

Special Meeting Minutes of the Town Board of Commissioners Meeting of April 25, 2013 at the Highlands Community Building, 71 Poplar Street, Highlands, North Carolina.

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

Also Present: Town Manager Robert Frye, Town Clerk Rebecca Shuler, Parks and Recreation Director Lester Norris, Assistant Fire Chief Robbie Forrester, MIS/GIS Director Matt Shuler, Public Works Director Lamar Nix, Human Resources Director Sonjia Gibson, Finance Director Chuck Young and Planning and Development Director David Clabo.

Not Present: Commissioner Amy Patterson

1. Meeting Called to Order

Mayor Wilkes called the meeting to order at 2:57pm.

2. Adjust and Approve Agenda

Commissioner Drake made a motion to accept the agenda as presented, which was seconded by Commissioner Dotson and the vote was unanimous.

3. Initial Budget Assumptions for FY2013-14

Manager Frye went over the following initial budget assumptions he had used in putting together the preliminary budget figures.

Tax/Fee Increases

No tax or fee increases in the current FY 2013-14 budget.

COLA:

A 3% across the board COLA is included for all employees.

Employee Insurance Benefits:

Two insurance options were presented to the employees for consideration.

Option A: 100% employee coverage; no dependent coverage; 20/80 split on the deductible (\$2000.00 employee \$8000.00 town)

Option B: 100% employee coverage; 50% dependent coverage; 50/50 split on the deductible (\$5000.00 employee \$5000.00 town)

59 ballots were cast with 26 for Option A and 33 for Option B. Option B is currently included in the preliminary budget figures.

Non-Profit Funding Allocation:

For the purposes of initial budget discussions, the Finance Committee is proposing the same level of funding (\$15,000.00) be included in the preliminary budget figures.

Electric Rate Transfers:

At this time no transfers from the electric fund are planned.

4. Preliminary FY2013-14 Revenues and Expenditures

Treatment Plant Storage Tank Rehab (1 tank)	\$62,000.00
Arnold Road Pump Station Rehab	\$20,000.00
Total	\$82,000.00

Street Department

Street Work (Paving)

Memorial Drive	\$54,000.00
<i>Oak Street</i>	<i>\$40,000.00</i>
<i>Satulah</i>	<i>\$104,000.00</i>
Sub Total	\$54,000.00
<i>Sub Total</i>	<i>\$144,000.00</i>

Street Work (Repair)

<i>Chowan</i>	<i>\$150,000.00</i>
<i>Satulah</i>	<i>\$30,400.00</i>
<i>Sub Total</i>	<i>\$180,400.00</i>

Equipment

Replacement Street Sweeper	\$57,000.00
Replacement Back Hoe	\$82,000.00
Sub Total	\$139,000.00

Sidewalks

Main Street (Oak Street to First Street)	\$115,000.00
Police Department Sidewalk/Retaining Wall	\$90,000.00
Sub Total	\$205,000.00
Total	\$398,000.00
<i>Total</i>	<i>\$722,400.00</i>

Sanitation Department

Replacement Dumpsters/Dumpster Lids	
Total	\$23,000.00

Water Department

Waterline Repair/Replacements	
<i>Big Bear Pen</i>	<i>\$200,000.00</i>
<i>NC 28 Water Line</i>	<i>Project Cost \$500,000.00</i>
<i>Sub Total</i>	<i>\$700,000.00</i>

Equipment	
Replacement Service Truck	\$55,000.00
Total	\$55,000.00
<i>Total</i>	<i>\$255,000.00</i>
<i>Total</i>	<i>\$755,000.00</i>

Police Department

Replacement Police Vehicles (Ford Taurus) x2	
Total	\$65,000.00

MIS/GIS

Fiber Optic Backbone Project (Equipment Building)	\$100,000.00
Fiber Optic Backbone Project (First Node)	\$140,000.00
Water Intake Communications Upgrade	\$24,000.00
Community Building Generator Connection	\$10,000.00
GPS Units	\$20,000.00
Ground Penetrating Radar	\$14,000.00
Total	\$308,000.00

Parks and Recreation

Civic Center Upgrades

HVAC Upgrade	\$144,975.00
Exterior Door Replacement	\$54,696.00
<i>Refurbish Main Level Bathrooms</i>	<i>\$60,000.00</i>
<i>Refurbish Lobby Area</i>	<i>\$5,116.00</i>
Pool Replacement (50/50 split with County)	\$225,000.00

Sub Total	\$424,671.00
<i>Sub Total</i>	<i>\$489,787.00</i>

Equipment

<i>Replacement Pickup Truck</i>	<i>\$30,000.00</i>
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Total	\$424,671.00
<i>Total</i>	<i>\$519,787.00</i>

Grand Total	\$1,555,671.00
<i>Grand Total</i>	<i>\$3,234,187.00</i>

After the Capital Requests were presented there was miscellaneous discussion on various topics.

