

REGULAR MEETING  
BOARD OF ALDERMEN  
TOWN OF WAYNESVILLE  
MARCH 12, 2002  
TUESDAY - 7:00 P.M.  
TOWN HALL

The Board of Aldermen held a regular meeting on Tuesday, March 12, 2002. Members present were Mayor Pro Tem Libba Feichter, Aldermen Gavin Brown, Gary Caldwell and Kenneth Moore. Also present were Town Manager A. Lee Galloway, Town Clerk Phyllis McClure and Town Attorney Michael Bonfoey. Mayor Pro Tem Libba Feichter called the meeting to order at 7:00 p.m.

Approval of Minutes of February 26, 2002

Alderman Brown moved, seconded by Alderman Caldwell, to approve the minutes of the February 26, 2002 meeting as presented. The motion carried unanimously.

Public Hearing - Creation of Central Business Overlay District (CBOD) - Request by Haywood County

Several months ago, Haywood County approached the Town with their development plans for the Haywood County Courthouse. Originally, the County requested a rezoning of their land from C-2 to the C-1 zone. Town Staff had some concerns with this rezoning request since the C-1 zoning district does not have parking requirements. Zoning Director John Swift also pointed out some problems with a number of properties which were in the C-2 zone along Depot Street and Branner Avenue, with many being in non-compliance due to no setbacks and not meeting parking requirements. Mr. Swift suggested a new overlay district to be entitled the Central Business Overlay District (CBOD). This new zoning district would retain some of the desirable features of the C-1 zone while attempting to accommodate the need Town Staff felt to require a number of parking spaces for development in the new zone. The CBOD would cover the block of properties surrounded by Branner Avenue, Walnut Street, North Main Street and Depot Street.

Attorney Bonfoey opened the public hearing.

David Erickson, 98 North Main Street, owns a building and business close to the Haywood County Courthouse. Mr. Erickson said the Planning Department is doing a good job and he supports their recommendation to create the CBOD. Mr. Erickson also serves on the Downtown Waynesville Association Board and they support this amendment. No one else spoke; Attorney Bonfoey closed the public hearing.

Rex Feichter, Planning Board Chairman, said the Planning Board unanimously endorses this amendment.

Alderman Brown moved, seconded by Alderman Caldwell, to adopt an ordinance to create the Central Business Overlay District as recommended. The motion carried unanimously. (Ord. No. 1-02)

Public Hearing - Rezoning Request by Haywood County - C-2 to Central Business Overlay District (CBOD)

A request was received by Haywood County to rezone the area of land which is surrounded by Branner Avenue, Walnut Street, North Main Street and Depot Street. This request would change the zoning from the C-2 Zoning District to the CBOD Zoning District. This request was recommended for approval by the Planning Board. Attorney Bonfoey opened the public hearing. No one spoke; Attorney Bonfoey closed the public hearing.

Alderman Brown moved, seconded by Alderman Moore, to adopt an ordinance to rezone the block of properties surrounded by Branner Avenue, Walnut Street, North Main Street and Depot Street from C-2 to the newly created Central Business Overlay District (CBOD). The motion carried unanimously. (Ord. No. 2-02)

Minor Subdivision - Clyde Savings Bank - Barber Boulevard

This minor subdivision plat was withdrawn from the agenda earlier in the day by Charles Brown.

Minor Subdivision Plat - Alice Huebner - Wayneview Drive

Alice Huebner owns a 10.016 acre tract of land on Wayneview Drive off of Eagle Nest Road. The property is zoned R-1, Low Density Residential District and Ms. Huebner is dividing the tract to create a new 1.919 acre lot. The lot will be sold to Mr. Edwin McClure. Water will be furnished by a private well, and a septic tank permit was issued by the Health Department. Town Staff recommends approval of this minor subdivision.

Alderman Brown moved, seconded by Alderman Moore, to approve the minor subdivision as presented. The motion carried unanimously.

Report by Tax Collector - Delinquent Taxes and Authority to Advertise

As required under N. C. General Statutes, Tax Collector James Robertson attended the meeting to present an annual report to the governing body with a list of the unpaid real estate taxes. Tax Collector Robertson also requested approval to advertise the unpaid taxes in the local newspaper. Prior to advertising, Tax Collector Robertson will send out notice that unless payment is received by a certain date, the unpaid taxes will be advertised in the newspaper.

