

SPECIAL MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
JUNE 18, 2002
TUESDAY - 7:00 P.M.
TOWN HALL

The Board of Aldermen held a special meeting on Tuesday, June 18, 2002. Members present were Mayor Henry Foy, Aldermen Gavin Brown, Gary Caldwell, Libba Feichter and Kenneth Moore. Also present were Town Manager A. Lee Galloway, Town Clerk Phyllis McClure, Town Attorney Michael Bonfoey and Finance Officer Eddie Caldwell. Mayor Foy called the meeting to order at 7:00 p.m.

Approval of Minutes of June 4, 2002

Alderman Caldwell moved, seconded by Alderman Moore, to approve the minutes the special meeting on June 4, 2002 as presented. The motion carried unanimously.

Public Hearing - Fiscal Year 2002-2003 Budget

Town Attorney Bonfoey opened the public hearing regarding Fiscal Year 2002-2003 Budget.

Town Manager Galloway presented an overview of the proposed budget. Department Heads began working on this budget in January and it was presented to the Board in early May. Over the past six weeks changes have been made. Increases in insurance coverage costs will be \$342,000 more than current fiscal year. It is now known that the Governor has recommended that the reimbursements the State had promised to municipal and county governments cease, meaning a potential loss of \$185,000. It is projected that sales tax revenues will be down \$100,000 due to the sluggish economy and that earnings from investments will be down another \$100,000 due to lower interest rates. It is also projected that about \$200,000 will be required to subsidize the operation of the recreation center. This was expected for a few years while the facility moved toward being self supporting.

A bill has been passed by the Senate for a 1/2¢ sales tax, but this bill has not passed through the House yet. Manager Galloway said this proposed budget contains \$509,615 in frozen funds, mainly capital outlay items. The total budget for Fiscal Year 2002-2003 is \$19,078,940. Last year's was \$18,778,180.

The proposed tax rate is 43¢, which is 2¢ less than last year's. Manager Galloway said although the tax rate is decreasing, taxes will still be more because of the revaluation. Finance Officer Eddie Caldwell said he felt that the Town is being fair with the decreased tax rate, especially since Haywood County and Canton are proposing that their tax rates remain the same.

Alderman Feichter commended Manager Galloway and Finance Officer Eddie Caldwell for doing

such a good job in developing a budget which will allow the Town to survive despite the reduced money the Town will be receiving from the State.

Alderman Brown said if money is forthcoming which is not expected, the first thing he would like to see done is to give the Town's employees the raises they deserve. Alderman Brown asked how the employees felt since cost of living and merit increases are not included in this year's budget. Manager Galloway said employees were somewhat disappointed at first, but it is felt that since there has been news of local governments who are laying off employees and all of Waynesville's employees will be able to keep their jobs, this opinion may have changed. Finance Officer Eddie Caldwell said over the past seven years benefits for the employees have increased 39%. Alderman Caldwell pointed out that a pay study was done in 1998 which gave employees the increases they needed to get their salaries more in line with other municipalities. Mayor Foy said the Town has a group of fine employees and it is the intent of this Board to take care of its employees. Manager Galloway said the Town will have a much better picture of what the State is going to do by September.

Roscoe Wells asked what percent increase the Town is using regarding the property revaluation done by Haywood County. Finance Officer Caldwell said the Town is using 28%, which takes into consideration adjustments which will be made for old age exemptions, disability exemptions and changes made during the appeals process.

Attorney Bonfoey closed the public hearing. No action was taken.

Welcome to Boy Scout Troop 370

Mayor Foy welcomed Boy Scout Troop 370 from Lake Junaluska to the Board Meeting. There was approximately twelve Boy Scouts and two scout leaders, Terry Davis and Ron Perusi.

Resolution Regarding Application for T-21 Grant Public Sculptures

Manager Galloway said the StreetScapes Committee of the Downtown Waynesville Association has devised a plan to have a new arch installed on Main Street near the intersection with Depot Street. Many years ago an arch was at this location which directed motorists to the Great Smoky Mountain National Park. Since its removal, there has been an interest in erecting another one.

A proposal from the StreetScapes Committee of the Downtown Waynesville Association was submitted and it is their hope that a T-21 Grant can be secured to pay 80% of the cost of the arch. In order to make application for this grant, the group needs a governmental sponsor for the grant application, and a resolution was drafted in support of this project.

Ron Huelster and Philan Medford are the coordinators for this project and they both attended the meeting. Mr. Huelster said the Town's commitment does not involve anything more than the current Street Scapes Project. Philan Medford said Bruce Briggs provided most of the information regarding the arch formerly located on Main Street. This arch was installed in 1933 and was built by Mr. Briggs' father.

Manager Galloway said this is the second project the Town is endorsing which involves T-21 Grant monies. In June, 2001 a resolution was adopted endorsing the Greenway Project.

Mayor Foy said in 1976, Coach Weatherby felt that the gateway arch should be replaced, because he felt that losing things like this causes Waynesville to lose its identity.

Alderman Brown moved, seconded by Alderman Caldwell, to adopt a resolution in support of this project. The motion carried unanimously. (Res. No. 11-02)

Clerk's Report Regarding Voluntary Annexation Petitions

Maple Grove United Methodist Church and Calvary Road Baptist Church

Several months ago the Town received petitions for annexation from the Maple Grove United Methodist Church located off Russ Avenue and the Calvary Road Baptist Church located on Dayton Drive. The petitions were submitted because the two churches wished to connect to the Town's sewer lines which were being constructed along US Route 276 and along Dayton Drive. After receiving these petitions, the Board instructed the Town Clerk to investigate the sufficiency of the petitions. She has certified that they meet the State requirements for annexation.

