

MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN
REGULAR MEETING
January 27, 2015

THE WAYNESVILLE BOARD OF ALDERMEN held its regular meeting on Tuesday, January 13, 2015 at 6:00 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 6:00 p.m. with the following members present:

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

The following staff members were present:

Marcy Onieal, Town Manager
Woodrow Griffin, Town Attorney
Amie Owens, Town Clerk
Joey Webb, Fire Chief
Paul Benson, Planning Director
Eddie Caldwell, Finance Director

The following media representatives were present:

Mary Ann Enloe – The Mountaineer

1. Welcome /Calendar/Announcements

Mayor Gavin Brown welcomed everyone to the meeting and asked Manager Onieal to cover the calendar events.

Manager Onieal noted that there were no additions to the calendar, but did confirm that the date of the upcoming Board Retreat would be Friday, March 20 beginning at 8:30 a.m. at the Wells Event Center.

Mayor Brown mentioned the upcoming Polar Plunge and Manager Onieal explained she would address the event as part of her report.

2. Adoption of Minutes

Alderman Caldwell made a motion, seconded by Alderman Greeley, to approve the minutes of the January 13, 2015 (regular meeting), as presented. The motion carried unanimously.

B. REPORTS TO THE BOARD

3. Firefighters Relief Fund Board

Fire Chief Joey Webb provided the Firefighters Relief Fund Board report. Chief Webb noted that the Firefighters Relief Fund was established in 1907 to assist firefighters who are injured in the line of duty. The funds come from fire insurance tax and certain automotive insurance policies. Chief Webb added that a fire department must be a rated department, and its employees and volunteers all members of the NC Firefighters Association, in order to be eligible to participate in the Relief Fund.

Chief Webb explained that there were five members on the board; two elected by the fire department, two appointed by the Waynesville Board of Aldermen, and one who is appointed by the NC Commissioner of Insurance. There are two positions whose terms will expire at the end of January 2015, one of which will require board appointment. Chief Webb will ascertain if the current individual serving is interested in being considered by the board for re-appointment.

Chief Webb noted that although funds were set up to assist destitute firefighters, the State has allowed the relief boards to provide supplemental retirement for volunteers with 20 years of service. Funds have also been used to provide scholarships or fund benefit events. Chief Webb reported that the ending balance in the relief fund as of June 30, 2014 was \$262,761. He added that the state receives copies of all of the checks issued by the relief fund board, for the purpose of providing additional fiduciary oversight.

Mayor Brown reiterated his appreciation for the volunteer firefighters who receive a small stipend for the enormous job they do. Mayor Brown thanked Chief Webb for his report.

C. PUBLIC HEARINGS – Technical Amendments to Land Development Standards

In advance of the public hearings, the Mayor asked Paul Benson, Planning Director to provide a brief re-cap of the information related to each of the public hearings. Mr. Benson explained that amendments to Section 11.5.12 involving political signage were prompted by changes made at the State level. This is more of a technical change but does have impact on the substance of the ordinance. The Planning Board recommends changing the Town ordinance to meet the same standards and limitations imposed by state statute on political signage, including size, distance to the road, permission of the owner of private property and elimination of deposit requirement. Mr. Benson noted that this would allow for clarity and consistency of enforcement and reduce administrative redtape with regard to permitting and deposit requirements for both staff and the public. He added that there have been very few instances of violations related to abandoned signs following election, regardless of whether a deposit had or had not been paid.

Regarding the eleven proposed technical corrections, Mr. Benson explained that since the ordinance was adopted in 2011, there have been several technical corrections that needed to be made to ensure consistency and clarity in the Land Development Standards, including names of districts not spelled out correctly, typographical and grammatical errors discovered and rewordings made simply to provide additional clarity. None of these amendments alter the content or context of the ordinance, but

need to be made in order to avoid misinterpretation or miscalculation in the case of formulas affected by a misplaced decimal point.

The Planning Board has reviewed the proposed changes and recommended adoption of all of these amendments.

4. Public Hearing for consideration of amendments to Section 11.5.12 of the Land Development Standards to make Town standards for Political Signs consistent with State regulations

At 6:14 p.m. Town Attorney Griffin called the public hearing to order and asked if anyone wished to address the board regarding this issue. No one addressed the board.

At 6:15 p.m. Town Attorney Griffin closed the public hearing.

Alderman Greeley made a motion, seconded by Alderman Roberson, to adopt amendments to Section 11.5.12 of the Land Development Standards to make Town standards for Political Signs consistent with State regulations, as presented. The motion carried unanimously.

Public Hearing for consideration of technical amendments to the Land Development Standards

At 6:16 p.m. Town Attorney Griffin called the public hearing to order and asked if anyone wished to address the board regarding this issue. No one addressed the board.

