

AGENDA  
REGULAR MEETING  
BOARD OF ALDERMEN  
TOWN OF WAYNESVILLE  
TOWN HALL  
FEBRUARY 12, 2008  
TUESDAY – 7:00 P.M.

CALL TO ORDER

APPROVAL OF MINUTES OF JANUARY 22, 2008

ITEM 2. PUBLIC HEARING  
AMENDMENT TO THE TOWN'S EXTRATERRITORIAL JURISDICTION  
TO EXCLUDE 0.7 ACRES LOCATED AT 2902 ASHEVILLE ROAD  
FROM THE ETJ

Attached you will find the Staff Report on this request from Mr. Landon McGary. When the Town was extending the Extraterritorial Jurisdiction, a line from the Asheville Road was established that split the 4.7 acre tract that Mr. McGary now owns. Approximately 0.7 acres of the 4.7 acre tract was included in the ETJ while the remaining 4 acres was not included since it was not within the one-mile area allowed.

Staff has recommended that this 0.7 acre portion of the larger tract be excluded. At its meeting of December 17, 2007, the Planning Board unanimously voted in favor of the Staff Report and to recommend to the Town Board that this 0.7 acre tract be removed from the ETJ.

ITEM 3. PUBLIC HEARING  
AMENDMENT TO SECTION 154.093(F)  
REQUIRE POSTED PUBLIC NOTICES OF REZONINGS

The Town's ordinances do not presently require that there be notices posted when there are to be public hearings on rezonings in the town; however, State statutes do require that a sign be posted. Planning Director Paul Benson has recommended that the Town's ordinances be amended to require that a sign be posted at least 14 days prior to a hearing by the Board of Aldermen. That is the same time frame that is required for a notice in the newspaper.

At the Planning Board meeting of December 17, 2007, the group unanimously voted in support of this recommendation from Mr. Benson and to recommend that the Town Board approve such an ordinance.

NOTE: We have already begun to develop a sign that might be used for this purpose and plan to have signs ordered and posted on sights or in neighborhoods where rezonings are under consideration.

ITEM 4. PUBLIC HEARING  
AMENDMENT TO SECTION 154..121(B)(9)  
NORTH MAIN STREET BOULEVARD DISTRICT  
SIGN STANDARDS

Mr. Sam Underwood has applied for an amendment to the Sign Standards in this district which now limits signs to no more than 16 square feet and no higher than 4 feet. At the corner of North Main Street and Felmet Streets, Mr. Underwood has a business building that sits below the road and has multiple tenants and poor visibility. He feels that a larger sign than 16 square feet is necessary in order for businesses to adequately identify their location.

There follows the Staff Report in which they note that the North Main Street Boulevard District has been compared to other districts, most of which allow larger signs than what is presently allowed in the North Main Street Boulevard District. The Staff agrees with and supports Mr. Underwood's request for a 32 square foot sign with a maximum height of 6 feet.

At their meeting of January 21, 2008, the Planning Board considered this matter and voted 3-2 to support the recommendation of the Planning Staff and the request of Mr. Underwood. The Planning Board recommends the change in the sign size in the North Main Street Boulevard District to a maximum of 32 square feet and a maximum height of 6 feet.

ITEM 5. INFORMATION MEETING TO DISCUSS FINANCING CONSTRUCTION  
OF A NEW POLICE STATION AND DEVELOPMENT OFFICE

At the direction of the Town Board, Finance Director Eddie Caldwell and Town Manager Lee Galloway have been investigating financing alternatives for the renovation and expansion of the police station and construction of a new development office and meeting space on property owned by the Town at 9 South Main Street. During 2004 and 2005, an architectural firm did a facilities study for the Town and recommended that a new fire station be constructed and that the existing building be renovated and expanded to provide adequate space for the police department. The Board then proceeded with the construction of the fire station and it is scheduled for completion this spring.

In order to construct both the fire station and the police department, the Town Manager and Finance Director felt it was best to secure at least a portion of the construction loans from the Rural Development Agency of the U. S. Department of Agriculture as that agency allows 40 year loans. By extending a portion of the loan for that length of time, the payments would be low enough so that both projects could be affordable for the Town.

For the construction of the police station/development office, the Town is requesting a loan of \$2,000,000 for a period of 40 years. In addition, the Town will seek a loan of \$1,000,000 from a financial institution and will contribute an estimated \$1,642,520 from the reserves of the General Fund. This will pay for the additional lot that was purchased at 58 East Street, the demolition of the residence on that lot, the preparation of the site and the renovation and expansion of the police station and construction of the development office and meeting space. Design of the station is already underway and in the hands of ADW Architects of Charlotte. Construction should start around June 1, 2008 and last for 60 weeks, with an estimated occupancy date of July 1, 2009.

Based upon an estimated financing rate of 4 ½ % interest, a 40 year loan on the \$2,000,000 requested would have an annual repayment figure of \$108,700. Using a similar interest rate, the annual debt on the \$1,000,000 borrowed from a financial institution would be \$ 76,880. So the debt on the two loans for the first twenty years would be \$ 185,580 annually.

In the 2006-2007 annual budget, the Town Board approved a tax rate increase of four cents per \$100 valuation, with two cents to pay for the debt on the new fire station and two cents to pay the debt on the new police station/development office/ meeting space. Under the present property valuations, two cents on the property tax rate generates \$196,900. This amount would be more than adequate to pay the debt on the two loans that would be secured on the new police station/development office/meeting space. We do not anticipate any additional tax increases to cover the debt on these projects.

The Finance Director has checked on financing through traditional banks and has secured quotes from BB&T. That quote for \$2,000,000 was for a 20 year loan at an interest rate of 3.69%. If the Town were to borrow \$3,000,000 at 3.69% for a 20 year period, the annual payments would be \$214,750 which would exceed the amount of money that a two cent tax increase generates. In order to do both the fire and the police stations, we need the 40 year financing to make the debt payment affordable.

