



Town of Waynesville

AGENDA
REGULAR MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
TOWN HALL - 9 SOUTH MAIN STREET
MAY 24, 2011
TUESDAY - 7:00 P.M.

Call to Order

1. Approval of Minutes of May 10, 13 and 16, 2011
2. Sarge's Animal Rescue Foundation
6th Annual Downtown Dog Walk
3. Mr. Dale Burris, Director of Facilities
Haywood County
Regarding Fairground Project
4. Appointments/Reappointments
Board of Adjustment
5. Award of Bids
Municipal Building Renovations
6. Use of Capital Project Funds for Renovations
7. Adjournment

Additional information regarding this agenda is available at www.townofwaynesville.org

REGULAR MEETING
TOWN OF WAYNESVILLE
BOARD OF ALDERMEN
TOWN HALL – 9 SOUTH MAIN STREET
MAY 10, 2011
TUESDAY – 7:00 P.M.

The Board of Aldermen of the Town of Waynesville held a regular meeting on Tuesday, May 10, 2011. Members present were Mayor Gavin Brown, Aldermen Gary Caldwell, Libba Feichter, J. Wells Greeley and LeRoy Roberson. Also present were Town Manager A. Lee Galloway, Assistant Town Manager Alison Melnikova, Finance Director Eddie Caldwell, Town Clerk Phyllis McClure and Town Attorney Woodrow Griffin. Mayor Brown called the meeting to order at 7:00 p.m.

Approval of Minutes of April 26, 2011

Alderman Caldwell moved, seconded by Alderman Roberson, to approve the minutes of the April 26, 2011 meeting as presented. The motion carried unanimously.

Chuck Dickson – Folkmoot and CIOFF

Chuck Dickson, Folkmoot Chairman and Attorney for the Towns of Maggie Valley and Clyde, presented a report to the Board on the current state of affairs of Folkmoot. Mr. Dickson said Folkmoot is North Carolina's International Festival. Performances are held throughout the State of North Carolina with Haywood County being their primary performance area. The Folkmoot parade is held in Waynesville each year and 5,000 ticketed events are held. A street dance was added last year and another is planned for this year. Mr. Dickson said he recently visited with Linda Carlisle, Secretary with The Department of Cultural Resources. Ms. Carlisle attended last year's parade and street dance, is familiar with the festival and may be of help with funding through the Arts Council. Folkmoot recently signed a lease with the Haywood County School System for another five years to house the Folkmoot Center in the former Hazelwood Elementary School building. Alderman Feichter said she taught at Hazelwood Elementary School for 23 years and it is wonderful to see this facility used for Folkmoot.

Mr. Dickson said the Town of Waynesville is the only governmental unit that provides funding for Folkmoot. Corporate sponsorships and ticket sales have increased for the past two years. A study revealed that 1/3 of those attending performances stay overnight, providing a huge economic impact to the area. The study also revealed that most of those attending performances are older and well educated with higher levels of income. Mr. Dickson asked the Board to encourage their appointees with the Tourism Development Authority to support Folkmoot.

A few weeks ago, Folkmoot had the opportunity to host the executive council of CIOFF (International Council of Organizations of Folklore Festivals and Folk Art) which meets once per year. There are ninety-one countries in CIOFF at the present time, with twenty countries represented at the recent meeting. Mayor Brown welcomed the group and made them honorary citizens. Mr. Dickson said this organization was formed about forty years ago in an effort to

break down walls that exist between peoples and nations, with a goal to preserve and promote world peace. Folkmoot is one of the 300 functions supported by CIOFF. Decorative plates were presented to the Town and Folkmoot from the CIOFF President from Thailand.

Mr. Dickson thanked the Board for everything they have done for the Folkmoot organization. He recognized that Rolf Kaufman, a member of the CIOFF organization for many years, has done an amazing job of putting Folkmoot and Waynesville on the map. Folkmoot now has approximately 8,000 alumni throughout the World, serving as Goodwill Ambassadors.

Mayor Brown said he had the opportunity to meet a representative of Bohemia, South Korea, and the first democratically elected mayor of the largest city in Slovenia. Mr. Dickson said the President of the CIOFF Organization from Thailand commented about the diversity in this area. Mayor Brown added that he asked several questions about the Cherokee Indians.

Alderman Feichter said she firmly believes that people like Rolf Kaufman, Dr. Border, Chuck Dickson and many others who continue to dream are responsible for making sure that things of such value as Folkmoot continue. Mr. Dickson said not everyone can do great things, but we can all do small things in a great way. The Board thanked Mr. Dickson for the update on Folkmoot. No action was necessary.

Request for Contributions - Disabled American Veterans

Fred Underwood, Disabled American Veterans representative, said this organization has helped many vets with telephone bills, fuel, dental work and other expenses. Their commitment is to help in any way possible. If someone calls, the Hardship Committee is assigned to work things out and make sure that the vets are taken care of. More vets are from Haywood County than other Western North Carolina counties, serving during the Korea and Vietnam Wars with some now coming in from Afghanistan and Iraq. 318 vets are currently being served by Chapter 89. Most hardships are discovered through word of mouth and the Hardship Committee acts as soon as possible when they find out that someone is in need. Mr. Underwood thanked the Board for the opportunity to come back and request an additional contribution. On August 24, 2010, a representative from the Disabled American Veterans presented a request for a donation of \$1,000. The Board approved a contribution of \$500 and voted to discuss the matter again in six months to consider an additional contribution.