At 6:17 p.m. Town Attorney Griffin closed the public hearing.

Alderman Freeman made a motion, seconded by Alderman Greeley, to adopt the proposed technical correction amendments to the Land Development Standards, as presented. The motion carried unanimously.

D. NEW BUSINESS

5. 2013/2014 Audit Report

Bruce Kingshill and Nancy Lux of Ray, Bumgarner, Kingshill and Associates attended the meeting to present highlights and an overview of the Town's financial condition and audit report for the year ended June 30, 2014. Mr. Kingshill explained that there were two audits completed, the first was a financial audit and the second a yellow book audit looking specifically at Powell Bill funds. The report noted that no deficiency in internal controls, compliance or financial reporting was identified and the auditors issued an unqualified opinion.

Mr. Kingshill called attention to the overall financial report as well as supplemental data related to the revenues and expenditures for 2013/2014. A fluctuation analysis of the revenues and expenditures was presented, which provided information explaining the increases or decreases to the

various accounts. Mr. Kingshill provided graphic representations of the revenues and expenditures by category, fund (general, water, sewer, electric) and department as compared with the previous year.

Following review of the audit, Mr. Kingshill and Finance Officer Eddie Caldwell noted that the State has come up with a new standard that requires reporting of unfunded pension liabilities. As a result, the Town of Waynesville will be reporting approximately \$600,000 as an additional asset for the upcoming year. Alderman Roberson asked if this would have any impact for the Town. Mr. Caldwell explained that having to record the unfunded portion as an asset would be good for the Town. The NC Local Government Employees Retirement System (LGERS) is well managed and the Town has always funded the pension liability adequately, but it has not been reported on the balance sheet. Now the unfunded portion will be reported as an asset. Mr. Caldwell added that all prior liabilities had been paid.

Mr. Kingshill again announced that the opinion from the audit was an unqualified opinion which reflects excellent financial management practices are in place and with no deficiencies. Mr. Kingshill added that the transfer from the electric fund to the general fund each year equates to about a 10 cent savings in property taxes to the general fund,, so the profit generated by the electric utility continues to be a good investment for the Town overall by keeping taxes lower than they ordinarily would need to be.. The Local Government Commission is trying to keep towns from using this funding in the future; however, at this point, the legislature has not acted to prohibit utility fund transfers altogether. Mr. Caldwell added that Waynesville has generally been responsible with its utilities. Manager Onieal contrasted that prudence, with eastern North Carolina utilities that have some of the highest electric rates in the nation due to heavy investment in nuclear power, yet still make outrageously high transfers to support general fund activity, noting that is what has drawn the ire of the legislature.

Mr. Kingshill thanked Mr. Caldwell and his staff and Manager Onieal for their cooperation during the audit. Manager Onieal thanked Mr. Kingshill and Ms. Lux for their assistance during the year especially surrounding the creation of the internal asset management division. She was appreciative of their assistance in working with staff to develop more accurate cost accounting formulas and models for capturing true costs of shared internal services and more accurately costing them back to appropriate departments and funds and for helping staff do a better job of marrying the financial reporting to the budgetary and operational reporting models.

Mayor Brown inquired about the current debt for the Town. Mr. Kingshill noted that current debt outstanding is approximately \$10 million. From a debt standpoint the Town is in good shape. Mr. Kingshill added that the Town could borrow an additional \$85 million before hitting the borrowing limit set by the LGC. Ms. Onieal noted that in FY2014, the Town paid down more debt than it took on in new debt, so that the Town continues to pay down it's overall debt, with the next large chunk due (debt on Rec Center construction) due to be paid off in 2018.

Mayor Brown thanked Mr. Kingshill, Ms. Lux and staff for the report.

Mid-year Update

Finance Director Caldwell noted that he was planning on discussing the mid-year budget report and switch to modified accrual accounting at the board retreat, but since the retreat had been re-

scheduled the manager asked him to proceed with the report along with the audit presentation. Mr. Caldwell then explained how full and modified accrual accounting were used.

Mayor Brown clarified by asking if the Town carries about \$1.3 million in enterprise funds as of June 30 they have to convert all to full accrual accounts. Mr. Caldwell confirmed and noted that he must take the unbilled receivables which total anywhere from \$700,000 to \$1.1 million and convert. All have to be converted.

Mr. Caldwell added that in looking at the overall financial picture, he feels better than he has in many years even with the revenue having finally returned to 2009 levels.

Alderman Caldwell inquired what impact the loss of privilege license revenue would be for the Town. Manager Onieal responded by noting the Town will lose approximately \$140-150,000 annually in anticipated revenue or the equivalent of about 1.5 cents on the tax rate. Manager Onieal added that the Town is considering a small registration fee simply to stay in touch with area businesses from a customer service standpoint, which would recover the cost of maintaining database, but there would be no appreciable revenue generated from such a fee. Having such a registration/database allows for communication and relationships with the businesses, especially if there are future changes by the legislature.

