



## Town of Waynesville, NC

### Board of Aldermen Special Meeting

Training Room, Public Services Building, 129 Legion Drive,  
Waynesville, NC 28786

Date: May 26, 2020

Time: 3:00 p.m.

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(828) 452-2491 [eward@waynesvillenc.gov](mailto:eward@waynesvillenc.gov)

#### A. **CALL TO ORDER** - Mayor Gary Caldwell

##### 1. Welcome/Calendar/Announcements

##### 2. Adoption of Minutes

***Motion: To approve the minutes of the May 12th, 2020 regular meeting as presented (or as corrected)***

#### B. **PUBLIC COMMENT**

#### C. **NEW BUSINESS**

##### 3. Police Department Forfeiture Funds be used to purchase VIPER Radios

- Lt. Chris Chandler

***Motion: To approve request for purchase four VIPER radios from Federal Forfeiture Funds***

##### 4. Request to fill vacant patrol officer position

- Chief David Adams

***Motion: To approve or deny request from Chief David Adams to fill vacant patrol position***

##### 5. Fiscal Year 2020 – 2021 Budget Overview

- Finance Director Ben Turnmire

TOWN OF WAYNESVILLE – REGULAR SESSION AGENDA

May 26, 2020

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6. Board Review of Budget

7. Review of Capital Projects

- Preston Gregg, Town Engineer
  - a. Discussion of Plott Heights Slope Repair
  - b. Review of Pigeon Street utility relocation and repaving

**D. COMMUNICATIONS FROM STAFF**

8. Manager's Report

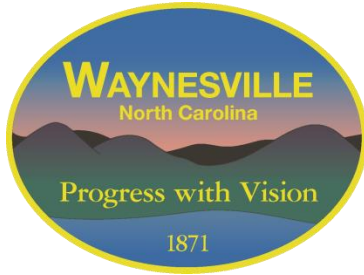
- Manager Rob Hites

9. Town Attorney Report

- Town Attorney, Bill Cannon

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

**F. ADJOURN**



# TOWN OF WAYNESVILLE

PO Box 100  
 16 South Main Street  
 Waynesville, NC 28786  
 Phone (828) 452-2491 • Fax (828) 456-2000  
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## CALENDAR June 2020

<b>2020</b>	
<b>Tuesday May 26</b>	Board of Aldermen Meeting – Special Meeting Time
<b>Sunday June 2</b>	First UMC Pig Pickin
<b>Tuesday June 9</b>	Board of Aldermen Meeting – Regular Session
<b>Tuesday June 23</b>	Board of Aldermen Meeting – Regular Session
<b>Friday July 3</b>	Town Offices Closed – Independence Day
<b>Tuesday July 14</b>	Board of Aldermen Meeting – Regular Session
<b>Tuesday July 28</b>	Board of Aldermen Meeting – Regular Session
<b>Saturday August 1</b>	Sarge’s 15 <sup>th</sup> Annual Downtown Dog Walk
<b>Tuesday August 11</b>	Board of Aldermen Meeting – Regular Session
<b>Sunday August 23</b>	First UMC Back to School Bash
<b>Sunday August 23</b>	Drug Epidemic Awareness Walk – Walk Across America
<b>Tuesday August 25</b>	Board of Aldermen Meeting – Regular Session
<b>Monday September 7</b>	Town Offices Closed – Labor Day
<b>Tuesday September 8</b>	Board of Aldermen Meeting – Regular Session
<b>Tuesday September 22</b>	Board of Aldermen Meeting – Regular Session
<b>Tuesday October 13</b>	Board of Aldermen Meeting – Regular Session
<b>Tuesday October 27</b>	Board of Aldermen Meeting – Regular Session
<b>Thursday October 31</b>	First UMC Trunk or Treat
<b>Tuesday November 10</b>	Board of Aldermen Meeting – Regular Session
<b>Wednesday November 11</b>	Town Offices Closed – Veterans Day
<b>Tuesday November 24</b>	Board of Alderman Meeting- Regular Session
<b>November 26 &amp; 27th</b>	Town Offices Closed – Thanksgiving Holidays
<b>Tuesday December 8</b>	Board of Aldermen Meeting – Regular Session
<b>December 24, 25 &amp; 28th</b>	Town Closed – Christmas Holidays
<b>Saturday June 5, 2021</b>	Oasis Shriners Spring Celebration Parade

## Board and Commission Meetings – June 2020

ABC Board	ABC Office – 52 Dayco Drive	<b>June 16th</b> 3 <sup>rd</sup> Tuesdays 10:00 AM
Board of Adjustment	Town Hall – 9 S. Main Street	<b>June 2nd</b> 1 <sup>st</sup> Tuesdays 5:30 PM
Downtown Waynesville Association	UCB Board Room – 165 North Main	<b>June 25th</b> 4 <sup>th</sup> Thursdays 12 Noon
Firefighters Relief Fund Board	Fire Station 1 – 1022 N. Main Street	<b>Meets as needed;</b> <i>No meeting currently scheduled</i>
Historic Preservation Commission	Town Hall – 9 S. Main Street	<b>June 3rd</b> 1 <sup>st</sup> Wednesdays 2:00 PM
Planning Board	Town Hall – 9 S. Main Street	<b>June 15th</b> 3 <sup>rd</sup> Mondays 5:30 PM
Public Art Commission	Town Hall – 9 S. Main Street	<b>June 11th</b> 2 <sup>nd</sup> Thursdays 4:00 PM
Recreation & Parks Advisory Commission	Rec Center Office – 550 Vance Street	<b>June 17th</b> 3 <sup>rd</sup> Wednesdays 5:30 PM
Waynesville Housing Authority	Waynesville Towers – 65 Church Street	<b>June 9th</b> 2 <sup>nd</sup> Tuesday 3:30 PM

