

REGULAR MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
OCTOBER 24, 2006
TUESDAY - 7:00 P.M.
TOWN HALL

The Board of Aldermen held a regular meeting on Tuesday, October 24, 2006. 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 Woodrow Griffin and Administrative Intern Alison Melnikova. Mayor Foy called the meeting to order at 7 pm.

Approval of Minutes of October 10, 2006

Alderman Caldwell moved, seconded by Alderman Feichter, to approve the minutes of the October 10, 2006 meeting as presented. The motion carried unanimously.

Request for Water Service Eagle Nest Homeowner's Association

For several years, there have been on and off discussions with representatives of the State regarding the private water system serving the development known as Eagle Nest Estates on the top of Eagle Nest Mountain. As early as 1995, a property owner there approached Manager Galloway about the possibility of the Town extending water to that area, but at that time, the Town did not have lines to the top of the mountain and the expense would have been enormous to do so. Since then, working with developer Sherrill Johnson, water lines have been extended to a water tank near where Gaddis Branch Road intersects with Eagle Nest Road, so water is actually available to the edge of Eagle Nest Estates.

Public Works Director Fred Baker spoke to the Town Board regarding the situation faced by the Eagle Nest Homeowners as well as what is involved in providing that area with service. Mr. Baker said this would be an expensive project, but there is certainly a need for the homeowners at Eagle Nest Estates. The present water system is essentially a surface well, with some ground water collected along with surface water entering the well and then distributed to the 35 or so homes in Eagle Nest Estates. The State Division of Environment and Natural Resources has been putting pressure on the Homeowner's Association to find a new and better water system, and the best alternative for them is finding a public water system that can supply the area.

Jerry Freeman with the State of North Carolina Division of Environment and Natural Resources attended the meeting. Mr. Freeman said the State would like to have some problems resolved by connecting these residents to a public water supply and replacing their system. Mr. Freeman was not sure if fire protection would be covered by these grant monies.

Mr. Baker said one engineering report was done in which the residents would buy water from the Maggie Valley Sanitary District on a master meter, but the existing system would remain intact. This would leave the homeowners in the water system business, and would not solve the problem of their

existing water system. This may not be the best alternative because it does not meet all the needs of the State and the homeowners. A report by Rich Anderson reveals that this project would cost approximately \$270,000. Since this would not replace their existing system and the system would be private, additional funding for this project would not be possible.

Mr. Baker said one solution is to construct a new system from the Gaddis Branch tank where each homeowner would be a customer of the Town of Waynesville. Since an engineering report has not been done, it is unknown how expensive this project would be, but estimates are close to one million dollars. Since grant monies are only available for a public system, the Town would need to make the application for funding. The homeowners don't want to pay another three, four or five thousand dollars for another engineering report unless the Town is willing to submit the application. Mr. Baker said there are about thirty five existing homes, with the possibility of a few more vacant lots which could be developed. This area is located in the Eagle Nest Rural District, within Waynesville's extraterritorial jurisdiction and the Town would not have any reservations about serving this area if it is cost effective to do so.

Mr. Baker said the people who benefit from the project should pay the additional costs. This could be accomplished several ways. The Town could annex the area and recover the costs through impact fees, the project could be financed and the costs recovered over a period of years so that it is not such a burden on the property owner or a special tax district could be set up. No budget has been established for this project and it is not on the five year CIP.

Alderman Brown expressed concern regarding who would be responsible for any remaining expenses beyond available grant money. He said since this area is located outside city limits, costs for extending water to this area should not be at the expense of the Town taxpayers. Mr. Baker feels that there is a good chance that State funding would be available for this project, but the amount would not be known until an engineering study is done and the application is submitted. Mr. Baker said the homeowners have agreed to pay for the engineering study. Alderman Brown asked the homeowners if they would agree to pay all remaining expenses. It was the consensus of the homeowners that they would need to determine what that cost would be first. There are houses that have been there since the 1960's and there are several people who are not in a position to spend a lot of money on this project. The homeowners just need some help in getting this done.

Ron Kroot, President of the Eagle Nest Homeowner's Association, said the property owners just want to find out what options are available before they make a decision regarding a new water system. Mr. Kroot said they have known that their water system was questionable for several years but the EPA has told the homeowners now that they must do something.

Fred Baker said one of the issues is fire protection. Extending six inch water lines for fire protection would be cost prohibitive at this point. A 20,000 - 30,000 gallon tank with the nearest fire hydrant at Gaddis Branch would probably be proposed. This is an area that currently receives fire protection from the Town of Waynesville but the Town does not collect a fire district tax. Resolution of how fees for fire protection are paid in areas such as this have been discussed previously at the Board of Aldermen retreat.

