

AGENDA
REGULAR MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
TOWN HALL
AUGUST 11, 2009
TUESDAY – 7:00 P.M.

The Town of Waynesville Board of Aldermen held a meeting on Tuesday, August 11, 2009. Members present were Mayor Gavin Brown, Alderman Gary Caldwell, Libba Feichter, Wells Greeley and LeRoy Roberson. Also present were Town Manager Lee Galloway, Assistant Town Manager Alison Melnikova, Town Clerk Phyllis McClure and Town Attorney Woodrow Griffin. Mayor Brown called the meeting to order at 7:00 p.m.

Approval of Minutes of July 14, 2009

Alderman Feichter moved, seconded by Alderman Caldwell, to approve the minutes of the July 14, 2009 meeting as presented. The motion carried unanimously.

Flag Presentation by Woodmen of The World

Jackey Webb, representing The Woodmen of the World Lodge 226 of Waynesville, presented a U. S. Flag to the Town of Waynesville for the Police Station/Development Office located at 9 South Main Street. Manager Galloway said Lodge 226 was considerate enough to donate the flagpole at the new Fire Station on North Main Street, a very generous act on their part, and they had offered to do the same for the Police Station and Development Office now being completed at 9 South Main Street. But it was decided to reuse the three flag poles that stood in front of the former public safety building at that site. Lodge 226 representatives then asked if they could donate a United States flag to fly in front of that facility.

Woodmen of the World is one of the nation's leading fraternal benefit societies, and serves a dual mission – to help ensure financial security for members and their families, through insurance and investment products, and to carry out community service projects that enrich lives and benefit individuals, families and communities.

Woodmen of the World is also a patriotic organization, and members regularly present flags and flagpoles to schools, parks, churches and other non-profit organizations. In the past 60 years, Woodmen of the World members have presented more than 1.7 million U. S. flags. Woodmen of the World was founded in 1890 as a fraternal benefit organization. Today, Woodmen of the World offers insurance, annuities, mutual funds and 529 college savings plans. Nearly 785,000 Woodmen of the World members across the country share a commitment to family, community and country.

Alderman Feichter said she has known Jackey Webb since he was about seven years old and served with Jackey on the Haywood Arts Regional Theater Board. The Mayor and Board of

Aldermen expressed appreciation to the Woodmen of the World for the donation of the U. S. Flag and to Mr. Webb for his contributions to the community.

Kevin O'Donnell Electrical Consultant, NOVA Energy

Wholesale Power Supply Agreement

The Town of Waynesville has been a wholesale power customer of Progress Energy or Carolina Power and Light for more than 80 years. The Town and PEC has had a number of contracts over the years, addressing the Town's purchase of power from Progress for redistribution to the customers on the Town's electrical system. Manager Galloway said during his time as Town Manager, Waynesville has negotiated three such contracts, one from 1994 to 2002, another in 2002 that will expire on December 31, 2009, and the third that covers the period of January 1, 2010 until December 31, 2015.

The agreement that was negotiated in 2007 preceded the service of two of the members of the Town Board, but there has been some discussion about this contract during our budget work sessions. You will recall that rates are expected to rise approximately 5.5% under the new agreement. There are a few issues related to the agreement of which you need to be aware. Although the agreement was negotiated in 2006 and early 2007, it was never presented to the Federal Energy Regulatory Commission (FERC) for their approval. We understand that there are actually some restrictions on the length of time an agreement may be presented to FERC in advance of the effective date. Since the negotiations in 2006 and early 2007, there have been some rule changes, and some cases have been heard and decided by FERC which will necessitate some changes in the agreement.

Electrical consultant, Kevin O'Donnell has been working with representatives of Progress Energy to discuss the few minor changes, and he attended the meeting to discuss the changes which have been requested by Progress Energy. There was some concern that if the changes are made to the old contract it could be rejected by FERC. Mr. O'Donnell said he thinks the old contract with changes would now be okay and that execution of the new contract would also be okay. Mr. O'Donnell said Waynesville has never strayed away from Progress Energy. He explained that there are risks when leaving a current supplier in that you may never get back with that supplier. Unless there is a good reason to leave he recommended that Waynesville remain with Progress Energy. Part of the reason that Waynesville's rates are one of the lowest is because of these contracts.

Mayor Brown said Waynesville has a good contract with Progress Energy which includes competitive rates. Manager Galloway said this power supply agreement is for six years. Mr. O'Donnell said there will be some significant rate hikes in the future and this six years will be looked at as the "good old days."

Alderman Greeley moved, seconded by Alderman Feichter, to authorize Mayor Brown to execute a new contract with Progress Energy to replace Contract No. 6-07. The motion carried unanimously. (Cont. No. 11-09)

Renewable Energy and Energy Efficiency Portfolio Standards

When the Power Supply Agreement was in negotiations, there was discussion underway in the General Assembly about a move toward renewable energy and energy efficiency in North Carolina. Mr. O'Donnell was very much involved in those discussions and negotiations. Out of those discussions came Senate Bill 3 in the 2007 General Assembly, and during the past year, customers of Progress Energy and other utility providers have begun paying a monthly fee that goes toward the purchase of "Green Power" or renewable power for energy efficiency.