Request for Contributions - Haywood County Veterans Council

On August 24, 2010, representatives of the Haywood County Veterans Council presented a request for a donation of \$2,000 from the Town to help support the construction of a marker for each of the 264 Haywood County natives who have died in action from World War I through the Iraq and Afghanistan Wars. The Board approved a contribution of \$1,000 and indicated that the matter would be discussed again in six months to consider an additional contribution.

Dickie Woody and Don Wells reported that the money is used for the memorial markers that will be displayed at various locations through Haywood County and will be on display at Garrett Hillcrest Memorial Gardens from Memorial Day through July 4th. They have received donations from many people and discounts from various businesses on materials.

Alderman Feichter moved, seconded by Alderman Caldwell, to contribute \$1,000 to the Haywood County Veterans Council and \$500 to the Disabled American Veterans. The motion carried unanimously.

Appointments/Reappointments – Board of Adjustment, Planning Board and Public Art Commission

Board of Adjustment - There are three members on this Board that live within Town limits whose terms will expire on May 31, 2011. Regular Members: Mack Noland and Mike Erwin; Alternate Member: Stephanie Welch Strickland. Mack Noland has indicated an interest in reappointment as a regular member for a three year term ending on May 31, 2014. Stephanie Welch Strickland has indicated an interest in reappointment as an alternate member for a three year term ending May 31, 2014. Mike Erwin, who has served on this Board for many years, has moved to Andrews and indicates that he could not be reappointed. Applications can be solicited for this vacancy.

There is one vacant slot for an Alternate Member from outside the corporate limits. This is a seat that has been vacant for some time and was formerly held by Mr. Garnell Day. Board members were asked if they were aware of an individual living outside the corporate limits and interested in serving on this Board. After approval by the Town Board, the name would be submitted to the Haywood County Commissioners for their approval.

It was suggested that Stephanie Welch Strickland be contacted to ask if she might be interested in serving as a regular member. This item will be placed on the May 24 agenda.

Planning Board. There are two members of this Board whose terms expire on May 31, 2011. Member from Inside Town: Don Stephenson has indicated an interest in reappointment for a three year term ending on May 31, 2014.

Member from Outside Town: Patrick McDowell has indicated an interest in reappointment for a three year term ending on May 31, 2014. Mr. McDowell's name may be recommended to the Haywood County Commissioners for approval as a member from the Extraterritorial Jurisdiction (ETJ) for a three year term ending May 31, 2014.

Alderman Greeley moved, seconded by Alderman Roberson, to reappoint Don Stevenson to serve a three year term ending on May 31, 2014 and to recommend to the Haywood County Commissioners that Patrick McDowell be reappointed as a member from the Extraterritorial Jurisdiction (ETJ) for a three year term ending May 31, 2014. The motion carried unanimously.

Public Art Commission - Ms. Philann Medford has submitted her letter of resignation from the Public Art Commission effective May 15, 2011. Ms. Medford's four year term would have run through May 31, 2014.

Members of the Public Art Commission have recommended the appointment of Charles Mills to fill the unexpired term of Ms. Medford continuing until May 31, 2014.

Alderman Caldwell moved, seconded by Alderman Greeley to appoint Charles Mills to serve as a member of the Public Art Commission effective May 16, 2011 to fill the unexpired term of Philan Medford continuing until May 31, 2014. The motion carried unanimously.

Council Consideration of Matters Before the North Carolina General Assembly

Alderman J. Wells Greeley and Assistant Town Manager Alison Melnikova were in Raleigh this week to attend Town Hall Day. This is a time when elected and appointed representatives from municipalities across North Carolina visit Raleigh and meet with legislators to discuss issues of importance to local governments.

While attending Town Hall Day, Alderman Greeley and Ms. Melnikova met with Representative Ray Rapp to discuss several matters, one of which was annexation reform. Representative Rapp indicated that he would appreciate the Waynesville Town Board discussing the annexation reform measures and providing him with the outcome of the discussions so that he might represent our interests in Raleigh.

During Town Hall Day, House Speaker Tillis indicated to the elected and appointed municipal officials that he needs their support to gain approval of the use of electronic public notices. Under the proposal before the House of Representatives, local governments may use the unit's web site to publicize various matters under consideration by the local government. Up until this point, local governments were required to advertise these matters in a newspaper of general circulation in the community, and legal notices carry a hefty price for publication. This would be a substantial savings to any community that does extensive public notices.

Mayor Brown said traditionally the way business has been done is advertisement in a newspaper of general circulation and it is realized that there is some cost associated with this. However, it was felt that in addition to the printed notice electronic advertising could be added as another means of advertising. Alderman Feichter pointed out that in speaking with people she was surprised to learn how many people do not have internet. The vast majority of people do, but there are those who don't, especially older residents. Assistant Town Manager Alison Melnikova pointed out that she doesn't specifically go to web sites to obtain information and that few people do.

