

Regular Meeting Minutes of the Town Board of Commissioners Meeting of January 24, 2013 at the Highlands Community Building, 71 Poplar Street, Highlands, North Carolina.

Town Board Present: Mayor David Wilkes, Commissioner Amy Patterson, Commissioner Gary Drake, Mayor Pro Tempore Eric Pierson, and Commissioner Brian Stiehler.

Also Present: Town Manager Robert Frye, Town Clerk Rebecca Shuler, Town Attorney Bill Coward, MIS/GIS Director Matt Shuler, Public Works Director Lamar Nix, Finance Director Chuck Young, and Planning and Development Director David Clabo.

Not Present: Commissioner John Dotson

1. Meeting Called to Order

Mayor Wilkes called the meeting to order at 6:59pm.

2. Public Comment Period

Debbie Mackey owner of Mountain Fitness which closed in December 2012 presented the Board with a list of equipment she had available for sale that might save the Town some money with the recent request to update the free weight room.

Thomas Craig presented the Board with a proposal for a 2013 Summer Concert Series at Pine Street Park. Craig shared that he had spoken with the Grooving on the Green committee in Cashiers in reference to a similar venue that is hosted over there. Craig spoke of sponsorship from the Chamber of Commerce and also explained that the money would be handled by the Chamber. Craig would like the Board to consider this request at the next regularly scheduled board meeting so if approved he can get the planning underway.

Skip Keener, representing the ABC Store employees, requested a meeting with the Town Board on issues with an ABC Board member. Mayor Wilkes told Mr. Keener he would need to schedule a meeting with himself and Town Manager Frye. Keener questioned if the entire Town Board wasn't responsible for appointing ABC Board members.

Alice Nelson had questions about the 2013 Summer Concert Series and was told the topic was not on the agenda, but that it might be considered at a future meeting. Nelson then proceeded to question if there was an official lost and found for the Town. Manager Frye informed Nelson it would be located at the Highlands Police Department.

3. Adjust and Approve Agenda

Manager Frye informed the Board the Town would like to change Item 10. Adjournment to Item 11 and insert two closed sessions as a new Item 10. One closed session would be pursuant to NCGS §143-318.11(a) (3) Attorney-Client Privilege and the other would be pursuant to NCGS §143-318.11(a) (6) Personnel Matters.

Commissioner Stiehler also made a request to add Item 7E Request for Funding.

Mayor Pro Tempore Pierson made a motion to approve the agenda with the before mentioned amendments, which was seconded by Commissioner Patterson and the vote was unanimous.

4. Approval of Minutes

Regular Meeting Minutes of December 6, 2012

Commissioner Stiehler made a motion to approve the regular meeting minutes of December 6, 2012, which was seconded by Commissioner Drake and the vote was unanimous.

5. Reports

A. Mayor

There was no mayoral report.

B. Commissioners & Committees

Commissioner Patterson informed the Board the Planning Board had two (2) vacancies and she would like to make a motion to nominate Tony Potts for one of those seats. Patterson told the Board that Mr. Potts did live outside the City Limits, however, that had not been a problem in the past. Commissioner Drake seconded the motion and the vote was unanimous.

Commissioner Drake reported that he had attended an EDC meeting recently and the President of Southwestern Community College spoke. Drake thought it was very interesting that 2012 was the first year a 2yr. college had made more money than a 4yr. university.

Commissioner Stiehler reported on recent events at the Playhouse. Stiehler informed the Board that the Playhouse Project would get under way next week and that John Lupoli thought the project would take approximately six to eight weeks. Stiehler also updated the Board on a meeting he and Town Manager Frye had with County Manager Horton and County Commissioner Tate in regards to a few items that will be presented at the retreat in February.

C. Town Manager

Town Manager Frye reminded the Board of the upcoming retreat on Thursday, February 14, 2013 to be held at the First Presbyterian Church in Highlands.

