



Spruce Pine Town Council Meeting

Town Hall

11050 S. Highway 226
Spruce Pine, NC 28777

Monday, January 12, 2026
5:30 PM



AGENDA

I. CALL TO ORDER – MAYOR PHILLIP HISE:

- A. Roll Call
- B. Notification and Posting of the Agenda
- C. Pledge of Allegiance (Larry McKinney)
- D. Invocation (Councilwoman Taylor)
- E. Approval of Minutes (12/8/2025)

II. BOARD APPOINTMENTS

- A. Zoning Board of Adjustment:
 - i. Phillip Hise

III. ACTION ITEMS

- A. **Town Personnel Policy:** Discussion and Approval of the Town of Spruce Pine' Updated Personnel Policy.
- B. **FY27 Budget Calendar:** Discussion and Approval of the FY27 Budget Meeting Calendar.

IV. PUBLIC COMMENT

Public comments are limited to 3 minutes. This time is provided to share general thoughts with the Town Council. Individuals who desire to make a public comment must complete the sign-in sheet made available at each meeting and speak at the lecture (unless physically unable).

V. MANAGER'S REPORT

VI. MAYOR/COUNCIL REQUESTS OR COMMENT

VII. ADJOURNMENT



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I. CALL TO ORDER:

Mayor Hise called the meeting to order at 5:30 pm

A. Roll Call:

Mayor Hise requested a roll call. Marsha Hoilman, Town Clerk, conducted roll call for Councilmembers Peight, Buchanan, Holmes, Rensink, and Mayor Hise.

B. Notification and Posting of the Agenda:

Proper notification and posting of the agenda were acknowledged.

Councilman Buchanan motioned to approve the agenda, and Councilwoman Rensink seconded the motion; the council then adopted the agenda. Motion passed 5/0.

C. Pledge of Allegiance:

Mayor Hise led the Pledge of Allegiance.

D. Invocation:

Pastor Rocky Branch led the Invocation.

E. Approval of Minutes (11/10)

The council reviewed the minutes of the Regular meeting as presented.

Councilman Buchanan motioned to approve, and Councilman Peight seconded.

Motion approved, and motion passed 5/0

II. OATHS OF OFFICE:

The Honorable Clerk of Superior Court Shana Buchanan to administer Oaths of Office:

A. Mayor: Elizabeth Holmes

B. Council Members: Larry McKinney and Tessa Taylor

As each oath was done, Mayor Hise and Councilwoman Jackie Rensink stepped down with their name plates, and a new name plate was given to the newly elected Mayor and Council members.



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III. BOARD APPOINTMENTS:

A. Mayor Pro-Tempore:

A motion was made by Councilman Peight, nominating Rocky Buchanan to be Mayor Pro-Tempore. Councilman McKinney seconded the motion. Motion approved 4/0. 0 Opposed.

B. Spruce Pine Mainstreet Board (Councilmember Seat):

A motion was made by Councilman McKinney, nominating Tessa Taylor for the Spruce Pine Mainstreet Board. Councilman Peight seconded the motion. Motion approved 4/0. 0 Opposed.

C. High Country Council of Governments:

A motion was made by Councilman Peight, nominating Councilman Buchanan for the High-Country Council of Governments. Councilman McKinney seconded the motion. Motion approved 4/0. 0 Opposed.

D. Mitchell County Development Foundation:

Mayor Holmes stated that this nomination will be tabled until further notice.

IV. ACTION ITEMS:

A. RFQ- Public Services Facility:

Discussion and Approval to give Town staff authority to enter a contract with Withers & Ravenel and/or CBSA Architects as an alternate, for site, civil, engineering, and construction services of a new Public Services Building.

Included in the packet are two (2) RFQs, responding to a public bid that was published on November 4, 2025. The Town received a total of 6 responses. The Town formulated a bid tabulation as well as score criteria that ranked each firm based on its responsiveness to the bid. Those criteria were as follows:

- Firms' ability to perform work
- Specialized experience in similar projects
- Competence of lead design
- Competence in other personnel
- Ability to meet time and projected budget allocations



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- Experience with bidding and CA in similar funding stacks
- Veteran, minority, or women-owned HUB.

After careful review and consideration, the request is for the Council to grant staff authority to enter negotiations and secure a contract with Withers & Ravenel and/or CBSA as an alternate for design, engineering, bidding, and construction administration services for the Spruce Pine Public Services Facility.

A motion to approve RFQ- Public Services Facility by Councilman Peight. Councilman Buchanan seconded the motion. There was no discussion. Motion was approved 5/0.

B. Resolution 2025.008:

A Resolution granting authority to Town staff to execute a grant with the NC Department of Environmental Quality (DWI Division) for the State Revolving Funds “SRF Helene”.

The NC General Assembly has passed a variety of funding bills in response to the WNC recovery efforts.

Staff is seeking to apply for the State Revolving Funds (SRF) for Hurricane Helene- “SRF Helene” funding pack. The grant type is a no-interest loan with up to 100% principal forgiveness. The amounts are: \$5 million per applicant for wastewater projects and \$10 million per applicant for drinking water projects.

