

MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN
REGULAR MEETING
January 8, 2019

THE WAYNESVILLE BOARD OF ALDERMEN held its regular meeting on Tuesday, January 8, 2019 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 was absent.

The following staff members were present:

Rob Hites, Town Manager
Amie Owens, Assistant Town Manager
Eddie Ward, Town Clerk
Bill Cannon, Town Attorney
David Foster, Public Works Director
Jesse Fowler, Planner
Joey Webb, Fire Chief
Rhett Langston, Recreation Director
Dean Trader, Assistant Finance Director
Elizabeth Teague, Development Services Director

The following media representatives were present:

Becky Johnson, the Mountaineer
Cory Valliancort, Smoky Mountain News

1. Welcome /Calendar/Announcements

Mayor Gavin Brown welcomed everyone to the meeting, and reminded everyone of the following events:

- Goodwill's Career Connections Ribbon Cutting – 160 S Main St. – Wednesday January 9 – 9:00 am
- Elected Officials Reception – Wells Event Center – Thursday January 17 – 5:30 – 7:30

Mayor Brown asked Board Members about dates for the Board Retreat. The consensus of the Board was to hold the retreat on Friday March 1, 2019, and he asked the staff to provide the Board with ideas and suggestions to be discussed. He said that at this point, the Board would be discussing the subject of the Cemetery, Asset Management Division of Public Services, and the Waste Water Treatment Plant. He stated if there were any other topics to be discussed, bring them to the Board or the Staff. Manager Hites stated that a storm water utility proposal would also be presented at the retreat.

Mayor Brown asked that the facility that would be used for the retreat be large enough to accommodate staff and citizens that will be attending.

2. Adoption of Minutes

A motion was made by Alderman Jon Feichter, seconded by Alderman Gary Caldwell, to approve the minutes of the December 11, 2018 regular meeting, and the December 13, 2018 special meeting as presented. The motion passed unanimously.

B. SPECIAL RECOGNITION

3. Proclamation recognizing the Retirement of Shannon Morgan, Assistant Fire Chief

- Joey Webb, Fire Chief and Waynesville Fire staff

Chief Webb recognized Assistant Fire Chief Shannon Morgan for his thirty years of service with the Waynesville Fire Department. Mr. Morgan began his career in July 1989 and served the Town faithfully until his retirement in December 2018. He served in many capacities, and provided sound and effective leadership with a concern for the citizens of Waynesville. Chief Webb presented Mr. Morgan with his fire helmet, and a plaque.

Mayor Brown read a proclamation for Mr. Morgan, and thanked him for his years of service. Mr. Morgan in turn thanked the Board, firemen, and other employees of the Town for a long and fulfilling career.

C. NEW BUSINESS

4. Budget Amendment – Chestnut Park Playground

- Rhett Langston, Recreation Director
- Dean Trader, Assistant Finance Director

Mr. Rhett Langston, Recreation Director, said that the Town had successfully applied for grants to the Medford Grant program of the Community Foundation of Western North Carolina in support of Chestnut Park redevelopment. He said that he had learned this fall that there was additional grant monies left over from a previous grant that could go toward the purchase of playground equipment this fiscal year. He asked that this money that was left over from the grant from the 2017-2018 fiscal year be used toward playground equipment for the playground. Assistant Finance Director Dean Trader provided the board members with an accounting of funds and illustrated where the additional monies could be allocated.

Motion: A motion was made by Alderman Feichter, seconded by Alderman Roberson, to approve Amendment #8 to the Fiscal year 2018-2019 Budget Ordinance for the purpose of reallocation of grant funds to purchase playground equipment for Chestnut Park. The motion carried unanimously.

D. CALL FOR PUBLIC HEARING

5. Call for Public Hearing – Text Amendment LDS, Section 4.4. Measurement of building height

- Elizabeth Teague, Development Services Director

Ms. Elizabeth Teague, Development Services Director, explained to the Board that at the direction of the Planning Board, the Planning Department is making application to clarify how the Town measures building height. This text amendment was discussed at the November and December Planning Board Meetings and was heard at the Planning Board Special Called Meeting on January 7, 2019. This text amendment will distinguish the way in which a sloped, pitched-roof building and a flat-roofed building are measured.

Motion: A motion was made by Alderman Gary Caldwell, seconded by Alderman Jon Feichter, to call for a Public Hearing to be held on January 22, 2019 beginning at 6:30 pm., or as closely thereafter as possible in the Town Hall Board Room located at 9 South Main Street to consider a text amendment that will distinguish the way in which a sloped, pitched-roof building and a flat-roofed building are measured. The motion passed unanimously.

