

REGULAR MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
JUNE 27, 2000
TUESDAY - 7:00 P.M.
TOWN HALL

The Board of Aldermen held a regular meeting on Tuesday, June 27, 2000. Members present were Mayor Henry Foy, Aldermen Gavin Brown, Gary Caldwell, Libba Feichter and Kenneth Moore. 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 7:00 p.m.

Approval of Minutes of May 15, 16 and June 13, 2000

Alderman Caldwell moved, seconded by Alderman Feichter, to approve the minutes of the May 15 and 16 and June 13, 2000 meetings as presented. The motion carried unanimously.

Adoption of Fiscal Year 2000-2001 Budget

Town Manager Galloway presented the budget ordinance for Fiscal Year 2000-2001. Manager Galloway said that this year's budget totals \$19,359,657. It absorbs a 5% increase in health insurance for the Town's employees and shifts savings into the General Fund so that not as much needs to be transferred from the Electric Fund. The budget includes a 5¢ tax increase, which Manager Galloway pointed out is the first tax increase since 1992. The tax increase will allow the addition of a planner and funds for a Land Use Study to plan for the future and to make sure that the Town is ready for growth. It also includes the first payment for the Community Development Block Grant matching funds and will allow money for a skateboard park. Manager Galloway said that the Town has several major expenses at the Wastewater Treatment Plant. A sludge belt press - \$350,000; replacement of old sewer lines - \$750,000, screw pumps - \$240,000. These require an increase of 5% in sewer charges.

This budget allows a reduction in electric rates for business customers which will cost the Town approximately \$65,000. Manager Galloway said operating costs are included for the new Recreation Center, which once complete, will be one of the finest facilities in this area and possibly in the southeast.

Alderman Kenneth Moore expressed concerns with the 5¢ tax increase. Alderman Moore said that he could not vote for the tax increase for several reasons. First, he said that the timing was wrong. Another reason is that in 1995 the Town had 2.4 million dollars in surplus, and by December 1999, this amount had increased to 3.9 million. Alderman Moore attributed this to careful budgeting by Finance Director Eddie Caldwell and Town Manager Lee Galloway. Alderman Moore also opposed the tax increase due to the loss of jobs and industry over the past few years, and the fact that there are many elderly residents in Waynesville on fixed incomes who cannot afford the increase.

Alderman Moore said that the new Recreation Facility should be self supporting without the tax increase. He said that the Town should depend more on voluntary annexations rather than a tax increase for additional funds.

Alderman Brown asked if the cash available was surplus cash. Finance Director Caldwell said that the amount referred to by Alderman Moore is the total cash that the Town has after subtracting the Town's obligations. However, Mr. Caldwell said that the Town has several obligations which are to be paid over the next several years such as the \$404,000 yearly payment for the next twenty years on the new Recreation Center, the \$50,000 obligation for a new fire truck for the next five years and a \$96,000 yearly payment for the next ten years at the Wastewater Treatment Plant. Mr. Caldwell also pointed out that the Town will need to spend approximately one million dollars for a new Chlorine contact tank.

Town Manager Galloway said that the budget has grown from approximately twelve million dollars eight years ago to nineteen million dollars this year. Part of this is due to the merger of the Towns of Hazelwood and Waynesville. Finance Director Caldwell said that the State requires that the Town keep 8% in fund balance. The State does not require that a certain percentage be kept in the enterprise fund; however, a substantial amount is needed for projects.

Town Manager Galloway said that the Town's transfers from the Electric Fund to the General Fund have grown from \$500,000 in 1995 to \$1,230,000 in 1999. The 2000-2001 Budget cuts the transfer to \$1,089,875, as the Town tries to reduce its dependency upon the Electric Fund. He added that a large amount of the Town's cash is obligated and will be spent on several projects.

Alderman Feichter said that she did not want the tax increase to be blamed on recreation. It is felt that once complete, the new Recreation Center should be self-supporting. Mayor Foy said that voluntary annexation will not bring in additional income. A tax increase has been delayed as long as possible and the Town needs to progress without allowing infrastructures to fall further behind.