## BOARD/STAFF SCHEDULE

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**MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN**  
**Regular Meeting**  
**May 12, 2020**

**THE WAYNESVILLE BOARD OF ALDERMEN** held its regular meeting on Tuesday, May 12, 2020 at 6:30 p.m. in the board room of Town Hall, 9 South Main Street, Waynesville, NC.

**A. CALL TO ORDER REGULAR MEETING**

Mayor Gary Caldwell called the meeting to order at 6:30 pm with the following members present:

Mayor Gary Caldwell  
Alderman Anthony Sutton

The following Board members and staff attending by Zoom

Mayor Pro Tem Julia Freeman - by Zoom  
Alderman Jon Feichter – by Zoom  
Alderman Chuck Dickson – by Zoom

The following staff members were present:

Rob Hites, Town Manager  
Amie Owens, Assistant Town Manager  
Eddie Ward, Town Clerk  
Ben Turnmire, Finance Director  
Jeff Stines, Interim Public Services Director  
Julie Grasty, Asset Services Manager  
Jesse Fowler, Planner  
Preston Gregg, Town Engineer

Town Attorney William Cannon was absent.

The following media representatives were present:

Cory Valliancort, Smoky Mountain News – by Zoom

1. Welcome/Calendar/Announcements

Mayor Caldwell welcomed everyone. The only item on the calendar that has not been cancelled due to the Coronavirus is the June 2, 2020 UMC Pig Picking.

2. Adoption of Minutes

***A motion was made by Alderman Anthony Sutton, seconded by Alderman Julia Freeman to approve the minutes of the April 14th, 2020 regular meeting as presented. The motion carried unanimously.***

## **B. PUBLIC COMMENT**

There were no public comments.

## **C. PROCLAMATIONS**

- 3a. Police Officers Week and Peace Officers Memorial Day Proclamation
- Chief David Adams

Mayor Caldwell read a Proclamation for National Police Week May 10 – 16, 2020 and Peace Officers Memorial Day on May 13, 2020. He said that members of law enforcement play an essential role in safeguarding the rights and freedoms of the citizens of the Town of Waynesville. He said that it is very important that all citizens know and understand the duties, responsibilities, hazards and sacrifices of the law enforcement officers. He urged all citizens to recognize these officer's faithful and loyal devotion to their responsibilities.

Alderman Anthony Sutton presented Police Chief David Adams with the Proclamation.

- 3b. Public Services Week Proclamation
- Jeff Stines, Interim Public Services Director

Mayor Caldwell read a Proclamation for the 2020 National Public Works Week May 17 – 23<sup>rd</sup>. He said that infrastructure, facilities and services could not be provided without the dedicated efforts of the Town of Waynesville Public Services professionals. They are responsible for our water supply, water treatment, solid waste systems, public buildings, and other structures and facilities essential for our citizens. He encouraged citizens to gain an understanding of the importance of Public Services and the programs in the Town.

Alderman Anthony Sutton presented the proclamation to Interim Public Services Director Jeff Stines.

Mr. Stines told everyone that he appreciated each employee in Public Services, and that they were amazing employees in every department.

## **D. NEW BUSINESS**

4. Award the Janitorial Services Contract for a two-year term.
- Julie Grasty, Asset Services Manager

Julie Grasty, Asset Services Manager, explained to the Board that In October of 2019 the Town awarded an eight-month Janitorial Contract to "A Better Clean" of Clyde for the Town's Janitorial Service. At that time, the intent was to rebid in March of 2020 for a two-year contract. She said that in March an RFP was sent out to nine different firms, and during this time three additional firms expressed interest in the contract. Ms. Grasty referred the Board to the bid tab in their

agenda packets and said that on April 23, 2020 three bids were received and opened. In the past the Town has contracted with HyTech and A Better Clean (both of Clyde), and she only checked references for Cleannet of Charlotte.

***A motion was made by Alderman Anthony Sutton , seconded by Alderman Julia Freeman to award the Janitorial Service Contract to “A Better Clean” for a two-year contract ending June 30, 2022 in the amount of \$65,400.00. The motion passed unanimously.***

5. Budget Amendment for the Calvary Craven Park Project

- Jesse Fowler

Jesse Fowler, Development Services Planner told the Board that this month the Town received a grant award of \$14,090 from the Medford Fund to assist in the purchase of playground equipment for Calvary Craven Park. He said that last year, the community raised \$2,650 from a golf tournament to assist with Park development as well. Mr. Fowler said that a budget amendment is required to add the grant award and the golf tournament proceeds to the park development budget (\$60,000 allocated in the FY 19-20 General Fund). Together these funds will cover the costs for the picnic pavilion, picnic tables and grills, horseshoe pits, fencing, and a new playground.

