

TO: Mayor and Board of Aldermen
FROM: Lee Galloway, Town Manager
DATE: November 1, 2005
SUBJECT: Status Report

It has been an active and busy quarter for various departments within the Town operations, and we have had some challenges which are different and, in an unusual way, exciting. Challenges are often ways to keep us from getting bored and in too much of a rut. I have often said that one of the reasons I enjoy local government is that you never know exactly how your day will go or what new issue you might face each day. No two days are the same, and in that regard, it keeps us on our toes and prevents us from becoming complacent.

PUBLIC WORKS

You will recall that last spring, the Town landfill was found to be in violation of our operating permit. Town personnel had to do a special clean up of the landfill, removing a number of items not permitted in our permit, and special reports were provided the Board to keep it apprised of the situation. During that time, we had to pull employees from a number of public works departments to assist with the clean up, and other work that we had scheduled was placed on the back burner while we frantically worked to get the landfill back into compliance.

Some construction projects at the intersection of Branner, Haywood and Depot Streets were delayed as was the work at the foot of Wall Street where the fountain was formerly located. During the summer and fall, our personnel have resumed work at those areas and for the most part, work is completed on the sidewalks and curbing. Tree planting will follow and add to the effort to calm traffic as well as the beautification of the community.

Our employees at the cemetery were also pulled from their work to assist with the clean up of the landfill; however, they returned to the cemetery and were able to get it back into very good shape, particularly in light of the excessive rains we had this spring. At some recent Town Board meetings, there has been criticism about the appearance of the cemetery, but I have also heard from a number of people who said they felt that the grounds looked better than they had in years.

We are continuing to deal with the issue of tearing open plastic bags of yard waste at the cemetery, and it is taking a tremendous number of man hours to do this. We are in search of various other alternatives to reduce this time demand as it makes it extremely difficult to keep up with the regular work load with the current number of personnel.



Leaf collection season officially began on October 17. In reality, we collect bagged leaves throughout the year, but we only operate our mechanical leaf machines from the middle of October until the middle of January. This has been somewhat of a strange year for leaves, as the color seemed to remain green well into the month due, perhaps, to the dry and warm conditions in September and early October. In my trips to and from Brevard, I noticed very little color, even at the higher elevations, and now, it seems that the leaves simply fell off without much color change at all. There have not been large piles of leaves placed out at curbside so far, but we were trying to collect as much as we could prior to all the goblins and witches roaming the streets on Halloween.

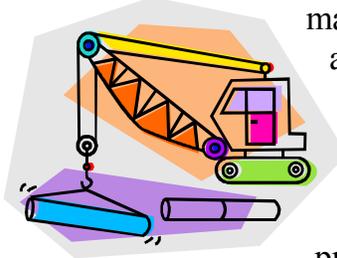
UTILITIES DEPARTMENT

Water and sewer maintenance and construction work has also been in high gear since the commencement of the fiscal year. Over the past few years, we experienced a number of sewer overflows on Brown Avenue and Hazelview Drive. Two years ago, we replaced sewer line in Hazelview hoping that would solve the problem; however, the situation continued. The sewer line in Brown Avenue in front of the Waynesville Middle School was replaced this summer and seems to have corrected the problem.

Work has also been done in replacing water lines on Tarheel Drive where too many houses were connected to a deteriorated galvanized line that was too small for the number of connections. This Board meetings a few months ago, but the work had already been planned by the Department in their funding request for the 2005-2006 fiscal year.

We continue to make replacements of deteriorated

water and in the number of overflows. This is showing up in the flows at the wastewater plant where the volume will increase immediately after a heavy rain but drop pretty rapidly afterward. In previous years, the flows would remain high for several days.



sizable expenditures on water and sewer lines, but we progress in curtailing the loss of

During July, work began on the replacement of the one million gallon reservoir on Reservoir Drive in East Waynesville. The old reservoir constructed in 1925 has been demolished and the ground prepared for the construction of the new, two million gallon reservoir. Depending upon the severity of the winter weather, this water reservoir will not likely be completed until the spring or early summer.

