

REGULAR MEETING
TOWN OF WAYNESVILLE
BOARD OF ALDERMEN
TOWN HALL – 9 SOUTH MAIN STREET
DECEMBER 11, 2012
TUESDAY – 7:00 P.M.

The Board of Aldermen of the Town of Waynesville held a regular meeting on Tuesday, December 11, 2012. Members present were Mayor Gavin Brown, Aldermen Gary Caldwell, Julia Freeman, J. Wells Greeley and Leroy Roberson. Also present were Town Manager Marcy Onieal, Assistant Town Manager Alison Melnikova, Town Clerk Phyllis McClure, Finance Director Eddie Caldwell, Planning Director Paul Benson and Town Attorney Woodrow Griffin. Mayor Brown called the meeting to order at 7:00 p.m.

Calendar of Events

The Employee Appreciation Luncheon is scheduled Friday, December 14 at 11:30 a.m. at the Recreation Center, the Downtown Waynesville Association will conduct a retreat on December 17 and Town offices will be closed December 24 and 25. “The Night Before Christmas” event on Main Street was well attended on December 8. Manager Onieal reported that two dates are available for the Board Retreat on Friday, February 1 or Friday, February 15. A tentative date of January 29 has been set for the Town Clerk’s retirement reception,

Approval of November 27, 2012 Minutes

Alderman Caldwell moved, seconded by Alderman Roberson to approve the November 27, 2012 minutes as presented. The motion carried unanimously.

Staff Recognitions

Manager Onieal announced that Assistant Manager Alison Melnikova has attended a program during the year to become certified as Chief Information Officer and has now graduated and received this certification. Ms. Melnikova has dedicated a considerable amount of time on her part and this could not be better timing. Ms. Melnikova has now taken on the IT master planning project and her efforts are appreciated in that regard.

Public Hearings Regarding Designation of Properties at 28 and 52 Walnut Street as Local Historic Landmarks

The Historic Preservation Commission has worked with ACME Preservation Services, Inc., to develop Local Designation Reports on behalf of property owner Charles McDarris. Mr.

McDarris is applying for Local Historic Landmark status for the Samuel and Thomas Stringfield houses, located at 28 and 52 Walnut Street respectively.

Manager Onieal said a lot of work has been done in reviewing these two properties, which includes reports prepared by Clay Griffin, with ACME Preservation Services. The State Preservation office also agrees that these two properties are worthy of designation.

Planning Director Paul Benson said this process began about one year ago when property owner Charles McDarris approached him about requesting designation of these two properties. The reports contain the history of the houses which includes ties with Mr. Robert Love and legacy to the present. This property is in a remarkable state of preservation. In September the Historic Preservation Commission reviewed the report and voted to send it to the State Preservation Office for their review. A letter was received in October from the State Preservation Office recommending historic designation of the properties. This led the Waynesville Historic Preservation Commission on November 7 to hold their public hearing and they voted unanimously to recommend approval to the Board of Aldermen for a public hearing. The first property is located at 28 Walnut Street and the second property is located at 52 Walnut Street. These two properties are looked at as “the cream of the crop” and the property owner is entitled to 50% deferral of Town and County property tax which helps attract people to preserve these historic properties. The designation carries mandatory review and applies to the exterior portion of the property as well as some of the interior.

Mr. Charles McDarris said is currently practices law in Raleigh, North Carolina, but hopes to return to Waynesville at some point. He said one of these houses was once operated as a business by his Aunt Pearl Hayes. Mayor Brown said it means a lot to the community for Mr. McDarris to pursue preservation of these local properties. Mr. McDarris said he felt compelled to do so from a very early age. While both buildings were being renovated the historic aspect was realized. Mr. McDarris said he has always felt that the area where the houses are located was the cornerstone of Waynesville. The buildings have individual suites with connecting rooms. There is a maximum of nine (9) suites in the building on the corner and the one next door contains eight (8) or nine (9) suites. The houses currently have about 85% occupancy. Mr. McDarris complimented the Board on the wonderful job they have done in downtown Waynesville.

