

AGENDA
REGULAR MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
TOWN HALL
FEBRUARY 12, 2008
TUESDAY – 7:00 P.M.

The Board of Aldermen held a regular meeting on Tuesday, February 12, 2008. Members present were Mayor Gavin Brown, Aldermen Gary Caldwell, Kenneth Moore and LeRoy Roberson. Also present were Town Manager A. Lee Galloway, Town Clerk Phyllis McClure, Assistant to the Town Manager Alison Melnikova and Town Attorney Woodrow Griffin. Mayor Brown called the meeting to order at 7:00 p.m.

Approval of Minutes of January 22, 2008

Alderman Moore moved, seconded by Alderman Caldwell, to approve the minutes of the January 22, 2008 meeting as presented. The motion carried unanimously.

Public Hearing - Amendment to the Town's Extraterritorial Jurisdiction to Exclude 0.7 Acres Located at 2902 Asheville Road From the ETJ

A request was received from Mr. Landon McGary to remove a portion of property he owns from the one mile extraterritorial jurisdiction. When the Town was extending the extraterritorial jurisdiction, a line from the Asheville Road was established that split the 4.7 acre tract that Mr. McGary now owns. Approximately 0.7 acres of the 4.7 acre tract was included in the ETJ while the remaining 4 acres was not included since it was not within the one-mile area allowed.

Staff has recommended that this 0.7 acre portion of the larger tract be excluded. At its meeting of December 17, 2007, the Planning Board unanimously voted in favor of the Staff Report and to recommend to the Town Board that this 0.7 acre tract be removed from the ETJ.

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

Alderman Moore moved, seconded by Alderman Caldwell, to amend Ordinance No. 1-93 to exclude the 0.7 acre portion of property owned by Mr. McGary (portion of PIN #8626-05-3837) from the one mile extraterritorial jurisdiction. The motion carried unanimously.

Public Hearing - Amendment to Section 154.093(F) Require Posted Public Notices of Rezonings

The Town's ordinances do not presently require that there be notices posted when there are to be public hearings on rezonings in the town; however, State statutes do require that a sign be posted. Planning Director Paul Benson has recommended that the Town's ordinances be amended to require that a sign be posted at least 14 days prior to a hearing by the Board of Aldermen. That is the same time frame that is required for a notice in the newspaper.

At the Planning Board meeting of December 17, 2007, the group unanimously voted in support of this recommendation from Mr. Benson and to recommend that the Town Board approve such an ordinance. Town Staff has already begun to develop a sign that might be used for this purpose and plan to have signs ordered and posted on sights or in neighborhoods where rezonings are under consideration.

Manager Galloway said if the rezoning involves a specific lot, that lot would be posted. For text amendments main entranceways into the affected zoning district would be posted. This is being done in an attempt to try to correct any shortcomings in the way the public is notified of such changes.

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

Alderman Roberson moved, seconded by Alderman Moore, to amend Section 154.093(F) to require posted public notices of rezonings. The motion carried unanimously. (Ord. No. 5-08)

Public Hearing - Amendment to Section 154.122(B)(9) North Main Street Boulevard District Sign Standards

Mr. Sam Underwood has applied for an amendment to the Sign Standards in this district which now limits signs to no more than 16 square feet and no higher than 4 feet. At the corner of North Main Street and Felmet Streets, Mr. Underwood has a business building that sits below the road and has multiple tenants and poor visibility. He feels that a larger sign than 16 square feet is necessary in order for businesses to adequately identify their location.

The staff report notes that the North Main Street Boulevard District has been compared to other districts, most of which allow larger signs than what is presently allowed in the North Main Street Boulevard District. The Staff agrees with and supports Mr. Underwood's request for a 32 square foot sign with a maximum height of 6 feet.

At their meeting of January 21, 2008, the Planning Board considered this matter and voted 3-2 to support the recommendation of the Planning Staff and the request of Mr. Underwood. The Planning Board recommends the change in the sign size in the North Main Street Boulevard District to a maximum of 32 square feet and a maximum height of 6 feet.

