

TO: Mayor and Board of Aldermen  
FROM: Lee Galloway, Town Manager  
DATE: May 4, 2010  
SUBJECT: Status Report through April 30, 2010

Although there have been reports to the Board on specific activities or programs, it has been a few months since you received a combined report on the status of the Town. Once the budget is presented, life returns to normal, or closer to normal, so I wanted to bring everyone current.



## **BUDGET**

It goes without saying that a tremendous amount of time these past two months has gone into the development of the 2010-2011 budget. And while in the process of dealing with next year's budget, we have been constantly attuned to the current budget and the continuing picture of revenues and expenditures for 2009-2010.

As noted in the budget presentation this past Tuesday evening, the revenue picture continues to be weak, with several key revenue sources falling short of expectations. But the bottom line is that we believe a change will begin occurring and the trend will begin to go in the other direction.

On Thursday, April 29, the Western North Carolina Regional Managers held their bi-monthly meeting. As usual, the April meeting is dedicated to the discussion of budget and finance, and about two dozen municipalities and counties were represented. There were a few localities that were trying to include pay increases for employees, but most were seeing another year with no wage increases. Also in the minority were those localities who might be raising property taxes in 2010-2011, and there were only five that mentioned that possibility. Several noted proposed increases in water and sewer rates, with one city raising water rates 15% and sewer rates 35% after losing several textile mills and the accompanying large amounts of revenues. No one noted an increase in health insurance premiums in the 17.4% range that Waynesville expects to see, but as I have noted, the high claims our employees submitted this past year is the cause behind that. Almost every government represented had either eliminated funding of non-profits or were reducing that funding by large percentages in order to continue basic services.

The International City/County Management Association has a Daily Digest of news from cities and counties across the country. There is a section dedicated solely to actions by various governmental units to the financial challenges they face. So many units are cutting positions and many more have decided to furlough some employees, giving time off without pay to make ends meet. Many have eliminated fringe benefits or require employees to pick up more of the cost. Reductions are not restricted to certain areas and no section of these localities appears sacred, with police, fire and education being hit with cutbacks just like streets, sanitation and recreation.

When I read or hear about the challenges others are facing, I am so very appreciative of being in Waynesville and working with the Team here. It is the combined efforts of the Town Board, the Department Heads, Employees and Management that has built the reserves in the various funds to the level they are at, and it is those reserves that we can draw upon to help get our community through these difficult and challenging times. Thanks to each of you for the part you play in putting Waynesville in the position it is in.

### **STREETS AND SANITATION**

What a challenge this spring has been for our Streets and Sanitation Department! Heavy snows and ice storms this past winter brought down a large volume of trees and limbs throughout town. In some cases, property owners brought in tree companies to cut trees and limbs and remove the debris. In other cases, limbs lay in yards all winter, and when the weather warmed, large piles were piled at curbside for Town crews to collect. Our personnel worked hard at the task, but they could not keep up, and it seemed the more we picked up, the more that appeared. We finally reached the point of putting three crews and three chippers out, and it appears that we are finally regaining control of the volume left for us to collect.

Many tree companies and private individuals have been trimming and dumping the debris at street side for the Town to pick up. Daryl Hannah, Superintendent, even caught someone dumping a load of brush along a street in Hazelwood that had been cut in the Bethel area. This is not unusual, and it speaks to the need to find a better way to deal with brush collections. When we have these things occur it puts collections three weeks or more behind. We simply do not have the equipment or personnel to keep up with these volumes, and our service was never intended to provide this level of service. During the coming months, we need to address this issue, for in the new budget, the Streets/Sanitation/Cemetery Departments will be giving up two more positions, and that is on top of the two they lost in 2009-2010.



But in the midst of the brush work, the Street crews have found time to do the renovation work on the Mini-Park at the corner of Main and Depot Streets. This was a project we wanted for several years, but when we made the last budget trims, the Mini-Park never made the final cut. When Richard Miller and the Chef's Table Foundation saw fit to make a \$7,500 donation to facilitate work on the Mini-Park, it gave us the impetus to proceed. The floor and the Bradford Pear trees and the defunct water feature in the park area were removed. New electrical work was done, new trees planted and brick pavers installed, with the pavers taking on some of the same colors as those placed in front of the new Police Department/Development Office/Town Hall. We wanted to get this project completed prior to tourist season so that it might be an attractive spot in the center of downtown.

