

REGULAR MEETING
TOWN OF WAYNESVILLE
BOARD OF ALDERMEN
TOWN HALL – 9 SOUTH MAIN STREET
NOVEMBER 13, 2012
TUESDAY – 7:00 P.M.

The Board of Aldermen of the Town of Waynesville held a regular meeting on Tuesday, November 13, 2012. Members present were Mayor Gavin Brown, Aldermen Gary Caldwell, Julia Freeman, J. Wells Greeley and LeRoy Roberson. Also present were Town Manager Marcy Onieal, Town Clerk Phyllis McClure and Town Attorney Woodrow Griffin. Mayor Brown called the meeting to order at 7:00 p.m.

Calendar of Events

Mayor Brown gave an overview of upcoming events. The Community Food Drive Day is November 16 with collection points in the parking lots of Wal Mart and Ingles at Barber Boulevard. The “Holiday Open House” on Main Street is Sunday, November 18 from 12 noon until 4 p.m. Board Members will walk in the Christmas Parade on December 3. The Annual Employee Appreciation Luncheon will be Friday, December 14 at the Recreation Center.

Approval of Minutes of October 9, 2012

Alderman Caldwell moved, seconded by Alderman Roberson, to approve the minutes of the October 9, 2012 meeting as presented. The motion carried unanimously.

Call for a Public Hearing Regarding Designation of the Samuel Stringfield House at 28 Walnut Street and Thomas Stringfield House at 52 Walnut Street as Local Landmarks

The Historic Preservation Commission has worked with ACME Preservation Services, Inc., to develop Local Designation Reports on behalf of property owner Charles McDarris, who is applying for Local Historic Landmark status for the Samuel and Thomas Stringfield houses, located at 28 and 52 Walnut Street respectively. A public hearing must be held prior to taking action on this proposed designation.

Alderman Greeley moved, seconded by Alderman Roberson to call for a public hearing for two local historic landmark nominations, to be held on Tuesday, December 11, 2012 at 7:00 p.m., or as soon thereafter as possible, in the Board Room of Town Hall located at 9 South Main Street. The motion carried unanimously.

Presentation of Rate Update and Forecast for Waynesville Electric System by Kevin O'Donnell, Nova Energy Consultants, Inc.

Nova Energy Consultant Kevin O'Donnell gave a presentation to the Board regarding rate forecasts, news of the recent Duke/Progress Energy merger, issues concerning the Town's wholesale contract which is up for renewal at the end of 2014 and the status of legislation in the NC General Assembly affecting municipal electric systems across the state.

Mr. O'Donnell said in working with other towns in the west, Waynesville is number 16 of 106 reporting utilities, with Waynesville paying approximately \$65 per megawatt hour and other towns are paying around \$80 per megawatt hour, but costs will be increasing. The Wholesale Contract with Progress Energy lasts another three years. It is expected that Waynesville's wholesale cost of power will increase by roughly 20 – 25% in 2015. Such an increase would equate to retail rate hike of about 17%.

Nova Energy has already contacted Duke/Progress to inform them that Waynesville is concerned about a possible rate hike when we go to a formula rate. One consideration is that Waynesville could look for power suppliers other than Progress and has been contacted by others that are interested in Waynesville's business. However, there are risks associated with moving to another utility out of the area.

SERC Update – clean audits were received on the CIP and non-CIP with a few self-reports. Public Works Director Fred Baker did a great job with these audits. It is hoped that the SERC will relax its requirements on small municipal electric systems, and we will let the SERC know our position on this matter.

NCEMPA Legislation – the NC General Assembly passed legislation which could affect Waynesville, limiting the transfers of electric funds to general funds to no more than 5%. Waynesville currently transfers slightly more than 10% of electric sales to the general fund. Electricities was not active on this legislation, Kevin O'Donnell has become a lobbyist to protect town interests.

A settlement agreement was reached which is now public record regarding the Progress/Duke merger. In essence, it was requested that we be treated in the same manner as everyone else.