Attorney Griffin opened the public hearing. The following persons spoke.

Roscoe Wells, 85 E. Marshall Street, said there has been controversy regarding this piece of property and the signs allowed on the property. Mr. Wells said this business should not be looked at differently than any other business. He felt that Town Staff may have handled the issue differently when a beauty shop was located there. Mr. Wells felt that if landowners have more than one tenant on the property they should all be allowed to have a sign posted.

Sam Underwood said he and Mike Medford now own this property which they purchased from Eugene Ferguson. They have secured some tenants, including The Apple Crate Restaurant. Mr. Underwood said when you are traveling out of Waynesville you can't see the sign and they have multiple tenants.

Attorney Griffin closed the public hearing.

Alderman Roberson moved, seconded by Alderman Caldwell, to amend Section 154.129(B)(9) as presented.

The motion carried unanimously. (Ord. No. 6-08)

Information Meeting to Discuss Financing Construction of a New Police Station and Development Office

At the direction of the Town Board, Finance Director Eddie Caldwell and Town Manager Lee Galloway have been investigating financing alternatives for the renovation and expansion of the police station and construction of a new development office and meeting space on property owned by the Town at 9 South Main Street. During 2004 and 2005, an architectural firm did a facilities study for the Town and recommended that a new fire station be constructed and that the existing building be renovated and expanded to provide adequate space for the police department. The Board then proceeded with the construction of the fire station and it is scheduled for completion this spring.

In order to construct both the fire station and the police department, the Town Manager and Finance Director felt it was best to secure at least a portion of the construction loans from the Rural Development Agency of the U. S. Department of Agriculture as that agency allows 40 year loans. By extending a portion of the loan for that length of time, the payments would be low enough so that both projects could be affordable for the Town.

For the construction of the police station/development office, the Town is requesting a loan of \$2,000,000 for a period of 40 years. In addition, the Town will seek a loan of \$1,000,000 from a financial institution and will contribute an estimated \$1,642,520 from the reserves of the General Fund. This will pay for the additional lot that was purchased at 58 East Street, the demolition of the residence on that lot, the preparation of the site and the renovation and expansion of the police station and construction of the development office and meeting space. Design of the station is already underway and in the hands of ADW Architects of Charlotte. Construction should start around June 1, 2008 and last for 60 weeks, with an estimated occupancy date of July 1, 2009.

Based upon an estimated financing rate of 4 ½ % interest, a 40-year loan on the \$2,000,000 requested would have an annual repayment figure of \$108,700. Using a similar interest rate, the annual debt on the \$1,000,000 borrowed from a financial institution for a twenty-year period would be \$76,880. So the debt on the two loans for the first twenty years would be \$ 185,580 annually.

In the 2006-2007 annual budget, the Town Board approved a tax rate increase of four cents per \$100 valuation, with two cents to pay for the debt on the new fire station and two cents to pay the debt on the new police station/development office/ meeting space. Under the present property valuations, two cents on the property tax rate generates \$196,900. This amount would be more than adequate to pay the debt on the two loans that would be secured on the new police station/development office/meeting space. We do not anticipate any additional tax increases to cover the debt on these projects.

The Finance Director has checked on financing through traditional banks and has secured quotes from BB&T. That quote for \$2,000,000 was for a 20-year loan at an interest rate of 3.69%. If the Town were to borrow \$3,000,000 at 3.69% for a 20-year period, the annual payments would be \$214,750 which would exceed the amount of money that a two-cent tax increase generates. In order to do both the fire and the police stations, we need the 40-year financing to make the debt payment affordable.

As part of the requirements of Rural Development, a public meeting is required when this information is presented publicly so that the citizens are more aware of the plans for the project. This does not override

the requirement that a public hearing be held on the Town's budget normally held in June, and citizens would have an opportunity to comment on the tax rate at that time.

