

REGULAR MEETING  
BOARD OF ALDERMEN  
TOWN OF WAYNESVILLE  
OCTOBER 28, 2003  
TUESDAY - 7:00 P.M.  
TOWN HALL

The Board of Aldermen held a regular meeting on Tuesday, October 28, 2003. Members present were Mayor Henry Foy, Aldermen Gavin Brown, Libba Feichter and Kenneth Moore. Also present were Town Manager A. Lee Galloway, Town Clerk Phyllis McClure, Finance Director Eddie Caldwell, Tax Collector James Robertson and Town Attorney Woodrow Griffin. Mayor Foy called the meeting to order at 7:00 p.m.

Approval of Minutes of October 7, 2003

Alderman Feichter moved, seconded by Alderman Brown, to approve the minutes of the October 7, 2003 meeting as presented. The motion carried unanimously.

Annual Report by Tax Collector James Robertson

Tax Collector James Robertson attended the meeting to present an annual report regarding the amounts of taxes billed, collected and the unpaid amounts as of June 30, the end of the fiscal year. The real estate tax collections for 2002-2003 were 96.59%, up from 95.45% the previous year. Collection of back taxes was also increased, mainly due to settlement of the old Dayco property. Mr. Robertson attributed the increase in collections to the support received from the Board of Aldermen as well as good team work in the Finance Department.

Collection of motor vehicle tax continues to lower the overall collection rate. The property taxes on motor vehicles are collected by Haywood County. The collection rate in 2001-2002 was 86.78%, but that collection rate dropped in 2002-2003 to 85.87%. Manager Galloway said Representative Ray Rapp added the issue of collection of motor vehicle taxes as one of the items to be reviewed by the study committee. The system used to collect motor vehicle tax has always had problems and is set up differently in other states resulting in higher collection rates.

Mr. Robertson said some of the unpaid property taxes are for vacant properties in Waynesville. Some properties are under the control of heirs who do not live in the area and do not care what happens to the properties. There was discussion that it would be beneficial if the Town could foreclose on these properties and put them back into the community or under the control of someone who could put them to use. There was also discussion that the Town may be able to coordinate efforts and share legal expenses with Haywood County Tax Collector David Francis if the decision is made to begin foreclosure on these properties in the future.

Mr. Robertson asked the Board to adopt two resolutions. One directing him to collect all taxes and to use whatever authority is allowed to see that those taxes are paid. The second resolution

authorizes the Tax Collector to direct executions against personal property for taxes to the Sheriff of Haywood County so that he may levy and sell the personal property subject to the levy to assure payment of the taxes due.

Alderman Brown moved, seconded by Alderman Moore, to adopt the two resolutions as presented to continue with the collection of past due taxes and authorize Mayor Foy to sign the resolutions. The motion carried unanimously.

#### Release of Tax Overcharge for Wells/Septic Tanks

An error was made by Haywood County in the property revaluations made in 2002. Properties with the municipalities were assessed a charge for a water well and/or a septic tank, adding \$3,500 in value to each property. Since properties within municipalities are generally connected to public water and/or sewer, to correct this error it is necessary to refund the taxes of those who have already paid their 2002 taxes. For those who have not yet paid their 2002 property taxes, Mr. Robertson asked that the Board release the values of the well or septic tank or both from the valuations. A list was provided noting those who have not paid taxes yet and for whom Tax Collector James Robertson is asking a release of certain amounts from their valuations. It was recommended that these releases be approved.

Alderman Brown moved, seconded by Alderman Feichter, to release the amounts from property valuations as recommended by Tax Collector James Robertson. The motion carried unanimously.

#### Appointment to the Planning Board

Mr. Warren Gresham has submitted a letter of resignation from the Town's Planning Board. It was recommended that Mr. Dan Wright be appointed to serve the unexpired term of Mr. Gresham. This term expires May 31, 2006.

Alderman Feichter highly endorsed Mr. Wright, adding that he is her neighbor. Alderman Feichter said when he came to this area he "jumped in with both feet" giving expertise to people who could use it.

Alderman Feichter moved, seconded by Alderman Moore, to appoint Mr. Dan Wright to the Planning Board to serve the unexpired term of Mr. Warren Gresham. This term expires May 31, 2006. The motion carried unanimously.

#### Resolution Regarding Loss of Textile and Other Jobs in North Carolina

Manager Galloway said at the League of Municipalities meeting on October 14, Governor Michael Easley spoke regarding the loss of manufacturing jobs in North Carolina, particularly in the textile industry. He noted that much of this is due to foreign imports, but he pointed out that the real damage is from violations of international trade agreements, particularly by China. On October 13, Senator Elizabeth Dole spoke on this same topic, noting especially the 6,000 workers recently idled by the bankruptcy and closing of Pillowtex (formerly Cannon Mills).

