

AGENDA
REGULAR MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
TOWN HALL - 9 SOUTH MAIN STREET
DECEMBER 8, 2009
TUESDAY - 7:00 P.M.

The Board of Aldermen held a regular meeting on Tuesday, December 8, 2009. Members present were Mayor Gavin Brown, Aldermen Gary Caldwell, Libba Feichter, J. Wells Greeley and LeRoy Roberson. Also present were Town Manager A. Lee Galloway, Town Clerk Phyllis McClure, Assistant Town Manager Alison Melnikova, Finance Director Eddie Caldwell and Town Attorney Woodrow Griffin. Mayor Brown called the meeting to order at 7:00 p.m.

Public Hearing to Consider Removal of Historic Landmark Designation 53 Walnut Street

In December 2000, the Town Board designated the property at 53 Walnut Street as a local historic "Landmark" pursuant to the terms of General Statute 160A-400. This designation was passed upon the recommendation of the Historic Preservation Commission based upon a redevelopment plan submitted by Stanley Williamson. Plans called for restoration of the structure into two townhouse units which were to be completed by the summer of 2001.

The Historic Preservation Commission has followed the restoration of this property, and due to the lack of activity, that group has decided to recommend to the Town Board that the landmark designation of the property be removed. This came in action of the Commission at their meeting of September 2, 2009.

The Staff Report on the property, known as the "Charles U. Miller House", a copy of the ordinance which granted the Landmark Designation and the plan submitted on March 3, 2000 to redevelop the property were distributed to board members.

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

Nikki Owens, Chairman of the Historic Preservation Commission said she was not on the Commission when the local landmark designation was granted, but since she has been on the Board this issue has been addressed at almost every other meeting. Ms. Owens said as far as she knew there have been several attempts to contact the Williamson family but there has been no response as to why the work was stopped. Ms. Owens said the Commission Members visited the building about two months ago and found the building to be encapsulated but raw. The roof is exposed and the back deck has not been repaired. In attempts to make some of the repairs it has almost opened the door for more damage. Ms. Owens said she has not had any personal correspondence with the Williamson family.

The Commission recommended that the local landmark designation be revoked, but they were in agreement that upon completion of the renovations the property could be re-designated.

Paul Benson, Planning Director for the Town of Waynesville for the past five years, said this project has been on the books for the past nine years. In 1999 the house was in dilapidated condition and a demolition order was issued. The property owners became aware of the availability of the local landmark process and approached the Town in 2000 to seek this designation. Work to repair the building had not been undertaken by 2003. The building inspector again issued a demolition order because there had been fires in the house and it was in dilapidated condition. Shortly after that Shawn Leatherwood was hired to establish a restoration plan and a certificate of appropriateness was approved by the Historic Preservation Commission. Since that time a lot of work has been done during stop and start time periods, old siding was removed and new windows and siding were installed. Mr. Benson said it was his understanding that the owners stopped payment and the contractor has since pulled off the job. Informal discussions have taken place, by David Felmet and Bob Kearney. Mr. Kearney sent a letter to Attorney Jack Kersten on behalf of the Williamson family. Mr. Benson said he felt that the Historic Preservation Commission is frustrated with the process and the fact that the building is in poor condition. They also feel that the historic designation was granted so that the property could be improved to the condition that would fit the designation. With the designation the property owner only pays one half the property taxes. If the Board removes the historic designation the owner will be required to repay the 50% tax reduction for the past three years. If the owner restores the property, the designation could be restored.

Alderman Feichter asked if the Spread Out area has received historic designation. Paul Benson said a consultant has been hired to complete the necessary work to get this area designated as a historic district. The Williamson house is included in this area and could be considered a contributing building.

Attorney Jack Kersten attended the meeting on behalf of the Williamson family. He distributed a year by year summary of the work that has been done on the house, along with a complete copy of the invoices. He said Mr. Malcolm Williamson was the former pastor of the Presbyterian Church. During the time his family purchased this house. The heirs of his estate include his three sons, George, Malcolm and Stanley Williamson, and they have a difficult time determining who is going to do what. \$206,445.56 was spent on the house in 2003; \$51,366.82 in 2004 and \$46,275.75 in 2005, for a total of \$304,088.13. Attorney Kersten told of various circumstances during the past several years when work would stop, including family illness, broken water pipes, a tree that fell on a house and difficulty finding contractors to do work during 2006 and 2007. Attorney Kersten said no one seemed to know how to get in touch with George Williamson and Mr. Williamson has never received notification from the Town of Waynesville. Attorney Kersten said the work that has been done on the house is fantastic at this stage and he does not think removal of the local landmark designation is fair because the property owner would have to repay three years of taxes. He asked that the Board give Mr. Williamson another year to complete the renovations before taking action to remove the designation.

