

**Special Meeting Minutes of the Town of Highlands Board of Commissioners  
Meeting of April 11, 2019, at the Highlands Community Building, 71 Poplar  
Street, Highlands, North Carolina**

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

Also Present: Town Manager Josh Ward, Finance Director Rebecca Shuler, Human Resources Director Emilie Nickerson, Public Works Director and Town Engineer Lamar Nix, MIS/GIS Director Matt Shuler, Police Chief Bill Harrell, Parks & Recreation Director Lester Norris and Town Clerk Gibby Shaheen

**1. Meeting Called to Order**

Mayor Taylor called the meeting to order at 3:00pm.

**2. Adjust and Approve the Agenda**

Town Manager requested to add Item Number 7. Closed Session for Confidential Information.

Commissioner Pierson made a motion to approve the agenda as amended, which was seconded by Commissioner Patterson and the vote was unanimous.

**3. Budget Amendment – NC Div. of Water Infrastructure Asset Inventory & Assessment Grant Match**

Town Manager Josh Ward stated the last several years, the Town Board has approved W.K. Dickson to complete and submit an application for the NC Division of Water Infrastructure Asset Inventory & Assessment Grant. The purpose for the grant is to fund a hydrology study and assessment of needs pertaining to the Town’s entire water system.

Town Manager Josh Ward stated recently the Town was informed by the NC Department of Environmental Quality of its eligibility for the grant funds in the amount of \$150,000. Town Manager Josh Ward continued that the Town is obligated to contribute a 20% match and pay a 1.5% grant fee, which is \$32,250, and the funds are not within the current budget so an appropriation is required to move forward with deadlines for the preliminary project submittal.

Public Works Director and Town Engineer Lamar Nix gave scope highlights and the plan is a Hydraulic system model which will provide a road map to water system. Nix continued that the plan will look at the current system as a whole, including the tanks, lines and water plant, and will address future needs based on growth and timeframe it out, such as the third water filter system discussed at the retreat.

Commissioner Patterson asked if locating lines was part of the plan, Nix replied yes and they will take what GIS Field Technician Carlton Wheatley has done and incorporate that information in the plan which will help tremendously.

TOWN OF HIGHLANDS BUDGET AMENDMENT  
AMENDMENT # \_\_\_\_\_

April 11, 2019

FROM: Capital Projects Fund



DEPARTMENT: Capital Projects Fund ~ Water Dept.

EXPLANATION: Grant Recognition and Budget Amendment to show match

	<b>Account</b>	<b>Description</b>	<b>Increase/Decrease</b>	<b>Debit</b>	<b>Credit</b>
1.	32-3800-9136	NC Dept. of Environmental Quality	Increase		\$150,000.00
	32-8448-7100	Contract ~ Asset Inventory & Assessment Grant	Increase	\$150,000.00	

30-3800-0910	Fund Balance Appropriated	Increase		\$32,250.00
30-8100-9513	Transfer to Capital Projects Fund	Increase	\$32,250.00	
32-3800-0932	Transfer from Water Fund	Increase		\$32,250.00
32-8448-7100	Contract ~ Asset Inventory & Assessment Grant	Increase	\$32,250.00	
<b>Subtotals</b>			<b>\$214,500.00</b>	<b>\$214,500.00</b>
<b>Totals</b>			<b>\$214,500.00</b>	<b>\$214,500.00</b>

Approved by Town Manager

Action by Town Board

Approved and Entered on Minutes Dated

Finance Director

Commissioner Patterson made a motion to approve the Budget Amendment as presented, which was seconded by Commissioner Pierson and the vote was unanimous.

#### **4. Insurance Update**

Town Manager Josh Ward stated the Town had received insurance quotes today from Blue Cross Blue Shield, AHC and Aetna. Ward continued that Medcost had no increase and they had promised after one year the increase would be no more than an 8%. There have been a few issues with Medcost's HRA and Human Resources Director Emilie Nickerson and Finance Director Rebecca Shuler have been dealing with checks and issues with that, but now there is just one draft per month so we shouldn't have any problems moving forward.

Wayah Insurance has been working with me and Human Resources Director Emilie Nickerson to obtain quotes from several different health insurance companies. As in years past, companies such as Blue Cross have taken until late April before sending proposals and this year is no different. So far, we have only received a proposal from MedCost. MedCost is the health insurance we currently have, which is administered by the NC League of Municipalities. The good news is the proposal from MedCost includes no increase in the premiums for FY 2019-20.

