

REGULAR MEETING
TOWN OF WAYNESVILLE
BOARD OF ALDERMEN
TOWN HALL – 9 SOUTH MAIN STREET
JUNE 28, 2011
TUESDAY – 7:00 P.M.

The Board of Aldermen of the Town of Waynesville held a regular meeting on Tuesday, June 28, 2011. Members present were Mayor Gavin Brown, Aldermen Gary Caldwell, Wells Greeley and LeRoy Roberson. Absent was Alderman Libba Feichter. Also present were Town Manager A. Lee Galloway, Assistant Town Manager Alison Melnikova, Town Clerk Phyllis McClure, Town Attorney Woodrow Griffin and Finance Director Eddie Caldwell. Mayor Brown called the meeting to order at 7:00 p.m.

Approval of Minutes of June 8, 2011

Alderman Greeley moved, seconded by Alderman Caldwell, to approve the minutes of the June 14, 2011 meeting as presented. The motion carried unanimously.

Adoption of 2011-2012 Fiscal Year Budget

Over the past six months, extensive work has taken place on the development of the annual budget for the Town of Waynesville. The Town's financial plan falls under four separate funds – General, Water, Sewer and Electric. In addition, there are Internal Service Funds for the operation of the Public Works Facility and the Garage Fund to cover maintenance and repair of the various vehicles and pieces of equipment of the departments. These funds are as follows:

	<u>2011-2012</u>	<u>2010-2011</u>
• General Fund	\$13,369,440	\$13,393,900
• Water Fund	\$ 2,859,570	\$ 2,669,140
• Sewer Fund	\$ 2,088,800	\$ 2,036,270
• Electric Fund	\$ 8,889,350	\$ 8,705,540
• Public Works	\$ 267,880	\$ 289,690
• Garage	\$ 659,690	\$ 596,250
 TOTAL	 \$28,134,730	 \$27,690,790

There is a slight increase in the total budget for the coming year. The total is up \$443,940 or 1.6%. Manager Galloway said there are five categories in the 2011-2012 budget which identify \$647,187 in increases, well more than the total budget increase. These are as follows:

3 % cost of living increase – all funds	\$ 216,000
Health insurance increase – all funds	158,717
Gasoline and Diesel fuel – Garage Fund	60,000

Concrete work at Water Plant – Water Fund	80,870
Recreation Expenditures – General Fund	131,600
Debt on Exercise Equipment -	\$41,600
Cost to Resurface Two Pools -	\$90,000

At the meeting of June 14, a report was distributed detailing the highlights on the budget. This report showed the proposed revenue neutral tax rate of 40.82 cents per \$100 of valuation. It also explained the 5% increase in the water rates to help pay for the concrete work on the water plant settling basins and the spillway of the dam. Sewer and electric rates are not proposed to increase, though electric rates will continue to be adjusted on a monthly basis depending upon the fuel costs assessed to the Town by Progress Energy. Even with these increases, the citizens of Waynesville enjoy some of the lowest water, sewer and electric rates of anyone in North Carolina, and the tax rate is lower than the average of other municipalities across the State.

For the first time in three years, employees are scheduled to receive a 3% cost of living increase. That increase is proposed to be reflected on pay checks issued on July 8, 2011. In addition, the Town is taking on some of the increased cost of the health insurance program provided to personnel and their families, but the employees will also be taking on a larger share of their health care cost.

In recent years, some debt was incurred for the new fire station, police station/development office and electric substation, as well as improvements to Waynesville's water system. These were necessary to meet the needs of the public. A new fire station was needed where trucks could exit without delay and access a fire in a shorter period of time. Adequate and controlled storage of evidence in the cases handled by the police needed to be assured. It was necessary to make sure that the electricity was adequate to meet the demands of the public and to assure adequate water storage for fire flows and public demand. If the community is to have these things, they come with an expense, a debt that must be paid. Manager Galloway said he was pleased to report that during the 2011-2012 fiscal year, \$2,140,287.93 of the Town's debt will be paid off. With a total debt of \$19,639,420.47, that means 10.90% of the total debt will be paid off during the next fiscal year. Manager Galloway said he is proud of that and feels that paying off the debt reflects well on good financial planning by the Town Board.

Manager Galloway said the proposed budget has been readily available to the public at the Municipal Building since May 10, the day it was presented to the Board. To his knowledge, no one has come by to look at the document and become familiar with the proposed expenditures and anticipated revenues, and no one appeared at the public hearing on June 14. Manager Galloway and Finance Director Eddie Caldwell recommended the adoption of the 2011-2012 fiscal year budget to the Mayor and Board.

