

**MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN
REGULAR SESSION MEETING
JULY 16, 2013**

THE WAYNESVILLE BOARD OF ALDERMEN held its regular meeting Tuesday, July 16, 2013 at 7:00 p.m. in the board room of Town Hall, 9 South Main Street, Waynesville, NC

A. CALL TO ORDER

Mayor Brown called the meeting to order at 7:00 p.m. with the following members present:

Mayor Gavin A. Brown
Alderman Gary Caldwell
Alderman Julia Freeman
Alderman Wells Greeley
Alderman LeRoy Roberson

The following staff members were present:

Marcy Onieal, Town Manager
Woodrow Griffin, Town Attorney
Alison Melnikova, Assistant Town Manager/Deputy Town Clerk
Ginny Boyer, Administrative Assistant
Joey Webb, Fire Chief

Representing the media:

Mary Ann Enloe, The Mountaineer
Caitlin Bowling, Smoky Mountain News

1. Welcome/Calendar/Announcements

Town Manager Onieal reported one addition to the calendar listings: an invitation from Joy Rasmus to attend the NC Association of ABC Boards regional meeting Friday, July 19th. The Board was reminded to gather at 12:30 p.m. on the courthouse lawn for Fridays Folkmoot parade on Main Street. The Southwestern Commission's Annual Meeting and dinner will be held Monday, July 22 at 5:30 p.m.

2. Minutes of June 3, 2013, June 10, 2013, June 17, 2013 and July 1, 2013 (budget work sessions), and June 11, 2013 (regular session)

Alderman Caldwell made a motion, seconded by Alderman Greeley, to approve the minutes of the June 3, 2013, June 10, 2013, June 17, 2013 and July 1, 2013 (budget work sessions), and June 11, 2013 (regular session) meetings as presented. The motion passed unanimously.

B. NEW BUSINESS

3. Automatic Mutual Aid Agreement with Maggie Valley Fire and Rescue

Fire Chief Joey Webb reported that Maggie Valley Fire and Rescue Department is requesting an Automatic Mutual Aid Agreement be signed between the Waynesville Fire Department and the Maggie Valley Fire and Rescue Department. Fire Chief Webb reported that with the agreement, both departments will be dispatched at the same time, and will operate in essentially the same manner as the automatic aid agreement the Town of Waynesville currently has with the Saunook Fire Department, which is working well.

Chief Webb reported this agreement with Maggie Valley Fire and Rescue will potentially help both towns improve their ISO rating. The North Carolina Office of State Fire Marshal rating system gives credit for additional manpower and apparatus when using the *automatic* aid agreement, which is not the case under a routine mutual aid agreement when equipment and manpower are not automatically dispatched for each call.

Mayor Brown reiterated this agreement will authorize the Town of Waynesville Fire Department to automatically respond and would apply only to fires and alarm response for structures. If the additional aid is not needed on any given call, the response will be terminated at whatever point that additional aid is determined to be unnecessary, usually in route to the scene. At no time will emergency response in Waynesville be jeopardized. While Manager Onieal acknowledged that an automatic mutual aid agreement theoretically could increase departmental operating costs due to taking on additional calls for service, the actual number of calls to which our department would respond out of jurisdiction are anticipated to be very low and the benefits to the citizens and businesses of both communities outweighs the marginal increase in cost. She indicated that the department will carefully monitor its calls for service and the costs associated with response under the mutual aid agreements, noting that the agreement can be terminated by either party at any time.

Alderman Wells Greeley made a motion, seconded by Julia Freeman, to approve the automatic mutual aid agreement with Maggie Valley Fire and Rescue as presented, and to authorize the mayor and fire chief to execute the agreement on behalf of the Town of Waynesville. The motion passed unanimously.

4. Special Event Request—8th Annual Sarge's Downtown Dog Walk

Sarge's Animal Rescue has requested a rolling street closure with police assistance for their 8th annual Downtown Dog Walk, which is an awareness- and fund-raising event to support the agency's mission and programs. Alderman Freeman reported that Sarge's is a fantastic organization which does so much to raise community awareness about animal rescue, fostering and adoption and the upcoming Downtown Dogwalk is a community event with a huge turnout. The streets will not technically be closed but the Waynesville Police Department is required for assistance in leading walkers and stopping traffic at intersections.

