

REGULAR MEETING  
TOWN OF WAYNESVILLE  
BOARD OF ALDERMEN  
TOWN HALL – 9 SOUTH MAIN STREET  
JUNE 26, 2012  
TUESDAY – 7:00 P.M.

The Board of Aldermen of the Town of Waynesville held a regular meeting on Tuesday, June 26, 2012. Members present were Mayor Gavin Brown, Aldermen Gary Caldwell, Julia Freeman, J. Wells Greeley and LeRoy Roberson. Others present were Town Manager Marcy Onieal, Management Advisor A. Lee Galloway, Assistant Town Manager Alison Melnikova, Town Clerk Phyllis McClure, Finance Director Eddie Caldwell and Town Attorney Woodrow Griffin. Mayor Brown called the meeting to order at 7:00 p.m.

Special Recognition for Retiring Town Manager Lee Galloway

The Order of the Long Leaf Pine

Mayor Brown said this is a momentous occasion as it is Lee Galloway's last meeting. He announced that several things had been arranged by town staff and it was recognized that Mr. Galloway has had a very good relationship with his staff for the past 18 years, and the awards are very meaningful coming from town staff. Mayor Brown asked Human Resource Manager Margaret Langston to present the Long Leaf Pine Award. Ms. Langston did all the work necessary for Lee Galloway to receive the Order of the Long Leaf Pine, which is one of the highest honors a governor can bestow on a North Carolina citizen. This award is presented to outstanding North Carolinians who have a proven record of service to the state, and it is presented most often when a person retires. Past recipients include Maya Angelou, Billy Graham, Michael Jordan, Charles Kuralt and Bill Friday, along with longtime state employees, prominent business executives and noted politicians, athletes, musicians, actors and advocates. The certificate includes the North Carolina Toast, "Here's to the land of the Long Leaf Pine; The summer land where the sun doth shine; Where the weak grow strong and the strong grow great, Here's to 'down home', the Old North State!" It is appropriate to have Mr. Galloway added on the list since he has provided thirty years of service to the State of North Carolina.

Lee Galloway said he has been blessed these 18 years in Waynesville to have great employees, department heads and a great board to work with, adding that it could not have been any better. From the time he began working in a department store in Brevard, continuing through his college years working at various places, he was only out of work for a short period of time in Georgia, but otherwise does not know what it will be like not to work.

"Honorary Chief" Fire Helmet

Fire Chief Joey Webb and Assistant Fire Chief Shannon Morgan, along with other fire department personnel presented Lee Galloway with a special "Honorary Chief" fire helmet, decorated with the UNC Chapel Hill Logo. Chief Webb said Mr. Galloway has always been a great mentor. He had seen how difficult it was to get the fire trucks from the old fire station (formerly located on Main

Street) onto Main Street during emergencies because of the high volume of traffic. As a result the new Fire Station was built. Mr. Galloway added that a lot of the credit for the new fire and police stations should be given to deceased Alderman Kenneth Moore. Mr. Galloway thanked the Fire Department for the “Honorary Chief” helmet.

#### Retirement Watch and Comments by Board

A retirement watch was presented to Lee Galloway by Town Clerk Phyllis McClure.

Alderman Caldwell said he has served on the Board for the past 16 years and Lee Galloway has been through “thick and thin” with him. The memorable thing for Alderman Caldwell was when his daughter passed and Lee Galloway was there beside him the entire time. A very heartfelt “Thank You” was given to Lee Galloway for his support during this time.

Alderman Greeley said he has been blessed to serve on two town boards with two of the most admirable managers in the State of North Carolina.

Alderman Roberson said he was on the Board from the start when Lee Galloway was hired as manager and he is here for the finish when he is retiring. He said Mr. Galloway brought guidance to the board, adding that Waynesville has had a great manager and this can be seen in the awards presented at the meeting tonight. Alderman Roberson said it has been great serving with Lee Galloway, adding that his leadership has made Waynesville a better town.

Alderman Freeman said what Lee Galloway has done as manager has been outstanding. She wished him well in retirement and wished that they could have served longer together.

Mayor Brown said Mr. Galloway has always “stayed the course”, taking the time to make well thought out decisions. He said it has been a joy and pleasure to work with him, adding that he is welcome anytime. Mayor Brown said Waynesville isn’t quite finished with Lee Galloway; he will still live in Waynesville and is currently serving as Waynesville’s representative on the Lake Junaluska project.

