

REGULAR BOARD MEETING of July 21, 1999, with Mayor Buck Trott and Commissioners Mike McCall, H. N. James, Ron Sanders, Amy Patterson, and Zeke Sossomon present.

Also present were Richard Betz, Bill Coward, Lamar Nix, Kathleen Snyder, Kim LeWicki, Pat Moore, John Ziebarth, Peter Jefferson, Louis Reynaud, Dennis DeWolf, King Young, Jean Morris, and Alan Marsh.

I. Call to Order.

Mayor Trott called the Regular Board Meeting to order at 7:00 p.m.

II. Approval of Agenda.

Copies of the agenda had been distributed by mail.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. SANDERS, AND UNANIMOUSLY CARRIED TO APPROVE THE AGENDA AS AMENDED.

III. Approval of Minutes.

The minutes of the July 7 Regular Board Meeting had been distributed by mail.

MOVED BY COMM. SANDERS, SECONDED BY COMM. MCCALL, AND UNANIMOUSLY CARRIED TO APPROVE THE MINUTES AS DISTRIBUTED.

IV. Reports.

1. The Mayor reported that he had attended the July 12 meeting of the Macon County Board of Commissioners; that Board had agreed to conduct its monthly meeting in Highlands at the Conference Center on August 2 at 9:00 a.m., followed by a joint luncheon meeting with the Town's Board of Commissioners at 12:00 noon at Wolfgang's Restaurant.

2. The Town Administrator reported that the Bowery Road Committee would be meeting at 7:00 p.m. on August 5 at the Peggy Crosby Center.

He had also provided copies of a letter from Jay Denton, Chairman of the Jackson County Board of Commissioners and County Manager, dated July 13, offering to meet with him and the Mayor to discuss the Fire District Tax and other matters.

He also reported that he had received a letter from Macon County requesting reimbursement of expenses of \$22,000 for a County dispatcher. He said he had discussed the letter with County Manager Sam Greenwood, explaining that the Town had requested as part of its 1997 budget request that the County pay this expense, and in fact the Town had not paid it for two years, nor was it in the budget this year; Mr. Greenwood had suggested that the matter be discussed at the August 2 meeting. Mr. Betz also reported that the County had included only \$150,000 for the Recreation Park, rather than the \$175,000 requested and included in the FY 99-00 budget.

Mr. Betz also reported that the Mayor had received a letter dated July 19 from D. O. T. Division Engineer Dan Martin, indicating that funds were available for sidewalk construction on a cost share basis (\$1 of D. O. T. money to be matched with \$2 of Town money). Although no sidewalk construction had been budgeted, he pointed out that \$200,000 had been budgeted for Maple Street and \$14,000 for contingency in the Street Department; he asked the Board to consider spending perhaps \$5,000 of these funds for sidewalks identified on the Master Sidewalk Plan. The Board agreed for him to meet with the Town Engineer and Town Planner and see if such a project could be identified.

3. Public Services Administrator Lamar Nix reported that it had been determined that the trimming crew bucket truck, discussed at the previous meeting, could not be repaired. He had obtained informal estimates of \$2800, \$2500, and \$1800 per month for leasing an equivalent truck for the five to six months it would take to prepare specifications, accept bids, and receive a new truck; the low bid was from Duke Energy.

MOVED BY COMM. SANDERS, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO LEASE A BUCKET TRUCK FROM DUCK ENERGY AT THE MONTHLY RATE OF \$1800.

V. Old Business.

1. Each Board member had received a copy of a revised lease agreement between the Town and the Performing Arts Center Inc. (PACI), prepared by the Town Attorney, for the Community Bible Church building on Chestnut Street, as discussed at the July 7 meeting; the revision incorporated suggestions made at that meeting, and was accompanied by a brief explanation of the terms of the lease. Bill Coward was present, and he reviewed the lease in some detail with the Board.

Pat Moore was also present, and he stated again that the lease would not only provide for a very good facility for performing arts in the community, but was also an excellent investment opportunity for the Town. The cost of electricity and fuel for the building had been a little over \$4000 annually for the church, but even if the cost of utilities was as much as \$15,000 annually, he pointed out that the Town would be acquiring a building now worth \$450,000, and considerably more at the end of the term.

King Young pointed out that none of the non-profit groups who would be using the building were able to afford real estate in Highlands; the only way non-profit entertainment could happen was with the support of the Town.

Louis Reynaud pointed out that Chamber Music had been operating in Highlands for 18 years, H.I.A.R.T. for 9 years, and the Community Theatre for a number of years; he felt the building would encourage these organizations to remain here in Highlands.

Comm. McCall supported the concept, but voiced some concerns over how much the Town could afford to pay; he said he would like to see the lease closer to that of the Playhouse, which provided for the tenant to pay all utilities. Mr. Moore pointed out that the Town owned the Playhouse building; he said that if the Town owned the Community Bible Church building, PACI would be glad to lease it annually. Comm. Sossomon also was concerned about the lack of an incentive to conserve utility expenses, and suggested a cap on expenses. Comm. McCall said he would not mind the Town paying utility expenses for one year in order to see how much they would be. After considerable discussion, the Board agreed for the Town Attorney to add a clause permitting the Town to revisit utility expenses after one year.

Comm. Sossomon was also concerned over the degree of control the Town would have in the event of use, misuse, and upkeep of the building; he wondered why the Town should be responsible in the event the building was damaged. Mr. Coward felt that Paragraph 7, requiring the tenant not to "cause injury to the premises" by "omission or commission" would satisfy the concern; violation of the clause would be a breach of the lease under Paragraph 12, the default provision. It was agreed that the rental forms used by the PACI should protect the interests of the Town. The Board also agreed to authorize the Mayor to appoint a representative from the Town to the PACI Board of Directors.