Alderman Feichter stated that the park looked amazing and asked if the park was complete, and if there were other plans down the road. Mr. Fowler said that the pavilion was up, and the electricity was on. The playground equipment and fencing has been ordered and is enroute to the park. As far as phase two of the project, Mr. Fowler said they were running out of space and there are a lot of variables now.

***A motion was made by Alderman Anthony Sutton, seconded by Alderman Julia Freeman, to approve Ordinance No. O-07-20, Amendment 12 to the Fiscal Year 19-20 budget for the Calvary Craven Park project. The motion carried unanimously.***

6. NCDOT Roadway Project: Russ Ave. Widening U-5839 – Construction Costs

- Preston Gregg, Town Engineer

Preston Gregg, Town Engineer, said that the North Carolina Department of Transportation and Town staff have been working over the last year in redesigning the Town owned power facilities out of conflict of the upcoming U-5839 Russ Ave. widening project. He told the Board that the design plans are 100% complete and he referred them to the estimates in the Board packet.

Each NCDOT project requires the municipality to sign a “Utility Relocation Agreement” (URA). This is a signed document that outlines who pays for the utility relocation, anticipated costs for each party involved, and when the Department (NCDOT) can expect the Company (Town) to relocate the utilities.

Mr. Gregg explained that this project requires two URA's to be signed by the Town. One for the relocation of the Town of Waynesville overhead facilities to underground out of the way of the U-5839 widening project (Walnut Street and side streets only.) Another URA is required for the utility relocation of the Town of Waynesville overhead facilities to out of the conflict of U-5839 widening project (Russ avenue and side streets only.)

- a. Relocate power facilities out of conflict along the Walnut St

The first URA is to relocate power facilities out of conflict along the Walnut St. portion of the project; in which NCDOT will be paying for 100% of the work minus the cost of decorative lighting. This work is within the historic district of Town and all overhead utilities will be relocated underground and be at the reimbursable expense of NCDOT. Total cost is estimated at \$677,086.20 with an anticipated start date of early 2022. Decorative lighting is included in this figure at an estimated cost of \$54,216.00.

- b. Relocate power facilities out of conflict along the Russ Ave

Mr. Gregg explained that the second URA is to relocate power facilities out of conflict along the Russ Avenue portion of the project (up to Howell Mill Rd. since Town power stops here); in which the Town is responsible for 100% of the relocation costs. This cost is estimated to be \$533,524.60 with an anticipated start date of this summer.

Alderman Anthony Sutton asked Finance Director Ben Turnmire is this amount is included in the upcoming budget. Mr. Turnmire said the amount is not included.

***A motion was made by Alderman Anthony Sutton, seconded by Alderman Jon Feichter to approve the signing of the two Utility Relocation Agreements for the Russ Avenue Widening Project U-5889 which includes Russ Avenue and Walnut Street relocations.***

## **E. COMMUNICATIONS FROM STAFF**

7. Manager's Report
  - Manager Rob Hites

### **2020-2021 Budget Presentation**

The budget that we are presenting is far different from the outline we presented at your retreat. In the matter of eight weeks our five- year plan has been thrown into disarray by the disruption of the response to the Covid-19 virus. The restrictions necessary to combat the spread of the virus has severely impacted the Town's revenue stream in all funds. In the General Fund the Town's share of State Sales Tax has been considerably reduced. The Department of Motor



Vehicles are extending the time limit to purchase auto tags, collection of vehicle taxes and personal property taxes on vehicles to August thus reducing the revenue from those sources. The Recreation Department also no longer generates revenue due to the shutdown. In the utility funds we are experiencing a reduction in revenue due to the Governor's order not to disconnect utilities for nonpayment. Many customers are choosing to forgo their payments.

The result of these rapid reductions in revenue is a budget that maintains current services and funds projects that the Board has approved but does not undertake any non-mandated projects. The budget reflects a 3% loss of combined revenue and a loss of 7% in sales tax revenue in the general fund for the upcoming year. We have reduced the budget to the point that reducing work hours and layoffs would be the next logical step. The proposal that is before you will contain an estimated \$520,000 - \$650,000 contribution from the General Fund Balance. Hopefully the revaluation next year will permit the Town to return to a balance of current revenues and expenditures. We do not recommend an increase in ad valorem taxes for the upcoming year. We recommend a 3% increase in water rates or an increase of \$0.68 per month in an average water bill. We also recommend a 10% increase in wastewater rates in order to fund the future debt service of the rehabilitated plant and reduction of inflow in the collection system. The sewer rate increase will add an average of \$2.46 to a resident's average sewer bill. The Town is required by DOT to move its electric lines from the right of way of Walnut Street. We will not be reimbursed for this project. The Town's estimate for moving its utilities from the right of way of Walnut Street is \$690,000. This project will necessitate an increase of 5% in electric rates. This increase will add approximately \$3.85 to the average residential electric bill per month.

