

Regular Meeting Minutes of the Town Board of Commissioners Meeting of June 19, 2014 at the Highlands Community Building, 71 Poplar St., 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, Town Attorney Jay Coward, GIS Field Technician Chuck Crisp, Public Works Director Lamar Nix, Planning and Development Director Josh Ward and Police Chief Bill Harrell.

1. Meeting Called to Order

Mayor Taylor called the meeting to order at 6:59pm.

2. Public Comment Period

There were no public comments.

3. Adjust and Approve Agenda

Manager Frye asked the Board to remove item 11B as the applicant request it be removed to follow through with the procedures for conditional use zoning. Commissioner Pierson made a motion to approve the agenda with the before mentioned deletion, which was seconded by Mayor Pro Tempore Donnie Calloway and the vote was unanimous.

4. Approval of May 22nd Regular Meeting Minutes

Mayor Pro Tempore Calloway asked that Item 5B. Commissioners and Committee reports be changed to reflect Commissioner Stiehler updated the Board of current Macon County EDC activities, as Commissioner Gary Drake is no longer in office.

Commissioner Patterson asked that Item 5C. Town Manager report is changed to reflect that May 26 was Memorial Day instead of Labor Day.

Commissioner Stiehler made a motion to approve the regular meeting minutes of May 22, 2014 with the before mentioned corrections, which was seconded by Commissioner Patterson and the vote was unanimous.

5. Reports

A. Mayor

Mayor Taylor thanked Commissioners Stiehler, Mayor Pro Tempore Calloway and Town Clerk Rebecca Shuler for a wonderful golf tournament to benefit the Scholarship Committee.

Taylor thanked Parks & Recreation Director Lester Norris and Manager Frye for the grand opening of the new pool that turned out to be a success.

Taylor then wanted to update the public on the new laws on fracking and assure them that there would be no fracking in Highlands in the immediate future. There are a lot of questions throughout the state as to what other towns and communities are doing.

B. Commissioners and Committee Reports

Commissioner Stiehler thanked Town Clerk Shuler and Mayor Pro Tempore Calloway for helping to make this year's golf tournament successful.

C. Town Manager

Manager Frye reminded the Board that the regular monthly meeting in July would be held at the Rec. Park due to the annual reservation of Ikebana at the Community Building.

Frye informed the Board he received an email from Mike Waresak about thirty minutes before the meeting stating the Town had passed the final hurdle on the intake bid award.

Commissioner Stiehler asked how far the lake would be drained. Public Works Director Lamar Nix said all the way. Mayor Taylor inquired as to whether the river channel would still be flowing and was advised it would be. Stiehler asked about the water supply and Nix stated it would come from Big Creek.

Commissioner Dotson asked about the fish population and was informed the Town would stock the lake after the project is completed. Mayor Taylor questioned if some of the fish population wouldn't reside in the river channel and was advised that some would remain.

Citizen Alice Nelson asked how long the project would take and was informed from October until May.

6. Consent Agenda

- Public Works Department
- Police Department
- Parks & Recreation Department
- Planning & Development Department
- Treasurer's Report
- Water Quality Operations Plan Resolution
- Gravel Bids

**RESOLUTION OF THE TOWN OF HIGHLANDS BOARD OF
COMMISSIONERS APPROVING LOCAL WATER SUPPLY PLAN
Resolution 2014-04-Res**

WHEREAS, North Carolina General Statute §143.355 (l) requires that each unit of local government that provides public water services or plans to provide such services shall, either individually or together with other such units of local government, prepare and submit a Local Water Supply Plan; and

WHEREAS, as required by the statute and in the interests of sound local planning, a Local Water Supply Plan for the Town of Highlands, has been developed and submitted to the Town of Highlands Board of Commissioners for approval; and

WHEREAS, the Town of Highlands Board of Commissioners finds that the Local Water Supply Plan is in accordance with the provisions of North Carolina General Statute §143-355 (l) and that it will provide appropriate guidance for the future management of water supplies for the Town of Highlands, as well as useful information to the Department of Environment and Natural Resources for the development of a state water supply plan as required by statute;

NOW, THEREFORE, BE IT RESOLVED by the Town of Highlands Board of Commissioners of the Town of Highlands that the Local Water Supply Plan entitled, Local Water Supply Plan for 2012 is hereby approved and shall be submitted to the Department of Environment and Natural Resources, Division of Water Resources; and

BE IT FURTHER RESOLVED that the Town of Highlands Board of Commissioners intends that this plan shall be revised to reflect changes in relevant data and projections at least once every five years or as otherwise requested by the Department, in accordance with the statute and sound planning practice.

This the 19th day of June, 2014.

Patrick Taylor, Mayor

Rebecca R. Shuler, Town Clerk

Commissioner Patterson made a motion to approve the consent agenda, which was seconded by Commissioner Dotson and the vote was unanimous.

7. Public Hearing: Presentation of FY 2014-15 Budget

A. Open Public Hearing

Commissioner Pierson made a motion to open the public hearing at 7:10pm, which was seconded by Commissioner Stiehler and the vote was unanimous.

B. Staff Comments/Recommendation

Manager Frye presented the following budget for fiscal year 2014/15.

FY 2014-15 BUDGET MESSAGE

June 19th 2014

The Honorable Mayor Patrick Taylor and Town Commissioners
Town of Highlands, North Carolina

Dear Mayor Taylor:

I am pleased to present the FY2014-15 Budget for your review and consideration.

As required by the General Statutes of North Carolina, the revenues and expenditures presented within this budget are balanced.

In order to present a balanced budget across all funds, it was necessary to appropriate \$63,950.00 from undesignated General Fund Balance and a further \$291,300.00 from the Electric Reserve Fund for a combined total of \$355,250.00.

These funds were used to offset capital project deficits within the Water Enterprise Fund related to the replacement/upgrade of the N.C. Highway 28 waterline project.

This will leave the following amounts in the respective funds:

\$2,166,567.00 in undesignated general fund balance

\$2,703,992.00 in in the electric reserve fund

All other funds are self-supporting and require no outside fund transfers to enable them to operate.

BUDGET HIGHLIGHTS

As presented, the overall FY 2014-15 Budget has revenues and expenditures totaling \$14,098,045.00

It is proposed to raise the Ad Valorem tax rate from its current .135 per \$100.00 valuation to .15 per \$100.00 valuation. The additional .015 will be earmarked for capital projects within the Parks and Recreation Department and will be scheduled to sunset in FY 2016-17.

The current Highlands Volunteer Fire Department tax rate of .009 per \$100 valuation remains unchanged within FY 2014-15 Budget.