Town Manager Onieal said Lee Galloway set the goals in this field. He was partnered with her when she first became a manager. He told her what to expect in the world of politics and has been a wonderful mentor to her and many others in the field of managers and she is grateful to him for that. Manager Onieal expressed a great deal of respect for all that Lee Galloway has done, adding that he is “top notch”. Manager Onieal said Lee Galloway is leaving a great legacy with very high standards.

#### Approval of Minutes of June 12, 2012

Alderman Caldwell moved, seconded by Alderman Greeley to approve the minutes of the June 12, 2012 meeting as presented. The motion carried unanimously.

#### Special Event Request Permission for Downtown Children’s Parade July 4, 2012

A letter was received from Ms. Buffy Phillips, Director of the Downtown Waynesville Association, for permission to stage the first July 4<sup>th</sup> Children’s Parade on Main Street on Wednesday, July 4,

along with the various events planned for the annual Stars and Stripes Celebration in the downtown. Permission has been granted to gather on the courthouse lawn. A police vehicle will lead the parade and another will be at the end of the parade. There will be some walkers and children will decorate their bicycles and ride in the parade. There are strict guidelines and parents will be required to sign a waiver. Flags will be distributed. First Baptist Church will have large tents set up and will distribute ice cream after the parade.

Alderman Greeley moved, seconded by Mayor Brown to authorize the temporary closing of Main Street at 11:00 a.m. on Wednesday, July 4 from the Courthouse lawn extending to the First Baptist Church as the parade progresses as requested by the Downtown Waynesville Association. The motion carried unanimously.

Adoption of 2012-2013 Fiscal Year Budget

During January, 2012, work commenced on the development of the annual budget for the Town of Waynesville. The Town’s financial plan is divided into four separate funds – General, Water, Sewer and Electric. In addition, there are what we call 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, compared with the initial budget of the prior year:

	<u>2012-2013</u>	<u>2011-2012</u>
• General Fund	\$14,186,410	\$13,369,440
• Water Fund	\$ 3,099,500	\$ 2,859,570
• Sewer Fund	\$ 2,186,990	\$ 2,088,800
• Electric Fund	\$ 9,769,310	\$ 8,889,350
• Public Works	\$ 259,930	\$ 267,880
• Garage	\$ 754,800	\$ 659,690
TOTAL	\$30,256,940	\$28,134,730

There is a significant increase in the total budget for the coming year. The total is up \$2,122,210 or 7.54%. During the budget work sessions, it was noted that the increases can be narrowed to categories or groups of line items. These include the costs of providing employees with a 3% cost of living increase and the fringe benefits to cover the higher wages, the greater cost to transport garbage to the White Oak Landfill, an increase in funding for capital outlay, particularly in renovation and repairs at the water treatment plant and the bridge on Walnut Road leading to the wastewater treatment plant. The most significant increase is in the purchase of wholesale power, up \$829,700, due to the expansion of Sonoco Industries and the increase in electrical use at that facility. For all departments, the cost of gas or diesel fuel is budgeted at an increase of over \$90,000.

There was a public hearing on the budget at the meeting of June 12, and at that time, it was advised that the proposed document includes a continuation of the current property tax rate of 40.82 cents per \$100 of valuation. As a result of the higher costs to provide solid waste services, there would be an increase in the garbage fees for both residential and commercial customers. And for the first time, the Town will be assessing a fee on the Video/Internet Sweepstakes Machines under the

Business or Privilege License Tax Schedule. On the utility side, the budget recommends a 6% increase in the charge for water and sewer service and to water pump fees. There is no increase proposed to the electrical rates at the present time, but the Board was encouraged to follow these expenses closely, for the higher fuel costs being passed through by Progress Energy are chipping away at the financial stability of the Electric Fund. Even with these increases, the citizens of Waynesville enjoy some of the lowest water, sewer and electric rates of anyone in North Carolina, and our tax rate is lower than the average of other municipalities across the State.