For some time, the Town has been making plans to renovate and expand the police station and build a new development office and meeting space on the property at 9 South Main Street across from Town Hall. Manager Galloway said bids will be opened at the end of February for demolition and construction of the parking lot below Wall Street and this item should be on the agenda for the next meeting. Bids for construction of the building should be opened in March and will be presented to the Board possibly at a special meeting in April in order to meet the 28-day requirement for presentation to the Local Government Commission (LGC). The LGC meets on May 6 and the request would need to be on their agenda for this meeting in order for them to approve the debt financing. This project will include expansion of the Police Station, the addition of a development office which will serve as a one stop permitting operation on the first floor and a new board room and Downtown Waynesville Association offices will be located on the second floor. If approved by the Board and LGC, construction should begin around the middle of May and take 12 - 14 months to complete with an estimated completion date of July 2009. The total project cost is estimated at \$4,642,519, which includes \$538,000 in options and \$105,838 in land costs. Six options are part of the bid for the Board to select from depending on pricing. One of those options includes a stone veneer wall along the property edge going down East Street to match the rock work around the base of the building and on the columns.

A 40-year \$2,000,000 rural development loan is proposed as well as a \$1,000,000 bank loan. The Town will supply \$1,642,000 from reserves and from property taxes that have already been collected on this project. The breakdown on this reserve includes previous fund balance transfer of \$100,000. Two years ago the Town approved a four-cent tax increase with two cents collected for the Fire Station and two cents for the Police Station. For 2006 this amounts to \$177,975 and for 2007 \$177,975. The sale of the pancake house property brought in \$335,000. The sale of the Dayco property will provide another \$325,000 for the Town's local share of this project. Interest earned by the Town on the loan for the Fire Station through December 2007 provides \$87,909. Rural Development is still charging a 4 3/8% interest rate and the Town got a quote from a financial institution last week that is closer to 3 1/2%. If these interest rates are compared and projected, the Town may be able to add a little more in the loan payment, paying off the loan in 20 years rather than 40 years and may not need the loan from Rural Development. There are rumors that the interest rate may drop again and Eddie Caldwell is in the process of getting bids ready to request proposals for financing. We will see what the interest rates are at that time.

There was discussion regarding the advantages at this time of borrowing money versus purchasing bonds. Manager Galloway said in meeting with the Architects, they said recently a Jackson County project had twelve bidders which makes the bids more competitive. It was felt that the Town will also have competitive bids for their project, since five companies have already contacted the architects to see when the Town's project was going to be bid. Building material costs have dropped slightly in recent months so there may be some savings in this area as well.

This informational meeting was necessary if the Town proceeds with a loan from Rural Development to explain what the proposal is, what the costs are and how the Town will pay for it. No action was necessary.

Scotty Ellis, Tourism Development Authority

Ms. Scotty Ellis, Executive Director of the Haywood County Tourism Development Authority, attended the

meeting to discuss the new occupancy tax law and the additional 1% of revenue it will generate. If there are similar revenues to the previous year, it is estimated that the new tax will generate approximately \$73,501 in new revenue for the 28785 and 28786 zip code areas. A copy of the legislation assessing this new tax was distributed to Board Members.

Ms. Ellis explained that the present 3% tax and the 1% tax are to be separate. At least 2/3 of the 1% tax is to be used to promote travel and tourism. It is requested that members be appointed to serve on a subcommittee to make recommendations regarding how this money is to be spent. If the new tax within a zip code area generates more than \$100,000 a five-member subcommittee should be appointed. If less than \$100,000 a three-member subcommittee should be appointed. In Waynesville's case two members should be appointed that live within the 28786 zip code area and one within the 28785 zip code area.

Alderman Moore moved, seconded by Alderman Caldwell, to endorse the three member subcommittee concept and will present the names of those recommended for appointment to the Tourism Development Authority at a later meeting. The motion carried unanimously.

Discussion of Compensation for Members of the Alcoholic Beverage Control Board

At the conclusion of the last meeting, Alderman Moore raised the issue of compensation for members of the Alcoholic Beverage Control Board. Town Staff was asked to look into the matter and report back to the Town Board.