E. PRESENTATION

6. Fiscal Year/2018 Audit Report

- Bruce Kingshill and Nancy Lux
Ray, Bumgarner, Kingshill and Associates

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, 2018. Ms. Lux explained that there were three (3) audits completed, the first was a financial audit, the second a yellow book audit looking specifically at Powell Bill funds from a compliance perspective and a third that was a state-single audit triggered when spending is greater than \$500,000. The use of Powell Bill funds and a Recreation grant equaled \$653,022. The report noted no deficiency in internal controls, compliance or financial reporting was identified and the auditors issued an unqualified opinion. She added that the firm has been doing Waynesville's audits since 1986 and thanked the Board for the opportunity to present. Ms. Lux concluded by noting that the audit report was provided to the Local Government Commission (LGC) prior to the October 31, 2017 deadline and the LGC found nothing wrong with the audit report.

Mr. Kingshill noted that he would be providing information in graphic form of revenues and expenditures for the current and prior year for comparison. He highlighted the changes by fund and by department and noted the additions to each fund's fund balance. Mr. Kingshill indicated that this had been a good year for the Town, not a great year, but a good one. Mr. Kingshill thanked Mr. Caldwell, Mr. Trader and staff and Manager Hites for their cooperation during the audit.

Dean Trader, Interim Finance Director, provided a report on the cash position of the Town. He reminded the Board that this spreadsheet in no way takes the place of the audit and their importance. The cash report is a tool used to show trends. If there were to be a problem, usually the cash flow would be the first area to show it. He continued by noting that revenues came in as expected but that all departments had done a great job in keeping expenditures under budget. Mr. Trader highlighted that there was a total increase in cash of \$1.23 million across all funds. He reminded the board that one of the benchmarks used with peer groups is the general fund balance. Currently, the Town is at 42.27%; this is average in the peer group of like size towns in the state.

Mayor Brown thanked Ms. Lux, Mr. Kingshill, Mr. Trader and former Finance Director Eddie Caldwell for their diligence and performance of another successful audit. He commented that having no issues with management indicates that the job is being done correctly and is very important to the Town. The expectation is that the auditors will tell us if something is being done incorrectly and to date, we have never had that disagreement. The Mayor added that the Town has a healthy fund balance and debt is down. He did inquire as to whether keeping the amount in fund balance was a necessity or whether it was looked upon as holding money. Town Manager Rob Hites gave an example using the Plott Heights mudslide. The geotechnical engineering, the actual work to clean up the site and to set the slope appropriately, and repairs to the street itself could be in excess of \$250,000. That amount is equivocal to a 2 cent tax increase, the Town has to have fund balance available to use for emergencies such as this one.

Mayor Brown asked about the investment interest that was earned of approximately \$33,000. Mr. Trader responded by noting that the Town has to follow NCGS Chapter 159 which restricts what the Town can invest in - only securities backed by the federal government. Since the recession, we do not see much investment or interest earnings as the interest rates are historically low.

Mayor Brown again thanked everyone for their portion of the presentation and was grateful for a good year. There is no motion required to approve the audit.

F. PUBLIC HEARINGS

7. Public Hearing to consider Designating “The Old Hospital” area as a Redevelopment Area

Manager Hites told the Board larger cities have separate Redevelopment Boards. In smaller cities the General Statutes permit Town Boards to name themselves as a Redevelopment Authority. This means that when the Town does not have huge amounts of redevelopment going on, they can name themselves as the Authority. He said he recommended that the Board name themselves the Waynesville Redevelopment Authority under the authorization of Chapter 160A-505. This needs to be done before approving the designation of the Old Hospital as a redevelopment area.

Town Attorney Bill Cannon opened the Public Hearing at 7:55 pm and asked if anyone wished to speak.

No one spoke.

Attorney Cannon closed the Public Hearing at 7:56 pm.

Motion: A motion was made by Mayor Gavin Brown, seconded by Alderman LeRoy Roberson, to approve the designation of the Board of Aldermen as the Redevelopment Authority and adopting the associated resolution. The motion carried unanimously.

8. Public Hearing to consider Designating “The Old Hospital” area as a Redevelopment Area

David Francis – Haywood County

Mr. Francis stated that since the Department of Social Services moved from the Old Hospital in 2012, one of the primary goals of the County was to develop the building into affordable housing. Previously the County had partnered with Landmark, Inc. in the past to draft and submit an application for housing tax

credits to the North Carolina Housing Finance Agency in order to convert the old hospital on North Main Street into low to moderate income housing. He said that there were over 200 applicants for the tax credits, and only 30 were chosen.

He said that currently, the County wanted to place the project into a redevelopment category, which means there will be a lower number of applicants trying to obtain Federal Tax Credits. For this process the County had to ask the Town to declare the Hospital as a redevelopment project. He added that at the County Commissioners meeting on January 7, 2019, the Commissioners approved the option to sell the hospital to Landmark, Inc. at a cost of \$225,000.00. Mr. Francis read a resolution that was passed encouraging the Town of Waynesville to initiate this redevelopment project.