Attorney Griffin opened the public hearing and the following people spoke:

Henry Foy said he was proud of Charles McDarris and what he is doing for the town. Mr. McDarris’ father and mother, Charles and Ethel McDarris would also be quite proud of him for what he is doing with these two properties. Mr. Foy reported on some history that was discovered regarding these properties. For many years the property was called the temple lot and no one was sure why. Professor Allen, historian and educator, came to this area around 1900 and wrote the Annals of Haywood County which was the only publication of this area’s history

until another was later prepared by Haywood County. This property was once owned by the Women's Christian Temperance League. This group was carried away with Waynesville and decided to build their national headquarters on this property. They prepared an eight (8) page brochure containing history, photographs and conceptual drawings to inform people about Waynesville. When this information was discovered several years ago, Mr. Foy was allowed to make a copy. This got even more exciting when Mr. McDarris told him about the cornerstone located and remaining on the property, adding that this is one of the best projects of this sort because of its history.

Charles McDarris spoke about the cornerstone, adding that it was inscribed with "Women's Christian Temperance League" and "Robert Love" and dated "1892". In restoring the building Mr. McDarris instructed those working on the renovations that the cornerstone was to remain in the same spot behind the building, approximately 18 to 20 inches off the ground under a tree along the shared driveway.

Attorney Griffin closed the public hearing.

Mayor Brown added that this is a good example of a partnership between the property owner and the community.

Alderman Freeman moved, seconded by Alderman Greeley to approve designation of the two properties located at 28 and 52 Walnut Street as Local Historic Landmarks as requested. The motion carried unanimously. (Ord. No. 16-12 and 17-12)

Presentations

Annual Report of the Waynesville Planning Board

Planning Board Chairman Patrick McDowell reported on activities of the Waynesville Planning Board for 2012 and their upcoming plans for the next fiscal year. Mr. McDowell said the Planning Board has conducted six meetings during 2012 and he listed some of the highlights of those meetings. A rezoning request was received from the Barberville Baptist Church which led to a study of the Russ Avenue corridor. A public hearing was held on the South Main Street Corridor Plan, and most recently discussion was held regarding an amendment to provide for transit shelters. The Planning Board accepted public comments and invited the Director of the Haywood Transit to attend the next meeting. The Russ Avenue Neighborhood District is an area with the most undeveloped land. The update to the 2020 Land Development Plan was done in 2002 and there have been some substantial changes since that time. It takes several years to go through this planning process and it may be time to begin another review. An adjustment should be made to the Extraterritorial Jurisdiction boundary since it bisects a lot of properties because it was drawn in a straight line rather than following property lines. A Land Use Study will be needed for the Lake Junaluska area since there is discussion of merger with the Town of

Waynesville. This would be a major addition to Waynesville's zoning area. Patrick McDowell has been a member of the Planning Board for approximately nine to ten years, serving as chairman for the past three (3) years. Mr. McDowell lives on Crymes Cove Road within Waynesville's one mile Extraterritorial Jurisdiction.

Mayor Brown complimented the operations of the Planning Board. Alderman Greeley said when the Board of Aldermen recently appointed new members of the Planning Board it was agreed that this is one of the most important Boards in Waynesville. Alderman Greeley thanked Mr. McDowell for the work of the Planning Board, adding that occasionally they are required to take some of the hard shots. Mr. McDowell said the Planning Board enjoys their work and take it very seriously. They are not always unanimous in what they do but have some lively discussion in making their recommendations. Alderman Freeman expressed appreciation for the upcoming issues that need to be addressed, adding that it is good that the boards share the same opinions and are in agreement when looking toward the future. Mayor Brown thanked Mr. McDowell for attending the meeting and presenting an update to the Board.