In closing, Mr. O'Donnell said Waynesville has an outstanding town government. Electric rates have remained low and it is Nova Energy Consultant's goal to keep them low for many years to come. Mr. O'Donnell thanked Waynesville for the trust they have placed in his company, adding that it is an honor to work with a town with so many wonderful people that live their lives with honor and integrity.

Mayor Brown asked Mr. O'Donnell the name of the person Waynesville will be negotiating the new contract with since Linda Mann has been reassigned. Mr. O'Donnell said Richard Knight with Duke/Progress will be Waynesville's contact. His office is located in Charlotte, NC.

Finance Director Eddie Caldwell said last fiscal year Waynesville made a profit of approximately \$800,000 from the electric fund, but transferred about one million dollars. This accounts for a tax increase of eleven to twelve cents. There was some discussion regarding concerns about the Town's electric fund. Finance Director Eddie Caldwell said electric increases were included in the budget, but have not been implemented yet, and Waynesville is trying to delay any increase as long as possible. The debt was paid in July on the new substation. Waynesville experienced unusually warm weather last winter and fuel charges remained the same. Sales went down and cost was the same so the profit margin dropped about two percentage points. Mayor Brown pointed out that Waynesville has always taken pride in being competitive with Progress Energy. Manager Onieal noted the Town's desire to maintain parity of rates for Waynesville's citizens whether they are customers of the Town's electric system or customers of Progress Energy.

Mr. O'Donnell said Progress Energy's nuclear plants have not performed well, and this has been part of the reason for higher costs to the town, but hopefully the nuclear plant problems are behind them.

Mayor Brown said the Town Board will be meeting with Duke/Progress representatives in January 2013. Mr. O'Donnell said culture between the companies of Duke and Progress has been vastly different. Mayor Brown said Mr. O'Donnell has been with Waynesville for eleven to twelve years. He has benefitted Waynesville because he is available to us at all times and if there is ever a question he will get us an answer. Mayor Brown expressed appreciation to Mr. O'Donnell for attending the Board Meeting and presenting information to the Board.

Manager Onieal expressed appreciation to Mr. O'Donnell for his work with Waynesville. No action was needed.

Four Agreements with the N. C. Department of Transportation (NCDOT) and the Town Regarding the TIP Project U-4412 Improving Howell Mill Road (SR 1184) from Russ Avenue (US 276) to Asheville Road (US 23 Business)

Town Manager Marcy Onieal presented agreements between the N. C. Department of Transportation and the Town of Waynesville regarding improvements on Howell Mill Road from Russ Avenue to Asheville Road.

The Municipal Agreement (TIP Agreement) approves the construction of the Howell Mill Road project and sets out cost participation and responsibilities for the project. The Town's

responsibilities include utility relocation and sidewalk improvements. The sidewalk construction requires reimbursement to NCDOT of 30% of the estimated costs of \$132,738 or a \$39,821 municipal share. Although this project is largely outside the Town's corporate boundary, upon completion of the project the Town accepts responsibility for sidewalk maintenance. (Contract No. 16-12)

The second agreement is entitled Utility Relocation Agreement. In this agreement the Town agrees that NCDOT will relocate water and sewer lines as part of their construction contract for Project U-4412. The Town will be responsible for an estimated \$434,500 in costs and the Town resumes responsibility for maintenance of utility lines. (Contract 17-12)

The third agreement is entitled Agreement for Entry. With this agreement, the Town is allowing NCDOT and all contractors associated with U-4412 access to enter Town property at the Recreation Park for the duration of the U-4412 project, while waiving any claim to trespass, taking, or inverse condemnation. The agreement acknowledges that the Town's claim for compensation for public property being acquired by NCDOT for the project has not been resolved, but that the Town will allow work to commence while continuing to negotiate appropriate compensation (or property conversion). In the event of impasse, the agreement provides a two-year window from the point of project completion during which the Town may pursue remedy through NC Superior Court to determine just compensation. (Contract 18-12)

