

MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN
SPECIAL CALLED MEETING
June 9, 2017

THE WAYNESVILLE BOARD OF ALDERMEN held a special called meeting on Friday, June 9, 2017 at 9:00 a.m. in the conference room of the Municipal Building, 16 South Main Street, Waynesville, NC.

A. CALL TO ORDER

Mayor Pro Tem Gary Caldwell called the meeting to order at 9:05 a.m. with the following members present:

Mayor Pro Tem Gary Caldwell
Alderman Jon Feichter
Alderman Julia Freeman
Alderman LeRoy Roberson

The following members were absent:
Mayor Gavin Brown

The following staff members were present:

Rob Hites, Town Manager
Amie Owens, Assistant Town Manager/Town Clerk
Eddie Caldwell, Finance Director
David Foster, Public Services Director
Bill Hollingsed, Police Chief
Rhett Langston, Recreation Director
Elizabeth Teague, Development Services Director
Joey Webb, Fire Chief

The following media representatives were present:
Allison Richmond, The Mountaineer

1. Welcome /Introduction

Mayor Pro Tem Caldwell welcomed everyone to the meeting and noted that Mayor Brown was still under the weather and unable to attend the meeting.

Manager Hites reminded the Board that this would be a budget year where the staff would be asked to “do more with less” and that at this point, no COLA or career track increases are included in the budget. However, he did note that based on performance during the first half of the fiscal year, the Board could revisit a possible bonus at their annual Board Retreat in January/February.

Manager Hites explained that the Town would be utilizing a true line item budget which is based on the based on last year’s actual numbers. Department heads will be challenged to stay within their budgets. He commented that the more we save this year, the more that will be available for salaries and capital in future years. The staff has done well to reduce their budgets and the team stopped short

of personnel cuts. The goal was to have no contribution from fund balance; however, approximately \$300,000 will need to be utilized. This has caused the fund balance to be at 36%. Manager Hites explained that when a municipality falls substantially below their peer population group, the Local Government Commission (LGC) will send a 45-day letter informing the Town that they have 45 days to develop a plan to remedy the shortfall.

Manager Hites added that the goal is to reduce fund balance spending to zero and create an organization that allows revenue streams to cover operations and utilize the fund balance for other projects. If we can create through savings a pot of money, this money would allow for return to the career track program.

Discussion was held related to the future projections and it was noted that in 2021, there was a better projected outlook as several multi-year loans would drop off by then. Energy costs are still a consideration. Manager Hites wanted to stress to Board members that the savings resulting from the change to Santee Cooper was a savings over the proposed Duke contract renewal and not actual savings.

Alderman Feichter inquired as to what the process is for determining how and when to increase rates. Manager Hites explained that it is a formal process that takes into consideration the expenses for the Town. But due to the newness of the contract and having only three months of data at this point, it is too early to predict a scheduled over-time rate increase.

Further discussion was held and the justification for not transferring between funds was explained by Finance Director Eddie Caldwell. He noted that the LGC does not like to see transfers between funds as all funds should stand on their own.

Mayor Pro Tem Caldwell commented that he felt that the budget is as good as it can be. Alderman Freeman added that there were fewer questions about budget items than in previous years.

Discussion related to special appropriations to non-profits was held. Mayor Pro Tem Caldwell noted that it is difficult to give to non-profits while employees cannot have raises. Some of the requests for special appropriations cannot be funded this year due to funding constraints.

Alderman Roberson added that while the amount was reduced, it was still greater than one cent on the tax rate. He voiced that the goal should be to get the maximum funding for non-profits back to a level equivocal with one cent on the tax rate in future years. Alderman Roberson noted that non-profits perform very important roles and the actions would not eliminate funding, but it should be noted that the Town cannot be the majority source for funding and these entities need to look for additional revenue sources.

Manager Hites added that Waynesville is continuing to become a mecca for events. Part of what the board needs to consider, based on the amount of overtime that is required for public safety and sanitation services, it may be more cost effective to provide a sponsorship amount and have the event coordinator hire private security.

Mayor Pro Tem Caldwell noted that he had discussed propane and has asked Manager Hites to analyze and see if there is a cost savings for the propane. Alderman Feichter inquired if there were any safety issues being noted and asked what type of re-sale value the patrol cars have that have been converted. This information will be part of the analysis by Manager Hites.

Manager Hites explained that the Board would recess this meeting and would reconvene at 1:00 p.m. for the Public Hearing on the budget in the Town Hall Board Room at 9 South Main Street.

Alderman Freeman made a motion, seconded by Alderman Feichter to recess the meeting at 11:34 a.m. The motion carried unanimously.

Mayor Pro Tem Gary Caldwell reconvened the meeting at 1:00 p.m. with the following members present:

Mayor Pro Tem Gary Caldwell
Alderman Jon Feichter
Alderman Julia Freeman
Alderman LeRoy Roberson

The following members were absent:
Mayor Gavin Brown

The following staff members were present:
Rob Hites, Town Manager
Amie Owens, Assistant Town Manager/Town Clerk
Woodrow Griffin, Town Attorney
Eddie Caldwell, Finance Director

The following media representatives were present:
Allison Richmond, The Mountaineer
Cory Vaillancourt, Smoky Mountain News

B. PUBLIC HEARING

Town Attorney Woody Griffin called the public hearing to order at 1:01 p.m. and reminded those who wished to speak to raise their hand, be recognized and once at the podium provide their name and address for the minutes and requested that comments be limited to three minutes.

No one addressed the Board.

Attorney Griffin closed the public hearing at 1:02 p.m.

Alderman Roberson inquired if there had been any contributions from the ABC Board in the upcoming year. Mr. Caldwell replied that there had been a contribution of \$48,500 included in the budget.

Manager Hites reminded the Board members that they needed to finalize the special appropriations table. There are two proposals, one completed by Mayor Pro Tem Caldwell and one by Alderman Roberson.

Alderman Roberson expressed as he stated earlier, that the total amount of these special appropriations needed to be reconsidered during the next few years and get the total back down to a manageable level. But he was amenable to Mayor Pro Tem Caldwell's proposal of \$119,000.

The Board members agreed by consensus to use the total of \$119,000 for the special appropriations for inclusion in the fiscal year 2017-2018 budget.

Mayor Pro Tem Caldwell thanked the department heads and employees for their effort to get us through this difficult time and specifically thanked Manager Hites and Finance Director Caldwell for their work on the budget. Mayor Pro Tem Caldwell also thanked the Board for their support and input in the budget process.

Alderman Freeman made a motion, seconded by Alderman Roberson to direct Manager Hites to present the formal budget ordinance for approval at the June 27, 2017 regular meeting of the Board of Aldermen. The motion carried unanimously.

C. CLOSED SESSION

Enter in to Closed Session for the purpose of discussion of Personnel under North Carolina General Statute § 143.318.11(a)(6)

Alderman Freeman made a motion, seconded by Alderman Feichter to enter into closed session at 1:06 p.m. The motion carried unanimously.

Alderman Feichter made a motion, seconded by Alderman Roberson to return from closed session at 1:22 p.m.

I. ADJOURN

There being no further business to discuss, Alderman Freeman made a motion, seconded by Alderman Feichter to adjourn the meeting at 1:25 p.m. The motion carried unanimously.

ATTEST

James G. Caldwell, Mayor Pro Tem

Robert W. Hites, Jr., Town Manager

Amanda W. Owens, Town Clerk