Alderman Brown agreed with Alderman Moore that a large number of elderly residents live in Waynesville. According to statistics, approximately 1/3 of the population in Waynesville is over the age of 55 years. Alderman Brown said that it is important that the Board consider all people in Waynesville who will be affected by the tax increase. Alderman Brown added that when Haywood County completes the reevaluation in two years, the tax increase should be evened out more fairly.

Alderman Brown moved, seconded by Alderman Feichter, to adopt the budget as proposed in the amount of \$19,359,647. The motion carried with four (4) ayes (Brown, Caldwell, Feichter and Foy) and one (1) nay (Moore). (Ord. No. 11-00)

Budget Amendments for Fiscal Year 1999-2000

Each year there are expenditures which are not anticipated or which are carried over from a prior fiscal year. Under State mandated accounting principals, the actual expenditures in any department may not exceed the amount of money allocated for those expenditures. Finance Director explained the recommendations to increase funding to those departments which are overspent.

Alderman Caldwell moved, seconded by Alderman Feichter, to adopt Amendment #3 to the 1999-2000 Budget Ordinance as recommended. The motion carried unanimously. (Ord. No. 12-00)

Resolution on Financial Operating Plan for the Two Internal Service Funds

Finance Director Eddie Caldwell presented a resolution regarding a financial operating plan for the 2000-2001 fiscal year for the Town's Garage and Public Works Building Operations.

Alderman Brown moved, seconded by Alderman Moore to adopt the resolution establishing a financial operating plan for the two internal service funds. The motion carried unanimously. (Res. No. 8-00)

Ordinance Levying a Tax on Gross Receipts Derived From Retail Short-Term Lease or Rental of Vehicles

Town Manager Galloway said in the past there has been problems in determining the site for the taxation of rental vehicles. The State of North Carolina realizes the problems encountered. In order to eliminate the problem, it has been suggested that dealers which lease vehicles simply pay a tax based upon the gross receipts of the business. The current session of the General Assembly has just passed legislation to permit this. A draft ordinance was prepared by the North Carolina League of Municipalities based upon the legislation which has been approved by the General Assembly.

Alderman Brown moved, seconded by Alderman Caldwell, to adopt the ordinance levying a tax on gross receipts derived from retail short-term lease or rental of vehicles. The motion carried unanimously. (Ord. No. 13-00)

Jean Knight - Complaints Regarding High Sewer Rates, Signs, Dilapidated House

Jean Knight, 174 Hazelwood Avenue, Waynesville, said that she did not think that the Town's budget included anything to help Hazelwood. Ms. Knight said that she paid as much in taxes as anyone else and felt that Waynesville should lower their sewer bills to help the elderly residents. Ms. Knight felt that Waynesville should charge higher rates to those residents in the Lake Junaluska and Laurel Ridge areas. She also asked the Board to ride through Hazelwood Avenue and look at the sidewalks which she felt were in need of repair and streets that need to be paved. Ms. Knight said that Main Street has beautification projects, but did not feel that Waynesville tried to beautify Hazelwood.

Ms. Knight said that the house beside her is an eyesore, with the house being dilapidated with overgrown weeds causing opossums and large rats to occupy the property. She asked if there was anything that the Town could do about the property.

Ms. Knight was upset that the Hazelwood First Baptist Church was asked to remove signs informing the public of a "Jubilee" scheduled in the month of June and that a yard sale sign posted on a utility pole at Hazelwood Avenue had not removed by the Town.

No action was taken.

Residents to Speak on Water Situation in Ivy Hills Area

Kenneth Smith, 392 Lynwood Drive, in the Forest Park Area of Ivy Hills, said that he has been having a water crisis. Mr. Smith said that he moved into this house in September 1999 and the water pressure was good until April or May of this year, and on some days he has no water at all.

Town Manager Galloway said when the homes were recently built in this development, the developer was told that there would be water problems in this area. Manager Galloway said that the State requires that there be 30 pounds of pressure at the water meter. In this situation, the water pressure is adequate at the meter. However, when the homes are located above the water meter the

pressure drops.