In the early summer, work was completed on the water line to Barber's Orchard, and we began connecting customers to that system. There are still some minor problems to be resolved with low pressure in a small area and the decision on serving a small number of residents on the west side of U.S. 23/74. This system will be owned by Haywood County but maintained and operated by the Town of Waynesville.

Earlier this year, the Town applied for a grant from the North Carolina Rural Center to assist with the extension of a twelve inch water line to operate the sprinkler system at the new facility constructed by Haywood Vocational Opportunities. The Town, County and Haywood Vocational Opportunities joined together to provide the local share of the costs, and the Rural Center awarded a grant of up to \$100,000 toward the project. I am pleased to report that favorable weather conditions during the summer led to a quick construction period by Cooper Construction, and that line was installed and in operation by early August. In accepting the grant, HVO had to pledge to add at least 25 new employees to their operation. By the middle of September, when they began operating from the new, 62,000 square foot addition, they had reached half of that number, and when they had their official open house on October 27, they had achieved the requirement for 25 new employees. We congratulate George Marshall, President of HVO, the Board of Directors and all the employees on a fine project and outstanding addition to our community and the county.

ELECTRIC DEPARTMENT

Our electrical crews have continued to replace power poles on a regular basis as suggested by the system report Associates a few years ago. attempted to replace up to 90 have come very close to doing have also been doing a good bit and limbs which grow toward the number of outages seems to This department has experienced some turnover this year, with one member transferring to the street department and another member transferring to an opening in the purchasing department.

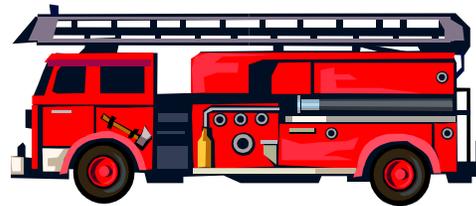


prepared by Booth and The personnel have poles annually, and they so each year. The personnel of trimming back of trees the Town's power lines, and have been reduced this year.

Public Works Director Fred Baker has continued to work with Booth and Associates on the design of the second electrical substation for construction on property the Town owns off Calhoun Road. Work has been concentrated recently on the extension of the main lines from the substation to Howell Mill Road and then tying those lines into the existing system.

We continue to see disturbing news about the present and future costs of natural gas and coal, and we know that this will have an impact upon our electrical costs. As Progress Energy is forced to pay higher costs, they will have no choice but to pass along those costs to their customers, including the Town of Waynesville. And we will have no choice but to pass along those increased costs to our own electric customers. We are doing our best to keep track of the fuel adjustment increases the Town is paying to Progress Energy so that we do not see another decrease in earnings that we experienced in the 2004-2005 budget.

At the meeting of November 22, 2005, our electrical consultant, Kevin O'Donnell, will be on hand to give the Board a review of his activities on our behalf this past year. I have asked Kevin to address the situation with the energy costs and to give us some idea of what we might be experiencing over the next several years. Kevin researches these matters in depth, and I am afraid that the long range picture on energy costs is not what we would like it to be. Wholesale customers such as the Town as well as retail customers on the Progress Energy system (as well as on any other electric company's system) will be seeing electric costs increase as a result. Kevin will have more on this when he visits later this month.



FIRE DEPARTMENT

Members of the Fire Department and the entire city workforce were saddened over the death of Fire Captain Mike Warren on October 14. During the spring of this year, Mike was found to have pancreatic cancer, an aggressive type of cancer for which there is no known cure. He asked to remain on the job as long as he was physically able, and we were more than happy to have him do so. He continued working until late August when he experienced a short stay at the hospital, and he was unable to return on a regular basis. We will miss his loyalty and dedication to the Town and the friendship he showed each of us. In his final six months with the Town, he taught us a lot about living and dying. His wife and two daughters remain in our thoughts and prayers.