For jurisdictions that meet certain criteria, the first \$5 million in loans for both water and wastewater will feature 100% principal forgiveness per applicant. Once an applicant has reached \$5 million max for principal forgiveness on each side, any access award will feature a set percentage of principal forgiveness based on the jurisdiction's affordability criteria. The



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rest will be a 0%, 20-30-year loan, based on the anticipated life of the infrastructure.

The Town is seeking a grant amount of \$5 million for the addition of a water tank and necessary infrastructure for making the tank operable. The project will also include upgrades and improvements to the existing Rogers Street (Cemetery) storage tank. The project focus and benefit area is town-wide, with a specific focus on the Grassy Creek corridor.

Councilman McKinney motioned to approve. Councilman Buchanan seconded the motion. Motion was approved 5/0. 0 Opposed.

C. 2026 Town Council Meeting Calendar:

Discussion and Approval of the 2026 Town Council Meeting Calendar.

The Town of Spruce Pine Town Council Meeting Calendar 2026 has important dates in color on a white background.

- Regular Scheduled Town Council Meetings are shaded in blue for the 2nd and 4th Monday of each month.
- Holidays are shaded in red for the days Town Offices are closed.
- Budget Hearing Backup Date is shaded in yellow in case a backup hearing date is needed.

Councilman Buchanan motioned to approve. Councilman Peight seconded the motion. Motion approved 5/0. 0 Opposed.

D. Resolution 2025.009:

A Resolution recognizing years of Service and Dedication with Discussion and Approval for Councilwoman Jackie Rensink.

Councilman Buchanan motioned to approve. Councilman McKinney seconded the motion. Motion approved 5/0.



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E. Resolution 2025.010:

A Resolution recognizing years of Service and Dedication with Discussion and Approval for Mayor Phillip Hise.

Councilman McKinney motioned to approve. Councilman Buchanan seconded the motion. Motion approved 5/0.

V. PUBLIC COMMENT:

Public comments are limited to 3 minutes. This time is provided to share general thoughts with the Town Council. Individuals who desire to make a public comment must complete the sign-in sheet made available at each meeting and speak at the lecture (unless physically unable).

Numerous people signed up to share a few words of appreciation and recall memories of Jackie and Phillips' time served. They are both well respected and loved by our Town.

Jackie and Phillip both spoke of their appreciation to everyone. Phillip even received his own personal metal plaque, which reserves the table that he always sat at as our Town Mayor at DT's, which was a wonderful gesture by Dave and Trish Nivens.

The following people took the time to speak.

- Ralph Hise, Jr.
- Spencer Bost
- Darla Harding
- Michael Wood
- Jackie Rensink
- Travis Phillips
- Richard Canipe
- Phillip Frye
- David Niven
- Zan Sistare
- Phillip Hise



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VI. MANAGER'S REPORT:

Town Manager Daniel Stines began his Manager's Report by giving his thanks and appreciation to Mayor Hise and Councilwoman Rensink as they leave their positions, and to Mayor Holmes, Councilman Larry McKinney, and Councilwoman Tessa Taylor as they begin their term.

Town Manager Daniel Stines gave the following updates:

Administration:

Personnel Policy Update: We have recently secured the services of a professional HR company to assist with the Town's pertinent Human Resource matters. The Town's HR representative is Leslie Speas with Influence HR Consulting. Leslie has over 30 years of HR experience and is certified by the Society of Human Resource Managers (SHRM). Staff have requested that Leslie review the Town Personnel Policy as one more check and balance before its final review and adoption. Staff anticipate bringing this forward in January 2026.

FEMA: Staff have made more progress with FEMA and were recently obligated \$1.4 million for Water Distribution System repairs. These funds should be available to the Town in 30-45 days.

GRANTS: Staff, with assistance from the HCCOG, are actively working on grants for the addition of a water storage tank, upfit to the existing water storage, and the infrastructure that is required for operation. This grant is for an amount of \$5million. Staff have been awarded a grant of \$1 million for the upfit of stormwater management from the NC Dept of Commerce. Staff is applying for an additional \$4million for downtown infrastructure improvements to the electric utility and storm from the same funding pool. These applications are pending. Staff has requested \$1.5million from the Helene Local Government Capital Grant Program through the NCOSBM for additional improvements to the Public Services Facility.

Personnel Update: Staff have been working to fill a Building Official position, advertised in October. The Town has received interest and is currently reviewing



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the references of a potential prospect. If a decision is made about hiring, further notice will be provided.

IT updates and Upgrades are continuing. Staff hope to have the new servers in place by the new year. There have been a few PC replacements, and the staff is researching some additional software to help facilitate our utility department.

Website updates are nearing completion, and staff anticipate launching the Town's new website after the first of the year. There will be many new upgrades to the site.

Parks & Recreation: Staff have transitioned to help the Public Services department during the winter months. Christmas lights at the Town Hall and all around the town have been completed. Everything looks nice and festive. Staff cleaned up after the parade went through the Town, helping with snow detail. (salt and sidewalks, etc.) and have completed picking up leaves.

Public Services: Lines have been flushed, and they are working on pressure issues in various areas of Town.

There was a line break on Summit, resulting in a massive excavation of a +30' hole. The line was back on within a day. Saltboxes have been set up and prepped for flows for Winter. We have been busy, and winter isn't here yet.

Work history and invoices with HGA have been finalized. We are working to close the remaining FEMA projects.

