

TO: Mayor and Board of Aldermen
FROM: Lee Galloway, Town Manager
DATE: February 5, 2007
SUBJECT: Status Report through February 1, 2007

In recent weeks, I have made two speaking appearances. One was at the annual retreat of the Downtown Waynesville Association and the other was at the Sunrise Rotary Club. For your information and review, I am supplying you with a copy of my comments made at the Sunrise Rotary Club on Tuesday, January 30, 2007. This is a summary of some of the more important events of the past year and a prediction of some of the events expected to take place in the coming year. There is also some commentary on some of the other current activities in town government.

FIRE STATION/POLICE DEPARTMENT

Tomorrow, the Local Government Commission will be meeting to hear the Town's request for financing of the new fire station on North Main Street. This is the final step prior to the start of construction. On Tuesday, February 20, a pre construction meeting is scheduled with Construction Logic, the General Contractor. In addition to the architects, Ms. Pam Hysong, with Rural Development, has to be present. We have some more paper work to submit before the contractor can be issued the notice to proceed, but at this point we are getting very close.



Work on the preparation of the site is nearing completion. I explained to you previously that some additional stabilization of the subsurface had to be done due to the soggy, wet conditions found. In addition to a special foundation pad under the building, the same material was placed under the driveways where the trucks will be entering and leaving the fire bays. Invest Secure is trying to finish up their work now.

Once this project gets off the ground, the architects have scheduled a meeting on Tuesday, March 28, to begin work on the renovations to the police department and the addition for the development office. We have been talking in house about possibilities for relocating the police department while these renovations are underway, but the actual move would not likely take place until late fall or early in 2008.



We have ordered a second appraisal on the piece of property adjacent to the Town parking lot which will allow us to combine all police operations into one facility at the present location. The second appraisal should be back to us around the end of February.

FIRE SMOKE HOUSE

Throughout the 2006 calendar year, the Waynesville Fire Department has transported the Kiwanis Fire Safety House throughout the County for use in educating children in the proper response when there is fire in their homes. In addition to the public schools, private kindergartens and day care centers, the Fire Personnel have demonstrated the Fire Safety House at festivals and street fairs and at various downtown activities. According to a recent report from Fire Chief Bill Fowler, during 2006, 5,150 children went through the Fire Safety House. Chief Fowler extends his thanks on behalf of the Waynesville Fire Department for funding a major portion of the cost of this unit.

ENVIRONMENTAL ISSUES



For the past several months, we have been attempting to spend more time looking at environmental issues and the impact the Town might have on this important area. We have attended a few conferences on these issues and have been somewhat overwhelmed by all the information out there. At the last meeting, the Board approved the resolution to join North Carolina Green Power so that now, citizens may sign up to pay a minimum of \$4.00 per month to help develop alternative energy sources. The \$4.00 is tax deductible and is a small step in helping move our country toward energy independence.

Another issue we have been researching is Green Buildings. As the architects begin looking at the design of the police station and development office, we want them to research the possibilities of adding features to incorporate greater energy efficiency. We are also doing some research on our existing buildings and facilities to see if there might be a way to incorporate alternative energy sources. Again, many small steps may help to bring our nation out of the dependency upon others for energy sources.



We are going to be looking at other possibilities as well, particularly in the area of vehicles and our use of diesel fuel and gasoline. We purchase approximately 50,000 gallons a year of each product, and we are investigating the possibility of bio-diesel as a means of reducing our use of petroleum products. Honestly, the cost may be a bit higher, but if it will break our dependency upon others, we have to make those decisions and get more self reliant.

UTILITY LINES

The Water and Sewer Asset Management Plan that we received from Martin-McGill Associates in January is a valuable document. It is also one that causes me some concerns in terms of our replacing water and sewer lines in a timely manner. It is scary to think of a \$31 million dollar need for improvements to our water and sewer lines and facilities, but that was the estimate which came from the study.

For the past 10 years, the Town Board has increased rates on nearly an annual basis as we tried to increase expenditures on the replacement of lines and facilities. But it seems that the more funds raised the further behind we get. Over the past ten years, we have doubled the amount of money we spend on replacements, but from the study, it is evident that we need to double that amount again and even more. It was worrisome to find that so much of the linear feet in the water system and the sewer system has reached its life expectancy and will have to be replaced in the next ten years. During the budget season, we will be taking a hard look at this situation and trying to shift more money into that area.

In what may be a related issue, during the past few months, we have experienced a number of major water line breaks. During the fall of 2006, the large trunk water line on Russ Avenue split three times. This resulted in major repairs and deep holes to make those repairs. During the late fall, the fourteen inch water line in Auburn Park broke at a joint, sending a large volume of water into a house and doing a considerable amount of damage. And last week, during one of the colder mornings of the winter, the eight inch line on South Main Street split and had to be repaired. When a large line breaks, we see the results almost immediately and the damage is severe. Our water and sewer maintenance crew has a very hard time when breaks of that nature occur, and I tip my hat to them!