According to the Town's ordinances, the compensation of ABC Board Members is to be set by the Town Board. The funds to compensate ABC Board members are paid for as an expense of the ABC Store operation.

A review of the minutes of previous Board meetings found that the last time that the compensation of ABC Board members was changed was on December 17, 1996. At that time, the compensation was increased to \$300 monthly for the Chairman and \$200 monthly for the other two ABC Board members. Prior to that increase, the Chairman was paid \$200 monthly and members received \$125 monthly.

There was discussion regarding the need to review the regulations of the various boards and commissions of the Town, including residence and attendance requirements and to determine which members are paid a stipend for meeting attendance.

Alderman Moore felt that the ABC Board Members should have their salaries increased from \$300 to \$400 monthly for the Chairman and \$200 to \$300 monthly for the other two members. Alderman Moore added that this salary covers such things as travel to search for a new store location and research to determine which products to sell in their store.

It was the consensus of the Board that a report of all boards/commissions, including any stipend paid to the board members be prepared and presented at the next meeting.

Annexation Petitions

Annexation petitions have been received for two different properties:

- A. 101 Woods Edge Road, off the Asheville Road
Current Owners: Edward and Linda Woodbery

This would be a satellite annexation of an estimated 12.8 acres of property.

- B. 65 Paragon Parkway
Current Owners: Tom and Jacquelyn Morgan

This would be a satellite annexation of an estimated 1.697 acres of property. At the present time, there is a convenience store, service station and Burger King located on this property.

Alderman Caldwell moved, seconded by Alderman Roberson, to direct Town Clerk Phyllis McClure to investigate the sufficiency of the petitions. The motion carried unanimously. (Res. No. 3-08)

Substation Structure and Equipment

In the continuing process of building the new electrical substation, Booth and Associates solicited bids on the steel framework and related construction materials for the substation. Previously the Board has authorized the purchase of the new transformer necessary to power the substation and recently the Town issued a purchase order for a major switch which is necessary in the operation of the substation. The present item involves the materials for the structure and later in the spring, we will be advertising for bids on the actual construction of the facility.

This is an unusual situation, different from when we advertise for bids on a new building or for a garbage truck. In those cases, you request bids on one thing at one time and it is either constructed or manufactured and delivered some time later. In the case of the substation, various parts have long delivery dates, making it impossible or extremely difficult to try to secure bids on the total package substation in one bid advertisement. So we must drag this out over a longer period, getting the transformer, switches and steel gathered at roughly the same time (late summer, 2008) and then hire a contractor to take the various pieces and construct the substation with the items provided.

The Town still must go to the Local Government Commission to present this and seek a loan on the entire package, and we plan to do that in the spring. The City of Smithfield constructed a substation in 2006 and went through the same process, and town staff is arranging a meeting with them to seek some guidance on the process to follow with the LGC.

NOTE: During the month of January, Waynesville experienced some extremely cold days, and the thermometer at my house was at 2 or 3 degrees on January 3 and January 21. In both cases, the Town set new peaks at its substation on Smathers Street. The previous peak had been 19.414 MegaWatts (MW) on January 24, 2005. On January 3, the Town set a new peak of 19.894 MW on the 20.00 MW substation. On January 21, 2008, the Town set its second highest peak at 19.855. This emphasizes again the need for the Town to expand its electrical capacity through the construction of the new substation.

Manager Galloway said when he came to Waynesville in 1994 the Town was using 12 MegaWatts and that usage has increased to more than 19 MegaWatts. Waynesville still has some potential for growth. Manager Galloway added that this new Substation should be ready by next Winter.

Alderman Moore moved, seconded by Alderman Caldwell, to accept the bid from TEMA in the amount of \$234,500.00 as presented and recommended by Booth and Associates. The motion carried unanimously.

Eagle Nest Grant

During 2007, the Town submitted an application to secure funding for the installation of a water system in the Eagle Nest Subdivision. This was done at the request of the Eagle Nest Homeowners' Association after the State of North Carolina found their water system to be inadequate and unacceptable. The State received the application and has offered to provide the Town a \$1,000,000 grant and a \$300,000 no interest loan as the local share of the project costs.

