

**MINUTES OF THE TOWN OF FRANKLIN TOWN COUNCIL
REGULAR MEETING
JUNE 1, 2026**

THE FRANKLIN TOWN COUNCIL held a regular meeting on Monday, June 1, 2026, at 6:00 p.m. in the Town Hall Board Room located at 95 East Main Street Franklin, NC.

1. CALL TO ORDER

Mayor Stacy Guffey called the meeting to order at 6:00 p.m. with the following members present – Vice Mayor Mike Lewis and Council Members: Travis Higdon, Rita Salain, Robbie Tompa, and Jeff Berry.

Vice Mayor Mike Lewis made a motion, seconded by Council Member Robbie Tompa to excuse Council Member Joe Collins from the June 1, 2026 meeting. The motion carried unanimously. Vote: 5 – 0.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice Mayor Mike Lewis.

3. ADOPTION OF THE JUNE 1, 2026 TOWN COUNCIL AGENDA

Council Member Rita Salain made a motion, seconded by Council Member Travis Higdon to approve the Town Council Agenda for June 1, 2026 as presented. The motion carried unanimously. Vote: 5 – 0.

4. APPROVAL OF THE CONSENT AGENDA FOR JUNE 1, 2026

A.) Approval of the Minutes

1. May 4, 2026 Regular Meeting Minutes
2. May 18, 2026 Special Called Meeting Minutes

B.) Budget Amendment

C.) Tax Releases

Vice Mayor Mike Lewis made a motion, seconded by Council Member Rita Salain to approve the consent agenda for June 1, 2026 meeting, as presented. The motion carried unanimously. Vote: 5 – 0.

5. RECOGNITION

A.) New Fire Chief Justin Setser recognition by Town Manager Amie Owens

Town Manager Amie Owens formally recognized Justin Setser upon his appointment as Fire Chief. She noted that Setser is a third-generation firefighter who has served with Franklin Fire and Rescue throughout his entire 24-year career, rising from volunteer firefighter to fire captain (2012–2021), then to assistant chief (2021–February 2026), before being named Interim Fire Chief. Town Manager Owens highlighted his extensive certifications, his completion of the Rural Economic Development Institute (REDI) program, municipal and county administration coursework, and his service as Interim Town Manager in 2021.

Following the remarks, Chief Setser was pinned with his Chief's badge by his daughter, Andi, and was joined by members of his family and the fire department.

6. PUBLIC SESSION

No one signed up to speak for public session.

7. ITEMS FROM COUNCIL

- A.) Resolution Encouraging Collaborative Engagement Regarding Healthcare Services in Western North Carolina – Council Member Travis Higdon

Council Member Rita Salain made a motion, seconded by Council Member Jeff Berry to adopt the Resolution Encouraging Collaborative Engagement Regarding Healthcare Services in Western North Carolina, as presented. The motion carried unanimously. Vote: 5 – 0.

- B.) Resolution Recognizing the 25th Anniversary of the Roadless Area Conservation Rule- Mayor Stacy Guffey

Vice Mayor Mike Lewis made a motion, seconded by Council Member Rita Salain to adopt the Resolution Recognizing the 25th Anniversary of the Roadless Area Conservation Rule, as presented. The motion carried unanimously. Vote: 5 – 0.

- C.) Additional Items from Town Council

Vice Mayor Mike Lewis and Council Member Robbie Tompa both thanked the public for attending the Main Street Transformation Workshop. Vice Mayor Lewis noted that over 125 individuals signed in at the workshop.

8. CALLS FOR PUBLIC HEARING

- A.) Call for Public Hearing on Monday, July 6, 2026 at 6:05 p.m. or as closely thereafter to gain public input related to an Ordinance Establishing a Temporary Moratorium on New Data Center Development within the Town of Franklin's Planning Jurisdiction – Town Attorney John Henning, Jr.

Town Attorney John Henning, Jr. presented the item, noting that moratoriums on data center development have been proliferating across North Carolina and the nation, and expressing concern that municipalities without such protections could become targets for this type of development. He explained that the moratorium would be for a one-year period and is required by statute to identify specific issues to be studied, the steps to be taken, and the rationale for the time needed. He noted that the Town's Unified Development Ordinance (UDO) does not currently address data center land use directly, creating regulatory exposure.

Council Member Rita Salain raised the point that data center development could occur right up to the Town's ETJ boundary at the county level. Town Attorney Henning confirmed the moratorium would cover the town limits and ETJ, but not beyond. Vice Mayor Lewis noted that data centers can be significant consumers of water and power resources while generating very few jobs, and that a building of several thousand square feet might employ only three people.

