

Present:

Mayor Abby Norton	Clerk – Nancy Thomas	Rebuild Hot Springs Area (HRSA) –
Alderman Lisa Gahagan	Entertainment – Wendy Stancil	T.J. Philips
Alderman Tammy Shelton	Fire Department _Dan Myers	Safety – Dan Myers
Alderman Wendy Stancil	Maintenance – Jeremy Trantham	Tax Collector – Laura Holloway
Attorney Larry Leake	Planning & Zoning – Ben Houser	
Town Admin & FO – Sena Kassim	Police – Stacey Workman	

Mayor Norton called the meeting to order at 6:01 p.m. and reminded attendees to observe the Public Charge, silence cell phones, and refrain from speaking out of turn. She noted that public comments are limited to two minutes and agenda items to five minutes. Mayor Norton advised that anyone wishing to address the Board must contact the office and request placement on the agenda at least ten days prior to the meeting. The Board may respond to questions or comments from individuals who have been placed on the agenda.

The Board approved the January 12, 2026 minutes on a motion by Alderman Stancil, seconded by Alderman Gahagan, with unanimous consent.

The Board approved the January 17, 2026 minutes on a motion by Alderman Shelton, seconded by Alderman Gahagan, with unanimous consent.

PUBLIC COMMENT

No public comments were presented this evening.

AGENDA

There was no one scheduled on this evening's agenda.

DEPARTMENTS

Regina Mathis with the NC League of Municipalities (NCLM)

Ms. Mathis introduced herself and noted that the NCLM is currently providing services to the Town of Hot Springs. She, along with Patricia Cantrell and Becky Garland, has been assisting the Town with grant management and financial support. Ms. Mathis also recognized Sena Kassim with a Certificate of Achievement for completing the Accounting Instruction & Mentorship (AIM) program. In addition, she presented an award to the Town for its participation in the AIM program, which Mayor Norton accepted on the Town's behalf.

Entertainment Committee

Alderman Wendy Stancil announced that the 80's Weekend event is scheduled for February 27 and 28. Numerous activities will take place throughout town with participation from many local businesses. Event details will be available on the Tourism website, and the Entertainment Committee's website will provide the full schedule and related information.

Fire Department – Dan Myers

Mr. Myers reported that a fallen tree damaged the Fire Department's concessions trailer, requiring removal by Dan's Tree Service at a cost of \$500.00. He requested the Board's approval for the invoice.

An Automated External Defibrillator (AED) has been installed in the foyer of the Welcome Center and is registered with dispatch, which can direct callers to its location. The placement of a second AED on the diner's front porch is currently under consideration.

A hands-only CPR class is being organized for those interested. Additional details will be provided at a later time.

The Fire Chief informed Attorney Larry Leake of an issue regarding the Fire Fly Mountain property and is requesting guidance on the necessary actions and recommended next steps.

Mayor Norton requested approval of the \$500 expenditure for removal of the fallen tree at the Fire Department. Alderman Shelton moved to approve the expense, Alderman Gahagan seconded, and the motion passed unanimously.

Mayor Norton noted that current policy requires Board approval for any expenditure exceeding \$200. She added that any non-budgeted expense over this amount should also require Board approval and stated that the Board will revisit this topic at a later date.

Maintenance Department – Jeremy Trantham

Mr. Trantham reported that the Maintenance Department requires new safety lights for its trucks. Because the truck bodies are now aluminum, magnetic lights are no longer compatible. He recommended plug-in safety lights that do not require drilling or wiring. The department requested approval to purchase one light now and a second when the new truck arrives. Each unit costs approximately \$480.00, plus tax, with free shipping. These lights will improve safety during after-hours work. Alderman Gahagan moved to approve the purchase, Alderman Shelton seconded, and the motion passed unanimously.

Mr. Trantham reported that the dumpster on Silvermine is consistently being overfilled, causing trash to spill over and create a mess. He noted that the dumpster belongs to Republic. Mr. Philips added that RHSA is also reviewing the issue. Mr. Trantham stated that the Maintenance Department can clean around the site to improve its appearance but does not have the equipment needed to empty the dumpster. He inquired about contact information for the company, and Mr. Philips confirmed that Republic has already been contacted.

Police Department – Stacey Workman

Mayor Norton introduced Chief Workman, noting that she is serving as acting police chief during Chief David Shelton's medical leave.