In order to maintain the health of the Town's electrical fund and to protect its ability to fund capital projects across Town funds and Departments; the FY 2014-15 budget proposes to enact a 3% rate increase for electrical service.

It is proposed to increase the minimum charge for electrical service to \$20.31 per month for residential customers and \$22.67 (single phase) or \$32.69 (three phase) per month for commercial users.

The current Town of Highlands minimum charge for water and sewer service remains unchanged at \$32.00 per month for residential customers and \$42.00 per month for commercial users.

The current Town of Highlands minimum charge for residential trash pickup remains unchanged at \$18.50 per month for residential customers.

The FY 2014-15 Budget includes a new position within the Police Department which will be classified as an Investigator/Detective; and the budget provides a 1.5% Cost of Living Adjustment (COLA) for all full time employees.

TOTAL EXPENDITURES

Total Expenditures for all funds is split between the individual funds as follows:

General Fund	\$4,680,924.00
Scholarship Fund	\$50,000.00
Fire and Rescue Special Revenue Fund	\$383,522.00
Cemetery Fund	\$41,200.00
Water Enterprise Fund	\$2,061,660.00
Sewer Enterprise Fund	\$615,000.00
Capital Projects Fund	\$158,140.00
Sanitation Enterprise Fund	\$666,299.00
Electric Enterprise Fund	\$5,441,300.00
Total Expenditures	\$14,098,045.00

GENERAL FUND

Total expenditures for the FY 2014-15 General Fund Budget is \$4,895,227.00. These funds are split between the individual departments/funds as follows:

Governing Body	\$30,098.00
Administration	\$940,476.00
Planning/Zoning	\$96,155.00
MIS/GIS	\$342,676.00
Police Department	\$1,205,101.00
Street Department	\$1,157,950.00

Public Buildings	\$62,826.00
Parks and Recreation	\$845,642.00
Total Expenditures	\$4,680,924.00

ENTERPRISE FUNDS

The Town of Highlands operates the following operates the following Enterprise Funds:

- Water
- Sewer
- Sanitation
- Electric

WATER FUND

Total expenditures for the FY 2014-15 Water Utility Enterprise Fund is 2,061,660.00

It is proposed to maintain water usage rate charges at the current FY 2013-14 levels. A detailed listing of all water utility charges can be found in the accompanying Town of Highlands FY 2014-15 Fee Schedule.

One major capital improvement/construction project is included within the Water Fund Budget for FY 2014-15; the replacement/upgrade of the NC 28 Highway water line.

It is proposed to transfer \$637,051.00 from the Electric Fund to cover the costs associated with this project.

SEWER FUND

Total expenditures for the FY 2014-15 Sewer Utility Enterprise Fund is 615,000.00.

One major capital project is included within the Sewer Fund Budget for FY 2014-15; the refurbishment of one of three waste holding tanks at the waste water treatment plant;

It is proposed to maintain sewer usage rate charges at the current FY 2014-15 levels. A detailed listing of all water utility charges can be found in the accompanying Town of Highlands FY 2014-15 Fee Schedule.

ELECTRIC FUND

Total expenditures for the FY 2014-15 Electric Enterprise Fund is \$4,678,079.00

It is proposed to transfer \$637,051.00 from the electric fund reserves into the Water Utility Fund to cover the cost of the N.C. Highway 28 waterline replacement project.

It is proposed to transfer \$126,170.00 from the electric fund reserves into the Sanitation Fund to cover the cost of a new 4x4 10 yard trash truck and for the construction of 16 new commercial cardboard recycling drop points around town.

It is proposed to increase the minimum charge for electrical service to \$20.31 per month for residential customers and \$22.67 (single phase) or \$32.69 (three phase) per month for commercial users.

Please refer to the Town of Highlands FY 2014-15 Fee Schedule for a detailed listing of all Town electrical charges.

SANITATION FUND:

Total expenditures for the FY 2014-15 Sanitation Enterprise Fund is \$666,299.00

It is proposed to transfer \$126,170.00 from the electric fund into the Sanitation Fund to cover the cost of the purchase of a new 4x4 10 yard trash truck and for the construction of 16 new commercial cardboard recycling drop points around town.

SPECIAL REVENUE FUNDS

The FY 2014-15 Budget includes the following Special Revenue Funds:

Fire Department
Capital Projects

FIRE DEPARTMENT FUND

The Highlands Volunteer Fire Department provides service to Town of Highlands and a portion of unincorporated areas of Macon and Jackson Counties.

As 100% of the revenue for the Fire Department is generated through the Fire District Ad Valorem property tax and not the Town of Highlands General Fund; a Special Revenue Fund was established proved accountability.

The current Highlands Volunteer Fire Department tax rate of .009 per \$100 valuation remains unchanged within FY 2014-15 Budget.

CAPITAL PROJECTS FUND

Total expenditures for the FY 2014-15 Capital Projects Fund is \$158,140.00 and includes the following fund transfers:

General Fund	\$15,698.00
Sewer Fund	\$99,704.00
Electric Fund	\$42,738.00

These funds are allocated to various projects to pay for debt service on the Kelsey-Hutchison storm water project (\$15,698.00), debt service on the town's new radio read

water meters (\$85,475.00), and debt service on the Mirror lake sewer project (\$56,967.00).

LONG TERM OUTLOOK

At the current time, the financial outlook for the Town of Highlands remains upbeat.

The Town's undesignated General Fund Balance remains strong and all Enterprise Funds are stable and covering all of their operating costs.

The Electric Fund; thanks to the series of significant rate increases enacted over the last 2 years; is now stable and has begun to slowly replenish itself and is now able to resume transfers to other funds to offset their capital project costs.

Given the extent to which the Town depends upon the Electric Fund to finance significant portions of its capital improvement program; it is critical for the town to closely monitor the rate increase estimates provided each year by Duke Energy and adjust its rates accordingly so as to avoid a repeat of the very large rate increase the town was forced to enact in FY 2011-12.

It is important to remember that the Water, Sewer, and Sanitation Funds are reliant on transfers from the Electric Fund in order to fund either in part; or in entirety; the capital project needs of those funds. Without these offsetting transfers, the town would be forced to significantly increase the fees charged for water, sewer and sanitation services to incorporate the capital; project and equipment needs of these funds.

Additionally, due in large part to the ability to transfer funds from the Electric Reserve the town has been able to keep its long term debt load extremely low.

CLOSING COMMENTS

I would like to commend Mayor Patrick Taylor and the Town Board for their guidance in working with staff as the budget evolved from its first drafts to its final form. Clear concise directives from our elected officials made developing the budget much easier.

I would also like to commend town staff for the diligent work they put into the budget and the diligence with which they worked to hold the line on expenses.

