

Special Meeting Minutes of the Town Board of Commissioners Meeting of May 15, 2014 at the Highlands Community Building, 71 Poplar Street, Highlands, North Carolina.

Town Board Present: Commissioner John Dotson, Commissioner Amy Patterson, Mayor Pro Tempore Donnie Calloway, Commissioner Eric Pierson and Commissioner Brian Stiehler.

Also Present: Town Manager Bob Frye, Town Clerk Rebecca Shuler, Town Attorney J.K. Coward, Public Works Director Lamar Nix, Planning and Development Director Josh Ward, Police Chief Bill Harrell, Finance Director Chuck Young, MIS/GIS Director Matt Shuler, Human Resource Director Sonjia Gibson and Parks and Recreation Director Lester Norris.

Not Present: Mayor Patrick Taylor

1. Meeting Called to Order

Mayor Pro Tempore Calloway called the meeting to order at 2:58pm. He also advised the public, as Mayor Taylor had in previous work sessions, that the board would not be hearing public comments at the budget workshops. Public comments will be heard during regular monthly meetings on May 22nd and June 19th.

2. Adjust and Approve Agenda

Manager Frye asked to add an item 3B. for Scholarship Award Approvals and to make the Free Utility discussion 3A. Commissioner Patterson made a motion to approve the agenda with the before mentioned addition, which was seconded by Commissioner Stiehler and the vote was unanimous.

3. A. Discussion: Free Utilities

Manager Frye gave the board a free utility cost and turned discussions over to Town Attorney J.K. Coward to discuss the lease with the PAC.

Free Utility Cost to Town

Chamber of Commerce	\$6,000.00 to \$8,000.00 per year
ABC Store	\$6,000.00 to \$8,000.00 per year
PlayHouse	\$1,200.00 to \$1,500.00 per month (\$14,400 to \$18,000 per year)
PAC	\$1,200.00 to \$1,500.00 per month (\$14,400 to \$18,000 per year)
	Propane \$5,000.00 per year
Total (including propane)	\$45,500.00 to \$57,000.00 per year

Coward stated that it was his intent to break the lease down and find the intent and that was seemed to be that in section 15(c) the town wanted the PAC to save on utilities wherever and whenever possible. The landlord would have to decide whether or not they had done this and wanted to break the lease. The PAC then would have the option under section 18 to default and purchase the building.

Coward said the town should use a three step process: determine if the PAC has optimized, if not discuss this with them and offer section 18 as an option.

Commissioner Dotson asked if it was breach of contract since the annual review had never been done. Coward said no. Commissioner Stiehler said the PAC had done things

to be good stewards with utilities, for example the moving of thermostats and lock boxes to control excessive use.

Mayor Pro Tempore Calloway questioned whether Manager Frye had had any discussions with the PAC in regards to these matters. Frye said he had nothing in writing.

After more discussion as to breach of contract, the board's consensus was to leave the contract intact until its term is up.

Mayor Pro Tempore Calloway then asked if anyone had a comment on the Chamber of Commerce, Highlands ABC Store and the Playhouse. Commissioner Pierson said he felt this was an example of why the town needed a basic contract for all the town's buildings. Pierson said it had also been kicked around by the public that the town shouldn't be giving away free utilities.

Commissioner Patterson said she didn't think the town needed to give away free utilities. She saw the PAC and the Chamber of Commerce, Highlands ABC Store and the Playhouse as two separate issues. One has a contract and the others do not.

Mayor Pro Tempore Calloway said if it wasn't for the contract he would say no to the PAC as well. Commissioner Pierson said with this being budget time maybe the Town should consider a phase out.

With a few more comments, Mayor Pro Tempore asked for a consensus on stopping the free utilities for the Chamber of Commerce, Highlands ABC Store and the Playhouse for the first billing cycle in July 2014 and received it.

B. Scholarship Award Approvals

The Board was presented with the following Scholarship Award approvals by the Scholarship Committee.