Manager Onieal thanked Mr. Kingshill and Mr. Caldwell and staff for their daily diligence and for delivering an impressive audit report.

The Board accepted the audit report by consensus.

E. CALL ON THE AUDIENCE

Junior Messer of Moose Lodge # 177 approached the board about permission to lease land that they own for a cellular tower. The current ordinance allows for cell towers to be located only on publicly owned land. Mr. Messer asked what to do about getting the ordinance changed.

Alderman Caldwell was contacted to inquire if there was a way to have private non-profits or tax exempt entities listed as potential sites for cell towers. Manager Onieal explained that Mr. Messer would need to suggest wording for a text amendment to the ordinance and work with Planning Board to get on their agenda and have that amendment reviewed.

Mr. Messer explained that income from the cell tower lease would be used to fix up the Lodge and make it a resource to share with the community. Manager Onieal suggested meeting with planning director, Paul Benson, to fill out an application to change the text. Mr. Benson noted that an application had been filed by one cellular tower provider to take out the 1 acre size lot which will be on the February 16th meeting agenda.

Mayor Brown thanked Mr. Messer and the representatives from the Moose Lodge for their attendance at the meeting.

F. COMMUNICATIONS FROM STAFF

12 Town Attorney – Woody Griffin

Attorney Griffin was not present and Mr. Wells had no business to discuss.

13. Town Manager – Marcy Onieal

Manager Onieal explained that James Cates, a long-time employee and fleet mechanic would be retiring and a breakfast reception will be held on January 29 at 8:00 a.m.

Manager Onieal added that the Town had been busy hosting and attending various events including:

- a regional training for the American Public Works Association (APWA) held at the Municipal Building hosted by David Foster, Public Services Director
- an ElectriCities safety training hosted by and for our Electric Division staff
- Leadership Haywood Government and Law Day hosted by the manager on January 21 with presentations by the manager, mayor and police chief
- NC Police Chiefs Associations co-hosted by the Waynesville PD in Cherokee
- the Town co-sponsored the Martin Luther King Jr. Prayer Breakfast last week
- Manager Onieal and Mayor Brown participated in the Downtown Waynesville Association annual meeting/retreat.

Manager Onieal noted that the major year-long implementation phase of our IT infrastructure replacement and dedicated data pipeline project is now complete and working spectacularly. She recognized the outstanding work of the entire consulting team from VC3 as well as the internal implementation team comprised of representatives from each operating department, noting the dedication of every single employee who spent a great deal of extra time and effort to help the town make a quantum leap in its capacity to serve the public through information technology with this effort. When asked by the mayor, what's next, Manager Onieal noted that the organization now needs to spend time learning how to use and master all the tools that have just been put in place, ultimately with the goals of improving organizational efficiency and improving service to the public.

Manager Onieal reminded the board that grant deadlines are coming up for the TDA and Medford Grants. She added that Ms. Owens is working on the special appropriations applications to distribute to the Town's strategic non-profit partners and media. Medford grant opens its second cycle with \$9,000 available this year. The two projects funded in the inaugural year were street lighting on Church Street and the Chasing Tadpoles public art piece in Frog Level.

Manager Onieal reported that UTECH Consultants has provided an interim report on its evaluation of the energy services proposals originally solicited by Nova Energy consultants and has undertaken an independent and considerably more detailed vetting of each of those proposals, the results of which will be presented with a final recommendation to the board at the retreat in March. In addition a team of engineers from UTECH is in the process of assessing the Town's electric division technical operations, resources and capacity and will provide a

report of findings and recommendations to the manager and staff in coming weeks with regard to safety, standards, potential for system growth, regulatory issues, future management needs, optimal organizational structure, training and staff development needs, contractual issues, and opportunities/challenges associated specifically with maximizing benefits around the renewal of our new energy services contract. Manager Onieal anticipates a restructuring of the position vacated by recently retired Utilities Director Fred Baker and will hold off posting any permanent position until after receiving the recommendations of UTECH, regarding Electric Division staffing.

Manager Onieal explained that the Town is considering an event working with TDA to host an event with Cycle North Carolina for an across state event – Waynesville to Wilmington in mid-September. This event would involve hotels, restaurants, shopping and use of the Recreation Center. More information will be shared as it becomes available.

Manager Onieal received a request from Folkmoot to release funding for their capital building project funds. Representative Joe Sam Queen is leading the capital fundraising initiative and provided some project information for members to review. The board accepted the information and asked Manager Onieal to have someone present at the February 10, 2015 meeting.