General work area details of meter reading, locates, breaks, repairs, street sweeping, and public services continue.

Police Department: There were 396 calls for November.

Patrolling has increased on Burleson Hill since the fatal vehicle incident in front of SECU.

Drug cases are still a primary focus.

Patrol has increased in Town and neighborhoods during the Holiday season.

The Spruce Pine Police Department would like to thank Mayor Phillip Hise and Councilwoman Jackie Rensink for all the hard work and professionalism they have shown to Chief Cook and our officers during their service. They will both be missed. Kasey apologizes for not being here tonight in person to speak to Mayor Hise and Councilwoman Rensink directly.



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If suspicious activity or crimes are suspected, or if there are concerns, please report them to the Spruce Pine Police Department.

Mainstreet: Due to the staffing limitations this month, we scaled back some of our planned December programming. Our remaining December event is the Holiday Gift Wrapping Event on December 20th, from 12:00 PM to 4:00 PM in Pocket Park. Staff and volunteers will provide gift wrapping for purchases from downtown businesses or for donations to Downtown Spruce Pine, Toys for Tots, or Shepherd's Staff. Shepherd's Staff will also host a table on-site. We currently have two extra Toys for Tots bins and a cash-donation container and are working to place them with downtown businesses willing to host them through Christmas.

November 29th- Christmas Parade: Downtown Spruce Pine participated with support from staff and volunteers. Special thanks to volunteer Kin Oberhammer for her work on parade props, and to Cami Leisk and the Spruce Pine Montessori for coordinating a group of children. Both the parade appearance and the hot beverages in the park were well received.

November 29th is also Small Business Saturday: The three-day raffle required a \$25 minimum purchase at a downtown business, 102 entries (after removing duplicates), and \$8,735 in tracked spending downtown. These numbers show strong local engagement and meaningful economic activity during the weekend.

December 1-5: Giving week/Giving Tuesday: We conducted a social media-based fundraising push highlighting accomplishments from 2024-2025. A Giving Tuesday newsletter was distributed on December 2. Results are still pending.

The RERC program is active again as we move into the next phase. We are currently coordinating meeting dates for late spring or early summer. Committee formation is underway and shaping up well, with a strong mix of community partners and institutional representation. This group will give the program a solid foundation as we move into planning.

Tourism Development Authority (TDA) Work. Serving in my capacity on the TDA Board, things continue to move forward productively. Destination by Design will be presenting updates to the Board this week. This project represents a major step forward for Mitchell County's tourism strategy, and early work looks promising.



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Publicity generated from the North Carolina Hellbender Festival continues to provide value. Over the past month, we completed interviews with both Oxford American and Atlas Obscura, helping evaluate the profile of Spruce Pine and reinforce the festival's long-term impact.

VII. MAYOR/COUNCIL REQUESTS OR COMMENTS:

Mayor Holmes wanted to thank everyone for decorating the Town, the Chamber, Kawanis for the Parade, and Public Works for the Street Sweeper cleaning up the streets following the parade of candy.

Councilman Buchanan gave the following update: The Mitchell High School sidewalk from the road to the school was approved

Councilman Peight spoke directly to Mayor Hise and Councilwoman Rensink, giving his thanks and appreciation to both.

The meeting for December 22nd was cancelled due to the holidays. Councilman Buchanan motioned for the meeting cancellation, and Councilman Peight seconded the motion. Motion passed 5/0. 0 opposed.

VIII. ADJOURNMENT:

Mayor Holmes motioned for Adjournment at 6:22 pm. Councilman Peight seconded the motion.



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Beth Holmes, Mayor

ATTEST:

Rocky Buchanan, Mayor Pro Tem

Marsha Hoilman, Town Clerk

Larry McKinney, Council Member

Wayne Peight, Council Member

Tessa Taylor, Council Member



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MEMOS

To: Mayor & Town Council
From: Town Manager
Date: 01/12/2026
Subject: **Personnel Policy MEMO**

As part of the Compensation and Classification study that was conducted Summer 2025, by the North Carolina League of Municipalities MAPS Group, part of the study included review of the Towns Personnel Policy. Town Council has adopted the Towns new Pay Classification Plan but the Personnel Policy was left separate to allow a separate review.

The Towns Personnel Policy has been previously updated and reviewed in 2023 by the Towns Attorney. While there are not many significant changes to the policy, the following sections did undergo edits, additions or change:

- Article 1 (General Provisions) Section 2 (At Will Employment), Section 5 (Application of Policies, Plans, Rules, and Regulations), Section 6 (Departmental Rules), Section 7 (Definitions).
- Article V (Conditions of Employment) Section 1 (Technology/Social Media Policy)
- Article VI (Employee Benefits) Section 9 (Law Enforcement Separation Allowance) Section 10 (Credit Union Membership)
- Article VII (Holidays & Leaves of Absence) Section 15 (Leave Prorated) Section 20 (Parental Leave)
- Article VIII (Separation and Reinstatement) Section 10 (Exit Process)
- Article IX (Unsatisfactory Job Performance and Detrimental Personal Conduct) Section 6 (Pre-Dismissal Conference) Section 8 (Name Clearing Hearing)

These sections were highlighted by the consultant Becky Veazy and were amended or added due to statutory reasons or changes in industry standard. Some changes are basic in nature such as verbiage. As an exhibit to this memo, the recommendations and major changes have been further highlighted as provided by the NCLM and are included in the Council Packet.