Alderman Wells Greeley made a motion, seconded by Alderman LeRoy Roberson, to approve the temporary street closing and staff assistance as requested on August 3, 2013 for Sarge's 8th Annual Downtown Dogwalk. The motion passed unanimously.

C. ITEMS FOR BOARD DISCUSSION

4. Lake Junaluska/Waynesville Merger Update

Mayor Brown reported the Board has requested that Senator Davis have the Lake Junaluska annexation bill withdrawn from the House. It currently is sitting in the Finance Committee and could be revived in the spring of next year during which time an education process will take place.

Mayor Brown reported an exemplary job was done presenting the bill to the legislature and he is pleased with the efforts of all involved despite the fact that the bill did not achieve passage before the legislative session adjourned. He indicated that with the new political order in Raleigh, the stars simply were not aligned to make this happen on the time frame we would have desired. He reported that the opposition was intentional and somewhat successful in distorting the facts, noting that the majority of Lake Junaluska residents clearly support annexation. Mr. Brown said he finds it reprehensible that a small vocal minority tried to further their own position at the expense of what was in the best public interest of two communities, and the record has to be set straight. It was noted that in the face of repeated and deliberate distortion of the facts by opponents, the mayor and manager and officials of Lake Junaluska made weekly trips to Raleigh for two straight months setting the record straight. Although a difficult process, it is important to stick with the process long enough to see the truth and merit prevail. The request to pull the bill was made simply because we ran out of time to get the bill passed during the current legislative session, because there were not enough days left in the session for the bill to get through all the various committees and legal steps necessary before adjournment.

In the meantime, Lake Junaluska residents who are proponents need to step up and be heard, because the annexation is not a dead issue. We have come to the consensus that it is in the best interest of the citizens of Waynesville and Lake Junaluska that this merger take place. The needs haven't changed and we will continue to pursue it vigorously.

Manager Onieal reiterated the annexation was neither forced nor municipality-initiated, and that while some majority members of the legislature in Raleigh consider any annexation to be “forced” if there is even one citizen opposed, a considerable number of legislators traditionally opposed to annexation recognize the uniqueness and merits of this case, acknowledging that annexation is likely the best outcome for ensuring the long-term sustainability of the Lake Junaluska community. Despite that acknowledgement, some representatives expressed a preference for the town to pursue annexation under the statutory process rather than via legislative action.

The manager and mayor continued their reports by highlighting some of the many underlying political challenges that affected the progress of the bill through both houses of the legislature, noting that in many instances that the bill was held up for reasons that had absolutely nothing to do with the content of the bill itself. Ms. Onieal likened the process to “chasing a ghost”, or playing “whack-a-mole” because each time a challenge to the bill was successfully addressed, a totally new and unexpected challenge would surface. The mayor noted that while this experience had been both tedious and sometimes disheartening, the efforts have not been wasted and this has been a very educational and eye-opening experience into the legislative process in North Carolina.

Alderman Freeman thanked Manager Onieal and staff for their time, diligence and energy during this often frustrating and exhausting process.

5. Park Restroom Bid

Manager Onieal reported the park restroom project went out to bid according to the concept plan approved by the Board just prior to her arrival, but that all the bids received were so far in excess of the adopted budget that the project cannot go forward without either an additional source of funding or a complete re-design and downsizing of the project to match available funds. She noted that the board had adopted the project budget based on cost estimates provided by original project designer LQDesigns, and that even after value-engineering the project and negotiating with the low bidder, the lowest bid still came in approximately 75% over budget. In the meantime, there are recent related developments, providing both challenge and opportunity, which should be taken into consideration before moving forward with any additional construction or improvement. The grant for tennis court resurfacing that was part of the adopted concept plan for this portion of the park did not come through; the old pool house has proven to be more of a liability than an asset with regard to its specific location and cost to renovate and is at this point, little more than a shell with a failing roof structure; the Town-owned house in the same sector of the park has recently been vacated and is slated for demolition; and inadequate and poorly designed parking and traffic flow in this section of the park continue to be a problem. Ms. Onieal noted that the town had gone without restrooms for over two years with very little comment from the public and recommended that the best course of action was to take a step back and look at master planning this entire section of the park, before taking hasty action to build something we may regret a year or two down the road. Ms. Onieal indicated staff would come back in August with specific options and recommendations for Board consideration.