In closing, I would like to say that I look forward to implementing this budget and in so doing I hope that we achieve our goal of providing quality public services to our community.

Sincerely,

TOWN OF HIGHLANDS

Robert A. Frye Jr.
Town Manager

**TOWN OF HIGHLANDS
BUDGET ORDINANCE
FISCAL YEAR 2015
JULY 1, 2014 THRU JUNE 30, 2015**

BE IT ORDAINED by the Board of Commissioners of the Town of Highlands, North Carolina, assembled this 19th day of June 2014, that the following fund revenues and department and/or fund expenditures be adopted:

TOTAL EXPENDITURES

Total Expenditures for all funds is split between the individual funds as follows:

General Fund	\$4,680,924.00
Scholarship Fund	\$50,000.00
Fire and Rescue Special Revenue Fund	\$383,522.00
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GENERAL FUND

Total expenditures for the FY 2014-15 General Fund Budget is \$4,895,227.00. These funds are split between the individual departments/funds as follows:

Governing Body	\$30,098.00
Administration	\$940,476.00
Planning/Zoning	\$96,155.00
MIS/GIS	\$342,676.00
Police Department	\$1,205,101.00
Street Department	\$1,157,950.00
Public Buildings	\$62,826.00
Parks and Recreation	\$845,642.00
Total Expenditures	\$4,680,924.00

SECTION III. TAX RATES ESTABLISHED

An Ad Valorem tax rate \$.15 per \$100 valuation is hereby established for the General Fund purposes for the Town of Highlands for FY14.

It is proposed to raise the Ad Valorem tax rate from its current .135 per \$100.00 valuation to .15 per \$100.00 valuation. The additional .015 will be earmarked for capital projects within the Parks and Recreation Department and will be scheduled to sunset in FY 2016-17.

This rate is based on an approximate valuation of \$1,881,281,265.00 and an estimated collection rate of 98.6%.

An Ad Valorem tax rate of \$.009 per \$100 valuation is hereby established for Fire & Rescue for the Town of Highlands for FY15.

SECTION IV. BUDGET ORDINANCE

This ordinance shall be the basis of the financial plan for the Town of Highlands during the fiscal year 2015. The approved annual budget for all funds, which shows line item detail, will be used for tracking revenue and expenditures.

ATTEST:

APPROVED:

Robert A. Frye, Jr., Town Manager

Patrick Taylor, Mayor

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
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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
	Total	\$690,000.00

Wastewater Treatment

Treatment Plant Storage Tank Rehab (1 tank)		\$62,000.00
	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

Civic Center Upper Level Restrooms Renovations		\$64,800.00
Park Restrooms		\$161,000.00

Total	\$225,800.00
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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
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Electrical Department

Additional Wire Pulling Equipment	Total	\$10,000.00
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C. Public Comments

There were no public comments.

D. Close Public Hearing

Commissioner Pierson made a motion to close the public hearing at 7:16pm, which was seconded by Commissioner Stiehler and the vote was unanimous.

E. Council Action

Commissioner Stiehler made a motion to approve the FY 2014/15 budget, which was seconded by Commissioner Patterson.

Mayor Pro Tempore Calloway had one question as to the Town Baseball Field renovation. Manager Frye suggested waiting to see how much money was remaining after the Kelsey Hutchinson Park restroom project and at that time to do a fund balance appropriation.

The vote to approve the FY 2014/15 budget was unanimous.

8. Public Hearing: Amendment to Section 6.5.1 of the Unified Development Ordinance

A. Open Public Hearing

Commissioner Pierson made a motion to open the public hearing at 7:18pm, which was seconded by Commissioner Dotson and the vote was unanimous.

B. Staff Comments/Recommendation

The Planning Board recently reviewed a Special Use Permit Application for Cyprus Restaurant. The application requested a portion of a façade to be covered with copper sheeting. Staff explained that copper was not an exterior siding material approved within the Unified Development Ordinance. Therefore, the Planning Board requested the item be placed on the next Planning Board agenda for discussion.

The following are the recommendations from the Planning Board, as well as, the Town Board recommendations from the May meeting.

6.5.1 Commercial Building Exterior Materials

All exterior siding materials for commercial buildings shall conform to the following standards:

A. A maximum of three of the following materials can be used on any façade of a commercial building. Approved materials include:

- 1.** Stucco, float finish, smooth or coarse, machine spray, dash and troweled, and limited to thirty percent (30%) on any one (1) façade;
- 2.** Wood Clapboard, five inches plus (5"+) to the weather;
- 3.** Wood Shingles, five inches plus (5"+) to the weather;
- 4.** Wood Board or Batten Board, eight to twelve (8 to 12) inches;
- 5.** Wood Shiplap Siding, four inches plus (4"+) to the weather;
- 6.** Unpolished natural regional stone w/ashlar or random ashlar pattern;
- 7.** Clay brick, antique or unglazed; or
- 8.** Simulated Materials: Simulated permitted materials from the above list, may be used, provided such materials are reviewed and approved by the Planning and Development Director.
- 9.** Uncoated sheet copper, limited to thirty percent (30%) on any one (1) façade. Such copper shall remain unpolished and unfinished, in order to reflect a weathered, oxidized appearance.

All colors for commercial buildings shall generally conform to the official Color Chart, which shall be maintained in the office of the Planning and Development Director. Approved colors need not match specific colors in the chart, but the given shades shall fall within the parameters defined by the chart as determined by the Planning and Development Director.

C. Public Comments

There were no public comments.

D. Close Public Hearing

Commissioner Pierson made a motion to close the public hearing at 7:19pm, which was seconded by Commissioner Dotson and the vote was unanimous.

E. Council Action

Commissioner Patterson made a motion to approve the Amendment to Section 6.5.1 of the Unified Development Ordinance, which was seconded by Commissioner Pierson and the vote was unanimous.

9. Public Hearing: Corrections/Updates to the Unified Development Ordinance

A. Open Public Hearing

Mayor Pro Tempore Calloway made a motion to open the public hearing at 7:20pm, which was seconded by Commissioner Pierson and the vote was unanimous.

B. Staff Comments/Recommendation

The lists of corrections to the Unified Development Ordinance are inconsistencies that staff continues to find, leftover from the original adoption to the Unified Development Ordinance.

The amendments to the Unified Development Ordinance pertain to the recent changes to the North Carolina General Statutes for the Zoning Board of Adjustment. These amendments specifically reflect the public notice requirements.