Alderman Feichter asked what the Town's obligations would be if the application was submitted. Fred Baker said the Town's obligation to the State would be nothing, the grant would either be

accepted or rejected. If funding is approved, and the property owners can make up the public share, then the Town should proceed with the project. If the grant is not applied for, there would be no way to know what the State would do. Alderman Brown does not want the Town to be put in a position of negotiating how this project would be paid for. This would need to be resolved by the property owners.

Jerry Freeman said for the past couple of years there has been money left over from some projects that was transferred to projects where additional funding was needed. He did not know what would be available but felt that this project would be put on the list for funding.

Alderman Brown moved, seconded by Alderman Moore, to have Fred Baker submit an application for extension of water to the Eagle Nest Homeowner's Association to determine what funding is available. The motion carried unanimously.

Request to Rename Street Burma Road - Park Drive

Ms. Janet Gray and Mr. Bob Clark recently purchased a home on what the Town maps indicate is Burma Road; however, they have discovered that there are some problems for friends and delivery firms attempting to find the property. Although the road is listed as Burma Road, it actually appears to be more of a continuation of Park Drive than it does a connection to Burma Road.

Ms. Gray has approached the Town to note the problem, and she has discussed the situation with Ms. Kathy Hoglen, the Haywood County Address Coordinator. As a result, Ms. Hoglen visited the neighborhood and found that the layout of the streets and the street signage as well was confusing and could be improved. In the letter from Ms. Hoglen, she is recommending that a section of what is now identified as Burma Road be renamed, with Park Drive continuing from its present end to where it would intersect with Hillside Road. It is Ms. Hoglen's recommendation that Park Drive be extended from where it presently ends near 311 Park Drive to continue westward past 288 (Gray) and 293 (Lenoir – vacant) to where it would intersect with Hillside Road. Burma Road would still begin where it intersects with Yarborough Street and continue to where it intersects with Park Drive, near 311 Park Drive. Burma Road would end at that point.

Janet Gray and Bob Clark attended the meeting and said that problems have been experienced with people being able to find their home with the Burma Road address. They have been at this address for seven weeks and there was concern that there could be problems if an emergency situation arose. Ms. Gray said on an older deed it appears that the address was Park Drive rather than Burma Road and it was unclear how the address was changed.

It was the consensus of the Board to conduct a public hearing on Tuesday, November 14, 2006 regarding the renaming of a portion of Burma Road to Park Drive. With only two houses being affected, one of those being vacant and the owners of the other requesting the change, it is recommended that consideration be given to changing the portion of road from Burma Road to Park Drive.

Elaine Kuhl and Mr. Jeff Cogdill Hunter Crossing Property Owners

Ms. Elaine Kuhl owns property in the development known as Hunters Crossing. In 2005, the land

in this development began to shift and slide, and the home owned by Ms. Kuhl was damaged to the point that it was unsafe and uninhabitable. As a result, the property was condemned. Ms. Kuhl contacted the Town Clerk to request time on the agenda for the property owners in this development to appear before the Board and seek help from the Town. Ms. Kuhl was in attendance at the meeting.

Mr. Jeff Coghill, President of the Homeowners Association, attended the meeting representing eleven families. He said last year several things happened, including earthquake, rain and broken water pipes which have caused the land to move. The Town has determined that houses in the area are unsafe and can no longer be lived in. Mr. Coghill said this land is unstable and probably should never have been built on. Now the homeowners face additional costs of tearing the houses down. In extreme cases damage could be caused to other houses. Mr. Coghill suggested the possibility of the Town taking back the property. If they stop paying taxes, the property could be sold at the Courthouse steps and he asked that the Town look into some type of legal way to approach the situation. The homeowners are still making payments on their houses and working individually with their loan companies.

This area is located outside the corporate limits, but within Waynesville's extraterritorial jurisdiction. Mr. Coghill said they were unsure who was actually responsible, since Haywood County covers some issues and Waynesville covers others. An engineering firm was hired to test the soil. They drilled fifty feet deep and did not find any solid bedrock, but they did find rock with mica in it which tends to be slippery.

Mr. Coghill said most insurance policies in North Carolina do not include damages caused by earth movement. The normal rainfall in Waynesville is around 12 - 12 ½ inches during the summer months and last year the rainfall was around 25"+. Then there was the earthquake and the water lines were broken and terribly twisted. The Geological Survey said they had never seen anything like it. There has been no determination that the builder or Town are at fault for what has happened. He said it is a terrible situation and the property owners just need a little help. Mr. Coghill said they have written thirty-five letters to Congressmen, US Senators, County and State Officials and have heard back from about 10 - 12 of them. Most of them referred them to other State Offices.

Mayor Foy said there should be some funds from Disaster Relief Fund that could help. He suggested that it may be possible to file an appeal through the Federal Government for disaster relief. Mayor Foy recently spoke with a representative Graham Fields from Senator Elizabeth Dole's office regarding this issue.