Mayor Brown said the good faith has been used up. The building renovations should have been completed before the historic designation was granted. Paul Benson said he does not feel that the designation would have been granted if it had been known that the work would not be completed.

Attorney Kersten said he thinks the Williamson family spent far more than necessary to do the work the way it was supposed to be done for historic purposes. For example when the windows were replaced, historically correct windows were used which were more expensive than regular windows.

Attorney Griffin said the process is specific for granting the local historic designation but there is not much information regarding revoking the designation. Under the State Statute only the building's exterior is included unless there is an agreement or understanding about the interior issues. Mayor Brown said there was an agreement between the Town and the Williamson family. Paul Benson said the ordinance adopted by the Board identifies the "entire property" which includes the interior portion of the building.

Alderman Feichter said this is sad for this community, this board and the Historic Preservation Commission that this process has come to this point. Alderman Feichter said she could remember this house when it was a functional residence. Alderman Feichter added that this Board has been patient.

Attorney Kersten asked again that the Board give Mr. Williamson one year before removing the designation. Attorney Kersten said he would like for someone to show up with a certified letter to Mr. Williamson. He felt that removing the local landmark designation is punishing a man that has made a good faith effort.

Alderman Feichter moved, seconded by Alderman Roberson, to remove the local landmark designation from the "Charles U. Miller House" owned by the Williamson family and located at 53 Walnut Street. The motion carried unanimously. (Ord. No. 12-09)

Audit Report for 2008-2009 Fiscal Year

As required by State law, the Town is required to have a full audit of financial records at the conclusion of each fiscal year. Once completed, the audit must be submitted to the North Carolina Local Government Commission for their review and evaluation.

The firm of Ray, Bumgarner and Kingshill, PA completed the audit of Town records in October and submitted that document to the Local Government Commission. Mr. Bruce Kingshill and Ms. Nancy Lux attended the Board meeting to present their report on the audit.

Mr. Kingshill said in North Carolina the Local Government Commission oversees the financial aspects of every unit of government and there is a process for audited financial statements. This audit provides an overview of money that is spent and if it is accordance with State requirements.

Mr. Kingshill said during the audit process no difficulties were encountered and there were no disagreements with management. As the Town receives more federal and state grants it is recommended that a process be used so that the department receiving the grant communicate with Finance Director Eddie Caldwell in a format so he will have the information to report during the next audit process. Waynesville received a clean report on federal and state grants.

An unqualified opinion on the Town's financial statements was given in the independent auditor's

report, which is the highest opinion that can be given. Management's discussion and analysis shows Town Manager Galloway and Finance Director Caldwell's discussion of activities and future issues in the Town "in a nutshell". Mr. Kingshill reviewed the statement of net assets, statement of activities which shows program revenues, governmental activities, charges for services, contributions, etc. He reviewed major funds, proprietary funds and cash flow. He said the Town of Waynesville offers post employment benefits on the basis of "pay as you go." This can be funded through an irrevocable trust if the Town chooses, but it seems to be the same in other local governments to pay for post employment benefits on the basis of "pay as you go." Finance Director Eddie Caldwell said employees hired before January 1, 2006 have greater post benefits than employees hired after that date. Every two years another actuary study will be done regarding these post benefits and potential liability.

Mr. Kingshill said revenues from utilities such as water, sewer and electric systems, keep property tax rates low, otherwise Waynesville would be in the same tax bracket as the Town of Canton.

Finance Director Eddie Caldwell explained that Waynesville's available fund balance amount increased last year. Manager Galloway pointed out that Waynesville was underspent on both the Fire Department building and the Police/Development Office building projects.

Bruce Kingshill said in closing, the Town of Waynesville is in good financial shape. He thanked the Board, Finance Director Eddie Caldwell and Town Manager Lee Galloway. The Board thanked Mr. Kingshill and his firm for their audit and for attending the meeting to present their findings.