UDO List of Corrections & Amendments
April 2014

- 1.) Remove Section 3.4.2 (1) – Reference to ETJ
- 2.) Amend Section 4.2.4, Notice and Public Hearings:
 - A. Before enacting an amendment to this Ordinance, the Board of Commissioners shall hold a public hearing on it. A notice of the public hearing shall be given once a week for two (2) successive weeks in a newspaper having general circulation in the Highlands area. The notice shall be published the first time not less than ten (10) days nor more than twenty-five (25) days before the date fixed for the hearing. The day of publication is not counted in computing these times, but the day of the hearing is included.
 - B. For Zoning Map changes, the Board of Commissioners shall hold a public hearing on it. A notice of the public hearing shall be given once a week for two (2) successive weeks in a newspaper having general circulation in the Highlands area. The

notice shall be published the first time not less than ten (10) days nor more than twenty-five (25) days before the date fixed for the hearing. The day of publication is not counted in computing these times, but the day of the hearing is included. All abutting property owners shall receive written notice by first class mail to the address shown on the county tax listing. The notice must be deposited in the mail at least 10 days, but not more than 25 days, prior to the date of the hearing. Within that same time period, the town shall also prominently post a notice of the hearing on the site that is the subject of the hearing or on an adjacent street or highway right-of-way.

C. For Special Use Permit, Variance, and Appeal applications, public notice shall be given once, prior to the meeting, in a newspaper having general circulation in the Highlands area. All abutting property owners shall receive written notice by first class mail to the address shown on the county tax listing. The notice must be deposited in the mail at least 10 days, but not more than 25 days, prior to the date of the hearing. Within that same time period, the town shall also prominently post a notice of the hearing on the site that is the subject of the hearing or on an adjacent street or highway right-of-way.

- 3.) Correction to Section 6.2, Use Table:
Remove “S” for Special Use Permit under Electronic Gaming Operations for R-1, R-2, & R-3
- 4.) Correction to Section 7.3.1 (C)(1):
Any lot which currently complies with the minimum lot size required by this Ordinance, and has been used as a building site, may not thereby be reduced in size below the minimum lot size
- 5.) Amend Section 8.2.1, Dimensional Standards:
Building Setback from property lines
- 6.) Correction to 8.2.1, Dimensional Standards, Multifamily Specific:
Density per Dwelling Unit (acres)
- 7.) Corrections to Section 8.3.1, Dimensional Requirements:
Residential Density (square feet per unit), 21,780 (B-3 & B-4)
- 8.) Corrections to Section 8.3.1, Dimensional Requirements:
- 9.) Corrections to Section 8.3.1, Dimensional Requirements:
Incidental Apartments (square feet per unit), 2,400 (B-1), 6,000 (B-2), 6,000 (B-3), 21,780 (B-4)
- 10.) Amend Section 8.3.1, Dimensional Requirements:
- 11.) Amend Section 8.3.1, Dimensional Requirements, Hotel or Motel Unit gross floor space (square feet): Add “250” under B-2 (min)
- 12.) Amendment to Section 10.5.1 (A), Sidewalks, Responsibility to Construct:
“Whenever a new commercial building is constructed on property that adjoins a

segment of “The Town of Highlands Master Sidewalk Plan” identified as “Future Sidewalks,” it shall be the responsibility of the owner of the property to construct that segment of said sidewalk which adjoins his property.

13.) Amendment to Section 13.5.2 (C):

Single Business in the B-1 Business Districts

Each single business in the B-1 Business District, not located in a shopping center, is permitted the following signs:

1. One (1) or more wall signs, as defined by this Ordinance, provided that the total aggregate surface area does not exceed a ratio of one-half (1/2) square foot for each one (1) linear foot of building frontage, nor a maximum of thirty-two (32) square feet for any single sign. Consistent with Sec. 13.3.2 Roof Signs, no sign placed under these circumstances shall project above the mansard roof or project more than twelve (12) inches from the building wall at the base of the sign; and

2. Businesses providing ingress and egress for public use from the rear of the building, are permitted one (1) or more wall signs on the rear of the building, as defined by this Ordinance, provided that the total aggregate surface area does not exceed a ratio of one-half (1/2) square foot for each one (1) linear foot of building frontage, nor a maximum of thirty-two (32) square feet for any single sign. Consistent with Sec. 13.3.2 Roof Signs, no sign placed under these circumstances shall project above the mansard roof or project more than twelve (12) inches from the building wall at the base of the sign.

3. Businesses not providing ingress and egress for public use from the rear of the building, are permitted one (1) sign on the rear of the building, wall or hanging, not to exceed two (2) square feet in surface area per sign face.

4. One (1) hanging sign provided a clearance of at least seven (7) feet is established between the bottom of the sign and any pedestrian walking surface. Such signs may extend no more than four (4) feet from the right-of-way line over the walking surface, and may not exceed eight (8) square feet in surface area per sign face.

Rearrange Numbering (to clarify):

1. One (1) or more wall signs, as defined by this Ordinance, provided that the total aggregate surface area does not exceed a ratio of one-half (1/2) square foot for each one (1) linear foot of building frontage, nor a maximum of thirty-two (32) square feet for any single sign. Consistent with Sec. 13.3.2 Roof Signs, no sign placed under these circumstances shall project above the mansard roof or project more than twelve (12) inches from the building wall at the base of the sign; and

2. One (1) hanging sign provided a clearance of at least seven (7) feet is established between the bottom of the sign and any pedestrian walking surface. Such signs may extend no more than four (4) feet from the right-of-way line over the walking surface, and may not exceed eight (8) square feet in surface area per sign face; and

3. Businesses providing ingress and egress for public use from the rear of the building, are permitted one (1) or more wall signs on the rear of the building, as defined

by this Ordinance, provided that the total aggregate surface area does not exceed a ratio of one-half (1/2) square foot for each one (1) linear foot of building frontage, nor a maximum of thirty-two (32) square feet for any single sign. Consistent with Sec. 13.3.2 Roof Signs, no sign placed under these circumstances shall project above the mansard roof or project more than twelve (12) inches from the building wall at the base of the sign; or

4. Businesses not providing ingress and egress for public use from the rear of the building, are permitted one (1) sign on the rear of the building, wall or hanging, not to exceed two (2) square feet in surface area per sign face.