Manager Galloway pointed out some typographical corrections and other changes in the budget ordinance. To clarify the conditional district section it was recommended that the base rate be clarified by adding \$400 for one acre or less and \$100 for each additional acre. Political signs should indicate \$100 (refundable deposit). The Parks and Recreation Commission recommended that the age for senior memberships be increased from 55 to 60. Also recommended was to add a new category for full time high school and college students (with proof of identification) and that the rates for this new category be the same as the individual youth and special categories. The age for seniors would also change under the Corporate Admission Fee Schedule from 55 to 60.

Alderman Caldwell moved, seconded by Alderman Greeley, to adopt the 2011-2012 fiscal year budget as proposed. The motion carried unanimously. (Ord. No. 6-11)

Resolution on Financial Operating Plan Internal Service Funds

The Town operates two Service Funds which support the various Town departments by providing warehousing/storage space or by providing vehicle related services. The Public Works Fund and the Garage Fund receive operating funds from appropriations made by the General, Water, Sewer and Electric Funds, with each being charged what is estimated to be their fair share of the use of the public works facilities or of the vehicular services.

A Resolution was presented on the Financial Operating Plan for the Garage Operations in the amount of \$659,690 and the Public Works Building Operations in the amount of \$267,880. It was recommended that the Board adopt the Resolution on the Financial Operating Plan for the 2011-2012 fiscal year for the Public Works and Garage.

Alderman Greeley moved, seconded by Alderman Roberson, to adopt the resolution on the Financial Operating Plan for Internal Service Funds as presented. The motion carried unanimously. (Res. No. 1-11)

Manager Galloway – Report on Manager’s Conference

Manager Galloway reported that he attended the Manager’s Conference last week, with Saturday being spent with the Legislative Review. Manager Galloway said the NC League of Municipalities reported that there were several bills introduced, including de-annexation which could affect the City of Goldsboro which borrowed eight million dollars to extend water and sewer to recently annexed areas. This may be a situation that is challenged in court.

Several things happened in the General Assembly, including concern about the state retirement system. Municipal retirement systems are funded much better than the State. There was some discussion regarding annexation bills. Powell Bill, always received on October 1 and based on revenues collected the prior fiscal year, will now be distributed with 50% received on October 1 and the remaining 50% received on January 1.

The bill that requires that a portion of the electric revenue be spent on debt will only apply to the municipalities of Smithfield, Selma and Clayton.

Solid Waste and Recycling Issues

Manager Galloway said recycling receptacles will be arriving on Thursday, June 30. He reported that the first meeting with the solid waste committee was held last week. Land of Sky Representatives will be in Waynesville to ride with the street department employees to get a better idea of the solid waste collections operation.

Assistant Town Manager Alison Melnikova and Streets and Sanitation Supervisor Daryl Hannah met with a recycling group from Buncombe County. The group is associated with Waste Pro and town staff is discussing options with the group, from purchasing recyclables to transporting them to Buncombe County. This may work out well with what Waynesville is trying to do with solid waste.

South Main Street Study

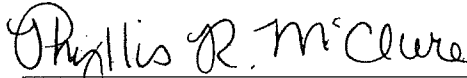
Manager Galloway said two weeks ago town staff met to interview the two firms that submitted bids to conduct the South Main Street Study. Everyone who participated in the interview was in agreement that one group was more in tune with what Waynesville would like to do. This group, Quatra Bonisi, will probably begin charrettes during late summer or early fall and the process should take about six months.

Frog Level Update

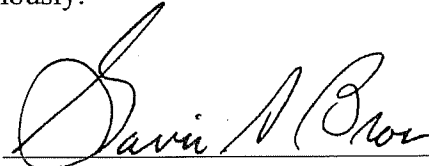
Alderman Caldwell said he met with some of the Frog Level merchants regarding the house on Water Street. One individual has expressed interest in possibly repairing the house. If the house can't be repaired, it may need to be torn down. The merchants are also interested in purchasing street scale lighting with money they have been saving for the past several years. Alderman Caldwell said he has spoken with town employees Fred Baker, Robert Hyatt, Daryl Hannah and Phillip Wyatt regarding lights in this area. The Frog Level Association is investigating the possibility of leasing or purchasing property to be used for parking.

Adjournment

With no further business, Alderman Greeley moved, seconded by Alderman Roberson, to adjourn the meeting at 7:39 p.m. The motion carried unanimously.



Phyllis R. McClure
Town Clerk



Gavin A. Brown
Mayor