

Special Meeting Minutes of the Town Board of Commissioners Meeting of April 24, 2014 at the Highlands Civic Center, 600 N. 4th Street, Highlands, North Carolina.

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

Also Present: Town Manager Bob Frye, Town Clerk Rebecca Shuler, Fire Chief Ryan Gearhart, 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.

1. Meeting Called to Order

Mayor Taylor called the meeting to order at 3:00pm. He also advised the public 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

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

3. Request to Address Council

A. Chowan Drive Citizens

Cheryl Miller presented the board with petitions from Chowan home owners for the consideration of repairing the road during this FY14/15 budget.

B. Kelsey-Hutchinson Park Group

Nick Bazan informed the board of the generous gift they had received from Mr. Art Williams in regards to the Kelsey-Hutchinson Park renovation project and requested the board to put \$165,000 in this FY14/15 budget to construct public restrooms on the park property.

4. Initial Budget Assumptions for FY14/15

Manager Frye presented the Board with the following preliminary budget assumptions:

FY 2014-15 Preliminary Budget Assumptions

COLA: 1.5% COLA \$37,710.00

Employee Insurance Benefits:

FY 2014-15 Employee Insurance Benefit \$527,650.88

FY 2014-15 Dependent Insurance Benefit \$129,877.92

Total \$657,528.80

Estimated FY 2012-13 Increase (17%) \$111,780.00

Non-Profit Funding Allocation:

Current Budget \$15,000.00

Proposed FY 2012-13 Budget \$15,000.00

Potential FY 2014-15 Revenue Adjustments

Property Tax

1.5 cent Increase (Ear Marked for Parks and Recreation Funding)

Projected Increase \$276,000.00

Electric:

3% Overall Rate Increase on Electric

Current Revenue \$4,387,302.00

Proposed FY 2014-15 Revenue \$4,518,921.00

Projected Increase: \$131,619.00

Manager Frye told the board the 1.5 cent increase of property tax would be to offset the Parks and Recreation fund operating in the red and the increase of electrical rates by 3% would be to offset the rate increase from Duke.

5. Preliminary FY14/15 Revenues and Expenditures

Manager Frye presented the board with the following estimated expenditures.

Town of Highlands				
Estimated Expenditures				
FY 2013-14				
				Estimated
Descrip	Original Budget	Amended Budget	Year-To-Date as of 03-31-	Year-To-Date as of 06-30-
General Fund:				
Governing Body	30,09	30,09	15,36	29,50
Administration	892,71	894,55	629,43	875,00
Planning/Zoning/Economic Development	195,37	225,50	87,65	130,00
MIS/GIS	310,61	324,11	238,74	320,00
Police Department	1,157,75	1,157,75	846,14	1,140,00
Street Department	972,23	973,23	772,20	967,30
Public Buildings	62,82	62,82	34,34	60,00
Recreation	1,273,60	1,489,78	813,18	1,450,00
	4,895,22	5,157,87	3,437,07	4,971,80
Water Fund:				
Water Department	906,27	907,56	623,97	877,00
Water Treatment Plant	722,71	722,71	552,94	750,00
	1,628,98	1,630,28	1,176,92	1,627,00
Sewer Fund:				
Sewer Plant	619,41	650,33	385,77	635,00
Sanitation Fund:				
Sanitation Department	577,12	547,68	378,79	545,00
Electric Fund:				

Electric Department	4,775,53	4,781,92	2,792,18	4,600,00
Grand Totals	12,496,28	12,768,11	8,170,74	12,378,80

6. FY14/15 Capital Requests

Manager Frye presented the Board with the following requested capital requests for their review and discussion.

FY 2014-15 Capital Projects

Street Department

Street Work (Paving)

Oak Street U.S. 64 to 3 rd Street	\$75,000.00
Oak Street 1 st street to U.S 64	\$40,000.00
Sub Total	\$115,000.00

Repairs

Wall on 3 rd Street at Main Street Inn	\$120,000.00
Sidewalks (various)	\$50,000.00
Chowan Drive	\$150,000.00
Sub Total	\$320,000.00

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	\$60,000.00
4x4 10yard Side Loading Trash Truck	\$95,000.00
Total	\$155,000.00

Water Department

Waterline Replacement Projects

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

Ton Dump Truck	\$55,000.00
Excavator and Trailer	\$42,000.00
Sub Total	\$97,000.00
Total	\$787,000.00

Wastewater Treatment

Treatment Plant Storage Tank Rehab (1 tank)	\$62,000.00
Replacement Pickup Truck	\$35,000.00
Total	\$97,000.00

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

Civic Center Stage Renovations	\$199,800.00
Civic Center Upper Level Restrooms Renovations	\$64,800.00
Total	\$264,600.00

Miscellaneous

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

Electrical Department

Additional Wire Pulling Equipment	Total	\$90,000.00
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General Fund Departments	\$1,033,600.00
Water/Sewer Fund	\$884,000.00
Sanitation Fund	\$155,000.00
Electrical Fund	\$90,000.00

Grand Total **\$2,162,600.00**

FY 2013-14 Capital Projects **\$1,556,540.00**

<\$606,060.00>

There was discussion as to what improvements to move forward with at the Civic Center with the generous donation covering anticipated expense with the renovation of the gym floor.

Chowan Drive was discussed to keep in the budget if the NCDOT will agree in writing to help with the repair. Discussions was also held as to keeping it a one way road or putting a guard rail up with one way traffic only in that area of the road.

Miscellaneous discussions were held on capital request such as the wall at 3rd street at Main Street Inn, NC28 waterline upgrade project, water system communications upgrades, Christmas decorations, pay classification study, and the restrooms at Kelsey-Hutchinson Park.

7. Discussion: Enclosed Pool Offer

Manager Frye presented the board with a few rough estimate numbers concerning the operation of a year round pool. Frye said at this point the board needed to verify whether they supported the property tax increase to bring the parks and recreation department out of operating in the red and whether or not they wanted to accept the generous gifts offered by Mr. Williams.

Commissioner Patterson said we should look at the worst case scenario regarding operating expenses rather than best case to be on the safe side. Mayor Taylor said the town isn't losing anything if in a year or two it has to close the pool during the winter so why not try. Mayor Pro Tempore Calloway said if we don't accept the offering the town is also losing the gym floor. Calloway sees this opportunity as a chance to revitalize the recreation dept.

Commissioner Stiehler said the fitness club in Franklin and Sapphire do it successfully so why couldn't the town. Mayor Taylor said he sees it as value added to the quality of life in Highlands.

Mayor Pro Tempore Calloway said if the town was paying he would be against it. Commissioner Pierson said he felt it was learning experience.

Manager Frye said staff was looking at the following fees: daily, monthly, 6 months, and annually. Not to be open on Wednesday night or Sunday.

Mayor Pro Tempore Calloway made a motion for the final acceptance of the offer from Mr. Williams for the enclosed pool and renovation to the gym floor, which was seconded by Commissioner Stiehler and the vote was 4 to 1. Commissioner Patterson voted nay.

8. Adjournment

Commissioner Pierson made a motion to adjourn the meeting, which was seconded by Commissioner Stiehler and upon unanimous vote, the Town Board adjourned at 4:32pm.

Patrick Taylor
Mayor

Rebecca R. Shuler, CMC, NCCMC
Town Clerk