance and the North Carolina League of Municipalities for property liability insurance.

a. Employee Medical Benefits

At the Board Retreat held on January 29, 2009, the Town Board requested staff to review health savings and/or health reimbursement accounts for Town employees. The Finance Committee discussed the potential savings that could be achieved if that course of action was pursued. The Finance Committee interviewed three brokers on employee benefits and recommend that The Ferguson Employee Benefits Agency be retained as broker. Reasons cited for this recommendation included 1) extensive knowledge of health savings and health reimbursement accounts, 2) commitment to employee wellness programs including health risk

assessments, 3) better management of program and premium costs, and 4) strong customer support.

b. Property Liability

As previously mentioned, the North Carolina League of Municipalities provides property liability insurance for the Town of Highlands. The Finance Committee recommends that Wayah Insurance Group in Highlands, as they are local, be retained as broker. Reasons cited include 1) strong commitment to improved level of service, and 2) comprehensive review and appraisal of Town owned property to ensure adequate insurance coverage and limits is provided

The Finance Committee recommends to the Town Board the following on insurance brokers:

- (1) Approve the hiring of The Ferguson Employee Benefits Agency to serve as insurance broker for employees health, dental and life insurance, and
- (2) Approve the hiring of Wayah Insurance Group to serve as insurance broker for property liability insurance.

John Dotson commented that all three firms and the Finance Committee felt that Blue Cross Blue Shield of North Carolina was the underwriting firm of choice as they have the most comprehensive coverage across the board and is the most consistent provider/network for the Town of Highlands employees and the new firm will continue to use that network.

Dennis DeWolf moved to approve the hiring of The Ferguson Employee Benefits Agency to serve as insurance broker for employees health, dental and life insurance, was seconded by Amy Patterson and was unanimously approved by the Board.

Amy Patterson moved to approve the hiring of the hiring of Wayah Insurance Group to serve as insurance broker for property liability insurance, was seconded by Hank Ross and was unanimously approved by the Board.

9. Fire Truck Purchase

Jim Fatland addressed the Board and advised that this agenda item had been reviewed and approved by the Highlands Fire Department Volunteers on April 7, 2009.

The FY10 Highlands Fire Department Budget was presented and approved by the Town Board of Commissioners on April 1, 2009. Included in the budget recommendations were a new ladder truck and garage addition. On April 7, 2009 the Highlands Fire Chief and Volunteers approved moving forward with the

purchase of a ladder truck at a cost of \$440,000 and a garage addition totaling \$50,000.00. North Carolina General Statutes require formal bidding on equipment purchases exceeding \$80,000.00. However, Towns can bypass this requirement by using piggybacking rules set out in NCGS Section 1420129 (g). Using the piggyback rules, the Town of Highlands would be required to publish notice of intent at a regular meeting at least ten (10) days before taking action.

It was recommended to the Board to authorize the publishing of notice of intent to 1) use piggyback procedures to purchase a new ladder truck and 2) use bank financing.

It was also recommended to the Town Board to set a Set Special Meeting Date of Wednesday May 6, 2009 at 7:00 PM at the Highlands Fire Department, Training Room to consider 1) approval to purchase ladder truck, 2) approve the purchase and installation of Morton Building for garage addition, 3) financing a portion of the purchase of ladder truck and 4) amending the FY09 Highlands Fire Department Budget

Jim Fatland advised the Town Board that Fire Department personnel had been speaking with the manufacturer who advised that they would want a 10% deposit. Mr. Fatland suggested that the monies could be place in the Town Attorney's Trust Account. William Coward, Town Attorney, advised that the monies could be place in the Trust Account.

Amy Patterson moved to approve the using the piggyback method, publish the notice of intent, place \$44,000.00 into the Trust Account of the Town Attorney, place this matter on the Agenda for the May 6, 2009 Town Board meeting to be held at the Fire Department, amend the Fire Department budget, was seconded by Hank Ross and was unanimously approved by the Board.

