

REGULAR MEETING  
TOWN OF WAYNESVILLE  
BOARD OF ALDERMEN  
TOWN HALL – 9 SOUTH MAIN STREET  
DECEMBER 14, 2010  
TUESDAY – 7:00 P.M.

The Board of Aldermen of the Town of Waynesville held a regular meeting on Tuesday, December 14, 2010. Members present were Mayor Gavin Brown, Aldermen Gary Caldwell, Libba Feichter, J. Wells Greeley and LeRoy Roberson. Also present were Town Manager A. Lee Galloway, Assistant Town Manager Alison Melnikova, Town Clerk Phyllis McClure, Finance Director Eddie Caldwell and Town Attorney Woodrow Griffin. Mayor Brown called the meeting to order at 7:00 pm.

Approval of Minutes of November 23, 2010

Alderman Caldwell moved, seconded by Alderman Feichter, to approve the minutes of the November 23, 2010 meeting as presented. The motion carried unanimously.

Audit for Fiscal Year Ending June 30, 2010 - Ray, Bumgarner, Kingshill & Associates, P. A.

The Town of Waynesville's annual audit for the fiscal year ending June 30, 2010 was completed in October. As required by State Statute, the audit was forwarded to the Local Government Commission prior to the October 31 deadline.

At the Board meeting of November 23, copies of the audit were distributed to Board members for review.

In recent years, the auditors have prepared a "Statement of Net Asset Fluctuation Analysis" in which they note the most significant changes found in the financial statements and provide an explanation as to the reason behind those changes.

This is the first year that the auditors have done the majority of their work at the Finance Department at the Hazelwood Branch Office, and they have certainly had more room in which to spread out as they conduct their work.

Bruce Kingshill, with Ray, Bumgarner, Kingshill and Associates, thanked the Board for allowing their firm to do the financial audit for the Town of Waynesville.

Manager Galloway said the Town is very appreciative of the good relationship they have with Ray, Bumgarner, Kingshill & Associates, PA., a firm which has performed the Town's audit work for more than 25 years. We commend the work of Bruce Kingshill, Nancy Daigler and the others with the firm who have played a part in conducting and presenting the audit.

Bruce Kingshill gave an overview of the audit. He said in the two Federal and State Programs administered by the Town of Waynesville, the Drinking Water Revolving Fund and Powell Bill, no compliance issues were found and there were good internal control on these two programs. In the letter explaining the audit, it was noted that they did not find any material uncorrected and there were no disagreements with management. Mr. Kingshill said the report expressed an unqualified opinion, which is the highest, and Waynesville received a clean report.

The Water and Sewer Funds showed a positive change in fund balance after the transfer to the general fund. The Tax levy showed a total collection out of the total level at 96.21% (96.69% and motor vehicles 86.29%). Last year was 95.67% (96.28% minus motor vehicles). Mr. Kingshill pointed out that if money was not coming from the enterprise funds to the general funds the Board would need a 9% increase in property taxes.

Mr. Kingshill said Waynesville is in good financial condition overall. He added that Waynesville is fortunate to be an electric city. Other towns the same size without the transfers from the electric to general fund are really hurting and their tax rate will probably reflect that.

Mr. Kingshill thanked the Board for letting them be the auditors and he expressed appreciation to Manager Lee Galloway and Finance Director Eddie Caldwell, adding that it is always enjoyable to work with the Town.

Finance Director Eddie Caldwell said the available fund balance dropped temporarily from the prior year because there were some reserve items that decreased. Waynesville had to order a fire truck early and money was taken out of fund balance and put into a capital project fund to renovate the Hazelwood Building and other money is to be used to fund window replacement and other improvements at the Municipal Building.

Mayor Brown asked about investment monies. Mr. Caldwell said the interest rates are much lower than they were three years ago. Mayor Brown asked about unfunded costs for retirement. Mr. Kingshill said Waynesville is on a "pay as you go plan", but explained that this is the case for many other municipalities, including the City of Charlotte. Mr. Kingshill added that the Local Government Commission realizes that every town is on a pay as you go basis for the health insurance for retirees.

It was pointed out that the manager on this year's audit was Nancy Daigler and appreciation was expressed to Ms. Daigler for her work on this audit.

Alderman Feichter moved, seconded by Alderman Greeley, to accept the audit report for the year ending June 30, 2010 as prepared by Ray, Bumgarner, Kingshill and Association. The motion carried unanimously.

#### Discussion of Use of Old Armory

Since the Town of Waynesville constructed the new recreation center and opened for business in 2000, the use of the Armory has changed. Some things have been pretty constant, such as the

use of the south portion for the Senior Meals Program and Bridge. A lot of programs have been attempted and dropped due to lack of support or participation.

It is the feeling of Recreation Director Rhett Langston and management that there can be better use of the Armory. There have been a number of discussions about the current use and the potential for other uses of the building. One of the ideas discussed was to make this facility more of a Senior Center, particularly during the hours of 7:00 a.m. until 4:00 p.m. After 4:00 p.m., the use of the building might be designed more around the Martial Arts and Basketball Programs. Continuing programs, such as the pottery kiln and operation on the second floor could remain and be opened to anyone participating in those classes or programs.

While these discussions were underway, Mr. Langston was in a conversation with Ms. Victoria Young, Project Director for Haywood Community Connections, housed at Mountain Projects, Inc. She was explaining a new grant and program their group has secured called Brain Gym, oriented toward keeping the minds of seniors active and alert through both physical and mental activity. Since then, Manager Galloway said there have been two meetings and they are enthused about the program, particularly about the possibility of incorporating the Brain Gym program into the Town's interest in restructuring the Armory into more of a Senior Center.