Alderman Brown moved, seconded by Alderman Feichter, to table action regarding the voluntary annexation petitions from Maple Grove United Methodist Church and Calvary Road Baptist Church at this time. The motion carried unanimously.

Resolution Requesting a Change in the Deadline for the Hazard Mitigation Plan

Under North Carolina law, counties and municipalities must submit an acceptable Hazard Mitigation Plan to the State Emergency Management Division by August 1, 2002. This plan is required in order for local governments to receive funds in the event of a State declared disaster such as the Town had in recent years following Hurricane Opal, the Blizzard of 1993 and a large snowfall in 1998.

The public safety agencies in Haywood County have been meeting for some time and working on this plan, but they feel outside help is needed to assure it meets State requirements. A grant for this purpose will not be approved until late June or early July, 2002, and there would not be adequate time for an outside firm to prepare a plan prior to August 1, 2002.

The Task Force has asked that the local governments in Haywood County adopt a resolution seeking a change in the deadline to August 1, 2003.

Alderman Caldwell moved, seconded by Alderman Moore, to adopt a resolution requesting that the deadline for an approved Hazard Mitigation Plan be extended to August 1, 2003. The motion carried unanimously. (Res. No. 12-02)

Recommendation for Representative to the Haywood County Recreation Advisory Board

Manager Galloway said the Town has been contacted by Ms. Claire Stewart, Recreation Director of

Haywood County, asking that the Town Board recommend an individual to serve on the County Recreation Advisory Board. At the present time, Bob Brannon serves on that Board, but his term will be expiring and he does not wish to be reappointed. Several names were mentioned for possible appointment.

Alderman Feichter moved, seconded by Alderman Caldwell, to recommend that Terry Tolle, a resident of 139 Burke Street, Waynesville, be appointed to serve on the Haywood County Recreation Advisory Board and to recommend the alternate name of Sarah Tolle, 139 Burke Street. The motion carried unanimously.

Electric Franchise Tax Ordinance

Manager Galloway said in the 1940's local bills were passed by the N.C. General Assembly that allowed certain towns and cities to assess a Utility Franchise Tax on the utility companies in the State. Gradually, more and more municipalities secured local bills to have this taxing authority, and it reached the point where someone apparently decided that this should be authorized statewide. Rather than have the utility companies send a check to each municipal government which levies the franchise tax, the State collected one check from each utility company as the tax for all municipalities and then distributed the money to the individual cities and towns.

There was a stipulation that "so long as there is a distribution to cities from the tax imposed by this section, no city shall impose or collect any greater franchise, privilege or license taxes, in the aggregate, on the businesses taxed under this section, than we imposed and collected on or before January 1, 1947".

Manager Galloway said in February, 2002 he had a conversation with NC League of Municipalities Director Ellis Hankins in which Mr. Hankins advised of the wording of this section and they discussed the possibility of municipalities once again levying the utilities franchise tax if Governor Easley did withhold the distribution of the check for the 2nd quarter of fiscal 2001-2002. Several municipalities have now passed ordinances levying a franchise tax on the gross receipts of power companies engaged in the business of furnishing electricity within their borders.

Manager Galloway said the NC League of Municipalities has not issued an opinion on this matter. However, David Lawrence, a municipal law expert at the Institute of Government, indicates that the actions in assessing the Electric Franchise Tax Ordinance appears to be legal. It is possible that Waynesville could pass such an ordinance. However if the Town passed the ordinance, the utility companies would have to double the tax the customers pay, once for the State and once for the municipalities. It would not be money from the utility companies, but a doubling on the tax on the bills of the customers of the utility companies.

Attorney Bonfoey felt that some Towns will probably bring lawsuits regarding this franchise tax if the State does not release it. Alderman Feichter said she did not want to see the consumers hurt. Manager Galloway said the franchise tax is now about \$497,000. (Note, \$68,000 equals one-cent in property taxes). Alderman Brown said he did not feel that this would only be a short term solution. It was the consensus of the Board not to take action regarding the electric franchise tax

ordinance.

Mayor Foy commended Manager Galloway for bringing issues such as these to the Board when he becomes aware of them.

Charles Miller - 727 Allens Creek Road

Charles Miller, 727 Allens Creek Road, attended the meeting to ask who is responsible for mowing and cleaning State right-of-way along Allens Creek Road. Mr. Miller said he has been all over Western North Carolina and this area is the filthiest along the State right-of-way. Mayor Foy said the State is responsible for maintenance of this area. Manager Galloway said the Town receives Powell Bill Funds for maintenance only on those streets which are on the Town's system which totals about 90 miles. Alderman Brown pointed out that the State only has right-of-way from ditch line to ditch line unless there is a dedicated right-of-way.

Mr. Miller said that speeding continues to be a problem in the Allens Creek area. There was some discussion about the installation of traffic calming devices. However, the Town does not have money budgeted for this type of improvements. Mr. Miller said he has worked with Captain Swanger with the Waynesville Police Department in the past and realizes that the Town can't keep a police vehicle in this area all the time. He said when the Police Department works radar in this area they always issue several speeding tickets and the problem seems to be with speeding cars in the area, not with the large trucks.

Manager Galloway will speak with Police Chief Hollingsed, Captain Swanger and the NC Department of Transportation to try to find some possible solutions to this speeding problem.

Closed Session to Discuss Personnel Matter

Alderman Brown moved, seconded by Alderman Moore, to adjourn to closed session at 8:12 p.m. to discuss a personnel issue.

Alderman Brown moved, seconded by Alderman Feichter to return to regular session at 9:10 p.m. Both motions carried unanimously.

Adjournment

With no further business Alderman Brown moved, seconded by Alderman Caldwell, to adjourn the meeting at 9:15 p.m. The motion carried unanimously.

Phyllis R. McClure
Town Clerk

Henry B. Foy
Mayor