Commissioner Drake said he didn't see us getting all the money to do the Water Plant onsite gas generation project this year. Public Works Director Nix was asked to bring more information on the difference between onsite gas versus bleach. Mayor Pro Tempore Pierson said he would like to see the Town set an amount aside for the project.

There was some discussion as to water tank rehab and getting the tanks on a maintenance plan so that the Town can work on at least one tank a year.

There was a brief discussion on street projects.

Public Works Director Nix asked that if the equipment were to be cut to remove the backhoe and leave the street sweeper in the budget.

There was a brief discussion on the 20 something odd dumpsters that needed lid replacements and that the Town did currently have a test model at the Citgo station.

There was discussion as to the Big Bear Pen water line really needing to be replaced as the line freezes almost annually, but unfortunately this project is going to be very

expensive and the Town finds itself in a hard financial situation. There was discussion of grants to help fund this project.

Commissioner Drake questioned the Police Department vehicle replacements.

MIS/GIS Director Shuler discussed the Fiber Backbone project and what it entailed and another option of a wireless system he had just learned some about at a recent seminar. Shuler also discussed the GPR and GPS units his department is requesting.

Mayor Wilkes questioned the \$10,000 for the generator at Community Building. Shuler stated the generator was already connected and this was just the cost of the transfer switch.

The Parks and Recreation Department HVAC was discussed and the replacement of the exterior doors.

The Pool Replacement was discussed and a 50/50 option with the County was to be discussed on May 20th at the County Board of Commissioners meeting.

The weight room item that had been table at the April 18th regular Board of Commissioners' meeting was discussed and the following proposal was presented. Suggested pre-paid membership schedule for the purpose of raising money to refurbish existing weight room. These are single memberships not family.

\$500 4 year membership

\$750 6 year membership

\$1000 8 year membership

\$2000 lifetime membership

Commissioner Stiehler moved to approve the membership proposal and the Town matching a contribution of up to \$7,000.00. The motion was seconded by Commissioner Drake and the vote was unanimous.

Manager Frye mentioned the \$15,000 set aside for non-profits this year and also the \$20,000 set aside for continuation of the wayfinding project from the last fiscal year.

Commissioner Dotson said he would like to see the Town save a few bucks and cut out the salary study. He stated if we are doing a 3% COLA why would we do consider a study. Manager Frye said he felt it would put to rest the questions of whether the employees were under or over paid, but he agreed that it would save the Town \$12,000. Commissioner Drake also agreed with Commissioner Dotson that the Town should pull the study off the budget for this year.

Commissioner Drake then questioned where the 3% cost of living came from. Manager Frye informed Drake that 3% was a standard number. Commissioner Stiehler stated he was comfortable with the 3%. Commissioner Drake said to leave it for not but he would like to leave it open for discussion at a future work session.

6. Discussion: Insurance Recommendation

Two insurance options were presented to the employees for consideration.

Option A: 100% employee coverage; no dependent coverage; 20/80 split on the deductible (\$2000.00 employee \$8000.00 town)

Cost savings to town: \$307,000.00

Option B: 100% employee coverage; 50% dependent coverage; 50/50 split on the deductible (\$5000.00 employee \$5000.00 town)

Cost savings to town: \$233,000.00

59 ballots were cast and there were 26 for Option A and 33 for Option B.

There was brief discussion as to why the employees chose Option B. Commissioner Stiehler made a motion to approve Option B as the FY13-14 Insurance plan for Town of Highlands employees. Commissioner Dotson seconded the motion and the vote was unanimous.

7. Discussion: Non-Profit Utilities

Commissioner Stiehler said he thought the Board need to look at non-profit quasi-government entities in town owned buildings or entities that benefit the Town in great ways and consider helping them with their utilities. Stiehler then mentioned the Chamber of Commerce, the Highlands Playhouse and the Highlands ABC Store. Commissioner Pierson questioned the Fire Department. There was a brief discussion as to whether or not the Fire Department pays a power bill and it was determined they pay for a interfund transfer annual just as anything other Town department. Commissioner Stiehler made a motion to waive utility fees for the Chamber of Commerce, the Highlands Playhouse, and the Highlands ABC Store effective on the billing cycle in July. Commissioner Drake seconded the motion and the vote was 3 to 1. Commissioner Dotson voted nay.

8. Adjournment

As there were no further matters to come before the Board of Commissioners, Commissioner Stiehler moved to adjourn, which was seconded by Commissioner Drake and upon unanimous vote, the Town Board adjourned at 4:35 pm.

W. David Wilkes
Mayor

Rebecca R. Shuler, CMC, NCCMC
Town Clerk