It was the consensus of the Board that Waynesville not participate in the conversation. It was requested that Representative Rapp be notified that Waynesville appreciates his efforts on Waynesville's behalf. Mayor Brown thanked Alderman Greeley and Assistant Town Manager Alison Melnikova for attending Town Hall Day to represent Waynesville.

Presentation of the 2011-2012 Annual Budget

Manager Galloway and Finance Director Eddie Caldwell presented the 2011-2012 Annual Budget to the Board, giving general comments about the budget, and overview of the document.

Manager Galloway said with so much economic uncertainty, the 2010-2011 budget was cautiously adopted. Since then Waynesville has begun to see some positive signs of improvement. During the year department heads have been good stewards of the public funds

and the Board was asked to release expenditures of \$170,000 to purchase items from the current year's budget. He added that unemployment rates are dropping and we are beginning to hear about redevelopment in the Town. It appears that Waynesville is beginning to grow again. The Town's current fiscal year will end in good condition. Manager Galloway listed several accomplishments and new equipment that has been added, without a decline in town services, continuing to maintain low utility rates and retaining employee benefits.

In the 2011-2012 budget, continued improvements can be seen in the economy and financial picture for the town, with more consumer optimism. However, the town is still faced with a number of unknowns. There are several upcoming projects for Waynesville. Manager Galloway spoke about the electric fund transfer, adding that without this source of revenue a twelve cent additional tax rate would be needed. The health care system has continually dealt with higher costs. Waynesville has tried increasing the deductible, making changes in the prescription card program and copayments, but the health care costs continue to rise and it is almost impossible to control these costs. Waynesville has been notified of a possible 15 – 21% increase in health care costs in 2011-2012, but a final figure is not available at this time. Money has been set aside to cover the worst case scenario. With more baby boomers retiring, there is a ½ cent increase for the retirement system contributions required in order for the system to stay solvent.

For the first time in three years, a three percent cost of living increase for the town's employees is included in the budget. Manager Galloway said there is a need to maintain the backbone of this organization – its employees. Manager Galloway asked to Board to contact him, Finance Director Eddie Caldwell or Assistant Town Manager Alison Melnikova if they had questions or needed additional information on the proposed budget. He said funds are provided in the budget for a process for the board to follow for the manager selection process, as well as an overlap of manager's salaries for a three month period so that the manager can be on board by April 1 and participate in the next budget process. Manager Galloway plans to retire in June 2012.

The public hearing on the budget is scheduled Tuesday, June 14. A Budget Retreat will be held Friday, May 13, 12:30 to 4:30 p.m., at the Andon-Reid House, 92 Daisy Avenue in Waynesville.

Mayor Brown said the board has always tried to make sure that employees were treated fairly and it is felt that a three percent increase is in order. Manager Galloway said eight vacant positions have been eliminated over the past couple of years. This budget proposes to eliminate one and one half additional vacant positions.

Adjournment

With no further business, Alderman Greeley moved, seconded by Alderman Feichter, to adjourn the meeting at 8:27 p.m. The motion carried unanimously.

Phyllis R. McClure
Town Clerk

Gavin A. Brown
Mayor

SPECIAL MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
ANDON-REID INN BED AND BREAKFAST
92 DAISY AVENUE, WAYNESVILLE, NC
MAY 13, 2011
FRIDAY, 12:30 P.M.

The Board of Aldermen held a special meeting at 12:30 p.m. on Friday, May 13, 2011, at the Andon-Reid Inn Bed and Breakfast, 92 Daisy Avenue, Waynesville. Board Members present were Mayor Gavin Brown, Aldermen Gary Caldwell, Wells Greeley and LeRoy Roberson. Also present were Town Manager Lee Galloway, Finance Director Eddie Caldwell and Assistant Town Manager Alison Melnikova.

Mayor Brown called the meeting to order at 12:30 p.m. and suggested that the group eat lunch provided by the owners of the Andon-Reid Inn, Ron and Rachel Reid. Following lunch, the Mayor noted that the purpose of the meeting was for a Budget Retreat, beginning discussions on the budget presented to the Board at its regularly scheduled meeting on May 10, 2011. Mayor Brown then called upon the Town Manager for comments.

Galloway made opening comments regarding the budget document that had been presented to the Board on May 10. He noted that there was nothing particularly noteworthy about the current budget for 2010-2011. Revenues had been pretty much as anticipated, with some signs of economic growth and recovery. While property tax collections might be off slightly and water and sewer revenues not quite up to expectations, expenditures have run lower than expected as well. The budget for 2010-2011 called for appropriations from the reserves of all four funds, but it appears the Water Fund and Sewer Fund will not expend any reserves and the Electric Fund will only need a small portion of what was budgeted. The General Fund, which called for \$906,000 in expenditures from reserves, might actually need one-half that amount. Overall, he stated, the Town will end up the year in very good financial condition.

For the 2011-2012 budget, Mr. Galloway noted that the General Fund proposed in the amount of \$13,369,440 had been almost the same amount over four years, with the 2011-2012 budget being \$24,460 less than the initial budget proposal of \$13,393,900 for 2010-2011. He praised department heads for their diligence at being able to operate at less cost and more efficiently and hold budget costs down in the face of rising health care costs and higher expenses for gasoline and diesel fuel.