Manager Galloway said the property owners have been working with Building Official Jason Rogers over the past year about how the situation could be resolved. Some of the homes haven't been damaged structurally, but do not have access to water, because of damage to the road area. This affects ten houses and one vacant lot. Alderman Feichter suggested that a concerted effort of local government representatives contact State and Federal Agencies for assistance.

There was some discussion about how debt with the mortgage companies can be resolved without damaging the homeowner's credit. Alderman Brown said situations such as this have happened before and maybe there is a possibility that the property owners could get their debt zeroed out and be out of their mortgage payments. Alderman Brown suggested that the property owners get all the

banks together and see if a solution can be worked out as a joint decision to benefit everyone.

It was the consensus of the Board that Waynesville pursue working with Haywood County to see if there is some type of assistance available to help the Hunter Crossing property owners with some type of resolution in this situation.

Annexation Petition - 20 Zemery Lane - Ms. Ellene Francis

Ms. Ellene Francis of 20 Zemery Lane has submitted an annexation petition for the property she owns at that same address.

Alderman Brown moved, seconded by Alderman Feichter, to adopt a resolution directing Town Clerk Phyllis McClure to investigate the sufficiency of this petition. The motion carried unanimously. (Res. No. 29-06)

Installment Financing Proposals Trucks for the Street and Sanitation Department

On Thursday, October 12, 2006, bids were received and opened on the installment financing for three trucks for the Streets and Sanitation Department. These three trucks include a residential garbage truck, a chipper truck and a flat bed truck to be used for the collection of junk and leaves.

In seeking proposals, quotations were requested on lease-purchase financing on \$205,000 for a four year period. The bids were quite competitive, with BB&T submitting the lowest bid of 3.82% with a cash outflow of \$224,944.32. Close behind BB&T was RBC Centura at 3.88% and Hometrust Bank at 3.89%.

With BB&T, there is a 1% prepayment charge were the Town to decide to pay off the loan earlier than the four year period. In some circumstances, that might make a difference, but with an interest rate this low, it is almost beyond comprehension that the Town would ever want to pay off this debt early; consequently, town staff did not consider this prepayment penalty an issue.

Finance Director Eddie Caldwell and Manager Galloway recommended that the Board award the installment financing for the three Streets and Sanitation Department vehicles in the amount of \$205,000 to BB&T for a four year period at a rate of 3.82%.

Alderman Moore moved, seconded by Alderman Caldwell, to adopt a resolution approving the financing terms offered by BB&T in the amount of \$205,000 for a four year period at a rate of 3.82%. The motion carried unanimously. (Res. No. 30-06)

Appointment to Alcoholic Beverage Commission

The three year term of Mr. James Wood on the Alcoholic Beverage Commission expired on August 15, 2006. Mr. Wood has been contacted and indicates that he is willing and would like to serve an additional term on this Commission.

Alderman Moore moved, seconded by Alderman Brown, to appoint James Wood to serve a three

year term on the Alcoholic Beverage Commission. This term would expire August 14, 2009. The motion carried unanimously.

Surplus Equipment Electric Department Chipper Truck Cab and Chassis

In approving the 2006-2007 annual budget, the Town Board allocated funds for the purchase of a new chipper truck for the Streets and Sanitation Department. The Chipper Truck presently used by that department is to be transferred to the Electric Department, meaning that the chipper truck cab and chassis now used by the Electric Department becomes surplus.

It was requested that the Board declare the following truck as surplus so that it can be placed on Gov-Deals for sale:

1990 GMC Topkick Cab and Chassis
VIN No. 1GDE6H1J7IJ609235
Mileage 58,438

Manager Galloway reported that the Town has sold several other surplus vehicles using Gov-Deals. One of those was a 1997 electric department truck which the Town purchased in 1997 at a cost of \$33,000. This vehicle sold for \$16,050 through Gov-Deals.

Alderman Caldwell moved, seconded by Alderman Feichter, to declare the 1990 GMC Topkick Cab and Chassis as surplus and that it be placed on Gov-Deals for sale. The motion carried unanimously.

North Carolina League of Municipalities Meeting

Manager Galloway, Alderman Feichter and Alderman Caldwell recently attended the North Carolina League of Municipalities Conference in Greensboro.

Hillside Development Ordinance

Mayor Foy said the Board may need to consider the requirement of additional soil inspections before approving any type of development on the hillsides. There are areas of unstable soil in Haywood County, including Russ Avenue, the By-Pass and Maggie Valley. No action was taken.

Adjournment

With no further business, Alderman Brown moved, seconded by Alderman Caldwell, to adjourn the meeting at 8:34 p.m. The motion carried unanimously.

Phyllis R. McClure
Town Clerk

Henry B. Foy
Mayor