6. Busker's Ordinance

The Town currently has an ordinance in place prohibiting panhandling or solicitation of money in association with performance. The manager has received several requests by street performers and musicians for the opportunity to play on the street downtown and passively collect money for doing so, and one musician has directly appealed to the Board of Aldermen for that permission. Since this opportunity has never been allowed in the Town of Waynesville, the manager requested input from the Board as to whether street performers would be a desirable addition, particularly to the downtown area. The current ordinance currently permits the Manager to award a permit to a performer but does not allow them to collect money for that performance, even passively. She also noted that performers already have a right of self-expression on public property without seeking a permit from the town, provided they are not breaking any other law or ordinance, e.g. violating the noise ordinance, blocking the sidewalk, or behaving in a lewd and lascivious manner. She suggested that if the Board were inclined to give individuals the opportunity to earn a living as street performers, an ordinance change would be necessary, but that it could be written broadly enough to allow for flexible procedures, so that if any unexpected problems were to arise, the procedure for permitting could be adjusted administratively without having to change the ordinance again. The manager has consulted the Downtown Waynesville Association about this topic, and they have indicated they are not opposed to the Town permitting street performers provided the Town not issue permits for street performers during scheduled festivals and formally sanctioned downtown events, since they routinely hire performers for those events and wish to avoid competition or conflict among performers.

Mayor Brown noted that the ordinance could also be written with a sunset clause, so that it would automatically expire after a certain period of time, giving the town an opportunity to experiment, say for a year, without committing to the ordinance for the long-term.

Alderman Roberson voiced concerns over performers taking up benches meant for people who have come to Waynesville to shop and rest; he would hope there would be restricted areas and no amplification.

Assistant Town Manager Alison Melnikova, who has researched how other communities handle street performers, noted that the permitting can vary widely from a year's license (calendar or fiscal) to two hour blocks and can also be regulated to specific locations in town during specific times. Many communities see street performers as a way to create a more vibrant atmosphere downtown or in a commercial district and many local musicians see performing in their town and making money at it as a goal. Ms. Melnikova offered to send the board a link to a one-hour webinar which has this issue as its topic.

Alderman Greeley thanked Ms. Melnikova, saying he would tend to want to be more judicious about this idea and would welcome the webinar link to learn more about the topic.

By consensus, the Board agreed that staff should develop and return with a proposal for board consideration at a future meeting.

7. Bolin Easement Request

Manager Onieal reported that Attorney Jack Kersten, on behalf of his clients Mr. & Mrs. Clifford Bolin, has asked for an easement for ground level access to their building on Miller Street and have asked for a 10-year extension (until 2025) of a 25-year old open-ended easement which is slated to expire in 2015. The Bolins have never utilized this easement but wish to retain the right to access their building from Miller Street across public property. Ms. Onieal is advising the Board not to sign an agreement that long, since it is not in the Town's best interest to grant an open-ended unused easement for such an extended period of time, and believes that a 5-year easement agreement is adequate. Ms. Onieal indicated that both parties have reached an agreement on the specific location of the easement and an acceptable design for access to the building and are awaiting formal paperwork from Attorney Kersten's office.

8. Pending Budget Amendment

Ms. Onieal reported the House and Senate have just finalized the tax reform bill within the last couple days, and reports that the impact of that bill are just beginning to be reported. Although we don't know the exact financial impact for municipalities and the Town of Waynesville in particular, there is good news that several municipal revenue streams were preserved in the compromise tax bill. Sales tax reimbursements for local governments are intact; business privilege licenses are intact; and the state is projected a small increase in revenue from expanding the sales tax base. With the final version of the State budget, we will have a better estimate of what our revenue stream will be, and staff will return with a budget amendment at that time.

9. IT Master Plan Assessment & Implementation – NCLM Presentation

Manager Onieal reported that when she was hired, the Board made clear that one of its immediate and high priority goals was to make improvements related to management and use of information technology (IT) in town operations. With that in mind, she and staff have undertaken a six month formal IT assessment and have begun developing a plan for a complete overhaul of its IT systems and management processes. There are several approaches to IT management, and the manager indicated that up to this point, we have focused on understanding what we have and what options are available to us in terms of more effectively utilizing and managing information technology infrastructure for the purpose of improving operational efficiency and our service to the public. Tonight's presentation

is the final opportunity planned for self-education and the manager asked that the Board be prepared to provide direction as to whether it is ready for implementation steps or needs additional information before moving forward. The NC League of Municipalities has recently undergone a significant transition in the way it manages its technology infrastructure, which is very similar in scope and aim to what the Town of Waynesville has in mind, specifically the experience of moving to a managed service model and a cloud vs. premise-based computing solution. Ms. Onieal introduced Ryan Draughn, Chief Information Officer of the North Carolina League of Municipalities to share the League's experience.