Galloway noted that the Town's tax rate for 2011-2012 was proposed at 40.82 cents per \$100, and he referred to the formula prepared by the State Local Government Commission to ascertain what a "revenue neutral" tax rate would be. Finance Director Eddie Caldwell explained the formula and provided the Board members with the work sheets used to determine the revenue neutral rate. Galloway noted that in the property revaluations taking affect this year, some property went up in value and some declined in value; consequently, even if the rate remained at 40 cents per \$100, some owners would see an increase and some a decrease depending upon whether their values went up or down. The revenue neutral rate was an attempt at providing the Town with the same amount of tax revenue, allowing for the average growth in the tax base a locality has experienced over a four year period.

Members of the Board suggested that Town Staff develop some “talking points” for the Board which might be helpful for the elected officials in explaining the revenue neutral tax rate or other issues in the budget that might be contentious or raise questions from the citizens.

The Town Manager advised the Board that the budget proposed a 3% across the board, cost-of-living adjustment for all full time and permanent part-time employees. He noted that this would be the first general increase that employees had received in three years, since August, 2008. He noted that when work on the budget began in January, a cost-of-living adjustment was a priority as it was felt Town employees needed additional compensation in light of rising food and fuel costs. In addition, he pointed out that the Town had been notified of an increase of 21% in health insurance premiums, and the Town would be absorbing most of that cost on behalf of employees. An actuary study revealed that the retirement systems provided Local Government and Law Enforcement Officers needed a .53% increase in employer contributions, and this has been included in the 2011-2012 budget.

A discussion ensued about Merit Pay Increases. Galloway explained that under the Town’s Pay Grade System, many employees were bunched in the lower steps of the pay grades. He said that the analysis of the pay plan done in 2008 indicated that the Town suffered from “compression” in the pay grades, by having too many employees in the lower steps. The Finance Director noted that in the past, the Town granted merit increases, and employees were promoted into higher steps on their pay grades. He noted that the last merit pay increases were funded in 2001-2002, and since then, employees had been stacking up on top of each other in the pay steps, with no one moving higher in their pay grades. Galloway pointed out that the problem with this is an employee with ten years on the job may be in pay step 4 while an employee with 2 or 3 years’ experience may be on pay step 3. Had merit increases been available, perhaps the ten year employee would be on pay step 8 or 9.

Board members suggested that they would like to consider a merit pay system in the future, though they realized that it would be difficult to implement such a system now with the economy not generating the needed funds for the Town’s budget to take on such an expense. Galloway did note that in some communities, there are no cost-of-living adjustments, only merit increases. He suggested that if the Town is to put a merit system into practice, department heads would need training to assure any promotions or pay increases are truly based upon merit and not simply because an individual is on the job. He noted that in the past when merit raises were granted, a poor performing employee got the same merit increase as an employee giving 110%. Until the raises are truly based upon merit, he could not support a merit system. Assistant Manager Alison Melnikova reminded Mayor Brown that he had expressed interest in Performance Measurements in the past, and that this might be a way to implement that program. Staff will look into a merit pay system during the coming fiscal year.

Galloway continued a review of the General Fund, noting that much of the capital outlay had been removed from the 2011-2012 request when the Board agreed to allow nearly \$170,000 in added capital expenditures from the 2010-2011 budget. He did note that there was a \$90,000 appropriation to resurface the two swimming pools at the recreation center, an extra \$100,000 for the resurfacing of streets and \$60,000 for sidewalks. Requests for other sanitation equipment had been turned down at this time as we wait on the results of the solid waste study to determine future direction.

Caldwell noted that the Town was buying 105,000 gallons of gasoline and diesel fuel to operate vehicles and equipment, and the increased cost had meant significantly higher expenditures for the Town. Galloway noted that for each penny the price went up, it cost the Town another \$1,050, and for a \$1.00 increase, it meant \$105,000 more in costs annually.

The Board discussed health insurance costs briefly, and Mr. Caldwell explained that the new rates proposed by Blue Cross-Blue Shield would mean a 21% increase in premiums. The reasons for the rate increases were discussed and the manager noted that for much of the year, the losses were less than the premiums. At some point that changed and the insurance carrier had to make adjustments to cover the losses. The Town's agent will be meeting with Town representatives on Tuesday, May 17, to discuss the increases and any options that might be available. The Town is also requesting quotes from other firms in search of a way to hold costs down.

The Town Manager referred the Board members to the report on the Town's debt and the payment schedules found in Sections 6 and 7 of the Budget. In reviewing the list, he pointed out that while the Town's finances may be tight at present, over the next five years the Town will be paying off a considerable amount of debt in both the General Fund and in the Enterprise Funds. Mayor Brown referred to the list and in a quick calculation noted that by the end of the 2015-2016 fiscal year, the Town will have paid off \$8,950,000 in principal and interest out of the \$19,639,420 in total principal and interest owed by the Town. Galloway noted that while there will likely be some new debts for equipment and smaller projects, there should not be many other large projects and expenditures such as the ones made for the recreation center, fire station, police station and development office, large water tank projects and the electric substation. He noted that the only other large items in the \$1,500,000 to \$2,000,000 range should be renovations to the municipal building and the aeration basin at the wastewater treatment plant. Otherwise, he estimated that the Town will be paying off much more debt than it will be incurring.