Comm. James objected to the suggested language that the tenant could purchase the building for \$1.00 at the end of the term "if the parties cannot agree to an additional 10-year term." It was agreed that

the tenant's option should be revoked if the tenant decided not to renew.

Comm. James also felt that the suggested addition of the words "for more than 60 days" in Paragraph 4, which prohibited the subleasing of the building, would indicate that the building could be subleased; he felt that sub-leasing the building, as opposed to renting it for use, should not be permitted. Mr. Moore agreed, and said that it was the PACI's intention only to rent the building, not to sublease it. Mr. Coward agreed to add language to Paragraph 4 indicating that use of the building pursuant to Paragraph 3 did not constitute sub-leasing the building.

It was also agreed that the lease would include a provision that the Town agrees to the improvements indicated on Exhibit A. Mr. Moore explained that the Exhibit had not yet been prepared, but would consist of improvements to the rear of the building which the PACI would make.

Mr. Coward also pointed out that, pursuant to the General Statutes, a lease of this term could only be approved subsequent to public notice ten days prior to adoption of a resolution approving it at a regular board meeting. He agreed to meet with the Clerk and prepare the proper legal notice and resolution, and the Board agreed to place adoption of such a resolution on the agenda of the August 4 meeting.

2. Mr. Coward said that he had discussed the Interlocal Agreement on the Fire District Tax with County Attorney Richard Jones; the proposed lease which he had prepared had not been on the agenda of the County Commissioners' July 12 meeting, but he understood it would be on the agenda of the August 2 meeting.

The Mayor again expressed his concern that the Highlands Fire Department would be the first responder to residents of Jackson County in the Highlands Area with 526-prefix telephone numbers who called "911", and yet they were not contributing toward the fire tax.

3. Each Board member had received a copy of a revised lease agreement with the Highlands Historical Society for the Old Jail Building on Maple Street, prepared by the Town Attorney, as discussed at the July 7 meeting. The Board reviewed the lease with Mr. Coward in some detail, and after considerable discussion it was agreed that the Town should pay all liability and fire insurance, as well as all utilities for the building. Dennis DeWolf reported on behalf of the Historical Society that they would be responsible for installing new windows and a new door.

As with the PACI lease, the lease could only be approved pursuant to public notice and a resolution. The Board agreed for the Clerk and Town Attorney to prepare the notice and resolution, and to place adoption of such a resolution on the agenda of the August 4 meeting.

4. The Board discussed the appointment of a Cemetery Committee. Several names were suggested, and the Mayor was asked to ascertain if they would be willing to serve before the next meeting.

5. Town Engineer Lamar Nix reported that, as requested at the previous meeting, he had reviewed the capacity of the Spring Street Lift Station, pursuant to a request from Dr. Lawrence Guido for sewer service for a commercial project on NC-106 across from Rhodes Superette, formerly occupied by Munger Creek Arts. At the previous meeting, John Ziebarth had reported that Mr. Guido had obtained permission from Shelby Place to cross the property to the north and connect to the line recently installed across the highway by Derek Taylor, which connected to the former "Blossoms" property now owned by John Lupoli, and thence to the Hampton Inn line and the Spring Street Lift Station.

Mr. Nix said that, considering peaking factors used by the State, the Spring Street Lift Station was designed for a capacity of 160 gallons/minute. He estimated that the station was now serving

businesses generating 116 gallons/minute, and future growth on properties in the area would add another 20 gallons/minute, not including additional development at Wright Square. The lift station was therefore, at 140 gallons/minute, at 90% capacity; he said that the State recommended reviewing capacity at 80%.

Comm. James said he felt the Town should look into requiring businesses in Town to provide public rest rooms. He said that if the developer of this project was not putting in any public rest rooms, he would not vote for it. Comm. Patterson said that she did not feel it would be right to use that issue as leverage for this sewer request, since it was not now required.

MOVED BY COMM. SOSSOMON, SECONDED BY COMM. SANDERS, AND CARRIED TO APPROVE THE REQUEST. Comms. Sossomon, Sanders, Patterson, and McCall voted "aye;" Comm. James voted "nay."

6. The Mayor welcomed Dennis Wilson, incoming President of the Chamber of Commerce Board of Directors. Mr. Wilson said that the Chamber of Commerce had received many positive comments on the Main Street project, and he commended the Town for the project coming in under budget.

VI. New Business.

1. Public Services Administrator Lamar Nix reported that Darren Worley had resigned from the "Swing" position; the position had been advertized, and applications would be reviewed at the August 4 meeting.

2. MOVED BY COMM. PATTERSON, SECONDED BY COMM. SANDERS, AND UNANIMOUSLY CARRIED TO GO INTO CLOSED SESSION TO REVIEW APPLICATIONS FOR THE METER READER POSITION, PURSUANT TO G. S. §143-318.11(a)(6). All those present left the meeting room except the Town Administrator, Public Services Administrator, and Town Attorney.

The Board reviewed applications for this position with the Public Services Administrator. Mr. Nix said that both he and the Lead Meter Reader recommended offering the position to James Ramey.

MOVED BY COMM. SANDERS, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO GO INTO OPEN SESSION.

3. MOVED BY COMM. SANDERS, SECONDED BY COMM. SOSSOMON, AND UNANIMOUSLY CARRIED TO OFFER THE POSITION OF METER READER TO JAMES RAMEY AT A SALARY GRADE AND STEP OF 8-7.

VII. There being no further business to come before the Board, the meeting was declared adjourned by the Mayor at 9:15 p.m.

Richard Betz, Town Clerk