The League provides many services to the towns of North Carolina and IT support and consulting is one way they serve their customers. He noted his goal for the evening was to help educate the Town Board and staff on the "good, bad and ugly" of cloud computing and managed services while remaining fully impartial with regard to how the Town ultimately chooses to proceed. Mr. Draughn who joined the League in 2008 reported he inherited a 2006 contract agreement with a particular vendor, using their services on a sporadic basis for special projects, but not to a large extent. The League went live with a fully managed private cloud solution with the same vendor in January 2012 and since that time can't speak highly enough of having made this change within their organization.

Mr. Draughn gave a lengthy detailed presentation and summarized by saying that for the League, which is a highly complex organization, but one with limited budget and technical expertise, the managed cloud solution is a perfect fit. He believes that even very small cities and less complex operations can enjoy the benefits of utilizing a managed cloud environment because it provides: greater technical capabilities than one could afford on their own, more memory and storage, flexibility; power to allow staff to work anywhere anytime; standardization of the data and applications environment; reduced downtime; multiple redundancies. With regard to VC3, the vendor chosen by the League to provide this service, Mr. Draughn noted the tremendous benefit of having selected a vendor who is experienced in local government-type solutions; who understands data retention laws unique to government entities in NC; who provides for the short & long-term security of the client's data, who is familiar and adept with managing typical municipal applications speed; and who has the depth and breadth of personnel and experience to provide immediate response and remedy for highly complex applications and systems. Both the experience of moving to the cloud and the process of moving from in-house managed IT to externally managed support has been nothing but a positive experience for NCLM staff, which has allowed them to focus on improved customer service. Mr. Draughn indicated that they simply wish they had made this move even earlier.

Ms. Onieal said that although she did not have a specific action item on the agenda for this meeting, having spent the better part of a year educating our staff and board, she is requesting direction from the Board as to how it wishes to proceed. Many options have been considered over the course of the year including: hiring in-house IT staff, going to a fully-managed premise-based solution, going to a fully-managed cloud-based solution, and hybrid solutions of everything in between. Manager Onieal mentioned that the Town currently has no dedicated IT staff, has multiple IT and network support

vendors and largely utilizes a break-fix model, which does not provide for preventative monitoring, long-range strategic planning, or adequate security, redundancy, flexibility or nimbleness in a changing operational environment. Ms. Onieal noted that local vendor New Meridian Technologies has been the Town's primary network support provider for over a decade and has provided outstanding service under the break-fix model of IT management. She also noted, however, that the Town's operations and IT needs have outgrown the break-fix model of support and we are now in need of a different model that will provide a more intensely managed and supported IT environment.

Mayor Brown voiced his concern over giving employees tools that they are frustrated with and unable to use. With some of Town employees not having high school degrees, or those who regularly do field work, how can a new standardized system be integrated to work across the board? Mr. Draughn said that the Town may wish to consider a slower transition with a hybrid system, which may initially seem to be more appealing and comfortable for individuals used to working within the current environment, simply because people in general are often reluctant to make change, but if there are employees who are engaging IT for the first time, going to the cloud and a fully managed system may actually be more advantageous, because anything is going to be new to them but there will be more standardization and support in the process.

Dr. Roberson asked if there is back-up to the cloud system. Mr. Draughn explained that if the entire national/world internet is down then the answer would be no, but that is such an unlikely and rare occurrence as to be of negligible concern. When we experience the internet being down now, it is usually a very temporary and localized phenomenon that can be resolved by simply moving location and many communities have redundant internet mains coming from multiple direction. As for data storage, the system replicates every four hours to multiple locations, in our case to Columbia and to Denver. And with massive amounts of storage capacity available, the League chooses to archive virtually everything, which will always be accessible. Dr. Roberson indicated he felt that dealing with cloud storage is actually more secure and accessible than what we do now on-site with very limited back-up and storage.