In the coming weeks, we will begin our search for a new Fire Captain/Assistant Chief. Fire Chief Bill Fowler has begun to think about retirement, though he indicated that event will be a year or two in the future. In the meantime, it seems wise to begin working toward filling that position by doing some succession planning now. At the meeting of the Board on October 25, this was discussed and the Board was in full support of going in this direction. Human Resources Director Margaret Langston and I will be developing an advertisement for this position and a process for selection as we try to see what candidates might be interested in this position. It is likely that this process will take three or more months, and since we operate with a small number of full-time personnel, I have given Chief Fowler permission to seek a volunteer to hire on a temporary basis to fill this vacancy.

The Town is continuing to work on the location of a site for a new fire station on the north side of Waynesville. We have been in negotiations with one property owner and are working out some of the details of an agreement. We feel that a recommendation may be presented to the Board within the next 60 days.

During August, the Burn Trailer was received by the Department and has been put to heavy use during its first few months here. You will recall that the unit came about due to the generosity of the Waynesville Kiwanis Club which provided \$20,000 toward the cost of the burn trailer. Contributions also came from the Maggie Valley Fire Department, the Saunook Fire Department and the Clyde Fire Department as well as \$200 from Healthy Haywood, and the Town of Waynesville will contribute about \$17,000 toward the unit. The first time the burn trailer was used, over 800 people went through, and if you have not done so already, it is a fun unit to tour. The Department used it extensively during October's Fire Prevention Month, and to date, almost 5,000 people have gone through the burn trailer. The unit is titled to the Town but it is being made available for use in any school or at various public gatherings in the county. We do try to coordinate with the fire department serving the area where the unit is displayed so that they can lead the presentation to the children in that location. The entire county is indebted to the Waynesville Kiwanis Club for their thoughtfulness in donating funds for the Burn Trailer, and we hope they receive proper recognition for this donation.

RECREATION

During the budget work sessions last spring, Board members expressed concern about the amount of subsidy the General Fund must supply the operating budget of the Recreation Department each year. At that time, it was agreed that rates charged for recreation services would have to be raised for the new budget, and approximately 5% was added to all fees beginning in August. These are the first increases since the new recreation center opened in December, 2000, and the initial results have been positive.

We realize that rate increases alone will not be enough to trim the subsidy down to a more acceptable level. A group from the Recreation Directors Association will be visiting our center to assess programming and to analyze rates and fees charged. We are hopeful that this group will be able to offer some suggestions which may be of assistance. We will also be carefully analyzing the Staffing Study which was completed by MGT Consultants and presented in September. There were some measures within that report that will result in some cost savings; however, we want to assess the actual cost in terms of personnel and programming if those changes are made.



As indicated to the Board at a recent meeting, Recreation Director Mike Smith has announced his intention to retire in June, 2006. In a manner consistent with the loyalty and dedication he has shown toward the Town the past 20 years, Mike has given us a substantial lead time to determine the type of recreation director we would like to hire and to bring that person into the position in advance of his departure. During the next few months, we will assess the situation and proceed with advertising this opening to see what candidates are interested in the position.

Work has begun on developing the Greenway route between the Waynesville Industrial Park and the Town of Waynesville. Part of this project includes providing a good loop between the Recreation facilities on Vance Street and the Asheville Road back to Howell Mill Road. In recent weeks, Town personnel have been installing sidewalks in the Marshall Street area and will connect into the sidewalks on North Main. They are also installing handicap access ramps along the route to assure accessibility for those who are confined to wheelchairs. Many years ago, the Town agreed to participate in the construction of sidewalks along the Asheville Road when that project was being planned, and those have been constructed. There was also a plan to tie sidewalk on the Asheville Road to a sidewalk along Howell Mill Road and back to the greenway from Lake Junaluska to Howell Mill Road. This was all part of the plan to help make Waynesville a more walkable community over a period of many years.