Grant Agreement With Rural Center Haywood Vocational Opportunities

The North Carolina Rural Economic Development Center, Inc. has awarded a \$240,000 grant to the Town of Waynesville. This grant is to be used to assist Haywood Vocational Opportunities with the expenses to rehabilitate the former Wellco Enterprises facility on Westwood Circle. HVO plans a project with a cost estimated at \$4,427,512, with \$300,000 coming from the Golden Leaf Fund, \$100,000 coming from the Cannon Foundation and \$240,000 from the Rural Center. The majority of the funds, \$3,787,512, will come from Haywood Vocational Opportunities.

The grant must be matched on a 50-50 basis, which can be made with public or private funds. With HVO proposing the use of their own funds totaling \$3,787,512, there is certainly no problem in meeting the match. The Town is required to contribute 3% of the grant amount in cost or in kind, and the time of Town personnel in work associated with this Grant is being documented.

Under this program, the Rural Center provides money to the local government and the local government, in turn, loans the money to the private industry which is creating jobs. In this case, HVO has committed to create 24 new jobs, and on that basis, they have been awarded a grant of \$10,000 per job. These 24 jobs may be created over a period of 24 months. If HVO fails to achieve the 24 jobs or if they fail to maintain that number of jobs, they agree to repay to the Town, \$10,000 for each job that has not been created or maintained for at least six months. This repayment is made directly to the Rural Center. This is part of the Loan Performance Agreement which must be executed by the Town and HVO.

Alderman Greeley moved, seconded by Alderman Caldwell to authorize Mayor Brown to execute the agreement on behalf of the Town. The motion carried unanimously. (Cont. No. 19-09)

Resolution to Support Increased Rail Capacity

At a recent meeting of the Metropolitan Planning Organization, Mr. Daniel Gurley of Go21, presented information about efforts to increase rail capacity in the United States. Later that afternoon, Mr. Gurley met with Town Staff members and presented much the same information.

Alderman Roberson represents the Town of Waynesville on the MPO. Alderman Roberson said rail capacity is expected to double in the next twenty-five years. He said Chicago handles about 40% of all US freights. North Carolina is expanding its ports which will result in more ships docking in those N. C. ports. The only way to move the amount of goods that come in by ship is by rail, not by truck. In order to do this rails will need to be improved. There was no indication on how long it will take to make these upgrades.

Manager Galloway said the Federal Government spends money to improve highways for truck transportation and more money will need to be spent on rail improvements. Moving freight by rail is much more fuel efficient. One gallon of fuel can move one ton of freight 400 miles by rail.

It is the belief of Go21 that there will be an increase of more than 90% in the volume of freight shipped over the next 25 years. In addition, there has been a dramatic increase in ridership of public transit. Mr. Gurley explained that in order to meet this increased demand, the rail system must grow and expand.

Alderman Feichter moved, seconded by Alderman Roberson, to adopt the resolution in support of increased rail capacity. The motion carried unanimously. (Res. No. 15-09)

December 22 Meeting

In the past, the Town Board has voted to cancel the second scheduled meeting of December. Traditionally, there are few if any items on the agenda for that meeting, and it has not been a problem to carry over any items to the first regular meeting of January.

Alderman Roberson moved, seconded by Alderman Caldwell to cancel the meeting of December 22. The motion carried unanimously.

Approval of Increased Christmas Bonus for Employees

Alderman Greeley moved, seconded by Alderman Roberson to increase the Christmas bonus for employees by 40%. The motion carried unanimously.

The Christmas bonuses were distributed to employees at their Annual Employee Appreciation luncheon on December 4, 2009. Manager Galloway said since that time he has heard from many employees that were very grateful for the increased bonus.

Eagle Nest Water System

Manager Galloway said the Eagle Nest water system is now complete and has been tested. The pump station does not have electricity yet. Alderman Feichter said she spoke with one of the residents in that area and she was very pleased with the project.

Upcoming Ethics Training for Board Members

Manager Galloway said the Ethics Training for Board Members is scheduled for the end of February during a two hour training session.

Retreat Date

A tentative date of January 29 has been scheduled for the Board's Annual Retreat. Board members were asked to confirm this date with Assistant Town Manager Alison Melnikova.

Adjournment

With no further business, Alderman Roberson moved, seconded by Alderman Caldwell to adjourn the meeting at 8:57 p.m. The motion carried unanimously.

Phyllis R. McClure
Town Clerk

Gavin A. Brown
Mayor