



Town of Waynesville, NC

Board of Aldermen Special Meeting

Town Hall, 9 South Main Street, Waynesville, NC 28786

Date: **November 28, 2017**

Time: **6:30 p.m.**

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A. CALL TO ORDER - Mayor Gavin Brown

1. Welcome/Calendar/Announcements
2. Adoption of Minutes

Motion: To approve the minutes of the November 14, 2017 regular meeting as presented (or as corrected).

B. NEW BUSINESS

3. Request from Parks and Recreation Advisory Commission
 - Kenny Mull, Chairman

C. PUBLIC HEARINGS

4. Public Hearing on a staff initiated text amendment to clarify design standards for Manufactured homes on individual lots and for those manufactured homes within manufactured home parks. LDS Sections 3.2.6 and 5.9.

Motion: To find that updates to the Manufactured Home Guidelines are consistent with the Comprehensive Plan.

Motion: To recommend approval of changes to the Land Development Standards text as provided (or as amended).

5. Public Hearing on a staff initiated text amendment to include a new zoning classification, supplemental standards, and a definition for "nudge or skill games" of electronic or video types. LDS Sections 2.5.3, 3.5, and 17.3.

Motion: To find that updates to the Land Development Standards regarding Video Gaming Parlors are consistent with the Comprehensive Plan.

Motion: To recommend approval of changes to the Land Development Standards text as provided (or as amended).

TOWN OF WAYNESVILLE – REGULAR SESSION AGENDA

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D. CONTINUED BUSINESS

6. Local Preference Purchasing Policy

Motion: *To Amend the Town’s purchasing policy to include “Local Preference Purchases” for products costing from \$501 to \$30,000, as presented.*

E. PRESENTATION

7. Electric Rate Schedule

Motion: *To approve the proposed initial increase in electric rates effective in January 2018, as presented.*

F. COMMUNICATIONS FROM STAFF

8. Manager’s Report –Town Manager Rob Hites

9. Attorney’s Report – Town Attorney Bill Cannon

G. COMMUNICATIONS FROM THE MAYOR AND BOARD

H. CALL ON THE AUDIENCE

I. ADJOURN



TOWN OF WAYNESVILLE

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 16 South Main Street
 Waynesville, NC 28786
 Phone (828) 452-2491 • Fax (828) 456-2000
www.waynesvillenc.gov

CALENDAR November 28, 2017

2017	
Tues, Nov 28 6:30 PM Town Hall Board Room	Special Called Meeting of the Board of Aldermen (as this meeting was not included on the approved regular meeting schedule, a called meeting is required)
Fri, Dec 1 11:30 AM Waynesville Rec Center	Annual Employee Appreciation Luncheon and food drive
Fri, Dec 1 5:00 PM – 9:00 PM Main Street 5:30 – Oak Park Inn	Art After Dark – sponsored by the Downtown Waynesville Association Christmas Tree Lighting – The Oak Park Inn to start the Holly Days weekend.
Fri, Dec 1 6:00 PM Town Hall Lobby	Recycle Your Art Out – sponsored by the Commission for a Clean County (display will be in the lobby of the building until early January 2018)
Fri, Dec 1 to Sun, Dec 31	All Through the Town – a month-long holiday celebration sponsored by the Downtown Waynesville Association
Mon Dec 4 6:00 PM Main Street	Waynesville Christmas Parade – sponsored by the Downtown Waynesville Association – street closure of Main Street from Walnut Street to Legion Drive
Sat, Dec 9 6:00 PM to 9:00 PM Main Street	A Night Before Christmas – sponsored by the Downtown Waynesville Association – street closure of Main Street from Pigeon to Depot Street
Tues, Dec 12 6:30 PM Town Hall Board Room	Board of Aldermen Meeting – Regular Session
Wed, Dec 13 to Sun, Dec 24 Downtown	Twelve Days of Christmas – Magical Moments and Memories Made Here – sponsored by the Downtown Waynesville Association
Sat, Dec 13 5:00 PM – 7:00 PM Wells Event Center	Mark Clasby Retirement Reception – RSVP to Haywood Chamber of Commerce by Dec 11th
Sat, Dec 16 6:30 PM Laurel Ridge Country Club	Holiday Gala – sponsored by Reach of Haywood – RSVP by December 5 th to Amie or Eddie
Mon – Wed, Dec 25-27	Christmas Town Offices Closed

Board and Commission Meetings – December 2017

ABC Board	ABC Office – 52 Dayco Drive	Dec. 19th 3 rd Tuesdays 10:00 AM
Board of Adjustment	Town Hall – 9 S. Main Street	Dec. 5th 1 st Tuesdays 5:30 PM
Downtown Waynesville Association	UCB Board Room – 165 North Main	Dec. 28th 4 th Thursdays 12 Noon
Firefighters Relief Fund Board	Fire Station 1 – 1022 N. Main Street	Meets as needed; <i>No meeting currently scheduled</i>
Historic Preservation Commission	Town Hall – 9 S. Main Street	Dec. 6th 1 st Wednesdays 2:00 PM
Planning Board	Town Hall – 9 S. Main Street	Dec. 18th 3 rd Mondays 5:30 PM
Public Art Commission	Town Hall – 9 S. Main Street	No Meeting in December 2 nd Thursdays 4:00 PM
Recreation & Parks Advisory Commission	Rec Center Office – 550 Vance Street	Dec. 20th 3 rd Wednesdays 5:30 PM
Waynesville Housing Authority	Waynesville Towers – 65 Church Street	Dec. 20th 3 rd Wednesdays 3:30 PM

BOARD/STAFF SCHEDULE

Thur. Dec 28 - Fri. Dec 29 2017	Town Clerk	Vacation
Thur. Jan 18 – Fri, Jan 26, 2018	Assistant Town Manager	Vacation
Wed. Jan 16 – Fri. Jan 19, 2018	Town Clerk	Clerk's Conference

**MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN
REGULAR SESSION MEETING
November 14, 2017**

THE WAYNESVILLE BOARD OF ALDERMEN held a regular meeting on Tuesday, November 14, 2017, at 6:30 p.m. in the board room of Town Hall, 9 South Main Street, Waynesville, NC.

A. CALL TO ORDER

Mayor Gavin Brown called the meeting to order at 6:30 p.m. with the following members present:

Mayor Gavin Brown
Alderman Julia Freeman
Alderman Jon Feichter
Alderman LeRoy Roberson

The following Board Member was absent:

Mayor Pro Tem Gary Caldwell

The following staff members were present:

Rob Hites, Town Manager
Martha Bradley, Town Attorney
Amie Owens, Assistant Town Manager
Eddie Ward, Town Clerk
Elizabeth Teague, Development Services Director
Tyler Howell, Police Department
Michael Whitley, Police Department

The following media representatives were present:

Becky Johnson – The Mountaineer

1. Welcome /Calendar/Announcements

Mayor Gavin Brown welcomed everyone and reminded them of the following events on the calendar:

- **Tues. Nov.28** – Special Called Meeting of the Board of Alderman 6:30 pm. – 9 South Main Street
- **Fri. Dec. 1** – Art After Dark – Downtown Waynesville Association – 5:00 – 9:00 pm
- **Fri. Dec. 1** – Christmas Tree Lighting – 5:30 – Oak Park Inn
- **Mon. Dec. 4** – Waynesville Christmas Parade – 6:00 – Main Street
- **Wed. Dec. 13** – Mark Clasby Retirement – Wells Event Center
- **Sat. Dec. 16** – Reach Holiday Gala – Laurel Ridge Country Club

Mayor Brown thanked the Board Members who attended the Plott Hound Dedication in Hazelwood on November 12, and those who attended the NCDOT meetings. He stated that maps of the projects will be accessible to the public for viewing in Development Services.

He announced that he would like to have a special called meeting of the Board of Alderman to be held on November 28, 2017 in order to address several items before the end of the year.

A motion was made by Alderman Julia Freeman, seconded by Alderman LeRoy Roberson to hold a special meeting on November 28, 2017 at 6:30 pm in the Town Hall Board Room. The motion passed unanimously.

2. Adoption of Minutes

Alderman Julia Freeman made a motion, seconded by Alderman Jon Feichter to approve the minutes of the November 14, 2017 meeting as presented. The motion carried unanimously.

B. CALL FOR PUBLIC HEARING

3. Call for Public Hearing on a staff initiated text amendment to clarify design standards for Manufactured Homes on individual lots and for those manufactured homes within manufactured home parks LDS Sections 3.2.6 and 5.9

Development Services Director Elizabeth Teague explained to the Board that the Planning Board had been working with a committee of Manufactured Home Park owners and representatives from Clayton Homes, to clarify the design guidelines that apply to manufactured homes on individual lots as well as in Manufactured Home parks. The Planning Board held a special meeting and unanimously recommended adoption of the proposed text amendments.

A motion was made by Alderman Jon Feichter, seconded by Alderman Julia Freeman to call for a Public Hearing to be held on November 28, 2017 at 6:30 pm., or as closely thereafter as possible in the Board Room of Town Hall located at 9 South Main Street to consider a staff initiated text amendment to clarify design standards for Manufactured Homes on individual lots and for those manufactured homes within manufactured home parks, LDS Section 3.2.6 and 5.9. The motion passed unanimously.

4. Call for Public Hearing on a staff initiated text amendment to include a new zoning classification, supplemental standards, and a definition for “nudge or skill games” of electronic or video types. LDS Sections 2.5.3, 3.5, and 17.3.

Ms. Teague stated that staff had sought guidance from the Planning Board concerning video gaming machines because of a business that has opened in the Mixed Use Overlay District of the Love Lane Residential District at 479 Dellwood City Road. The type of business in question was described by the owner as being retail in that the customer buys “gift cards” which can be used to purchase online “skill or nudge” games. The Planning Board unanimously voted to recommend approval of the proposed text amendment which would define the use, provide supplemental standards, and place this use within the Regional Center District.

A motion was made by Alderman LeRoy Roberson, seconded by Alderman Jon Feichter to call for a Public Hearing to be held on November 28, 2017 at 6:30 pm., or as closely thereafter as possible in the Board Room of Town Hall located at 9 South Main Street to consider a staff initiated text amendment to include a new zoning classification, supplemental standards, and a definition for “nudge or skill games” of electronic or video types, LDS 2.5.3, 3.5, and 17.3. The motion passed unanimously.

C. NEW BUSINESS

5. Request approval to engage McGill and Associates Engineers to conduct a Waste Water Plant Improvements Analysis

Town Manager Rob Hites said that at the last Board meeting, UTEC Engineering had given a lengthy presentation evaluating the condition of the Waste Water Treatment Plant for the Town. Their report recommended a new plant be built at a cost of \$19 million dollars. Manager Hites said this would be the most expensive project ever carried out by the Town. Because of the expense involved, Manager Hites recommends that the Town engage McGill Engineering to conduct an analysis of the plant to obtain a second opinion at a cost of \$15,000.00. With this analysis, McGill proposes to:

- Review the assessment completed by UTEC
- Develop future WWTP flow and loading projections
- Review the Discharge Permit and Compliance issues
- Evaluate treatment process alternatives
- Provide opinions of probable project costs for viable alternatives
- Provide a Capital Funding Source Review including, but not limited to State Revolving Loan and USDA Rural Development Funds.

Manager Hites stated that funds would be appropriated from Waste Water Professional Services Operating Budget for this analysis. He stressed to the Board that a formal bidding process will be followed if the project moves forward.

A motion was made by Alderman Jon Feichter, seconded by Alderman Julia Freeman to approve the engagement of McGill and Associates to conduct a Waste Water Improvements Analysis at a cost of \$15,000.000, as presented. The motion passed unanimously.

6. Request Appointment to the Comprehensive Plan Advisory Committee

Development Services Director Elizabeth Teague provided the Board with a spreadsheet containing the names and information for the volunteers who will serve on the Comprehensive Plan Advisory committee. Ms. Teague said there was one name that was inadvertently left off the list, and asked them to add Lorna Sterling to be considered for appointment also. She said that each of these men and women offer a variety of experience and knowledge to bring to the committee. She said she had communicated with each person, and she recommends that all be appointed to the committee. A full list of the Comprehensive Plan Steering Committee Nominations is attached to these minutes, and has been incorporated in the minutes herein as an attachment.

