

**MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN  
REGULAR MEETING  
December 11, 2018**

**THE WAYNESVILLE BOARD OF ALDERMEN** held its regular meeting on Tuesday, December 11, 2018 at 6:30 p.m. in the board room of Town Hall, 9 South Main Street, Waynesville, NC.

**A. CALL TO ORDER**

Mayor Gavin Brown called the meeting to order at 6:30 p.m. with the following members present:

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

The following staff members were present:

Amie Owens, Assistant Town Manager  
Eddie Ward, Town Clerk  
Bill Cannon, Town Attorney  
Eddie Caldwell, Finance Director  
Brian Beck, Police Captain

The following media representatives were present:

Becky Johnson, the Mountaineer

1. Welcome /Calendar/Announcements

Mayor Gavin Brown welcomed everyone to the meeting. From the events calendar, the following were mentioned:

- December 24<sup>th</sup>, 25<sup>th</sup> and 26<sup>th</sup>- Christmas Holidays – Town of Waynesville offices Closed

Mayor Brown thanked the Downtown Waynesville Association for the Christmas Parade, and commented about the large crowd that attended. He also thanked Town employees and Public Services for the hard work and long hours during the snow storm. He reminded everyone of the Special Called Meeting to be held on Thursday December 13, 2018 at 5:30 pm to hear public comments on the clean-up of Greenhill Cemetery. The meeting will be held in the Town Hall Board Room located at 9 South Main Street, and will be the last scheduled Board meeting in 2018.

2. Adoption of Minutes

***A motion was made by Alderman Gary Caldwell, seconded by Alderman Jon Feichter, to approve the minutes of the regular November 27, 2018 as presented. The motion passed unanimously.***

## **B. SPECIAL RECOGNITION**

### 3. Proclamation for Finance Director, Eddie Caldwell, on his retirement

Mayor Brown read a Proclamation for Finance Director Eddie Caldwell and stated that Eddie had begun his career with the Town in 1992, and served over 25 years. Mr. Caldwell has insured that the Town has been on sound financial footing, and steered the Town through numerous changes in Federal and State Statutes, regulations and general accounting standards. Mayor Brown told Eddie he is both loved and respected by leadership and staff of the Town, and are saddened to see him leave.

Mr. Caldwell stated he felt the Town had good leaders and Department Heads, and the Town is in good shape. He thanked the Board and staff for the years they have worked together, but he is looking forward to retirement.

## **C. NEW BUSINESS**

### 4. Budget Amendments

- Eddie Caldwell, Finance Director
  - a. Amendment #5 to the Fiscal Year 2018-2019 Budget Ordinance for the purpose of a new reallocation plan

Mr. Caldwell explained to the Board that this proposed amendment is the result of an in house review and evaluation of the current shared administrative services between General Water, Sewer, and Electric Funds. Current Generally Accepted Accounting Principles (GAAP) and the Local Government Commission (LGC) requires that joint costs or shared expenditures that are paid for out of the General Fund follow appropriate accounting treatment. The appropriate accounting treatment involves recording expenditures in the reimbursing fund (e.g., Water, Sewer, and Electric Funds) and reductions of expenditures in the fund that is reimbursed (i.e., General Fund). The Town adopted to this requirement in the 2013-2014 year. The shared administrative services or joint expenditures for the Town are found in the departments of Governing Board, Administration and Finance. An additional requirement also requires that the cost allocations plan being used be reasonable and current. Since the Town's implantation, the cost allocation plan has only seen minor or small changes. After four years, he felt like a complete review was in order.

Mr. Caldwell said that the old cost plan split the costs based on the percentage of revenues realized in the funds. His review has concluded that this allocation could be slightly changed to be more reasonable to all the funds involved.

This review and changes will improve the allocations, and help prove that the allocation plan is both reasonable and current. The new allocations will move an additional \$236,850 in expenditures to the utility funds. To help the utility funds pay for the additional expenditures without increasing rates, the budget amendment is proposing the following changes to the utility funds: 1) The Transfers to the General Fund as budgeted in the Water and Sewer Fund will be cut to zero, 2) An increase of \$280 in the Water Fund's fund balance appropriation, 3) An increase of \$48,390 in the Sewer Fund's fund balance appropriation, and 4) A decrease of \$43,600 from the Electric Fund's fund balance appropriation.