The Finance Director suggested that when the Town pays off some of its debts over the next five years, it might use some of the funds that become available to make extra payments on structures financed for longer periods, such as the fire station and the police station and development office. The Town will never be debt free, but the debt may be much less. Mayor Brown advised the Board that under State law, the Town is eligible to incur debt of around \$75,000,000 under a formula that allows a percentage of the Town's tax base; however, with slightly less than \$20,000,000 in debt, the Town is well below the maximum allowed.

Having arrived at the end of the General Fund discussion, Mayor Brown suggested that the Board members set a time for continuing discussion on the proposed 2011-2012 budget. Members agreed that Monday, May 16, 2011, at 5:30 p.m. was acceptable. On a motion by Alderman Roberson, seconded by Alderman Caldwell, the meeting was recessed at 4:20 p.m., to reconvene at 5:30 p.m. on Monday, May 16, 2011.

A. Lee Galloway
Town Manager

Gavin A. Brown
Mayor

SPECIAL MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
TOWN HALL
WAYNESVILLE, NC
MAY 16, 2011
MONDAY, 5:30 P.M.

The Board of Aldermen held a special meeting at 5:30 p.m. on Monday, May 16, 2011, at the Town Hall. This was the continuation of a meeting held on Friday, May 13, which was recessed until the above time, date and location. Board Members present were Mayor Gavin Brown, Aldermen Gary Caldwell, Wells Greeley and LeRoy Roberson. Also present were Town Manager Lee Galloway, Finance Director Eddie Caldwell and Assistant Town Manager Alison Melnikova.

Mayor Brown called the meeting to order at 5:30 p.m. and noted that the purpose of the meeting was a continuing discussion of the 2011-2012 Town Budget. He called upon the Town Manager to lead the presentation to the Board.

Galloway began the discussion with the Water Fund, noting that there was a proposed rate increase of 5% in the next budget. He pointed out that within the capital outlay section of the Water Treatment Plant, there was a project to repair the concrete surrounding the water basins at the plant as well as repairs to the concrete on the spillway of the dam. These projects have a combined estimated cost of \$360,000, and this would need to be financed over five years. The debt on this project would consume the majority of the revenues provided by the 5% increase.

Mayor Brown asked about the rate increase, wanting to know if staff had considered options of a smaller percentage increase for lower volume users and a higher increase for larger users. Galloway explained that such a proposal had been considered, but the idea was discarded when it was realized that only going with a 2% increase for the minimum users meant that anyone over the minimum would see a 7.5% increase to reach the revenue of \$115,000 which an across the board 5% increase produced. Finance Director Eddie Caldwell noted that Public Works Director Fred Baker had wanted to avoid a rate increase for the Junaluska Sanitary District and the Lake Junaluska Assembly; however, they are both such large volume customers, if they are removed from the rate increase, to reach \$115,000 would require an increase of more than 12% for everyone else. Staff felt that was too much of an increase.

Galloway also mentioned that in the Water Maintenance budget, funds were again provided for \$300,000 in the replacement or rehabilitation of various sections of the water system. He also noted that \$25,000 was budgeted for engineering work on the water line project which will have to be done when Howell Mill Road is constructed. At present, the Town has water lines on Howell Mill Road as far as Happy Hill Road, but new water line will need to be installed from Happy Hill Road to where it will connect with the water line serving Evergreen Paper (formerly Little Champion). That project will involve hanging the water line on a 500 foot long bridge which will be constructed as part of the Howell Mill Road project, and the estimated construction cost is \$400,000. That will have to be financed as part of the water maintenance budget.

The Water Fund remains the weakest of the four funds, but for the 2010-2011 fiscal year, there was some slight growth in the reserves of the fund. This is a reversal of the trend the Water Fund has followed for the past four years when the reserves were declining each year. In order to keep the fund on sound footing, the 5% rate increase is recommended. Galloway mentioned that when he came to the Town in 1994, the Town was only spending \$20,000 to \$25,000 annually on the repair or replacement of water lines and appurtenances. Today, the town is spending over ten times that amount on water system maintenance. In 2007, the Town received the results of an Asset Management Plan on the Water and Wastewater systems, and the study showed that by the year 2030, the Town would have approximately \$31,000,000 in costs for maintenance, repair and replacements of those systems. The Town Manager advised that progress was being made in both the water and sewer systems, but that the current Board is paying for the decision by Town Boards in the 1970s and 1980s that kept water rates low while not keeping up with the needed repairs to the systems. Some of those improvements, like the chlorine contact system at the water plant and replacement of the 85 year old storage tank on reservoir drive were very expensive and resulted in large costs being financed. Those large debt payments have kept the reserves from growing in the Water Fund.

In the Sewer Fund, Galloway advised that a rate increase was not necessary for 2011-2012. He explained that the only debt payment being made from the Sewer Fund is the \$43,100 annual payment being made on the sewer cleaning truck. All other debts in this fund have been paid, and that is part of the reason why the reserves in this fund are beginning to grow for Sewer Fund. The Finance Director noted that in 2016, a major project on the aeration system is expected at the wastewater treatment plant, with a cost of \$1,500,000. At that point, the Town will have to incur debt to handle such a cost.