COWARD, HICKS & SILER, P.A.
ATTORNEYS AT LAW
705 WEST MAIN STREET
SYLVA, NORTH CAROLINA 28779
(828) 586-2147
FAX: (828) 586-2605
Website: www.cowardhicksandsiler.com

ORVILLE D. COWARD, JR.
J.K. COWARD, JR.
ROBERT F. SILER
KIMBERLY R. COWARD*
MONTY C. BECK**
HEATHER C. BAKER
BONNIE J. CLAXTON

*Board Certified Specialist in Residential Real Estate
**Board Certified Specialist in Family Law

JAMES KENT COWARD 1929-1989
RALPH L. HICKS 1924-2011
ORVILLE D. COWARD (RETIRED)

OFFICES IN:
SYLVA, NORTH CAROLINA
FRANKLIN, NORTH CAROLINA
CASHIERS, NORTH CAROLINA

8 May 2014

The Honorable Pat Taylor, Mayor
Town of Highlands

Via Facsimile: (828) 526-2595

Re: Town of Highlands Scholarship Committee

Dear Mr. Taylor:

The Town of Highlands Scholarship Committee has had the opportunity to consider all of the applications, and it is my privilege to inform you of the Scholarship Committee's recommendations. We are again pleased with the large number of applicants this year.

The Scholarship Committee is recommending the amount of \$34,800.00 be awarded as scholarships in 2014 to the following individuals in the following amounts:

Graduating High School Seniors	Special Scholarship	Amount
Gabbard, Emily Kristina	Jack Taylor Scholarship	\$1,500.00
Lupoli, Isabella Marie	Jack Brockway Scholarship	\$1,500.00
Beavers, Emily Catherine		\$1,200.00
Dorsey, Emily Marie		\$1,200.00
Parks, Rebekah Evonne		\$1,200.00
Renfro, Mary Gillan		\$1,200.00
Shuler, Emily Hyacienth		\$1,000.00
Vinson, Ryan Hunter		\$1,000.00
Nichols, Ashley Nicole		\$1,000.00
Osteen, AnnMarie Brooke		\$1,000.00

Hedden, Cara Joy		\$800.00
Houston, Autumn LaRay		\$800.00
Munger, Tyler J.		\$800.00
Dendy, Olivia Alexis		\$800.00

College Applicants	Comments	Amount
Beavers, Isaac Stuart		\$800.00
Christy, Caroline Jordan		\$600.00
Dotson, Miranda L.		\$600.00
Dunn, Clayton C.		\$800.00
Gordon, Elizabeth Robyn		\$600.00
Hawkins, William Corbin		\$800.00
Houser, Cody Scott		\$800.00
Jenkins, Brice Thomas		\$800.00
Johnson, Shelby Faye		\$800.00
Lewis, Kaitlin Kristy		\$600.00
Murphy, Emily Christine		\$800.00
Olvera, Faviola Ramirez		\$800.00
Parks, Kate-Marie Bleecker		\$800.00
Powers, Sarah Elaine		\$600.00
Puchacz, Danielle Lee		\$800.00
Rawlins, Callie Marie		\$600.00
Reyes-Cuevas, Ana Monserrath		\$600.00
Reyes-Cuevas, Jaqueline		\$600.00
Rogers, Courtney Marie		\$800.00
Roman, Nicholai Coyote		\$800.00
Roti, Cody Kenau		\$800.00
Frias, Luis Felipe Ruiz		\$600.00
Schmidt, Evan Graham		\$600.00
Shomper, Danielle Nichole		\$800.00
Sims, D. Parker		\$600.00
Smart, Stephanie Marie		\$600.00
Strawn Elizabeth Brooke		\$800.00
Vinson, Troy Austin		\$600.00

Thank you for the opportunity to be of service in this matter.

Very truly yours,

 J.K. Coward, Jr.

JKCjr/ms

cc: Jack Calloway
 Susan D. Schiffler
 Brian Jetter
 Pastor Paul Christy
 Bob Frye

Mayor Pro Tempore Calloway said it looked good to him. Commissioner Stiehler wanted to make sure we were not funding anything out of the General Fund.

After brief discussions as to the operation of the scholarship fund, Commissioner Patterson made a motion to approve the scholarship awards for the 2014/15 school year. The motion was seconded by Commissioner Dotson and the vote was unanimous.

4. Final Review: Revenue and Expenditures/Capital Requests

Manager Frye presented the following Revenue and Expenditures and Capital Requests to the board.