14.) Amendment to Section 13.5.2 (D):

A. Single Business in the B-2, B-3, Business, and GI Governmental/Institutional Districts

Each single business in the B-2, B-3, and GI Governmental/Institutional District, not located in a shopping center, is permitted the following signs:

1. One (1) free-standing sign, provided it shall not be located within any public right-of-way, nor within fifteen (15) feet of the wear surface of any public thoroughfare if no right-of-way is defined among the public records of Macon County, shall not exceed eight (8) feet in height; and shall not exceed thirty-two (32) square feet in surface area per sign face. Businesses which adjoin more than one (1) of the four (4) major highways serving Highlands--US-28, NC-106, US-64E, and US-64W--and which are served by entrances from said highways, shall be permitted two (2) free-standing signs thirty-two (32) square feet in surface area per sign face, one (1) on each highway; and

2. Businesses providing ingress and egress for public use from the rear of the building, are permitted one (1) or more wall signs on the rear of the building, as defined by this Ordinance, provided that the total aggregate surface area does not exceed a ratio of one-half (1/2) square foot for each one (1) linear foot of building frontage, nor a maximum of thirty-two (32) square feet for any single sign. Consistent with Sec. 13.3.2 Roof Signs, no sign placed under these circumstances shall project above the mansard roof or project more than twelve (12) inches from the building wall at the base of the sign.

3. Businesses not providing ingress and egress for public use from the rear of the building, are permitted one (1) sign on the rear of the building, wall or hanging, not to exceed two (2) square feet in surface area per sign face.

4. A choice between wall signs or one (1) hanging sign meeting the requirements of Sec. 13.5.2, Permanent Regulated Signs Requiring a Permit, Item C, Single Business in the B-1 Business District, Items 1 and 2.

Rearrange Numbering (to clarify)

1. One (1) free-standing sign, provided it shall not be located within any public right-of-way, nor within fifteen (15) feet of the wear surface of any public thoroughfare if no right-of-way is defined among the public records of Macon County,

shall not exceed eight (8) feet in height; and shall not exceed thirty-two (32) square feet in surface area per sign face. Businesses which adjoin more than one (1) of the four (4) major highways serving Highlands--US-28, NC-106, US-64E, and US-64W--and which are served by entrances from said highways, shall be permitted two (2) free-standing signs thirty-two (32) square feet in surface area per sign face, one (1) on each highway; and

2. A choice between wall signs or one (1) hanging sign meeting the requirements of Sec. 13.5.2, Permanent Regulated Signs Requiring a Permit, Item C, Single Business in the B-1 Business District, Items 1 and 2; and

3. Businesses providing ingress and egress for public use from the rear of the building, are permitted one (1) or more wall signs on the rear of the building, as defined by this Ordinance, provided that the total aggregate surface area does not exceed a ratio of one-half (1/2) square foot for each one (1) linear foot of building frontage, nor a maximum of thirty-two (32) square feet for any single sign. Consistent with Sec. 13.3.2 Roof Signs, no sign placed under these circumstances shall project above the mansard roof or project more than twelve (12) inches from the building wall at the base of the sign; or

4. Businesses not providing ingress and egress for public use from the rear of the building are permitted one (1) sign on the rear of the building, wall or hanging, not to exceed two (2) square feet in surface area per sign face.

C. Public Comments

There were no public comments.

A. Close Public Hearing

Commissioner Pierson made a motion to close the public hearing at 7:22pm, which was seconded by Mayor Pro Tempore Calloway and the vote was unanimous.

B. Council Action

Commissioner Stiehler made a motion to approve the Corrections/Updates to the Unified Development Ordinance, which was seconded by Commissioner Dotson and the vote was unanimous.

10. Financial Matters: FY 2013/14 Year End Budget Amendments

Due to expenditure issues, it is necessary to amend the FY2013-14 budget. The Street Department had increased spending in Overtime and Maintenance & Repair – Auto largely because of the harsh winter. MIS/GIS had expenditures in Capital Outlay/Equipment that were not anticipated. The Water Treatment Plant had expenditures for the Lake Sequoyah Raw Water Intake that was not anticipated.

Typically the Town receives revenue during the fiscal year that is not budgeted, because there is no way to determine if any funds will be received or how much will be received.

Funds received from the ABC Store and Miscellaneous Income in FY2013-14 are examples of revenue that were not originally budgeted. Staff is appropriating these funds in order to cover the increased expenditures in Street Department and MIS/GIS. The funds to cover the increased expenditures in the Water Treatment Plant are coming from the Water Department in the form of a transfer.

Budget amendments needed are as follows:

\$ 71,957 Street Department
\$ 12,609 MIS/GIS
\$ 20,000 Water Treatment Plant
\$104,566 Total

Please note that no fund balance appropriations are necessary.

Commissioner Stiehler made a motion to approve the year end budget amendments for FY 2013/14, which was seconded by Commissioner Patterson and the vote was unanimous.

11. Planning Matters

A. Amendments to Section 13.18 Town Code: Streets and Sidewalks

Over the last couple of years, multiple closures of public sidewalks and streets for construction activities has created potential dangers for pedestrians and has spawned complaints from neighboring businesses effected by the closures.

The attached amendments to the Use of Streets and Sidewalks during construction activities will limit the closure of public thoroughfares and guarantee public safety especially during the peak of the season.

Code of Highlands ~ Chapter 13 Streets and Sidewalks Sec. 13-18. Use of streets and sidewalks during construction activities.

ORDINANCE AMENDMENT

Pursuant to an affirmative vote of 5 yeas to 0 nays by the Board of Commissioners of the Town of Highlands at its regular meeting on the 19th day of June, 2014, and an affirmative vote of ___ yeas to ___ nays by the Board of Commissioners at its regular meeting on the ___ day of _____, 20__ if required, the following ordinances are hereby AMENDED:

(EXISTING CODE SECTIONS, FOLLOWED BY PROPOSED AMENDMENTS IN RED ITALICS, SHOWING CHANGES.)

Sec. 13-18. Use of streets and sidewalks during construction activities.

(a) Any ~~person~~ *property owner* engaged in construction activities (as defined below, and sometimes referred to herein as "construction") who requires the use of any portion of a public ~~street~~

right-of-way (as described below) for such construction shall first make written application to the town clerk *manager*. Applications shall be made at least forty-eight (48) hours prior to the proposed construction. Application shall include a description of the use of the street; the number of parking spaces that will be required to be occupied during the activity, if any; a description of the method of re-directing vehicular and pedestrian traffic during construction; and the period of time required for the activity, *including a proposed start and finish date*.

That section 13-18 (a) of the Code of Highlands, North Carolina, is hereby amended to read as follows:

(a) Any property owner engaged in construction activities (as defined below, and sometimes referred to herein as "construction") who requires the use of any portion of a public right-of-way (as described below) for such construction shall first make written application to the town manager. Applications shall be made at least forty-eight (48) hours prior to the proposed construction. Application shall include a description of the use of the street; the number of parking spaces that will be required to be occupied during the activity, if any; a description of the method of re-directing vehicular and pedestrian traffic during construction; and the period of time required for the activity, including a proposed start and finish date.