Chief Workman reported that she and Mayor Norton have been developing several ordinances, with the March ordinance focusing on vehicle regulations. She has also been coordinating with another agency regarding their violation notice system, which allows notices to be scanned and payments submitted directly to the Town—streamlining the enforcement process. Chief Workman provided the Board with sample documents, including an ordinance violation notice, a

parking violation notice, and an abandoned-vehicle sticker, all of which can be customized for the Town of Hot Springs Police Department. She is currently determining the minimum order requirements for the violation notices.

Rebuild Hot Springs Area – T.J. Philips

Mr. Philips reported that the draft scope of work for restoring the community center and jail is being prepared for submission to ADC. He noted that ADC may be able to connect the Town with pro bono architects and engineers for these projects. Although the application period has not yet closed, several strong and highly recommended candidates have already expressed interest.

Tax Department – Laura Holloway

Ms. Holloway reported that she has mailed approximately half of the first demand letters and will send the remainder after providing the Board with this evening's draft minutes.

Ms. Holloway reported that 86.30% of Real Town Taxes have been collected.

TOWN BUSINESS

Mayor Norton

Mayor Norton directed the Board's attention to the Boundary Line Agreement. Attorney Leake stated that he did not yet have sufficient information to recommend approval or denial. Mr. Gary Goss, owner of the Iron Horse Restaurant and Inn, reported that during a recent survey conducted in preparation for the sale of his property, it was discovered that his building encroaches two feet onto Town Hall property, while Town Hall encroaches approximately a quarter foot onto the Iron Horse stairway on Bridge Street. Although the property deeds are accurate, the long-standing use of the properties does not align with the recorded boundaries.

Attorney Leake advised that the Board must first determine whether the Town has any need for the portion of property claimed by the Iron Horse. Mr. Goss stated that he does not wish to claim the area currently used by Town Hall, nor does he believe the Town intends to retain the portion of his stairway within its boundary. He noted that one of the attorneys involved has recommended executing and recording a Boundary Line Agreement to formalize the long-established use of the properties. Mr. Goss emphasized the urgency of resolving the matter due to his pending closing at the end of February.

Attorney Leake reiterated that the decision rests with the Board but noted a possible deed restriction requiring further review. Mayor Norton acknowledged having heard of such a restriction but never having seen documentation. Attorney Leake requested time to review the Town's deed to confirm whether any conditions would prevent approval of the agreement. Mayor Norton stated she would call a special meeting once additional information is obtained.

Mayor Norton presented the McGill recommendation for the Waterline Replacement project under the French Broad River, a FEMA-funded initiative. The certified bid tabulation reflected four submissions, with Hyatt Pipeline identified as the lowest responsible bidder. McGill's engineer formally recommended awarding the contract to Hyatt Pipeline.

Mayor Norton requested a motion to award the contract accordingly. Alderman Stancil moved to approve the award, and Alderman Gahagan seconded; the motion passed unanimously.

Alderman Stancil then moved to approve the accompanying resolution, seconded by Alderman Gahagan, with unanimous approval.

Alderman Gahagan asked about the anticipated project start date. Mayor Norton clarified that the process remains in the contract-award phase and that further details will be available once the Attorney completes the contract review.

In response to a question about the waterline's placement, Mr. Trantham explained that the damaged line—affected by Hurricane Helene—will be replaced beneath the river. He added that multiple cut-off valves will be installed to minimize service disruptions and reduce water loss during future maintenance. Attorney Leake noted that if the engineer is satisfied with the bid, he has confidence in the recommendation.

Town Administrator – Sena Kassim

- **Security Cameras**

Ms. Kassim reported that the Town's security camera replacement is a FEMA-funded project requiring full system replacement. Because federal funding mandates National Defense Authorization Act (NDAA) compliance, only two vendors—Edwards and Integrated Information Systems (IIS)—are eligible to submit bids. Edwards provided the lower quote and previously installed the Town's original system, giving them familiarity with existing equipment and placement needs.

Alderman Gahagan confirmed that both Ms. Kassim and Police Chief Shelton were satisfied with the Edwards proposal. He then moved to award the camera replacement contract to Edwards. Alderman Shelton seconded the motion, and it passed unanimously.

- **Budget Review**

Ms. Kassim provided the Board with a Budget Review summary and noted that she is willing to present the information in alternative formats upon request. The handout reflected year-to-date figures compared to the previous fiscal year for both the General Fund and the Water and Sewer accounts. Mayor Norton added that she had asked Ms. Kassim to also prepare the full profit-and-loss and budget-to-actual reports.

Ms. Kassim explained that the Water and Sewer revenue currently appears at 77% due to an \$83,000 FEMA reimbursement included in the totals. Removing this amount reflects a true collection rate of approximately 42%, though the Town should be at a minimum of 50% halfway through the fiscal year based on the adopted 2025–2026 budget.