WNC Paving will also have the construction of the greenway in the Industrial Park underway this month and this will eventually tie to Howell Mill Road and create another loop and a new access to the Industrial Park. Eventually, this Greenway is intended to run to Haywood Community College and tie to a county wide greenway system in Clyde and Canton. On the other end of the system, there is a goal of running a greenway all the way to the Blue Ridge Parkway at Balsam. It is a far reaching project that will take many years to complete, but the plans are in the works.



POLICE DEPARTMENT

Generally speaking, I do not attempt to report on the Police Department as they have their own monthly report for the Board. I would note that we have gone through a long period of time when we experienced shortages of manpower in this department. We had several retirements take place creating some vacancies and there was a reorganization of the department which was partially related to the Staffing Study. Delays in filling positions occurred as the assessment process took place and promotions were made to new positions. During October, promotions were made official and new police patrol officers were hired so that we are now operating at full strength again. There was a nice article in the newspaper on the promotions ceremony and we extend congratulations to those officers undertaking new posts as well as welcoming the new officers to the Town.

At the last meeting of the Town Board, Mr. Roscoe Wells presented information about radar devices which could be placed in neighborhoods or other areas to indicate if there were vehicles speeding in that area. Earlier on that same day, Mr. Wells had given the same information to Chief of Police Bill Hollingsed. As you will recall, Mr. Wells has been before the Board several times to discuss the problem of speeding vehicles in his neighborhood on Marshall Street. Chief Hollingsed was familiar with the equipment and the firm that manufacturers that equipment. He is seeking more information about the equipment and gathering information from other communities about the success use of the equipment has had.

PLANNING AND DEVELOPMENT

During the past several months, our personnel in the planning department have been spending a lot of time working with developers on a wide range of projects. We are seeing a lot of preliminary plans for residential developments within the town and in adjoining areas. Whether there is a market for between 500 and 900 new residences in the Waynesville area, I do not know, but that is what is on the horizon.



There have also been a number of commercial projects proposed, the most significant being the plans for the former Dayco property in West Waynesville. The Haywood Advancement Foundation has spearheaded this project, working with the company having the property under contract and the planning firm which represents them. There have been a number of meetings to attempt to fit this project into the requirements of our Land Development Standards, but there are challenges in that regard and we are all attempting to work through those issues.

We were pleased to have Byron Hickox join the department as Land Development Administrator on August 1. Byron comes to us after working in Colorado and Georgia during his 9 year career in local government. On his first day on the job, I observed him removing an illegal sign from Pigeon Street, and he has been very diligent in trying to help us reduce the onslaught of these violations throughout the town. Byron will be a real asset to the Town as an employee and his wife and family will be assets to our community. They are residing on Welch Street while they search for a permanent home.

ADMINISTRATION AND PERSONNEL

In September, MGT Consultants presented the Staffing Study and the Pay and Classification Plan to the Town Board and Staff. During the weeks that followed, Human Resources Director Margaret Langston, Finance Director Eddie Caldwell and I worked to determine the cost of implementing the Pay Plan and the available funds in the budget. It was determined that there were adequate funds to implement the recommendations of the study effective with paychecks dated November 18, 2005, and in October, the Town Board gave approval to using an effective date of November 3, 2005.

At the same time the pay plan recommendations are implemented, the Town will begin deducting a small amount from each paycheck of employees who have health insurance on their children, spouse or entire family. Employees who have coverage on themselves will not be required to contribute at this time. Health insurance costs and the portion we will be deducting from employees are shown on the following page.

<u>Type Policy</u>	<u>Total Cost</u>	<u>Employee Contribution</u>		
		<u>Per Pay Check – Annually - % of Cost</u>		
Employee Only	\$4,356	0	0	0
Employee-Children	\$7,404	\$ 25	\$650	8.8%
Employee-Spouse	\$9,144	\$ 30	\$780	8.5%
Employee-Family	\$11,760	\$ 40	\$1,040	8.8%

Town employees will very much appreciate the results of the pay study. I believe that they understand the increasing costs of health care and realize that even with a small contribution toward this expense it is still a great benefit that few other employers offer.