Mayor Brown asked about the wisdom of having a capital reserve fund for the utilities as we do for the General Fund. Galloway suggested that could be done, but would require rates to be increased to raise money to create a capital reserve fund. He noted that a 5% increase in rates would produce about \$100,000 annually, and while it would be great to have such a fund to go to for capital needs, it would not accumulate a lot of money before 2016 when the \$1,500,000 would be needed. He noted that most governments seem to find a way to "pay as you go" rather than do much planning to finance needed improvements in the future.

In the Sewer Maintenance section of the budget, Galloway pointed out that the Town would again spend \$300,000 on improvements and rehabilitation of the sewer system. The Town has made good progress in reducing groundwater infiltration, but it is a constant battle and continuing work must be done to keep clear water out of the sewer lines.

In the Electric Fund, the Town Manager noted that there had been a substantial increase in the reserves, and he suggested that it was because of this large amount that the Finance Director and he were comfortable making a larger transfer to the General Fund. The Mayor asked Mr. Caldwell to explain the process the Town had used in trying to respond to the increasing fuel adjustment charges assessed by Progress Energy over the years. The Finance Director gave a history going back to 2004 when the Town saw the profits falling as fuel costs surged. He explained how the Town Manager and he now review the charges each month and adjust rates the Town charges rather than quarterly as before. The Town has finally gotten ahead of the curve in setting an electric rate that prevents a drop in profit, but in almost every case, the rates the Town charges for electricity are lower than the rate that is charged by Progress Energy.

It was noted that in the Electric Fund, no rate increases were proposed, other than tracking the fuel charges and responding accordingly. Galloway pointed out that in the capital outlay portion, the replacement of a 1992 bucket truck was requested, but the first payment on that unit would not be made until the 2012-2013 budget. The Town forces would continue to replace approximately 90 utility poles each year to make sure that we do not have weak, deteriorated poles in the ground and in danger of falling.

Galloway and Caldwell spent time with the Board in explaining the Southeastern Power Administration (SEPA) which supplied much less expensive power to municipal systems in the region. This is related to the presence of the Tennessee Valley Authority and a requirement that they share the hydro power they generate with regional water sources. In addition to providing several hundred kilowatts of power at three cents or less per kilowatt, SEPA also provides power that reduced the demand charges assessed to the Town by Progress Energy. In 2006, a dam on the Cumberland River in Kentucky breached and the water level had to be reduced. This meant that there was much less hydro power available, and as a result, the Town no longer receives assistance in reducing the demand and the volume of kilowatts is much less than they were previously. This has meant a higher cost of electricity from Progress Energy. It is hoped that in the next few years, the Corp of Engineers will have the dam repaired so that the Town can again receive this less expensive electricity.

There was brief discussion about the Internal Service Funds. Galloway noted that in the Public Works Fund, a request was made for the installation of additional equipment storage sheds on the grounds of public works. It was the recommendation of the Manager and Finance Director that those sheds and paving adjacent to those sheds be delayed until after we determine the cost of repairs to the Municipal Building. They also recommended that when the sheds and paving are done, the expenses should come from the Capital Reserve Fund. In the Garage Fund, the most notable expense was the increase in the cost of motor fuel. Galloway explained that the amount we have budgeted was not as much as we are now paying for gasoline and diesel fuel. They were gambling that the cost of fuel would decline during the next fiscal year from the current prices.

There was discussion about the cost of insurance, not just for health insurance, but for other forms of insurance as well – workers compensation, property and liability and automotive and dental. While health insurance has risen significantly, other forms of insurance have declined, and the Town continues to carry most insurance through the League of Municipalities.

Board members mentioned a desire to have talking points to use in conveying information to the public, and the Town Manager and Finance Director promised to work on these over the next week.

There being no further business, it was suggested by the Mayor that the Board wait on further budget work sessions until after the public hearing on June 14. By waiting until then, it would also allow the Town to have a better grasp of what actions the General Assembly might take that would impact the Town's finances. With that in mind, on a motion by Alderman Greeley, seconded by Alderman Roberson and passed unanimously, the meeting adjourned at 7:35 p.m.

A. Lee Galloway
Town Manager

Gavin A. Brown
Mayor

ITEM 2. SARGE'S ANIMAL RESCUE FOUNDATION
6TH ANNUAL DOWNTOWN DOG WALK

There follows a letter from Jamie Powell, Executive Director of SARGE'S, seeking the Town Board's approval of the 6th Annual Downtown Dog Walk on Saturday, August 6, 2011.

This organization has worked well with the Waynesville Police Department during each of the previous Dog Walks, and we are confident that will be the case this year. We would therefore recommend that the request be approved.



May 24, 2011

To: Mayor Gavin Brown and Waynesville Board of Aldermen

From: Sarge's Animal Rescue Foundation

Sarge's Animal Rescue Foundation requests permission to hold the 6th Annual Downtown Dog Walk in Waynesville on Saturday, August 6, 2011.

Registration will begin at 9:15am on the Court House Lawn and the walk will begin at 10:00am.

The route for the walkers and their dogs will be from the Court House to Depot Street to Montgomery Street to Church Street to Main Street and back to the Court House. Poop bags will be provided and there will be a poop patrol following the procession.

Water stations for people and dogs will be on selected corners but not on sidewalks.