Respectfully,

Daniel Stines
Town Manager

PERSONNEL POLICY AND MANAGEMENT RECOMMENDATIONS INCLUDING SUCCESSION PLANNING RECOMMENDATIONS

The following recommendations are made based on our lengthy experience in local government human resources management, modern best practices, and laws, regulations and court cases. There are several new laws, regulations and court cases that are reflected in the recommended policy. These have been highlighted for ease in seeing them. Some of the recommendations may need implementation in the near future. Others, such as benefits changes and more in-depth programmatic changes may be seen as more of a five year plan to phase in over time.

On the next pages are fringe benefits comparisons data based on information from organizations surveyed. Some of this information has been incorporated into the personnel policy.

Personnel Policy

The Personnel Policy recommended to you is created following several key criteria.

1. Wherever possible, standard language that has stood the test of time, grievances, lawsuits, etc. in multiple jurisdiction is used.
2. The approach is to address major policy issues attempting to strike a balance between providing clear policy guidance to the Town and departmental managers while staying away from detailed procedures that tend to enfeeble rather than empower effective management decision making. Because of this approach, it may be desirable to transfer some of the language in your previous policy to an administrative procedure manual or policy addendum. Part of the intention in limiting the policy to actual policies rather than procedures is to protect elected official time for more important issues and leave the administration to perform its responsibilities.
3. In small towns, the Personnel Policy is also the employee handbook. For that reason, we recommend using language that is straight forward and not legalistic. It is important that employees be able to read and understand the policy.
4. Changes in any policies or benefits are recommended either based on what is considered competitive practice in your market or modern and effective personnel practices.

Personnel Policy Recommendations

1. There were so many changes recommended that trying to amend individual sections was not practical. However, the current policy is based on a MAPS template and thus we are starting from our current template and highlighting major additions. Specifics on any major deletions are found in number 5 below.
2. The new personnel policy has several changes which may impact the decisions supervisors make and the way they deal with employees. A thorough review of these changes, the reasons behind them, and how to apply them should be undertaken with both supervisors and employees.
3. Most attorneys recommend adopting the personnel policy by resolution and calling it a policy rather than an ordinance. This recommendation is based on a court case, Pittman v. Wilson County, which stated that policies adopted by resolution retain the "at will" status of employees. "At will" means that employees serve at the will or pleasure of the employer and no policies or procedures change that. The benefit of "at will" employment is that the Town's legal liability is potentially reduced in the case of termination or management error. The disadvantage is that employee loyalty and therefore motivation and productivity are not generally as high in "at will" organizations because employees

view the employer's loyalty and commitment to them and their career as weak. The NCLM risk management division strongly recommends a policy of "at will" employment to municipalities. This policy contains language consistent with an "at will" organization.

4. There are several new laws, regulations and court cases reflected in the policy update. These include the NC laws on Pornography on Government Networks and Devices and the Law Enforcement Separation Allowance, a court case on Name Clearing Hearings, and a new federal law, the Pregnancy Workers Fairness Act.
5. The current personnel policy contains some detailed procedures and laws that make the policy more lengthy and in some cases more legalistic than what is found in most policies and best practices. We have some specific recommendations for these.
 - a. Civil Leave. This section is much longer than seen in most policies and somewhat legalistic. We recommend that this become an administrative procedure that can be used and updated as needed by the Town Manager.
 - b. Military Service. We recommend taking the same approach to this as to civil leave. This mostly elaborates on the specifics of the law and is more detailed than needed in the policy.
 - c. Conflict of Interest. We recommend this become a separate policy found in an addendum to the personnel policy because of the level of detail.
 - d. Blood Borne Pathogens. We recommend this also become an administrative procedures because the provision are mostly needed by management.
 - e. Substance Abuse. This is normally a separate policy because of the length and can also be part of the addendum to the personnel policy. It could also be an administrative procedure that can be updated administratively as needed rather than taking up Council time in the weeds.
 - f. Technology. We recommend this be an administrative procedure that the Town Manager can update as needed because of frequent changes in technology and to protect Council time for more policy focused issues. We also recommend that it be written in more understandable and simple language so employees can understand it.
 - e. Service Animal. We recommend this be an administrative procedure that the Town Manager can update without the need for Council to take up their time.
 - f. Voluntary Shared Leave. We also recommend this be an administrative procedure subject to the Town Manager's updates as needed.
 - g. Reduction in Force. This is more detailed rather than a clear statement of policy and recommended for the administrative procedures approach.
6. The Town's retirement system contract requires that employees in positions that are funded for over 1000 hours per year be required to join the retirement system. Often, there are no positions like this in small towns and the Town does not currently have any of these. However, when there are, these are employees who may work for the Town for many years. For this reason, local governments make a distinction for these employees different from staff that do not fit this category.

As found in many local governments, we recommend separating the part-time category into Part-time Benefitted and Limited Service. Part-time benefitted employees would participate in the retirement system and receive pro-rated vacation, sick and holiday time. Limited Service employees are subject only to workers' compensation and FICA.

It is important to monitor limited service employees to ensure that they do not exceed 1000 hours in a year. Many local governments keep a spreadsheet for this purpose.

