MINUTES

COUNCIL FINANCE, HUMAN RESOURCES and CITIZEN APPOINTMENT COMMITTEE

Monday, April 27, 2026 – 11:00am
City Hall Council Chambers

Members Present:	Dean Lytle, Chair Pamela Holder, Vice-Chair, Council Member (departed 11:51am) Susan Miller, Citizen Member
Members absent:	Maureen Copelof, Mayor, Ex-Officio
Staff Present:	Dean Luebbe, Assistant City Manager/Finance Director David Todd, Assistant City Manager Kelley Craig, Human Resources Director Denise Hodsdon, City Clerk Shawnee Cummings, Assistant to the City Manager
Guests:	Harvey Sankey
Media:	David Bradley

A. Welcome & Call to Order

Committee Chair Lytle welcomed everyone and called the meeting to order at 11:00am.

B. Certification of Quorum

Assistant to the City Manager Shawnee Cummings certified that a quorum was present.

C. Approval of Agenda

Ms. Holder moved, seconded by Ms. Miller to approve the agenda. The motion carried unanimously.

D. Approval of Minutes – March 31, 2026 Meeting

Ms. Miller moved, seconded by Ms. Holder to approve the minutes of the March 31, 2026 meeting as presented. The motion carried unanimously.

E. Board of Adjustment Applications

Ms. Hodsdon explained that the Board of Adjustment is an 8-member, quasi-judicial board with 5 members appointed by the City and 3 members appointed by the County.

For the City, there are 3 regular members and 2 alternates. For the County, there are 2 regular members and 1 alternate. Currently, there are 3 vacancies and all are alternates. The Planning Department stated that a quorum requires 4 members but with only 4 members present, all members must vote in the affirmative for an item to pass.

One of the City's regular members had a term expire in November 2025 and Staff have been advertising the vacancy since then. Ms. Hodsdon finally received an application in March 2026. The applicant, Amy Kelton, is applying for appointment as an alternate.

Ms. Miller asked if the time of the Board's meeting precludes businesspeople from applying. Ms. Hodsdon said she is not sure, as the Planning Department oversees the board. Ms. Hodsdon said there also may be fewer applicants because it is a quasi-judicial board and appeals of their decisions must be filed through the Court system.

Ms. Holder moved, seconded by Ms. Miller to refer the appointment of Amy Kelton as an alternate to the Board of Adjustment to the full Council. The motion carried unanimously.

F. Purchasing Policy Update

Mr. Luebbe provided a summary of the changes to the Purchasing Policy agreed to by the Committee at the February 23, 2026 meeting (Attachment A). The unresolved section of the policy is section 3.4(B), detailing construction and repair contracts between $30,000 and $249,999.99. Mr. Luebbe wanted to change that section to say the requestor is "encouraged" to obtain 3 bids, but the Committee wanted to keep the word "required" and allow for management discretion when 3 quotes could not be obtained.

After last meeting, Mr. Todd found some issues with section 3.4(B) and Mr. Luebbe has presented an alternative (Attachment A). Mr. Luebbe also provided a handout that compares the State requirements, the City's requirements, and the requirements in other Western North Carolina cities' purchasing policies (Attachment B). He stated that under State statute, any construction and repair contract over $500,000 will have to go out to formal bid and the City is required to follow the statutory requirements. Under $30,000, the State does not have any requirements, and from $30,000 to $500,000, the State requires informal bids, but there is no required number of bids and no other approval required. In other cities' policies, most follow State statute, do not require a specific number of bids, and leave discretion up to the department head.

Mr. Luebbe said a few years ago, he wanted the City's purchasing policy to be stricter but he underestimated the difficulties it would create. Our current policy requires formal bidding at $250,000, whereas all other municipalities listed on Attachment B require formal bidding at $500,000. Mr. Todd said our current policy still presents problems and cited the tannery smokestack as a time-sensitive example. Staff are expecting bids on the smokestack demolition to come in around $240,000, but if bids come back above $250,000, then Staff will need to post a solicitation and start the formal bidding process, requiring at least 30 days. If 3 bids are not received in response to the solicitation, the formal bid process starts again and the City will need to re-

advertise for 30 days. If the policy allowed informal bids for contracts ranging from $30,000 to $500,000, Staff would not need to start the formal bid process and could move forward with the informal bids received. If changed, our policy would still be stricter than the State requires. Mr. Todd said the changes will increase efficiency and make it so that Staff are not complicating their own efforts.