A motion was made by Alderman Jon Feichter, seconded by Alderman LeRoy Roberson, to approve the appointment of the slate of citizen volunteers to the Comprehensive Plan Advisory Committee, as presented. The motion passed unanimously.

7. Request Appointment of Amie Owens as the Municipal Representative to the Haywood County Tourism Development Authority

Manager Hites said that the Town Board recommends a “municipal” representative to the Haywood County TDA from the 28786 zip code. Manager Hites stated that he felt that Assistant Town Manager Amie Owens would be a great representative because of her experience coordinating the activities of the Town Staff with organizers of events held on municipal streets and properties. The Board’s recommendation will be forwarded to the County Commission for appointment.

A motion was made by Alderman Julia Freeman, seconded by Alderman Jon Feichter to approve the nomination of Amie Owens as the Municipal Representative to the Haywood County Tourism Development Authority. The motion passed unanimously.

D. COMMUNICATIONS FROM STAFF

8. Manager’s Report

Manager Hites said he wanted tell the Board some of the business items that would be before them by the end of the year. At the next Board meeting on November 28, 2017, there would be an extended presentation on the electric and purchasing policies, with no actions taken. Then at the December 12, 2017 Board meeting, the public would be allowed to speak regarding the potential electric rate increase, and Board discussion on the Purchasing Policy. Also on December 12th, there will be an extended presentation on the capacity study for the reservoir. Manager Hites said he hoped to move into the New Year with these items firmly before the Board.

Another item that will be coming before the Board is the McGill Engineering study for capacity fees. Manager Hites will be consulting Town Attorney Bill Cannon on this matter.

9. Attorney’s Report

E. COMMUNICATION FROM MAYOR AND BOARD

Mayor Brown brought the Board’s attention to the information in their packets concerning Facility Naming and Sponsorship Policy, which is a templet from the ICCM and is used by the School of Government, and is used by North Carolina cities and counties when they are considering naming buildings, facilities, programs, or services. He asked the Board to look over the policy, and the Board will discuss it at a later date.

F. CALL ON THE AUDIENCE

Ms. Lois Hollis and Mr. Joe Lipari – 156 Johnson Hill, Waynesville

Ms. Hollis and Mr. Lipari addressed the Board concerning an issue they had with the electricity being disconnected. Each Board Member was given a copy of Ms. Hollis’s statement and this will be incorporated in these minutes herein as an attachment.

Mayor Brown instructed Manager Hites to discuss with staff the circumstances surrounding the issue of the electricity, and report to the Mayor and the Board.

G. ADJOURN

With no further business, Alderman Jon Feichter made a motion, seconded by Alderman Julia Freeman to adjourn the meeting at 7:21 pm. The motion passed unanimously.

ATTEST

Gavin Brown, Mayor

Eddie Ward, Town Clerk

Rob Hites, Town Manager

Comprehensive Plan Steering Committee Nominations with Statements of Interest

Name	Statement
Martha Bradley Attorney	<i>I am a Waynesville resident and attorney with Cannon Law, P.C. I am active in multiple organizations within the community, including Rotary, Haywood Habitat for Humanity, and the Haywood Chamber of Commerce. As a young professional building an active law practice, I am committed to developing a sustainable long-range plan for the Town to preserve and to grow our unique, vibrant community.</i>
Micheal Blackburn Director of Program Ministries and Pastor of First United Methodist Church	<i>I have been a part of the Waynesville community since 1992, I attended Waynesville Junior High, and graduated from Tuscola in 1996. My father Robert Blackburn was the senior Pastor at First United Methodist Waynesville during that time, and since 2003 I have been on staff where I work as Director of Program Ministries. My wife Kristi, who I met while attending Appalachian State University, has been an elementary school teacher for 18 years, and currently works at Junaluska Elementary. With our three amazing sons, Hudson, Henry, and Hardy, we love being a part of this community, which makes me excited about the future of development of Waynesville.</i>
Brian J. Cagle Vice President/ Managing Broker Beverly Hanks & Associates	<i>I am Vice President at Beverly-Hanks & Associates Realtors and will serve as the 2018 President of the Haywood County Association of Realtors. My family has been in the mountains for 6 generations and I am inspired by the innovation and leadership of the previous committee that envisioned the revitalization of our downtown. I would feel very honored and would welcome the opportunity to be apart of a group that embraces the same innovative spirit to map out the next 20 years.</i>
Ginger Hain Planning Board member Tyler Technologies	<i>Originally from Birmingham AL, I came to Waynesville in 1977 by way of Haywood Technical College (now Haywood Community College) to study fiber arts. After earning my Bachelor of Science from UNCA in Computer Science, I was hired as Haywood County's Manager of Information Systems. I joined Tyler Technologies in 1999 and have been employed with the company for the last 18 years. I currently serve as a member of the Waynesville Planning Board. My key civic interests are affordable housing, preservation of open spaces, and transportation infrastructure.</i>
Jennie Kirby	<i>My interest in the committee stems from being a resident in the Town and having interest in its future....My experience includes commercial real estate, planning, budgeting and management.</i>
Austin Lee Real Estate Investor	<i>I am a native of Western NC, born and raised in Sylva and Bryson City. I attended NC State University for my undergraduate degree and earned a Master's degree from East Carolina University. I was a Computer Networking instructor at Haywood Community College for 12 years, and have been self employed in real estate for the past 2.5 years. I live in and own several properties in Waynesville, so I want to participate in any way I can to provide a bright future for this great small town.</i>

<p>Lorna Sterling MA in gerontology</p>	<p><i>Thank you for the opportunity to serve and to continue to learn about the community I love. I have work and service experience in the areas of the arts, historic preservation and aging. I have life experience in caring for my husband, Peter, as he lived with mobility impairment. The majority of my work life was at the Canadian Museum of History (one of the national museums, similar to the Smithsonian). In 1982, we undertook the construction of a new building and I coordinated Museum staff and consultants in the architectural requirements for the public components of the building. I was exposed to a variety of land use questions including the important issue of maintaining a sense of place. I have also served on the Haywood Council of Aging and led their strategic planning process.</i></p>
<p>Cathy Bolton Owner of Art on Depot</p>	<p><i>I am a small business owner, currently located in the Frog Level Historic District of Waynesville, opening Art on Depot back on Nov. 2008. The space is my pottery studio and Fine Art & Craft Gallery also selling works of local and regional artists. I am interested in being a part of the planning committee because I live, work and own property in Haywood County. As a parent and business owner I am looking forward to working on our town's future development.</i></p>
<p>Lowell Ball General Contractor/Developer Manage rental properties</p>	<p><i>I am a builder with a current focus on single family residential construction. I would like to be involved in the direction of the Town, especially concerning zoning and other regulations that effect contractors and future development.</i></p>
<p>Caroline Ledford Real Estate Agent</p>	<p><i>One of my greatest passions is helping Waynesville be the best town it can be. I grew up here in Waynesville and am actually a 9th generation Haywood County resident. My ancestors did so much to develop this area and I am beyond excited for my opportunity to do the same.</i></p>
<p>John Ammons Sales and Marketing</p>	<p><i>I'm a Waynesville native and attended Central Elementary, Waynesville Middle, and Tuscola High, graduating in 2000. After attending Wake Forest University (2004) and Georgia State University College of Law (2007), I came straight home to the mountains. I practiced law in Waynesville for 5 years before moving to Sales & Marketing at Green Mountain International, a construction material supplier located on Pigeon Street. I currently reside in Auburn Park. My wife, Laura, works as a pharmacist at the Waynesville Ingles, my daughter is a first grader at Junaluska Elementary, and my son is enrolled at the First Baptist Waynesville Child Development Center. My father retired from Haywood Savings Bank (now BB&T) and my mother is a retired school teacher who volunteered in our community both in public schools and 4-H for over 30 years. My father's side of the family resided in Haywood County since before the Revolutionary War and, while I have a special appreciation for our community's past, my real passion is its future.</i></p>
<p>Greg Wheeler Human Resources Director Pigeon Community Center Board</p>	<p><i>My father, William Albert Wheeler, was very active in the Town of Waynesville, and I feel a strong desire to continue his civic legacy by providing support to the community of my birth wherever I am able. I live with my mother in our parents home on Belleview Road and am working to create a business locally as well as being a Human Resources Director contracted in Arden NC. I also provide senior care services, education and Caregivers support education. I have participated in</i></p>

	<i>Leadership Asheville and Leadership San Francisco, served on several nonprofit boards as well as served as Board chair. I feel trained to serve the community in these capacities.</i>
Tausha Forney <i>Pigeon Community Center</i>	<i>Statement unavailable</i>
Hilda Rios <i>Los Amigos Restaurant</i>	<i>Statement unavailable</i>

I petition the Town Council of Waynesville and mayor to serve and protect its citizens from health dangers. Presently, we as Waynesville citizens lay victim to The Town of Waynesville Power Company that operates without oversight and accountability.

Unbeknown to me, a security threat froze my bank account the same day my auto-pay check to the Town of Waynesville for electrical and water services entered my account. This action gave Mr. James Robertson the power to cut off my power and water, even though my auto checks have cleared for many years without incident. Mr. James Robertson told me "I am going to take you up to the courthouse and cite you for writing a bad check."

The evening of Friday, Oct. 27, 2017, I returned to my home to learn I had no electricity or water. As I opened my front door, I discovered a white paper dated 10-25 that stated my bank returned my \$157.21 check for nonpayment. If I did not bring cash to the office by 10: AM the following morning plus a \$25 reconnection fee, they would disconnect my services.

Without notice, consideration of payment history, weather conditions, weekends, or special needs as mandated by our attorney general, Josh Stein, Mr. James Robertson disconnected my electricity and water.

No heat or water services kills. I developed pneumonia. As a nurse of 50 years, I know without heat, water, and electrical power people die when their oxygen compressors turn off, infants, children, and others succumb to illness quickly.

I faced a weekend without my home as I withstood a forecasted winter storm plummeting Waynesville to 27 degrees. The police and electrician on call could not restore my electricity because of the rules of the power company. Both told me, "Just pay your bill on Monday."

My research shows discrepancies in the mandate for North Carolina electricity that allows Waynesville to ignore the public safety of its citizens.

- The North Carolina Utilities Commission does not regulate towns and membership cooperatives that provide electric or gas services.
- The North Carolina Utilities Commission is an agency of the State of North Carolina to regulate the rates and services of **all** public utilities in North Carolina. The Commission is responsible to both the public and utilities and, by law (G. S. 62-2), must regulate in a manner designed to implement the policy of the State of North Carolina to: Provide fair regulation of public utilities in the interest of the public. Promote harmony between utility companies and their customers.
- Rob Hites implements the 30 year old law for Waynesville that states a town can make their own rules.
- While municipalities may use the name village, town, or city, there is no legal distinction between the names.
- State and federal law state that municipalities are established to protect the citizens and provide residents of a particular area with urban type services such as water, electricity, etc.: If a town chooses to provide a service however, it must meet whatever state and federal requirements exist for that service.
- Today The North Carolina Utilities Commission regulates the following investor-owned or privately-owned entities: Electric companies, Natural gas companies, water companies. The Town of Waynesville Power Company buys its electricity from Santee Cooper at a wholesale rate to sell it to Waynesville citizens at an increased rate. If the Town of Waynesville is an investor-owned or privately-owned entity, they must follow the laws set by the North Carolina Utilities Commission.

I believe that human rights transcend town politics that restricts guidelines to govern the appropriate and humane delivery of electrical power and water to its citizens. I also believe that it is the inherent duty and responsibility of the mayor and Town Council of Waynesville to protect its citizens with the human needs and rights of health and safety.

Lois A. Hollis November 14, 2017 lois3hollis@gmail.com



Attorney General

Josh Stein

TERMINATION OF UTILITY SERVICE

The services provided by public utility companies, such as electricity and natural gas, are important to your health and safety.

