

REGULAR MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
JUNE 25, 2002
TUESDAY - 7:00 P.M.
TOWN HALL

The Board of Aldermen held a regular meeting on Tuesday, June 25, 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, Acting Town Attorney Woodrow Griffin and Finance Officer Eddie Caldwell. Mayor Foy called the meeting to order at 7:00 p.m.

Approval of Minutes of June 18, 2002

Alderman Moore moved, seconded by Alderman Caldwell, to approve the minutes of the special meeting on June 18, 2002 as presented. The motion carried unanimously.

Public Hearing - Amendments to Sections 154.060 and 154.034 C-2 and C-3 Zoning Districts

The Planning Board has reviewed and recommended the following amendments to apply in all C-2 and C-3 zoning districts:

Section 154.060 Parking and other vehicular use areas must be located to the rear and/or side of the building.

Section 154.034 Minimum building setbacks are 25 feet from the edge of the road, or at the edge of the right-of-way, whichever is greater.

Attorney Griffin opened the public hearing. No one spoke; Attorney Griffin closed the public hearing.

Alderman Moore moved, seconded by Alderman Feichter, to adopt an ordinance amending Sections 154.060 and 154.034 as recommended. The motion carried unanimously. (Ord. No. 7-02)

Public Hearing - Annexations Along Dellwood Road and Asheville Road

Over the past few years, the Town and County worked together to finance the installation of sewer lines along U.S. Route 19 (Dellwood Road) and along U.S. 276 from Route 19 south to the Maple Grove Methodist Church. Under the Town's Sewer Use Ordinance, whenever a property owner wishes to connect to the sewer system, it is required that they submit a petition to be annexed into the Town.

Following the installation of the sewer lines, the following businesses wished to connect to the sewer and submitted annexation petitions. These petitions have been held for some time, waiting until there was a large enough group of properties to justify annexing the property and providing public services. These properties have a total property value of about \$4,400,000 and on the proposed 43 cent tax rate that will generate property tax revenues of approximately \$19,000 annually. The Town will also be required to enter into a contract with the Junaluska Fire District to assume a portion of their debt which was existing at the time the annexation petitions were presented. This amount will be small and Town Staff feels that it is a good move for the Town to annex the property being petitioned.

2147 Russ Avenue	The Orchard Retirement Mobile Home Park	12.540 acres	8616-38-4530
Russ Avenue	Eugene Ferguson	.83 acres	8616-38-5985
1464 Dellwood Road	Valley Pawn	.1486 acres	8617-30-1366
1451 Dellwood Road	Ammons Drive In	1.0300 acres	8617-30-0095
1479 Dellwood Road	McElroy Oil	.4942 acres	8617-30-0123
357 Dayton Drive	Grand Station Rental	3.005 acres	8617-10-7013
2093 Dellwood Road	Parkway Inn	3.5900 acres	8607-91-9044
1373 Dellwood Road	S & W Alignment	1.6900 acres	8616-39-6918
2707 Asheville Road	Haywood Oil Co.	2.9987 acres	8616-95-4202
2677 Asheville Road	Time-Out Markets	.7880 acres	8616-94-3991
2056 Dellwood Road	Poulin Painting	.4850 acres	8617-01-2340
2068 Dellwood Road	Evergreen Florist	.1483 acres	8617-01-1331
1436 Dellwood RdW	Evergreen Realty	.2 acres	8617-30-3400
1914 Dellwood Road	Gene's Trading Post	.7531 acres	8617-01-8142
1880 Dellwood Road	Red Barn Convenience Store	.3556 acres	8617-11-1033
1880 Dellwood Road	Meadowbrook Resort, Inc.	1.1156 acres	8617-10-3906
1980 Dellwood Road	Speedway	.7510 acres	8617-01-6215

Attorney Griffin opened the public hearing. No one spoke; Attorney Griffin closed the public hearing.

