

REGULAR MEETING  
BOARD OF ALDERMEN  
TOWN OF WAYNESVILLE  
DECEMBER 12, 2006  
TUESDAY - 7:00 P.M.  
TOWN HALL

The Board of Aldermen held a regular meeting on Tuesday, December 12, 2006. 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, Town Attorney Woodrow Griffin, Public Works Director Fred Baker, Fire Chief Bill Fowler, Assistant Fire Chief Joey Webb, Assistant to the Manager Alison Melnikova, Tax Collector James Robertson, Planner Paul Benson and Recreation Director Rhett Langston. Mayor Foy called the meeting to order at 7:00 p.m.

Approval of Minutes of November 14 and November 28, 2006

Alderman Moore moved, seconded by Alderman Caldwell, to approve the minutes of the November 14 and November 28 meetings as presented. The motion carried unanimously.

Public Hearing Financing of Fire Station Construction

Under the regulations from the State's Local Government Commission, when a unit of government plans to incur a certain amount of debt, there is a specific procedure which must be followed. One step in the procedure is to hold a public hearing so that citizens may appear and comment on the financing of whatever item the governmental unit plans to finance.

In the case of the new Station 1 of the Waynesville Fire Department, there is a multi-prong plan to pay for the cost of the new facility. The Town Board has committed \$1,055,000 in money from the reserves of the General Fund. The Town was previously approved for a \$2,000,000, 40 year loan from the Department of Agriculture - Rural Development, at an interest rate not to exceed 4.5%. The remaining \$1,000,000 of the estimated \$4,055,000 project is to come from a financial institution willing to loan the Town funds for the fire station for a 15 or 20 year period under a lease-purchase agreement.

Under the procedures of Rural Development, Waynesville would need to secure interim financing through a financial institution for the construction period. When the construction is complete, Rural Development would pay off the interim loan and the forty-year loan period with that federal agency would commence. The \$1,000,000 loan period would continue for a 15 or 20 year period, depending upon what the Town negotiates.

Finance Director Eddie Caldwell attended the meeting to explain the financial terms and to answer any questions the Town Board or the public might have about plans to finance construction of the

new fire station. He explained that bids were opened on December 4 for the financing of the fire station. Two million dollars will be a construction loan over a two-year period and the one million dollars will be for long term financing. Interest rates for the two million dollar loan were received as 3.65% from BB&T, 3.44% from Wachovia and 4.34% from Home Trust. Interest rates for the second part of the loan, for one million dollars for fifteen years, came in at 3.77% from BB&T, 3.89% from Wachovia (15 years) and 4.06% (20 years) and Home Trust is 4.34% (15 years) and 4.50% (20 years). Wachovia declined to give a twenty-year proposal.

After estimating the cash flow principal, interest and other costs, it appears that BB&T with the fifteen-year option came in slightly lower than the others. Mr. Caldwell explained that the Local Government Commission (LGC) will not approve a variable rate loan. The application submitted to LGC must have a ceiling on the rate or they will not accept it. Construction time is estimated to be twelve months. Rural Development has indicated that once this is completed, they would like a timely closing on their loan.

Attorney Griffin opened the public hearing. No one spoke; Attorney Griffin closed the public hearing. A special meeting is planned for Thursday, December 28, at 5:00 p.m., when there should be further action on the fire station project. At that time, the architects should be ready to recommend a construction company to erect the facility. In addition, the Board would need to approve the financing arrangements being proposed this evening. All of this will be subject to the approval of the Local Government Commission at their meeting on Tuesday, February 6, 2007. Attorney Brown said he would be unable to attend the meeting on December 28. However, if the other Board Members found the bid from BB& T acceptable, he would support awarding the bid to BB&T.

#### Public Hearing Amendments to Sections 154.271 and 154.112(E)

Planning Director Paul Benson attended the meeting to explain the proposed amendments and answer questions. Mr. Benson said in October the Town received a petition requesting an amendment to allow higher density development on hillsides. Mr. Benson said an alternative method was proposed for regulating hillsides, whereby the Town would look at a designated building envelope rather than a conventional subdivision. There are things that town staff liked about the proposal and an alternative approach was presented to the applicant which they were willing to go along with.