Mr. Caldwell said that if these suggested changes are approved, it will eliminate both the transfers to the General Fund from the Water and Sewer Funds. The state is pushing local governments to get rid of Water and Sewer Fund transfers to the General Fund. In fact the Division of Water Infrastructure is currently requiring all governments applying for loans or grants for water or wastewater purposes to certify that no funds received from water and wastewater utility operations have been transferred to local government's fund for the purpose of supplementing the resources of the general fund. The changes will also improve the Town's fund balance available % by moving \$236,850 from the general fund to the utility funds. The change will also show that the Town is keeping the allocation plan current.

Mayor Brown asked Mr. Caldwell if this formula will work in subsequent years. Mr. Caldwell said that the cost allocation was originally done four years ago, and part of the process is to keep the allocation current. He said he had look at it this time to make sure it was current before his retirement, and it should be another four or five years before it should be looked at again. Mr. Caldwell said this amendment has the extra benefit of possibly being able to obtain a cheap sewer loan if needed for the Waste Water Treatment Plant, because if money is transferred from the Sewer Fund to the General Fund the Town would not be eligible for a loan.

***A motion was made by Alderman LeRoy Roberson, seconded by Alderman Julia Freeman to approve Amendment #5 to the Fiscal Year 2018-2019 Budget Ordinance for the purpose of reallocation of funds to eliminate transfers to the General Fund from Water and Sewer Funds. The motion carried unanimously.***

- b. Amendment #6 to the Fiscal Year 2018-2019 Budget Ordinance for the purpose of allocating the annual employee appreciation bonuses

Mr. Caldwell said this amendment was for the approval of the employee appreciation bonuses. Funding for these amendments will be budgeted to mostly come from the various funds' fund balance or savings in the current year. He said the overall cost of \$46,870.00 from the General Fund, \$7,000.00 from the Water Fund, \$6,700.00 out of Sewer Fund, \$2,100.00 from the Electric Fund in order to give the employees an extra \$250.00 on top of the \$500.00 for bonuses.

***A motion was made by Alderman Gary Caldwell, seconded by Alderman Jon Feichter, to approve Amendment #6 to the Fiscal Year 2018-2019 Budget Ordinance for the purpose of allocating the annual employee appreciation bonuses. The motion carried unanimously.***

- c. Amendment #7 to the Fiscal Year 2018-2019 Budget Ordinance for the purpose of purchasing property located at 167 Veterans Circle.

Mr. Caldwell told the Board that this proposed amendment is needed to purchase property with house located in the Town's Greenhill Cemetery. On November 27, 2018 in closed session, the board approved purchase of the property not to exceed \$100,000 located at 167 Veterans Circle. The amendment is proposing \$100,000 from the Perpetual Care / Cemetery Care Fund's fund balance or savings and transferring it to the general fund for payment of the purchase. The budget includes a purchase price of \$95,000 for the house, and \$5,000 for closing costs, miscellaneous, etc... The Perpetual Care / Cemetery Fund's fund balance at June 30, 2018 was \$457,064. The closing for the property is set for December 17, 2018.

General Fund:

Revenues:

Transfer from Cemetery Care Fund \$100,000

Expenditures:

Cemetery-Capital Outlay \$100,000

Perpetual Care / Cemetery Care Fund:

Revenues:

Fund Balance Appropriation – Cemetery Care Fund \$100,000

Expenditures:

Transfers to the General Fund \$100,000

***Alderman Julia Freeman made a motion, seconded by Alderman LeRoy Roberson, to approve Amendment #7 to the 2018-2019 Budget Ordinance for the purpose of purchasing property located at 167 Veterans Circle. The motion carried unanimously.***

5. Request Approval of meeting schedule for 2019
  - Amie Owens, Assistant Town Manager

Ms. Owens presented the Proposed Regular Meeting Schedule for 2019, and stated that since this was the last regular meeting of 2018 the Board would need to approve the schedule for the following year. She added that additional meetings may be called for a Board Retreat in early 2019, and for Budget Development and Discussion in spring 2019.

***Alderman LeRoy Roberson made a motion, seconded by Alderman Jon Feichter to approve the regular meeting schedule for 2019. The motion carried unanimously.***

**D. PRESENTATIONS**

6. IT Vendor Presentations

Assistant Manager Amie Owens provided an overview of the process for selecting an IT vendor. A request for proposals (RFP) was sent out in late September for provision of IT Services for the Town of Waynesville to begin on February 1, 2019. Eight (8) companies responded to the RFP and submitted information. Of those 8, four were selected for interviews with a panel that included the Town Manager Rob Hites, Police Captain Brian Beck (who is the IT liaison for the department), Alderman Jon Feichter and her.