Know your rights as a consumer. The North Carolina Utilities Commission sets the rules for public utility companies, including rates, billing and disconnection procedures. Here are the rules:

- **You must be given a specific number of days to pay your bill.** For example, electric and gas bills include a past-due date that is at least 25 days after the billing date. If the bill has not been paid by the past-due date, the company can charge a late fee of up to one percent.
- **If your payment is late, a regulated electric or natural gas utility must provide you with written notice at least 10 days before they disconnect your service.** The notice generally states that the amount you owe must be paid within ten days to keep your service from getting cut off. It should also spell out steps you can take to avoid disconnection. The company must contact you again at least 24 hours before they disconnect service.
- **From November 1 through March 31, utility companies cannot disconnect service to households that:** include someone who is disabled or age 65 or older; are unable to pay under an installment plan; and are certified by a local social services agency as eligible to receive assistance under an energy assistance program.
- **Your power cannot be disconnected on Fridays, weekends, state or federal holidays, or the day before a state or federal holiday.**
- **Electric and gas companies are required to keep a list of households whose residents have special medical needs,** such as being on life support equipment.
- **If you are concerned about an elderly relative,** keep in mind that any customer can designate another person to receive a separate copy of any utility service termination notices.
- **The North Carolina Utilities Commission does not regulate towns and membership cooperatives that provide electric or gas services.** Towns and cooperatives usually have their own service guidelines and you will need to discuss your situation with the town or cooperative manager.

**TOWN OF WAYNESVILLE BOARD OF ALDERMEN
REQUEST FOR BOARD ACTION
Meeting Date: November 28, 2017**

SUBJECT: \$70,000 per year allocation for recreation expenses for Haywood County residents.

AGENDA INFORMATION:

Agenda Location: New Business
Item Number: **3B**
Department: Parks and Recreation
Contact: Rhett Langston
Presenter: **Kenny Mull, Chairman Waynesville Parks and Recreation Advisory Commission**

BRIEF SUMMARY:

Waynesville Parks and Recreation Advisory Commission seeking permission from the Town of Waynesville Board of Aldermen to approach the Haywood County Board of Commissioners to reinstate the \$70,000 per year allocation for recreation expenses for county residents.

MOTION FOR CONSIDERATION:

Permission from the Town of Waynesville Board of Aldermen for the Waynesville Parks and Recreation Advisory Commission to approach the Haywood County Board of Commissioners to reinstate the \$70,000 per year for recreation expenses for Haywood County residents.

FUNDING SOURCE/IMPACT:

Request of Haywood County Board of Commissioners to reinstate the \$70,000 to the Town of Waynesville for recreation expenses of Haywood County residents

ATTACHMENTS: **None**

MANAGER'S COMMENTS AND RECOMMENDATIONS:

Board of Aldermen Staff Report

Subject: Staff Initiated Text Amendment on Manufactured Housing
Ordinance Section: LDS 3.2.6 Manufactured Home Parks
LDS 5.9 Design Guidelines
Applicant: Town of Waynesville Staff
Meeting Date: November 28, 2017

Background:

At the June Meeting, the staff brought to the Planning Board a concern regarding Town Development Standards as they relate to Manufactured Homes within Manufactured Home Parks. On August 28, 2017, staff brought forward recommended text for the Planning Board's consideration after meeting with a group of Manufactured Home Park owners and a manufactured home vendor.

The need for a text amendment initially came from how manufactured housing was listed under the table of permitted uses and how design standards should apply to Manufactured Housing on individual lots vs. Manufactured housing within Parks. In our research and discussion with stakeholders however, it also became clear that it was time to update some of the standards to changes to keep up with the manufactured home industry.

At their November 6, 2017 Special Called Meeting, the Planning Board unanimously voted that the proposed text amendments are consistent with the Comprehensive Plan and to recommend adoption of the proposed text amendments to the Board of Aldermen.

Consistency with the 2020 Comprehensive Land Development Plan

In the Waynesville: Our Heritage, Our Future, 2020 Land Development Plan, the stated Land Use Goal is:

"Promote the orderly growth, development and enhanced land values of the Town of Waynesville by preserving and improving Waynesville's existing neighborhoods, creating more attractive commercial centers, maintaining a strong downtown area, taking steps to reduce urban sprawl and protecting the natural beauty of the community." (2020 LDP, p 4-2)

One objective under this goal includes:

"Address important community appearance issues in the land development regulations for Waynesville," and specify the development of "standards for manufactured homes and manufactured home parks." (2020 LDP, p. 4-5)

Based on the input of manufactured home park owners, the text changes will facilitate the replacement of mobile homes with newer models and alleviate internal non-conformities to the ordinance. This will improve park appearance, safety and the availability of affordable rental units. Updates to the design guidelines for manufactured homes within manufactured home parks and clarification of how these guidelines are enforced, is therefore consistent therefore with the 2020 Plan.

Staff Recommended Text Changes:

Staff submits that the following text amendment ordinance be adopted by the Board of Aldermen changes to the current Land Development Standards are provided in red italics.

Recommended Motions

1. To find that updates to the Manufactured Home Guidelines are Consistent with the Comprehensive Plan.
2. To recommend to the Board of Aldermen changes to the Land Development Standards text as provided (or as amended).

Discussion Summary on Manufactured Housing Requirements as the apply to Parks
August 3, 2017, 2:00pm, Town Hall

Participants: Marion Hobbie, Jenny Simmers, David Eavenson, Mack Noland, Byron Hickox, Elizabeth Teague.

MHP – Characteristics of parks

- Transitory tenants or ownership.
- More Affordable
- Mixed Age Groups of residents but many Parks are targeted for Seniors
- Skirting and a permanent foundation difficult because of transitory nature of units and Flood Zones Issue.
- Mix of Ownership & Rental Units
- There is a management structure that enforces Park Rules and Mgt Criteria. Park owners can ask people to leave and enforce their own rules.

MHP – How should design guidelines apply within Parks? (refer to LDS 5.9.2)

- (A) Keep requirement for removal of Tongue/Apparatus
- (B) Vinyl Skirting should be allowed and units should not be required to have permanent foundation.
- (C) Keep the Pitch guideline as that is now standard (last 9-10 years).
- Drainage of site should be managed so that H2O doesn't go Under House.
- (G) Don't regulate the ratio of Width to Length in a park.
 - 16 foot wide is the new typical for most models.
- (D) Be flexible on Roof Materials for Parks as many models have different styles
- (E) Apply the over-hang guideline to Double-Wides only
- (F) Keep Siding requirement as is
- (H) OK as is
- (J) OK for front Door Only

Inspections

- There has been inconsistency in the past between what one inspector would require and another. Consistency in inspections is important for fairness and to keep costs down.
- When are footing inspections required and what is the standard? Building Inspections should be specific and consistent.
- Perk Test (Is it the average for the site or is it the particular location within the site?) Again, be consistent. It would seem that the average for the site should be sufficient.
- Water Test Prior to Sewer
 - Hook-up/Hard to get Plumber
- Single – Wides, Contractor should be able to place as long as they have the paperwork
 - Signs Bearing Form (B.G.)
- Contractors should schedule with inspectors ahead of time.

ORDINANCE No. O-21-17

**AN ORDINANCE AMENDING THE TEXT OF THE TOWN OF WAYNESVILLE'S
LAND DEVELOPMENT STANDARDS PERTAINING TO MANUFACTURED HOUSING**

WHEREAS, the Town of Waynesville has the authority pursuant to North Carolina General Statutes Part 3 of Article 19 of Chapter 160A to amend zoning regulations and classifications from time to time in the interest of the public health, safety and welfare; and

WHEREAS, the Planning Board has reviewed the suggested ordinance and finds that it is consistent with The Town of Waynesville 2020 Land Development Plan and has voted to recommend adoption by the Board of Aldermen;

WHEREAS, after notice duly given, a public hearing was held on November 28, 2017;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF WAYNESVILLE, MEETING IN REGULAR SESSION ON NOVEMBER 28, 2017 AND WITH A MAJORITY OF THE BOARD MEMBERS VOTING IN THE AFFIRMATIVE, THE FOLLOWING:

NOW, THEREFORE, THE BOARD OF ALDERMEN OF THE TOWN OF WAYNESVILLE, does adopt the following ordinance:

Section One:

That amendments to Sections 3.2 and 5.9 of the Town of Waynesville's Land Development Standards shall be made as indicated with underlined italics and strike outs:

3.2.6 *Manufactured Homes and* Manufactured Home Parks

A. See 5.9 for Design Guidelines for Manufactured Homes on Individual lots.

B. General Manufactured Home Park Requirements

1. No manufactured home park shall be approved for a site less than three (3) contiguous acres under single ownership or control.
2. The maximum allowable density in the manufactured home park shall be eight (8) dwelling units per buildable acre (land area excluding floodways, wetlands, and slope in excess of twenty (20%) percent).
3. The manufactured home park shall be buffered from all adjacent property with a Type C Buffer Yard (8.5.2.C).
4. At least two (2) trees shall be planted (or retained) in the park per dwelling unit. These trees shall be in addition to those required to meet the landscape requirements contained in *Chapter 8 Landscaping and consistent with Section 3.2.6.*

5. The operator/manager of a manufactured home park shall designate and enforce ~~a uniform type of~~ underpinning of all manufactured homes in the community.
6. All streets within a manufactured home park shall comply with the standards set forth in Chapter 6.
7. An acceptable plan for the collection and disposal of garbage shall be included in the site plan for the manufactured home park.
8. Civic space shall be provided in accordance with Chapter 7.
9. Individual units shall be located and set so that water does not collect under units.

C. Manufactured Home Space Requirements

1. Each manufactured home shall be located at least ~~thirty (30)~~ twenty (20) feet from any other manufactured home or structure within the park, excluding storage buildings for use with the individual home. Each home shall be at least thirty-five (35) feet from any property line. If the property abuts a public street, the setback shall be forty (40) feet. Each home shall be setback at least ~~twenty (20)~~ ten (10) feet from the edge of any traveled way within the park.
2. There shall be front and rear steps and/or decks for each manufactured home and a deck/entry transition area at the front door of a minimum of 6' by 6'.
3. Each manufactured home space shall have a permanent site number sign that is clearly visible from the street running in front of the home.
4. A minimum of two (2) parking spaces shall be provided for each manufactured home.
5. A visitor parking area, consisting of one (1) space for each five (5) manufactured home units located within the park, shall be provided. This parking area does not have to be paved.

5.9 Manufactured Housing Design Guidelines ~~(from 154.228)~~

5.9.1 Applicability

All manufactured homes permitted shall comply with the requirement of 5.6 above (General Building standards, unless the standards below conflict and shall therefore take precedence) and must comply with the standards established by the United States Department of Housing and Urban Development under the National Manufactured Housing Construction and Safety Act of 1974, 42 U.S.C. § 5401, et seq and that satisfies each of the following additional criteria:

5.9.2 Standards

- A. The tongue, axles, running lights and removable towing apparatus must be removed prior to the issuance of a certificate of occupancy.

- B. *Except for units within permitted Manufactured Home Parks*, the manufactured home shall be attached to a permanent foundation of brick, stone, concrete, framing or block that is unpierced except for required ventilation and access as required by the North Carolina State Building Code or for flood hazard construction. *Units within permitted manufactured home parks may use a vinyl skirting or other material to enclose the structural supports.*
- C. The pitch of the roof of the manufactured home ~~shall have has~~ a minimum vertical rise of three (3) inches for every twelve (12) inches of horizontal run.
- D. *Except for units within permitted Manufactured Home Parks*, the roof must be covered with a material that is customarily used on site-built dwellings. Aluminum or metal roofing is not permitted unless standing seam metal roofing or metal shingles are utilized.
- E. The roof shall have a minimum eave projection and roof overhang of ten (10) inches, not including the gutter *except when the unit is located in a Manufactured Home Park where this requirement shall apply only to double wide units.*
- F. Exterior siding shall be of a material customarily used on site-built dwellings which does not have a high gloss finish, such as wood, conventional vinyl or metal siding, brick, stucco or similar materials. Smooth, ribbed or corrugated metal or plastic panels are not permitted.
- G. *Except for units within permitted Manufactured Home Parks*, the length of the home shall not exceed four (4) times the width, excluding additions.
- H. Architectural and aesthetic standards specified in this section shall be applicable to all additions.
- I. At the main entrance door there shall be an entryway transition that is a minimum six (6) feet by six (6) feet.

Section Two:

That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of the ordinance.

Section Three:

All ordinances or portions of ordinances therein the Town Code are hereby repealed to the extent of such conflict.