Town Clerk/Administrative Assistant Phyllis McClure has continued to work on the Town's web site with Rick and Debi Hall at CGI. Phyllis is learning more about how to add new features to the web site for the benefit of those using it. Since December, 2004, when the web site first went live, 44,660 people have visited the site, seeking all types of information about the community. We keep arriving at new ideas on how to make this site more useful and informative for the public, but to maintain that requires more and more time. While Phyllis has done a tremendous job on this, this is one of many tasks that an Information Technology person could handle for the Town. That was a recommendation from the Staffing Study, and the time is approaching where this will be a critical need for an organization of our size.

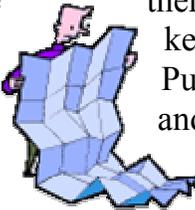


I would also commend Ms. McClure for continuing the distribution of the newsletter to residents and businesses in town. This is a time consuming project and requires a good deal of work on her part in gathering information for the newsletter. I have heard many positive comments from the community about the newsletter, and we appreciate Phyllis' willingness to undertake this challenge.

The annual audit has been completed by Ray, Bumgarner, Kingshill Associates, and a copy has been sent to the State's Local Government Commission for their review. Bruce Kingshill will be appearing at a Board meeting on either November 22 or December 13 to present the results of this year's audit. Initial reports indicate that even with the problems experienced with the fuel adjustment charges in the electric fund, the Town has had a good year overall. We have to commend Finance Director Eddie Caldwell and his staff for staying on top of the Town's finances. But we also must give credit to the Department Heads, Supervisors and employees for their conscientious efforts in being good stewards of the money and materials entrusted to their care.

Alderman Gary Caldwell and I were in Hickory on October 14-16 to attend the annual conference of the North Carolina League of Municipalities. This is the first time that Hickory has hosted the event, and the Host Committee included all of the towns, cities and counties in the Hickory Metro Area. Gary and I agreed that the area went all out to make the delegates to the conference feel welcomed, and I am sure that Hickory will be selected to host the conference again.

During the Conference, new officers were elected by the delegates. The order of succession normally has the First Vice-President moving into the President's post, but not this year, since First Vice-President Charles Worley of Asheville lost his campaign for reelection as Mayor in that city. Second Vice-President Everette Clark of Marion moved into the President's slot, so we still have an elected official from the western part of the State at the helm for the coming year. At the conference, I completed my four year term on the Board of Directors of the League as a representative of the City Managers Association. I enjoyed my service and learned a great deal about the League, but I will not miss those long drives to and from Raleigh six or eight times a year.

During the week of September 23-30, I attended the International City and County Management Association Conference in Minneapolis, Minnesota. This was a great location for us, as my wife is from Minneapolis and her father still resides there. So we stayed with him while there and I drove the five miles to the conference each day. I thought the particularly Robert "Bowling Alone" NPR with tales of about Minnesota,  keynote speakers at the conference were exceptional, Putnam, a Harvard professor and author of the books and "Better Together". Garrison Keilor, a regular on the mythical Lake Wobegon and other stories spoke on the final day of the conference and delighted the crowd of 3,500 with his storytelling.

At the conference, I was also able to take several special classes on "Succession Planning" and "Information Technology". There were sessions on how to gain greater citizen involvement that I found particularly interesting. it seems, we hear from six or eight people who may just be wheels" and we react to them and think that is the opinion entire community. In reality, there is a "silent majority", President Richard Nixon referred to them, that are quite with the way things operate and will give their opinions, asked. We need to figure out how to get them involved in the political process so that people do not allow themselves to be ruled by the vocal minority to the detriment of the silent majority.



Too often, "squeaky of the as the late satisfied but only if

It was a good conference and I was able to earn a number of educational hours toward maintaining my status as a "Credentialed Manager". I appreciate the opportunity that the Town has allowed me to attend the ICMA Conference and to expand and develop my skills as a manager.