In anticipation that there would be legislation requiring more emphasis on renewables and efficiency, there is a section of the Power Supply Agreement that addresses renewable energy and efficiency measures. While Waynesville customers have not begun to pay the monthly REPS charge that the Progress Energy and Duke Power customers are paying, we knew that the time was coming when that would be required.

During the past several months, Mr. O'Donnell has been involved in a number of meetings and discussions with Progress Energy personnel over how these REPS charges would be assessed against the Town of Waynesville and the 3,100 customers of the Town's system. In representing the Town, Mr. O'Donnell has suggested that a separate agreement would be appropriate between the Town and Progress to address the REPS issue.

Mr. O'Donnell said Senate Bill 3 requires all utilities to begin use of renewable energy, and by 2013, three percent of their total resources would need to be renewable power. The requirements increase until 2021, when utilities must secure 12% of their energy from renewables, meaning solar, wind, water or animal wastes. There are cost caps in this to protect consumers. We will need to begin to diversify our portfolio of supplies and we will begin paying for this State mandated cost beginning in December 2009. A line item will be added to utility bills and this fee will have to be passed along to utility customers by March 1st once we know what the cost will be. Mr. O'Donnell said there are alternative ways in which the Town might meet the REPS requirements. One option is to institute a program where the Town purchases compact fluorescent light bulbs to be distributed to utility customers. This will give customers something tangible and keep the money local. Manager Galloway said a local business in Waynesville has expressed interest in installing solar power panels and Waynesville is looking at its own Recreation Center for solar panel installation.

The final draft of this agreement is not yet ready. This agreement will run concurrent with the Power Supply Agreement.

The Board thanked Mr. O'Donnell for his presentation and for his work as Waynesville's Electrical Consultant.

Appointments/Reappointments to Various Boards

There are several boards and commissions which have vacancies or for which there are terms that are expiring.

Alcoholic Beverage Control Board

The term of James “Barney” Wood on this Board will expire on August 15, 2009. Mr. Wood has served on this Board since May 11, 2004. He has expressed an interest in being reappointed to this Board. We have a number of applications for appointment to the ABC Board, and these include the following. This is a three year term which would expire on August 15, 2012.

T. W. (Wallie) Camlin	47 Meadowood Lane
Raymond M. Ezell	409 Longview Drive
Paul Kenneth Pratt	618 East Street
James “Barney” Wood	282 Rogers Street

Alderman Caldwell moved, seconded by Mayor Brown to nominate James Wood.

Alderman Roberson moved, seconded by Alderman Greeley to nominate Raymond Ezell.

Alderman Roberson moved, seconded by Alderman Caldwell to close the nominations. The motion carried unanimously.

Votes for James Wood by Alderman Caldwell and Mayor Brown.

Votes for Raymond Ezell by Aldermen Feichter, Greeley and Roberson.

Raymond Ezell was nominated and appointed by majority vote to serve a three-year term on the Alcoholic Beverage Control Board. This term will expire August 15, 2012.

Historic Preservation Commission

There is a vacancy on this Commission due to the resignation of Mr. Tom Shaw who relocated to Asheville. At the present time, we only have one application for an individual who is interested in serving on this Commission, and that comes from Mr. Bill Kramer of 24 Shelton Street. An appointment to this Commission would be for a partial term, filling the seat vacated by Mr. Shaw until that term expires January 31, 2010.

Alderman Feichter moved, seconded by Alderman Caldwell, to appoint Bill Kramer to fill the unexpired term on the Historic Preservation Commission. This term will expire January 31, 2010. The motion carried unanimously.

Planning Board

There is a vacancy on the Planning Board due to the resignation of Rex Feichter. We have several applications from people interested in filling this vacancy and these are listed below. An appointment to this Commission would be for a partial term, filling the seat vacated by Mr. Feichter until that term expires May 31, 2010.

Jon Feichter	31 Mead Street	Jack Suddath	150 Hummingbird Lane
Bambi Wilson	163 Banker Drive		

Alderman Feichter recused herself from participating in this matter since the appointment involves a family member.

Alderman Roberson moved to nominate Jack Suddath for appointment. The motion died for lack of a second.

Alderman Greeley moved, seconded by Alderman Caldwell, to nominate Jon Feichter for appointment.

It was the consensus of the Board to close nominations.

The vote was unanimous to appoint Jon Feichter to fill the unexpired term on the Planning Board. This term will expire May 31, 2010.

Strategic Energy Plan

Under the American Recovery and Reinvestment Act (ARRA), the federal government has placed a great deal of emphasis upon efforts toward energy independence. Assistant Town Manager Alison Melnikova has been following funding for energy projects and programs carefully and recently attended a seminar on funding possibilities.

Although the guidelines for applying for many of the grant funds through the State Energy Office have yet to be released, local governments were notified in early summer that one of the requirements to apply for and secure funding for energy projects is the adoption of a Strategic Energy Plan. The SEP most commonly applies to Town facilities, and provides the methodology to effectively manage utilities, and guide future maintenance and purchases. There are not only environmental but also budget justifications for doing so. A SEP can apply not only to electricity but also to the use and consumption of water. A large emphasis in this particular program is for the education of employees so that they might play a major role in reducing energy demand.