This past week, Mr. Langston and Manager Galloway met with representatives of Mountain Projects, Patsy Dowling, Director, Mr. Eddie Wells, Director of Senior Programs and Ms. Young, to discuss the possibilities in more detail. Since Mr. Wells has oversight of the Senior Meals site at the Armory, his involvement was wanted, and a real interconnection can be seen between the meals site and developing more programs for the elderly population. The Mountain Projects personnel were supportive and encouraging with the idea of continuing to investigate what can be accomplished.

Ms. Young and Mr. Langston attended the meeting to present this idea to the Board and seek endorsement to continue the investigation of moving the Armory toward more of a senior center in the daytime hours. Manager Galloway said it is felt that this is a plan that has some merit for the facility and the department as well as for the senior citizens of our community.

Rhett Langston, Parks and Recreation Director, said some changes have already been made at the Armory. The weight room has been removed and the offices of the Maintenance Department and Horticulturist will be moved to the Armory.

Ms. Victoria Young thanked the Board for their support for the past four and one half years. Ms. Young said one of their goals was to build an Enrichment Center, but they were unable to do so. They tried to determine what the interests of older citizens were in Haywood County. One of their ideas included a "Brain Gym" to help older citizens. This would include computers and software designed to improve brain health, help older citizens become better drivers and be more alert on the road, increase physical activity and include education about healthy eating habits and many other subjects. Grant funding was received for this purpose, but they do not have a facility. Their organization is located in the MARC building at the present time, but there is not adequate space for this facility. Ms. Young said in conversations with Rhett Langston and Lee Galloway they began brainstorming to locate this "Brain Gym" in the Armory. Funding for

someone to work part time and manage the brain gym would be included. There would be an opportunity to write other grants once this is begun. However, there is no promise that they can financially sustain the project. It is hoped that membership fees could sustain it. The Armory already has areas that could accommodate canning, pottery, card tables, televisions, etc., which would give people a place to be for a longer period of time.

Mayor Brown said demographics show that this is a business we could get into. Manager Galloway said Haywood County ranks one of the top 5 in the State of North Carolina for older adults. Alderman Feichter added that the proximity of the Armory and the fact that 90% of it is located on one level without the need for steps, ramps, etc., makes it a good location. Her only concern is parking. She added that Haywood Public Transit does a wonderful job of moving people around.

Victoria Young pointed out that if the old hospital is sold for public housing for older citizens, this would place many older adults closer to the Armory. There was some discussion about building security and parking. Ms. Young said the funding would be available for software, computers and hopefully an employee to work 20 hours per week to continue setting the equipment up. Ms. Young added that she would be comfortable with creating a memorandum of understanding to include Waynesville's responsibility and what would happen if Haywood Community Connections were no longer there.

It was the consensus of the Board to continue with this project as presented.

#### Annexation Petition 2020 Dellwood Road Owned by Kevin and Melanie Sandefur

Town Clerk Phyllis McClure received an annexation petition from Kevin and Melanie Sandefur for property they own at 2020 Dellwood Road, Waynesville. A few years ago, the Town annexed a smaller tract of land to the north of the tract presently being requested.

Under state statute, when a petition for annexation is received, the first step is to have the Town Clerk investigate the sufficiency of that petition.

Alderman Caldwell moved, seconded by Alderman Feichter, to adopt a resolution instructing the Town Clerk to investigate the sufficiency of the petition, and to adopt a resolution if the petition is in order, to schedule the public hearing date for January 11, 2011. The motion carried unanimously. (Res. No. 10-10 and 11-10)

#### Award of Bids for Financing of Garbage Truck for Sanitation Department and Two Street Department Trucks

On Tuesday, December 7, 2010, bids were opened on financing the garbage truck which was approved at the Board meeting of November 23. In addition, there are two other trucks in the budget for the Street Department, but they fall below the amount that is required to go to formal bid. In anticipation of these trucks being ordered, Finance Director Eddie Caldwell solicited proposals on financing \$240,000 over four years.

The bid proposals were received as follows:

<u>Financial Organizations</u>	<u>Years</u>	<u>Interest Rate</u>	<u>Payment Amount</u>	<u>Cash Outflows</u>
Carolina First/ TD Bank	4	2.070%	\$63,167.04	\$252,668.16
BB&T	4	2.180%	\$63,305.26	\$253,221.04
Sun Trust	4	2.285%	\$63,466.22	\$253,864.88
Sun Trust	4	2.485%	\$63,773.24	\$255,092.96
Wells Fargo	4	2.370%	\$63,636.41	\$254,545.64
California First	4	2.480%	\$63,592.22	\$254,368.88

The lowest bidder, Carolina First Bank, was recently bought out by TD Bank, with executive offices in Portland, Maine. According to their Web Site, TD Bank is one of the 15 largest commercial banks in the United States, with over 1,300 banking sites in the country from Maine to Florida.

Based upon the research and the bids received, Finance Director Eddie Caldwell recommended that the proposal of Carolina First to finance \$240,000 be accepted for the 2.07 % interest rate for a four year period.

Alderman Roberson moved, seconded by Alderman Greeley, to award the bid to Carolina First at an interest rate of 2.070% for four years. The motion carried unanimously. (Res. No. 10-10)

#### Certificate of Appreciation From Employees

Town of Waynesville employees asked Town Manager Galloway to present a Certificate of Appreciation to the Board for the recent bonus distributed at the Employee Appreciation Luncheon on Friday, December 3, 2010.

#### Adjournment

With no further business, Alderman Caldwell moved, seconded by Alderman Roberson, to adjourn the meeting at 8:30 p.m. The motion carried unanimously.

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Phyllis R. McClure  
Town Clerk

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Gavin A. Brown  
Mayor