Almost all full and part-time employees are scheduled to receive a 3% cost of living increase. That increase is proposed to be reflected on pay checks issued on July 4, 2012. In addition, the Town has made some changes in the health insurance program with Blue Cross-Blue Shield, and there will be a higher co-pay for prescriptions. The employee who uses name brand drugs would pay a \$40 co-pay and the Town will pay the drug's cost between \$40 and \$100. (Generics will cost \$10 or less if the employee finds a lower price.) After the cost tops \$100, health insurance will cover the cost. Initially, health insurance rates were scheduled to increase by 17%, but this one change may result in a near zero rate increase. This was a savings to the Town that had to be attempted in order to maintain the present health care program offered employees.

In capital outlay, the specifications should be ready and a new fire truck bid out as early in the 2012-2013 fiscal year as possible. The fire truck should arrive in the spring of 2013 and at \$435,000, there should be adequate interest from the financial institutions for a lease-purchase agreement. During the early months of the next fiscal year, the Town will receive a new bucket truck for the Electric Department and a new rear loading garbage truck for the Streets and Sanitation Department both of which are on order. This would add an estimated \$761,500 in debt over the next two years on the three units, and the first payment on the loans will not be due until the 2013-2014 budget.

Over the next two years, the Town will be adding \$761,500 in debt, but during 2012-2013, the Town will make \$1,975,520 in debt payments and during the 2013-2014 fiscal year, it is expected that the Town will pay \$1,744,391 in debt payments. This would be a total being paid off of \$3,719,911, which is almost five times the amount of the new debt of \$761,500 we will be adding.

While the budget development began in January, meetings were not scheduled between management and Finance Director Eddie Caldwell until mid-April. This allowed incoming manager Marcy Onieal to be involved in the process, so she could be somewhat familiar with what was included in the budget. Management Advisor Galloway said town staff was pleased to be able to work together on the development of this document, and believe it is sound and represents that which is best for the Town of Waynesville and recommended the adoption of the attached Budget Ordinance for 2012-2013.

The fee schedule, once included within the budget ordinance, was presented as a separate document with one substantial difference to add the video sweepstakes.

Alderman Greeley moved, seconded by Alderman Roberson to adopt the Fiscal Year 2012-2013 Budget Ordinance and the 2012-2013 Fee Schedule as presented. The motion carried unanimously. (Ord. No. 12-12)

### Resolution on Financial Operating Plan for the Two 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 on Financial Operating Plan for the Garage Operations in the amount of \$754,800 and the Public Works Building Operations in the amount of \$259,930 was recommended for adoption.

Alderman Caldwell moved, seconded by Alderman Freeman to adopt a resolution establishing a Financial Operating Plan for the Two Internal Service Funds as presented. The motion carried unanimously. (Res. No. 11-12)

### Special Event Request Temporary Street Closing – Boundary Street July 4, 2012

A petition signed by residents on Boundary Street was received seeking approval to close that street for their annual 4<sup>th</sup> of July Block Party. The request is for that section of Boundary Street between Walnut Street and Mead Street between the hours of 2:00 p.m. and 8:00 p.m.

The request from this neighborhood has been submitted each year and approved by the Town Board. There have never been any problems with this road closing. In the past, Street Department personnel would drop off the barricades on the afternoon prior to the closing and the residents would put the barricades in place at the start time of 2:00 p.m. Following activities, the residents would remove the barricades and place them on the sides of the street, and town personnel returns the following day to collect the barricades. Town staff recommended that the neighborhood be allowed to continue this tradition.

Alderman Greeley moved, seconded by Alderman Freeman to authorize the closing of Boundary Street between Boundary Street/Walnut Street intersection and Boundary Street/Mead Street intersection on Wednesday, July 4, 2012, from 2:00 p.m. until 8:00 p.m. for the purpose of holding a private block party as requested. The motion carried unanimously.

### Award of Bid Water Treatment Plant Concrete Repairs

Funds were included in the current, 2011-2012 budget to commence the repairs to the concrete walls of the basins at the Water Treatment Plant; however, the specifications were not ready and the project went to bid in June with the bid opening on Thursday, June 21. In the 2012-2013 budget, funds have been budgeted for the amount that the engineer estimated the repairs may cost, and that was \$305,000, including engineering and administration.

\$498,000 is proposed in rehabilitation and repair work at the Water Treatment Plant for the 2012-2013 budget, but this includes some replacement of actuator valves and repainting in the pipe gallery. The Water Fund will provide \$98,000 of the costs of these projects and it is our proposal that the balance of \$400,000 would be borrowed from the General Fund and repaid over a four year period.