Mr. Benson said the amendments include allowing double the density that the current slope density graph would require. This amendment would apply to properties above 2,900 feet in elevation. Lots of five to ten acres in size would be necessary for development on 40 - 50% slope. Mr. Carver engaged the services of Land Design in Charlotte to help with the design of the ordinance amendment. This proposes a color coded slope density map, a tool to highlight the level parts of the site to be designated as building envelopes. The building envelope puts a limitation on the size of the site to be disturbed for the dwelling unit and does not include the roads or driveways. The building area and road construction would be minimized. It would minimize the impact on the wetland and natural drainage areas. In addition, a geo-technical report would be required to show that the slopes are stable for the roads and building envelopes as shown on the site plan. Restrictive

covenants would need to be submitted and approved and recorded to speak to such issues as vegetation removal and design of the units with the intent to minimize the visibility of the units. Approval would be through a conditional use process. 75% of the site would need to be designated as open space.

Alderman Brown asked how this would affect condominiums. Mr. Benson said the amendment would work to the advantage of the Town to encourage this type of development. At this time, this amendment only applies to the Halltop District. Alderman Brown expressed concern that this would not allow development on smaller parcels. Mr. Benson said it could work on smaller parcels. Public Works Director Fred Baker said the width of the road has been decreased to 16' from the NC Department of Transportation standards of 18' and pedestrian pathways are separated from the driveway. This is sufficient in the low density developments. The ordinance encourages shared driveways and discourages dead end roads allowing the transportation system to have two ways in and two ways out. Driveways will have a limitation on length. Stormwater is one of the biggest drawbacks to intense development on hillsides and developers should make sure that you are being sensitive to the mountainsides.

Alderman Brown asked if a cost analysis has been done. Mr. Benson said the applicant and engineer have been agreeable with everything to this point and he did not feel that this will raise any cost barriers for development.

Mr. Baker said the Town is relying on the professional engineers and planning experts. There are more hillside development issues now and more sophistication in dealing with these issues.

Mayor Foy said this amendment satisfies one of the Town's goals. He felt that Fred Baker and Paul Benson have done a great job with this amendment and he felt that development would be improved without additional costs.

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

Alderman Brown moved, seconded by Alderman Feichter, to adopt an ordinance to amend Sections 154.271 and 154.112 (E) as recommended. The motion carried unanimously. (Ord. No. 28-06)

### Public Comment Watershed Indicators Report

During the spring, the Town Board accepted an offer from Western Carolina University and the Manomet Center in Maine and the U. S. Forest Service to have a workshop on important indicators in the Waynesville Watershed. This was an effort to identify the important values regarding the watershed, what must be protected and what issues are areas for concern.

Approximately twelve citizens from Waynesville and surrounding areas were invited to attend this session held in June at the Balsam Mountain Preserve. There were also representatives from the Town, from Western Carolina and the Manomet Center and the Little Tennessee Land Trust. The work of the first day was so extensive and successful that the group expressed a desire to meet again

to complete the process. The Manomet Center made arrangements for a second visit to facilitate this process.

The group's work over the two-day period has been compiled into the document entitled the Watershed Indicators Report. This report lists the values which the group found to be important in various areas –

- environmental issues for water quality and quantity,
- environmental issues regarding ecological concerns,
- economic value issues for timber and non-timber forest products,
- economic value issues for business opportunities,
- social values.

The committee spent a great deal of time trying to identify all of the concerns that the citizens in the community might list related to the watershed; however, there may be other issues.

On Tuesday, December 12, from 3:00 until 5:00 p.m., representatives of Western Carolina, members of the Watershed Committee and Town Staff hosted an informational forum at Town Hall on the Indicator's Report. Maps and other informative materials were available at that time and citizens were given an opportunity to ask questions about the Report and suggest other values which may be omitted. Dr. Pete Bates from Western Carolina was on hand to explain the report and answer questions the Board or the public may have about the contents of the report and the committee's work up to this point.