6. Consent Agenda

Public Works Department
 Police Department
 Parks & Recreation Department
 Planning & Development Department
 Treasurer's Report
 Highlands Fire & Rescue Department Annual Report ~ Year 2012

Commissioner Stiehler moved to approve the Consent Agenda, which was seconded by Commissioner Drake and the vote was unanimous.

7. Financial Matters

A. Mid-Year Financial Report

Manager Frye presented the Board with the following mid-year financial report:

The following are highlights of the FY 2012-13 budgets at mid-year. As of December 2012 property tax collections have increased \$28,288 compared to December 2011. Sales tax revenue as of December 2012 has increased \$13,136 compared to December 2011. The percentage of General Fund revenues collected as of December 2012 is comparable with General Fund revenues collected as of December 2011. We anticipate meeting our budgeted revenue for General Fund. General Fund expenditures are slightly above 50% spent as of December 2012. This is mainly due to Property & Liability Insurance, Worker's Compensation, and Capital Outlay expenditures that typically occur once during the year. In particular, the purchase of the new welcome center property is included in the Capital Outlay expenditures. General Fund expenditures will be closely monitored so as to stay within budget.

All utility funds, with the exception of Sanitation, are above 50% of budgeted revenue as of December 2012. Sanitation is at 50% of budgeted revenue. We anticipate meeting our budgeted revenue for all utility funds. All utility funds, with the exception of Water and Sanitation, are below 50% spent as of December 2012. Water is at 55% spent. This is due to the Utilities line item, which has a budget of \$140,000, being charged once during the year. This particular line item reflects what is budgeted for the Town's buildings, which are not metered. Sanitation is 59% spent. This is due to the purchase of the new Refuse Truck. All utility fund expenditures will be closely monitored so as to stay within budget.

Action was taken by the Board at the November 2012 meeting to direct staff to reduce utility customer delinquent balances. As a result, the total balance of current delinquent accounts has dropped from \$85,717 to \$38,433 in the first month. Please note that this reflects active accounts only.

The Town's inactive accounts have a total delinquent balance of \$152,616. The Town's auditors have recommended that any inactive accounts sent to Debt Setoff or any inactive accounts written off be recorded in current year as an expense to the appropriate funds and a liability on the balance sheet. This will not affect revenue estimates for the current year, however the increase in expenses will result in a decrease in net income and it may be necessary to appropriate additional funds from fund balance to cover these expenses.

B. Budget Amendment: Employment Security Commission Charges

Manager Frye presented the Board with a budget amendment for \$13,622.00 for unemployment benefit charges for the Town's last two Planning and Development Directors: Joe Cooley and Mark Maxwell.

After a brief discussion as whether or not the Town had contested Maxwell's benefits as he was hired specifically on a temporary basis, Commissioner Drake made a motion to approve the budget amendment in the amount of \$13,622.00 to cover the employment security commission charges. The motion was seconded by Commissioner Stiehler and the vote was unanimous.

C. Uncollected Property Tax Write Off Request

The Town transitioned from collecting its own property taxes and began contracting with Macon County for this service in 2001. Under State Law, the Town can only attempt to collect un-paid property tax bills that are less than ten years old. As these bills are all older than the 10 year limit, they are uncollectible and there is no reason for the Town to continue to carry them on the books as an encumbrance.

The Town's auditors recommend that the Town write these bills off as to clear up the books. The total the Town is requesting be written off is \$34,998.85. Commissioner Patterson made a motion to write off the uncollectible property tax in the amount of \$34,998.85 which was seconded by Commissioner Drake and the vote was unanimous.

D. Uncollectible Utility Billings Write Off Request

Under State Law, the Town can only attempt to collect un-paid utility bills that are less than three years old. The Town currently has \$36,076.77 worth of un-paid utility bills that are uncollectible. Town auditor's recommend the Town writes off this \$36,076.77 in bills that have passed the three year collection window.

Commissioner Patterson made a motion to write off the \$36,076.77 worth of uncollectible utility billings which was seconded by Commissioner Drake and the vote was unanimous.