Presentation of Audited Financial Statements for the Town of Waynesville

Bruce Kingshill and Nancy Lux of Ray, Bumgarner, Kingshill and Associates attended the meeting to present highlights and an overview of the Town's financial condition for the year ended June 30, 2012. Mr. Kingshill said in reviewing the funds that the town received from Federal and State sources no compliance issues were found and a clean report was issued. The report noted that no deficiency in internal control, compliance or financial reporting was identified that would support a finding of material weakness in the Town's financial operations. The auditors issued an unqualified opinion.

The two largest items recorded were long-term debt and post-retirement benefits. ABC profits decreased since the ABC Store is retaining their profits to build a new store. There was a decrease in electric revenues, mainly due to warmer winter weather resulting in a collection of less revenue. The electric fund had a deficit of \$443,000 and it was recommended that the Town look at this in terms of a rate increase. Water Fund Revenues increased mainly due to a rate increase. Town staff wanted the enterprise funds to start supporting themselves, but the water fund has a number of projects that cannot be funded totally from that fund and the electric fund was originally to pay a portion of the transfer, but the electric revenues were not there due to the warm winter. Some increase in revenues was seen in the sewer fund. The electric fund had a deficit and all other funds had gains in fund balance. The total property tax percentage collected was 96.09% this year compared to last year at 95.54%. Mayor Brown added that this is the figure used when the Board sets the budget for the following year. The Town has no control over taxes collected by Haywood County for motor vehicles. The collection rate for motor vehicles this year was 85.81%, which Manager Onieal noted is typical of collection rates for motor vehicles in most counties across the state.

Mayor Brown asked if there is anything out of the ordinary in the manner the Town has chosen to pay for things such as post-retirement benefits. Mr. Kingshill said every unit of government in North Carolina that he is aware of handles post-retirement benefits on a “pay-as-you-go” basis. A consultant reviews and evaluates post-retirement benefits every two years. They look at demographic figures to determine when people are going to retire in order to estimate the Town’s liability. Mayor Brown added that in the future the Town Board could change post-retirement benefits that have been promised to employees in the past. Mayor Brown mentioned the decline in investment revenues. Finance Director Caldwell said the investment revenues were basically zero this year. Eddie Caldwell said investments ranged in the mid \$20,000 range, but expenses off bank accounts netted this out to zero. Ten years ago the town was earning \$300,000 from investments. Bruce Kingshill added that the Town can only invest in what the Local Government Commission allows. Mayor Brown asked about the unrestricted Fund Balance in the general fund. Mr. Kingshill explained that this money is not dedicated to anything and could be used for catastrophic events. At the present time Waynesville has 10 million dollars in total Fund Balance. Mayor Brown said some of the ten million dollars is guaranteed for other things, but Waynesville has this balance because the Town of Waynesville, both board and staff, have been good stewards of its funds. Mr. Kingshill added that Waynesville is blessed because of its electric fund which provides in support of general fund activities the equivalent of a 10% reduction in the property tax rate and the town is in good financial shape. Mayor Brown said the last electric rate increase authorized was in 2009, but it is time for the Board to review its rates again. Manager Onieal said electric rates have not increased for residents because Waynesville has tried to maintain its electric rates on par with those of Progress Energy, particularly since more than half the Town’s citizens are served by Progress.

Mr. Kingshill said in closing that it is a pleasure working with Manager Marcy Onieal, Assistant Manager Alison Melnikova, Finance Director Eddie and the finance staff.

Mayor Brown said he would disagree with those who feel Waynesville is overspent or carries too much debt. At the present time, Waynesville’s debt capacity as allowed by law is \$80,903,000, far in excess of the actual debt presently incurred by Waynesville, and total debt is being paid down.

Manager Onieal said she could claim no credit for this audit, but gave the credit to Finance Director Eddie Caldwell and former Town Manager Lee Galloway. Manager Onieal said in all her years of working with auditors and finance directors this is the smoothest audit she has ever gone through and it is a pleasure to work with Ray, Bumgarner, Kingshill and Associates. Bruce Kingshill said the Local Government Commission accepted this audit with no comments which is laudable and highly unusual. Mayor Brown thanked Mr. Kingshill and Nancy Lux for their work. No action was necessary.