The Town's financial position does not permit us to recommend a cost of living (COLA) or Career Track salary increase currently. We would need \$115,000 - \$125,000 in new income to fund the Career Track for the General Fund. That amount is equal to 1 cent on the tax rate or further appropriation from the Fund Balance. We do recommend that the Board appropriate \$173,000 for Longevity and Christmas Bonuses. We hope that the economy will return to a new normal and our fall and holiday season will bring an uptick in sales tax revenue. We will review our budget with the Board after we receive the November and December sales tax revenue. If revenue exceeds our projections, we may be able to recommend additional compensation to the staff. The total budget will amount to \$33,000,000 - \$34,700,000 including current year transfers. The total General Fund budget has been decreased by roughly 3.5% before current year transfers and mandatory increases in retirement and health insurance are added. The 3% increase in Health Insurance and 1.2% increase in the Local Government Retirement Fund amount to roughly \$109,000 in the General Fund. We recommend that a vacant position in Public Works be transferred to the Fire Department in order to provide additional Fire Inspection services. We also recommend that a Police Lieutenant position be reclassified to Captain. The Department will have a Captain of Administration and a Captain of Patrol. These changes will require an increase of \$10,000 to cover the increase in salary of the Captain's position.

The budget will most likely be the first of several that will be affected by Covid-19. If we do not have a rebound during Leaf Season and the Holidays, we will have another slim year in 2021-2022. Several multi-million-dollar projects are expected to be added to our tax base. These will

be needed to help re-balance future budgets impacted by Covid-19. It is important to note that the likelihood of our projections being wrong is much higher this year than in normal budget years. Towns and Cities across the state are facing the same level of uncertainty of how to reconcile their revenues and expenditures. The budget team will continue to practice conservative estimation of the Town's budget to ensure that it will not harm its long-term financial position.

I wish to thank Finance Director Ben Turnmire and Assistant Town Manger Amie Owens for their work on the budget. Mr. Turnmire has introduced several new formatting ideas to the budget document that I hope will make it more readable. He has reduced the length of the budget while increasing its readability. Ms. Owens is in her third year on the budget team. She has an eagle eye for discovering savings. She has literally saved the Town millions of dollars in real savings during my tenure. We are committed to providing a high level of service at a reasonable cost to citizens.

We appreciate the time and consideration of the Board of Aldermen as you review our proposal. We look forward to presenting the proposal to you during an upcoming workshop and will await your instruction.

End of presentation.

Manager Hites suggested to the Board that they integrate the next regularly scheduled Board Meeting on May 26<sup>th</sup> to include a Budget work session, and then hold a Public Hearing at the first meeting in June. The consensus of the Board was to hold the meeting at 3:00 pm in the training room of Public Services in order to have social distancing.

Alderman Anthony Sutton stated that he felt that this budget needed to be gone through with a fine-tooth comb, and every Department Head needed to be in attendance to discuss their budgets. He added that this is very important and needs to be taken seriously.

Manager Hites explained to the Board about a blockage that had to be removed at the Wastewater Treatment Plant that consisted of 12 feet of hair, plastic and baby wipes. He said the cost to remove the blockage was \$20,000.00. He stated that the piping at the bottom will be changed.

Manager Hites told the Board that NCDOT had gotten the owner to move the burned-out trailer in the old Duvall's parking lot.

Assistant Town Manager Amie Owens explained that originally, the quote for repairs to the Municipal Building by the contractor was \$110,000. The payment estimate from the insurance company for the flooding related repairs was \$38,000. With the requirement to have an ADA accessible restroom in a public building as part of the repair, the amount grew to \$56,000. Assistant Manager Owens continued to work with the insurance company to negotiate additional payment related to abatement of asbestos and lead paint. Additional negotiation related to

specialized labor fees led to an amount of \$82,371.87. She added that there is a potential subrogation recovery amount of \$30,000 which may also be obtained. This would reflect a total of just over \$112,000 that would be paid by the insurance company to cover all the costs of repair.

Town Attorney Report

- Town Attorney, Bill Cannon

There was no report.

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

No Comments

**G. ADJOURN**

***With no further business, a motion was made by Alderman Anthony Sutton, seconded by Alderman Julia Freeman to adjourn the meeting at 7:23 pm. The motion carried unanimously.***

**ATTEST:**

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Gary Caldwell, Mayor

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Robert W. Hites, Jr. Town Manager

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Eddie Ward, Town Clerk

**TOWN OF WAYNESVILLE BOARD OF ALDERMEN  
REQUEST FOR BOARD ACTION  
Meeting Date: May 26, 2020**

**SUBJECT:**

Police Department Forfeiture Funds be used to purchase VIPER Radio's

**AGENDA INFORMATION:**

**Agenda Location:** New Business  
**Item Number:** C3  
**Department:** Police Department  
**Contact:** Lt. Chris S. Chandler  
**Presenter:** Lt. Chris S. Chandler

**BRIEF SUMMARY:**

The Police Department is requesting Federal Forfeiture funds be made accessible for the purchase of 4 VIPER Radio's to aid in multi-disciplinary communication. The National trend is moving toward VIPER Radio communication being the standard for emergency communication. This purchase would ensure the Waynesville Police Department can maintain a basic level of communication during multi-disciplinary events, (e.g. natural disasters, civil emergencies, COVID 19 response, weather emergencies). Currently, the North Carolina Emergency Management System operates on VIPER and this purchase would give us immediate contact with the Emergency Management System if and when the need arises.

