

REGULAR MEETING
TOWN OF WAYNESVILLE
BOARD OF ALDERMEN
TOWN HALL – 9 SOUTH MAIN STREET
JUNE 14, 2011
TUESDAY – 7:00 P.M.

The Board of Aldermen of the Town of Waynesville had a regular meeting on Tuesday, June 14, 2011. 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, Assistant Town Manager Alison Melnikova, Town Clerk Phyllis McClure and Town Attorney Woodrow Griffin. Mayor Brown called the meeting to order at 7:00 p.m.

Approval of Minutes of May 24, 2011

Alderman Caldwell moved, seconded by Alderman Roberson, to approve the minutes of the May 24, 2011 meeting as presented. The motion carried unanimously.

Public Hearing – Fiscal Year 2011-2012 Budget

Manager Galloway said at this time the budget calls for a revenue neutral tax rate of 40.82 cents and allows for a 5% increase in the rates for all charges for water and pump fees. There are no increases in the sewer or electric base rates, though the ability remains to make adjustments on a monthly basis depending upon the fuel charges assessed by Progress Energy. There are no proposed increases in water and sewer tap or capacity fees.

As a result of the recently adopted Land Development Standards, there are a few changes recommended in the fees related to land development applications and land reclassifications or development reviews.

The Town has commissioned a study of the solid waste system in light of the decision of Haywood County to close the transfer station at Jones Cove Road. The County advised the municipalities, private haulers and individuals that the transfer station would close in February, 2012. At this point, the County has not reached an operating agreement with Santek, the contractor they chose to operate the landfill and solid waste system. It is unknown if that February 2012 date will be achieved or not, but that is the anticipated date. Should the study result in recommendations that the Town change its solid waste collection system, or that it transfer its waste to a location other than the Haywood County Landfill or that it privatize the solid waste system, the Town Board will need to make amendments to the budget ordinance to incorporate new or different charges for the services rendered to the citizens and commercial or industrial users. No changes are being recommended at this time.

Attorney Griffin opened the public hearing. Philan Medford said she recognizes that the Town of Waynesville is in good fiscal condition. Ms. Medford said she also realizes how much trust

the Town's employees have in Town Manager Lee Galloway. No one else spoke; Attorney Griffin closed the public hearing.

Manager Galloway presented some highlights of the general fund in terms of the tax rate and property tax revenues. He said property tax revenues bring in \$4,425,000 which is 15% of the total budget, almost the same amount as the police and fire budgets combined. Eight positions have been eliminated over the past two years. Solid waste fees are on the horizon and a recommendation for a higher solid waste fee may need to be recommended later. The Downtown Waynesville Association Municipal Service District revenue neutral tax rate decreased because the property values increased. A 5% increase in water rates is proposed. There is no increase proposed in the sewer or electric rates. The electric rates are the 20th lowest out of 126 systems. The Town's total debt is \$19,639,000 and as Mayor Brown has pointed out previously, Waynesville could legally be as much as \$80,000,000 in debt. In the next fiscal year the Town anticipates a new loan of \$360,000 for needed concrete repairs at the Water Plant and \$185,000 loan for a new bucket truck for the electric department. However, more than two million dollars will be paid off next year. Interest rates have been low, making it advantageous to finance needed projects. Manager Galloway added that he appreciates the work that the Board has done, and this has been a great Board to work with. No action was taken. The document is scheduled to be on the Board's agenda for approval on June 28, 2011.

Alderman Greeley thanked Manager Galloway for the budget document, adding that it is very concise.

Alderman Roberson expressed appreciation for all the work that the staff has done, adding that potential problems are noticed and addressed early. Alderman Roberson added that the town is where it is now because of the decisions made by this Board a decade ago and he thanked the Board for that.

Alderman Feichter said she always feels well informed and appreciates the work that Manager Galloway, Finance Director Eddie Caldwell and Assistant Manager Alison Melnikova have done. The department heads are given the encouragement to be good stewards of the town's money and this gives them the opportunity to make good decisions.

Alderman Caldwell said Manager Galloway always keeps up with the equipment, making sure that employees have what they need to work with. The fire trucks are caught up with state regulations and various codes.

Mayor Brown said the Town of Waynesville has good folks working in our town.