Annual Certification of Firefighters for 2012

North Carolina General Statute §58-86-25 requires that all certified fire departments submit annually a complete roster of its eligible firefighters. This certified list determines eligibility for the \$50,000 line-of-duty death benefit as well as eligibility for Pension Fund credit. Failure to accurately and promptly report this information is in violation of NCGS §58-86-25 and will automatically result in a loss or reduction of benefits.

Alderman Greeley moved, seconded by Alderman Roberson, to accept and certify the 2012 roster of Town of Waynesville firefighters as presented. The motion carried unanimously.

Lake Junaluska-Waynesville Merger Update

Manager Onieal reported on the most recent meeting of Lake Junaluska in which all those attending were updated. Notification was received through Representative Ray Rapp and Senator Jim Davis that the \$30,000 grant has been approved by the North Carolina Rural Center for a study to be conducted by McGill Associates regarding Junaluska's water/sewer infrastructure and operations, and updating of the Town's capital assets management plan, which will be necessary to fully evaluate the proposed merger between the Lake Junaluska community and the Town of Waynesville. Lake Junaluska contributed \$10,000 toward this study and the total cost for the study is \$65,000. The study will look at Junaluska's infrastructure, make recommendations about future rates, the impact of a merger for Junaluska and Waynesville, and Waynesville's cost for assuming services for Junaluska. The Municipal Study Task Force is still aiming at drafting a special bill to be presented for consideration to the Legislature by its mid-March deadline for introducing new bills. Manager Onieal has had conversations with Senator Davis and Representatives Queen and Presnell regarding the proposed merger. Preliminary results of the McGill study should be forthcoming in late January or early February. More details will be available at that time and additional conversations will take place between now and January. This process requires extensive work by staff. Manager Onieal expressed appreciation to Finance Director Eddie Caldwell, adding that he has already provided a substantial amount of data and she thanked all those involved in gathering the information needed. Junaluska is also being asked to provide the same type of information. Another meeting, at which School of Government Staff will be present to discuss both options of incorporation and merger, will be held between Lake Junaluska Property Owners Association and the Municipal Task Force on January 26. A vote to proceed (or not proceed) with merger is expected by the Task Force shortly thereafter. Mayor Brown added that if the numbers don't work this is not going to happen. Manager Onieal said it is felt that a unanimous vote from this Board would be required in order to allow Legislators to move forward. This process does not fit under typical Annexation Statutes. A special bill will be developed for these two communities. It is up to Sen. Davis and Rep. Queen to determine the level/type of public support necessary for them to feel comfortable introducing a bill, but this does not appear to be an issue at this point, and both representatives have voiced their support for whatever the two communities agree on.

Manager Onieal said a first draft of the bill will need to be prepared for the opening session in January and the local bill would have to be introduced in mid-March. If the process doesn't happen at that time, it may not happen for two years. It would be beneficial to be prepared for this Legislative Session. Alderman Greeley said the Town is not trying to hurry up the process, but Junaluska is ready to move forward. The Town wants to make sure that all numbers are in agreement and it is hoped that the feasibility study will be back in time for the Board Retreat.

Alderman Caldwell moved, seconded by Alderman Freeman, to accept the \$30,000 planning grant from the NC Rural Center, and to approve the scope of work proposed by Martin-McGill, consulting engineers, for a Junaluska-Waynesville consolidation feasibility study at a total cost of \$65,000 as presented. The motion carried unanimously.

Communications From Staff

Town Attorney Woodrow Griffin - Attorney Griffin had no report at this time.