Mr. Lytle said for clarification, Staff are asking for the policy to require 3 informal bids on projects between $30,000 and $500,000 and if 3 bids cannot be obtained, supporting documentation is to be provided to the City Manager prior to award of the contract. Mr. Luebbe confirmed and referenced the alternative paragraph (Attachment A).

Mr. Todd said we are not a large city so there are fewer contractors to obtain bids from, or contractors must travel farther for site visits. He added that contractors spend a lot of time providing bids, including traveling to the site and putting together the bid documents, and the more we wear contractors out with our processes, the less willing they will be to bid on City projects. By having efficient processes, the City can create a bid-friendly environment that encourages bidders and allows the City to obtain more competitive contracts.

In discussing informal and formal bidding, Mr. Todd explained that with informal bids, they are not advertised in the same way as formal bids, which are posted on the website and advertised in the Transylvania Times. Informal bids are obtained from companies that Staff call, that others working on the project call, by word of mouth, and/or contractors that Staff are aware of or have worked with in the past. Ms. Miller stated she is concerned about getting the information out and offering the opportunity to submit an informal bid. Mr. Todd said posting informal bid solicitations will complicate the process, as he will be required to hold pre-bid meetings, meet contractors on site, and set a submission deadline. Ms. Holder asked if we could advertise informal bids on the website and in the Transylvania Times and then offer a day and time for contractors to visit the site so the opportunity is opened to a wider pool. Mr. Todd said you might as well formally bid it at that point, as it eliminates the flexibility of informal bids and the only difference is whether the bids are sealed.

Ms. Holder asked how often the purchasing policy is a problem with the way it is currently drafted. Mr. Todd stated that since he started with the City, almost every project has been formally bid or has been under $30,000. Ms. Holder said it really doesn't seem to be a problem that is happening often. Mr. Todd added that the bulk of the work has been large, grant-funded projects and all the City's resources have been focused on those projects. Most of those projects will wrap up this year, so the potential for smaller projects subject to 3.4(B) will be higher.

Ms. Holder stated that she likes the way it is written now and would like to revisit the policy when this is occurring more frequently. She added that it will continue to hold us accountable and make us more responsible.

Ms. Miller asked if contractors submitting informal bids are still subject to all the same requirements, such as insurance, permits, etc. Mr. Luebbe confirmed and Mr. Todd added that he adopted the State Construction Office's informal contract and worked with the City Attorney to rewrite it for the City so that it has all the same parameters.

Mr. Todd added that with formally bid projects, Staff also advertise with the North Carolina Historically Underutilized Business (HUB) and with Greater Diversity News to ensure it is widely advertised and available to a variety of contractors. He added that the City requires contractors to follow the HUB Participation Guidelines when submitting bids, which shows they made good faith efforts to ensure historically underutilized contractors have a way to bid on a project. Their efforts can include breaking the project into smaller pieces for smaller contractors to bid on or offering to provide insurance to smaller contractors. Mr. Todd said that the City has taken steps to open the opportunity, cast a wide net, and make it accessible to small contractors.

In recapping the change, Mr. Lytle said there is a point of accountability in that the City Manager will have to approve cases where 3 bids are not obtained. Ms. Miller suggested adding another layer of accountability by requiring a quarterly report to Council on awarded contracts. She added that if you give more flexibility to staff, which she thinks they need to do their job efficiently, then there should be another element to show to City Council. The Committee agreed that it did not need to be complex, and would include the number of contracts, number of bids obtained for each, and who the contract was awarded to. Mr. Luebbe stated that he would add a sentence to the 3.4(B) paragraph and circulate it to the Committee members.

Ms. Miller moved, seconded by Mr. Lytle to recommend the revised Purchasing Policy with the added quarterly reporting requirement to the full Council. The motion carried unanimously.