Street Department personnel have also been busy completing sidewalk projects along North Main Street and Howell Street adjacent to the BB&T Bank Building. In addition, a section of brick sidewalk in front of the Way Inn was in deteriorated condition, and when AT&T was making some pole changes in that area, Town crews attacked the sidewalk project. Again, that was work we did not want to be involved in when heavy traffic returns to Main Street, so we have it behind us now.

### **SOUTH MAIN STREET**

On Tuesday, April 13, the Department of Transportation held a work shop with Town Staff to discuss the feasibility study on changes to the South Main Street corridor. For more than 15 years, the Town Board has had as its top road improvement priority the South Main Street corridor. Last year the DOT finally agreed to a new feasibility study, no doubt encouraged by the large increase in traffic volume after Wal-Mart opened in October, recent meeting, the firm hired by DOT to do on this project various ideas to seek the Town Staff. A suggestions were made Town Staff gave honest terms of what might fly probably not pass engineers will go back board and move to designs with what we agreed would probably be more realistic approaches to the traffic problems between Pigeon Street and Hyatt Creek Road and the Great Smoky Mountain Expressway.



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## **HENDRIX STREET BRIDGE**

Work has begun on the Hendrix Street Bridge and it is expected to continue into the fall of the year. The structure was removed and a new bridge built that is wider and has better approaches to assure traffic safety. Hendrix Street is closed during construction, with traffic routed along Allens Creek Road and South Main Street. No doubt the residents of Hendrix Street appreciate the reduction in traffic and the fact they do not have to contend with speeding traffic with the road closed. While the street is closed, Town crews will construct a sidewalk so pedestrians will be able to walk to the Waynesville Crossing Shopping Center and other businesses along South Main Street. NOTE: Don't worry - we are not building a covered bridge!! This is just one I found in Quebec while on vacation last year.



## **PUBLIC SAFETY**

For many years, the Police Department had a Ford Mustang used as part of the DARE Program. The car had been refurbished and donated to us and has high mileage. It had been a great promotional vehicle but was at the end of its useful life. The department began searching for ways to replace the vehicle, and the possibility of a new Chevy Camaro came to the surface. The department had some confiscated money that it could apply to the purchase price and there were some donations made to help on a new DARE vehicle, but it was Anderson Auto that made it all possible. That firm provided a significant discount on the pricing and the DARE Camaro should be on the road and fully operational soon. Thanks to all involved!

The new fire truck has been ordered and it is expected that manufacture should take seven to eight months. Chances are that the Pierce model truck will be on hand by late October or early November. The truck, which will come from Triad Fire, Inc., of Kernersville, has a cost of \$342,543 and will have an additional \$47,549 worth of various pieces of equipment. The total cost of the unit, including radios, tax and license tags will be about \$397,542.

Last year, the Fire Department noticed the water tank on the 1988 Fire Truck was leaking some. The 2009-2010 budget included funds to replace the tank on this truck. When the new Pierce truck is received, the 1988 unit will go to second line but will still support the front line units, a 1998 KME and a 2010 Pierce. So it was certainly necessary to have a tank on this unit that did not leak. The 1988 truck is back with a new plastic water tank which should not leak during the remaining life expectancy of this truck. While our truck was away for repairs, the Clyde Volunteer Fire Department graciously loaned Waynesville one of its older units to assure that we had adequate equipment to meet community needs. We are certainly appreciative of the cooperation and assistance from one of our fellow departments in the county!

## **BUILDING ISSUES**

### **Fire Station**

As many of you are aware, the new fire station roof suffered some type of structural problem during the snow fall in December, 2009. At this point, the cause of the problem has yet to be determined, though the architect and the structural engineer on the project have been to the site several times to look at different possibilities/theories on the damages to the roof. At this point, what is known is that the roof beams appear to have dropped a few inches and that, in turn, has caused the metal roofing to drop as well. The effort underway has been to determine the cause of the drop and the extent of the damages. Once that is known, the remedy may be found. The contractor's insurance company has been put on notice as to the problem in the event it is necessary to go against them in correcting the situation.