Mr. Robertson reported that as of March 7, 2002, 92.54% of the taxes have been collected. The 2001 tax levy totaled \$2,408,507.18 and \$2,228,784.94 has been collected to date. This leaves \$179,722.24 uncollected. Once the delinquent taxes are advertised, more will be collected.

Alderman Feichter expressed appreciation for the hard work, attitude and dedication of the Tax Collector and Finance Department in their work in the collection of taxes.

Mr. Robertson expressed appreciation to the Board of Alderman and Management for their support. He added that there are a lot of good employees who help in the collection of taxes.

Alderman Moore moved, seconded by Alderman Caldwell, to authorize Tax Collector James Robertson to advertise the unpaid taxes in the local newspaper. The motion carried unanimously.

#### Resolution - Haywood County - Endorse ½ Cent Sales Tax

In the 2001 session of the N. C. General Assembly, legislation was passed to implement an additional ½ cent sales tax, making the new sales tax rate 6.5%. It was the intention of the General Assembly that the State would assess and collect this ½ cent sales tax for a period until July 1, 2003, with the proceeds to be used to pay local governments for the reimbursements which the State sends after taking away local government's authority to assess those taxes. These four reimbursements include the Inventory Tax, Intangibles Tax, Food Stamp Sales Tax and Senior Citizens Tax Exemption Refunds.

After July 1, 2003, according to the legislation, the State of North Carolina would cease charging the ½ cent sales tax and would no longer provide the reimbursements to the local governments. At that point, the Commissioners of each County would be authorized to pass an additional, local option, ½ cent sales tax, with the proceeds to be divided within the county on a basis to assure that the local governments in that county received no less than they did through the reimbursements. Any funds left after each local government had been "made whole" from the effects of losing the reimbursements, would then be distributed on the basis of population, just as the earlier sales taxes are done.

With so much uncertainty about what the General Assembly might do when they return to session in May, it has been suggested that local government follow the procedure which was established by the legislation passed last year. For that reason, the County Manager has asked that the four municipalities in the county pass a resolution asking the County to assess the ½ cent sales tax beginning in July 2003 when the State's ½ cent sales tax is to cease.

Alderman Brown moved, seconded by Alderman Moore, to adopt a resolution requesting that Haywood County impose and levy the third, one-half cent local government sales and use tax and prescribing the method of distribution of the proceeds within Haywood County. The motion carried unanimously. (Res. No. 4-02)

#### Resolution - Haywood County - Endorse Financing on Justice Facility

In the near future, Haywood County will be making a formal request to the Local Government Commission (LGC) for financing the new justice center. Haywood County Manager Jack Horton has requested that the four municipalities adopt a resolution endorsing the funding request made to the LGC.

Alderman Brown said he had no problem with supporting the Justice Center project and the Board unanimously took this position in January 2001. The Board also realizes that there will be costs involved to pay for this project. However, the Board was not in favor of endorsing the financing of the project through the use of Certificates of Participation since they did not know if this was the best source of financing. The Board was also uncomfortable with endorsing the financing of the Justice Facility Project without knowing how much the project would actually cost.

Alderman Moore moved, seconded by Alderman Brown, to table the adoption of the resolution. The motion carried unanimously.

Town Manager Galloway noted that a recent article in the Enterprise Mountaineer contained information that the Local Government Commission has been asked if the parking deck could be financed separately if the Justice Facility was built at another location other than Main Street. It was the consensus of the Board that according to the Interlocal Agreement recently signed by both the Town and Haywood County that the agreement would no longer be valid if the Justice Center was built at another location, therefore the Town would not be bound to pay the two and one-half million dollars toward the construction of the parking deck as stated in the agreement.

#### Group Health Insurance Changes

Town Manager Galloway said one of the major costs the Town has is for providing health insurance for employees. At the present time, the cost is around \$950,000 annually, and there is a potential 26% increase in the next budget year. In reviewing the coverage provided employees, Human Resources Officer Margaret Langston has discovered a potential cost savings available to the Town. This involves the coverage of spouses who are covered by health insurance programs at their place of employment. When the spouse has health insurance at their own employment, that insurance becomes their primary coverage, and the Town's policy then provides no benefit to the spouse. It is money wasted. A report was submitted by Ms. Langston showing a potential cost savings of \$4,771.00/month x 3 months = \$14,313 on 20 employee spouses over the next three months.

The current policy reads:

The Town shall make available to all regular, full-time and permanent part-time employees and their dependents medical insurance coverage. Medical coverage will be effective thirty (30) days following hire date. For specific information on health insurance benefits, employees shall consult the booklet "Group Insurance Benefits" which has been provided to all employees. Additional information may also be obtained from the Human Resources Manager. The Town reserves the right to change benefits in its discretion without prior notice to employees.