Section Four:

The Town Clerk shall update the Town of Waynesville Code of Ordinances to incorporate the adopted amendments.

Section Five:

This ordinance shall be in full force and effect from and after the date of adoption.

Adopted this the 28th Day of November, 2017.

TOWN OF WAYNESVILLE

Gavin A. Brown, Mayor

ATTEST:

Eddie Ward, Town Clerk

Approved as to form:

William E. Cannon, Jr., Town Attorney

**TOWN OF WAYNESVILLE BOARD OF ALDERMEN
REQUEST FOR BOARD ACTION
Meeting Date: November 28, 2017**

SUBJECT: Public Hearing on a Text Amendment to the Land Development Standards LDS 2.5.3 Table of Permitted Uses, LDS 3.2 Supplemental Standards, and LDS Chapter 17 Definitions, in regards to video gaming.

AGENDA INFORMATION:

Agenda Location: Public Hearings
Item Number: 5C
Department: Development Services
Contact: Elizabeth Teague, Planning Director
Presenter: Elizabeth Teague, Planning Director

BRIEF SUMMARY: Last month staff sought Planning Board guidance regarding video gaming machines because a business providing video gaming machines had opened within the Mixed-Use Overlay District of the Love Lane Residential District on Dellwood City Road. The type of business in question was described by the business owner as selling “gift cards” which are used to purchase online “skill” or “nudge” games. Staff and the Planning Board were concerned that if legal types of video-gaming businesses are to locate within Town, then they should be addressed within the Town’s Zoning Ordinance. At their special called meeting on November 6, 2017, the Planning Board unanimously voted to recommend approval of the proposed text amendment which would define the use, provide supplemental standards and place this use within the Regional Center Districts.

MOTION FOR CONSIDERATION:

1. Motion to find that the proposed text amendment is consistent with the 2020 Land Development Plan.
2. Motion to adopt the text amendments to the Land Development standards as provided (or as amended).

FUNDING SOURCE/IMPACT: N/A.

ATTACHMENTS:

1. Staff report and text revised from the November 6, 2017 Planning Board Meeting

MANAGER’S COMMENTS AND RECOMMENDATIONS: This text amendment creates a place for legal gaming machine businesses within the Town’s Permitted Uses Table within the Regional Center District.

Board of Aldermen Staff Report

Subject: Text Amendment to LDS Standards regarding "Video Lottery Entertainment;"
Ordinance Section: LDS 2.5.3 Table of Permitted Uses, LDS 3.2 Supplemental Standards, and
LDS Chapter 17 Definitions
Applicant: Town of Waynesville Staff Initiated Text Amendment
Meeting Date: November 28, 2017

Background:

Staff sought Planning Board guidance regarding video gaming machines because a business providing video gaming machines had opened within the Mixed-Use Overlay District of the Love Lane Residential District on Dellwood City Road. The type of business in question was described by the business owner as selling "gift cards" which are used to purchase online "skill" or "nudge" games.

North Carolina General Statutes Subchapter XI., Article 37 provides police regulations involving "Lotteries, Gaming, Bingo and Raffles, and Chapter 14-306.1 Identifies "types of machines and devices prohibited by law." The applicant claims that the skill-games provided and the sale of gift cards are not in conflict with state statutes because they are considered games of "skill" and not chance, and because they are a "retail" business in which the proprietor sells gift cards. Within the Legislature, House Bill 750 may authorize State regulation of video lottery terminals and fantasy football leagues. The Town is clear that any local regulations or land use policies do not change or challenge State laws that apply to certain types of gaming activities. The proposed use, therefore, must be defined and carried out narrowly and within statutory guidance, such as it is.

The Planning Board grappled with the question that if legal types of video-gaming businesses are to locate within Town, where and how should they be permitted within the Town's Zoning Ordinance as other businesses are. The desire in any land use decision is always to balance fairness to a specific business and/or property owner with the interests of other property owners within any zoning district and the Town's Land Use Plan goals. The Board therefore examined the question of where this type of business should be located with consideration for surrounding land uses and being consistent with the purpose and intent of zoning districts.

The direction given at the last meeting from the Planning Board was that this use was most appropriate in the Regional Center District where the land use intent is to accommodate general commercial uses. The Planning Board did not support this use in a mixed-use overlay districts such as where the new business currently located, because they felt that these should remain primarily residential in nature, with only limited types of commercial uses. Additionally, the Board considered issues of parking, hours of operation and noise and traffic issues in recommending that the RC Districts as the most appropriate area for this use and identified supplemental standards.

Since the call for public hearing staff has heard from a small business owner who had similar machines in limited number within her convenience store, and learned that several other convenience stores also had 1-3 machines within their shop. These types of machine installations were not thoroughly discussed at the planning board level. Staff however would recommend for the Board to consider an exemption in the definition so that these types of uses may continue as they are now.

Staff also heard concerns from other Department heads that alcohol sales not be allowed in conjunction with this type of business. The Planning Board also expressed concern on this point and recommended that a SUP permit be required where alcohol sales were provided. Staff recommends that alcohol sales be expressly prohibited in conjunction with this business (but would not apply in cases of individual machines within local convenience stores).

Town of Waynesville Land Development Standards

LDS 2.5.3 Table of Permitted Uses identifies enumerated permitted uses by Zoning District. “P” indicates where certain uses are allowed within a district and PS indicates when a use is allowed with supplemental standards. PL indicates when a use is allowed within an overlay district and therefore limited to only certain areas, and SUP indicates that a Special Use Permit issued by the Planning Board would be required.

The proposed text amendment would allow video skill games as a new and uniquely defined use within the Table as a use with supplemental standards in accordance with LDS 3.2 **Supplemental Standards**:

“There are certain uses that exist which may be constructed, continued, and/or expanded provided they meet certain mitigating conditions specific to their design and/or operation. Such conditions ensure compatibility so that different uses may be located in proximity to one another without adverse effects to either. When uses are listed in the Use Matrices in Chapter 2 as Uses Permitted with Additional Standards (PS) or uses requiring Special Use Permits (SUP) they shall comply with the additional criteria set forth in this chapter for that use in addition to other applicable criteria contained in this ordinance.” (LDS 3.1)

Within the Table of Permitted uses and in the Purpose and Intent Statements (LDS 2.3.7) of the Regional Center Districts, the Town’s Land Development Standards clearly designate the RC Districts as hubs for retail and mixed-use development that can accommodate shopping centers, drive-thrus, “big-box,” and other types of general commercial development. Conversely, the Purpose and Need Statement for Love Lane Neighborhood District (LL-NR) where this business has opened is:

“. . .one of the oldest neighborhoods in the town . . . having a great location, sufficient urban facilities and a mixture of housing types and styles . . . with an excellent stock of smaller bungalow style homes on small lots. This asset will only improve as Russ Avenue develops into a more pedestrian friendly area. . . Dellwood Road, containing a mix of office, residential and service uses, needs to maintain a pedestrian scale and any improvements should enhance the comfort level of the pedestrian...” (LDS 2.3.3 B)

Consistency with the 2020 Comprehensive Land Development Plan

In the Waynesville: Our Heritage, Our Future, 2020 Land Development Plan, one of the stated objectives under the Land Use Goal is to: “designate appropriate amounts of land to reflect desired development patterns and to accommodate the projected residential, commercial, industrial, institutional and recreational needs of the Town of Waynesville over the next twenty years.” (2020 LDP 4-2)

The stated Economic Vitality Goal is to: “maintain and strengthen a broad-based economy in Waynesville comprised of vibrant and expanding manufacturing, retail, agricultural, services, governmental and construction sectors.” (2020 LDP, p 4-19). The objectives under this goal indicate that the Town desires to support local businesses and to “define and develop the tourism sector” of the economy. It is unclear what, if any, impact this business would have on the local economy or in attracting tourism. The Town desires to make decisions which accommodate new and existing businesses in a way in which various sectors do not conflict with each other. It would seem consistent with the Comprehensive Plan to define this use and to place it within the Regional Center District Zoning designation in which are designed to accommodate many types of commercial uses.

Staff Recommended Text Changes:

Staff submits that the following text amendment be recommended to the Board of Aldermen for adoption (changes to the current Land Development Standards are provided in red italics). This recommendation was supported by the Planning Board but did not include the added provisions of allowing an exemption for convenience stores and the prohibition of alcohol sales.

Recommended Motions

1. To find that updates to the Land Development Standards regarding Video Gaming Parlors are Consistent with the Comprehensive Plan.
2. To recommend to the Board of Aldermen changes to the Land Development Standards text as provided (or as amended).

ORDINANCE No. O-22-17

AN ORDINANCE AMENDING THE TEXT OF THE TOWN OF WAYNESVILLE'S
LAND DEVELOPMENT STANDARDS PERTAINING TO VIDEO GAMING

WHEREAS, the Town of Waynesville has the authority pursuant to North Carolina General Statutes Part 3 of Article 19 of Chapter 160A to amend zoning regulations and classifications from time to time in the interest of the public health, safety and welfare; and

WHEREAS, the Planning Board has reviewed the suggested ordinance and finds that it is consistent with The Town of Waynesville 2020 Land Development Plan and has voted to recommend adoption by the Board of Aldermen;

WHEREAS, after notice duly given, a public hearing was held on November 28, 2017;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF WAYNESVILLE, MEETING IN REGULAR SESSION ON NOVEMBER 28, 2017 AND WITH A MAJORITY OF THE BOARD MEMBERS VOTING IN THE AFFIRMATIVE, THE FOLLOWING:

NOW, THEREFORE, THE BOARD OF ALDERMEN OF THE TOWN OF WAYNESVILLE, does adopt the following ordinance:

Section One:

Addition of a new definition, **Chapter 17.3 Definitions, Use Type.**

Video gaming parlor. Any use or structure intended to provide access to video games in which customers purchase retail gift cards or gain access to electronic games of skill or dexterity not otherwise prohibited by law, or other electronically simulated games approved and regulated by the State of North Carolina. This definition does not include individual gaming machines within other businesses which are limited in number to three or less.

Section Two:

Addition of Use Type within **2.5.3 Table of Permitted Uses**

Use Types	Regional Center (RC)		
Commercial	DJ-RC	HC-RC	RA-RC
<i><u>Video gaming parlor</u></i>	<i><u>PS</u></i>	<i><u>PS</u></i>	<i><u>PS</u></i>

Section Three:

Addition of/insert new paragraph within 3.5 Supplemental Standards - Commercial

- 1.5.11 ~~Video Gaming or video gaming parlor.~~*
A. ~~Wherever legal video gaming is provided within a use or is provided as a stand alone use,~~ a Type B Buffer Requirement or a 6' privacy fence or wall between the use and any residential or mixed use district (RL, RM, NR, UR, NC) (See LDS Section 8.4).

- B. Parking must be provided for "All Other Commercial Uses" in accordance with LDs Section 9.2.1 Parking Use Category.
- C. Alcohol Sales within video gaming parlors are expressly prohibited.
- ~~D. Video Gaming within a bar or where alcohol is served shall have to be approved by SUP of the Town Planning Board.~~

Section Four:

That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of the ordinance.

Section Five:

All ordinances or portions of ordinances therein the Town Code are hereby repealed to the extent of such conflict.

Section Six:

The Town Clerk shall update the Town of Waynesville Code of Ordinances to incorporate the adopted amendments.

Section Seven:

This ordinance shall be in full force and effect from and after the date of adoption.

Adopted this the 28st Day of November, 2017.

TOWN OF WAYNESVILLE

Gavin A. Brown, Mayor

ATTEST:

Eddie Ward, Town Clerk

Approved as to form:

William E. Cannon, Jr., Town Attorney

**TOWN OF WAYNESVILLE BOARD OF ALDERMEN
REQUEST FOR BOARD ACTION
Meeting Date: November 28, 2017**

SUBJECT: Local Preference Purchasing Policy

AGENDA INFORMATION:

Agenda Location: Continued Business
Item Number: 6-D
Department: Administrative Services
Contact: Rob Hites, Town Manager
Presenter: Rob Hites, Town Manager

BRIEF SUMMARY The Town Board was introduced to the policy of “Local Preference Purchasing” at the fall retreat and requested that the policy be discussed in more detail. I am attaching the memos from the retreat and a summary attachment that lists the policy decisions that the Board need to make in order to amend the Town’s current purchasing policy. In addition I have added a general discussion of how the Town Board could insure that local vendors be included in the bidding of products that exceed \$30,000 even though the General Statutes prohibit the type of preference that it may give purchases below \$30,000.

