

REGULAR MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
JUNE 9, 1998
TUESDAY - 7:00 P.M.
TOWN HALL

The Board of Aldermen held a regular meeting on Tuesday, June 9, 1998. Members present were Mayor Henry Foy, Aldermen Gary Caldwell, J. Kenneth Moore, Sam Wiggins and James Williamson. Also present were Town Manager A. Lee Galloway, Town Clerk Phyllis McClure and Town Attorney Michael Bonfoey. Mayor Foy called the meeting to order at 7:04 p.m.

Approval of Minutes - May 26, May 28 and June 4, 1998

Alderman Caldwell moved, seconded by Alderman Moore, to approve the minutes of the May 26, 1998 meeting as presented. The motion carried unanimously.

Alderman Wiggins moved, seconded by Alderman Caldwell, to approve the minutes of the May 28 and June 4, 1998 meetings as presented. The motion carried unanimously.

Public Hearing - Fiscal Year 1998 - 1999 Budget

Town Attorney Bonfoey opened the public hearing regarding the proposed Fiscal Year 1998 - 1999 Budget, totaling \$17,388,903. No one spoke; Attorney Bonfoey closed the public hearing. No action was taken.

Public Hearing - Input Regarding Close Out of the Community Development Block Grant Scattered Site Housing Rehabilitation Project

Mayor Foy said that the Town is in the process of closing-out the 1994 Community Development Block Grant Program. During this project the Town received \$498,740 in Community Development Block Grant funds, \$410,000 in Housing Preservation Grant monies and the Town allocated \$50,000 for housing repairs. With these funds, and in partnership with Mountain Projects, the Town has rehabilitated 28 deteriorated, owner occupied dwellings and provided a new, replacement housing unit for one family. Approximately 70 individuals received assistance.

Attorney Bonfoey opened the public hearing. No one spoke; Attorney Bonfoey closed the public hearing.

Alderman Williamson moved, seconded by Alderman Moore, to close out the 1994 Community Development Block Grant Program. The motion carried unanimously.

Public Hearing - Annexation Request for 1697 Crymes Cove Road - James and Esther Rosier

Attorney Bonfoey opened the public hearing regarding a request by James and Esther Rosier for voluntary annexation of their property located at 1697 Crymes Cove Road. No one spoke; Attorney Bonfoey closed the public hearing.

Alderman Williamson moved, seconded by Alderman Moore, to adopt an ordinance annexing the property located at 1697 Crymes Cove Road, owned by James and Esther Rosier, effective June 9, 1998. The motion carried unanimously. (Ord. No. 14-98)

Citizen Comments - Jack Wadham - Frog Level Area - Loitering, Panhandling, Etc.

Mr. Jack Wadham asked to speak to the Board of Alderman regarding several issues in the Frog Level Area. Mr. Wadham requested that the Town mow and maintain the property located along the railroad tracks in Frog Level, adding that this area collects debris, trash, clothing, etc., and that election signs are still up. Mr. Wadham said that he has asked a number of times for the Town to maintain this area but that this has only been done one or two times. Mr. Wadham expressed concern regarding danger associated with some railroad iron located on Commerce Street. Alderman Williamson agreed that the railroad ties do need to be moved from the Commerce Street area.

Mayor Foy said that at one time the Town tried to get some work done on Commerce Street but could not get a commitment from the Railroad. Alderman Wiggins suggested that the Town make an appeal to the Railroad. Mayor Foy said that this would be a good location for a parking area. It was the consensus of the Aldermen to have Town Manager Galloway investigate this matter to see what can be done.

Mr. Wadham said that Police Sergeant Mark Banks had given him copies of the North Carolina General Statutes and Town Ordinances dealing with issues such as behavior in public places, begging, loitering and drunk and disruptive conditions. Mr. Wadham asked that the Town develop more stringent ordinances regarding these issues in order to have more control.

Alderman Moore said that the Town can't go beyond what the State tells them that they can do. Alderman Moore added that as a result of his experience as a former Police Chief, he knew that an officer can't arrest someone for drinking alcoholic beverages unless they are being disruptive or interfering with the flow of traffic. Alderman Moore said that an officer can provide any medical assistance needed or take the person to jail where they would have shelter and food.

Mr. Wadham said that there have been people at several businesses in the Frog Level area begging for money, adding that panhandling should not be going on. Alderman Williamson told Mr. Wadham that if this was going on and interfering with the businesses that he should call the Police Department. Alderman Wiggins said that the Town has a responsibility to enforce the ordinances that it has. Mr. Wadham said that sometimes the response time from the Police Department to this area takes too long. Alderman Williamson said that if the response time from the Police Department was more than five minutes that he should call Town Manager Galloway.

Mr. Wadham requested that the Town install a street light at the end of the alleyway on Commerce Street, adding that a pole was already in place and he thought that this area was at one time a public street. The Board asked Town Manager Galloway to see if the Town could place a street light at this location.

Mayor Foy said that four to five years ago, the Town tried to get business owners in the Frog Level area to get together and beautify this area. Mr. Wadham said that when the property owners found out that benches were proposed to be put in this area, they were concerned that people would just come and sit around in this area and they did not want that. Mayor Foy said that the Town should do what it could to help revitalize the Frog Level area.

Representatives of Thermal Products, Inc., - Presentation of a Resolution for Consideration by the Mayor and Board of Aldermen

Several representatives of Thermal Products, Inc., WNC Finance Authority, and their attorneys attended the meeting to request the adoption of a resolution by the Board of Aldermen, approving the formation of the WNC Finance Authority and the form of the revenue bonds to be issued.