John Stiltner – Landmark, Inc.

Mr. Stiltner said that he loved the community and citizens, and Landmark Inc. was going to try again to get this project going. He said that both the County and Town staff had worked really hard on this project to be successful with this application. He said he felt that with the project being placed in a different category, there was a better chance to earn the tax credits needed for the project to move ahead, and give the hospital the best opportunity for redevelopment as possible. The application must be submitted by January 18, 2019, and the awards will be announced in August. He thanked the Board and staff for their efforts, and he said he was very hopeful that the project would be approved.

Mayor Brown asked Planner Jesse Fowler to give the staff report for designating a redevelopment area around the Old Hospital.

Jesse Fowler, Planner

Mr. Fowler told the Board that this plan puts together research and recommendations to encourage redevelopment and growth along the North Main/23 Business corridor, and specifically re-use of the historic Haywood County Hospital for affordable housing. The desire is to transform the North Main corridor into a dynamic area of mixed-use growth and opportunity, provide needed housing, and preserve the historic hospital. Furthermore, designating the Historic Haywood County Hospital as a redevelopment area would bolster the County's application for a low income housing tax credit through the North Carolina Housing Finance Agency.

Scope of Study

The hospital site, located at 1230 North Main Street in Waynesville sits at a critical juncture of North Main Street/23 Business. This plan looked at three different focus areas. The first was a half mile radius around the Historic Hospital. From this area, general parcel information, occupancy descriptions, and building use descriptions were gathered. Furthermore, a list was gathered of capital investments made in the last ten years by the town which totaled over six million dollars

The second focus area was a 1.26 mile corridor of North Main Street and Old Asheville Highway between Hillside Terrace Drive and West Marshall Street with the Historic Haywood Hospital at its center. This area encompasses the North Main Neighborhood Center district, the Raccoon Creek Neighborhood Center district, and the Raccoon Creek Neighborhood Residential Mixed Use Overlay. This focus was revised and adjusted by the Planning Board at their December 17, 2018 meeting.

The third area of focus consists of parcels 8615-79-8480 and 8615-89-0831. These two parcels house the Historic Haywood Hospital and the Haywood County Annex. While the Haywood County Board of Education is housed in the front of the Historic Haywood Hospital, the hospital and the Haywood County Annex are predominately vacant. The Planning Board and staff determined that this area is blighted and should be designated as a redevelopment area, and recommend this area for application for low income housing tax credits through the North Carolina Housing Finance Agency.

Consistency with the 2020 Land Development Plan

Mr. Fowler said consistency of this plan with the 2020 Land Development Plan for the 1.26 mile corridor along North Main Street and Old Asheville highway, was prime for redevelopment, and redevelopment of this area would be consistent with several goals and actions identified in Waynesville's 2020 Land Development Plan, including the following:

1. Designate areas for concentrated growth, infill, and/or redevelopment (LDP 4-3)
2. Provide an attractive range of housing opportunities and expand affordable housing opportunities (LOP 4-6)
3. Create boulevard entrances into downtown to improve the appearance of Russ, South Main, and North Business 23. (LOP 4-9)
4. Preserve and rehabilitate Waynesville's historic resources. (LOP 4-15)

Staff Recommendation:

Mr. Fowler gave the staff recommendation as follows:

- The Board of Aldermen designate the area bounded by North Main Neighborhood Center district, Raccoon Creek Neighborhood Center district, Raccoon Creek Neighborhood Residential mixed use overlay district, parcel, 8615-89-6707, 8615-89-8722, and the section of Old Asheville Highway between parcels 8615-89-5430 and 8615-99-3652 as an area for future study.
- The Board of Aldermen designate parcels 8615-79-8480 and 8515-89-0831 as a redevelopment area.

Alderman Feichter asked Mr. Fowler about the time frame for the redevelopment of the entire study area as stated in his report. Mr. Fowler stated possibly 12 months or more.

Town Attorney Bill Cannon opened the Public Hearing at 8:10 pm and asked if anyone wished to speak.

No one spoke

Attorney Cannon closed the Public Hearing at 8:11 pm.

Motion: A motion was made by Alderman Gary Caldwell, seconded by Alderman LeRoy Roberson, to approve the Designation of the "The Old Hospital" area as a Redevelopment Area. The motion carried unanimously.

G. COMMUNICATIONS FROM STAFF

9. Manager's Report

- Town Manager Rob Hites

Support for Rehabilitation of Old Haywood County Hospital

Manager Hites read Resolution R-03-19 pledging assistance to the rehabilitation of the Old Haywood County Hospital in the form of waivers, grants and public improvements. The resolution states:

1. Waive permitting, taps and system developments fees through a \$7,200 grant.
2. Provide the necessary water and sewer to the master meter at an estimated value of \$58,000.
3. Construct sidewalks to meet ADA and the Town's Development Standards in an amount not to exceed \$106,842.