7. We have recommended a new longevity pay schedule. This one reflects some inflation since the last policy and also is intended to benefit lower paid employees more equitably.
8. The disciplinary actions section of the current personnel policy does not provide separate processes for Unsatisfactory Job Performance and Detrimental Personal Conduct. This does not reflect best practices. Job performance is something that employees can improve and it is in both the Town's and employee's interest that coaching, warning and then more serious steps take place to give the employee the opportunity to improve. Personal conduct is more serious, such as breaking the law, workplace violence, fraud, etc., and the Town should be able to immediately suspend, investigate and then act on the investigation with more serious action if called justified. We have provided the more effective language in the recommended policy.
9. There is significant inequity in the way shift law enforcement officers are receiving leave. Employees who work 2080 hours per year receive sick leave at 8 hours per month. Police officers who work 2184 hours per year are receiving the same amount of sick leave and take 12 hours off for each day of leave. In addition, non shift staff receive 12 holidays per year and take off all 12. Law enforcement gets a 12 day bank of leave (at 8 hours for each holiday), and if they are unable to take it off in a year, lose it. Turnover and vacancies reduce the ability to take time off.

The best practices and equitable approach is as follows:

- a. Pro-rate all leave including sick, vacation and holidays. This is accomplished with a formula that provides equity and is included in the recommended policy. The formula applies a ratio of 1.05 to leave for shift police officers. The ratio is the product of 2184 divided by 2080. This results in shift officers receiving a 8.4 hour holiday, sick day, etc.
- b. Pay officers for each holiday at 8.4 hours in the payroll cycle in which the leave falls. This will result in an additional 100.8 hours of pay per officer per year and is considered best practice for several reasons: 1) it ensures that all officers receive the holidays they are due; 2) it keeps from creating an unfunded bank of time; 3) it reduces an incentive to leave and cash out an large balance of comp time, holiday time and vacation time; and 4) it compensates officers at today's wage rates, not those two years from now.

10. We also recommend that sick and vacation leave be accrued with each biweekly payroll. This allows for an automated rather than manual approach, and results in employees having their most up to date leave balances.

Management Recommendations

In addition to the personnel policy, the following recommendations are made to improve efficiency and effectiveness, to reflect best human resources practices, and to protect against unnecessary liability concerns for the Town. The Town may not be able to implement all of these immediately, but we wanted to bring them to your attention.

1. One important use of the class specifications is to provide minimum education and experience, certification, and knowledge, skills, and abilities needed to perform each job. It will be important to use the new class specification information in recruitment notices and advertisements in the future.

2. The Town has a number of new supervisors and department heads who have not received supervisory training. Lack of supervisory knowledge can result in decisions that create unnecessary liability for the Town and actions that reduce productivity and morale and even create turnover. Needed training topics include how to conduct effective performance evaluations, make effective hiring decisions, provide performance feedback and coaching that does not create defensiveness, use the disciplinary process effectively, conflict resolution, motivation, effective communications, leadership, working with multiple generations, understanding human behavior, and legal issues for supervisors including FMLA, FLSA, OSHA, ADA and EEO.
3. We recommend in-range certification salary increases of 5% for employees below midpoint and 2.5% for employees above midpoint for utility staff for certifications that exceed those required on the class specification (job description). We recommend making these salary changes horizontally within the range which also helps address compression. Other certification increases recommended are for commercial driver's license where not required by the job or if needed, pesticide applicator licenses, and playground inspection certifications. (recommend same amounts as utility certifications).
4. There are many benefits to an organization from performance evaluation separate from providing a basis for merit pay decisions. The Performance Evaluation program, when properly implemented, helps provide a structured way to ensure that employees receive clear performance standards and that there are discussions with employees about the degree to which they meet, fail to meet, or exceed these standards. Performance discussions build better communications between employees and supervisors and help improve overall organizational productivity as well as clarify work priorities and provide clear direction and goals for employees. Studies show that most employees want feedback and want to know where they stand in terms of their overall performance. In addition, performance evaluations provide documentation needed by organizations in making promotions, identifying training needs, disciplinary actions, and other personnel actions.

We recommend each employee participate in a performance review conference with his or her supervisor annually, whether or not it is tied to performance pay. Supervisors should be trained to conduct performance review conferences that are valuable for both employees and supervisors. The Town needs training for supervisors as well as performance management instruments that are meaningful and job related for employees. These are best created with employee input to create ownership and acceptance.

We have also found that, in order for performance evaluation to be performed in a comprehensive way that involves an in depth conversation between employee and supervisor, it is important to spread reviews out throughout the whole year rather than having them performed in a tight time frame. This is best accomplished by having reviews on the employee's anniversary of his/her hiring date. Whenever organizations move to a tighter time line for review, the process becomes focused on the paperwork and meeting deadlines. Communication, coaching, mentoring and quality are usually victims of the deadlines and workloads.

5. We recommend that the rate used to compensate police officers for off duty work scheduled through the department be monitored to always equal at least the time and one half rate in order to be fair to officers.
6. It is important to address compression aggressively. Because of the impact on morale and turnover, not addressing compression can be more costly than addressing it. This means ensuring that there is some method of moving employees across the salary range each year. The personnel policy provides an option for an automatic (step plan) or performance based system.