Ward stated he had requested Wayah obtains quotes for different plan styles, such as plans that include copays and different deductibles to get an idea of what those would cost. Nevertheless, we are in a good position with MedCost for FY 2019-20, regardless of the proposals from the other companies.

Ward continued that the second part was in November Wayah Insurance became our health insurance agent, had some issues with JWB. Wayah agreed to serve as our agent for the remainder of the fiscal year without any compensation (commission), other than what they would receive from our ancillary benefits (dental, life and short term disability). In FY 2019-20 they proposed a \$24 per employee per month fee for their commission. The third year they proposed \$32 per employee per month fee, which is the normal rate of commission they currently charge other clients. Typically, the Town would not see the insurance agents' commission, it would simply be included within the premiums quoted to us. The difference with MedCost is that it is quoted by the League of Municipalities, not an insurance agent so a separate allowance for compensation for our insurance agent is required. The agent is responsible for producing the annual employee benefits packets, assisting when issues arise with the insurance coverage and negotiating quotes from companies each year. In addition, if the Town decides to leave MedCost and say go back with Blue Cross, Wayah's guaranteeing no more than the aforementioned commission fees, even though those fees would be included within the premiums.

Ward stated he would recommend the Board to approve the Insurance Consultant Agreement presented, because it is what is charged regardless of who the Town uses for the Insurance provider.

#### **INSURANCE CONSULTANT AGREEMENT**

**THIS AGREEMENT**, entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between TOWN OF HIGHLANDS (hereinafter called the "Client") and WAYAH INSURANCE GROUP, INC., and EBENCONCEPTS COMPANY, INC. (hereinafter jointly referred to as "Consultant") to perform insurance consulting services for Client.

#### **WITNESSETH:**

**NOW, THEREFORE**, in consideration, the Client and Consultant do mutually agree to the conditions set forth as follows:

#### **SCOPE OF SERVICES:**

1. Consultant agrees to consult with Client on all issues regarding their group employee medical plan and ancillary coverages. Consultant will make recommendations to the Client on the Plan that will provide the most economical coverage available for the benefits selected, based on a review of alternatives available in the market.
2. Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Consultant shall at all times remain an "Independent Contractor" with respect to the services to be performed under this Agreement. The Client shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance, and Worker's Compensation Insurance since the Consultant is an independent Contractor.

#### **COMPENSATION:**

1. Client agrees to pay to the Consultant an annual fee based on the following schedule
  - Effective July 1<sup>st</sup>, 2019, twenty-four dollars (\$24.00) per employee per month.
  - Effective July 1<sup>st</sup>, 2020, thirty-two dollars (\$32.00) per employee per month.

This fee shall be payable on a monthly basis. In some cases, based on the medical plan selected, fees may be collected by the plan administrator. Otherwise, fees are to be remitted directly to Wayah Insurance Group, Inc., no later than the 15<sup>th</sup> of each month. Except when not permitted by regulations or the plan selected, this shall be the only direct compensation paid to the Consultant for medical benefits. If the selected plan cannot remove commissions from the plan, the above-mentioned fee shall be reduced to reflect such commissions. Otherwise, Consultant agrees that the medical benefit plans of the Client

shall be bid "net of commission". Upon request by Client at any time, but not less than once annually, Consultant shall disclose and present a statement of all commissions paid to Consultant arising out of the placement of insurance products in connection with the rendering of its services to the Client as set forth in this Agreement.

2. Client acknowledges that Consultant may from time-to-time qualify for bonuses, travel awards, or other similar forms of compensation from one or more insurance carriers that the Client may contract with and the Client's account may be a part of such qualification by the Consultant. Consultant agrees to disclose to the Client any such compensation.
3. Client hereby names Consultant as its Agent of Record on its medical, dental, life and ancillary employee benefits (other than Colonial). Client further authorizes Consultant to negotiate and obtain any and all data from Client's insurance carriers to fulfill its obligations herein.

**TERM:**

This Agreement shall be for a term of three (3) years commencing on July 1, 2019, and ending on June 30, 2022.

**INSURANCE:**

The Consultant agrees to carry errors and omissions (E & O) insurance with a limit of not less than \$1,000,000.00.