Request for Street Closure Boundary Street Block Party

The Town has received a request from Ms. Sheila Mraz, 464 Boundary Street, that Boundary Street be closed from 2:00 p.m. until 9:00 p.m. on Monday, July 4th, for the annual 4th of July Block Party this neighborhood conducts.

In the past, the residents of the street have always been cooperative. The Town crews deliver the barricades to the ends of Boundary Street at North Main and Walnut and the residents set up and take down the barricades at the appropriate time. Town crews then return on the following work day and collect the barricades.

Manager Galloway said this has worked well for the past number of years and town staff recommends that the request be approved for 2011.

Alderman Feichter moved, seconded by Alderman Greeley, to close Boundary Street for the July 4th Block Party as requested. The motion carried unanimously.

Budget Ordinance Amendments Fiscal Year 2010 - 2011

At the approach of the end of each fiscal year, Finance Director Eddie Caldwell approaches the Town Board with a list of recommendations for budget ordinance amendments. These come about when expenditures and revenues exceed the amount that was initially approved by the Town Board, and there are a variety of reasons for these differences.

In some cases, the amount that was approved simply was insufficient to cover the actual numbers. In the Electric Fund, the amount of power purchased from Progress Energy was more than what was anticipated, so the Board would need to amend the budget to reflect a higher appropriation. Fortunately, the revenues the Town received for the sale of electricity were higher than anticipated, so it was requested that the Board amend the budget to reflect higher revenues. This offsets the higher costs that come with higher sales.

In other cases, the Board has approved some new expenditures during the year, allowing town staff to purchase items that were not originally budgeted. In one case, an item was ordered in the prior fiscal year but did not arrive until the current fiscal year, so that item must be listed as an expense in the current year. In another case, a dispatch console was damaged during a storm and was replaced by proceeds from our insurance carrier. It was not an anticipated expense but an expense that had to be incurred, and fortunately, it did not require additional Town funds. But it still must show as an expense in the budget. The revenue from the insurance carrier will also be added to offset the expense.

Eddie Caldwell attended the meeting to answer questions and make explanation of the amendments being requested. Mr. Caldwell said there are amendments in two funds. In the general fund more ABC revenues are being received and more Powell Bill monies will be spent. The van received in 1996 was approved to be replaced at a cost of \$25,580 and the Public Works Director's truck was replaced. A storm damaged the dispatch console and the town has been paid back for that. There are plans to spend \$100,000 more on paving than originally planned. In last year's budget money was included for a pre fab building for the cemetery, but it came this year so it is requested that it be paid for this year. \$30,000 will be moved to the Capital Projects Fund to help out on the new Recreation Center roof and renovations at the Municipal Building.

Manager Galloway said it is thought that this will cover the budget amendments needed for the year, but it is possible that expenditures will be made this month that might result in additional amendments being presented for the Board's approval at the meeting on June 28.

Alderman Feichter moved, seconded by Alderman Greeley, to approve Budget Ordinance No. 2 as to the 2010 – 2011 budget as presented. The motion carried unanimously. (Ord. No. 5-11)

Road Condition Study

Manager Galloway said a road condition study approved by Public Works Director Fred Baker is included in the current budget. For several years the Institute for Transportation Research conducted this study, which provided a report that surveyed and rated the streets in Waynesville. This group was associated with the State and the reports received were very good. This report was relatively inexpensive and conducted every three to four years. Since then another group has formed and some of their employees have ITRA experience. They have given Fred Baker, Robert Hyatt and Daryl Hannah the plans for what needs to be done. This is a tool that will come in handy for the next three to four years. No action was necessary.

Update on Municipal Building Renovations

Manager Galloway said a preconstruction meeting was held today with Strickland Waterproofing of Charlotte for the renovations to be done at the Municipal Building. They plan to begin their work on Thursday, June 16. A dumpster will be placed at the back of the building and their construction trailer will be parked in the parking lot. The project superintendent said the work will take approximately four to five months. No action was necessary.

Solid Waste Issues

Manager Galloway said a meeting is scheduled on Tuesday, June 21 with the Land of Sky representatives to gather information on the costs for each part of the sanitation operation. Haywood County was hopeful to have a contract with SanTech by July 1, but does not have a contract yet. No action was necessary.

Adjournment

With no further business, Alderman Greeley moved, seconded by Alderman Caldwell, to adjourn the meeting at 7:50 p.m. The motion carried unanimously.

Phyllis R. McClure
Town Clerk

Gavin A. Brown
Mayor