The step plan recommended is an annual approach rather than skipping years as in the current policy. The annual approach is needed for retention, especially with younger workers.

The step/automatic approach may be best used until a new performance review and performance pay system is designed with input from employees and supervisors and everyone is trained in how to make the system work effectively. A pilot period using a new performance review system is very helpful prior to using the system to apply performance pay. "The easy way out leads back in."

7. Various retirement system, IRS and other regulations require that regular deductions are taken out of longevity checks.
8. The Town is employing a more costly method of compensating law enforcement officers for overtime/compensatory time. FLSA regulations allow for a 28 day cycle that provides more time for officers to take time off if they worked beyond their scheduled shift. Currently the Town calculates overtime after only 14 days.
9. We have provided a new form-fillable employment application that complies with current laws and regulations.
10. FLSA requires the Town to compensate K-9 officers for the off-duty time spent feeding, training, and cleaning the animals.
11. Most that require employees to use personal cell phones for business such as standby, etc., pay a supplement to compensate for the requirement.

Benefits

We have recommended some potential benefits changes. Some of these you may wish to change in the short term and others more long term.

1. Term life insurance is not terribly expensive. We recommend going to one times salary for this benefit.
2. The state requires that the Town contribute 5% of salary to a 401-K plan for all law enforcement officer. As can be seen on the benefits survey, the majority of survey participants also provide this benefit for employees. We recommend that the Town start with 1% and add an additional 1% each year until the contribution is 5% for all employees.
3. The personnel policy and pay plan both reflect a probationary increase for employees. This helps jump start addressing compression by getting employees out of the hiring rate as well as provides incentive and retention value.
4. If the Town wanted to become more competitive in the hiring process, it could start employees at 12 days per year of vacation. The Town's market does not currently reflect this. However, we are seeing this approach increasing in other areas of the state, with Towns looking for a competitive advantage, especially for law enforcement.

Succession Planning

The purpose of succession planning is to ensure that the Town is able to respond effectively to retirements, other separations, growth, illnesses, and other potential current and future needs. Following are some recommendations designed to help the Town begin to consider these issues.

1. There are currently no Public Services Technicians or Equipment Operators with distribution or collection system certification. This is highly unusual in these jobs. It is very difficult to require this of current staff. For this reason, we are recommending that all new Public Services Technicians be required to obtain either a distribution or collection system certification prior to completing probation. These certifications are important to future planning, current back up, and much less expensive to develop in in-house staff than to the recruit in the market. In addition, hiring staff who can obtain the certifications also means the staff is better suited to develop into future crew leaders and supervisors.
2. The Public Services Director has both administrative and field demands. It is a difficult balancing act to be both places when needed. We recommend the addition of a Public Services Supervisor. The role would require both distribution and collections systems certifications, supervisory and motivation skills, technology skills, administrative and field skills. The role would both back up the Director currently and be able to step in if needed in the future. We are providing a class specification and recommend salary grade 17.
3. The Town Clerk currently supplements the Finance Department with payroll, accounts payable, and accounts reconciliation. When possible, we recommend the Town create a Finance Specialist that will take over responsibility for payroll and accounts payable with the Town Clerk becoming the back up for these. We recommend requiring an accounting degree for the role so that the employee can learn to back up the Finance Director and take over if needed in the future. We are providing a class specification and recommend salary grade 16.
4. Human Resources administration is increasingly complicated and time consuming. It currently takes a significant amount of time from the Finance Director and the Town Manager. Either this Finance Specialist or the Town Clerk should also take on some of the HR Officer role either filling the vacancy or having the employee trained in skills such as:
 - * recruitment and selection including writing job announcements, screening, coordinating background investigations, assisting with writing interview questions and conducting interviews and obtaining references;
 - * benefits administration including on-boarding, research, serving as liaison between employees and insurance vendors, etc.;
 - * safety officer including safety committee chair, safety training, policy development, accident investigation and workers' compensation coordination;
 - * assisting with development and administration of performance evaluation and performance pay programs including research, training coordination, program monitoring, etc.
 - * completing a wide variety of records, reports, surveys etc.
 - * the keeper of personnel files, updated personnel policy and updated classification and pay plan; and other needs.

5. If the Town begins to experience any significant subdivision and commercial development, a Planner will also be needed. The role could also fill the role of GIS Administrator creating and updating Town maps such as elections, zoning, stormwater, utility easements, utility appurtenances (meters, lines, valves, hydrants, etc.), etc. The role may also eliminate the need for a full-time code enforcement officer and/or FEMA contract. We are providing a class specification and recommend salary grade 17.
6. On the following pages are found an example of a Police Career Development Plan. This is found in around 35 to 40% of law enforcement agencies and is intended to both develop staff for advancement and for retention.

Police Career Development Program Example

I. Purpose

The purpose of this policy is to establish criteria for the below listed career development levels and to establish training, education and experience requirements for each.

II. Procedure

A. Police Officer

Police Officers serve their first year as probationary employees. This probationary period may be extended for a period of up to six additional months for marginal officers if it is determined that they show promise of being successful and productive officers. Police Officers are eligible to receive a 5% probationary increase after six months of successful performance, prior to the end of probation, if performance warrants it.