Lt. Brian Beck has agreed to have Main Street blocked for the few minutes it takes to walk from Church Street to the Court House. See attached request with his signature. Marty Stamey has approved Sarge's use of the Court House Lawn and immediate area. His signed request is attached also.

Following the walk contests will be held for the dogs and their owners. Dog Walk sponsors are allowed to set up tents and tables to promote their business. Traffic will proceed as normal during this time

Sarge's appreciates the support the Town of Waynesville has shown the organization in its fundraising efforts that further our mission to save as many animals as possible from euthanasia from the Haywood County animal control facility.

Jamie Powell
Executive Director of Sarge's Animal Rescue Foundation

April 8, 2011



Lt. Brian Beck
Waynesville Police Department
9 S. Main Street
Waynesville, NC 28786

Re: Saturday, August 6, Sarge's Animal Rescue Foundation Dog Walk

Dear Lt. Beck,

Sarge's Animal Rescue Foundation requests permission to hold the 6th Annual Downtown Dog Walk in Waynesville on **Saturday, August 6, 2011.**

Registration will begin at 9:15am on the Court House Lawn and the walk will begin at 10:00am.

The route for the walkers and their dogs will be from the Court House to Depot Street to Montgomery Street to Church Street to Main Street and back to the Court House. Poop bags will be provided and there will be a poop patrol following the procession.

We request that (as in previous years) cars be held from driving down Main Street for the few minutes it takes for the walkers to walk from the corner of Church Street and Main Street back to the Court House.

Water stations for people and dogs will be on selected corners but not on sidewalks.

Thank you for your help in making the Downtown Dog Walk the most effective fundraiser for the year for Sarge's, Lt. Beck.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jamie Powell".

Jamie Powell,
Executive Director

Sarge's Animal Rescue Foundation

A handwritten signature in cursive script, appearing to read "Brian Beck".

approved by Lt. Brian Beck



April 19, 2011

Mr. Marty Stamey
Haywood County Manager
215 N. Main Street
Waynesville, NC 28786

Re: Sarge's Animal Rescue Foundation's 2011 Downtown Dog Walk

Dear Mr. Stamey,

Sarge's Animal Rescue Foundation requests permission to use the Haywood County Court House lawn and surrounding area during the 6th Annual Downtown Dog Walk on Saturday, August 6, 2011.

Registration will begin at 9:15am and the walk will begin at 10:00am.

As in years past, walkers will meet at the Court House and return there. There will be tables set up for sponsors along the sidewalk leading to the Court House steps. The stairway into the front entrance will be used as a stage for the contests that follow the Dog Walk. Bleachers will be set up in front of the stairway for spectators for the contests. Sarge's volunteers will be sure the area is clean at the conclusion of the event.

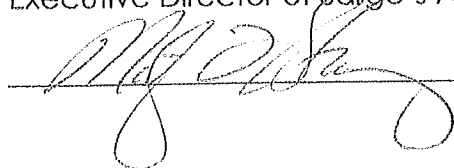
Lt. Brian Beck of the Waynesville Police Department has agreed for his men to lead the walkers and their dogs through town. See attached letter with his signature. Following the County's approval, Sarge's will then appear before the Town of Waynesville's Mayor Brown and the Aldermen for their approval.

Thank you for your support of this major fundraiser for Sarge's Animal Rescue Foundation. If you have any questions, please let us know.

Sincerely,


Jarnie Powell

Executive Director of Sarge's Animal Rescue Foundation



Approved by Haywood Co Manager

400.4812



May 24, 2011

TO: Mayor Gavin Brown
Aldermen for the Town of Waynesville

FM: Sarge's Animal Rescue Foundation

RE: August 6, 2011 6th Annual Downtown Waynesville Dog Walk

Attached please see:

Request for permission from The Town of Waynesville to hold the 6th
Annual Downtown Dog Walk on Saturday, August 6, 2011

Signed approval from Lt. Brian Beck of the Waynesville Police Department

Signed approval from Assistant County Manager, Marty Stamey, for
permission to use the County Court House lawn and immediate area

Jamie Powell
Executive Director
Sarge's Animal Rescue Foundation

Att: 3

ITEM 3. MR. DALE BURRIS, DIRECTOR OF FACILITIES
HAYWOOD COUNTY
REGARDING FAIRGROUND PROJECT

You will find enclosed a request from Haywood County for an adjustment in the capacity fees which the Town charges for connections to the sewer system. Mr. Burris will be present at the meeting and I am asking for input from Fred Baker regarding the actual flow from the restrooms at the Fairground, since they will not be used full time such as at a restaurant or other public facility.



Dale Burris, Director

Phone: 828-452-6651

Fax: 828-452-6778

E-mail: dburris@haywoodnc.net

HAYWOOD COUNTY FACILITIES AND MAINTENANCE

215 NORTH MAIN STREET/ WAYNESVILLE, NC 28786

May 6, 2011

Subject: Haywood County Fairgrounds Waste Water Connection

To: Mr. Lee Galloway, Town of Waynesville Manager

Haywood County is requesting the Town of Waynesville to waive the "calculated capacity fees" associated for the waste water connection to the new Fairgrounds Toilet/Concession Facilities. This will be only one of the two buildings, which is referred to on the plans as A3.0. This facility has a toilet fixture count of (14) toilets. The calculated capacity fees are estimated to be \$24,000 for building A3.0. Haywood County will pay the Town of Waynesville for the waste water tap fee in the amount of \$1,500 and will provide equipment with operator to open and close the ditch where the tap will be installed. The associated work with opening and closing of the ditch will be provided by the contractor on site, B. Allen Construction.