~~(b) — The town clerk is authorized to permit use of public street right-of-ways immediately adjacent to a construction site for a period of time not to exceed three (3) days, provided such use does not interfere with traffic flow, adversely affect the public health or safety, or create an unreasonable inconvenience to property owners or businesses in the immediate vicinity. In accordance with section 13-16, adequate passageways shall be constructed for pedestrians where sidewalks are present.~~

~~(c) — The town clerk may in his sole discretion deny permission for use of public street right-of-way when in his opinion such use does not conform to the provisions of the preceding paragraph. Appeals from his decision may be taken to the board of commissioners at the next regularly scheduled meeting.~~

~~(d) — Application for use of public street right-of-way for a period of time exceeding three (3) days, or appeals of denial of use by the town clerk, shall be made directly to the board of commissioners and shall be scheduled at the next regularly scheduled meeting. Applications shall include a description of the use of the street; the number of parking spaces which will be required to be occupied during the activity, if any; a description of the method of re-directing vehicular and pedestrian traffic during construction; and the period of time required for the activity. Use of the streets during pendency of the appeal shall not be allowed.~~

~~(e) — The board of commissioners is authorized to permit use of public street right-of-ways immediately adjacent to a construction site for stipulated periods of time, provided such use does not interfere with traffic flow, adversely affect the public health or safety, or create an unreasonable~~

inconvenience to property owners or businesses in the immediate vicinity. In accordance with ~~section 13-16~~, adequate passageways shall be constructed for pedestrians where sidewalks are present.

NEW Sec. 13-18 (b & c) of the Code of Highlands, North Carolina, is to read as follows:

(b) All construction activities requiring the use of public sidewalks and/or public parking spaces that are conducted within the B-1 zoning district shall be carried out between the dates of November 1st & April 30th, Monday through Friday from 7:30am to 6:00pm with the issuance of a permit from the Town Manager. In order to complete an ongoing construction activity, the Town Manager may grant an extension to the permit beyond April 30th. The Permit holder shall schedule a pre-construction meeting with the Highlands Police Department, in order to secure a safe pedestrian access of four (4) feet around the construction site within the public parking spaces blocked for the construction.

(c) The Town Manager may grant a permit for the general maintenance activities of façade repair / painting, and awning installation between the dates of May 1st & October 30th within the B-1 zoning district, with the following conditions:

1. Work hours shall be Monday through Wednesday from 6:00am until 9:00pm. No working Thursday through Sunday.

2. The Permit holder shall schedule a pre-construction meeting with the Highlands Police Department, in order to secure a safe pedestrian access of four (4) feet around the construction site within the public parking spaces blocked for the construction.

(d) If the construction activities require the use of police officers for traffic control, the applicant must use off duty Highlands police officers in coordination with the chief of police.

Sec. 13-18 (f, g & h) TO BE RECODIFIED AS Sec. 13-18 (d, e & f)

~~(f)(e)~~ Use of public street right-of-way for longer than the period permitted by either the town clerk manager or the board of commissioners shall be punishable by a civil penalty of one hundred dollars (\$100.00) per day; each day continuing violation shall constitute a separate offense. In addition, for good cause shown, including repeated violation of this ordinance, the board of commissioners may order that the zoning certificate for the construction activity shall be revoked.

~~(g)(f)~~ Persons using public street right-of-way shall be responsible for removing all broken materials and other debris daily and returning the street or sidewalk to its original condition at the completion of the construction activity. Failure to do so shall be punishable by a civil penalty of one hundred dollars (\$100.00) per day; each day continuing failure to restore the street or sidewalk to its original condition shall constitute a separate offense. The town may in its discretion elect to remove broken materials and other debris and return the street or sidewalk to its original condition, and in

the event of such election, the adjacent property owner shall be liable for the reasonable costs of such remediation.

~~(h)~~(g) Definitions.

Construction activities. As used herein, the term "construction activities" shall be construed to include any and all activities in any way related to the improvement of properties as contemplated by the zoning certificate, including by way of example and not by way of limitation, surveying, grading, construction, blasting, demolition of existing structures, installation of utilities, landscaping, disposal of waste materials and other debris.

Public ~~street~~ right-of-way. As used herein, the term "public ~~street~~ right-of-way" shall mean the areas lying adjacent to the owner's boundary along the streets and alleys of the town, as shown on the survey of the owner presented in connection with the zoning certificate.

That section 13-18 (d, e & f) of the Code of Highlands, North Carolina, are hereby amended to read as follows:

(e) Use of public right-of-way for longer than the period permitted by the town manager shall be punishable by a civil penalty of one hundred dollars (\$100.00) per day; each day continuing violation shall constitute a separate offense. In addition, the zoning certificate for the construction activity shall be revoked.

(f) Persons using public right-of-way shall be responsible for removing all broken materials and other debris daily and returning the street or sidewalk to its original condition at the completion of the construction activity. Failure to do so shall be punishable by a civil penalty of one hundred dollars (\$100.00) per day; each day continuing failure to restore the street or sidewalk to its original condition shall constitute a separate offense. The town may in its discretion elect to remove broken materials and other debris and return the street or sidewalk to its original condition, and in the event of such election, the adjacent property owner shall be liable for the reasonable costs of such remediation.

(g) Definitions.

Construction activities. As used herein, the term "construction activities" shall be construed to include any and all activities in any way related to the improvement of properties as contemplated by the zoning certificate, including by way of example and not by way of limitation, surveying, grading, construction, blasting, demolition of existing structures, installation of utilities, landscaping, disposal of waste materials and other debris.

Public right-of-way. As used herein, the term "public right-of-way" shall mean the areas lying adjacent to the owner's boundary along the streets and alleys of the town, as shown on the survey of the owner presented in connection with the zoning certificate.

Fee Schedule Amendment

Pursuant to an affirmative vote of ___ yeas to ___ nays by the Board of Commissioners of the Town of Highlands at its regular meeting on the ___ day of _____, 20___, the following sections of the Fee Schedule of the Town of Highlands are hereby AMENDED:

(EXISTING SECTIONS, FOLLOWED BY *PROPOSED AMENDMENTS IN RED ITALICS, SHOWING CHANGES.*)

NEW Permit Fee and Fine for Violation of Section 13-18, Use of streets and sidewalks during construction activities. June 19, 2014

Permit Fee ~ \$100.00 plus the amount applicant is responsible for compensation associated with the use of off duty Highlands Police Officers in coordination with the Police Chief.

Fine for Violation ~ \$100.00 per day, each day continuing violation shall constitute a separate offense.