DRAFT

Preliminary FY 2014-15 Revenues and Expenditures and Capital Items
 (1.5 cent Tax Adjustment and 3% Electric Rate Adjustment Included)

General Fund	Expenditures	Revenues	Capital Requests	
Administration	\$882,476.00		\$58,000.00	
Planning/Zoning	\$149,647.00			
MIS/GIS	\$269,676.00		\$73,000.00	
Police	\$1,122,101.00		\$83,000.00	

Equipment

Replacement Dump Truck	\$100,000.00
Mowing/Snow Pushing Tractor	\$20,000.00

Sub Total \$120,000.00

Total \$555,000.00

Sanitation Department

Replacement Cardboard Stations	\$30,000.00
4x4 10yard Side Loading Trash Truck	\$95,000.00

Total \$125,000.00

Water Department**Waterline Replacement Projects**

N.C 28 Upgrade Project	\$690,000.00
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Equipment

<i>Ton Dump Truck</i>	<i>\$55,000.00</i>
<i>Excavator and Trailer</i>	<i>\$42,000.00</i>

Sub Total \$97,000.00

Total \$690,000.00

Wastewater Treatment

Treatment Plant Storage Tank Rehab (1 tank)	\$62,000.00
<i>Replacement Pickup Truck</i>	<i>\$35,000.00</i>

Total \$62,000.00

Police Department

Replacement Police Vehicles (Ford Taurus) x2		
	Total	\$83,000.00

MIS/GIS

Water System Communications Upgrade		\$73,000.00
	Total	\$73,000.00

Parks and Recreation

<i>Civic Center Stage Renovations</i>		<i>\$199,800.00</i>
Civic Center Upper Level Restrooms Renovations		\$64,800.00
<i>Park Restrooms</i>		<i>\$200,000.00</i>
	Total	\$264,600.00

Miscellaneous

<i>Christmas Decorations</i>		<i>\$25,000.00</i>
<i>Storage Building for Christmas Decorations</i>		<i>\$25,000.00</i>
Salary/Position Classification Study		\$8,000.00
	Total	\$58,000.00

Electrical Department

Additional Wire Pulling Equipment	Total	\$10,000.00
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General Fund Departments	\$1,233,600.00
Water/Sewer Fund	\$884,000.00
Sanitation Fund	\$155,000.00
Electrical Fund	\$10,000.00
Grand Total	\$2,162,600.00

Projects Identified for Possible Elimination from FY 2014-15 Budget

Park Restrooms	\$200,000.00
Christmas Decorations	\$25,000.00
Storage Building for Christmas Decorations	\$25,000.00
Total	\$250,000.00

Projects Identified for Elimination from FY 2014-15 Budget

Water Department: Ton Dump Truck	\$55,000.00
Water Department: Excavator and Trailer	\$42,000.00
Sewer Department: Replacement Pickup Truck	\$35,000.00
Parks and Recreation: Civic Center Stage Renovations	\$199,800.00
Total	\$331,800.00

Manager Frye stated that the Kelsey-Hutchinson Park restrooms were included in the draft.

Commissioner Patterson stated that essentially without the \$284,800 the town would be approximately \$160,000 to the good.

Mayor Pro Tempore Calloway asked for discussion on the bathroom renderings.

After discussion on the drawings, fundraising and the amount already spent in the park it was the consensus of the board to leave the amount of \$169,900.00 in the budget for the restrooms.

Manager Frye asked if there were any other items the board would like to address. Commissioner Patterson questioned what the board had decided about the Christmas decorations and Manager Frye said there was still \$50,000.00 left in the budget for this item.

5. Discussion: Proposed Rate Increase

A. Property Tax Adjustment (Parks and Recreation)

The Board discussed the sunset of the 1.5 cent property tax increase after a minimum of 3 years or a maximum of 5 years. After brief discussion it was determined there was consensus on reviewing it after a 3 year sunset period.

B. Electric Rate Adjustment

The Board gave a consensus to include a 3% electric rate increase in the FY14/15 budget.

Manager Frye wanted to know if the Board gave consensus this is the budget they would like to be presented with next Thursday, May 22nd at the regular board meeting. He also wanted to gain consensus that it was ok to send out the agenda on Monday the 19th due to the large amount to put together overnight for distribution tomorrow the 16th.

6. Adjournment

Commissioner Patterson made a motion to adjourn the meeting, which was seconded by Commissioner Stiehler and upon unanimous vote, the Town Board adjourned at 4:15pm.

Patrick Taylor
Mayor

Rebecca R. Shuler, CMC, NCCMC
Town Clerk