

SPECIAL MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
MAY 12, 2005
THURSDAY - 5:00 P.M.
TOWN HALL

The Board of Aldermen held a special meeting on Thursday, May 12, 2005. 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, Finance Director Eddie Caldwell and Town Attorney Woodrow Griffin. Mayor Foy called the meeting to order at 5:03 p.m.

Approval of Minutes of April 26, 2005

Alderman Caldwell moved, seconded by Alderman Feichter, to approve the minutes of the April 26, 2005 meeting as presented. The motion carried unanimously.

Public Hearing - Annexation - 1.4 Acre Tract Located at 1855 Russ Avenue - Birthright, LLC

At the meeting of March 22, the Board received the annexation petition for property at 1855 Russ Avenue. This petition was submitted by Dr. Brian Birthright for the veterinarian clinic which he plans to open at this site. A resolution was passed directing Town Clerk Phyllis McClure to investigate the sufficiency of the petition. At the meeting of April 26, Ms. McClure advised that the petition met the requirements of State law and a public hearing was set for Thursday, May 12.

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

Alderman Brown moved, seconded by Alderman Moore, to adopt an ordinance annexing the 1.4 acre tract located at 1855 Russ Avenue. The motion carried unanimously. (Ord. No. 14-05)

Public Hearing - Project Financing Two Million Gallon Water Tank - Reservoir Drive

At the meeting of April 26, the Board tentatively awarded the bid for construction of a two million gallon water tank to Cooper Construction of Hendersonville and set the public hearing date regarding financing for May 12. This new tank will replace the one million gallon water tank on Reservoir Drive which was constructed around 1925.

The Town sent requests for proposals to the financial institutions with offices in Haywood County and the low bidder on financing this water tank is Home Trust Bank at 3.49% interest for ten years with no prepayment penalty. Once the financing package is approved, Finance Director Eddie Caldwell will submit the remaining documents to the Local Government Commission.

They are scheduled to hear and act upon the application of the Town of Waynesville at their meeting on June 7, 2005. If approved by the LGC, the Town can then give notice to Cooper Construction to proceed with the tank. Summary of bids received:

Financial Institution	10 Year Rate	Yearly Payment
Home Trust Bank	3.49%	\$118,680.08
RBC Centura	3.84%	\$137,851.42
RBC Centura	4.30%	\$142,572.97
BB&T	3.96%	\$121,426.52
Sun Trust	4.01%	\$121,502.04
Wachovia	4.05%	\$121,349.15
Wachovia	4.23%	\$122,420.61
Carolina First	4.30%	Payments not level
First Citizen Bank	No bid received	
United Community Bank	No bid received	

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

Alderman Brown moved, seconded by Alderman Feichter, to approve the financing through Home Trust Bank for ten year period at an interest rate of 3.49% for the two million gallon water tank to be located at Reservoir Drive, subject to approval by the Local Government Commission. The motion carried unanimously.

Public Hearings - Land Use Matters

Rezoning 4.5 Acres Located at Elysinia Avenue and US 23/74 From Sulphur Springs Neighborhood District to Hazelwood Town Center

A request was received to change the 4.5 acre tract of land from the Sulphur Springs Neighborhood District to the Hazelwood Town Center. The Sulphur Springs Neighborhood District is planned to be primarily a low density residential district while the Hazelwood Town Center is planned to be a small scale center for business and retail and institutional activity.

This tract of land abuts the US 23/74 Bypass on the west and other commercial property on the east. To the north, there are some mobile homes and abandoned houses and to the south there is a business owned by the same individual who is requesting this reclassification.

Town Staff feels that the most appropriate use of this property is for low to medium mixed use in keeping with the zoning to the south on Elysinia. The Planning Board unanimously voted to recommend this rezoning and Town Staff agrees with their recommendation.

Attorney Griffin opened the public hearing. Attorney Jack Kersten spoke on behalf of WNC Commercial Credit Union, the contract purchaser of the property. Attorney Kersten said there is

a CP&L easement and he is not sure why the plan was originally drawn as it is now. The Planning Board agreed that this property should have been zoned commercially.

Alderman Brown moved, seconded by Alderman Caldwell, to adopt an ordinance to amend the land use map and change the zoning of the 4.49 acre parcel (PIN #8605-75-0272) from Sulphur Springs Neighborhood District to Hazelwood Town Center. The motion carried unanimously. (Ord. No. 15-05)

Rezoning 0.75 Acres Located at 2311 Russ Avenue from the Dellwood Neighborhood District to Dellwood/Junaluska Area Center

A request was received to change a 0.75 acre tract of land from the Dellwood Neighborhood District to the Dellwood/Junaluska Area Center. The Dellwood Neighborhood District is intended to be a low to medium density residential district while the Dellwood/Junaluska Area Center is intended to be a hub for retail, service and employment uses serving Waynesville and the region.

The small parcel of property abuts Russ Avenue and Mauney Cove Road. It has been used commercially since it was constructed in the 1960's. A plumbing business owned by Mr. R. W. Fleming is currently at this location, and it was formerly occupied for many years by Jack's Royal Tire. Mr. Fleming reported that he cannot make improvements to the building until the zoning is changed.

