

SPECIAL MEETING  
BOARD OF ALDERMEN  
TOWN OF WAYNESVILLE  
TOWN HALL  
MAY 26, 2009  
TUESDAY, 5:00 P.M.

The Board of Aldermen held a special meeting at 5:00 p.m. on Tuesday, May 26, 2009. Board Members present were Mayor Gavin Brown, Aldermen Libba Feichter, Gary Caldwell, Wells Greeley and LeRoy Roberson. Also present were Town Manager Lee Galloway, Finance Director Eddie Caldwell and Assistant to the Town Manager, Alison Melnikova.

Mayor Brown called the meeting to order at 5:00 p.m. and advised that the purpose was to have continuing discussions on the proposed 2009-2010 Town Budget. He called upon Town Manager Galloway to resume his comments from the last meeting.

The Town Manager opened by presenting the Board with a list of possible contributions to the non-profits and other agencies. At the meeting of May 19, the Manager and Finance Director advised the Board that the amount of funding for contributions to other agencies was reduced from \$155,400 in 2008-2009 to \$130,000 for 2009-2010. Board members had discussed the appropriations to various agencies and provided the Town Manager with direction on how to restructure the list of contributions to try and make the requests fit with the dollars available. The Board reviewed the list and gave their tentative approval to what was proposed. The Manager and Finance Director indicated that in view of the uncertainties in the economy and the impact that may have on the 2009-2010 budget, they would recommend that the contributions be split, with a portion sent to agencies at the beginning of the fiscal year and the remainder during the latter half of the fiscal year.

At the meeting of May 19, Mayor Brown had asked that Town Staff prepare a copy of the five-year Capital Improvement Plan for each Board member. Finance Director Caldwell had prepared a copy of the Plan for each of the elected officials, and he distributed copies to them. A brief review of this document was done, and the Town Manager explained the process followed by department heads and supervisors in developing this plan each year. Board members were very complimentary of the plan and the tremendous amount of work involved by so many Town personnel in preparing this document and maintaining it from year to year.

The Manager reviewed the recommended changes in the budget once more, with most of the time spent on the Enterprise Funds. The Finance Director and he reviewed the Water, Sewer and Electric Funds, pointing out that as scheduled, the Water and Sewer Maintenance Departments would have \$275,000 to spend on repairs and upgrades of water lines and another \$275,000 to spend on repairs and upgrades of sewer lines. Galloway reminded the Board that in the current, 2008-2009 budget, due to the unanticipated expense of replacing the roof at the water plant and a jump in the cost of water treatment chemicals and reducing the budget by 3%, the Town was unable to spend the full amount of \$275,000 allocated for water line repairs and replacements. In the Sewer Fund, funds were budgeted but expenditures had to be reduced when we froze 3% of the budget of every department. It is hoped that full expenditures may be made in 2009-2010 for water and sewer line work. A 5% increase is recommended in water rates and on fees charged when water must be pumped to higher tanks, but there is no increase proposed for sewer rates.

There was discussion about the Electric Fund, and the Manager reminded the Town Board that the new Wholesale Power Supply Agreement between the Town and Progress Energy would take

effect on January 1, 2010. The new contract would require a rate increase of approximately 5 ½ %. Finance Director Caldwell noted that the Town would continue to adjust charges on a monthly basis depending upon the fuel adjustment charges assessed against the Town by Progress Energy. He also reminded the Board that in the next budget, the Town would have to make the first of twelve payments on the \$3,000,000 loan to construct the new electric substation. That payment will be \$310,000 annually for a period of twelve years. Galloway noted that the Electric Fund had rebounded well the past few years, and that it was expected that this fund would end the year with a fund balance in excess of \$1,200,000.

There was a brief review of the two Service Funds, one for the operation of the Public Works Facility and the other for the operation of the Garage. The Finance Director explained the manner in which charges are assessed against each department in order to cover the operating costs of these two Funds. It was noted that the expenditures were lower in the Garage Fund due to the drop in the price of gasoline and diesel fuel; however, in the past six weeks, the price has increased considerably, and now the Manager and Finance Director were concerned as to whether the allocation was sufficient.

There were no further questions about the budget from members of the Town Board. Mayor Brown noted that the public hearing on the 2009-2010 budget was scheduled for Tuesday, June 9<sup>th</sup>. He suggested that the Board wait until after that public hearing to determine if additional budget work sessions are necessary. All members of the Board were in agreement with this suggestion.

There being no further business, Alderman Roberson moved that the Board take a fifteen minute recess and return for the regularly scheduled Town Board meeting at 7:00 p.m. This was seconded by Alderman Feichter and passed unanimously at 6:45 p.m.

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A. Lee Galloway  
Town Manager

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Gavin A. Brown  
Mayor