We have had additional meetings and discussions with representatives of the Eagle Nest Homeowners' Association. The State has been receptive to funding a sizable portion of the cost of connecting this area to the Town's water system, but the challenge remains in finding a reasonable means for the 31 homes and 32 lots to pay a fair and equitable share of the local share of the cost. We have selected a wide array of options and been in contact with the School of Government at Chapel Hill to seek their advice on a good means of getting the local share of funds together. The engineer has now arrived at a cost of approximately \$1.3 million for this system which includes almost a mile of water lines, two tanks and two pump stations.

TELEPHONE SYSTEM/WI-FI

For more than two years, we have been in discussions with Wynn-Com and Mi-Comm about the installation of a fiber optic system connecting the Town and County facilities. During early January, our new telephone system went into operation, and while there were some problems with the process, the new phones have numerous capabilities that we did not have previously. All of our phones in Town Hall, Police, Fire, Public Works, Hazelwood and Recreation are now the same and are interconnected.

The final leg in this process will be the installation of a WI-FI Network on Main Street and the general area surrounding Main Street. With this new system, an individual sitting in their vehicle on Main Street or on Wall or Montgomery Streets or in businesses or residences in those areas should be able to connect to the wireless system with their laptop computers. This will be a nice asset for our own citizens as well as for visitors to our community.

WHOLESALE ELECTRICAL AGREEMENT

For several months, we have been working with Kevin O'Donnell of NOVA Energy in the renegotiation of the wholesale power supply agreement between the Town and Progress Energy (PEC). The current contract runs through December 31, 2009, but we usually have a new contract in place two to three years before the expiration of the old contract. We started discussions with PEC last spring, but discussions broke off in early summer with PEC asking for a 13.2% increase in the demand charges from the Town.

In early December, we resumed discussions with PEC and suggested a mid-point between what we are now paying in demand charges and what the utility was asking. Mr. O'Donnell and I met with our PEC account representative on January 8 and had a limited discussion about the counter offer we had made. We did, of course, condition our proposal on approval of the Town Board.

Progress Energy has now made another proposal, one that comes very close to the Town's counter offer and which will save the Town several thousand dollars over the six year period of the agreement. Mr. O'Donnell, Alison Melnikova and I will be meeting with the PEC representatives on Tuesday afternoon while we are in the Raleigh area. We believe that we should be able to wrap this up in the next month.



BOARD'S ANNUAL RETREAT

As hard as it may be to believe, another year has passed and we are approaching the time of the Town Board's Annual Planning Retreat. This year's event will be held at the Episcopal Church's Lake Logan Center on Friday, February 23. Coffee and Danish will be available beginning at 7:45 a.m. with the Retreat to begin promptly at 8:00 a.m. We have reserved the facility until 5:30 p.m. Once again, Vicki Greene of the Southwestern Commission and Vicky Wade of Western Carolina University will work with the Town Board and staff in facilitation of the Retreat.

Traditionally, this is a time to discuss long range planning and major issues that have a far reaching or significant impact upon the community. As in previous years, we would ask Board members who have specific issues they would like to see on the agenda of the Retreat to contact me so that we may reserve time for discussion.



SCHOOLS, TRAINING & MEETINGS

On February 7-9, Alison Melnikova and I will be attending the City and County Managers' Winter Conference in the Research Triangle Park in the Raleigh-Durham area. I continue to serve on the Program Committee for this organization and we work to try and make sure these sessions are well rounded, diverse and educational for our members. This will be Alison's first conference of this nature, and it will give her the opportunity to meet and network with a lot of Managers and Assistants from around the State. We will be leaving early on Tuesday, February 6, in order to make a 4:00 p.m. meeting that day with the Progress Energy Representatives. We will be returning to Waynesville on Friday afternoon after the conclusion of the conference.

On Monday, February 12, Alison will join Joey Webb in attending a seminar in Buncombe County on grant and funding possibilities for fire departments and emergency personnel. With the new fire station approximately a year away, we will be looking at several hundred thousand dollars in equipment costs. We also need to face the reality that Unit 1501 is a 1988 fire engine which is nearing the end of its 20 years cycle. It is usually at the 20 year point that fire trucks begin to have serious mechanical problems, ending up with a lot of down time and a lot of expense. Within the next two years, we probably need to be thinking of replacement of this unit. Having Alison and Joey attend this seminar may be helpful in discovering a pot of gold from which they can draw.

On Tuesday, February 13, Alison and I will be attending a seminar in Montreat on ethics in local government. Having the trust of citizens is probably the most important factor in being able to do our jobs as elected and appointed public servants. It never hurts to attend these ethics workshops and be reminded of situations and incidents which can lead to ethical dilemmas.

On Friday, February 16, I will return to Raleigh to attend a meeting of the Finance and Administration Technical Advisory Committee of which I serve as the Chairman. We consider issues in administrative and finance areas and then make recommendations to the main committee on which Alderman Feichter has been serving. I will leave here on Thursday afternoon and return on Friday evening.