Town staff notes that this property is located in a mixed use, transitional zone. The tract has been used for commercial purposes for many years and fronts on a five-lane highway with a 50 mile per hour speed limit. Adjacent property includes commercial to the northeast (WK Fabrics, Blue Ridge Pawn & Gun), vacant to the east (Noland Farm), high density residential to the south and north (mobile home park) and commercial to the west (County trash collection/compaction site).

The Planning Board unanimously voted to recommend the rezoning and Town Staff agreed with this recommendation.

Attorney Griffin opened the public hearing.

Ralph W. Fleming, 2311 Russ Avenue, owns the property which he said has been operated commercially for 35-40 years. He cannot change or remodel the building without rezoning and asked that the Board make this change.

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

Alderman Caldwell moved, seconded by Alderman Feichter, to adopt an ordinance to amend the land use map and change the zoning on the .075 acre parcel located at 2311 Russ Avenue (PIN #8618-39-6226) from the Dellwood Neighborhood District to Dellwood/Junaluska Area Center. The motion carried unanimously. (Ord. No. 16-05)

Amendment to Section 154.128(B)(8)(1) South Waynesville Neighborhood District (B) Development Standards Regarding Building Height, Massing and Articulation

In order for Vantage Pointe Homes to meet the Town's requirements concerning open land or green space and still be able to construct the number of residential units which they wish to build, it is necessary to have four story buildings. Under the Land Development Standards, the maximum height of structures is forty feet, but the four story units would exceed forty feet and be close to sixty (60) feet high. After review by the Planning Board and Town Staff it was their recommendation that the height limits in a specific area in the South Waynesville Neighborhood District be increased to sixty feet and four stories. The proposed amendment is as follows:

That the first "bullet" in Section 154.128(B)(8)(a) be amended to add the wording in italics.

No fabric building shall be greater than forty (40) feet in height, *except in the area within the corporate limits bounded by the Great Smoky Mountains Expressway (US 23/74), old Balsam Road and Hyatt Creek Road, where the maximum height shall be four (4) stories or sixty (60) feet.*

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

Alderman Brown asked Mayor Foy as a retired architect if this change would make the proposed development objectionable. Mayor Foy said there was enough distance between the road and building so that it would not be objectionable.

Alderman Brown moved, seconded by Alderman Moore, to adopt an ordinance amending Section 154.128(B)(8)(a) as recommended. The motion carried unanimously. (Ord. No. 17-05)

Amendment to Section 154.115 High-Tech District to Add Canoe, Kayak, Raft, Tube and Accessories Rental and Sales

The Planning Board reviewed a proposal from two individuals who wish to open a new business in Waynesville renting canoes, kayaks, rafts, inner tubes and accessories and use Richland Creek as a recreational area. The business wishes to locate in the Waynesville Industrial Park and provide devices for use on Richland Creek between Smathers Street and the Industrial Park. The owners have received approvals from the North Carolina Department of Water Quality and the U.S. Army Corp of Engineers and the Wildlife Commission.

The Planning Board voted to recommend that uses be added to allow this business with the understanding that approval will be necessary for the district where the launch will occur as well. In order to allow this operation, the permitted uses in the High Tech Center District would have to be amended to add the following:

canoe, kayak, raft, tube and accessories rental and sales.

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

Alderman Feichter moved, seconded by Alderman Brown, to adopt an ordinance to amend Section 154.115 High-Tech District to add the uses as recommended. The motion carried unanimously. (Ord. No. 18-05) Offer to Purchase Lot #2 and Lot #4 Shingle Cove

The Town received a signed offer to purchase two lots which the Town owns in Shingle Cove. These lots are part of a tract of land that the Town purchased about 15 years ago in order to construct a two million gallon water tank north of the US 23/74 Bypass. The offer to purchase the two lots is for the price of \$20,000.

Manager Galloway said if the Board wished to pursue this matter, a resolution should be adopted announcing the intent to sell the property for the price offered. Anyone who has an interest in the property may then offer another bid at a minimum amount in a process outlined in the State Law. Any offer may be rejected by the Board. Although an appraisal has not been done on the property, the County has a tax value for Lot 2 at \$15,066 and Lot 4 at \$16,974.

Alderman Caldwell moved, seconded by Alderman Moore, to adopt a resolution of intent to sell Lot #2 and Lot #4 at Shingle Cove and to authorize payment of 6% of the sales price to any realtor who successfully sells the property. The motion carried unanimously.

Voluntary Annexation Petition - 1560 Asheville Road - Haywood Electric Membership Corporation

The Town received a petition for voluntary annexation from the Haywood Electric Membership Corporation located at 1560 Asheville Road.