E. Request for Funding

Commissioner Stiehler addressed the Board in regards to donating \$1,000 to the Highlands School Booster's Club to finish the construction of the batting cage located on Town property at the Highlands baseball field. The project was started last year and there was a \$2,000 dollar shortfall. The first \$1,000 has been raised, however, Commissioner Stiehler felt since the batting cage was on Town property and an eyesore it would be appropriate for the Town to contribute the remaining portion to see the project through to completion. Commissioner Stiehler made the motion to donate \$1,000 to the Highlands School Booster's Club for completion of the batting cage at the Highlands baseball field.

After a brief discussion as to where the money would come from in this year's budget, Commissioner Pierson seconded the motion and the vote was unanimous.

8. Planning Matters: Subdivision Approval

5th Street of Highlands applied for a preliminary and final plat approval of a three lot subdivision. The property is located at 560 North Fifth Street and is approximately 1.11 acres, according to the survey submitted. The property is zoned R-2. The property currently contains three dwellings: two located on North Fifth Street and one located on Laurel Street. Each lot has direct access to a public street and is below the built-upon limits of this Watershed. The owners applied for a Variance (#00112) for the lot sizes, which were granted by the Zoning Board of Adjustment on November 14, 2012. All variance applications follow the process in Section 4.18 of the UDO. (Please see attached staff report for the variance and ZBA Minutes in the November report.)

Subsequently, the Planning Board reviewed the Plat and recommended approval of the preliminary and final plat of the three lot subdivision at its December 11, 2012 meeting. (Please see attached staff report for the subdivision and Planning Board Minutes in the December report.)

The Preliminary and Final Plat now moves to the Town Board for consideration and approval before it can be recorded with the County.

Commissioner Patterson asked if all the buildings were on Town Sewer. Planning and Development Director Clabo stated it was his understanding that they all were on Town Sewer. Patterson then asked owner Mike Bryson for confirmation.

Commissioner Stiehler made a motion to approve the application for preliminary and final plat approval which was seconded by Mayor Pro Tempore Pierson and the vote was unanimous.

9. Parks and Recreation Matters: Fund Raising Request

The Recreation Department has been approached by a group of people willing to raise money through donations and fund raisers to upgrade the free weight room at the Rec. Park. The Board was presented with the group's request and estimated budget for this project. Manager Frye stated the group had been made aware that any money raised had to be given to the Town and it was the Board's discretion as to how it was spent.

Derek Taylor was on hand to represent the requesting group. Taylor stated the current free weight room was approximately 25 years old, he had been using it for the past 4 to 5 weeks and there was definitely a lot of public use of the equipment.

Commissioner Patterson said she would like to see this project go through the upcoming 2013.2014 budget process. Commissioner Stiehler agreed that he felt the Town could support the project after July when the new budget was in place. Mayor Wilkes told Mr. Taylor the group would have 5 to 6 months to get fundraisers underway while the Town proceeded through its budget process.

10. Closed Session: Personnel Matters under [NCGS §143-318.11(a) (6)] and Attorney-Client Privilege under [NCGS §143-318.11(a) (3)]

Commissioner Drake made a motion to go into closed session at 7:34pm which was seconded by Mayor Pro Tempore Pierson and the vote was unanimous. The Board met in closed session pursuant to NCGS §143-318.11(a) (6) and §143-318.11(a) (3) to discuss a personnel and legal matter. Commissioner Drake moved the Board back into to open session at 8:27 pm, which was seconded by Commissioner Stiehler and the vote was unanimous.

Once back in open session, Mayor Pro Tempore Pierson made a motion to send to the Planning Board the recommendation to consider amending and repealing sections of the Unified Development Ordinance regarding amendments to approved conditional use zoning districts and administrative changes to reflect consistency with North Carolina General Statutes. The motion was seconded by Commissioner Drake and the vote was unanimous.

11. Adjournment

As there were no further matters to come before the Board of Commissioners, Commissioner Drake moved to adjourn, which was seconded by Commissioner Stiehler and upon unanimous vote, the Town Board adjourned at 8:29pm.

David Wilkes
Mayor

Rebecca R. Shuler
Town Clerk