Council Member Rita Salain made a motion, seconded by Council Member Jeff Berry to Call for a Public Hearing on Monday, July 6, 2026 at 6:05 p.m. or as closely thereafter to gain public input related to an Ordinance Establishing a Temporary Moratorium on New Data Center Development within the Town of Franklin's Planning Jurisdiction, as presented. The motion carried unanimously. Vote: 5 – 0.

9. PUBLIC HEARINGS

- A.) Public Hearing on Monday, June 1, 2026 at 6:05 p.m. or as closely thereafter to gain public input related to a request for rezoning from Residential R-1 to Commercial C-2 for property PIN#65941443604, located at 503 Dowdle Mountain Road – Town Planner Justin Setser Town Planner

Town Planner Justin Setser presented the rezoning request from Tammy Nelson for approximately 13.66 acres at 503 Dowdle Mountain Road to be rezoned from R-1 to C-2. He noted that water and sewer service is not currently at the site but is accessible within a few hundred yards at the roundabout below, with gravity sewer being straightforward to connect and water requiring a pump uphill. The Planning Board reviewed the request on April 20th and recommended approval unanimously. Town Planners Setser noted this was the first rezoning to go through the new public comment procedure at the Planning Board level, and that one neighboring property owner to the south had appeared and raised concerns about future development impacts. Those concerns were addressed through discussion of buffering and screening requirements under the UDO, and the neighbor did not appear at the Town Council meeting.

Mayor Stacy Guffey opened the Public Hearing at 6:34 p.m.

Attorney Stuart Sloan appeared on behalf of applicant Tammy Nelson to answer any questions and indicated the staff report spoke for itself. No members of the public had signed up to speak.

Mayor Stacy Guffey closed the Public Hearing at 6:35 p.m.

Vice Mayor Lewis confirmed with Town Planner Setser that the neighboring property owner's concerns had been adequately addressed, and Town Attorney Henning commended the new pre-hearing notification process as demonstrably effective.

Council Member Robbie Tompa motion, seconded by Council Member Rita Salain to appoint approve the rezoning request from Residential R-1 to Commercial C-2 for property located at 503 Dowdle Mountain Road, as presented. The motion carried unanimously. Vote: 5-0.

- B.) Public Hearing on Monday, June 1, 2026 at 6:08 p.m. or as closely thereafter to gain public input related to a Development Agreement between the Town of Franklin and Duke Energy – Town Attorney John Henning, Jr.

Town Attorney John Henning, Jr. summarized the development agreement, which had been called for public hearing at the prior month's meeting. Under the agreement, the Town commits for a period of 15 years not to adopt regulatory changes to the Duke Energy parcel that would prevent currently permitted uses, and in exchange Duke Energy will grant the Town an easement along the

southern portion of the property to provide pedestrian access connecting to the existing Greenway. He noted additional coordination with Macon County and NCDOT would be needed to complete the full connection. Mayor Guffey provided background, noting that the greenway connection through this property had been part of original Greenway plans and is included in the Town's greenway access plan. He recognized Duke Energy representative Lisa Leatherman for her work in facilitating the easement.

Mayor Stacy Guffey opened the Public Hearing at 6:39 p.m.

No members of the public signed up to speak.

Mayor Stacy Guffey closed the Public Hearing at 6:39 p.m.

Council Member Rita Salain expressed appreciation for the work of Darian Caldwell and David Cockney, who were present, in bringing this agreement to fruition. Vice Mayor Mike Lewis thanked Duke Energy for being a "true community partner."

Vice Mayor Mike Lewis made a motion, seconded by Council Member Jeff Berry to approve the Development Agreement between the Town of Franklin and Duke Energy, as presented. The motion carried unanimously. Vote: 5 – 0.

- C.) Public Hearing on Monday, June 1, 2026 at 6:11 p.m. or as closely thereafter to allow for public input on the Fiscal year 2026-2027 Budget - Town Manager Amie Owens Town Manager Amie Owens presented an overview of the proposed FY 2026–2027 budget. Key highlights included:

General Fund: The budget is balanced utilizing a 33-cent tax rate per \$100 valuation at a 97% collection rate — the fourth consecutive year with no proposed tax increase. A fund balance appropriation of \$1,352,567 was utilized, the majority of which is designated for one-time capital improvement projects including paving, the Allman Drive boardwalk, and Main Street improvements. A new fleet management department is being established with Deputy Finance Director Alison Stamey as department head, funded from the general fund with cost reimbursement from other departments. The governing board line item increased to fund design and engineering for the Main Street Transformation Project and to support re-entry into the NC Main Street program within the next two to three years. Operationally, the budget increased only 5.6%, well below regional trends.

Water and Sewer Fund: A 5% rate increase is proposed due to escalating chemical costs, rising materials costs, and necessary infrastructure improvements. The fund balance draw from retained earnings was \$228,884 — significantly lower than the \$700,000–\$800,000 range seen over the prior four years. Projects include waterline improvements on Hillside Street, continuation of the Clearwell and High Service Pump Station project, and ongoing meter replacement (approximately 800 of 3,200 total meters replaced to date).