B. Senior Police Officer (SPO) - Eligibility

1. Officers must be in good standing with the police department. This includes meeting or exceeding performance standards for a period of at least twelve months.
2. Officers must not have received a written warning, suspension, or demotion for unsatisfactory performance or detrimental personal conduct in at least the last 12 months.
3. Officers must have a minimum of three years of law enforcement experience, and at least two years with the organization as a police officer. Honorable full-time military law enforcement experience is credible for this requirement, but will be valued at 1/4 time.
4. Officers must have accrued a minimum of 250 hours of training to be eligible for consideration. Basic Law Enforcement Training and required in-service training hours are not credible for this requirement.
5. Eligible Officers may submit a letter of request once they meet the qualifications for Senior Police Officer and must be approved by each level in the chain of command including the Police Chief to achieve this rank.
6. Senior Police Officers must maintain an overall performance evaluation rating of meets or exceeds standards. Officers who do not maintain this standard will be demoted to Police Officer with a loss of pay.

Officers who achieve the Senior Police Officer rank will receive a 5% increase within the established salary range for Police Officer.

C. Master Police Officer (MPO) - Eligibility

1. Officers must be a Senior Police officer in good standing and have served as a SPO for at least two years.
2. Officers must have a minimum of six years of police experience. Four of these years must be consecutively served in any sworn capacity at this Police Department.
3. Officers must not have received a written warning, suspension, or demotion for unsatisfactory performance or detrimental personal conduct in at least the last 12 months.
4. Officers must have accrued a minimum of 400 hours of training including 40 hours of supervisory training, 15 hours of investigations training, and 3 hours of conflict resolution training. Basic Law Enforcement Training and required in-service training is not credible for this requirement.
5. Master Police Officers must maintain performance evaluation ratings of meets expectations or better to maintain this rank. Officers who do not maintain this standard will be demoted to Police Officer or Senior Police Officer with a loss of pay.

Officers who achieve the Master Police Officer rank will receive a 5% increase within the established salary range for Police Officer.

**Town of Spruce Pine
Draft Budget Calendar
Fiscal Year 2026-2027 (FY27)**

Budget Procedure	Legally Required Date	Projected/Target Dates
Distribute Capital Improvement Plan Docs to Staff		01/16/ 2026
Capital Improvement Plan Docs Due Back to Admin		01/30/2026
Capital Improvement Plan Staff Meetings		January & February
Departmental Budget Requests Due to Admin		02/13/2026
Preliminary Revenue and Expenditure Estimates		02/23/2026 –02/27/2026
Staff/Council Budget Retreat		Choose One Date Between: 03/02/2026 – 03/06/2026
Departmental Budget Reviews		03/09/2026 – 03/23/2026
Budget Workshop #1		Choose One Date Between: 3/23/2026 – 3/31/2026
Budget Reviews & Adjustments		04/01/2026 – 04/15/2026
Budget Workshop #2		Choose One Date Between: 04/15/2026 – 04/30/2026
Notice of Budget Public Hearing	By 06/01/2026	05/08/2026
Draft Budget to Town Council	By 06/01/2026	05/08/2026
Budget Public Hearing & Adoption	By 07/01/2026	06/08/2026

Fee Schedule, Pay Scale, Special Budgets, and CIP included in Budget Ordinance

See the Local Government Budget and Fiscal Control Act for info on budget formulation and adoption



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MEMOS

To: Mayor & Town Council
From: Town Manager
Date: January 12, 2026
Subject: **Managers Report (Reporting on December 2025)**

- **Administration:**

- Personnel Policy Update: Staff will present the updated Town Personnel Policy at the January 12, 2026 meeting.
- FEMA: Staff has spent substantial time with HGA and Bolten Menk configuring the waste-water treatment plant repairs and or replacement. Staff now has secured contracts for engineering, architectural and bidding services on all major FEMA disaster projects. Those include the pedestrian bridge (awarded to Mattern & Craig), Riverside and Riverbend Parks (awarded to Benesh), and the Waste-Water Treatment Plant (awarded to Bolten & Menk). The Town also has several other micro projects related to storm recovery, including road collapses, culverts and slides. The town has engineer firms secured for those projects and are working with FEMA to get those projects awarded.
- Grants: Staff is spending a significant amount of time applying for grants. The most recent grant awards are from the Office of State Budget Management (OSBM). The town was awarded \$1,220,982.15 for the Public Services Building. The town was awarded \$266,517.86 for the replacement of the Pine Branch Lift Station service line. The town was awarded \$1,000,000 to be applied as the match for a pending EDA grant of four million. Outside of OSBM grant awards, the Town has also been awarded: \$1,000,000 from NC Dept Commerce for infrastructure improvements to Sycamore Alley, \$700,000 from Appalachian Region Commission (ARC) for infrastructure improvements to Burleson Hill Pump Station, this project will be match by Direct Appropriation Funds from Legislation. To date, outside of FEMA recovery funds received, the Town has secured \$4,187,500.01 in grant funding since March 2025. The town has grant requests pending from SRF in the amount \$5,000,000 and from EDA in the amount of \$4,000,000. Staff hopes to hear late January/early February, the results of these grants.
- Personnel Update: Staff will readvertise the Building Official position and adjust the requirement to meeting Level II certifications in hopes of opening up the candidacy pool. Staff will utilize assistance of the newly secured 3rd



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party HR services for recruitment and utilize a couple more marketing platforms.