Mayor Norton reminded the Board that certain General Fund line items are adjusted by the Accountant during the reconciliation process, and a complete financial picture will not be available until all entries are finalized. The Accountant is still compiling the information required to complete the outstanding 2024–2025 audit, which is typically finalized by October 31. Ms. Kassim noted that additional FEMA reimbursements are still expected, and the report shows anticipated reimbursements in parentheses.

Alderman Gahagan observed that some line items appear over budget, noting percentages exceeding 100%. She stated that correcting miscoded expenses will resolve many of these variances. Ms. Kassim agreed, explaining that some capital outlay allocations were intended to cover FEMA-related expenses, but delays in reimbursements have affected those balances.

She also reported that she continues to meet with FEMA weekly and that although progress is steady, certain projects may require the Town to temporarily use General Fund or grant resources until reimbursements are received.

Ms. Kassim emphasized that available account balances may include funds already committed to specific projects and should not be interpreted as unrestricted. Mayor Norton added that although the Powell Bill Street Fund currently shows a \$59,000 balance, this amount does not reflect the adopted budget and should not be considered fully available, particularly given the high cost of road work. Finally, Ms. Kassim reiterated the NCLM recommendation that municipalities maintain reserves equal to two months, or roughly 8%, of annual General Fund operating expenses.

Mayor Norton asked the Board to confirm that they had reviewed the FEMA project spreadsheet she uploaded to SharePoint. The Board acknowledged that they had. She reported that the Town has received \$1,204,890.00 in FEMA funds; however, \$930,789.00 must be repaid to the State due to the use of the Bridge Loan to pay contractor expenses. She emphasized that although the spreadsheet reflects the full FEMA reimbursement, the Town still owes nearly \$1,000,000.00 to the State.

- **Projects**

Ms. Kassim directed the Board to the current project list and noted that 15 of the Town's 21 FEMA projects have been obligated, consistent with the FEMA project spreadsheet previously referenced by the Mayor.

- The police Durango is experiencing delays, and Ms. Kassim expects to receive an update on the vehicle by the following day.
- Land of Sky is administering several grants on behalf of the Town, including the sidewalk improvements grant, and their support has been highly beneficial. Required documentation must be submitted before the Town can accept the OSBM grant. A request for quotes for the sidewalk repair project has been posted on the Town's website, and this work is supported in part by a small business grant awarded last fall.
- The camera system wiring was installed prior to the drywall work, which caused a minor delay but will result in a cleaner final appearance
- Rebuild (RHSA), Mountain True, and the Appalachian Design Center (ADC) will meet again to discuss the Public Parking Lot project. McGill has provided the CAD drawings, and the design group has submitted a proposed layout for review.

Alderman Gahagan inquired about the projected completion timeline for Town Hall. Ms. Kassim reported that while the Town had initially anticipated returning by late March, several delays have occurred. Securing the electrical contract took longer than expected due to commercial building licensing requirements, and the contractor also lost a subcontractor, further affecting progress. The contractor is working to establish a revised and more accurate completion date,

but a return next month is no longer feasible. Mr. Trantham added that additional plumbing work is still needed.

- **Personnel Policy**

Ms. Kassim stated that she made no revisions to the policy but included it in the agenda packet to allow the Board to make notes as needed.

- Page 20 – Meeting time

The Board discussed aligning with practices used by other organizations, including whether attendance should qualify for two hours of paid time, be treated as civic duty, or allow the employee to leave early on another day within the same week.

- Page 8 – Hazardous Weather

The Mayor may designate essential personnel and authorize up to three days of paid inclement-weather leave per year, consistent with practices used in other municipalities.

- Page 9 – Vacation Time Approval

Ms. Kassim explained that the previous Finance Officer/Alderman reviewed vacation requests each Friday while signing paychecks, allowing approvals to be handled weekly after employees coordinated scheduling with their teams. Because current Board members are not available for weekly check signing, she asked whether employees should instead wait until the next Board meeting for vacation approval.

Alderman Gahagan stated that if the employee had already coordinated with the Town Administrator, it would be appropriate for the Administrator to approve the request. Ms. Kassim noted that any denied request could still be brought before the Board for further consideration. Alderman Gahagan agreed with this approach, and the remaining Board members expressed their support.

- Page 13 – Holidays

The Town's paid holidays now align with the State's designated holiday schedule.