Available Funds:	Federal Forfeiture Funds	\$16,344.97
Requested Funds:	Viper Radio \$1,832.91 x 4=	\$7,331.64

**MOTION FOR CONSIDERATION:**

**FUNDING SOURCE/IMPACT:** (must have approval by Finance Director prior to submission to the Board)

s. Ben Turnmire	05/12/2020
Ben Turnmire, Finance Director	Date

**ATTACHMENTS:**

- 1.) Quotation from Western Carolina Communication Systems, Inc.
- 2.) Budget Amendment

**MANAGER'S COMMENTS AND RECOMMENDATIONS:**

Recommend Approval

Ordinance No. O-08-20

Amendment No. 13 to the 2019-2020 Budget Ordinance

WHEREAS, the Board of Aldermen of the Town of Waynesville, wishes to amend the 2019-2020 Budget Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Board of Aldermen of the Town of Waynesville that the 2019-2020 Budget Ordinance be amended as follows:

General Fund:

Increase the following revenues:

103350-434311	Other Police Grants	\$ 7,331.64
		_____
	Total General Fund revenue increase	\$ 7,331.64

(Using forfeiture funds restricted for equipment)

Increase the following appropriations:

104310-545500	Equipment	\$ 7,331.64
		_____
	Total General Fund appropriation increase	\$ 7,331.64

Adopted this 26<sup>th</sup> day of May 2020.

Town of Waynesville

\_\_\_\_\_  
Gary Caldwell  
Mayor

Attest:

\_\_\_\_\_  
Eddie Ward  
Town Clerk

Approved As To Form:

\_\_\_\_\_  
William E. Cannon, Jr.  
Town Attorney

**TOWN OF WAYNESVILLE BOARD OF ALDERMEN  
REQUEST FOR BOARD ACTION  
Meeting Date: May 26, 2020**

**SUBJECT:** Request to fill vacant patrol officer position

**AGENDA INFORMATION:**

**Agenda Location:** New Business  
**Item Number:** C4  
**Department:** Police Department  
**Contact:** Chief David Adams  
**Presenter:** Chief David Adams

**BRIEF SUMMARY:** We have an open patrol officer position that needs to be filled as soon as possible. D-Squad has been working short for several months, which results in overtime to help cover their shifts. Also, our calls for service are up this year over the same time period in 2019. Even with most of the businesses shut down during the COVID-19 Pandemic our officers are responding to more calls for service.

**MOTION FOR CONSIDERATION:**

**FUNDING SOURCE/IMPACT:** (must have approval by Finance Director prior to submission to the Board)

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Ben Turnmire, Finance Director

Date

**ATTACHMENTS:**

**MANAGER'S COMMENTS AND RECOMMENDATIONS:**

# FY 20-21 Budget Overview

Ben Turnmire, Finance Director

# FY19-20 Impacts of COVID-19

Sales Tax decline - 15-25% in Q4 of FY 20

Zero Recreation revenue

Delay of Motor Vehicle taxes for 5 months

Inability to disconnect Water/Sewer and Electric for non-payment

Non-payments are spiking

Reduced commercial usage and increased residential usage

Implementation of purchasing restrictions

Credit card usage restrictions



# FY 20- 21 General Fund Overview

No General Fund tax increases

No new capital items

7% annualized sales tax decrease

15-25% decrease in Powell Bill Funding (as of May 14)