MOTION FOR CONSIDERATION: To amend the Town’s purchasing policy to include “Local Preference Purchases” for products costing from \$501 to \$30,000.

FUNDING SOURCE/IMPACT: There will be no funding issue. The policy will require more record keeping and work on the part of the Town staff.

ATTACHMENTS:

- Local Preference Purchasing Discussion
- Local Preference Purchasing (from retreat)
- Specimen Resolution adopting Local Preference Purchasing (from retreat)

MANAGER’S COMMENTS AND RECOMMENDATIONS: If the Board’s discussion with Local Vendors indicate that adopting such a policy would provide a better bidding environment for the Town I would encourage the adoption. My main concern is that the small 5% window where local governments may provide preference to local business will lead to frustration by local business. My other concern is that local business will hear “local preference purchasing” and not hear that it is only for purchases where the difference between bidders is 5% or less. Again the expectation may not match the reality of just how much preference local governments can give local businesses.

LOCAL PREFERENCE PURCHASING

During your fall retreat the staff presented the concept of “Local Preference Purchasing” as defined in a School of Government Blog by Eileen Youens. A specimen of a resolution that amends the Town’s Purchasing Policy to include “Local Preference Purchasing” was included in the agenda. After concluding the presentation the Board requested that the Policy be placed on the agenda of a future meeting in order for the Board to discuss it in more detail.

Proposed Policy

Eileen Youens states that the NC General Statutes clearly state that local governments MUST take the lowest responsible, responsive bid for purchased of \$30,000 and up regardless of the bidder’s location of business. The Statutes do not make the same assertion for purchases of \$1.00-\$29,999. Although there is the potential for successful legal challenge for municipalities who do not abide by the “lowest responsible, responsive bid” for this category of bids, Ms. Youens believes that in cases where bids are between \$1.00 and \$29,999 a municipality may provide a preference to local bidders when the difference in the bids is 5% or less. She states that a municipality may choose to offer the local bidder their bid price or give the local bidder the opportunity to match the successful bid from a non local bidder.

If the Board is interested in adopting a “Local Preference Purchasing Policy” it needs to determine three important elements.

1. The geographical definition of a “Local Vendor”.

A municipality may define a local vendor in any manner it chooses. The Town’s current purchasing policy defines a local vendor as “being located in Waynesville and Haywood County. The Board may consider the following:

- a. Define a “local vendor” as residing in the Town limits or Waynesville and its extraterritorial area.
- b. Retain the current definition that defines a “local vendor” as residing in Waynesville and Haywood County.
- c. More broadly define a “local vendor” as residing in any county abutting Haywood County.

2. Who is a “Local Vendor”?

- a. Is a “Local Vendor” a firm that is represented by a “salesperson who resides in the geographical area defined as “Local”?
- b. Is a “local vendor” a firm that has a sticks and bricks office of at least 500 sq. ft. and pays local property taxes to the jurisdictions within the “Local Areas”?
- c. Is a “Local Vendor” a firm that has its corporate headquarters in the geographical area defined as “Local” and pays property taxes to the governments within the “Local Area”?

- 3. If bids are within 5% of each other and the bid amount is between \$1.00 and \$29,999:**
- a. Would the bid be awarded to the “Local Vendor” that has the bid closest to the “Nonlocal low bidder” at the bid price?
 - b. Would the “Local Vendor” be given the opportunity to “**Match**” the low bid of the “Nonlocal Vendor”?

With these definitions in place the staff will draft a resolution amending the Town’s purchasing policy and present it for adoption.

Application

The Town staff will be trained in the new policy and the purchasing officer will be charged with insuring that the policy is carried out. Some of the changes that will be necessary are as follows:

- The Purchasing Officer will need to clarify both the geographical location and the type of vendor that may or may not be considered “local”. If there is a question as to whether the firm qualifies it will be up to them to provide the necessary information. Vendors will need to keep the purchasing agent informed as to any changes that take place regarding the location of their business.
- Each purchase involving a “local vendor” will require the purchaser or purchasing agent to determine if the bids are within 5% of each other and, if so, must contact the “local vendor” and offer them the bid based on the definition the Board adopts.
- There will be a shakedown period as the Town staff and vendors adjust to the new policy.

Purchasing Limits

While the policy may be administered for purchases of \$1.00-\$29,999 we recommend that the policy not include small purchases made from \$1.00-\$500. These are usually done with “Purchasing Cards” and involve smaller items. Many of the purchases are done within Waynesville and its extraterritorial area. The purchases are so small that putting them through the 5% test would create a great deal of paperwork. We recommend that the Board set the limits for purchases of \$500-\$29,999.

Page 3.

Local Preference Purchasing

Local Preference Purchases Above the \$30,000 Limit

The NC General Statutes specify that for purchases at or above \$30,000 the local government MUST award the bid to the lowest responsible, responsive bidder (GS 143-131).

By responsible the statute means that the bidder is capable of delivering the item and does not have a demonstrated history of poor business activity (this is hard to prove). A "responsive" bidder is one that can deliver the item in a timely and efficient manner for purchases where time is of the essence like a part for a pump at the Waste Treatment Plant.

Ms Youen's blog makes it clear that a "local preference purchasing" may only take place for purchases of \$1.00 to \$29,999. Can a Town Board indicate a preference to "buy local" on purchases above this limit and not break the law?

Local and State governments have increasingly used large, cooperative purchasing contracts to make most of their vehicle and equipment purchases. These cooperative purchasing contracts do the job of specifying the purchase and bidding them out in accordance with North Carolina's purchasing statutes. The local government simply adds their purchase of "X" vehicles or pieces of equipment to the master purchasing list. Local governments use purchasing services such as the "NC State Purchasing Contract" or NC Sheriff's Association Purchasing Contract to make such purchases. Additional local governments frequently "piggy back" on larger local government purchases. Waynesville could "piggyback" on Greensboro's police vehicle purchase since Greensboro competitively bid the purchase.

These cooperative purchasing contracts usually designate regional vendors who have agreed to sell the product to local governments at the bid price so the "Sheriff's Contract" or "State Purchasing Contract" may have several regional businesses for whom local governments may place their purchases at the contract rate.

The issue for a governing board is that using purchasing contracts eliminates local vehicle and equipment vendors from bidding on a local government's products. Using these purchasing services shortcuts local vendors from bidding on a local government's

products unless they are designated as an agent of the purchasing contract. How can a local Board insure that local vendors of items in excess of \$30,000 are given the opportunity to bid?

Suggestion

The local government could specify the same vehicle or equipment as that listed in the major purchasing services and seek informal bids for the equipment or vehicle locally. The local government would use the prices offered by the purchasing services and take the lowest bid. Whoever submits the low bid is awarded the contract. Both the State Purchasing Bids and Sheriff's Association bids are public documents and the local vendors can refer to those quotes to determine the price that is offered through the services. The local government is required to take the lowest responsible, responsive bid but the local vendor does not have access to the bids from the purchasing cooperatives and will know "the price to beat".

As I have stated earlier a local government may not take a higher bid than the bid submitted by a purchasing service however it would be permissible for a local government to prohibit the Town's purchasing agents from using State contract or the Sheriff's Association contract. I would not recommend that a Town approve such a contract because many of the purchasing services are several considerably lower than the bids that it would receive without the "competition" of the purchasing contracts

Recommendation.

The local governing body may request that all purchases above \$30,000 be bid locally if the product is offered by a local vendor and placed in competition with the prices offered by the cooperative purchasing services.

Local Preference Purchasing

Proposal

Amend the Town's Purchasing Policy to Permit "Local Preference Purchasing" in accordance with School of Government Guidance.

Background

The Town's current purchasing policy states: "It is the desire of the Town to purchase from vendors located within Waynesville and Haywood County whenever possible. This can be accomplished by ensuring that local vendors who have goods or services available are included in the competitive purchasing process. However the Town has a responsibility to its residents to ensure that the maximum value is obtained for each public dollar spent. **The Town cannot and will not make purchasing decisions solely on the basis of vendor residence**".

The Town's policy has three thresholds for purchases that fall at or below the NC General Statutes formal bid procedures set out in GS 143-129.

- (1) Purchases may be made by "Purchase Card" for items \$500 and below without submitting written quotes or purchase orders.
- (2) Purchases over \$500 and below \$5,000 require written quotes with the successful bid being awarded to the "lowest responsible responsive bidder".
- (3) Purchases of \$5,000 to \$90,000 require a written description or plan for the purchase. Items over \$5,000 must be reflected in the Town's Capital Improvement Plan. (*The State has increased the threshold for informal bids from \$5,000 to \$30,000. The Town's purchasing policy is more conservative setting the threshold for informal bids at \$5,000*).

The Town's Purchasing Policy is similar to most policies one will find in the State. The Policy adheres to the principal of obtaining quotes for all but minor purchases and awarding the bid to the low quotation.

Local Preference Purchasing

The General Statutes are very clear that for purchases at or above \$30,000 a local government must award the bid to the "lowest responsible responsive bidder". For purchases below this threshold the statutes are silent as to whether local governments must award on this basis. For many years local governments has adhered to the principal of awarding bids based on a strict adherence to principal that the bid is awarded to the business with the lowest responsible responsive bid regardless of the residence of the vendor.

Page 2.

Local Preference Purchasing

The School of Government published a “blog” discussing local government purchasing that outlined a narrow procedure where a local government could award a bid to a local vendor even if the vendor’s bid was slightly above that of the low bidder that was not local.

In her blog Eileen Youens states that local governments may develop purchasing procedures that recognize the need to (1) improve their tax bases, (2) encourage local industry, and (3) reduce unemployment. In doing so they may “...come up with a contract award preference that has the best chance of surviving a constitutional challenge.”

She recommends that “The percentage preference should be relatively small. Five percent seems to be acceptable but anything higher than that is likely to be struck down.”

Given that advice several North Carolina local governments developed purchasing policies that encompass her advice.

I am attaching a resolution based on Greenville NC Local Preference Policy for your perusal. The resolution includes the definition of “local business” found in the Town of Waynesville’s current purchasing policy: a local business is one that resides in Waynesville or Haywood County. This is a definition that the Board should consider. They may define “local business” in any manner they choose. Burlington defines local vendors as residing in Burlington and Alamance County. Greenville states that a local vendor must reside in the city limits of Greenville or its extra-territorial area. Both local governments define a vendor as having a physical, taxable, brick and mortar presence in the geographic area. In a phone conversation with Burlington’s purchasing agent he said that the Burlington Council had more trouble defining “local” than any other element of the policy.

How Local Preference Purchasing Works

Based on Ms. Youen’s advice the local government would follow its normal procedure of obtaining quotes for purchases up to \$30,000. Should a local vendor’s quote fall within five percent (5%) of the low quote from a non local vendor the purchasing agent would either award the bid to the local bidder at the quoted amount or give the local vendor the opportunity to match the quote of the non local vendor depending on which option the Town Board chooses.

Burlington and Greenville adopted policies that require the local vendor to match the low bid of the non local vendor.

Page 3.
Local Preference Purchasing

Sample Resolution Adopting Local Preference Purchasing

I am attaching a sample resolution that I have modeled from the Greenville NC resolution. It contains the elements that Ms. Youen recommends be included in such a resolution. The sample follows the Town's current definition of "local businesses" by including both Waynesville and Haywood County. This is a key definition and I recommend the Board discuss this key element in the policy.

A second element is the resolution's definitions of "qualified businesses". In section 5 the resolution outlines three criteria for being eligible to be considered "local". The Board should review these criteria and determine if they are acceptable.

RESOLUTION NO. O-24-17
RESOLUTION ADOPTING THE TOWN OF WAYNESVILLE
LOCAL PREFERENCE POLICY

WHEREAS, the economic development of the Town of Waynesville will be promoted by the implementation of a Local Preference Purchasing Policy in the procurement of goods and services in that it supports local businesses; and

WHEREAS, in addition to promoting economic development, a Local Preference Purchasing Policy provides a benefit to the Town of Waynesville in that local businesses have the opportunity to be more timely and responsive in providing goods and services; and

WHEREAS, the Board of Aldermen of the Town of Waynesville hereby finds and determines that the Local Preference Purchasing Policy herein adopted accomplishes the aforementioned goals while ensuring fiscal responsibility and the provision of goods and services in a manner which best serves the needs of the Town of Waynesville.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE TOWN OF WAYNESVILLE:

Section 1. Purpose.