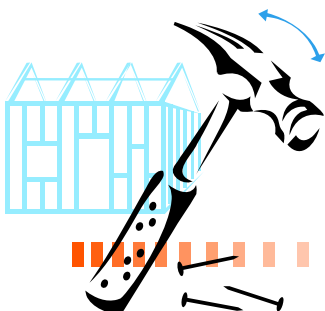
### **Police Station/Development Office/Town Hall**

The only problem of which we are aware and which seems to persist are leaks onto the ceiling tiles. (Must be the year of the roofs!) Since the building was completed, there have been a number of leaks in various sections of the building, and it was never quite clear how the water was entering the building. Earlier, there was thought that the water may be somehow coming through the heat/air systems installed on the roof, and that seems to have been corrected. Now, the sole leak of which we are aware is above the kitchen and lady's restroom on the second floor, and that appears to be related to the exhaust fan from the restroom. The subcontractor has been very responsive to trying to determine the cause and to make corrections.

## **HAZELWOOD RENOVATIONS**

Construction plans have been received for the renovations to the Hazelwood Office. The plans were prepared by Randy Cunningham's firm, Mountain Design, and the bid date is proposed for Tuesday, May 18. We are in hopes that the Board will be able to award the contract at the meeting on Tuesday, May 25, with construction to begin soon thereafter. Our goal remains to have the renovations completed and have the Finance Department in full operation at the Hazelwood Office by August 2, but that assumes every- thing falls into place perfectly. A more realistic schedule may push the work into mid-August before the transfer to Hazelwood is in operation.

The drive-thru at the Hazelwood Building will be closing on May 10 to allow Eddie Ward a month to work with Freida Rhinehart in learning the job as Administrative Assistant with the Development Office.





## **SPEAKING OF THE FINANCE DEPARTMENT.....**

We are proud of our Tax Collector, James Robertson, in being selected as the Tax Collector of the Year for 2010. This award comes from the North Carolina Tax Collectors Association based upon nominations received from other collectors or representatives of the community in which the collector works. For the staff of the Town of Waynesville, it gave us great pleasure to nominate James for this award, and I know the Town Board joins us in offering our congratulations. James was appointed Tax Collector in July, 2000, and during the ten years he has served in the position he has shown a sincere dedication to increasing the collection percentage. At the same time, he has made a sincere effort to work with people, being as accommodating as possible in helping them find a pay plan that they can live with but which still gets the taxes paid. Previously, in 2001, James was selected as Employee of the Year for the Town of Waynesville. We thank James for the outstanding job he does and congratulate him on this latest award!



## **ARBOR DAY IN WAYNESVILLE**

On Friday, March 19, Arbor Day was celebrated in the Vance Street Park. Horticulturalist Jonathan Yates and his student assistant, Cody Mathis, hosted a number of elementary students and talked about the importance of planting trees. Also on hand was Southern Tree Care which provided instructions on proper tree trimming and maintenance. It was a very informative morning and a number of new trees have been planted in keeping with the Town's commitment to Arbor Day ideals. In addition to extending the Tree City designation, the Town received an Arbor Day Foundation Growth Award and has been honored for this accomplishment. Thanks to Jonathan for his work in gaining the initial Tree City designation for the Town and his ongoing efforts to maintain and expand that recognition.

## **WATER GRANTS HELPFUL**

Since 2008, the Town has received several grants for water system improvements. The Eagle Nest Project received \$1,000,000 for over two miles of water line, water tanks and pump stations on Eagle Nest Mountain. The private water system will become part of the Town system when completed this spring.

When the stimulus money was first dispensed, Waynesville was not included, but we persisted in seeking funds from the American Recovery and Rehabilitation Act and \$904,000 was awarded in a combination of grant/loan. This will provide new water lines on Dayton Drive from Russ Avenue to Boyd's Drive-in former location on Dellwood Road and replace 1,000 feet of two inch water line in Mauney Cove. Other ARRA funding will fund the replacement of over 7,000 feet of deteriorated water lines in various parts of town and replace 1,000 water meters, many of which will be remote read meters. Under this grant, 50% should be a forgiveness loan, meaning that the debt will be erased once the project is completed. The remaining 50% of the cost will be financed at 2 ½ % interest over 20 years, with payments of about \$28,000 annually.

Notification was received that the Rural Center for Economic Development has awarded the Town a grant of \$213,000 to assist with more water line work in the Dellwood area. This grant will to assist with extending the water line from the old Boyd's Drive-in to the Queens Farm, completing the connection between the Waynesville and Maggie Valley Sanitary District water systems.