Reduction in total special appropriations budget

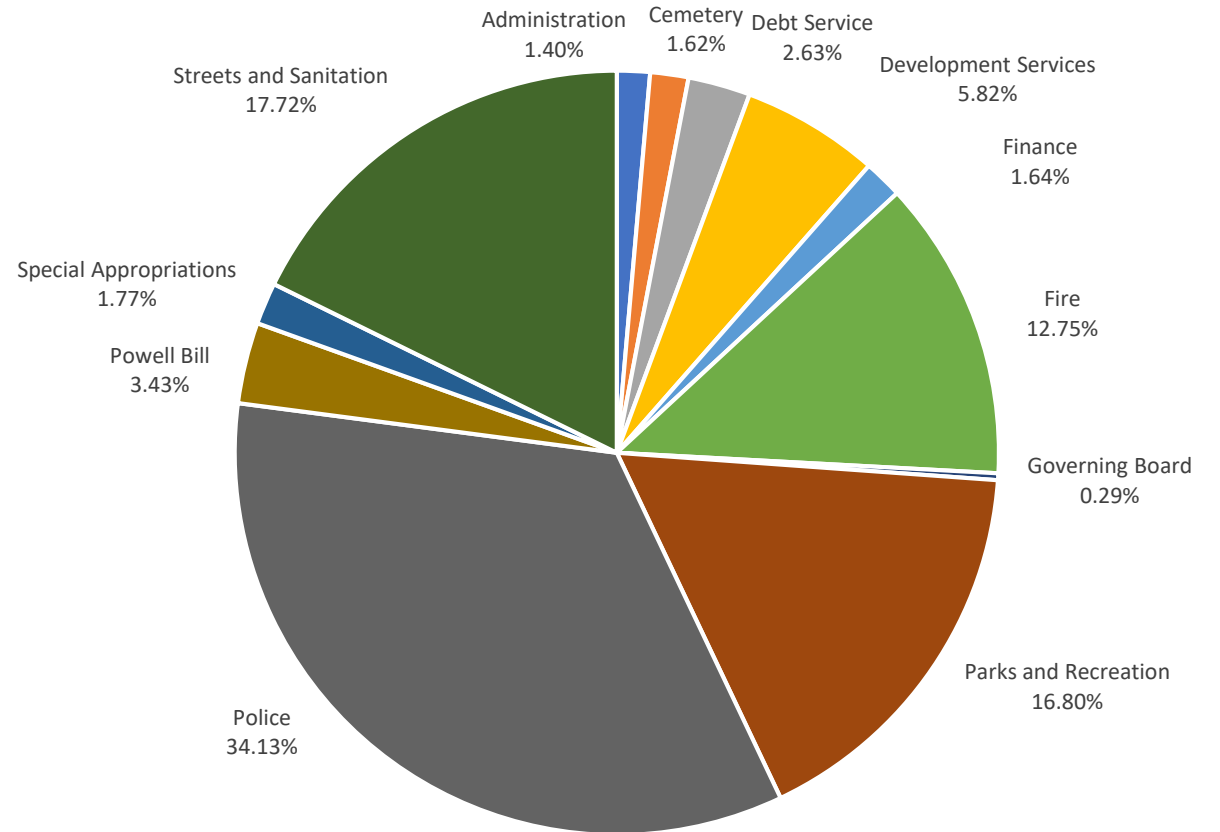
No COLA or Career Track

Detailed focus to reduce operational budgets without reduction in services

3% loss in overall revenue

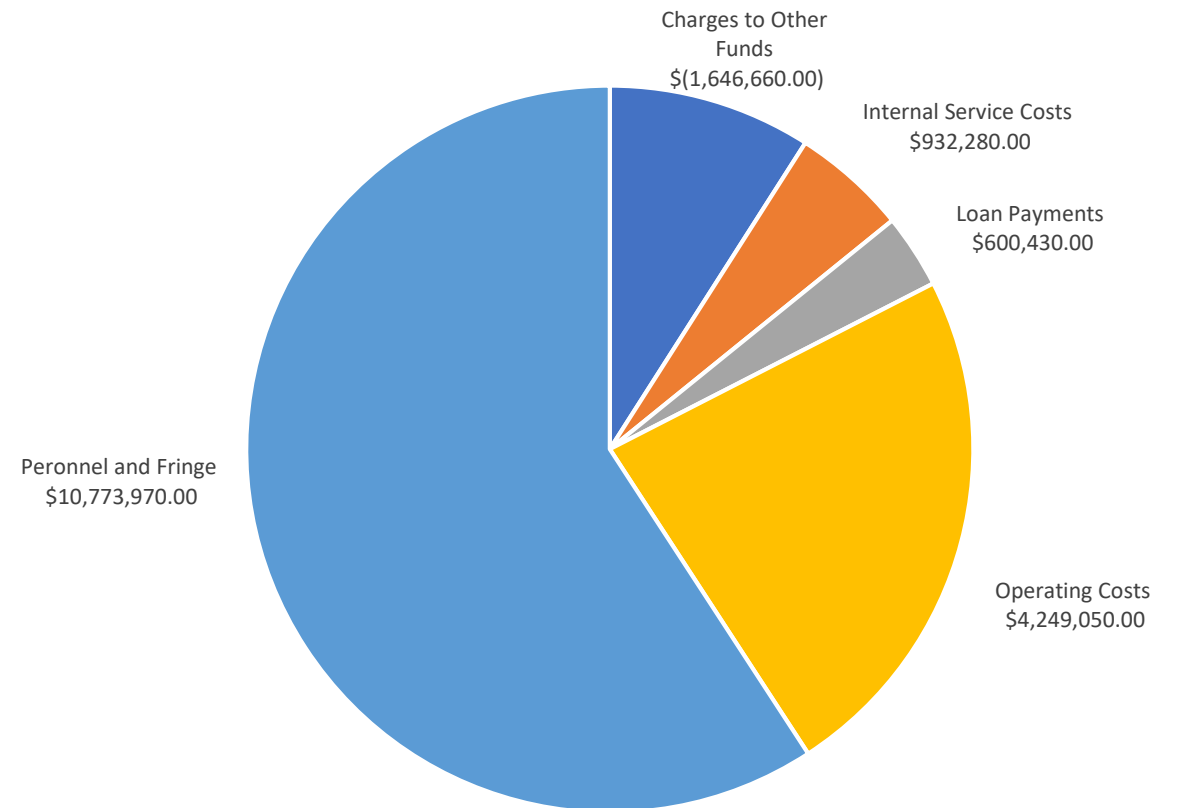
# General Fund Summary

Department	Amount	Percent of Total
Governing Board	\$43,170	0.29%
Administration	\$208,180	1.40%
Finance	\$244,295	1.64%
Police	\$5,088,355	34.13%
Fire	\$1,900,200	12.75%
Streets and Sanitation	\$2,642,375	17.72%
Powell Bill	\$511,500	3.43%
Cemetery	\$241,085	1.62%
Development Services	\$868,260	5.82%
Special Appropriations	\$263,750	1.77%
Parks and Recreation	\$2,505,200	16.80%
Debt Service	\$392,700	2.63%
<b>Total</b>	<b>\$14,909,070</b>	<b>100.00%</b>



# General Fund Summary

Expenditure Type	Amount	Percent of Total
Personnel and Fringe	\$10,773,970	72.26%
Operating Costs	\$4,249,050	28.50%
Loan Payments	\$600,430	4.03%
Charges to Other Funds	\$(1,646,660)	-11.04%
Internal Service Costs	\$932,280	6.25%
<b>Total</b>	<b>\$14,909,070</b>	<b>100.00%</b>