Manager Onieal received a letter of thanks and plaque for the Town's support from the Haywood County Recreation Department on behalf of the Senior Games and will present the plaque to Recreation staff for placement at the Rec Center.

Manager Onieal explained that the Polar Plunge supporting Haywood Waterways' Kids in the Creek educational program would be on Saturday, January 31. She noted the friendly competition among Haywood County municipalities, promising an outstanding showing by Team Waynesville, comprised of the Town Manager, Town Clerk, Police Chief and Fire Chief in secret, but very impressive costumes. She explained that the Town of Clyde was leading the fundraising charge and encouraged board members to support Team Waynesville. Not wishing to be outdone by Waynesville's sister cities in Haywood County, the Mayor called the Board to action.

Alderman Caldwell made a motion, seconded by Alderman Greeley, to provide a \$500.00 donation in support of the Town of Waynesville Polar Plunge team with the proviso that Chief Hollingsed gets his hair wet at the event. The motion carried unanimously.

Manager Onieal noted that the board retreat was tentatively scheduled for Friday, March 20, 2015 at the Wells Event Center beginning at 8:30 a.m provided we could get a firm confirmation from all of the outside consultants who would be participating that day. The alternate date is March 27.

G. COMMUNICATIONS FROM MAYOR AND BOARD OF ALDERMEN

Mayor Brown brought up a topic for members to consider for discussion at the Board Retreat. There has been discussion over number of years about co-locating the Chamber of Commerce, EDC, Tourism Development Authority and Downtown Waynesville Association, which was actively renewed last year during the merger of EDC and the Chamber of Commerce. The topic arose again at the recent DWA annual retreat as a result of the town manager

discussing the possibility that the Town would like to move Development Services staff out of Town Hall, possibly to Hazelwood, to create a one-stop shop environment that would be more convenient and customer-friendly to the development community. Such a move would potentially leave vacant space either in town hall or in the municipal building that could be used either temporarily or permanently for other agencies. Mayor Brown asked if the board would be supportive of the collocation of these agencies with similar missions. It was noted that the Town had long provided space already for Downtown Waynesville Association and Haywood Waterways.

Manager Onieal explained that each of the agencies had individually expressed an interest in co-location and in having a more visible and accessible location in downtown. Their current leases expire in 2016. She noted that co-location of similar entities is a model that has worked well in many other communities and is an initiative that could improve communication and collaboration among agencies with highly complementary missions with a focus on economic/community/business development, which both the Town and County have publicly declared as being their number one goal. She added that the Town is at a critical juncture in needing to move forward with planning for optimal space utilization one way or the other, with significant needs in the Police Department, Public Services Department and Development Services Department. She noted that the Municipal Building is currently underutilized, to the point of being difficult to keep the doors open with only three fulltime employees, while other buildings have inflexible underutilized space. For example, there are too many medium-sized meeting rooms that are infrequently used, but not enough offices, small meeting rooms, or flexible training areas in certain buildings. Manager Onieal added that she is not advocating one way or the other, but that the Town has internal needs that we need to move on in the very near future, and given the outside interest in this particular opportunity, she needs to know whether there is enough interest on the board's part to pursue the co-location idea further or to squelch the conversation altogether.

The Mayor asked the Aldermen to weigh in on this discussion. Alderman Caldwell noted it would be a plus to have all of the agencies together and have signage in one location.

Alderman Roberson noted that timeframe and expense would be considerations.

Alderman Greeley added that this would be a good visioning exercise flowing out of where we left off from last year's Board retreat.

Upon questioning where the other agencies' boards stood on the matter, Manager Onieal said she did not think that any of the other boards had addressed the matter formally but that she thought the executive directors had had enough conversations with key members of their organizations that there was sufficient interest on their part to move forward with fact-finding, exploration, and discussion if the Board of Aldermen were amenable to considering the proposal. Obviously, there would need to be a lot of data gathered about space needs, potential costs, scheduling and sequencing of moves, but none of this needs to happen overnight or at great expense. This proposition is viable only if everyone perceives it to be a win-win and it ends up costing operationally less than what everyone is doing separately today.

Mayor Brown asked that this item be included on the agenda for board retreat.

Alderman Freeman reminded members that economic and community development was listed in their top five for priorities at the retreat last year.

By consensus, the Board agreed to continue further discussion of this matter at the March board retreat.

H. ADJOURN

There being no further business to discuss, Alderman Caldwell made a motion, seconded by Alderman Greeley, to adjourn the meeting at 7:44 p.m. The motion passed unanimously.

ATTEST

Gavin A. Brown, Mayor

Marcia D. Onieal, Town Manager

Amanda W. Owens, Town Clerk