Mayor Brown mentioned that a municipality is different than a private company and Mr. Draughn has described what the experience of the League has been. Mayor Brown asked if there are any legal, technical or security issues that have not been resolved satisfactorily as a result of moving to a cloud solution. He would like to ensure the public's trust and be able to say to citizens that a move to cloud computing is a wise investment and a better system than what we had. Mr. Draughn answered that the only minor stumbling block he sees in a municipality going to the cloud is not a matter of technical capability or security but is a legal restriction related to areas of law enforcement and criminal justice. The FBI and federal government have not yet created standards or a certification system whereby cloud providers can connect to State and Federal criminal data systems, even though many experts in the field argue that a cloud solution is equally, if not more, safe and secure than the amalgam of premise-based models and networks used nationally. For that one use alone, the Town would have to continue accessing criminal data in the same manner it does now with an on-site server hooked

directly to DCI, and that would be the case until appropriate federal guidelines are in place for cloud access to criminal data.

Ms. Onieal reiterated that as we move to a more intensively managed IT environment there are multiple vendors that can provide these services and products to the town, just as with any marketplace, and that the real issues are how committed are we to making improvements, how fast do we want to get there, and where is the best value for our dollar. Ms. Onieal indicated that she and the staff are prepared to make a recommendation to move forward with next steps toward implementing IT improvements, but asked whether the Board feels it needs additional information and education, more time to reflect on options, or is ready to make a decision. Mayor Brown said the Board specifically requested the recommendation of a tried, true and tested provider, and believes we have had that all the way through our study process with the advice of VC3, the League of Municipalities, and with the various independent consultants and references with whom our staff have conferred, including our own local provider.

Mayor Brown thanked Mr. Draughn for his presentation, then recognized Jon Feichter of New Meridian Technologies, the Town's current network service provider, who relayed his reservations about cloud computing. Mr. Feichter relayed his good experience in assisting the Town move its MUNIS accounting applications to the cloud, but expressed concern about putting every egg in that basket, noting that if the basket stops working, then nobody's working. Secondly, Mr. Feichter said he has seen the VC3 presentation and is astounded at the costs to provide the services they were talking about. He hopes the Town will consider a hybrid model that would be easier to manage and not be entirely dependent on the cloud. Mr. Feichter went on to say he has begun an analysis in hopes that New Meridian may fit into a hybrid, multi-vendor context and be able to do it less expensively.

Mayor Brown thanked Mr. Feichter for his comments and what he has done for the Town for the last ten years. He said the Board would consider all the options and make the decision they feel is in the long-term best interest for the citizens of Waynesville. No action was taken.

D. COMMUNICATIONS FROM STAFF

Neither the manager nor attorney had anything else to report.

E. COMMUNICATIONS FROM THE MAYOR AND BOARD

There were no further reports from the mayor or board.

F. CALL ON THE AUDIENCE

Jack Wadham and **Yvonne Mazet**, owners of **Frog Pond Auctions on Commerce and Depot Streets**, came to discuss changing the town's sign ordinance. Mr. Wadham and Ms. Mazet relayed their feelings that the current sign ordinance is unfair, that small businesses get harassed and harangued and that enforcement is intimidating. They expressed concern that their business in particular had been unfairly targeted for enforcement and provided board members a list of other local merchants and agencies, which they alleged are also in violation of the sign ordinance.

Ms. Onieal said that staff responds to sign ordinance violations through complaint and random sweeps through town, but that the Town does not have the resources to respond to sign ordinance violations systematically. She said under no circumstances has the town targeted individuals, businesses, or geographic areas for selective enforcement. Ms. Onieal said that at her request, Development Services staff and the Planning Board are already engaged in undertaking a systematic review of the sign ordinance and upon conclusion will report back to the Board of Aldermen with recommendations to strengthen, relax, or sustain the current ordinance. She emphasized that whatever is adopted by the Board of Aldermen is the ordinance that staff will enforce fairly, impartially and consistently. She indicated she had met with Mr. Wadham twice before on this issue and encouraged him and others with a particular interest in the sign ordinance to be involved by offering input to the Planning Board. Mayor Brown invited Mr. Wadham to attend committee meetings in which the sign ordinance will be specifically addressed. Mr. Wadham agreed to accept the invitation.

G. ADJOURN

There being no further business, Alderman Greeley made a motion, seconded by Alderman Caldwell, to adjourn the meeting at 9:10 p.m. The motion passed unanimously.

ATTEST

Gavin A. Brown, Mayor

Marcia D. Onieal, Town Manager

Eddie Ward, Deputy Town Clerk

Prepared by:

Ginny Boyer, Administrative Assistant