Ms. Owens explained that from these interviews, three were selected to provide presentations to the Board of Aldermen for their consideration for a new IT provider. The current IT provider, VC3, was given notice that the Town would not be renewing its contract at its term. She added that each of the three providers who are presenting at the meeting are qualified to provide the services that the Town requires. Each of them received high marks when references were contacted, and each has clients in the area or services currently with the Town. One provider currently works with another municipality in Haywood County and is familiar with the interface required for emergency communications with the EOC.

Ms. Owens reminded the Board that once a provider is selected by the Board of Aldermen, contract negotiation would follow. A final contract will be brought back to the Board for approval following attorney review. The term for the contract is 65 months. This will allow for the standard 5 year contract and 5 months to complete the 2018-2019 fiscal year.

Presentations were provided by Image Solutions, Sharp Business Systems and Electronic Office. Each of these presenters were asked to utilize the same format to highlight the following:

1. Overview of company
2. What the proposed system would look like
3. Financial proposal – purchase versus lease and monthly service cost
4. What the monthly service costs include
5. Names of some current clients

Upon the conclusion of the presentations, the Board requested that staff weigh in related to their recommendations. Captain Brian Beck noted that from a police and public safety perspective, Electronic Office was his choice due to the fact that they had already worked within Haywood County with another local law enforcement agency and were familiar with existing software utilized by the police department. Ms. Owens added that while all three would be a good fit for the Town, Electronic Office with its current clientele with another local municipality, lead her to lean toward their experience for that reason. Alderman Jon Feichter agreed that all would be capable to provide the services that the Town requires, he was impressed by the multiple visits Electronic Office paid to the Town and specifically to the Police Department to ensure that their needs could be met.

Mayor Brown thanked all three of the presenters for their willingness to respond to the RFP, participate in the interview process and make their presentations to the Board.

***Alderman Jon Feichter made a motion, seconded by Alderman Julia Freeman to approve a new vendor for IT services and instruct staff to move forward with negotiating a 65-month contract for such services. The motion carried unanimously.***

#### **E. COMMUNICATIONS FROM STAFF**

##### **8. Manager's Report**

- Town Manager Rob Hites

Town Manager Rob Hites reminded the Board that they had previously participated in assisting Haywood County with projects involving the old Haywood County Hospital building. Part of the requirement is to have a resolution from the Redevelopment Authority stating that the area is part of a bona fide redevelopment district. Due to the fact there is no such Authority currently, and due to enabling legislation under NCGS § 160A-505 which allows the Board of Aldermen to act as a redevelopment authority; Manager Hites requested a call for public hearing at the January 8, 2019 meeting to name the Board of Aldermen as the Redevelopment Authority.

***Alderman Leroy Roberson made a motion, seconded by Alderman Julia Freeman to call for a public hearing on Tuesday, January 8, 2019 at 6:30 p.m. or as closely thereof as possible, to be***

***held in the Town Hall Board Room located at 9 South Main Street, Waynesville to consider a resolution naming the Board of Aldermen as the Redevelopment Authority. The motion carried unanimously.***

Manager Hites continued by explaining that, if the Board were to name themselves as the Redevelopment Authority, they would then need to also conduct a public hearing naming the Old Hospital as an area for redevelopment. Manager Hites requested a call for public hearing. Mayor Brown questioned if there could be only one property indicated as a redevelopment area. Manager Hites will research this question and will revisit the call for public hearing for this item at the special called meeting on Thursday, December 13, 2018. No additional action was taken.

**F. COMMUNICATIONS FROM THE MAYOR AND BOARD**

There was no additional communication from the Board.

**G. CALL ON THE AUDIENCE**

No one spoke.

**H. ADJOURN**

***With no further business, a motion was made by Alderman Jon Feichter, seconded by Alderman LeRoy Roberson to adjourn the meeting at 9:03 pm. The motion passed unanimously.***

**ATTEST:**

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Gavin A. Brown, Mayor

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Robert W. Hites, Jr., Town Manager

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Eddie Ward, Town Clerk