*Note of civil penalty limits: There is no statutory limit on the size of the civil penalty that a municipality may impose pursuant to G.S. 160A-175(c) for an ordinance violation. (G.S. 14-4 caps the fine that may be imposed for the criminal violation of an ordinance at \$500.00.) If a municipality wishes to make violations of an ordinance subject to civil penalties, however, the ordinance must specify the amount of the penalty to be imposed. It's possible that a court would deem an unusually large civil penalty to be a violation of the offender's right to due process, but most civil penalties are small enough to make it unlikely that an offender could successfully challenge the size of a civil penalty on due process grounds.

After a brief discussion as to the times the permits were needed, Commissioner Pierson made a motion to approve the amendment to the Code of Highlands ~ Chapter 13 Streets and Sidewalks Sec. 13-18. Use of streets and sidewalks during construction activities. The motion was seconded by Commissioner Stiehler and the vote was unanimous.

Commissioner Patterson then made a motion to approve the Fee Schedule Amendment for the Permit Fee and Fine for Violation to accompany the amendment to Chapter 13 Sec. 13-18 of the Code of Highlands. The motion was seconded by Commissioner Pierson and the vote was unanimous.

B. Request for Rezoning

Item was removed from agenda.

12. Miscellaneous Matters

A. Haywood EMC Request

Haywood Electrical Membership Corporation is planning to base a crew and equipment in Highlands to better serve their customers. At the present time, they are actively looking for a permanent location on which to stage their crews and equipment.

In the interim, they have inquired if the town would allow them to stage their equipment and crews on property owned by the town which is located at the sewer plant.

Public Works Director Lamar Nix and Manager Frye see no problem with allowing them to stage off town property as it will not hinder or interrupt town operations.

Staff feels that having an extra electric crew in town will benefit the town on those occasions where we might need to request assistance from Haywood.

Commissioner Stiehler made a motion to approve the request by Haywood, which was seconded by Mayor Pro Tempore Calloway.

Commissioner Dotson then questioned whether an easement could be granted on county or private owned roads and was concerned with property owners on Arnold Rd. being subject to large trucks going in and out consecutively.

The vote to approve the request was unanimous.

B. Recommendation: Zermatt Drive

Staff was instructed to look at the situation on Zermatt Drive in regards to concerns expressed by Mr. Turner about his ability to use his of his driveway if the road was made one way.

After looking into the situation, town staff would recommend that no change to the road be made for the following reasons.

If the objection from Mr. Turner was merely along the lines of he simply did not wish to be bothered with the one way, then the town could easily proceed with making the road one way. Unfortunately, Mr. Turner has raised valid concerns about his ability to access his property should the road be changed to one way. Having looked at the situation with Public Works Director Lamar Nix, the town can say that Mr. Turner's concerns are indeed valid and it is physically impossible for him to make a left turn out of his driveway.

If the town were to ignore his concerns, then it have denied him reasonable expectation of the use of his property and would be liable for damages in a court of law. In such a court, the judge would not be concerned that the majority of home owners wanted the road one way. He would be asking if the Town had denied Mr. Turner his rights.

As to how to remedy this situation, Mr. Turner's driveway will need to be modified. This will be very expensive and the town cannot force a citizen to expend such funds nor should the town should spend tax payer monies to solve a problem that only exists if the town changes the road to one way.

A possible solution would be for the residents of Zermatt to fund the project and correct the situation to possibly eliminate Mr. Turner's objections.

In regards to the safety concerns expressed by several of the residents, Zermatt has been a two way street for better than 40 years and there has not been a problem to date. Everyone now living on Zermatt purchased a home knowing the road was like it is and as a result if there was to be an accident on Zermatt, then neither the town nor Mr. Turner would be liable for any damage or injury. In such a case, it would be the responsibility of the person(s) involved and any legal action would fall upon the negligence of the party's involved not the fact that the town did not change the road to one way.

Commissioner Dotson moved to leave Zermatt Drive a two way street, which was seconded by Commissioner Stiehler and the vote was unanimous.

C. Bridge Club Donation Offer

Commissioner Stiehler made a motion to accept an offer from the Highlands Duplicate Bridge Club to purchase acoustical ceiling tiles for the “bridge room” to replace the existing tiles. The approximate cost for the tiles is \$3,350.00. Commissioner Dotson seconded the motion and the vote was unanimous.

D. Oglesby Easement Request

Mr. Oglesby purchased the property on top of Satulah Mtn. at the end of Worley Road, once known as Haach Subdivision (PIN#7449562258). Due to the elevation of Mr. Oglesby’s property, the privately owned existing pump house does not have adequate pressure to serve Mr. Oglesby’s residence.

Mr. Oglesby is asking for permission to construct a small booster pump station on Town Property below the Water Tank to serve the residence. (PIN#7449466437) Town Engineer Lamar Nix met with the contractor John Underwood and reviewed the request and recommended the proposed site. The pump house should be no larger than 10’x10’ and set into the embankment of the roadway serving the Town of Highlands Water Tank. Water and electrical connections are within close proximity of the proposed site.

Mr. Oglesby is asking permission to construct the booster station on Town Property at his expense. He had an easement prepared, which was reviewed and approved by the Town Attorney.

Commissioner Patterson asked if the water line was existing and if the town was just going to cut into it.

Public Works Director Lamar Nix stated that Oglesby was going to have to run a new line.

A couple of citizens had comments about the effect on the pump house in regards to Satulah Trail.

Commissioner Patterson asked if there was potential of other residences being hooked onto the same meter.

Commissioner Dotson questioned if there was any property above Oglesby and was informed there wasn't.

Public Works Director Nix informed the Board if any other property owners wanted to connect to the water they would have to approach the Board separately. Commissioner Dotson said he didn't want to see a problem in the future with several other pump houses being constructed. Nix stated he couldn't guarantee that it wouldn't happen.

Commissioner Patterson made a motion to approve the Easement for a pump house on Town Property, which was seconded by Commissioner Stiehler and the vote was unanimous.

Prepared By:

Desmond G. Sheridan
Isaacson Isaacson Sheridan Fountain & Leftwich, LLP
Post Office Box 1888
Greensboro, North Carolina 27402

EASEMENT AGREEMENT

This EASEMENT AGREEMENT (the "Agreement") is made and entered to as of the 3rd day of July, 2014 by **THE TOWN OF HIGHLANDS**, a municipal corporation in Macon County, North Carolina (the "Town") and **SHARON L. OGLESBY IRREVOCABLE TRUST** ("Oglesby").