G. Public Comment

Harvey Sankey asked about the differences between regular and alternate members on the Board of Adjustment and when each is permitted to vote. Committee members said they believe alternates serve on the board and vote if regular members are not present. Mr. Sankey asked if alternates vote if all regular members are present, to which Ms. Craig said she does not think so. The Committee recommended directing further questions to the Planning Department, as they will have more specifics.

Mr. Sankey asked clarifying questions about NCDEQ requirements for the smokestack demolition and inquired about the funding source for the smokestack demolition. Mr. Luebbe said the City Manager is currently working on figuring out the funding source and it will likely have to come from several different places in the budget.

Mr. Sankey asked if there is a draft of the FY27 budget available, to which Mr. Luebbe stated that it would be available to the public on Thursday and posted on the website. Mr. Luebbe added that it will be discussed at Monday's City Council meeting.

Rodney Locks asked clarifying questions regarding contractor pre-qualification, to which Mr. Todd stated that the City does not have a pre-qualification requirement but Staff does check contractors' references.

H. Set Date for Next Meeting

The next regular meeting is scheduled for Thursday, June 4, 2026, at 11am.

I. Adjourn

There being no further business, the meeting was adjourned at 12:07pm.

Minutes Approved: June 4, 2026

X _____
Dean Lytle, Chair, Council Member or
Pamela Holder, Vice Chair, Council Member

X Shawnee A. Cummings
Shawnee Cummings
Assistant to the City Manager

Recap of 2/23/26 meeting

1. 2.10B Recurring contracts review every three years. Limit increased from 10K to 25K
2. 3.2A Construction and Repair less than 30K. 3 quotes required, changed to 3 quotes encouraged.
3. 3.7C Piggybacking. The word "such as " was added.

Council requested wording to be added to 3.4B, (construction and repair 30K to 250K), keeping the word required, but giving management the ability to use discretion.

3.4B Construction and Repair $30,000 to 249,999.99

Construction and non-emergency repair contracts in this price range are obtained through the informal bid process. The requesting department is required to receive at least three (3) bids via U.S. Mail, email, fax, or hand delivery. The required three bids are to be scanned and submitted with/ attached to a proposed contract prior to the entry of the contract. Management is allowed to use discretion in regards to the three bid requirement, providing reasonable efforts have been made to obtain three bids. If the requesting department is unable to obtain three bids, documentation should be provided showing an attempt to receive the three bids. **Formal recommendation of award will be made to City Manager for approval.**

Possible alternative DT

3.4B Construction and Repair $30,000 to 249,999.99 (or $500,000)

Construction and non-emergency repair contracts in this price range are obtained through the informal bid process. The requesting department is **required** to receive three bids via U.S. Mail, email, fax, or hand delivery. The three bids are to be scanned and submitted with/ attached to a proposed contract prior to the entry of the contract. Management is allowed to use discretion in regards to the three bid requirement, providing reasonable efforts have been made to obtain three bids. If the requesting department is unable to obtain three bids, documentation should be provided showing an attempt to receive the three bids, and submitted to the City Manager prior to the contract being awarded. **Formal recommendation of award will be made to City Manager for approval.**

Construction and Repair

	Under 30K	30K to 500K
State Law	No method	Informal bid.
Brevard	Informal quote. Multiple quotes encouraged.	Informal bid. 3 bids required, but management has discretion. City of Brevard is 30K-250K). All others are 500K.
Davidson, 2023	No mention	Responsibility of dept head. Bid given to lowest responsible responsive bidder. No mention of # of bids
Washington, 2018	No method	Informal bid. Obtain quotes from 3 vendors, if possible. Can be awarded if only one received
Marion, 2025	No mention	Responsibility of dept head. Bid given to lowest responsible responsive bidder. No mention of # of bids
Forest City, 2014	No mention	Responsibility of dept head. Bid given to lowest responsible responsive bidder. No mention of # of bids
Mount Airy, 2025	Every effort to get two quotes.	Responsibility of dept head. Bid given to lowest responsible responsive bidder. No mention of # of bids
Hendersonville, 2023	No mention	Not mentioned in policy
Henderson, 2018	No mention	Informal bid. 3 quote required, exception can be granted but should be documented.
Woodfin 2022	Town Manager approves	Informal bid Needs Council approval if over 90K