Karen Cook, 360 Lynwood Drive, said that she is Mr. Smith's daughter, and that one home is located between her home and her father's. On days when her father does not have water she still has water, but the pressure is low.

Town Manager Galloway said that there are several issues which the Town is dealing with at this time regarding this situation. The Town sells water to the Lake Junaluska Assembly. The Assembly recently took a 75,000 gallon water storage tank out of service without informing the Town and began pumping water directly out of the Town's line. The Town has since met with the Assembly and they are in the process of attempting to correct the situation with their elevated storage. Another issue is the installation of a new, larger water line from Knollwood Drive to Sylvan Drive. The Town is currently in the process of attempting to obtain the necessary right-of-way for this project. There are two property owners who have not given the Town the right to cross their property with this line and there is a possibility that these properties may have to be condemned.

Manager Galloway apologized for the recent problems with the water. He added that the Town recently changed their policy and now requires 30 pounds of pressure at the house, rather than the meter. Board Members assured the residents that once the water usage at the Junaluska Assembly is reduced at the end of their season the water pressure will increase. And by this time next year, the new water line should be installed from Knollwood Drive to Sylvan Drive and the problem should be corrected. Alderman Feichter added that a considerable amount of time and effort has been put into this situation over the past several weeks.

Bruce Mull - 422 Riverbend Street

Mr. Bruce Mull attended the last Board meeting but had not reserved a spot on the agenda as required under the policies adopted by the present Board; therefore, he was not allowed to make a presentation but advised to schedule a spot and return to the meeting on June 27.

Mr. Mull's property is located on Riverbend Street behind Cline Bradley Hardware. A few years ago, Mr. Mull was allowed to rebuild his home at the site, but since it was in the 10-year floodway, he was required to remain in the original footprint of the house. Mr. Mull now wishes to construct a porch onto the home, and since it is in the 10-year floodway, the Planning and Zoning Director did not feel he could issue a building permit. He felt it would be in violation of the rules and regulations that the Town Board adopted when they voted to join the flood insurance program.

Mr. Mull said that he was granted approval three years ago to rebuild his home at Riverbend Street and he now wants to build a porch onto the house.

Mayor Foy said that he has spoken with the Planning and Zoning Director and informed that Mr. Mull could only build the house on the original footprint since the Federal Law prohibits adding onto the house. Mayor Foy said that the only people who give permission to add onto a home located in the floodway is the Army Corp. of Engineers in Asheville. He added that the Board of Alderman does not have authority to grant permission for Mr. Mull to add onto his home.

Mr. Mull was very irate when he left the meeting and said he would build a porch onto his house this weekend and "baptize" anyone who came to tell him that this could not be done.

Resolution of Appreciation - Beverly Guy

Ms. Beverly Guy will retire from her position of Tax Collector on June 30, 2000. In addition to her role as Tax Collector, Beverly has managed the Hazelwood office since the date of merger on July 1, 1995. She has served the Town in a variety of positions, beginning in the Recreation Department in 1972, transferring to the Finance Department in the early 1980's and working her way up through the ranks to the position of Tax Collector.

Throughout her service, she has been a good and faithful servant of the citizens of Waynesville, loyal to her employer and a good steward of public funds. In 1992, she was recognized by her fellow employees as the Town's Employee of the Year.

Alderman Moore moved, seconded by Alderman Feichter, to adopt a resolution of appreciation for Beverly Guy. The motion carried unanimously. (Res. No. 9-00)

Audit Contract Ray, Bumgarner, Kingshill & Associates

Town Manager Galloway said for a number of years, the firm of Ray, Bumgarner, Kingshill & Associates has performed the annual audit for the Town of Waynesville. Traditionally, the Town has been in a three-year contract with that firm, and the current time frame expired with the audit for the year ending June 30, 1999.