It is the intention of the Town to recoup the \$300,000 from the homeowners in the Eagle Nest Subdivision through one time charges or monthly charges assessed as a part of the utility bill for those who connect to the system.

The Town needs to accept the offer from the State in order for the project to move forward. The Local Government Commission has already approved the \$300,000 no interest loan to the Town as a part of the project funding.

Manager Galloway said Town Attorney Griffin is currently having title research done which should take about sixty days. Each property owner would be contacted and advised. It will then be determined how many want to participate and each person will be informed what their share would be. Property owners would be allowed to pay their share in full at that time or they could pay a charge per month. If they choose to pay per month they would be required to pay an extra charge.

Mayor Brown added that this is one of the neighborly things that Waynesville can do. Waynesville is the only entity that can obtain this grant and provide the water since they are a local government. The property owners could not obtain the grant as individuals.

Alderman Caldwell moved, seconded by Alderman Roberson, to accept the one million dollar grant from the State and the \$300,000 loan. The motion carried unanimously.

Amendment to Town Code Regarding Garbage Receptacles

A report and recommendation of Streets and Sanitation Superintendent Daryl Hannah concerning the size of garbage receptacles was presented to the Board. Mr. Hannah indicates, it seems reasonable to increase the size of the receptacle to reflect the cans that are currently available to the public by the vast majority of retailers. The current ordinance limits receptacles to 30 gallons in size. Mr. Hannah is recommending that the ordinance be changed to allow a capacity of not more than 45 gallons, and Manager Galloway said he would concur with that recommendation.

Alderman Moore moved, seconded by Alderman Roberson, to amend Town Code Section 44-42(b) regarding garbage receptacles as recommended. The motion carried unanimously. (Ord. No. 7-08)

Town Manager Report of Storm Damage

Manager Galloway said high winds this past weekend resulted in damage to two police vehicles. A utility

pole fell on one police vehicle as the officer was directing traffic. No one was in the vehicle at the time. Another police vehicle was hit by flying debris on Russ Avenue.

Police Department Temporary Relocation

Manager Galloway said the Police Department is in the process of moving into their temporary location at 1101 North Main Street while the present Police Department/Development Office is renovated. This move should be complete by February 18. During their move dispatching will be through the 911 System.

Requests by Alderman Moore

Alderman Moore asked if Code Enforcement Officer Warren Putnam could go to Rhinehart Street and see if the property owners could clean up the property. He also requested that someone could go to Hyatt Street, adding that there seems to be a lot of unnecessary parking on this street.

Roscoe Wells - Speeders on Streets in Waynesville

Mr. Roscoe Wells asked to speak to the Board regarding speeders in Waynesville and the Town's goal of creating a walkable community in Waynesville. He said this is difficult if streets are only sixteen feet wide because there is not enough room to build sidewalks. He added that he lives on East Marshall Street which is twenty feet wide and has no sidewalks. This street is becoming a race track, is being used as a shortcut and has recently experienced an additional amount of construction traffic. At one time, Mr. Wells said he offered to purchase a Stealth Stat if the Town could not afford one to record speed limits on various streets. Since then the Town purchased a Stealth Stat and Mr. Wells said he has seen speed limit study results on Brown Avenue, Boundary, Street and Sulphur Springs Road, but not on East Marshall Street. He said these results revealed that the speed limits of 86% of drivers on these streets were close or below the posted limits, adding that would mean that 14% of drivers were endangering pedestrians. Mr. Wells said people walk on this street and he does not want someone to be killed on this street before the Town does something.

Town Manager Assistant Alison Melnikova is reviewing information and has identified five streets to use as test areas to determine how the traffic control devices will affect the travel of emergency service vehicles.

Adjournment

With no further business, Alderman Caldwell moved, seconded by Alderman Roberson, to adjourn the meeting at 8:33 p.m. The motion carried unanimously.

Phyllis R. McClure
Town Clerk

Gavin A. Brown
Mayor