10. OEI Sidewalk – Satulah Village South

The Town Board reviewed the plans submitted and held many discussions regarding the addition of sidewalks, curbs, gutters along a portion of Fourth Street at the new the Satulah Village subdivision. Additional color photographs were passed out to the Town Board. Concern was raised by the Board as to the width of the road and appearance as this is the entrance to Highlands' historical district. Representatives of Planters Landscape Architecture, hired by Old Edwards, appeared before the Town Board advised that the plan would improve the safety of the road and widen the road with the addition of gutter space. John Dotson stated that he appreciated the idea but would like to see the sidewalk farther away from the street especially at Satulah.

Larry Rogers raised great concern about increase traffic (vehicle and pedestrian) at the intersection would be used more and may cause a problem in the future.

Lamar Nix advised the Board that there would not be problems with drainage and the use of granite would be a good idea.

It was subsequently agreed by Planters Landscape Architecture that changes to the plan would be made to include granite curbs as opposed to concrete and to keep the additions in character with the historical aspect.

Hank Ross moved to approve the plan as presented, with the condition to use granite curbs instead of concrete, was seconded by Dennis DeWolf. The plan passed 3 to 2 with John Dotson and Larry Rogers opposing.

11. Design Services for Kelsey Hutchinson Park Stormwater

Jim Fatland advised the Board that this agenda item was reviewed with the Public Works Committee on April 8, 2009 and McGill & Associates Engineer JP Johns.

The Town of Highlands was notified by the Clean Water Management Trust Fund (CWMTF) that it was awarded a grant for stormwater improvements for Kelsey Hutchinson Park. However, the CWMTF subsequently has notified grant recipients that their funds have been withdrawn due to state budget problems. Grant recipients have been notified that they can resubmit an application for Federal Stimulus Funds under the American Recovery and Reinvestment Act of 2009 (ARRA). In addition, if unsuccessful under the ARRA, high priority would be given in the next grant application round of the CWMTF. The original project totaled \$220,000.00 with a \$15,000.00 local match requirement from the Town of Highlands. The plan includes the retention ability of a "5 year storm".

The Public Works Committee recommends proceeding with the design for stormwater improvements at Kelsey Hutchinson Park.

As to the fiscal impact, the Board was advised that sufficient funds are included in the FY09 General Fund Budget for Stormwater. Funds spent for design would apply toward the Town of Highlands local match requirement.

Hank Ross moved to approve the plan and the grant application to be submitted by June 3, 2009, seconded by Dennis DeWolf and was passed by the Board. John Dotson opposed.

12. Water Line Upgrade for Smallwood & Gibson Streets

Lamar Nix addressed the Town Board and advised that the pending situation is that there are two dead end lines that meet and the residents are having rust problems. Several residents came to Town Hall and suggested that while the streets are torn up for the Harris Lake project, to redo the water lines now. John Dotson questioned as to how many residences were affected/would be served on the line. Jim Fatland stated that when you provide water service to your

customers, it would be a good idea to provide the same level of service to the entire community and it is not good idea to provide substandard service/rusty water to customers. Larry Rogers stated that it was indeed a good idea to take care of the problem now. Jim Fatland further advised that the funds would come from the Harris Lake project.

Larry Rogers moved to approve the Water Line Upgrade for Smallwood & Gibson Streets, was seconded by Hank Ross and the Board voted unanimously.

On a separate matter, Hank Ross discussed with Amy Patterson regarding a scheduling a Recreation Committee Meeting regarding the mixed use of the facilities in the Town before the summer starts. Mr. Ross suggested that a meeting be schedule in May, 2009.

13. Closed session

The Town Board held a closed session to discuss personnel matters.

14. Adjourn

As no additional action was taken, the Town Board moved to adjourn at 9:38 pm.

James R. Fatland
Town Clerk

Jane J. Capman
Recording Secretary

Don Mullen
Mayor