Because the Town-owned land being taken by NCDOT for U-4412 was originally acquired and/or developed through Federal Land and Water Conservation Funds, the property taking associated with this project is subject to specific requirements imposed by the National Park Service under the Land and Water Conservation Act, most notably a requirement that the land may be taken only if it is replaced by land of equal recreational use and value within the same jurisdiction. Final approval for this property conversion rests with NCDENR, Division of Parks & Recreation, which manages LWCF funding under contract to the National park Service. The two state agencies have not yet agreed on an appraised value for the properties being converted. The Board of Aldermen is being asked to approve the site proposed for conversion, assuming NCDOT and NCDENR can reach agreement on property value and successfully negotiate property acquisition with the parcel's current owners (Wade/Tomlinson, Atlanta, GA).

If the Town signs the Agreement for Entry, it is allowing the project to proceed without having first resolved the property conversion issue required by law. If the Town fails to sign the Agreement for Entry, it will effectively delay the Howell Mill Road improvement project until the property conversion has been completed.

Alderman Roberson moved, seconded by Alderman Greeley, to approve all agreements as presented and authorize the Mayor and/or Manager to execute these contracts with the N. C. Department of Transportation on behalf of the Town; and to approve the site, as proposed, for

the required land conversion, authorizing the Mayor and/or Manager to execute all agreements and documentation required to meet LWCF 6(f) conversion requirements. The motion carried unanimously. (Cont. 16-12, 17-12 and 18-12)

Communications From Staff - Town Manager Marcy Onieal

New Legislative Contacts – Congratulatory letters have been sent to the newly elected officials by Mayor Brown. Manager Onieal reported that the Council of Government Meeting will be rescheduled and hosted by the Town of Waynesville. Legislators will be invited to attend the meeting along with Town and County elected officials and representatives. One of the issues to be discussed is the merger of Lake Junaluska with the Town of Waynesville. This will be an opportunity for representatives from both entities to meet with the legislators and bring them up to date with the issue. Their support will be critical because a local act will need approval by the N. C. General Assembly which will be in session in Raleigh in January 2013.

IT Master Plan Update – During the past two weeks a great team from VC3, with the cooperation from New Meridian and Haywood County IT Department, has been gathering information and assessing the Town of Waynesville IT systems. A complete system inventory, including age of equipment and setup of the network, have been gathered to determine how Waynesville is using technology, what is working, not working, and how to proceed in the future. VC3 has a good understanding of the Town's municipal business plan and will make recommendations after gathering additional data from employees and users. Twelve different interview sessions have been held with leadership staff. A survey will be distributed to other employees and board members to gather information on how things could be done more efficiently. The survey can be completed online. The Town currently has 136 work stations and six servers and full capability has not been reached. The initial review revealed that the Town has maintained reasonably up-to-date equipment, but has significant challenges with regard to user training, integration, planning and internal trouble shooting. The Town has employed a piece meal approach to developing the IT system over the years without oversight, which has caused significant limitations with cross-departmental or cross-functional integration and usefulness. The telephone system is also being reviewed as part of this process. A final report is expected in January. At that time the Town should have a clear picture on where it is currently and what improvements can be made regarding Information Technology.

Junaluska Merger Update – McGill and Associates continues to work on their proposal. A project description and requests for proposals were planned to be distributed to a variety of engineers at the request of Junaluska, however Junaluska has recently expressed a desire to move more quickly with the process and are satisfied with the proposal already prepared by McGill and Associates. McGill is capable of assembling both the technical and financial analysis needed for this study. The first draft of the proposal was based on a full blown annexation study which is no longer necessary since the proposed merger would be voluntary on the part of both