**HOLD HARMLESS:**

The Client and the Consultant shall not be liable for any and all claims, actions, suits, charges, attorney's fees, and judgments whatsoever arising out of the failure of the other party to perform or comply with this Agreement, or relevant state and/or federal laws. Client and Consultant shall hold each other harmless, defend and indemnify its officers, agents, and employees from all such claims, actions, suits, charges, and judgments under this Agreement.

**SUSPENSION OR TERMINATION:**

Either party may terminate this Agreement at the end of each anniversary of the policy term/fiscal year (June 30th) by giving written notice to the other party of such termination and specifying the effective date thereof at least ninety (90) days before the effective date of such termination. In the absence of such notice, the agreement shall automatically renew for another year.

**AMENDMENTS:**

The Client or the Consultant may mutually agree to amend this Agreement at any time provided that such amendments specifically reference this Agreement, and are executed in

writing, signed by each party. Such amendments shall not invalidate this Agreement, nor relieve or release the Client or the Consultant from its obligations under this Agreement.

**ASSIGNABILITY:**

This Agreement may not be assigned without the prior written consent and approval of the Client; nor may the services be continued by a successor to the Consultant herein named without the prior written consent of the Client.

**MISCELLANEOUS PROVISIONS:**


1. The singular of terms used in this Agreement shall include the plural, and the masculine shall include the feminine, and vice versa.
2. A signed copy of this Agreement shall be considered as an original.
3. Service of all notices under this Agreement shall be sufficient, if given personally, by registered or certified mail, return receipt requested, and mailed to the party involved at the address and to the attention of the person set forth below, or to such other person or address as said party may provide in writing from time to time. Any such notice mailed to such address shall be effective upon the date received as shown by the return receipt or otherwise.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2019.

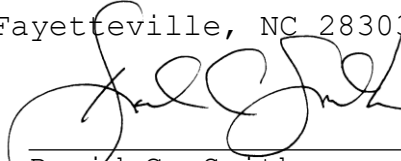
TOWN OF HIGHLANDS:  
PO Box 460  
Highlands, NC 28741

\_\_\_\_\_  
Josh Ward Town  
Manager

WAYAH INSURANCE GROUP, INC.:  
PO Box 999  
Franklin, NC 28744

  
\_\_\_\_\_  
Jeff Cloer  
President

EBENCONCEPTS COMPANY, INC.: PO  
Box 53941  
Fayetteville, NC 28303



David C. Smith  
Vice President

Commissioner Patterson made a motion to approve the Agreement as presented, which was seconded by Mayor Pro Tempore Stiehler and the vote was unanimous.

## 5. Proposed FY 2019-2020 Capital Requests

Town Manager Josh Ward presented and reviewed the Capital Items List.

### FY 2019-20 Capital Items List

Red = Capital Items Identified as Possible Elimination

#### Street Department

##### Street Work (Paving)

Satulah Road	\$102,000.00
Cullasaja Drive (1.1 Miles from Hwy 64)	\$215,000.00
Oak Lane	\$59,000.00
Hickory Hill Road	\$244,000.00
<b>Sub Total</b>	<b>\$620,000.00</b>

##### Repairs / Maintenance

Sidewalk Repairs	\$30,000.00
Salt	\$30,000.00
Paint Striping	\$20,000.00
<b>Sub Total</b>	<b>\$80,000.00</b>

**Total** **\$700,000.00**

#### Water / Sewer Departments

##### Projects

Buckhorn Water Tank & Pump Station (Project Ordinance – Capital Projects Fund)	\$600,000.00 ???
Split Rail Waterline Improvements	\$876,000.00
WTP Filter #2 Repair	\$200,000.00
Sewer Pump Station SCADA – Shelby & Old Sewer Plant	\$40,000.00
PLC Hardware Replacement – Buckhorn/Country Club	\$46,000.00
<b>Subtotal</b>	<b>\$1,762,000.00</b>

##### Equipment

WTP Waste Water Meter	\$50,000.00
WTP Bulk Storage Tank Sitework	\$40,000.00
WTP Blower Renovation	\$40,000.00

WTP Lab Equipment Replacement	\$5,000.00
WWTP Replacement Equipment (UV Lights, Polymer, Bar Brushes & Hach)	\$41,500.00
<b>Subtotal</b>	<b>\$176,500.00</b>
<b><u>Total</u></b>	<b><u>\$1,938,500.00</u></b>

**Electric Department**

**Projects**

Reconductor Portion of US 64	\$147,000.00
Reconductor Portion of Horsecove Road	\$91,000.00
<b><u>Subtotal</u></b>	<b>\$238,000.00</b>