# FY 20 -21 Water Fund Overview

Proposed 3% rate increase

Standard capital funding

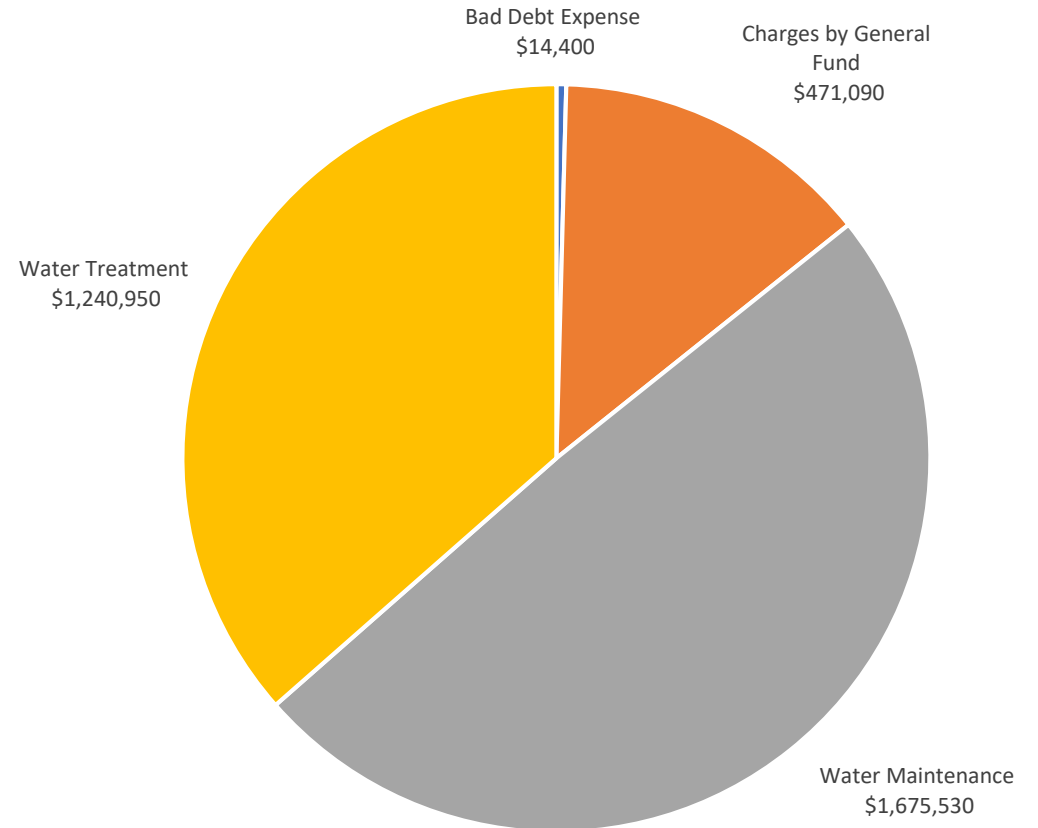
Expected increase in customer bad debt

Continued uptick in nonpayment's through Q2 due to COVID-19

Expected use of Fund Balance

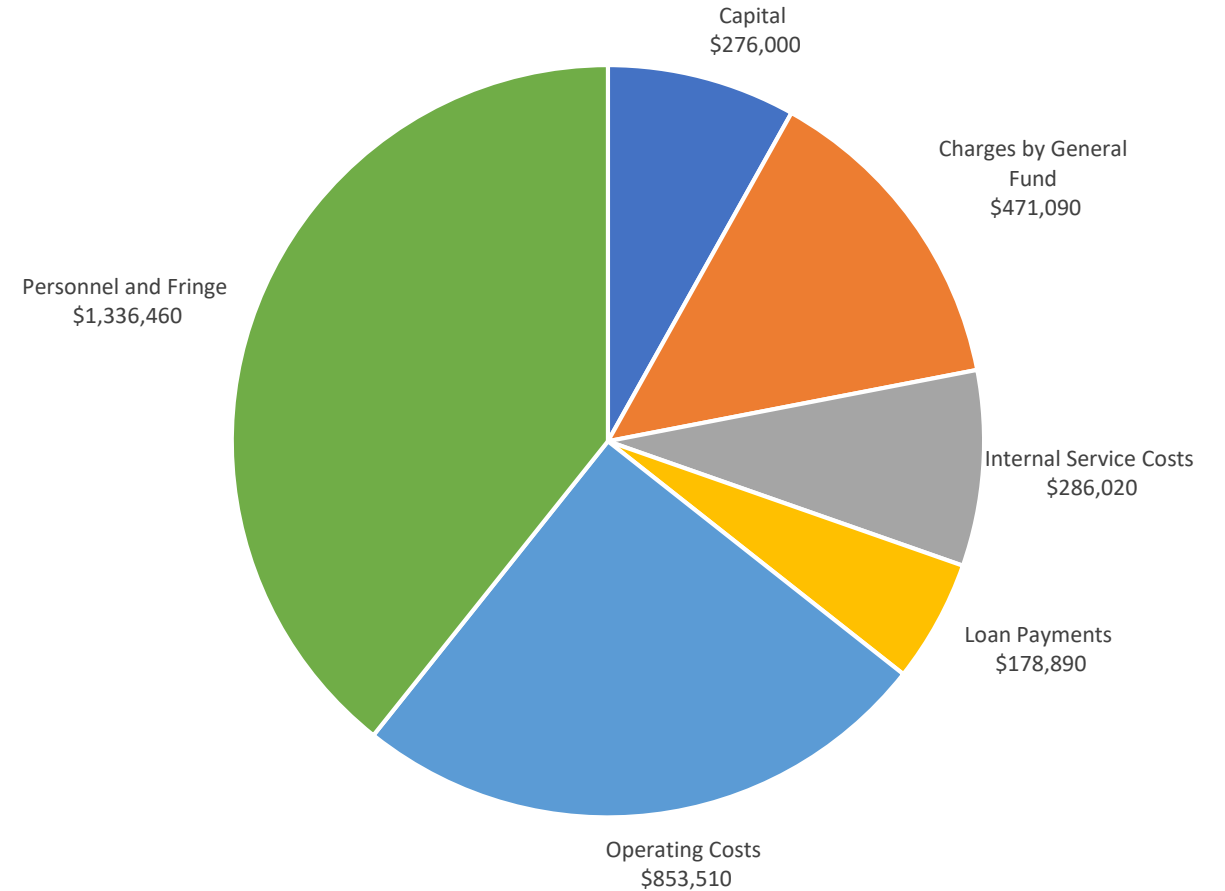
# Water Fund Summary

Department	Amount	Percent of Total
Water Maintenance	\$1,675,530	49.25%
Water Treatment	\$1,240,950	36.48%
Charges by General Fund	\$471,090	13.85%
Bad Debt Expense	\$14,400	0.42%
<b>Total</b>	<b>\$3,401,970</b>	<b>100%</b>