Asheville Attorney Larry Harris, representing WNC Finance Authority, said that the WNC Finance Authority, a non profit corporation, was formed for the purpose of financing ten million dollars in bonds for Thermal Products, Inc. Attorney Harris said that several issues are needed: 1) A unit of government is required to be a beneficiary of the facility, 2) a unit of local government must approve the creation of this nonprofit corporation and the issuance of the bonds; and 3) once the bonds are paid, the property becomes the property of the Town of Waynesville should the Town want to accept it. Alderman Wiggins asked if the Town becomes a partner with the approval of WNC Finance Authority. Attorney Harris said that the Town does not issues the bonds, nor is the Town's name on the bonds, and that Sun Trust Bank is the trustee.

Mr. Richard Heagy, Senior Vice-President of Transcon Financial Group, said that in the event of default, the normal outcome is that the trustee accommodates another willing party to lease the property. Mr. Heagy said that the Town's beneficial interest stays in place, however, the Town has the right to refuse the gift and could transfer their beneficial interest to Thermal Products. Alderman Williamson asked whose responsibility the property was after the thirty years if the Town refused the property. Attorney Harris said that language could be added to their documents stating that the Town does not have to accept the property and that he could clear this with the Town Attorney before the bonds are issued.

Mayor Foy expressed concern that the Town presently has a good credit rating, and if Thermal Products fails, it could place the Town's credit rating in jeopardy. Attorney Harris said that there was no way that the Town's credit rating could be affected by this.

Town Manager Galloway expressed concerns regarding the tax status of bonds, foreclosure by default of the bonds, along with other concerns.

Attorney Reed Williams, representing Thermal Products, said that there was no liability for the Town and that the Town's credit rating will not be impaired. Attorney Williams said that there were environmental concerns at this location because of a leak that Dayco had several years ago and that Dayco is obligated to monitor this site. Attorney Williams added that Dayco has spent a considerable amount of money for cleanup of this leak.

Alderman Wiggins said that he was familiar with this leak and that Dayco is only responsible for contaminants that are known. Alderman Wiggins expressed concern with the possibility of other contaminants which are unknown and may be present at the former Dayco site and who would be responsible for them.

Attorney Williams said that Thermal Products plans to hire 500 persons over the next three (3) years. With the creation of these jobs, Mr. Williams said that people could continue to live in Waynesville, the Town's credit will be enhanced, and at the end of thirty years if the Town does not want the property, Thermal Products will be happy to continue their operation.

Mr. Heagy said the adoption of the proposed resolution is not the end of the process. Approval must still be granted by the CAP authority from the State. Mr. Heagy said that his firm is in a position to do partial funding on a taxable basis for Thermal Products if approval is given from the Town by adoption of the proposed resolution.

Alderman Wiggins raised the issue of the State Revenue Bonds that Haywood County was floating. Mr. Heagy said that the State required a thirty-year letter of credit which would cost several million dollars to carry and the decision was made not to carry the thirty-year letter of credit. Mr. Heagy said that Thermal Products has a revolutionary product with a very good future and he felt that this product will succeed, adding that Thermal Products has an important innovation in hot water heaters, with water heated by agitating molecules. Mr. Heagy said that this is a new technology and he firmly believes that it has tremendous potential.

Mr. Charlie Park, in charge of manufacturing at Thermal Products, said that his company is ready to begin production and that they have received a large order from Europe, however they cannot begin production until money is deposited and the products are located in a bonded warehouse, then they can start drawing off the deposit.

Alderman Wiggins moved, seconded by Alderman Moore, to delay action on this request, until Town Attorney Bonfoey can research this issue with the Local Government Commission and get answers to questions that the Board has regarding the four corporations involved in this issue, the Town's obligation to the citizens of Waynesville, and other concerns. The motion carried unanimously.

Budget Ordinance Amendments

Finance Director Eddie Caldwell presented an ordinance which represents "house cleaning items" to adjust revenues and expenditures in various departments. The reasons for these adjustments vary from the addition of extra personnel due to illness, to pay for items supplied by grant funds and increased donations to outside agencies.

Alderman Caldwell moved, seconded by Alderman Williamson, to adopt Amendment #2 to the 1997-1998 Budget Ordinance. The motion carried unanimously. (Ord. No. 15-98)

Finance Director Eddie Caldwell presented a resolution representing Amendment No. 1 to the Financial Operating Plan for Internal Service Funds from which the Town operates the Garage and the Public Works Funds. An employee was being paid from the Public Works Budget and is now being paid from the Garage Budget. Also, the new roof at Public Works Building will be installed beginning later this month.

Alderman Williamson moved, seconded by Alderman Moore, to adopt the resolution representing Amendment No. 1 to the Financial Operation Plan for Internal Service Funds. The motion carried unanimously. (Res. No. 9-98)

Waynesville Recreation Center - Approval for Grading

Mayor Henry Foy said that contracts have not been awarded on the Recreation Center and may not be awarded until mid-July. In order to avoid falling behind schedule, it was suggested that grading begin off Howell Mill Road for the new Recreation Center. Mayor Foy has conferred with McConnell Construction and they have advised that the cost of grading, erosion control, storm drainage and seeding all sloped areas would be \$316,284. The firm would give the Town full credit for this amount against the total bid price on the project.

Alderman Moore moved, seconded by Alderman Caldwell, to allow grading to begin off Howell Mill Road for the proposed Recreation Center. The motion carried unanimously.

Adjournment

There being no further business, Alderman Williamson moved, seconded by Alderman Moore, to adjourn the meeting at 9:34 p.m. The motion carried unanimously.

Phyllis R. McClure
Town Clerk

Henry B. Foy
Mayor