The proposed amendment reads:

The Town shall make available to all regular, full-time and permanent part-time employees and their dependents medical insurance coverage. ***"Spousal dependents that are eligible for primary medical coverage at their place of employment must elect coverage through their employer. Medical insurance will be made available for an employee's spousal dependent should he/she decide not***

*to select their employer's medical insurance on a cost shared basis.* Medical coverage will be effective thirty (30) days following hire date. For more specific information on health insurance benefits, employees should consult the booklet "Group Insurance Benefits" which has been provided to all employees. Additional information may be obtained from the Human Resources Manager. The Town reserves the right to change benefits in its discretion without prior notice to employees.

Board Members had several questions regarding the health insurance coverage for the Town's employees. Alderman Moore was concerned that by eliminating employees' spouses from the Town's insurance that a benefit is being taken away from the employees. Alderman Moore asked what additional costs were involved for the Town's insurance to include coordination of benefits. Town Manager Galloway said the proposed amendment does not take anything away from the Town's employees, since the spouse does not benefit with the Town's insurance if they are insured at their place of employment. Alderman Caldwell said the Town is paying for a premium now that can't be used for those employees whose spouse has primary insurance coverage at their place of employment. Alderman Caldwell added that with this amendment, the Town would continue to provide insurance coverage for those spouses and dependents who do not work and are not insured elsewhere.

Board Members felt that the Town has some of the best employees and did not want to take any benefits from them. However, if money is being spent for insurance which cannot be used the Town needed to consider eliminating that portion and saving money.

Town Manager Galloway pointed out that only a few municipalities in North Carolina provide insurance coverage for the family at no expense to the employee. A letter was recently sent to all employees with an explanation of what the Town is considering regarding insurance. A survey was also sent out asking employees to indicate whether their spouse was insured by their employer. This survey revealed that at least 20 employees' spouses had primary coverage through their employer's medical plan. If those spouses were removed from the Town's plan by April 1, 2002, the cost savings would be \$4,771 per month. Alderman Feichter felt that it was important for the Town's employees to completely understand why this is being done, and all of their questions should be answered even if it meant meeting with the employees, one department at a time. Alderman Brown wanted the Town's employees to know that the Board is not considering this change just to save money, they want to make sure that it does not hurt employees in any way.

It was the consensus of the Board that Human Resource Officer Margaret Langston attend the next regularly scheduled Board Meeting on Tuesday, March 26, 2002 to explain the Town's insurance program and answer questions that the Board has.

#### Minor Subdivision - Wilda M. Palmer Estate - Dellwood Road

The Wilda M. Palmer Estate is located on Dellwood Road next to the Maple Grove Methodist Church. The tract of land is 8.6 acres in size and the heirs are dividing the tract into two lots. One is 1.3915 acres and the other is 7.6080 acres. The 1.3915 acre lot will contain the Palmer Cemetery. The lot is served by Town water and private septic system. Town staff recommends approval.

Alderman Caldwell moved, seconded by Alderman Moore, to approve the minor subdivision plat as requested by Wilda M. Palmer Estate on Dellwood Road. The motion carried unanimously.

#### Offer to Purchase Property on Little Cove Road

More than one year ago, the Town purchased more than 14 acres of property on Little Cove Road off Allens Creek Road for the construction of the Chlorine Contact Tank. The tank is being constructed on the eight acre tract and the six-acre tract, containing a house, barn and some storage buildings was declared by the Board to be surplus property.

The six-acre tract of property was appraised at slightly more than \$140,000. Carroll Mease of Main Street Realty has received an offer to purchase the property and has presented it to the Town for consideration.

#### Closed Session to Discuss Property Matter

Alderman Brown moved, seconded by Alderman Caldwell, to adjourn to closed session at 8:05 p.m. to discuss the property matter.

Alderman Moore moved, seconded by Alderman Brown, to return to regular session at 8:30 p.m. Both motions carried unanimously.

Alderman Feichter announced that the Board considered the offer received to purchase the property on Little Cove Road but took no action.

#### Adjournment

With no further business, Alderman Brown moved, seconded by Alderman Caldwell, to adjourn the meeting at 8:32 p.m. The motion carried unanimously.

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Phyllis R. McClure  
Town Clerk

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Henry B. Foy  
Mayor