Dr. Bates attended the meeting to give the Board some idea about the next steps in this process leading up to the presentation of the Forestry Management Plan in April 2008 and to give an update on the activities going on in the watershed. He said he was always interested in what the Town's citizens think about what is being done at the watershed.

Dr. Bates said Western Carolina University is under contract with the Town to develop a forestry management plan for the watershed. The Town contributed a significant amount of money for this project which has been matched by The Land Trust for the Little Tennessee, The National Forest Foundation, the Home Depot and others with contributions totaling approximately \$35,000. In the 8,600 acres owned by the Town there are three easement areas. One area is in a forever wild easement which does not allow active management activities. Another area, Rocky Branch, consisting of about 570 acres and flowing into Allens Creek, is outside the easement area. The vast majority of the watershed consisting of 7,300 acres is a working forest conservation easement area. A bio physical assessment is done to determine what is located in this area. The management objectives have to be articulated and defined and a plan is developed to achieve these goals.

Jerry Miller has installed water quality monitoring sensors at the watershed and weather stations will be installed. Within a few months it is hoped that people can go online and download the information gathered within the watershed. The Town's Watershed Advisory Committee has been established and members have been appointed. The Watershed Indicator Report is available on the Town's web site. Comments regarding the report can be forwarded to Waynesville Town Manager Lee Galloway.

The Board thanked Dr. Bates for his report and the work being done in the watershed.

### Annual Audit Fiscal Year 2005-2006

Under State law, each local government unit must have a financial audit completed annually after the close of the fiscal year on June 30. For a number of years the audit of the Town of Waynesville's financial records is conducted by the firm of Ray, Bumgarner, Kingshill Associates. While there have been some challenges during the past year, the Town remains in good financial health.

Mr. Bruce Kingshill attended the meeting to present the results of the audit in the various funds. Mr. Kingshill said this is the first year in many years that the Electric, water and sewer funds showed a profit. The electric fund helps to keep the Town's tax rate low. The tax collection rate is 97.1% and sales tax revenues increased \$143,000. Mr. Kingshill said Waynesville is a desirable area and people come here to visit and shop. He added that the Town manages money in a good fashion. The Town's Recreation Center fees increased by \$60,000 reflecting more usage and an increase in fees.

Overall, he reported that the Town is in good financial shape. There are several projects in the future, including a new fire station, police department improvements, town hall improvements and water and sewer line improvements.

Alderman Feichter expressed appreciation to Town Manager Galloway, Tax Collector James Robertson, Finance Director Eddie Caldwell and staff for their work in taking care of the Town's money. Alderman Brown pointed out that one of the things that should be recognized is that although the Town owes money, the good financial situation allows the Town to borrow more if needed. The Board's job is to make sure that the income is there to repay money borrowed, by keeping taxes, fees, etc., at rates to make this work.

Manager Galloway said it is a smooth operation when Bruce Kingshill and his organization does the Town's audit. Finance Director Eddie Caldwell always has the information available and things work well because of the good team work, with the Town Staff, Board of Aldermen and Auditors. No action was necessary.

### Greenway

After many challenges and complications, the Town is ready to proceed with the next phase of the greenway project. This phase will run from U. S. Route 19 near the newly constructed bridge at the entrance to Lakeshore Drive, to the end of Industrial Park Drive. Last year, funds were used to construct the portion of the greenway along Industrial Park Drive.

When this project was initiated several years ago, the goal was to create a greenway between the Vance Street Park and Lake Junaluska. Unfortunately, no matter which way we turned in this plan, there always seemed to be a road block. There were challenges with creek crossings, and at one point the State suggested our building three bridges that would have cost more than three times the

\$200,000 grant that was awarded by the DOT. The Town looked for other routes, trying to avoid the creek crossings, but consistently ran into opposition. Often it was a matter of property owners who did not want the greenway (and walkers) crossing their property and refusing to sign an easement. Early on, we encountered a railroad that had no interest whatsoever in allowing the greenway to go under one of their bridges near the Blue Ridge Paper Company. Finding a route that was acceptable and affordable from Lake Junaluska to the Park was impossible. The only alternative was to try and incorporate the greenway into work that the DOT will be doing on Howell Mill Road, using sidewalks and walking paths along the shoulder of that road when constructed in the latter part of this decade.