Assistant Town Manager Alison Melnikova developed the “Strategic Energy Management Plan” for the Board to consider. Ms. Melnikova said this has been discussed for more than two years for the Town’s own facilities and vehicles. When the Recovery Act was passed the Town was already doing a lot of the things involved. Hot water usage is being metered at the Recreation Center and there has been some discussion about dealing with the entire center. At this point it only involves Town facilities with several items being considered such as building retrofits, boiler replacements and solar panels. There are also some funds available for diesel retrofits or electric cars. The new Police Department building has better insulation, low V.C. carpet and paint and the toilets use less water.

Alderman Feichter moved, seconded by Alderman Roberson, to adopt the Strategic Energy Plan as presented. The motion carried unanimously.

Request for Street Closing

Ms. Jane Baker, Director of Children’s Ministries, at First United Methodist Church, has requested that the Board approve the closing of Academy Street between Haywood Street and

Tate Street for a Back to School Fun Fest. This event will be held on Friday, August 21, from 5:30 p.m. until 7:30 p.m., and Ms. Baker is asking that the portion of Academy Street be closed between the hours of 4:30 p.m. and 8:00 p.m.

Manager Galloway said as the Church anticipates a large turnout for this event and there will be a considerable number of children and adults walking between the parking area and the church, this request seems quite reasonable.

As with other events of this nature when street closings are requested, it is suggested that if the Board should choose to honor this request, approval be given with the understanding that Town personnel will leave barricades on the side of Academy Street at Haywood and Tate Streets if representatives of the church will assume the responsibility of erecting the barricades at 4:30 p.m. and dismantling the barricades at 8:00 p.m. Town employees would return on Monday morning to retrieve the barricades.

Alderman Roberson moved, seconded by Alderman Feichter to approve the request to close a portion of Academy Street as requested on Friday, August 21. The motion carried unanimously.

Town Manager Reports

Haywood Vocational Opportunities Expansion

Manager Galloway said Haywood Vocational Opportunities has made an offer and has an option to purchase the Wellco property to expand their operation. The Town worked with HVO in 2004 when they built their new building and also worked with HVO to get the grant to extend a water line. This expansion involves a \$480,000 grant through Rural Center which will be loaned to Waynesville and Waynesville will in turn loan the money to HVO. After two years of maintaining forty jobs, the Rural Center will forgive the loan of \$12,000 per job created with a minimum of forty jobs being created. HVO anticipates the creation of seventy-five new jobs. Discussions are continuing regarding collateral or reimbursement from HVO or issuance of a letter of credit.

It was the consensus of the Board for the Town Manager to continue discussions with HVO.

Police Department/Development Office

Manager Galloway said the move by the Police Department into the new Police Station/Development Office building was delayed one week in order to address painting issues in that portion of the building. Planning, Zoning and Building Inspections moved into the building on Friday, August 7. A construction meeting is scheduled for August 12 in order to go through the building again to see what has been done and what has not been done. An open house is scheduled Tuesday, August 25 from 4:00 p.m. until 6:30 p.m. and the Board of Aldermen will conduct their first meeting in the new Board Room at 7:00 p.m. that evening. Mayor Brown said if any of the Board Members have thoughts or ideas please pass those along to Manager Galloway, Assistant Manager Melnikova or Town Clerk McClure.

Manager Galloway thanked the Board for allowing him to hire an assistant. The Police

Department is very anxious to get back into their facility and they will have a beautiful building. Construction Logic has done a great job. Mayor Brown said the building is not extravagant but is more than functional. Manager Galloway said this is a good building and will serve Waynesville for many years to come. Manager Galloway added that there is approximately \$22,000 in contingency left. Double pane windows were installed and insulated stucco was put in. As a result this will be a much more energy efficient building.

Great Smoky Mountain Anniversary Celebration

Manager Galloway said the Great Smoky Mountain National Park is celebrating their seventy-fifth anniversary. Waynesville has two banners regarding this anniversary celebration and these banners will be hung on the front of the Municipal Building and at Depot Street.

Region A Annual Dinner

Manager Galloway said the Region A Annual Dinner will be held Friday, August 21 at the Holiday Inn in Cherokee.

NCLM Conference

Manager Galloway said the North Carolina League of Municipalities Conference will be held at the end of October.

Temporary Signs

It was the consensus of the Board that the issue of temporary signs be placed on the Board of Aldermen agenda for the first meeting in September to further discuss how this issue should be approached.

Funeral Services for Former Canton Town Manager Bill Stamey

Manager Galloway said he attended funeral services today for former Town Manager Bill Stamey.

Adjournment

There being no further business, Alderman Greeley moved, seconded by Alderman Roberson, to adjourn the meeting at 8:40 p.m. The motion carried unanimously. It was added that this is the final meeting of the Board of Aldermen in the Board Room in the Municipal Building. The next meeting will be held in the new Board Room located at the Police Station/Development Office building.

Phyllis R. McClure
Town Clerk

Gavin A. Brown
Mayor