Junaluska and Waynesville and would require special legislation by the General Assembly for enactment. A total project cost of \$60,000 - \$65,000 is expected, with the Town paying \$25,000 and Lake Junaluska paying approximately \$10,000. It is hoped that the remainder of the cost will be covered by a planning grant from the NC Rural Center. In the event the grant fails to materialize, then the scope of the study will have to be scaled back. Alderman Roberson said he attended the last Municipal Study Task Force meeting which was well attended by area residents, was positive and it appeared that the majority in attendance were in favor of the merger option. Joe Stowe set the stage, making it clear that the other options in transferring water/sewer or doing nothing were not options being considered by Lake Junaluska. They are concentrating on the annexation route. A presentation was made by Jack Ewing regarding legal structure and responsibilities of all parties with a vested interest in the merger. Lee Galloway, former Town Manager and member of the Municipal Study Task Force also gave a presentation, which eased any fears that the Town of Waynesville could not afford to merge with Junaluska. Buddy Young reported on meetings and discussion he and Manager Onieal had with staff and attorneys of the School of Government and North Carolina League of Municipalities.

Manager Onieal said the Town will gain a very valuable work product once the study is completed by McGill regardless of the outcome regarding merger, and that it is the study itself that will help determine future steps for both Waynesville and Junaluska with regard to managing either separate or merged water systems. The Town's Capital Assets Management Plan will be reviewed and updated, incorporating Lake Junaluska's water and sewer into the plan, focusing primarily on water/sewer infrastructure. At the meeting, Junaluska officials openly confirmed that the Town would not assume responsibility for any of the common areas such as the dam and lake, which will remain responsibility of the Conference Center, but that the merged boundary will include recently purchased property formerly occupied by Granny's Chicken Palace. The next meeting of the Junaluska Task Force is scheduled for December 6. There is a special interest in discussing this issue with the Legislators. If this property is annexed into Waynesville, Lake Junaluska has expressed interest in zoning and has suggested that an advisory committee be charged with reviewing and making recommendations to the Town's Planning Board regarding zoning.

Mayor Brown reported that he spoke with former Representative Ray Rapp and Mr. Rapp expressed interest in assisting the community in any way he can to facilitate a merger that will benefit citizens of both the town and the county. Mayor Brown said it is very helpful to have an advocate for the Town and Junaluska who is already familiar with the legislative process, having been in the General Assembly. Manager Onieal said she has spoken with Managers of the other towns and Haywood County regarding the Town of Waynesville hosting the upcoming Council of Government Meeting to discuss these issues.

Alderman Caldwell moved, seconded by Alderman Greeley, to adopt a resolution requesting grant assistance for the *Impact Evaluation of Junaluska Assembly Utility Infrastructure*

Assumption & Water/Sewer Asset Management Plan Update from the Rural Center's Planning Grants Program. The motion carried unanimously. (Res. No. 14-12)

Transit Shelter Request – Manager Onieal said amendments regarding public transit shelters will be addressed at the Planning Board Meeting scheduled for November 19 and their recommendation will be presented to the Board of Aldermen at a future meeting, noting the interest this topic has generated among members of the Haywood Public Transit Advisory Committee, Mountain Projects and Haywood Vocational Opportunities.

Miller Street Easement (Bolin property) Resolution – Manager Onieal reported on drawings regarding ADA access to the building on Main Street formerly occupied by Furniture Village and owned by Clifford and Beatrice Bolin, which will require access across publicly owned space (minipark & sidewalk). The easement granted by the town included a 25-year sunset clause that is due to expire soon. There was concern how this access could be accomplished in a way that maximizes the building use, and provides adequate accessibility without diminishing the use and value of public infrastructure adjacent to the building. Building Inspector Jason Rogers has done a great job mediating this challenge with all parties and a resolution appears to have been reached per the sketches distributed at the meeting. Access will be provided by constructing additional standard entries to the lower and middle levels of the building at street level on Main and Miller Streets at elevations which will require only minor leveling of the sidewalk for ADA compliance rather than construction of ramps for ADA compliance.

Water Plant Basin Renovation Project Update – This project continues and is scheduled to be completed before Christmas.