Fire Department Fund: The fire district tax remains at 7 cents per \$100 as set by Macon County. The budget required a \$75,000 draw from the fire department fund balance to balance its budget.

Personnel: A 2% cost-of-living adjustment and performance-based step increases are included for all employees. Two new positions are added: a fleet maintenance technician and a streets maintenance worker to support beautification and park maintenance. Finance Director Sarah Bishop is proposed for reclassification to Assistant Town Manager/Finance Director, reflecting her expanded responsibilities overseeing the Main Street program, and future town planner and code enforcement supervision.

Healthcare: The Town transitioned to the NC State Health Insurance Pool (NCHIP) following an initial renewal quote of 46.4% from the current broker. The change in brokers resulted in a 22% renewal rate, saving \$194,790 across all funds. Dental insurance increased 10%, approximately \$4,000.

Other notable items: A \$2 paper statement fee, a 5% late payment penalty, and a meter reinstallation fee were added to the fee schedule. An economic development line item of \$60,000 was included for town-offered incentives, and the town is studying the potential for a small business revolving loan fund.

Vice Mayor Lewis recognized that the 5% water and sewer rate increase is consistent with a capital improvement plan adopted in 2019 that projected such increases. He commended staff for delivering a budget with tangible, visible community investments and no tax increase, crediting the finance department and all employees for holding the line.

Mayor Stacy Guffey opened the Public Hearing at 6:56 p.m.

No members of the public signed up to speak.

Mayor Stacy Guffey closed the Public Hearing at 6:57 p.m.

Council Member Rita Salain made a motion, seconded by Vice Mayor Mike Lewis to approve the Fiscal Year 2026-2027 Budget, as presented. The motion carried unanimously. Vote: 5 – 0.

10. OLD BUSINESS

A.) Request from Developer to refund tap fees for cancellation of project - Town Attorney John Henning, Jr. and Town Manager Amie Owens

Town Attorney John Henning, Jr. provided a legal overview of the two types of fees at issue: tap fees, which cover the physical installation of service connections, and system development fees (formerly impact fees), which are charged to account for the downstream demands a new connection places on the water and sewer system. He noted that legally collected fees are generally not subject to refund absent an explicit policy allowing for it, and that most municipalities do not address refundability one way or the other. He advised that the Town's Chapter 52 (Water Ordinance) would be brought to ordinance review to add language clarifying that such fees are non-refundable going forward, while preserving case-by-case flexibility.

Town Manager Owens confirmed that no town funds had been expended on this project; no materials were ordered and nothing was installed in the ground. Additional Council discussion

centered on the dual considerations of not creating a windfall for the Town on fees where no services were rendered, while also not wanting to attach a perpetual credit to a property when the same service could cost many times more in the future. Vice Mayor Lewis noted that since no work had been performed and no impact to the water and sewer system had occurred, there was a reasonable basis for a refund. He also stated a preference for avoiding the complexity of attaching a perpetual tap fee credit to a property, given that materials and labor costs have increased dramatically.

Vice Mayor Mike Lewis made a motion, seconded by Council Member Rita Salain to approve the refund of the tap fees for property located off of Cunningham Road and to approve the corresponding budget amendment to move funds from the revenue account to the refund expense account, as presented. The motion carried unanimously. Vote: 5 – 0.

11. NEW BUSINESS

A.) Request Approval of Contract with Bridge Builders, LLC for Cartoogechaye Creek (Allman Drive) Boardwalk Project - Town Manager Amie Owens

Town Manager Amie Owens reported that at the prior meeting, Town Council approved a bid of \$207,800 from Bridge Builders, LLC for the Cartoogechaye Creek Boardwalk Project. The contract has since been developed and reviewed by Town Attorney Henning. The contract would carry an effective date of July 1, 2026, and the project is included as a capital item in the newly adopted budget.

Vice Mayor Mike Lewis made a motion, seconded by Council Member Travis Higdon to approve the contract with Backwoods Bridges LLC, DBA Bridge Builders, as presented. The motion carried unanimously. Vote: 5 – 0.

B.) Request Approval of Change Order #2 for Clearwell and High Service Pump Station Project – Davis- Bacon Compliance – Town Manager Amie Owens

Town Manager Amie Owens explained that following Town Council's prior approval of a contract amendment with Withers Ravenel for Davis-Bacon labor requirement compliance; all project subcontractors have now submitted their cost estimates for Davis-Bacon compliance and certified payroll reporting. The total amount of Change Order #2 is \$21,372 and will not add time to the project schedule. Town Manager Owens also reported that, following consultation with the Town's EPA representative, the project is not subject to a NEPA environmental review because the physical components of the project (valves, SCADA systems, engineering costs, etc.) exceeded \$2,000,000, exempting the project from that review and avoiding an estimated seven-month delay.