The purpose of the Local Preference Purchasing Policy is to ensure the best overall value in the procurement of goods and services while providing a preference to local businesses to support the Town's economic development. The policy also provides the Town with goods and services delivered on a more timely and responsive manner.

Section 2. Definitions.

- (a) Eligible Local Bidder means a bidder that has paid and is current on any applicable Town of Waynesville property tax and meets the qualifications set forth in Section 5.
- (b) Non Local Bidder means a bidder that is not an Eligible Local Bidder as defined in subsection (a).
- (c) Responsible bidder means the bid or proposal is submitted by a bidder that has the skill, judgement and integrity necessary for the faithful performance of the contract, as well as sufficient financial resources and ability.
- (d) Responsive bidder means that the bid or proposal submitted by a bidder complies with the specifications or requirements for the request for bids or request for proposals.

Section 3. Policy.

The policy of the Town of Waynesville is to provide a preference to local businesses in the procurement of goods and services for the contracts which the Town may apply a local preference. When the request for bids involves the bidder submitting a price, a price matching preference will be given to Eligible Local Bidders of the contracts for purchase of goods and services. The preference will allow an Eligible Local Bidder to match the price and terms of the lowest responsible, responsive bidder who is a Non-Local Bidder, if the Eligible Local Bidder's price is within five percent (5%) or \$30,000 whichever is less, of the lowest responsible, responsive Non-Local Bidder's price. When the request seeking proposals is based upon qualification for a service contract without a price being submitted as a bid, a factor in the evaluation of proposals shall be whether the proposal is submitted by an Eligible Local Bidder. Five percent (5%) of the points to be awarded to a bidder in an evaluation of proposals shall be awarded to an Eligible Local Bidder.

Section 4. Local Preference Eligible Contracts.

The provisions of the Local Preference Purchasing Policy shall apply when bids or proposals are sought for the following:

- 1 Contracts for the purchase of apparatus, supplies and equipment costing less than \$30,000.
- 2 Contracts for construction or repair costing less than \$30,000.
- 3 Contracts for architectural, engineering, surveying, construction management at risk services costing less than \$50,000 and
- 4 Contracts for services (other than contracts for architectural, engineering, surveying, construction management at risk services, design-build services and public-private partnership construction services).

Notwithstanding the foregoing, the provisions of the Local Preference Purchasing Policy shall not apply to contracts involving a project funded by a federal grant unless the grant has specific language which overrides the prohibition of the Grants Management Common Rule which does not allow local preferences and the provisions of the Local Preference Purchasing Policy shall not apply (i) when bids or proposals are not sought due to an emergency situation or (ii) in special cases when the required expertise or item is not available locally as determined by either the Purchasing Agent or Department Head, or (iii) when the purchase involves an expenditure of less than \$500 when the purchase is from a business that qualifies as an Eligible Local Bidder.

Section 5. Qualification.

In order to qualify for the local preference, an Eligible Local Bidder must present proof that they meet the qualifications of an Eligible Local Bidder prior to the submittal of a bid or proposal. The bidder must update their information when their location changes even though they remain in the jurisdiction. The Eligible Local Bidder must be current on any property taxes that may be due the Town of Waynesville.

When the request for bids involves the bidder submitting a price, in order for a bidder to be an Eligible Local Bidder, the bidder must either:

- (a) Have an office or store from which all or a portion of its business is directed or managed and which is located within Waynesville or Haywood County consisting of a least 500 square feet of floor area within a building on property having a non-residential zoning classification; or
- (b) Have an office or store located within Waynesville or Haywood County and have at least three (3) employees who are based and working out of said office or store; or
- (c) Have an office located within Waynesville or Haywood County from which all or a portion of its business is directed or managed and which is located within a residence as allowed by the Zoning Ordinance for a period of one (1) year.

When the request seeking proposals is based upon qualifications for a service contract without a price being submitted as a bid when the proposal is submitted, in order for a bidder to be considered as an Eligible Local Bidder, the bidder must either:

- (a) Have an office in which all or a portion of its business is directed or managed and which is located Waynesville or Haywood County consisting of at least 500 square feet of floor area within a building on property having a non-residential zoning classification; or
- (b) Have an office located within Waynesville or Haywood County and have at least three (3) employees who are based and working out of said office; or
- (c) Have an office from which all or a portion of its business is directed or managed and which is located within a residence within Waynesville or Haywood County as allowed by the Zoning Ordinance for a period of at least one (1) year; or
- (d) Have an arrangement with one or more firms or companies that qualify as an Eligible Local Bidder pursuant to (a), (b), (c) above to subcontract with said firms or companies to perform at least twenty-five percent (25%) of the dollar value of the work to be performed pursuant to the service contract, if the bidder is awarded the contract.

Section 6. Process when Bid Involves Price.

Bids will be evaluated in accordance with the award criteria stated in the request for bids to determine the lowest responsible, responsive bid when the request for bids involves the bidder submitting a price. If the lowest responsible, responsive bid is submitted by an Eligible Local Bidder, then there will be no consideration of the price-matching preference.

If the lowest responsible, responsive bid is submitted by a bidder who is not an Eligible Local Bidder and there are no submitted bids from an Eligible Local Bidder that is within five (5%) of the lowest responsible, responsive bid, then none of the Eligible Local Bidders will qualify for the price-matching preference. The award will be made to the lowest responsible, responsive bidder.

If only one Eligible Local Bidder qualifies for the price-match preference, the Eligible Local Bidder will first be offered the contract award and will have two (2) business days to accept or decline the award based on the lowest responsible, responsive bidder's price. If the lowest responsible, responsive Eligible Local Bidder declines to accept the contract award, then the award is made to the lowest responsible, responsive bidder.

If more than one Eligible Local Bidder qualifies for the price-matching preference, then the qualified Eligible Local Bidders shall be prioritized according to their original bids, from lowest to highest, so that the Eligible Local Bidder who submitted the lowest responsible, responsive bid should get the first opportunity to match the quote of the lowest responsible, responsive Non-Local Bidder. The Eligible Local Bidder will first be offered the contract award and will have two (2) business days to accept or decline the award based on the lowest responsible, responsive Non-Local Bidder's price. If the lowest responsible, responsive Eligible Local Bidder declines to accept the contract award, then the contract should be offered to the next lowest responsible, responsive Eligible Local Bidder and will continue in this manner until either a responsible, responsive Eligible Local Bidder within five percent (5%), of the lowest responsible, responsive bid accepts the contract award or the award is made to the lowest responsible, responsive bidder if no qualified Eligible Local Bidders accept the award. If two responsible, responsive Eligible Local Bidders qualify for the price-matching preference and both bid the same amount, then the Eligible Local Bidder which will be offered the contract award will be chosen by lot.

At any time, all bids may be rejected.

Section 7. Process when Considering Qualifications for Service Contracts.

When the request seeking proposals is based upon the qualifications for a service contract without a price being submitted as a bid when the proposal is submitted, the request seeking proposals shall state that being local is a factor to be considered in determining the qualification of the bidder. The proposals will be evaluated in accordance with an award criteria developed to determine the best qualified responsible, responsive bidder submitting a proposal. Five percent (5%) of the points to be awarded to a bidder in an evaluation shall be awarded to each Eligible Local Bidder submitting a proposal. Once the best qualified responsible, responsive bidder submitting a proposal is determined, the price is then negotiated. If an agreement on the price does not occur, then the Town will negotiate with the next qualified responsible, responsive bidder submitting a proposal.

Although being local is a factor in determining the best qualified responsible, responsive bidder submitting a proposal, other factors such as specialized experience and expertise will be a component of the award criteria when determining the best qualified proposal.

At any time, all proposals may be rejected.

Section 8. Solicitation of Bids or Proposals.

Whenever bids or proposals are sought by directly contacting bidders for bids or proposals for a contract for which the provisions of the Local Preference Purchasing Policy apply, the request for bids or proposals shall be provided to potential bidders having an office or store located within Waynesville or Haywood County which have submitted a request to be included in a bid list for a particular good or service.

Section 9. False or Substantially Inaccurate or Misleading Certifications.

If at any time during or after the procurement process, the Town determines that the bidder has submitted false or misleading information relating to the bidder's residence within Waynesville or Haywood County the Town may:

- (1) Cancel Eligible Local Bidder's contract or purchase order that was awarded based on the preference: The Eligible Local Bidder shall be liable for all costs it incurs as a result of the cancellation and all increased costs of the Town that may be incurred by awarding the contract to the next lowest bidder.
- (2) Exclude the bidder from any preference in any future Town bidding opportunities for a period of time determined by the Finance Director.
- (3) Debar the bidder from doing business with the Town for a period of time determined by the Finance Director.

Section 10. That all resolutions and clauses of resolutions in conflict with this resolution are hereby repealed.

Section 11. That this resolution shall become effective for requests for bids or proposals issued after November 1, 2017.

This the 6th day of October, 2017.

Gavin A. Brown, Mayor

ATTEST:

Eddie Ward, Town Clerk

**TOWN OF WAYNESVILLE BOARD OF ALDERMEN
REQUEST FOR BOARD ACTION
Meeting Date: November 28, 2017**

SUBJECT: Electric Rate Presentation

AGENDA INFORMATION:

Agenda Location: Presentation
Item Number: 7-E
Department: Administrative Services
Contact: Rob Hites, Town Manager; Eddie Caldwell, Finance Director
Presenter: **Rob Hites, Town Manager; Eddie Caldwell, Finance Director**

BRIEF SUMMARY: At the October 10, 2017 Board Meeting, a preliminary presentation was done by UTEC outlining their study of the Town's electric rates. This presentation is a follow up and includes some additional detail specific to each electric category and the proposed increase in rates.

MOTION FOR CONSIDERATION: To approve the proposed initial increase in electric rates effective in January 2018, as presented.

FUNDING SOURCE/IMPACT: Rate increase would result in change to the existing revenue collected; this will be monitored monthly and rates reviewed prior to the FY 18-19 budget.

ATTACHMENTS:

- Electric Rate calculations and information

MANAGER'S COMMENTS AND RECOMMENDATIONS: This is a presentation related to proposed rate adjustments; actions to be determined by the Board of Aldermen.