- Page 13 – Absence From Duty

The current policy does not specify the allowable length of an employee's absence before action is taken. Ms. Kassim recommended adopting a three-day standard for "no call, no show," noting that this timeframe is commonly used. Aldermen Gahagan and Stancil expressed their agreement with the three-day standard.

- Page 13 – Funeral Leave

Ms. Kassim recommended updating the policy terminology from "Funeral Leave" to "Bereavement." She noted that the current policy provides three days of leave for the death of an immediate family member, while the State allows 40 hours. The Aldermen supported revising the policy to provide 40 hours of bereavement leave for immediate family members.

- **Page 14 – Maternity Leave**

Ms. Kassim noted that a separate Maternity Leave section is unnecessary because maternity-related absences are covered under the Family and Medical Leave Act (FMLA). She added that while the current policy provides six weeks of leave, FMLA permits up to twelve weeks of unpaid, job-protected leave.

- **Page 15 – Vacation Time**

The current policy requires employees with more than one week of vacation to use one week in the first half of the year and the second week in the latter half. QuickBooks can track vacation accrual either annually or by hours, though it does not support day-based calculations. Ms. Kassim noted that hour-based tracking aligns best with the existing personnel policy. Mayor Norton asked whether the Board preferred to implement policy updates immediately or on January 1, 2027. The Board agreed to adopt the changes at the start of the new year to avoid confusion.

Mayor Norton clarified the Board's previous discussion regarding payment for unused vacation time. She noted that while vacation time is included in the Town's annual budget, only 52 weeks of salary per employee are funded—not additional compensation for unused leave. Accordingly, vacation time does not carry over past December 31, and employees who do not use their allotted leave by year-end forfeit any remaining balance; unused vacation time is not eligible for payout.

Alderman Tammy Shelton

Alderman Shelton asked whether the new scrape blade could be used for snow removal. Mr. Trantham reported that while the blade had been used in a few areas, the tractor currently lacks chains. Alderman Shelton requested that the Maintenance Department identify equipment needed to safely clear snow and ice from side streets, as the State maintains the main roads.

Mr. Trantham stated that the department had located a compatible salt spreader at Lowe's, priced at approximately \$600 and capable of holding about 125 pounds of salt. He noted that obtaining salt from the State would be ideal but uncertain; otherwise, it would need to be purchased. He added that the scrape blade will be compatible with the new truck expected to arrive in the coming months. Mr. Trantham concluded that the department would benefit from acquiring chains, a salt spreader, and the scrape blade.

Alderman Lisa Gahagan

Alderman Gahagan inquired about the timeline for developing the 2025–2026 budget. Ms. Kassim stated that she plans to meet with each department beginning in March to identify projected needs for the upcoming fiscal year. She noted that the NCLM may offer grant funding—based on the Town's insurance levels—for items such as safety cones and other equipment for Public Works and potentially the Police Department. Ms. Kassim added that Budget Reports have been distributed to all departments and that some expenses may need to be reassigned to the correct line items as they are identified. Mayor Norton informed the Board that a Budget Workshop will be scheduled, with participation from the Mayor, Aldermen, Accountant, and Finance Officer.

The Board will schedule a Water Account meeting. The Board will also set a meeting to discuss the Records Management System (RMS) required for the Police Department. Mayor Norton will ask about RMS.

Alderman Wendy Stancil

Alderman Stancil informed the Board that a site visit regarding the Preparedness Pallet will be held this Thursday at 9:00 a.m. at the VFD. The visit will include discussion on potential storage locations for the pallet, and the group has indicated that a storage shed can also be provided.

Alderman Stancil reported that the manager of the NOC Outpost has requested a letter of support from the Town regarding trash cleanup on the organization's Silvermine property. She noted that photographs are available to accompany the letter and will email the Board a draft of both the letter and the images for review.

Mayor Norton asked the Aldermen when they would like to meet for a Budget Workshop. Alderman Stancil stated that she'd rather finish the Water Account meeting since there are accounts set to be turned off soon. Ms. Kassim told the Board that turn-off letters will be sent out. She let them know that she thinks going over the process with the Board will help them understand the process and thought process that goes along with getting the turn-off letters out. The Board will meet on Tuesday, February 17th at 5:30.

With no further business, the meeting adjourned at 7:12p.m. on a motion by Alderman Shelton, seconded by Alderman Stancil; all in favor.

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Approved

Abigail Norton
Mayor Abigail Norton

3-9-2026
Date

Action items:

- Attorney Leake will review the Iron Horse Property deed to address the mutual encroachment between the Town Hall property and the Iron Horse stairs on Bridge Street.
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