The reason for the request is due to the existing waste water line (6 inch) that was installed when B-Building was constructed should have carried the waste without any issue, but due to the limited use of the restroom facility and the elevation the new waste water line would be basically flat (less than an 1/8" per foot). With my experience in waste water a line placed without considerable elevation the line will become stopped continuously with paper products.

I have spoken with Mr. Fred Baker, Town of Waynesville Public Works Director about the situation and Mr. Baker understands the issue with the limited use and the lack of elevation for the new waste water line. By extending the waste water to the existing manhole located at the drive entrance both Mr. Baker and I feel this will eliminate any issues with lines being stopped up.

If you should have any further questions or require me or the Haywood County Manager to attend a meeting with the Town of Waynesville Board of Alderman for this request, please feel free to contact me. I look forward to working with you regarding this project and since time is of the essence, it will be extremely important to have this request approved as soon as possible. The contractor completion date for the project is June 10, 2011.

Respectfully,

Dale Burris

Dale Burris

Cc: Mr. Fred Baker, Town of Waynesville Public Works Director
Mr. Marty Stamey, Haywood County Manager

ITEM 4. APPOINTMENTS/REAPPOINTMENTS
BOARD OF ADJUSTMENT

At the Board meeting of May 10, the matter of appointments of the Board of Adjustment was discussed. At that time, we announced that long time member and Chairman, Mike Erwin, had asked not to be reappointed as he is now living in Andrews.

The Board members were also considering the reappointment of Stephanie Welch Strickland as an Alternate Member on this Board. It was suggested that we approach Ms. Strickland to see if she might be interested in the appointment as a Regular Member to replace Mr. Erwin. We made this contact and she indicated that she would be interested in the appointment in Mr. Erwin's place.

So now the Board has the following appointments/reappointments to consider:

Regular Member:

Mack Noland's Term	3 years	ending 5/31/2014
Mike Erwin's Term	3 years	ending 5/31/2014

Alternate Member:

Stephanie Strickland	3 years	ending 5/31/2014
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County Appointments:

Alternate Member:

Vacant Position	3 years	ending 5/31/2014
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If the Board wishes to appoint Ms. Strickland to Mr. Erwin's seat, it would create a vacancy as an Alternate Member. This would mean that we have two vacancies on the Board of Adjustment, both as Alternate Members, one from inside the town and one from outside the corporate limits in the extraterritorial jurisdiction. At the present time, we have no applications for positions on the Board of Adjustment.

ITEM 5. AWARD OF BIDS
MUNICIPAL BUILDING RENOVATIONS

On Wednesday, May 11, 2011, we opened bids on the renovations to the Waynesville Municipal Building. While there were six firms which picked up the bid package and showed an interest in submitting a proposal, only two firms actually submitted bids. The results from the bid opening are attached.

You will see that the low bid comes from Strickland Water Proofing of Charlotte, North Carolina. Our consulting engineer, William Wescott, is familiar with this firm and was pleased to see that they submitted a proposal. The bid from Strickland Water Proofing for the work specified in the Request for Bids was in the amount of \$78,750. With the endorsement of Mr. Wescott, it is our recommendation that the proposal of Strickland Water Proofing be accepted in the amount of \$78,750.

During the inspection of the building, Strickland saw some issues on the parapet of the north side of the building and submitted a cost estimate of \$3,750 for those repairs. We did not want to confuse the issue as to what the bidders were proposing, so we have indicated that we want to take a look at all portions of the parapet and be sure that both the parapet and the membrane roof attachment to the parapet are in good order. If they are not and are in need of repair, we will discuss that additional work with Strickland Water Proofing at the time they are performing other work on the building.

I would note that the work involved in this project is primarily for exterior work. All of the windows will be checked and repaired. The drive-thru window will be removed and a window as near identical as possible will be manufactured and installed in the area of the drive-thru window when an original window was removed years ago. If the repairs require the installation of new wood around the windows, the new wood will be primed and painted on the inside of the window. All windows, once repaired, will be painted on the exterior side. The work also includes scraping and repainting the back of the building and any non-masonry portions of the structure. And the work includes the removal and replacement of the stucco on the back of the building, mostly along the basement and annex exterior wall. There will also be some brickwork where the drive-thru window is located, with the brick chosen to match the rest of the building's brick.

We would anticipate that after the contractor mobilizes, the work on the building will likely take 4 to 5 months, and we anticipate completion during early fall.

ITEM 6. USE OF CAPITAL PROJECT FUNDS FOR RENOVATION

Assuming that the Town Board authorizes the work that is proposed in Item 4 for the renovations of the Municipal Building, we would ask that the Board approve the use of the Capital Project Fund to pay the \$78,750 estimated cost of the work.

Next month, when Finance Director Eddie Caldwell presents budget amendments to the Board, he can include a formal budget for the Capital Project Fund which would include the renovations to the Municipal Building as well as the new roof on the Recreation Center which the Board approved earlier this year.