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Town of Waynesville
Current Electric Rate Comparisons (Town's vs. Duke Progress Energy's)
As of November 20, 2017

Waynesville's

Customer Type:	Base Rate	Fuel Adj.	Total Rate
Residential Customers			
Base charge	12.09	-	12.09
Per kwh	0.081704	0.016264	0.097968
REPS	0.56	-	0.56
Sales Tax	7.00%		7.00%
Commercial No Demand			
Single Phase			
Base Charge	12.09	-	12.09
First 700 kwh	0.099299	0.016264	0.115563
kwh 701-4,000 (next 3,300 kwh)	0.076529	0.016264	0.092793
all over 4,000 kwh	0.072389	0.016264	0.088653
REPS	4.50	-	4.50
Sales Tax	7.00%		7.00%
Three Phase			
Base Charge	18.63	-	18.63
First 700 kwh	0.099299	0.016264	0.115563
kwh 701-4,000 (next 3,300 kwh)	0.076529	0.016264	0.092793
all over 4,000 kwh	0.072389	0.016264	0.088653
REPS	4.50	-	4.50
Sales Tax	7.00%		7.00%
Commercial With Demand			
Single Phase			
Base Charge	12.09	-	12.09
Charge per kwh	0.051689	0.016264	0.067953
Demand charge per kw	6.20	-	6.20
REPS	4.50	-	4.50
Sales Tax	7.00%		7.00%
Three Phase			
Base Charge	13.87	-	13.87
Charge per KWh	0.051689	0.016264	0.067953
demand charge per kw	6.20	-	6.20
REPS	4.50	-	4.50
Sales Tax	7.00%		7.00%
Industrial Demand			
Three Phase			
Basic Charge	13.87	-	13.87
Charge per kwh	0.033676	0.016264	0.04994
demand charge per kw	13.24	-	13.24
REPS	35.00	-	35.00
Sales Tax	0.00%		0.00%

Duke Progress Energy

Customer Type:	Total Rate	
Residential Service:		
Basic charge	11.13	
Per kwh (Jul-Oct)	0.09871	
Per kwh (Nov-June)	0.08903	
REPS	1.29	
Sales Tax	7.00%	
Small General Service:		
Single Phase		
Basic charge	16.45	
First 750 kwh	0.09913	
next 1,250 kwh	0.08273	
all over 2,000 kwh	0.07827	
REPS	10.66	83.21
Sales Taxes	7.00%	
Three Phase		
Basic charge	25.16	
First 750 kwh	0.09913	
next 1,250 kwh	0.08273	
all over 2,000 kwh	0.07827	
REPS	10.66	83.21
Sales Taxes	7.00%	
Medium General Service:		
Single Phase		
Base Charge	20.32	
Charge per kwh	0.06355	
Demand charge per kw	5.53	
REPS Commercial or Industrial	10.66	83.21
Sales Tax	7.00%	
Three Phase		
Base Charge	29.03	
Charge per KWh	0.06355	
Demand charge per kw	5.53	
REPS Commercial or Industrial	10.66	83.21
Sales Tax	7.00%	
Large General Service:		
Three Phase		
Base Charge	154.85	
Charge per kwh	0.05148	
Demand charge first 5,000 kw	11.91	
REPS Commercial or Industrial	10.66	83.66
Sales Tax	0.00%	

Town of Waynesville
Current Electric Bill Comparisons (Town vs Duke Progress Energy)
As of November 20, 2017

Town's Current Rates		Duke Progress Energy Current Rates			
Monthly Consumption in KWH	Bill Under Current Rates	Progress Energy			Difference
		Nov-June	July-October		
Residential Customers					
kwh used	870				
(ave kwh used from 07/01/2016-06/30/2017)					
	Base	12.09	11.13	11.13	
	KWH	85.23	77.46	85.88	
	REPS	0.56	1.29	1.29	
	Tax	6.85	6.29	6.88	
		104.73	96.17	105.18	
					66.68 higher/
					(lower)
					yearly
					or
					about
					5.56 higher/
					(lower)
					monthly
Commercial Single Phase No Demand					
kwh used	1005				
(ave kwh used from 07/01/2016-06/30/2017)					
	Base	12.09		16.45	
	KWH	109.20		95.44	
	REPS	4.50		10.66	
	Tax	8.81		8.58	
		134.60		131.13	3.47
Commercial Three Phase No Demand					
kwh used	1262				
(ave kwh used from 07/01/2016-06/30/2017)					
	Base	18.63		25.16	
	KWH	133.04		116.71	
	REPS	4.50		10.66	
	Tax	10.93		10.68	
		167.10		163.21	3.89

Town of Waynesville
Current Electric Bill Comparisons (Town vs Duke Progress Energy)
As of November 20, 2017

Town's Current Rates		Duke Progress Energy Current Rates		
Monthly Consumption in KWH	Bill Under Current Rates		Progress Energy Comparison	Difference
Commercial Single Phase With Demand				
kwh used	7,382			
demand	45			
(ave kwh used from 07/01/2016-06/30/2017)				
(ave demand used of downtown restaurant Nov. 2016-Nov 2017)				
	Base	12.09	20.32	
	KWH	501.63	469.13	
	Demand	279.00	248.85	
	REPS	4.50	10.66	
	Tax	55.81	52.43	
		853.03	801.39	51.64
Commercial Three Phase With Demand				
kwh used	152,320			
demand	263			
(ave use of small manufacturing company (one meter) Nov. 2016-Nov 2017)				
(ave use of small manufacturing company (one meter) Nov. 2016-Nov 2017)				
	Base	12.09	29.03	
	KWH	10,350.60	9,679.94	
	Demand	1,630.60	1,454.39	
	REPS	4.50	10.66	
	Tax	839.85	782.18	
		12,837.64	11,956.20	881.44
Industrial Demand				
kwh used	2,179,827			
demand	3,977			
(ave kwh used from 07/01/2016-06/30/2017)				
(ave kw used from 07/01/2016-06/30/2017)				
	Base	13.87	154.85	
	KWH	108,860.56	112,217.49	
	Demand	52,655.48	47,366.07	
	REPS	35.00	83.66	
	Tax			
		161,564.91	159,822.07	1,742.84

Town of Waynesville
Town's Current Rates vs Town's Proposed Electric Rates Increase

Proposed Rate Increase:

9.00%

Also adjusted current Fuel Adjustment rate into base rates.

Waynesville's Current Rates

Waynesville's Proposed Rates

Customer Type:	Base Rate	Fuel Adj.	Total Rate
Residential Customers			
Base charge	12.09	-	12.09
Per kwh	0.081704	0.016264	0.097968
REPS	0.56	-	0.56
Sales Tax	7.00%		7.00%
Commercial No Demand			
Single Phase			
Base Charge	12.09	-	12.09
First 700 kwh	0.099299	0.016264	0.115563
kwh 701-4,000 (next 3,300 kwh)	0.076529	0.016264	0.092793
all over 4,000 kwh	0.072389	0.016264	0.088653
REPS	4.50	-	4.50
Sales Tax	7.00%		7.00%
Three Phase			
Base Charge	18.63	-	18.63
First 700 kwh	0.099299	0.016264	0.115563
kwh 701-4,000 (next 3,300 kwh)	0.076529	0.016264	0.092793
all over 4,000 kwh	0.072389	0.016264	0.088653
REPS	4.50	-	4.50
Sales Tax	7.00%		7.00%
Commercial With Demand			
Single Phase			
Base Charge	12.09	-	12.09
Charge per kwh	0.051689	0.016264	0.067953
Demand charge per kw	6.20	-	6.20
REPS	4.50	-	4.50
Sales Tax	7.00%		7.00%
Three Phase			
Base Charge	13.87	-	13.87
Charge per KWh	0.051689	0.016264	0.067953
demand charge per kw	6.20	-	6.20
REPS	4.50	-	4.50
Sales Tax	7.00%		7.00%
Industrial Demand			
Three Phase			
Basic Charge	13.87	-	13.87
Charge per kwh	0.033676	0.016264	0.04994
demand charge per kw	13.24	-	13.24
REPS	35.00	-	35.00
Sales Tax	0.00%		0.00%

Customer Type:	Base Rate
Residential Customers	
Base charge	13.18
Per kwh	0.106785
REPS	0.56
Sales Tax	7.00%
Commercial No Demand	
Single Phase	
Base Charge	13.18
First 700 kwh	0.125964
kwh 701-4,000 (next 3,300 kwh)	0.101144
all over 4,000 kwh	0.096632
REPS	4.50
Sales Tax	7.00%
Three Phase	
Base Charge	20.31
First 700 kwh	0.125964
kwh 701-4,000 (next 3,300 kwh)	0.101144
all over 4,000 kwh	0.096632
REPS	4.50
Sales Tax	7.00%
Commercial With Demand	
Single Phase	
Base Charge	13.18
Charge per kwh	0.074069
Demand charge per kw	6.76
REPS	4.50
Sales Tax	7.00%
Three Phase	
Base Charge	15.12
Charge per KWh	0.074069
demand charge per kw	6.76
REPS	4.50
Sales Tax	7.00%
Industrial Demand	
Three Phase	
Basic Charge	15.12
Charge per kwh	0.054435
demand charge per kw	14.43
REPS	35.00
Sales Tax	0.00%

Town of Waynesville

Proposed Town Increase vs Estimated Proposed Duke Progress Energy's Increase

As of November 20, 2017

Waynesville's Proposed Rate Increase: 9.00% **Est. Duke Progress Energy Rate Increase: 14.90%**

Waynesville's Proposed Rates

Estimated Duke Progress Energy Proposed Rates

Customer Type:	Total Rate
Residential Customers	
Base charge	13.18
Per kwh	0.106785
REPS	0.56
Sales Tax	7.00%
Commercial No Demand	
Single Phase	
Base Charge	13.18
First 700 kwh	0.125964
kwh 701-4,000 (next 3,300 kwh)	0.101144
all over 4,000 kwh	0.096632
REPS	4.50
Sales Tax	7.00%
Three Phase	
Base Charge	20.31
First 700 kwh	0.125964
kwh 701-4,000 (next 3,300 kwh)	0.101144
all over 4,000 kwh	0.096632
REPS	4.50
Sales Tax	7.00%
Commercial With Demand	
Single Phase	
Base Charge	13.18
Charge per kwh	0.074069
Demand charge per kw	6.76
REPS	4.50
Sales Tax	7.00%
Three Phase	
Base Charge	15.12
Charge per KWh	0.074069
demand charge per kw	6.76
REPS	4.50
Sales Tax	7.00%
Industrial Demand	
Three Phase	
Basic Charge	15.12
Charge per kwh	0.05444
demand charge per kw	14.43
REPS	35.00
Sales Tax	0.00%

Customer Type:	Total Rate	
Residential Service:		
Basic charge	12.79	
Per kwh (Jul-Oct)	0.113418	
Per kwh (Nov-June)	0.102295	
REPS	1.29	
Sales Tax	7.00%	
Small General Service:		
Single Phase		
Basic charge	18.90	
First 750 kwh	0.113900	
next 1,250 kwh	0.095057	
all over 2,000 kwh	0.089932	
REPS	10.66	83.21
Sales Taxes	7.00%	
Three Phase		
Basic charge	28.91	
First 750 kwh	0.113900	
next 1,250 kwh	0.095057	
all over 2,000 kwh	0.089932	
REPS	10.66	83.21
Sales Taxes	7.00%	
Medium General Service:		
Single Phase		
Base Charge	23.35	
Charge per kwh	0.073019	
Demand charge per kw	6.35	
REPS Commercial or Industrial	10.66	83.21
Sales Tax	7.00%	
Three Phase		
Base Charge	33.36	
Charge per KWh	0.073019	
Demand charge per kw	6.35	
REPS Commercial or Industrial	10.66	83.21
Sales Tax	7.00%	
Large General Service:		
Three Phase		
Base Charge	177.92	
Charge per kwh	0.059151	
Demand charge first 5,000 kw	13.68	
REPS Commercial or Industrial	10.66	83.66
Sales Tax	0.00%	

Town of Waynesville
Current Town's Electric Bill vs Proposed Town's Electric Bill
As of November 20, 2017

Waynesville's Proposed Rate Increase: 9.00%

Town's Current Rates		Town's Proposed Rates		
Monthly Consumption in KWH	Bill Under Current Rates	Bill Under Proposed Rates	Difference	
Residential Customers				
kwh used	870			
(ave kwh used from 07/01/2016-06/30/2017)				
	Base	12.09	13.18	
	KWH	85.23	92.90	
	REPS	0.56	0.56	
	Tax	6.85	7.46	
		<u>104.73</u>	<u>114.10</u>	9.37
Commercial Single Phase No Demand				
kwh used	1005			
(ave kwh used from 07/01/2016-06/30/2017)				
	Base	12.09	13.18	
	KWH	109.20	119.02	
	REPS	4.50	4.50	
	Tax	8.81	9.57	
		<u>134.60</u>	<u>146.27</u>	11.67
Commercial Three Phase No Demand				
kwh used	1262			
(ave kwh used from 07/01/2016-06/30/2017)				
	Base	18.63	20.31	
	KWH	133.04	145.02	
	REPS	4.50	4.50	
	Tax	10.93	11.89	
		<u>167.10</u>	<u>181.72</u>	14.62

Town of Waynesville
Current Town's Electric Bill vs Proposed Town's Electric Bill
As of November 20, 2017