Tim Plowman attended the meeting to bring the Board up to date with the work on the greenways. He requested approval of the specifications for the construction of the next phase of the work and for permission to advertise for bids. The engineering firm of Mattern and Craig has been working with Mr. Plowman on these plans as have Town Staff Paul Benson and Fred Baker. He hopes to bid this work in January and return to the Town Board on January 23 for award of the bid on the work.

Manager Galloway said Mr. Plowman has worked tirelessly on this project over the past several years and has experienced the setbacks firsthand. He expressed appreciation for Tim's persistence and determination and commended him for his efforts to somehow find a way to make this all work.

Alderman Moore moved, seconded by Alderman Caldwell, to accept the specifications for the construction of the next phase of the work on the greenway. The motion carried unanimously.

Alderman Moore moved, seconded by Alderman Feichter, to grant approval to advertise for bids for this project. The motion carried unanimously.

Mr. Plowman thanked Public Works Director Fred Baker, Planning Director Paul Benson and the Finance Department for all their help and Bryant Lindsay for traveling to Raleigh to speak on behalf of the Richland Creek Action Committee. Mr. Plowman also expressed appreciation to Parks and Recreation Director Rhett Langston for allowing him the opportunity to continue his work on this project. The Board expressed appreciation to Mr. Plowman for his "never die" attitude on this project. Mayor Foy pointed out that the North Carolina Department of Transportation seems to be more interested in greenways now than they have been previously. Manager Galloway expressed appreciation to Mr. Plowman for all his work throughout the years on this project. Manager Galloway said the Streets and Sanitation Department has done a great job in extending sidewalks for this project.

#### Resolution in Support of Capital Funding Needs for Haywood Community College

A few years ago, Haywood Community College commenced efforts to gain a half cent sales tax to fund various needed improvements on the campus. Although the County and all the municipalities endorsed the proposal, gaining approval for a referendum on the issue by the citizens of Haywood County was not possible. A new effort is underway to gain funding for these improvements, and the College is seeking the endorsement of the municipalities for this effort.

Alderman Feichter moved, seconded by Alderman Moore, to approve the resolution supporting the one-half cent sales tax option to support the capital funding needs for Haywood Community College. The motion carried unanimously. (Res. No. 36-06)

#### Cash Report - Finance Director Eddie Caldwell

Finance Director Eddie Caldwell presented the cash report for fiscal year 2005-2006. The cash available decreased by \$56,000 last year. A large amount of money was spent for the property and design fees for the new fire station. Mr. Caldwell said this cash statement is not audited, it is basically a management tool to determine if the Town was better off this year than last year. Cash available in General Fund dropped by \$732,000 with \$1,055,000 transferred to the capital projects fund for the new fire station. The other big change is in the Electric Fund which increased \$188,000 mainly due to the rate adjustments. Fund balance available percentage has dropped from 53% to 33.61% with the transfer of funds for the fire station. Mr. Caldwell reported that this is the first year in four years that the water fund has made money and depreciation of assets for this department is estimated at \$400,000 per year. This is the second year out of seven years that the sewer fund has made money with a depreciation of assets estimated at \$380,000 per year. Without the transfer of money from the electric fund to the general fund, taxes would need to be increased by thirteen cents. This money is used to pay debt from the Recreation Center and other debt that may come up. The Board thanked Mr. Caldwell for his report. No action was needed.

#### Manager's Report Code Enforcement

At the Board meeting of November 14, a property owner appeared to express concern for a number of junked motor vehicles and other offensive debris at various locations throughout Waynesville. The gentleman was making a plea for the Town to make a serious effort to address this problem, for he felt it was hindering economic development in the community.

The Board and Staff were sympathetic with the gentleman and did not disagree about the situations presented. At that time, Manager Galloway explained that the two building inspectors were overwhelmed with the construction inspections that they must perform within the town and in the one-mile extraterritorial jurisdictions outside of the town. They must set priorities as to which calls they respond to more quickly, and they place code enforcement on the back burner while trying to respond to requests for various inspections for construction, heat and air, plumbing and electrical work. Manager Galloway noted at that meeting that newly issued permits would result in the construction of 300 residential units in Waynesville in the next year, and the proposed shopping center with 400,000 square feet of retail space will demand an increasing amount of time from the inspectors. The Board asked me to come back with a game plan on how to address the concerns that had been raised.