The proposal for a three-year audit contract from Ray, Bumgarner, Kingshill & Associates calls for an increase of 5% annually. Finance Director Eddie Caldwell and Town Manager Lee Galloway have discussed the auditing work, and both have been very pleased with the performance of this firm for many years. Bruce Kingshill, the partner in charge of the Town's account has always been readily available to assist the Town in any financial related matter. He also assisted in finding an individual to help in evaluating proposals for software and hardware for the new computer system installed in the Finance and Administrative Sections. It is recommended that the firm of Ray, Bumgarner, Kingshill & Associates be awarded the contract for the audit of town records for the fiscal years ending on June 30, 2000, 2001 and 2002.

Alderman Moore moved, seconded by Alderman Caldwell, to award the contract as recommended to Ray, Bumgarner, Kingshill and Associates. The motion carried unanimously. (Cont. No. 9-00)

Request for Street Closings

The Downtown Waynesville Association sponsors or is closely involved with a number of events held in the downtown area. At times, some of these activities require that Main Street be closed as follows:

* Friday Night Street Dances - July 7 & 21 & August 4 & 18. Close Main Street at Depot intersection to end of Courthouse lawn. 5:30 p.m. to 9:30 p.m.

* Folkmoot Parade - Friday, July 21, 1:00 p.m. starting at Main and Academy and ending at Courthouse.

* International Festival Day - July 29. Close Main Street from Pigeon and Main to Walnut and Main (or edge of Courthouse lawn), July 28, at 9:00 p.m. through July 29, until 7:00 p.m. or when street cleared.

* Church Street Art & Craft Show, October 14. Close Main Street from Pigeon and Main to edge of Courthouse lawn, October 13, at 9:00 p.m. through October 14 until 7:00 p.m. or when street is cleared.

* Apple Festival, October 21. Close Main Street from lower Courthouse parking lot to Depot and Main intersection on Saturday, October 21 from 7:00 a.m. to 7:00 p.m. or when street is cleared.

* Waynesville Christmas Parade, Monday, November 27. Parade starts at 4:00 p.m. Street to be closed as parade progresses. Close Hazel and Boundary at Walnut and N. Main at 2:00 p.m. Close Walnut at N. Main at 3:00 p.m. and leave closed until 5:30 p.m. or all floats have finished parade. Close Walnut at bridge intersection at 3:00 p.m. directing them toward N. Main. Leave closed until parade finished.

Alderman Brown moved, seconded by Alderman Feichter, to approval the list of street closings as requested. The motion carried unanimously.

Roscoe Wells - Comments Regarding Budget

Roscoe Wells, 220 Ridge Road, Waynesville, said that he listened to both sides of the budget and would like to make a few comments, since he was not a native of the Hazelwood area or the Waynesville area and felt that he could have an objective view.

Mr. Wells said in 1995 before the merger of the Towns of Hazelwood and Waynesville, Hazelwood was practicing “let’s put it off and not raise taxes”. Not raising taxes when they should have caused the tax rate in Hazelwood to rise approximately 46%, up to 63 cents in one year. Their sewer and water systems were “going to pot” and Powell Bill funds were being expended for other things. Mr. Wells said that there comes a time when we have to decide that we need to pay for what we are getting. He added that people need to forget who is from Hazelwood and who is from Waynesville and work together as one community. Mr. Wells said that more streets have been paved in the Hazelwood area since the merger and one of those streets was Hazelwood Avenue. Mr. Wells again complimented the Board of Aldermen for their “intestinal fortitude” to plan ahead for more than two to three months at a time and look further in the future. No action was needed.

Closed Session - Legal Matter

Alderman Brown moved, seconded by Alderman Caldwell, to adjourn to closed session at 8:17 p.m.

Alderman Brown moved, seconded by Alderman Moore, to return to regular session at 8:50 p.m. Both motions carried unanimously. No action was taken.

Adjournment

With no further business, Alderman Feichter moved, seconded by Alderman Brown, to adjourn the meeting at 8:52 p.m. The motion carried unanimously.

Phyllis R. McClure
Town Clerk

Henry B. Foy
Mayor