Waynesville's Proposed Rate Increase: 9.00%

Town's Current Rates		Town's Proposed Rates		
Monthly Consumption in KWH	Bill Under Current Rates	Bill Under Proposed Rates	Difference	
Commercial Single Phase With Demand				
kwh used	7,382			
demand	45			
(ave kwh used from 07/01/2016-06/30/2017)				
(ave demand used of downtown restaurant Nov. 2016-Nov 2017)				
	Base	12.09	13.18	
	KWH	501.63	546.78	
	Demand	279.00	304.20	
	REPS	4.50	4.50	
	Tax	55.81	60.81	
		853.03	929.47	76.44
Commercial Three Phase With Demand				
kwh used	152,320			
demand	263			
(ave use of small manufacturing company (one meter) Nov. 2016-Nov 2017)				
(ave use of small manufacturing company (one meter) Nov. 2016-Nov 2017)				
	Base	12.09	15.12	
	KWH	10,350.60	11,282.19	
	Demand	1,630.60	1,777.88	
	REPS	4.50	4.50	
	Tax	839.85	915.58	
		12,837.64	13,995.27	1,157.63
Industrial Demand				
kwh used	2,179,827			
demand	3,977			
(ave kwh used from 07/01/2016-06/30/2017)				
(ave kw used from 07/01/2016-06/30/2017)				
	Base	13.87	15.12	
	KWH	108,860.56	118,658.88	
	Demand	52,655.48	57,388.11	
	REPS	35.00	35.00	
		161,564.91	176,097.11	14,532.20

Town of Waynesville
Proposed Town Rates vs Estimated Progress Energy Rates- Bill Comparisons
As of November 20, 2017

Town's Proposed Rates		Progress Estimated Duke Progress Energy Proposed Rates		
Monthly Consumption in KWH	Bill Under Proposed Rates	Bill Under Proposed Progress Energy		
		Nov-June	July-October	Difference
Residential Customers				
kwh used	870			
(ave kwh used from 07/01/2016-06/30/2017)				
	Base	13.18	12.79	12.79
	KWH	92.90	89.00	98.67
	REPS	0.56	1.29	1.29
	Tax	7.46	7.22	7.89
	114.10	110.30	120.64	
				4.24 higher/ (lower) yearly
			or about	0.35 higher/ (lower) monthly
Commercial Single Phase No Demand				
kwh used	1005			
(ave kwh used from 07/01/2016-06/30/2017)				
	Base	13.18		18.90
	KWH	119.02		109.66
	REPS	4.50		10.66
	Tax	9.57		9.75
	146.27		148.97	(2.70)
Commercial Three Phase No Demand				
kwh used	1262			
(ave kwh used from 07/01/2016-06/30/2017)				
	Base	20.31		28.91
	KWH	145.02		134.09
	REPS	4.50		10.66
	Tax	11.89		12.16
	181.72		185.82	(4.10)

Town of Waynesville

Proposed Town Rates vs Estimated Progress Energy Rates- Bill Comparisons

As of November 20, 2017

Town's Proposed Rates		Progress Estimated Duke Progress Energy Proposed Rates	
Monthly Consumption in KWH	Bill Under Current Rates	Progress Energy Comparison	Difference
Commercial Single Phase With Demand			
kwh used	7,382		
demand	45		
(ave kwh used from 07/01/2016-06/30/2017)			
(ave demand used of downtown restaurant Nov. 2016-Nov 2017)			
Base	13.18	23.35	
KWH	546.78	539.03	
Demand	304.20	285.75	
REPS	4.50	10.66	
Tax	60.81	60.12	
	929.47	918.91	10.56
Commercial Three Phase With Demand			
kwh used	152,320		
demand	263		
(ave use of small manufacturing company (one meter) Nov. 2016-Nov 2017)			
(ave use of small manufacturing company (one meter) Nov. 2016-Nov 2017)			
Base	15.12	33.36	
KWH	11,282.19	11,122.25	
Demand	1,777.88	1,670.05	
REPS	4.50	10.66	
Tax	915.58	898.54	
	13,995.27	13,734.86	260.41
Industrial Demand			
kwh used	2,179,827		
demand	3,977		
(ave kwh used from 07/01/2016-06/30/2017)			
(ave kw used from 07/01/2016-06/30/2017)			
Base	15.12	177.92	
KWH	118,658.88	128,938.95	
Demand	57,388.11	54,405.36	
REPS	35.00	83.66	
Tax			
	176,097.11	183,605.89	(7,508.78)

**Town of Waynesville
Power Costs
For Year Ended June 30, 2018**

CP	Demand Units	Demand Charge	KWH Purchased	Energy Charge	Fuel charges					Trans-missions Charge	Total	Progress Avg Cost Per KWH	Sepa Deman Units	Sepa Billed KWH	Sepa Energy Charge	Sepa Avg Cost Per KWH	Total Charges	Avg Cost Per KWH
					True-up	Curr-month Fuel-adj	Monthly Adjustments	Peak Shaving Expenses	Non Fuel Energy Chg									
Jul-17	12,300	129,150.00	8,159,000	248,931.09	6,228.64	-	-	17,658.12	24,069.05	-	426,036.90	0.052216804	1,457	114,248	7,432.44	0.06506	433,469.34	0.052394
Aug-17	12,300	129,150.00	7,788,000	237,611.88	18,765.70	-	-	17,748.00	22,974.60	-	426,250.18	0.054731662	1,457	-	6,000.91	#DIV/0!	432,251.09	0.055502
Sep-17	9,300	97,650.00	6,956,000	212,227.56	8,099.52	-	-	24,141.84	20,520.20	-	362,639.12	0.052133283	1,457	118,188	7,481.81	0.06330	370,120.93	0.052320
Oct-17	8,300	87,150.00	7,340,000	223,943.40	2,643.28	-	-	14,805.30	21,653.00	-	350,194.98	0.047710488	1,457	128,037	7,908.25	0.06177	358,103.23	0.047951
Nov-17	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!	1,457	-	-	#DIV/0!	-	#DIV/0!
Dec-17	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!	1,457	-	-	#DIV/0!	-	#DIV/0!
Jan-18	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!	1,457	-	-	#DIV/0!	-	#DIV/0!
Feb-18	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!	1,457	-	-	#DIV/0!	-	#DIV/0!
Mar-18	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!	1,457	-	-	#DIV/0!	-	#DIV/0!
Apr-18	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!	1,457	-	-	#DIV/0!	-	#DIV/0!
May-18	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!	1,457	-	-	#DIV/0!	-	#DIV/0!
Jun-18	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!	1,457	-	-	#DIV/0!	-	#DIV/0!
	42,200	443,100.00	30,243,000	922,713.93	35,737.14	-	-	74,353.26	89,216.85	-	1,565,121.18	0.051751519		360,473	28,823.41	0.07996	1,593,944.59	0.052084

What if : Demand Charge of Contract Year 2020 and 6.00% Increase In All Other Areas with \$200,000 set a side for unexpected fuel charges.

FYE June 30, 2018 (Estimated)

CP	Demand Units	Demand Charge	KWH Purchased	Energy Charge	Fuel charges					Trans-missions Charge	Total	Progress Avg Cost Per KWH	Sepa Deman Units	Sepa Billed KWH	Sepa Energy Charge	Sepa Avg Cost Per KWH	Total Charges	Avg Cost Per KWH
					True-up	Set Aside Fuel-adj	Monthly Adjustments	Peak Shaving Expenses	Non Fuel Energy Chg									
Year	135,700	1,730,175.00	92,847,000	3,002,727.69	100,659.45	200,000.00	-	228,765.54	290,332.57	-	5,552,660.24	0.059804412						

Assumptions:

Demand Charge		Energy Charge		Peak Shaving Expenses		Non Fuel Energy Chg
Curr. 10.50	Est. Increase 6.0000%	0.0305100	10 Month \$-Feb 2017 :Sept 2017	179,847.12		
New 12.75	Current	0.0323406	Est. Yearly Costs	215,816.54 (10 months * 12)		
Diff 2.25	Est.	0.0018306	Est. Increase 6.0000%			
% Diff 21.4286%	Diff	6.0000%	Est. New Year	228,765.54		

Diff. from FYE 06/30/2017	740,397.35	0.007973923
	15.38564%	15.3846191%

Sales	8,083,275.00	9.1596% (FYE 06/30/2017)
DIFF	740,397.35	

Rates:		True-up		Non Fuel Energy Chg
2017 10.50	9 month kwh-Jan 2017:Sept 2017	68,230,291		
2018 11.25	9 month true-up-Jan 2017:Sept 2017	\$ 69,784.35		Est. Increase 6.0000%
2019 12.00	9 month average	0.001022777		Current 0.002950000
2020 12.75	Est. Increase 6.0000%			Est. 0.003127
2021 13.50	New True-Up	0.001084143		Diff 0.000177
				% Diff. 6.0000%

Town of Waynesville
Power Costs
For Year Ended June 30, 2018

What if : Demand Charge of Contract Year 2018 and 2.00% Increase In All Other Areas

FYE June 30, 2018 (Estimated)

Year	CP	Demand Charge	KWH Purchased	Energy Charge	Fuel charges				Peak Shaving Expenses	Non Fuel Energy Chg	Trans-missions Charge	Progress Avg Cost Per KWH	Sepa Deman Units	Sepa Billed KWH	Sepa Energy Charge	Sepa Avg Cost Per KWH	Total Charges	Avg Cost Per KWH
	Demand Units				True-up	Curr-month Fuel-adj	Monthly Adjustments	Total										
		135,700	1,526,625.00	92,847,000	2,889,417.21	96,860.98	-	-	220,132.87	279,376.62	-	0.053985726						

Assumptions:

Demand Charge		Energy Charge		Peak Shaving Expenses		Non Fuel Energy Chg		Results	
Curr.	10.50	Est. Increase	2.0000%	10 Month \$-Feb 2017 :Sept 2017	179,847.12	200,149.80	0.002155237	Sales	8,083,275.00
New	11.25	Current	0.0305100	Est. Yearly Costs	215,816.54 (10 months * 12)	4.15916%	4.1582419%	DIFF	200,149.80
Diff	0.75	Est.	0.0311202	Est. Increase	2.0000%				
% Diff	7.1429%	Diff	0.0006102	Est. New Year	220,132.87				
		% Diff.	2.0000%						
Rates:		True-up		Non Fuel Energy Chg					
2017	10.50	9 month kwh-Jan 2017:Sept 2017	68,230,291	Est. Increase	2.0000%				
2018	11.25	9 month true-up-Jan 2017:Sept 2017	\$ 69,784.35	Current	0.002950000				
2019	12.00	9 month average	0.001022777	Est.	0.003009				
2020	12.75	Est. Increase	2.0000%	Diff	0.000059				
2021	13.50	New True-Up	0.001043232	% Diff.	2.0000%				

Town of Waynesville
Power Costs
For Year Ended June 30, 2018

What if : Demand Charge of Contract Year 2018 and 0.00% Increase In All Other Areas

FYE June 30, 2018 (Estimated)

Year	CP	Demand Charge	KWH Purchased	Energy Charge	Fuel charges			Peak Shaving Expenses	Non Fuel Energy Chg	Trans-missions Charge	Total	Progress	Sepa Deman Units	Sepa Billed KWH	Sepa Energy Charge	Sepa Avg Cost Per KWH	Total Charges	Avg Cost Per KWH
	Demand Units				Avg Cost Per KWH													
	135,700	1,526,625.00	92,847,000	2,832,761.97	94,961.75	-	-	215,816.54	273,898.65	-	4,944,063.91	0.053249582						

Assumptions:

Demand Charge		Energy Charge		Peak Shaving Expenses		Non Fuel Energy Chg		Results	
Curr.	10.50	Est. Increase	0.0000%	10 Month \$-Feb 2017 :Sept 2017	179,847.12	Diff. from FYE 06/30/2017	131,801.02	0.001419093	Sales 8,083,275.00 1.6305% (FYE 06/30/2017) DIFF 131,801.02
New	11.25	Current	0.0305100	Est. Yearly Costs	215,816.54 (10 months * 12)	2.73886%	2.7379501%		
Diff	0.75	Est.	0.03051	Est. Increase	0.0000%				
% Diff	7.1429%	Diff	0.0000000	Est. New Year	215,816.54				
		% Diff.	0.0000%						
Rates:		True-up		Non Fuel Energy Chg		Est. Increase			
2017	10.50	9 month kwh-Jan 2017:Sept 2017	68,230,291	Current	0.002950000				
2018	11.25	9 month true-up-Jan 2017:Sept 2017	\$ 69,784.35	Est.	0.00295				
2019	12.00	9 month average	0.001022777	Diff	0				
2020	12.75	Est. Increase	0.0000%	% Diff.	0.0000%				
2021	13.50	New True-Up	0.001022777						