When Chief Fowler submitted his budget request last spring, he asked that Warren Putnam be relieved of his dual role as firefighter/fire inspector and be allowed to conduct fire inspections on a full time basis. The Fire Chief asked for a full time fire fighter to replace Mr. Putnam in the department. At that time, Manager Galloway felt that he could not justify making the recommendation for a full time fire inspector.

Much has changed since last April, the biggest thing being that today, we have or will have more construction going on than at any time in recent history. For the 2006-2007 budget, it was estimated that revenues from the sale of building permits would be around \$100,000. Through the end of November, that number was at \$113,206, and with the shopping center and some other projects on the horizon, it is quite likely that revenues for permits will reach \$200,000 this fiscal year. This would provide some funds to allow additional personnel to undertake the work at hand.

After speaking with personnel in the building inspections department and in the fire department, Manager Galloway's proposal included the transfer of Warren Putnam from the Fire Department to the Building Inspections Department. In this new role, Warren would spend part of his time making fire inspections and part of his time attempting to enforce the various appearance issues such as junked cars, overgrown lots, accumulation of debris, minimum housing, just to name a few. He would work under Jason Rogers, the Building Official, but he would remain as a volunteer firefighter.

This recommendation would take some of the load off of the two building inspectors giving them more time to do inspections. It would also give Warren more time to make fire inspections, and with approximately 900 to 1,000 commercial buildings to be inspected annually, he has a very large task.

Chief Fowler would be allowed to hire a new, full-time firefighter to replace Warren Putnam. This department has the very minimum of personnel assigned, and as the community grows, there will be an even greater need for full time firefighters.

Costs involved would basically be the expense of the new fire fighter. With the wages and all fringe benefits, that cost would be around \$49,230.78. With the building permit fees that have already been collected this year and the prospects for the balance of the year, this expense will be covered. Warren's total package, since he has been with the town for a number of years, would be around \$54,000.

While building permits may cover the cost for 2006-2007, Jason Rogers and Manager Galloway discussed some potential revenue sources in the Town charging fees in the future for fire inspections and additional fees or fines for reinspections when violations have not been corrected. Jason also indicates that we need to again consider raising our fees for building permits as he notes those fees are much lower than others. The Town is also investigating the possibilities and legalities of the code enforcement officer charging civil penalties for code violations, and we are working with the Town Attorney on that issue. All of these could result in potential revenues to cover the costs of the program.

Alderman Moore moved, seconded by Alderman Caldwell, to approve the transfer of Warren Putnam to the position to handle code enforcement issues and to hire a full-time firefighter as recommended by Manager Galloway. The motion carried unanimously. Alderman Brown applauded Town Manager Galloway's ability to deal with these issues.

Mayor Foy - Hunter's Crossing

Mayor Foy said he would like to send letters to Senators, Congressmen and State Legislators to request any help they can offer regarding the disaster at Hunter's Crossing. It was the consensus of the Board that this be done.

#### Employee Appreciation Luncheon

Manager Galloway reminded the Board that the Town's Annual Employee Appreciation Luncheon was scheduled for Friday, December 15 at 11:30 am at the Recreation Center.

#### Alison Melnikova, Assistant to the Town Manager

Manager Galloway reported that Alison Melnikova received her diploma this week and completed her course of study as a Masters in Public Administration. During this two-year course of study Ms. Melnikova maintained a 4.0 average.

#### Death of Former Fire Chief Leonard Messer

The Board was saddened to hear of the death of former Fire Chief Leonard Messer. Manager Galloway said Mr. Messer attended the Fire Department Luncheon just a couple of days prior to his death.

#### Adjournment

With no further business, Alderman Brown moved, seconded by Alderman Caldwell, to adjourn the meeting at 9:30 p.m. The motion carried unanimously.

---

Phyllis R. McClure  
Town Clerk

---

Henry B. Foy  
Mayor