As part of the requirements of Rural Development, a public meeting is required when this information is presented publicly so that the citizens are more aware of the plans for the project. This does not override the requirement that a public hearing be held on the Town's budget normally held in June, and citizens would have an opportunity to comment on the tax rate at that time.

For some time, the Town has been making plans to renovate and expand the police station and build a new development office and meeting space on the property at 9 South Main Street across from Town Hall.

We would like to request that the Town Board adopt the attached resolution authorizing the Finance Director to solicit financing proposals on this project.

ITEM 6. SCOTTY ELLIS, TOURISM DEVELOPMENT AUTHORITY

Ms. Scotty Ellis, Executive Director of the Haywood County Tourism Development Authority, has requested time on the Town Board's agenda to discuss the new occupancy tax law and the additional 1 % of revenue it will generate. If there are similar revenues to the previous year, it is estimated that the new tax will generate approximately \$73,501 in new revenue for the 28785 and 28786 zip code areas. A copy of the legislation assessing this new tax is attached for your review.

ITEM 7. DISCUSSION OF COMPENSATION FOR MEMBERS  
OF THE ALCOHOLIC BEVERAGE CONTROL BOARD

At the conclusion of the last meeting, Alderman Moore raised the issue of compensation for members of the Alcoholic Beverage Control Board. Town Staff was asked to look into the matter and report back to the Town Board.

According to the Town's ordinances, the compensation of ABC Board members is to be set by the Town Board. The funds to compensate ABC Board members are paid for as an expense of the ABC Store operation.

A review of the minutes of previous Board meetings found that the last time that the compensation of ABC Board members was changed was on December 17, 1996. At that time, the compensation was increased to \$300 monthly for the Chairman and \$200 monthly for the other two ABC Board members. Prior to that increase, the Chairman was paid \$200 monthly and members received \$125 monthly.

ITEM 8. ANNEXATION PETITIONS

Annexation petitions have been received for two different properties:

- A. 101 Woods Edge Road, off the Asheville Road  
Current Owners: Edward and Linda Woodbery

This would be a satellite annexation of an estimated 12.8 acres of property.

- B. 65 Paragon Parkway  
Current Owners: Tom and Jacquelyn Morgan

This would be a satellite annexation of an estimated 1.697 acres of property.  
At the present time, there is a convenience store, service station and Burger King located on this property.

If the Board wishes to consider the annexation of these properties, the first step in the process would be to adopt a resolution directing Town Clerk Phyllis McClure to investigate the sufficiency of the petitions, assuring that they meet the requirements of State Statute.

#### ITEM 9. SUBSTATION STRUCTURE AND EQUIPMENT

In the continuing process of building the new electrical substation, Booth and Associates solicited bids on the steel framework and related construction materials for the substation. Previously the Board has authorized the purchase of the new transformer necessary to power the substation and recently the Town issued a purchase order for a major switch which is necessary in the operation of the substation. The present item involves the materials for the structure and later in the spring, we will be advertising for bids on the actual construction of the facility.

This is an unusual situation, different from when we advertise for bids on a new building or for a garbage truck. In those cases, you request bids on one thing at one time and it is either constructed or manufactured and delivered some time later. In the case of the substation, various parts have long delivery dates, making it impossible or extremely difficult to try to secure bids on the total package substation in one bid advertisement. So we must drag this out over a longer period, getting the transformer, switches and steel gathered at roughly the same time (late summer, 2008) and then hire a contractor to take the various pieces and construct the substation with the items provided.

We still must go to the Local Government Commission to present this and seek a loan on the entire package, and we plan to do that in the spring. We have learned that the City of Smithfield constructed a substation in 2006 and went through the same process, and we are arranging a meeting with them to seek some guidance on the process to follow with the LGC.

NOTE: During the month of January, we experienced some extremely cold days, and the thermometer at my house was at 2 or 3 degrees on January 3 and January 21. In both cases, the Town set new peaks at its substation on Smathers Street. The previous peak had been 19.414 MegaWatts (MW) on January 24, 2005. On January 3, the Town set a new peak of 19.894 MW on the 20.00 MW substation. On January 21, 2008, the Town set its second highest peak at 19.855. This emphasizes again the need for the Town to expand its electrical capacity through the construction of the new substation.

#### ITEM 10. EAGLE NEST GRANT

During 2007, the Town submitted an application to secure funding for the installation of a water system in the Eagle Nest Subdivision. This was done at the request of the Eagle Nest Homeowners' Association after the State of North Carolina found their water system to be inadequate and unacceptable. The State received the application and has offered to provide the Town a \$1,000,000 grant and a \$300,000 no interest loan as the local share of the project costs. It is the intention of the Town to recoup the \$300,000 from the homeowners in the Eagle Nest Subdivision through one time charges or monthly charges assessed as a part of the utility bill for those who connect to the system.

The Town needs to accept the offer from the State in order for the project to move forward. The Local Government Commission has already approved the \$300,000 no interest loan to the Town as a part of the project funding.

#### ITEM 11. AMENDMENT TO TOWN CODE REGARDING GARBAGE RECEPTACLES

There follows a report and recommendation of Streets and Sanitation Superintendent Daryl Hannah concerning the size of garbage receptacles. As Mr. Hannah indicates, it seems reasonable to increase the size of the receptacle to reflect the cans that are currently available to the public by the vast majority of retailers. The current ordinance, a copy of which is attached, limits receptacles to 30 gallons in size. Mr. Hannah is recommending that the ordinance be changed to allow a capacity of not more than 45 gallons, and I would concur with that recommendation.