STATEMENT OF BACKGROUND

Oglesby owns certain real property known as Lots 1, 2 and 3 in Highland Township, Macon County, North Carolina as shown on Plat Card 5439, Macon County Register of Deeds and the survey for William S. Oglesby of Parcel #1433083, dated May 22, 2008 (the "Oglesby Land"). Town owns certain real property to the west of the Oglesby land (the "Town Land").

Oglesby is developing the Oglesby Land and needs to locate a water pump on the Town Land in order for water to be provided to the Oglesby Land. Oglesby and the Town desire to enter into an agreement regarding the use of the Town Land by Oglesby for the water pump.

NOW THEREFORE, Town and Oglesby agree as follows:

1. Grant of Easement and Utility Easement. Town hereby declares, creates, establishes and grants for the benefit of and as an appurtenance to the Town Property, a non-exclusive perpetual easement, right and privilege over, upon, under, across and through the Town Property to Oglesby. Such easement shall be for the purposes of construction, installation, use and maintenance, repair and replacement of a water pump and pump house, electrical meters, water lines and whatever other equipment or appurtenances necessary to construct, maintain, repair, replace and operate the water pump to service the Oglesby Land with sufficient water for one single family residence. It is intended that this easement shall continue permanently and indefinitely. Although this easement is non-exclusive, no party may use the facilities to be constructed by Oglesby except with Oglesby's permission. The area of the easement is limited to the portion of the Town Property depicted on Exhibit A hereto.

2. Improvements. Oglesby shall be responsible, at its sole expense, for the construction of the water pump, including access to the water pump site, installation of water lines and electrical meters and any other necessary equipment (the "Improvements"). Oglesby shall be responsible (at its expense) for the maintenance, repair and replacement of the Improvements.

3. Indemnity. Oglesby shall and does hereby indemnify and hold harmless Town from and against any liability, loss, damage or claim (including reasonable attorney's fees and expenses) arising or resulting from the construction of the Improvements, including personal injury and property damage, and from and against any lien for labor, services, or material, arising out of or in connection with Oglesby's construction of the Improvements, but excluding any loss, cost, claim, damage or expense (including reasonable attorney's fees and expenses) occasioned by the gross negligence or willful misconduct of Town.

4. Manner of Performing Work. Whenever Oglesby or its agents shall enter upon the property of the Town pursuant to the easement provided for in this Agreement for the purposes of doing any construction, maintenance, repairs or replacements permitted hereunder, such work shall be performed (i) expeditiously and in a good and workmanlike manner, (ii) in accordance with all applicable laws, codes, statutes, permits and regulations of governmental authorities having jurisdiction thereof, (iii) in a manner that does not adversely affect any buildings or other improvements located on the other's property, (iv) without causing rubbish or waste materials to be located on the property of the other owner, (v) in such a manner as to cause the least amount of disruption of any business operations conducted on such property as reasonably practicable, without creating unreasonable increase in the cost of doing work. Whenever any party shall have the right to enter upon the property of another party under this Agreement to perform construction, maintenance, repairs or replacements, the owner of said property shall cooperate with said entering party in a reasonable manner to accomplish the work, including, but not limited to, the execution, delivery and filing of applications for permits and licenses.

5. Duration. Except as provided herein, the provisions of this Agreement shall run with and bind the land described herein and shall be and remain in effect perpetually.

6. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Oglesby and Town and their respective successors, successors-in-title, legal representatives and assigns.

7. General Provisions. This Agreement shall be governed in accordance with the laws of the State of North Carolina. The Section or Paragraph headings in this Agreement are for convenience only and shall in no way define or limit the scope or contents of this Agreement, and shall not be considered in any construction or interpretation of this Agreement or any part thereof. This Agreement may be amended, modified or terminated only in writing, executed and acknowledged by Oglesby and Town and recorded in the Office of the Macon County Register of Deeds.

8. No Dedication. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the properties or portion thereof to the general public, or for any public use or purpose whatsoever.

9. Severability. If any provision of this Agreement shall to any extent be invalid or unenforceable, the remainder of this Agreement, other than those as to which it is invalid or unenforceable, shall be deemed severable and shall not be affected thereby and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10. Entire Agreement. This Agreement constitutes the sole and entire agreement between the parties hereto.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned has executed this Agreement under seal as of the date first above written.

Town of Highlands

By: _____
Printed Name: _____
Title: _____

_____ County, North Carolina

I certify that the following person personally appeared before me this day, acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: _____.

[Name of person signing]

Today's Date: _____, 2014

[Notary's signature as name appears on seal]

[Notary's printed name as name appears on seal]

My commission expires: _____, 20__

[Affix Notary Seal in Space Above]

IN WITNESS WHEREOF, the undersigned has executed this Agreement under seal as of the date first above written.

SHARON L. OGLESBY IRREVOCABLE TRUST

By: _____

Its: Trustee

_____ County, _____

I certify that the following person personally appeared before me this day, acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: _____.

[Name of person signing]

Today's Date: _____, 2014

[Notary's signature as name appears on seal]

[Notary's printed name as name appears on seal]

My commission expires: _____, 20__

[Affix Notary Seal in Space Above]

EXHIBIT A



Commissioner Patterson made a motion to adopt the Project Budget Ordinance that was submitted along with the Budget Ordinance, which was seconded by Commissioner Pierson and the vote was unanimous.

Town of Highlands Project Budget Ordinance

BE IT ORDAINED by the Governing Board of the Town of Highlands, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The project authorized includes improvements to three Mill Creek culverts.

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the bond resolution, grant documents, and the budget contained herein.

Section 3. The following amounts are appropriated for the project:

Mill Creek Culvert Upsize Project	<u>\$582,600</u>
	\$582,600

Section 4. The following revenues are anticipated to be available to complete this project:

North Carolina Department of Public Safety	<u>\$582,600</u>
	\$582,600

Section 5. The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to satisfy the requirements of the grantor agency, the grant agreements, and federal regulations. The terms of the bond resolution also shall be met.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

Section 7. The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and on the total grant revenues received or claimed.

Section 8. The Finance Officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this Board.

Section 9. Copies of this capital project ordinance shall be furnished to the Clerk to the Governing Board and to the Finance Officer for direction in carrying out this project.

Adopted this the 19th day of June, 2014.

Patrick L. Taylor, Mayor

ATTEST:

Rebecca R. Shuler, Town Clerk

13. Adjournment

Mayor Pro Tempore Calloway mentioned a fond farewell to Melody Spurney, of the Highlander Newspaper.

Commissioner Patterson made a motion to adjourn the meeting, which was seconded by Mayor Pro Tempore Calloway and upon unanimous vote, the Town Board adjourned at 7:54pm.

Patrick Taylor
Mayor

Rebecca R. Shuler, CMC, NCCMC
Town Clerk