Frog Level/Hazelwood Streetscape Improvements – Approximately one half of the new street lights have been installed. New Christmas decorations have been ordered for the Frog Level area and should be installed soon. Negotiations are continuing on the parking lot lease with the Forga family.

Clean Cities Coalition – Bill Eaker, representing Land-of-Sky Regional Council, plans to attend one of the Board of Aldermen meetings in the near future to discuss Clean Cities Coalition.

NPCA Workshop/National Parks Centennial 2016 – Manager Onieal was recently invited to participate in an intensive planning workshop with leaders from throughout Western North Carolina on how the Blue Ridge Parkway can be designed, maintained and used as a tourist destination for economic development purposes, a vital recreational amenity, an environmentally sensitive and protected ecosystem and viewshed, while maximizing its multimodal transportation potential without the detrimental effects caused by its use as a commuter roadway.

UNC-CH School of Government Public Administration Conference – At the annual meeting in November, Manager Onieal was elected President of the UNC-CH School of Government Public Administration Board of Directors, a position that also requires her to fill a designated seat on the UNC-CH General Alumni Association Board of Directors for a period of two years. Both roles will require her attendance at quarterly board meetings (on Fridays & Saturdays) in Chapel Hill. The Board's support for this activity was approved at the time of the manager's hiring and confirmed by employment contract, with the knowledge that Ms. Onieal's role at the state level will be very beneficial for Waynesville through enhanced networking opportunities and availability of expertise and resources. She noted there will soon be a first-time online MPA Program offered through UNC-CH, which meets all the academic standards of the residential program, and will provide greater flexibility of enrollment for non-traditional students.

Communications From Staff - Town Attorney Woodrow Griffin – did not have any reports for the Board at this time.

Communications From the Mayor and Board of Aldermen

Mayor Brown reported that he recently met with the Economic Development representatives and they are actively working with and marketing the Swift property, located on the western end of Waynesville. Mayor Brown also serves on the Mountain Projects Board and is impressed by the scope of work being done by this organization and Director Patsy Dowling. A conference call is scheduled November 26 regarding the old hospital property and a potential developer that may propose developing the property into rental units.

Alderman LeRoy Roberson reported that he will be attending the Transportation Advisory Committee Meeting on November 15, 2012 and may have information to report to the Board at a later meeting.

Alderman Gary Caldwell reported that he was approached by a member of the Mountaineer Little League inquiring whether they would be allowed to participate in a fundraising idea similar to the Asheville Tourists and install signage advertising businesses that contribute funds for the signs to be displayed in areas such as the Elks Lodge, American Legion and Hazelwood Field owned by Haywood County where their games are played. Manager Onieal said this would require the property owner's permission and compliance with sign regulations. Manager Onieal will speak with town staff regarding compliance with sign regulations with this request.

Alderman Wells Greeley said the Town had a wonderful festival season, with good weather and large attendance. The organizations and employees responsible for coordinating these festivals did an amazing job.

Mayor Brown said the citizens in the Town of Waynesville receive a high level of service during the winter months. Electricity is restored in a short time and elderly residents and those on oxygen are taken care of. Manager Onieal said she discovered how well Waynesville's employees handle emergencies such as snow during the recent snow in October.

Closed Session – NCGS 143-318(a)(6)

Alderman Greeley moved, seconded by Alderman Roberson, to adjourn to closed session at 8:40 p.m. to discuss personnel matters, as permitted by N. C. General Statutes 143-318.11(a)(6). The motion carried unanimously.

Return to Open Session

Alderman Greeley moved, seconded by Alderman Caldwell, to return to open session at 8:55 p.m. The motion carried unanimously.

Adjournment

With no further business, Alderman Greeley moved, seconded by Alderman Roberson, to adjourn the meeting at 8:56 p.m. The motion carried unanimously.

Phyllis R. McClure
Town Clerk

Gavin A. Brown
Mayor