

Special Meeting Minutes of the Town Board of Commissioners Meeting of May 9, 2013 at the Highlands Community Building, 71 Poplar Street, Highlands, North Carolina.

Town Board Present: Commissioner John Dotson, Commissioner Amy Patterson, 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, MIS/GIS Director Matt Shuler, Public Works Director Lamar Nix, Human Resources Director Sonjia Gibson, Finance Director Chuck Young, Police Chief Bill Harrell and Code Enforcement Official Josh Ward.

1. Meeting Called to Order

Mayor Wilkes called the meeting to order at 3:02pm.

2. Adjust and Approve Agenda

Commissioner Dotson stated he would like to add some issues for discussion in reference to the disconnect policy. Manager Frye said that addition would be labeled as Item 4A. Commissioner Drake moved to approve the agenda as amended, which was seconded by Commissioner Stiehler and the vote was unanimous.

3. Preliminary Budget Review

Manager Frye presented the following preliminary budget estimates.

A. Cemetery Fund: It is proposed to transfer \$85,000.00 from the Cemetery Perpetual Care Fund to cover the proposed upgrades to the cemetery.

B. Scholarship Fund: Funding remains equivalent to the FY 2012-13 funding level.

C. Water/Sewer Fund: It is proposed to transfer \$230,861.00 from the Utility Fund reserves to cover the deficit in the water fund resulting from the Big Bear Pen Project and the purchase of a replacement service vehicle for the Water Department.

D. It is proposed to remove the \$15,000 initially included in the budget for non-profit funding for the Peggy Crosby Center, The Highlands Emergency Council, and the Child Development Center; each of which would have receives \$5,000.00.

E. It is proposed to fund the continuation of the Town sign upgrade project at the current level of \$20,000.00.

Employee Benefits

COLA:

The Finance Committee has discussed this and would recommend a 2% COLA for all employees.

Insurance:

100% Employee coverage; 50% dependent coverage; 50/50 split on the deductible (\$5000.00 employee \$5000.00 town).

4. Preliminary Budget Review

Manager Frye presented the following Capital Projects.

FY 2013-14 Capital Projects

Street Department

Street Work (Paving)

Memorial Drive		\$54,000.00
	Sub Total	\$54,000.00

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

Sanitation Department

Replacement Dumpsters/Dumpster Lids		
	Total	\$13,869.00

Water Department

Waterline Repair/Replacements		
Big Bear Pen		\$200,000.00
Equipment		
Replacement Service Truck		\$55,000.00
	Total	\$255,000.00

Wastewater Treatment

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

Police Department

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

MIS/GIS

<i>Fiber Optic Backbone Project)</i>		<i>\$200,000.00</i>
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	\$68,000.00

Parks and Recreation

Civic Center Upgrades

HVAC Upgrade		\$144,975.00
Exterior Door Replacement		\$54,696.00

Pool Replacement (50/50 split with County)	\$225,000.00
Sub Total	\$424,671.00
Equipment	
Total	\$424,671.00
General Fund Departments	\$955,671.00
Water/Sewer Fund	\$337,000.00
Sanitation Fund	\$13,869.00
Grand Total	\$1,306,540.00

If all proposed capital projects are included in the budget and the 2% COLA is funded the Town will be looking at a potential budget deficit of approximately *\$436,458.00*.

Manager Frye recommend that the Board consider addressing the deficit by funding 50% from undesignated General Fund Balance (\$218,230.00) and the remaining 50% (\$218,229.00) from the Electric Fund reserves.

That would leave the following in the respective funds:
 \$1,533,968.00 in undesignated general fund balance
 \$2,121,104.00 in in the electric reserve fund

There was some discussion as to the Parks and Recreation Department running on a deficit and how that is generally the norm.

There was a lot of discussion held in regards to the dumpster replacement and it was determined by the Board they would like a review of the dumpster fees and implementation of a plan to use that profit to cover a replacement program annually.

Upon MIS/GIS Director Shuler’s suggestion to remove the fiber optic project for this budget year, Commissioner Drake stated he was glad to see it removed until more research could be done to implement what is best for the Town.

There was some discussion as to the Police Department Sidewalk/Retaining Wall and its necessity.

Commissioner Drake mentioned sidewalk on Main Street down to new Chamber of Commerce building. Commissioner Patterson stated she had a problem with the sidewalk proposal as with increased impervious surfaces come increase stormwater, therefore she would like to see if we couldn’t incorporate some other natural alternative.

Manager Frye asked if the Board was comfortable with the proposal and requested permission to present these suggestions as the FY13-14 draft budget.

A. Issues concerning Utility Disconnect Policy

Commissioner Dotson stated it had been brought to his attention recently that the Town has been billing minimum charges to customers even after they have been disconnected for delinquency and he felt the need for discussion as he wasn’t sure we could legally bill for services not rendered.

Commissioner Drake said he didn’t feel the Town was billing for the service, but for the availability fee of the service.

Mayor Wilkes questioned the Town’s reconnect fees for someone leaving town for 6 months and compared that with the scenario of someone simply allowing their account to become delinquent and said he felt we had to keep some policy in place to fund the utility enterprise funds or the Town would go broke.

No changes were made to the Town’s policy.

5. UpComing County Commissioners Meeting

Manager Frye mentioned the upcoming County Commissioners meeting to be held on the 20th at 7pm at the Highlands Civic Center and Mayor Wilkes questioned how many Town Commissioners would be attending for meeting notice requirements.

Commissioner Drake said he felt the Finance Committee had done a great job with all their budget preparation.

6. 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 4:06 pm.

W. David Wilkes
Mayor

Rebecca R. Shuler, CMC, NCCMC
Town Clerk