Motion: A motion was made by Mayor Gavin Brown, seconded by Alderman LeRoy Roberson, to approve a Resolution R-03-19 Pledging Financial Assistance to the Rehabilitation of the Old Haywood County Hospital in the form of waivers, grants and public improvements. The motion passed unanimously

10. Introduction Affordable Housing Policy

Manager Hites stated that staff has had numerous calls and visits from organizations that wish to construct affordable rental and for sale housing in Waynesville. One of the most frequent questions is whether the Town has a program to help reduce the cost of the development through grants or incentives. The General Statutes give a town the ability to provide grants to affordable housing developments so long as the developer is willing to stipulate through contract that they will rent or sell their product to low or moderate income clients. Given the interest that we are receiving in this area we recommend that you adopt a policy establishing the process the Town would use to consider requests for incentive grants to promote affordable housing. A draft of the affordable housing policy was sent to the Alderman in the agenda packet for their review.

Manager Hites asked that a Public Hearing be held at the next Board meeting on January 22, 2019 for the purpose of receiving public comment on a policy.

Motion: A motion was made by Mayor Gavin Brown, seconded by Alderman Jon Feichter, to call for public hearing to call for a Public Hearing to be held on January 22, 2019 beginning at 6:30 pm., or as closely thereafter as possible in the Town Hall Board Room located at 9 South Main Street to gain citizen input related to the Affordable Housing Policy for the Town of Waynesville. The motion carried unanimously.

11. Resolution for Authorized Signors

Assistant Town Manager Amie Owens noted that updating the signors was a transition requirement due to Eddie Caldwell's retirement. This resolution will allow Tax Collector James Robertson to begin signing

checks, and financial documents etc., as a second signor. Ms. Owens added that all checks require two signatures, one from Administration and one from Finance; this is part of the internal controls in place. She named the four authorized signers as outlined by the resolution – Town Manager Robert W. Hites, Jr., Assistant Town Manager Amanda W. Owens, Interim/Assistant Finance Director Dean Trader and Tax Collector James Robertson. Once the resolution is approved, the signature cards with the bank will be updated and Mr. Robertson will be able to sign.

Motion: A motion was made by Alderman LeRoy Roberson, seconded by Alderman Jon Feichter, to approve Resolution R-04-19 to update the authorized signors for accounts for the Town of Waynesville. The motion passed unanimously.

12. Attorney's Report

- Town Attorney Bill Cannon

H. COMMUNICATIONS FROM THE MAYOR AND BOARD

There was no additional communication from the Board.

I CALL ON THE AUDIENCE

Dick Young

Mr. Young had questions about the paving of Pigeon Street. He said there are huge potholes, and he would like to know when they will be fixed. David Foster, Public Services Director, explained to Mr. Young that the same crew that is picking up brush from the snow storm is the same crew that will be doing the paving. They have been working diligently on the brush so hopefully they can start on the paving soon.

Jerry Biller

Mr. Biller stated he is the owner of Highlander Laundry located on Walnut Street. Mr. Biller said his business is open 24 hours a day, and he has a problem with vandals going in at all hours and tearing up his machines for the money. Mr. Biller told the Board that there has even been fires set behind his building recently. He has spoken with the police, and they do not arrest people that are caught, but instead they are written a citation. Mr. Biller expressed concerns that are occurring from persons staying at the Pathways facility.

J. ENTER INTO CLOSED SESSION

Motion: A motion was made by Alderman Gary Caldwell, seconded by Alderman Jon Feichter to enter into closed session at 8:27 pm. The motion passed unanimously.

Return to Open Session

Alderman Gary Caldwell made a motion, seconded by Alderman LeRoy Roberson to return to open session at 8:54 p.m. The motion carried unanimously.

Mayor Brown explained that there are safety concerns regarding the slide site at Plott Heights/Pigeon Street. The best option is for the Town to own the lot in an effort to ensure that future slides are mitigated. The Board has recommended that an appraisal be completed as soon as possible and negotiations begun with the current property owners for the appraised price. Mayor Brown told Mr. Biller that the Board had been made aware of the situation, and thanked him for bringing it to his attention.

Alderman Jon Feichter made a motion, seconded by Alderman LeRoy Roberson to move forward with obtaining an appraiser and beginning negotiation with the property owners to purchase the property off of Plott Heights/Pigeon Road. The motion carried unanimously.

K. ADJOURN

There being no further information to discuss, Alderman LeRoy Roberson made a motion, seconded by Alderman Gary Caldwell to adjourn the meeting at 8:56 p.m. The motion carried unanimously.

ATTEST:

Gavin A. Brown, Mayor

Robert W. Hites, Jr., Town Manager

Eddie Ward, Town Clerk