Manager Galloway said there are few if any communities in North Carolina which have not been negatively affected by the loss of jobs in the textile industry as well in other manufacturing areas. At the League meeting, Governor Easley asked that local governments across North Carolina pass resolutions asking the President and Congress to become more aggressive in confronting the trade policy violations of China and any countries. A draft resolution was distributed by the Governor's Office.

Alderman Brown moved, seconded by Alderman Moore, to adopt the resolution as amended and send copies to Congress and U. S. Senators. The motion carried unanimously. (Res. No. 20-03)

Refinancing Several Lease-Purchase Agreements Through Branch Banking and Trust Company

Over the past several years, the Town has financed several improvement projects or the purchase of equipment to facilitate the operation of local government services. Several of these have been financed through Branch Banking and Trust Company (BB&T), including:

	Interest Rate
Sewage Plant Lime Stabilization Program	5.79%
Water Plant Chlorine Contact Tank	4.79%
Sewage Line Rehabilitation on Lakeshore Drive	5.27%
Sewage Plant Sludge Belt Press	5.03%

Manager Galloway said the Town negotiated a new interest rate on their loan from Clyde Savings (Home Trust) for the Recreation Center, dropping from 5.1% to 3.99%. Over the next 15 years, this will save approximately \$450,000.

Manager Galloway said the Town also contacted BB&T to discuss the possibility of renegotiating interest rates on the four lease-purchase agreements. Louis Loyd, the head of the public finance section of BB&T, has agreed to lower rates on these loans as follows:

	Interest Rate
Sewage Plant Lime Stabilization Program	3.49%
Water Plant Chlorine Contact Tank	3.79%
Sewage Line Rehabilitation on Lakeshore Drive	2.97%
Sewage Plant Sludge Belt Press	3.79%

The difference in the interest rates on these four loans will save the Town an estimated \$111,171 through the various expiration dates on these loans. In addition, Mr. Loyd has agreed to waive the early payout penalty normally assessed, saving the Town an additional \$22,000 for a total savings to the Town of \$133,171.

Alderman Moore moved, seconded by Alderman Brown, to accept these new interest rates for the four loans and authorized the execution of the appropriate and necessary documents for this purpose. The motion carried unanimously.

### Emergency Assistance Agreement

Manager Galloway said the Town of Waynesville belongs to the ElectriCities of North Carolina, Inc., as do 72 other municipalities in the state and several more from adjacent states. During times of emergency, it is not unusual for some municipalities to send personnel and equipment to other member localities to assist with clean up and repairs. During hurricanes, this is particularly common, and in the recent Hurricane Isabel, the following members sent help to other communities in need: Albemarle, Apex, Ayden, Clayton, Concord, Cornelius, Dallas, Fayetteville, Gastonia, Granite Falls, Greenville, High Point, Huntersville, Kings Mountain, Lexington, Lincolnton, Lumberton, Maiden, Monroe, Morganton, New Bern, Newton, Pikeville, Selma, Shelby, Statesville, Wake Forest and Winterville.

There have been times when the Town of Waynesville has had to hire private companies to come in and assist the Town's electrical personnel in making repairs and restoring power after severe snow or ice storms or after some hurricanes. Manager Galloway said the Town hired private companies to help after Hurricane Opal in 1996, and a heavy, 25 inch snow in 1998. The Town was also hit hard in 1993 by the effects of the Blizzard of 1993.

In the past it was more difficult to send the Town's electric employees to aide other communities because there were only five employees. Today there are seven employees in this department. Some of these have been attending some training with ElectriCities and have expressed an interest in this emergency assistance agreement. The Town would be reimbursed when they are called upon for this service.

Alderman Feichter moved, seconded by Alderman Moore, to approve the agreement with ElectriCities for emergency assistance. The motion carried unanimously. (Cont. No. 11-03)

### Purchase of Weapons - Police Department

Manager Galloway said he was contacted by Police Chief Bill Hollingsed a few weeks ago regarding the condition of the handguns used in the Police Department. Most of the weapons date from 1994 when the Town Board provided funds for the replacement of all handguns and walkie talkies. Since then a regular replacement program has been in place for the portable radios, but the Town has not been able to provide the larger amount of money (approximately \$25,000) needed for the handguns.

During the past year, the Police Department has been vigilant in making traffic stops on their own or by assisting the Highway Patrol and have been successful in discovering large amounts of money hidden in various compartments of vehicles which the owner has no knowledge or taken during drug busts. All this money goes into "forfeiture" funds and this money comes to the departments for their use in securing items that might not be funded in the normal budget. At the present time there is approximately \$14,000 in this account.

Police Chief Hollingsed and his department personnel have developed a proposal for replacing the handguns. A report prepared by the Chief was presented to the Board and Manager Galloway said he endorses the proposal. Manager Galloway added that the Town will follow the legal process for selling the existing handguns to the officers for \$325 and it is recommended that payroll deductions

be allowed at a rate of \$25 per payroll check over thirteen payroll periods.