Manager Galloway noted that some of these properties are located in the Junaluska Fire Department's jurisdiction and under State Law, when properties are taken over by another fire district a portion of the fire district's debt is to be reimbursed in the same ratio that the percentage of property taken over is to the debt on the date the annexation petition is submitted. This property is approximately 1% of Junaluska's fire district, with a tax value of \$4,400,000. The Town would need to reimburse Junaluska's Fire Department approximately \$6,000 over the next four to five years, either in payments each year or in one lump sum. An agreement between the Town of Waynesville and the Lake Junaluska Fire Department will need to be approved by the N. C. Local Government Commission.

Alderman Moore moved, seconded by Alderman Caldwell, to adopt an ordinance annexing the properties effective July 1, 2002. The motion carried unanimously. (Ord. No. 8-02)

Alderman Moore moved, seconded by Alderman Brown, to approve an agreement with the Junaluska Fire Department for Waynesville's reimbursement of the percentage of debt regarding the properties annexed within their district. This agreement is to contain the manner of reimbursement preferred by Junaluska Fire Department. The motion carried unanimously. (Cont. No. 7-02)

Adoption of Fiscal Year 2002-2003 Budget Regular and Internal Service Funds

Fiscal Year 2002-2003 Budget Ordinance

The public hearing regarding adoption of fiscal year 2002-2003 budget was held at the June 18, 2002 meeting. The total budget for the Town is \$19,078,940. In adopting the Budget Ordinance, the Board sets the rates, fees and charges that are assessed by the Town during the year. This includes increases in fees and charges in the planning and zoning area, cemetery lots, building permits, water and sewer use and a new fee for residential garbage collection.

Finance Officer Eddie Caldwell gave an overview of the fees included in this year's budget.

Mayor Foy commended Town Staff for all their work on this budget. Alderman Feichter also commended the Town's Department Heads for maintaining good services and keeping their equipment in good repair while working with budget restraints. Alderman Moore asked that the Town give its employees their raises retroactive to July 1 if the Town gets their money from the State. Mayor Foy noted that this has been the intent of the Board since the budget process began and Alderman Feichter added that this is the feeling of the entire Board. At the meeting of June 18 Board Members unanimously agreed that the Town's employees are deserving of their raises, but in order to balance the budget, raises could not be funded; however, the Town was able to avoid any employee layoffs. Manager Galloway said the Town will look at reimbursements for employees if reimbursements or the 1/2¢ cent sales tax are received. He added that one of the biggest issues faced by the Town this year was the 36% increase in health insurance costs for employees, with the cost of family coverage paid for each employee going from \$6,600 to \$8,600 per year. The Board opted to change to another insurance program to reduce this increase.

Manager Galloway reminded Board members that the new budget does not include reimbursements from the State or proceeds from the 1/2¢ sales tax. To compensate for this, the budget has \$509,000 in frozen expenditures, and these will not be freed until the utilities franchise tax and the beer and wine tax is received from the State. Most of the items frozen are for capital outlay.

Alderman Brown moved, seconded by Alderman Feichter, to adopt the budget ordinance for Fiscal Year 2002-2003. The motion carried unanimously. (Ord. No. 9-02)

Resolution on Internal Service Funds

Finance Officer Eddie Caldwell explained the resolution on the Internal Service Funds. The Internal Service Funds are created with funds contributed by the General, Water, Sewer and Electric Funds. These funds provide services to the other departments. In the case of the Garage Operation, the other

funds are assessed a prorated share of the cost to operate the garage, with the cost of gasoline, tires, repair parts and personnel all added into a total cost of \$317,780. In the case of the Public Works Fund, the various other funds are charged on the basis of the approximate square footage that each of the four funds occupies at the property on Legion Drive, with the total cost of running this operation being \$162,940.

Alderman Brown moved, seconded by Alderman Moore, to adopt a resolution on the financial operating plan for the two internal service funds. The motion carried unanimously. (Res. No. 13-02)

Budget Ordinance Amendments

Each year the Finance Director must request amendments to the current budget so that the Town will be in compliance with the requirements of the North Carolina Local Government Commission. Finance Officer Eddie Caldwell explained how some of these amendments are related to expenditures which were greater than what was anticipated or which were not planned when the budget was adopted one year ago. Others relate to grants which were received during the year, allowing departments to expend funds which were not previously anticipated. There was also a change to cover the expenditure of funds for the purchase of the watershed property.