Public Works Director Fred Baker said town staff has not yet received the report and certified bid tabulation of the engineer, Sutton Kennerly Associates, with the bid evaluation. This item will be delayed until the next regular meeting on July 10, 2012. No action was needed.

Comments by Town Manager Marcy Onieal

Town Manager Marcy Onieal thanked Assistant Town Manager Alison Melnikova and Management Advisor Lee Galloway for handling issues and board meetings while she has been out of the area. Manager Onieal said she, along with a group of thirteen people, traveled to Kenya to perform sustainable activities, working with a nonprofit corporation that does projects for clean water, agricultural projects, medical clinics and schools in the most impoverished areas. The trip ended with a safari where in the last hour they saw the “big five” which includes Elephant, Lion, Rhino, Cape Buffalo and Leopard. She was excited to see and meet Mrs. Sarah Obama, President Obama’s grandmother. Ms. Obama is 90 years old and quite gracious. Ms. Obama invited them into her front yard where they had drinks and time to chat with her. Ms. Onieal presented Mayor Brown with a “speaking stick” which is used by the leader of the tribe to grant authority for others to speak. Ms. Onieal also presented Mayor Brown with the Rungu which is the official weapon of the Masai Warriors. Kenya’s primary products are coffee and tea and this area is the largest rose growing market for export.

Comments by Attorney Woodrow Griffin.

Attorney Griffin said when he joined the Town of Waynesville nine years ago, he was pretty green when it came to municipal law and Waynesville was gracious to employ him. He has enjoyed meeting with Lee Galloway weekly, adding that he has always been his contact with the town. Attorney Griffin expressed appreciation to Mr. Galloway in always showing him a lot of patience. He added that he is also looking forward to working with Town Manager Marcy Onieal, but will miss working with his friend Lee Galloway.

Comments by Mr. Rich Byers, Resident of 95 Morgan Street

Mr. Rich Byers, a resident of Morgan Street distributed written comments to the board. Mr. Byers said he has already contacted most of the board members about an ongoing problem on Morgan Street, Grimball Drive and Maxwell Street that dates back around forty years. This time there appears to be a lot of drug activity and neighbors have had to put up fences for security. Some of the homes have been broken into and security systems have been installed in some of the homes. The elderly residents do not come out after dark. Mr. Byers said Code Enforcement Officer Warren Putnam has done a good job in trying to make improvements in the area and recent meetings have been held with residents and the police department. One discussion was to share information with police officers. The Police Department asked the residents to approach the board. Mr. Byers said he was told that there needed to be more fact finding, but the message he is getting now is that everyone is already aware of the situation. He asked that the Board review the records and do what is needed to get control over the situation. If the situation cannot be controlled, he asked for tax relief similar to what he felt Mr. Gaddy, the owner of the property in question, received. Mr. Byers added that these situations drive down the value of neighboring properties and the residents would expect to see a reduction in their tax values if nothing can be done.

Mayor Brown said that he and Manager Onieal have both spoken to Mr. Byers earlier today. He said the property owner, Mr. Gaddy was behind on tax payments and Haywood County started foreclosure proceedings. Haywood County Tax Collector David Francis has agreed to allow Mr. Gaddy to make payment arrangements on the overdue taxes, so he Mr. Gaddy has not been relieved of his tax obligations. Mayor Brown added that Haywood County establishes the tax value on properties. Mr. Gaddy was given the same treatment regarding taxes that any other resident receives. Mayor Brown said no action will be taken at the meeting tonight. Information has been gathered and will be reviewed regarding the situation.

Manager Onieal said residents should always call when a situation arises so that these are documented. Code Enforcement will always take action. Jason Rogers, Building Inspector, has a file about four inches thick on this property. The Police Department has been responsive and will work closely with the Code Enforcement Officer. The next step is to speak with the District Attorney about abatement proceedings.

Mr. Byers said he felt much better after speaking with the Board.

Attorney Griffin said what the Code Enforcement Officer does is deal with the physical condition of the property. The criminal activity moves into other areas. It is a rare situation when the abatement process is used and during his nine years as town attorney this has not been done. All the facts must be straight and be able to be proven before proceeding.

#### Adjournment

With no further business, Alderman Greeley moved, seconded by Alderman Caldwell to adjourn the meeting at 7:53 p.m. The motion carried unanimously.

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Phyllis R. McClure  
Town Clerk

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Gavin A. Brown  
Mayor