**Equipment**

Replace Chipper Truck	\$80,000.00
<b><u>Total</u></b>	<b><u>\$318,000.00</u></b>

**Sanitation Department**

**Equipment**

Commercial Toters – Bear Resistant	\$123,000.00
Replace Dumpsters	\$30,000.00
<b><u>Total</u></b>	<b><u>\$153,000.00</u></b>

**Police Department**

1 - Replacement Chief's Vehicle	\$32,000.00
12 – Viper Communications Packages	\$32,400.00
UTV Accessories	\$6,000.00
Miscellaneous Equipment (AED's, Tint/Sound Meters, PBT's)	\$12,000.00
<b><u>Total</u></b>	<b><u>\$82,400.00</u></b>

**MIS/GIS**

Replacement Jeep	\$33,000.00
GPS Replacement	\$5,000.00
Ground Penetrating Radar	\$30,000.00
<b><u>Total</u></b>	<b><u>\$68,000.00</u></b>

**Parks & Recreation**

**Projects**

1 - Tennis Court Replacement	\$105,000.00
<b>Sub Total</b>	<b>\$105,000.00</b>

**Equipment**

3 - Replacement Matrix Tread Mills	\$17,500.00
3 - Replacement Matrix Elliptical	\$13,500.00
Pool Slide Replacement	\$23,000.00
<b>Sub Total</b>	<b>\$54,000.00</b>
<b><u>Total</u></b>	<b><u>\$159,000.00</u></b>

**Administration**

Town Hall – Landscaping		\$9,500.00
	<b><u>Total</u></b>	<b><u>\$9,500.00</u></b>
General Fund Departments	\$1,018,900.00	
Water/Sewer Fund	\$1,938,500.00	
Electric Fund	\$318,000.00	
Sanitation Fund	\$153,000.00	
<b><u>Grand Total</u></b>	<b><u>\$3,428,400.00</u></b>	<b><u>- \$424,000.00 = \$3,004,000.00</u></b>

**6. Review Preliminary Revenue and Expenditures**

Town Manager Josh Ward stated in the next couple of weeks he would have firmer numbers. The tax rate appeals should be complete for Macon County by the end of June, but should be an increase from new construction.

Finance Director Rebecca Shuler stated Jackson County is re-evaluating in 2021, so the Town will use 2018 numbers.

Ward continued the new Fire Station would require an increase in the tax rate and projected increase of 1-2 cents would secure \$722,000 with the building costs \$5 million on the high end. Shuler stated that BB&T was currently at a 3.45% for a 15 year loan for this project.

Ward stated he had met with Director of the Macon County Emergency Services Warren Cabe and County Commissioner Jimmy Tate and there was not an issue for increase with the county, and were discussing the many details of full-time fire department employees.

Commissioner Calloway asked if there were firm numbers on Hospitality Room Tax. Mayor Pro Tempore Stiehler stated TDC tracks that and it's from \$450,000-\$500,000. Mayor Taylor stated AirBnb goes to the county and trying to figure out how to break it out.

Ward stated he will be meeting with Shuler to review water and sewer rates and sanitation to appropriately balance enterprise funds. Ward added that the fund tipping fees haven't went up in ten years.

Mayor Taylor suggested to look at the 2% COLA carefully with the concern about retention over the long-term so possibly 3-4% increase, with lots of workers close to retiring within the next 5-10 years, this could encourage them to stay.

Ward added that the Town was lucky to find an ORC for the Wastewater Treatment Plant and was going to be hiring a new person to work with Howard before he retires.

Ward announced that the state invested funds with Capital Management had gained \$55,000 in interest, which previously the interest was \$3,600 per month and is now \$7,000 per month.

**7. Closed Session: Pursuant to NCGS §318.11(a)(1) Information Made Confidential by Law**

Mayor Pro Tempore Stiehler made a motion to go into Closed Session pursuant to NCGS §318.11(a)(1) Information Made Confidential by Law at 4:00pm, which was seconded by Commissioner Calloway and the vote was unanimous.

Once discussion was held, Mayor Pro Tempore Stiehler made a motion to go back into open session at 4:34pm, which was seconded by Commissioner Calloway and the vote was unanimous.

No action was taken.



**8. Adjournment**

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

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Patrick Taylor  
Mayor

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Gilberta B. Shaheen  
Town Clerk