Alderman Moore moved, seconded by Alderman Caldwell, to adopt Amendment No. 1 to the 2001-2002 Budget Ordinance. The motion carried unanimously. (Ord. No. 10 -02)

Project Ordinance Amendment

Under North Carolina law, a local government may follow a special process when it has a multi-year project, that is a construction project that will extend beyond one fiscal year. In such a situation, the locality adopts a special project ordinance extending beyond one fiscal year, and a large project could extend over two or three fiscal years. Amendment No. 2 to the Multiple-Use Recreation Project Ordinance covers some of the expenditures which were made from the remaining project funds. This amendment shifts \$55,100 in project money from one line item to some others. While more money than that was spent, the rest had been handled with the previous amendment or was covered within what was appropriated previously

It is also recommended that the Board authorize the closing of the special project account for the recreation center. This should be done prior to June 30, 2002 so that the fund will not carry past the end of the current fiscal year.

It is recommended that the balance in the recreation account, an estimated \$500,000 be transferred back to the General Fund. This money would be used for industrial development, particularly for participation in the purchase of the Dayco property or for some other effort to create or facilitate industry in Waynesville.

Alderman Caldwell moved, seconded by Alderman Moore, to adopt Amendment No. 2 to the Multiple-Use Recreation Project Ordinance and to close this special project account and transfer the funds to the General Fund. The motion carried unanimously. (Ord. No. 11-02)

Mayor Foy noted that there was an item on the agenda for consideration of an application for a Transportation Enhancement Act (T-21) Grant by the Historic Frog Level Merchants Association. He stated that this item would not be considered as part of the regular Board meeting, but he asked that those present from the Association remain for an informal discussion by the Board on the proposal which had been submitted.

Adjournment

Alderman Brown moved, seconded by Alderman Moore, to adjourn the meeting at 7:30 p.m. The motion carried unanimously.

INFORMAL DISCUSSION ON FROG LEVEL GRANT APPLICATION:

Carol James and Ron Fleenor - T-21 Grant for Frog Level Area

A proposal had been received from the Historic Frog Level Merchants Association regarding a grant application for funding under the 21st Century Transportation Enhancement Act (T-21). Town Staff did not have an opportunity to review the application being proposed, and in a special report to the Board, the Town Manager advised that no one from the Frog Level Merchants Association had discussed the proposal with Town Staff members. Manager Galloway said in his initial review of the proposal, the Association is requesting a T-21 Grant of between \$150,000 and \$300,000 and these grants require a minimum 20% match in local funds. It is noted by the Association that the Town has set aside more than \$50,000 for improvements and modifications to the intersection of Depot and Commerce Streets, and they are requesting that the Town Board use those funds as the match for the grant. Manager Galloway advised the Board that the Public Works Director has taken bids on this work and is very close to committing the funds designated for the traffic signal and intersection changes at Commerce and Depot Streets.

Carol James, Ronnie James, Ron Fleenor, Scott Fleenor and several other members of the Historic Frog Level Merchants Association attended the meeting.

The Town Board members asked about the work that had been done by the Historic Frog Level Association along Commerce Street and in the parking lot owned by Norfolk Southern located on Commerce Street which was recently leased by the Town. During this informal discussion, the Historic Frog Level Merchants Association presented a letter of apology regarding the parking lot project stating that their intent was “to help the Town at a time when they did not have the means to do so. This project is only a temporary fix until a more permanent plan is completed. However, the Board of the Frog Level Merchants Association was remiss in not communicating our quickly laid plan to the Town. It is our desire that you will accept our humble apology for our failure to communicate in this manner.”

Board members assured the Association representatives that the Town is anxious to work with them in making improvements to the Frog Level area. They encouraged those present to work with the Town staff in the development of their plans so that they are not in conflict.

Phyllis R. McClure
Town Clerk

Henry B. Foy
Mayor