- 2024/2025 Audit: Staff has been very busy with the 2024 audit, which includes a FEMA audit for all projects and expenditures related. The 24/25 funds are balanced. This years audit will not be a normal audit for these reasons. Staff is working with the auditors to determine completion but recent conversations have considered the audit may be extended to allow more time to compile FEMA data. Audit extensions are not uncommon should this be needed.
- Website: The Towns new website is complete all but finalizing staff bios, headshots and a few last pieces of data. Staff is excited to launch this new site, and looks forward to the feedback. The new site will be robust with new features, information and user friendliness.
- Zoning Re-Write: The Town began re-writing its zoning ordinance July 2025 and January 2026 marked the committee's 7th workshop. The committee has been meeting on the 2nd Thursday of the month from 4pm until. The committee anticipates bringing the new zoning ordinance to Council for consideration and adoption late fall/year end 2026.

- **Parks & Rec Department:**

- Working on leaves and brush and cleaned around the pool.
- Remove Christmas lights at Town Hall.
- Cleaned gutters and organized a shed and reattached the privacy fence at tennis courts.
- Working with Spencer on a PARTF grant for Brad Raegan Park.

- **Public Services:**

- Crews have worked numerous breaks and issues have occurred since December, including a system failure requiring work on Christmas Eve and Day.
- Travis has spent a lot of time on administrative work helping provide data on the water and waste-water system as well working with engineers and firms for the major projects affected throughout Town.
- Ronnie Letterman gets the Cold Plunge Award for 2025, after diving into the N. Toe River to secure a temporary pump intake. The temp was 22 that evening and no one wanted to know the river temp!
- Crews have been performing pressure checks throughout the system, identifying problem zones. Town Admin is using this data for grant requests, in efforts to secure funding to fix the issues. Some issues are larger than others.
- Crews put up the 25' Town Christmas Tree and wrapped it in lights.



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- Crews have maintained running the sweeper truck in-between water/sewer breaks and maintenance.
- Crews will be removing the 25' Town Christmas tree January 12, assuming no major issues arise.
- Completed the paving list for this year's Powell Bill. Work included but wasn't limited to: East and West Valley Road, Petterson St, Pendley Rd, Woodland St and several patches throughout Town.
- **Police Department:**
 - Report included as separate attachment within packet
- **Finance:**
 - Reconciliations are fully caught up and staff has almost completed a revised process that will expedite the reconciliation process.
 - NCLM has continued to be on site helping train staff, evaluate processes and improve processes. The NCLM and LGC are very happy with the progress and overall condition of the Towns improved processes and reports.
 - Tax collections as of January 9, 2026 is 98.25% collected. This is a 2.13% increase from this time last year and 4.63% increase from 2023. Staff would like to recognize Marie Murphy for her diligence and hard work in getting notifications, and reminders out to customers. Marie has been a tremendous asset and addition to the Town.
 - New processes have been put in place for Federal and State payroll tax calculations and payments.
 - The FY27 Budget process has begun, Administration has started collecting Department requests.
- **Mainstreet:**
 - Did a free gift-wrapping program in the pocket park
 - Finalized committee members for the Recreation Economies for Rural Communities. The first meeting will be in February.
 - Fire on the Mountain planning efforts are underway with the schedule and blacksmiths being finalized this week.
 - Working on several grants for the 2026 festival year.

Respectfully,

Daniel Stines
Town Manager

Spruce Pine Police Department

Monthly Activity & Operations Report

Reporting Period: December 1st-January 9th 2026

Submitted By: Chief of Police, Spruce Pine Police Department

Submitted To: Town Manager, Town of Spruce Pine

Overview

This report provides a summary of operations, activities, and notable matters involving the Spruce Pine Police Department over the past month. The department has continued to focus on public safety, professional conduct, and accountability while maintaining daily law enforcement services to the community.

Department Operations

During the reporting period, the department maintained routine patrol coverage, responded to calls for service, and addressed public safety concerns within the town limits. Officers continued to perform their duties in accordance with departmental policy and applicable laws.

Key operational areas included:

- Patrol and traffic enforcement (Burleson Hill will continue to be a focus for us)
- Response to calls for service
- Community presence and visibility
- Drug Enforcement is still top priority

Personnel & Staffing

Department is at full capacity, and everything is going great.

Administrative & Internal Matters

The department addressed routine administrative responsibilities, including report reviews, policy compliance, and supervisory oversight.

- Any internal complaints or concerns received during this period were reviewed and investigated in accordance with established procedures.
- Where applicable, investigations were completed and properly documented, with notifications provided to appropriate town officials.

Community Relations

The department continued efforts to maintain positive relationships with residents. Officers engaged with the community during routine interactions and remained responsive to citizen concerns brought to the department's attention.

Equipment & Resources

I was able to turn over my old patrol vehicle to the Town Manager and put my new patrol vehicle on the road.

Summary

Overall, the Spruce Pine Police Department continued to fulfill its responsibilities professionally and efficiently throughout the past month. The department remains committed to transparency, accountability, and providing reliable law enforcement services to the Town of Spruce Pine. We are excited for a new year.

Please feel free to contact me if additional information or clarification is needed.