Town Manager Marcy Onieal

Old Hospital Building - Manager Onieal proposed partnering with Haywood County and Haywood Advancement Foundation to advance work related to the old hospital property, which is owned by the County, but is situated in town limits and has been vacant for nearly a year. Alderman Greeley attended a meeting earlier today and reported that Haywood Advancement has already agreed to proceed with discussions. Haywood County has agreed in concept and will act on the proposal at their January board meeting. Mayor Brown said the old hospital probably isn't going to work as low income housing as previously proposed by the County. Town Manager Marcy Onieal and Mayor Gavin Brown met with Haywood County Commissioner Chairman Mark Swanger, County Attorney Chip Killian and County Manager Marty Stamey to discuss ways of using the building. The old hospital was the first public hospital built in the state of North Carolina and is located at the eastern end of town. It has always been thought that the building would be appropriate to save. Manager Onieal said there is a new Economic Development Institute supported by the local Federal Credit Union through the School of Government because many units of government don't have money or staff to conduct studies concerning such buildings. A proposal has been submitted and was received late Friday afternoon for \$18,000 for a study which will be used to assess the hospital building & site, look at tax credits, possible uses and potential development partners. \$6,000 is underwritten by the local Credit Union and Haywood County the Town of Waynesville and the Haywood Advancement share the remaining costs. This work will begin in January. This is really a County issue, but the building is located inside the town limits and no one wants a vacant building that becomes an attractive nuisance over time and is not put to good use. It is being proposed that the Town appropriate \$4,000 toward this study. Haywood County and Haywood Advancement Foundation have agreed to appropriate \$4,000 each. Manager Onieal requested permission to move forward. Alderman Greeley said Architect Randy Cunningham attended the

meeting and he felt that the old hospital was a very sound building, with approximately 80,000 square feet in total space.

Alderman Roberson moved, seconded by Alderman Greeley, to approve up to \$4,000 expenditure for the study as proposed. The motion carried unanimously.

Sonoco – Manager Onieal said the Town had not initially seen additional electric usage by Sonoco upon the installation of two new transformers early in 2012, but she was pleased to report that the Town is now beginning to see additional electric usage and revenue from the two additional production lines that were added in the past six months. The money that was spent on additional transformers will be paid off in approximately one year. Mayor Brown said there have been new jobs created by the additions at Sonoco.

Rural Center Economic Development Institute – Manager Onieal said she has an opportunity to attend an intensive leadership & training institute focused on economic development, sponsored by the NC Rural Center and requested permission to apply for the workshop. Manager Onieal will be required to spend nine days out of the office over a period of three months, three days in each of March, April and May, but she has offered to forgo some of the more routine out-of-office meetings she would normally be attending during this time. It was the consensus of the board that this would be very valuable to the community to allow Manager Onieal to register for the institute and they expressed appreciation for Manager Onieal's willingness to attend.

Haywood County Moved to Tier III County - Manager Onieal reported that Haywood County has been moved from a Tier II to Tier III County. While this represents good news that Haywood County has moved toward a less economically distressed position within the state, it does mean that Waynesville and Haywood County may not be eligible for as much financial assistance, tax credits, or certain other state programs designed to support economically distressed counties. The Department of Commerce releases this designation annually for the state's 100 counties and the Tier III designation (least distressed among the 3-tier designation) will remain throughout 2013.

Discussion Regarding Electric Charging Stations - There was discussion about the possibility of locating an electric charging station on the two acre lot located across from Best Buy. This property is in the flood way portion of the flood plain and, according to Planning Director Paul Benson, without a no-rise certification the property could not be developed. Mayor Brown said after the Land of Sky presentation at the November 27 meeting, there have been some discussions about the use of the area as a park-ride lot, possibly incorporating a charging station. The property is owned by Haywood Advancement Foundation and totals approximately two acres. Manager Onieal also spoke with Mark Clasby about the possibility of using the property for recreational purposes, for example as greenway or community garden. These uses would be compatible with the area, not requiring the development of significant structures that might

adversely impact the flood way. By consensus, the board encouraged staff to continue with discussion and plans for such use.

Cancellation of December 25, 2012 Meeting

It was the consensus of the Board to cancel the meeting of December 25, 2012. The next regular meeting will be held the second Tuesday in January.

Adjournment

With no further business Alderman Caldwell moved, seconded by Alderman Roberson, to adjourn the meeting at 8:28 p.m.

Phyllis R. McClure
Town Clerk

Gavin A. Brown
Mayor