Alderman Moore moved, seconded by Alderman Caldwell, to instruct Town Clerk Phyllis McClure to investigate the sufficiency of the annexation petition. The motion carried unanimously. (Res. No. 8-05)

Haywood Correctional Center

Town Manager Galloway said in 1997 consideration was given to close three minimum security correctional centers in North Carolina, with one of those centers being the Haywood Correction Center in West Waynesville. At that time working with other governmental units in the region and many interested local citizens, the decision was reversed in Raleigh and the representatives and senators then in office helped to turn this around.

Today, the Haywood Correctional Center provides 43 jobs in the community and has an annual payroll of \$1,172,781. In addition, the facility has utility bills which total \$59,935 and in the past year, almost \$150,000 was spent with local merchants for canteen merchandise, vehicle repairs, food service, supplies and medical attention. The community stands to lose a great deal if this unit is closed.

Manager Galloway said over the years he has been in Waynesville, inmates from the Center have been quick to assist with collecting litter, painting public buildings, shoveling snow, mowing grass, clearing out creeks, clearing debris and many other chores. This is the only correctional facility located west of Buncombe County. At Craggy Prison in Buncombe County, there are no beds available to accommodate any of the Haywood inmates.

Alderman Caldwell added that inmates have done a considerable amount of work for the ARC. Board Members said it would also create a hardship for family members to travel further to visit with inmates. The biggest concern is for the loss of jobs.

Manager Galloway said this past week at the NC League of Municipalities Town Hall Day he spoke with Representatives Phil Haire and Ray Rapp. They feel that the Haywood Correctional Center may close within the next two years. It has been suggested that the people in this area get together and work toward the construction of a new prison.

When a maximum security prison was being considered once before there was opposition to its construction. It was also difficult to find property large enough for this type of facility with access to public water and sewer.

Alderman Moore moved, seconded by Alderman Feichter, to instruct Town Staff to draft a resolution to support the Haywood Correctional Facility. The motion carried unanimously. (Res. No. 9-05)

Request for Donation for Pigeon Community Center

Evelyn Roberts, 112 Hillside Road, attended the meeting to request a \$1,000 donation for the Pigeon Community Center to help fund their summer program. Ms. Roberts said they were unable to get a grant this year. For the past two years the center served 18 - 23 children in the summer program. Anesia Jackson also attended. Ms. Jackson has two children ages 11 years and 4 years enrolled in the program. She said it was a great experience for her children since there are several field trips during the summer and the computer lab helps prepare them when school begins in the fall.

Sybil Mann also attended the meeting. Ms. Mann said a positive response was received from the Haywood County Board of Commissioners and they have been working with several Community Groups that have indicated possible funding for the center. They are seeking a total of \$3,900 to operate the center's summer program. They have also called the Managers of Bi-Lo and Ingles. Board Members thanked the group for their efforts.

Alderman Brown moved, seconded by Alderman Feichter, to provide a \$1,000 donation for the Pigeon Community Center. The motion carried unanimously.

Distribution of Fiscal Year 2005-2006 Budget

Town Manager Lee Galloway and Finance Director Eddie Caldwell presented the budget for Fiscal year 2005-2006 and gave a brief description of each section. A comparison was given

from other localities for water and sewer rates, tax rates of other electric cities, property tax information, personnel information and a special report on health insurance. Manager Galloway said each year the Town has seen significant increases in the health insurance and each year it has been necessary to make changes in order to make the budget work. This year a 20% increase is proposed which amounts to \$207,000. In order to break even, the insurance carrier cannot pay out more than 87% of the premiums collected, but this year the Town of Waynesville medical claim pay outs were at 102%. The Town has reached a point where there is no other choice than to have some employee participation on all health insurance packages. All individual employee health insurance premiums are proposed to continue being paid at 100% by the employer. It is proposed that employees contribute a portion of the increase for dependent insurance premiums per pay period depending on which insurance package they may have (\$25/\$30/\$40).

The Town's pay study averages pay increases of approximately 6% increase for employees. Employee contributions for health insurance could be implemented at the same time pay increases are given and it is felt that this may be a fair trade off causing the least amount of financial difficulty for employees. This can be delayed until October 2005 or January 2006. Alderman Feichter said it was important that a lot of time be spent explaining and informing employees why this is important and why it has to be done. Another issue which needs study is health insurance for retirees (for future employees only).

There was discussion that the Town may also need to consider some types of "on the scene health care" to help keep employees healthy therefore reducing the health insurance claims submitted which would in turn reduce the increases passed along by the health insurance carrier.

Other items included in the proposed budget are increases for the Recreation Center fees and a 10% increase for water and sewer rates. No increase is proposed for electric rates at this time, however, fuel adjustment charges will continue to be monitored and adjustments made accordingly. Manager Galloway said there is still the need to continue to cut down on what is taken out of fund balance to make the budget more fiscally sound.

Budget Work Sessions were scheduled for next week as follows: Tuesday, May 17 at 5:00 p.m. and Thursday, May 19 at 5:00 p.m.

Adjournment

With no further business Alderman Feichter moved, seconded by Alderman Caldwell, to adjourn the meeting at 6:29 p.m. The motion carried unanimously.

Phyllis R. McClure, Town Clerk

Henry B. Foy, Mayor