

REGULAR MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
MARCH 26, 2002
TUESDAY - 7:00 P.M.
TOWN HALL

The Board of Aldermen held a regular meeting on Tuesday, March 26, 2002. 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 Henry Foy called the meeting to order at 7:00 p.m.

Approval of Minutes of March 12, 2002

Alderman Caldwell moved, seconded by Alderman Moore, to approve the minutes of the March 12, 2002 meeting as presented. The motion carried unanimously.

Group Health Insurance Changes

At the meeting on March 12, some proposed changes in the health insurance program were recommended.

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.

As requested by the Board at that meeting, Margaret Langston, Human Resources Officer attended the meeting to answer questions about the proposed amendments regarding health insurance coverage. Since there is the possibility that the Town's insurance could increase by 26%, she has been asked to look at ways to cut expenses. Ms. Langston explained that in February 2002 employees were asked to complete a survey with questions regarding whether their spouses worked, if their employer provided medical insurance coverage, if there were any costs involved, and if they also provided a prescription drug plan. If their insurance is primary it would pay first. If their insurance plan is 80/20, their insurance would pick up 80%, leaving them with 20%. With the 20% which is left there is a maximum out of pocket expense. For those covered under the Town's medical insurance that maximum out of pocket expense is \$1,000 for an individual and \$2,000 for family. For any spouse covered under Haywood Regional Medical Center's insurance plan the maximum out of pocket expense is \$1,500. The maximum that the Town's insurance would pick up is 10% of their maximum out of pocket expense which would be \$150 per year. In a worst case scenario, if all 26 spouses experienced the maximum out of pocket expense in one year, the Town's insurance would only pay \$3,900 in benefits. By dropping the coverage on those 26 spouses the Town can save \$17,920 for the months of April, May and June. Town Manager Galloway said there are "gap policies" available which could be purchased by the Town to cover the differences for those out of pocket expenses experienced by the spouses when insured with their employer rather than the Town. These can be purchased by the Town for \$12,000 - \$16,000 per year and may be an option to consider.

Another 14 spouses are eligible for coverage through their employer but have chosen not to take their insurance, since some would be required to pay a portion for the coverage through their employer. Ms. Langston will get more information to determine what costs are involved, when they will be eligible for coverage, etc. Alderman Brown said whatever the Town does it should be fair and he does not want any employee to be short changed in any way. Each situation will be analyzed to ensure fairness. Ms. Langston said if a spouse loses their benefits because of layoff, etc., the Town will again provide medical coverage for them.

Ms. Langston pointed out that the Towns of Maggie Valley, Waynesville, Clyde and Canton are the only places she has found to provide 100% medical coverage for employees and their families.

Alderman Brown asked if the prescription drug plans offered by the spouses' employers were different. Ms. Langston said all of those plans are different. Some have lower copayments and others are higher. The Town's is currently \$5 for generic, \$25 for name brand and \$40 for "designer" drugs.

Alderman Brown moved, seconded by Alderman Feichter, to amend Article IX; Section I in the Town's Personnel Policy regarding Group Health Insurance as recommended. The motion carried unanimously.

Resolutions - A) Minority Business Percentage Goals B) Authorizing Application to NC Rural Center Water Tank Project

The Town's primary engineering firm, McGill Associates, has contacted the Town about submitting an application to the NC Rural Center for a utility project by the Town of Waynesville. Public

Works Director Fred Baker and Town Manager Lee Galloway met with representatives of McGill Associates to discuss a variety of possible grant projects. The maximum amount of the grant is \$400,000, and the most pressing need is the replacement of a water tank at the end of Reservoir Drive. This tank was constructed in the mid-1920's and has shown some serious signs of deterioration in the past few years. In the current budget, funds are allocated to purchase more land adjacent to the existing tank so that a new tank may be constructed.

These grants are awarded on the basis of points earned for a variety of items, including having a Comprehensive Plan, a Water Conservation Plan, a Capital Improvements Program and a Watershed Protection Ordinance. In addition, a government may receive points if it has a Minority Business Percentage Goal in place.

Alderman Moore moved, seconded by Alderman Caldwell, to adopt the following resolutions: 1) Minority Business Percentage Goals and 2) Authorizing the Application to N.C. Rural Center Water Tank Project. The motion carried unanimously.

Water Line Project - Howell Mill Road

During the Board's Retreat on March 1, one of the items discussed was the need and desire to become more actively involved in the area of economic and industrial development. A project that has been requested of the Town is the extension of a 12-inch water line along Howell Mill Road to serve a warehouse to be constructed by Associated Packaging Enterprises (APE), a manufacturer of plastic products. At the present time, APE ships their products to a warehouse in South Carolina and then ships the product from that warehouse to the eventual purchaser. By storing the products here, they would only have to handle the items one time, shipping directly from the warehouse to the purchaser. Because of the product's flammability in the event of a fire, they must have a much larger water line to assure adequate water flow should fire occur. McGill has given the Town an overall project estimate of \$120,000.

The Waynesville plant has been very successful, with their employment growing from the 50 jobs they promised to the 130 they have today. Their electrical consumption has grown from \$45,000 to \$50,000 per month initially to an average of \$130,000 to \$135,000 monthly. In addition to their plans for a new warehouse, there are plans for new offices to house administrative personnel which will mean the addition of new jobs at the Waynesville plant.

Town Manager Galloway added that this new line will also provide more water for the line along Howell Mill Road which goes to Lake Junaluska. Alderman Brown had concerns regarding the benefits to the community. Manager Galloway pointed out that when Associated Packaging began operations they began with one line of production. They now have seven lines with the capability to increase to 10. This, along with the addition of the warehouse, will provide additional jobs for the people of Haywood County. Alderman Caldwell felt that future growth could be hindered if the larger water line is not installed and Alderman Feichter added that her feelings were that this project would be a good investment in the long run. Manager Galloway said APE is investing a large amount for a pump to allow the 1,800 gallon per minute sprinkler system.

Alderman Caldwell moved, seconded by Alderman Moore, to approve the extension of a 12-inch water line along Howell Mill Road as requested. The motion carried unanimously.

Ron Fleenor - Issues Related to Frog Level

Ron Fleenor attended the meeting to discuss the following:

1) Mr. Fleenor presented a plan as requested by the Board to install banners on the utility poles in the Frog Level area three times per year, January, April and July. It was requested that the Christmas decorations be added in October.

2) There were concerns regarding the unnecessary use of “jake” brakes (deceleration brakes) on diesel trucks in the Frog Level area. Mr. Fleenor requested that the Police Department investigate to see if there are any regulations prohibiting this, and if not, whether the Town could adopt an ordinance to prohibit.

3) Mr. Fleenor said that people in the Frog Level area also had concerns regarding a proposed traffic light at the intersection of Depot Street and Commerce Street. This proposal would eliminate four parking spaces and create more traffic and speeding if the light is allowed to stay green on the Depot Street side until a car approaches on the Commerce Street side. Mr. Fleenor said he would like to see the engineering study which was done for this project and would also like for the Police Department to conduct a study of the traffic flow before the proposed traffic light is installed.

Offer to Purchase Property - Little Cove Road

Closed Session to a Discuss Real Estate Matter

Alderman Moore moved, seconded by Alderman Caldwell, to adjourn to closed session at 8:08 p.m. to discuss a real estate matter.

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

Adjournment

With no further business, Alderman Caldwell moved, seconded by Alderman Moore, to adjourn the meeting at 8:51 p.m. The motion carried unanimously.

Phyllis R. McClure
Town Clerk

Henry B. Foy
Mayor