Alderman Moore moved, seconded by Alderman Feichter, to approve the proposal for the purchase of weapons in the Police Department as presented. The motion carried unanimously.

### Ordinance on Open Burning

Manager Galloway said there was a newspaper article this week regarding the collection of leaves by Town personnel, explaining that the Town tries to collect leaves the same day as garbage. There was also mention of securing permits to burn leaves, and it was thought that the burning of leaves was banned years ago. Town Clerk Phyllis McClure began making some contacts with various County and State agencies and learned that people may burn leaves during certain periods if they have secured the proper permit to do so. It was also discovered that Towns may prohibit the burning of leaves.

Manager Galloway said Western North Carolina suffers from serious air pollution problems, and there is a good possibility that the air pollution rates are so high that Haywood County residents will have to start getting emission controls testing on their vehicles beginning in 2005. Manager Galloway said his other concern is for the health and well being of people who suffer from allergies and asthma or those on oxygen or with various other respiratory problems. To have a neighbor or someone two blocks away burning leaves could be detrimental to the health and comfort of those individuals. Also having your home fill with the smoke and odor from a neighbor burning leaves is a nuisance and could be hazardous to the residents.

A copy of N.C. General Statute 160A-174 addressing the "General Ordinance-Making Power" of municipal government officials was distributed.

Alderman Brown moved, seconded by Alderman Feichter, to authorize Town Attorney Woodrow Griffin to draft an ordinance to prohibit the burning of leaves inside the corporate limits of Waynesville. The motion carried unanimously. (Ord. No. 27-03)

### Discussion of Proposed Industrial Electric Rate

Manager Galloway said when a business or industry is attempting to locate a new site, one of the factors they consider is the cost of utilities. Waynesville has one of the lowest water and sewer rates of municipalities in Western North Carolina as well as other areas. It is felt that since Waynesville's rates are somewhat higher than the average, when compared to Progress Energy, and in order to be more competitive, a new and lower industrial electric rate might be needed.

In 2002 the Town negotiated a new Power Supply Agreement with Progress Energy. Under the terms of that agreement, the rate the Town pays Progress Energy for electricity was reduced. From the savings that were generated from the new agreement, the Town was able to pledge funds to assist Haywood County with the construction of the new parking deck, helping to keep the courthouse in the downtown and contributing to the stability of the central business district. Even after entering this agreement on the contributions to the parking deck, there are still funds which will allow the town to offer a lower and more competitive electrical rate for the large, industrial customers.

Manager Galloway and Finance Director Eddie Caldwell have evaluated the Town's financial position and considered the savings under the new Power Supply Agreement. Under the projections it is felt that the Town would not lose money in providing this new industrial rate, since the amount of money the Town is saving under the new Agreement already exceeds what is projected to be saved. At the present time the rate charged is 4.4 cents per kilowatt hour. Under the proposal, it is recommended that after 1,000,000 kilowatt hours, the rate would drop to 4.0885 cents per kilowatt hour.

At the present time, the Town only has one industrial customer which would benefit from this industrial rate, Associated Packaging. Based upon their electrical use during the 2002-2003 fiscal year, the new rate proposed would reduce the electric bill of Associated Packaging by \$50,012.87. This would be the equivalent of a 3.44% savings for Associated Packaging Technologies

Manager Galloway pointed out that the Town is concerned about the need to bring new jobs to Waynesville and to protect the jobs which already exist. This Board has indicated the need to be more aggressive in seeking new industry and in protecting what we have. This is why the Board authorized a contribution of \$650,000 toward buying the old Dayco plant out of bankruptcy and putting it on the market for a future business or industry.

Over the past six years, there have been more than 1,200 jobs lost in Waynesville, and nearly double that amount for all of Haywood County. Dayco, Lea Industries and Wellco were not on the Waynesville electric system, but industries like Associated Packaging and Giles Chemical are. The Town wants to do all it can to keep its current industries and attract new businesses and industry.

Manager Galloway said Public Works Director Fred Baker has some ideas and feels that there may be some other ways to deal with this issue other than changing the industrial rate. Manager Galloway said he would like to talk with the Town's electrical consultant, Kevin O'Donnell with NOVA Energy Consulting to get his opinion. It was the consensus of the Board that they would like to keep Associated Packaging in Waynesville and at the same time also encourage new industries to locate to this area.

Alderman Brown moved, seconded by Alderman Moore, to table this item until a later time. The motion carried unanimously.

### Adjournment

With no further business, Alderman Brown moved, seconded by Alderman Moore, to adjourn the meeting at 8:04 p.m. The motion carried unanimously.

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Phyllis R. McClure  
Town Clerk

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Henry B. Foy  
Mayor