Council Member Robbie Tompa made a motion, seconded by Vice Mayor Mike Lewis to approve Change Order #2 for the Clearwell and High Service Pump Station, approve the corresponding budget amendment from Retained Earnings to cover the additional \$21,372, and to approve the amendment of the Capital Project Ordinance, as presented. The motion carried unanimously. Vote: 5 – 0.

12. DEPARTMENTAL UPDATES

A.) Human Resources – Nicole Bradley, Human Resources Director

Human Resources Director Nicole Bradley reported that open enrollment for employee benefits was completed the prior week with assistance from new broker Gallagher and NCHIP. She is coordinating with Gallagher and Blue Cross Blue Shield to ensure all changes take effect July 1. Current vacancies include a Wastewater Treatment Plant Operator (interviews imminent), an Equipment Operator (posted through end of June), and a Town Planner position to be posted soon, pending updates to the job description given Chief Setser's previously combined roles. Human Resources Director Bradley also noted that three seats on the TDA Board and one seat on the ABC Board are open, and applications will be brought to the Council at the July meeting.

B.) Tax Collections/Events – Sabrina Scruggs, Tax Collector/Events Coordinator

Tax Collector/Events Coordinator Sabrina Scruggs reported that the department has collected over \$3,200,000 in taxes, sufficient to balance the budget, though collection rates are slightly below target and enforcement actions including bank garnishments may be pursued. She reported on her attendance at the statewide tax collectors' conference, where significant legislative discussion centered on a proposed constitutional ballot initiative related to revenue-neutral rates and municipal taxing authority.

On the events side, two Pickin' on the Square events have been held with favorable weather, two more are scheduled in June, and planning for the July 4th weekend, including a two-day event with food trucks, multiple bands, a parade, and fireworks at the recreation park.

Town Attorney Henning briefly elaborated on the proposed ballot initiative, noting that municipalities are already required by law to prepare revenue-neutral budgets, and expressing concern that state-level framing of the issue had not adequately explained that revaluation does not automatically mean higher tax collections.

Mayor Guffey stated that he has posed directly to state officials the question of where Franklin's "privileged spending" lies, whether in public safety, streets, water and sewer, or parks, and reiterated his belief in local control as the level of government closest to the people.

C.) Fire Department – Fire Chief Justin Setser

Fire Chief Justin Setser reported that the department responded to 128 calls for service in May, averaging 4.5 calls per day. These included one structure fire, two vehicle fires, six vehicle accidents, 101 medical calls, nine fire alarms, five brush fires, and four hazmat calls. The department was notified that it retained its Class 3 and 4/9E ISO ratings for municipal, 5-mile, and 6-mile districts, which serve to keep homeowner and commercial insurance rates lower. Large-diameter hose (LDH) testing was completed, with small-hose testing to begin the following month.

The department is transitioning to ImageTrend software for NFIRS-compliant incident reporting, which is also a condition of eligibility for FEMA grants. The software will additionally manage inventory, hydro testing, truck checks, and training records. Chief Setser reported that three truck committee members were in Iowa conducting a final inspection on the department's new engine, valued at nearly \$900,000. Minor items were identified during the inspection (including a seat belt retraction issue) and the truck was expected to be delivered by the end of the week.

The new engine will require some weeks before being placed in service pending receipt of remaining equipment. In connection with the new truck, the department plans to renumber and rename its fleet to a consistent "11" designation system (e.g., Rescue 11, Engine 11) to replace the current mix of old and new numbering conventions.

13. ANNOUNCEMENTS

- A.) Next Town Council Meeting is Monday, July 6, 2026
- B.) Pickin' on the Square- June 13, 2026 and June 27, 2026 – 6:00 p.m. on the Gazebo Square
- C.) Town Offices will be closed on Friday, July 3, 2026 for Independence Day in accordance with the NC State Holiday Schedule
- D.) Special Independence Concert – Friday, July 3, 2026 – 6:00 p.m. on the Gazebo Square – Jason Passamore and Rock Holler.
- E.) Main Street July 4th Festivities – Saturday, July 4 from 10:00 a.m. until 2:00 p.m.
- F.) July 4th Fireworks and Festivities – Saturday, July 4 from 4:00 p.m. until 11:00 p.m. at the Macon County Recreation Park – America's 250th Celebration

14. ADJOURNMENT

Council Member Robbie Tompa made a motion, seconded by Vice Mayor Mike Lewis to adjourn the meeting at 7:35 p.m. The motion carried unanimously. Vote: 5-0.

Stacy J. Guffey, Mayor

Nicole Bradley, Town Clerk