All this construction will help in addressing some of the problems we have with our water system and cut into that \$31 million in needs that was identified in a 2007 report. But the work also creates or maintains jobs for construction companies in our area, and we are particularly pleased to see that happen.

## **EDUCATION AT THE FOREFRONT**

This spring it seems that education was at the forefront for everyone. In March, Management, Department Heads and Supervisors participated in a motivational seminar called "Motivation by Chocolate", led by Denise Ryan from Raleigh. This was a seminar based upon the different management styles of leaders in the chocolate manufacturing - Nestle, Hershey, Fields and Mars.

Alderman Wells Greeley attended the Leadership School for Newly Elected Officials in Asheville in March. Alison Melnikova joined him for the sessions and both reported that they were helpful. While attending the School, Alderman Greeley received the state mandated ethics training course.

On Tuesday, April 13, Mayor Brown and Aldermen Elizabeth Feichter, Gary Caldwell and LeRoy Roberson, attended the Ethics Training Session held at Waynesville Inn, offered as part of the regional meeting of the County Commissioners Association which included the Ethics session on the agenda.

On April 20, Mayor Brown and Assistant Manager Melnikova attended the Regional Meeting of the League of Municipalities in Asheville. This meeting is held to help local officials understand and become aware of the issues that the General Assembly will likely face in the upcoming session.

On Thursday, April 29, Finance Director Eddie Caldwell, Assistant Manager Melnikova and Town Manager Lee Galloway attended the Regional Managers meeting in Asheville. The April meeting of this group is dedicated to a discussion of the budget situation in each of the localities represented. There were roughly 24 municipalities and counties represented and few had much good news to report. Most were like Waynesville, trying to find ways to deal with a decline in revenues and increases in expenditures. Few units were planning tax increases, but most were expecting increases in water and sewer rates. Wage increases were unlikely in most localities, and a goodly number of units were trying to avoid furloughs, layoffs or reductions in force.

### **WATERSHED REMAINS ACTIVE PLACE**

There continues to be great interest in the Allens Creek Watershed. On Saturday, April 24, the annual Spring Hike was conducted in the watershed. Assistant Manager Alison Melnikova coordinated the outing which was led by Dr. Peter Bates of Western Carolina University and Mr. Don Hendershot, a local columnist very interested in plants and birds. It was a very nice day for the outing and they avoided the snow encountered during last fall's hike. The picture below came from Larry Thompson who participated on April 24.

On Monday, May 3, the AmeriCorps group in Western North Carolina held an outing in the watershed area. The Town Manager spoke with the group about the history of the watershed. Rob Lamb of Forest Stewards gave a presentation on the work of his group on the Forest Management Plan for the watershed. Biologist Josh Kelly gave a report on the various animal and plant life in the watershed. The group of approximately 20 young adults participates in the AmeriCorps Program, a program that places interested people with non-profit groups, primarily in the education or environmental field. In the afternoon, the group went into the watershed to learn more about the work of Dr. Bates and Mr. Lamb with the Town in the stewardship program.

During the summer, a group from the Soil and Erosion Conservation Council will be meeting in Haywood County and a tour of the watershed is included as part of their meeting.

One of the Town's goals with the watershed is that it be used as an educational tool. Groups from Western Carolina University, Haywood Community College, local high schools and middle schools and other private and public organizations have had programs at the watershed.





## **MANAGER OUT OF OFFICE**

I will be out of the office on Wednesday, May 5 until Monday, May 10 in connection with the wedding of my son in Tallahassee, Florida. Nancy and I will leave Waynesville on Tuesday afternoon and drive to Athens, Georgia, and then on to Tallahassee on Wednesday morning. There will be a rehearsal and dinner on Friday evening and the actual wedding is Saturday, May 8, at 4:00 p.m. Zach is marrying a lady that he met in graduate school at Florida State where both received degrees in Planning and Community Affairs. They both work for the City of Tallahassee, Zach as a Senior Planner and Ellen in the Affordable Housing Program.

We have a brunch to attend on Sunday morning and hope to leave for Waynesville in the early afternoon. It is about a 9 hour drive back here and we expect to arrive late Sunday evening. I should be back in the office after lunchtime on Monday, May 10.

Nancy and I are very excited about the wedding and feel they are a perfect match. I am honored that Zach asked me to be his best man, but then he served in that role for me when Nancy and I married in 2003.