# Water Fund Summary

Expenditure Type	Amount	Percent of Total
Personnel and Fringe	\$1,336,460	39.28%
Operating Costs	\$853,510	25.09%
Loan Payments	\$178,890	5.26%
Capital	\$276,000	8.11%
Charges by General Fund	\$471,090	13.85%
Internal Service Costs	\$286,020	8.41%
<b>Total</b>	<b>\$3,401,970</b>	<b>100.00%</b>



# FY 20-21 Sewer Fund Overview

Proposed 10% rate increase

Continued work on WWTP upgrade

Capital funding for I&I program

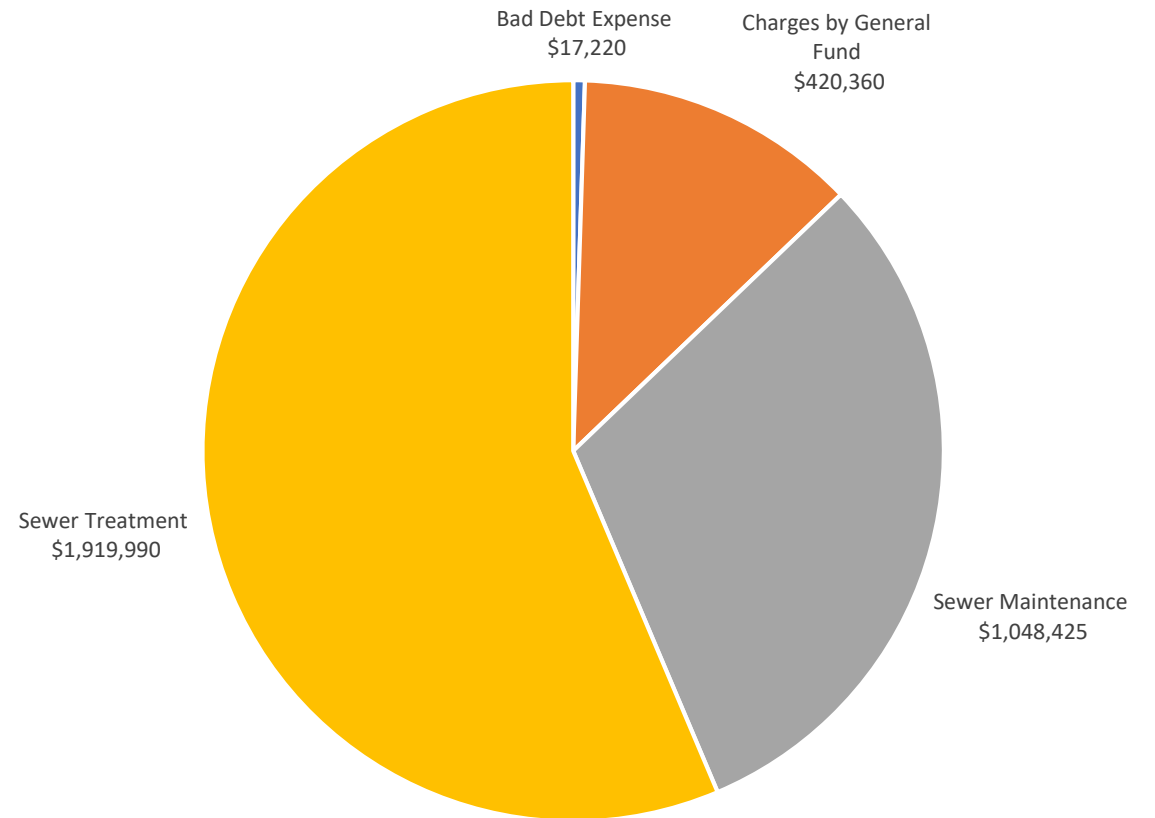
Expected increase in customer bad debt

Continued uptick in nonpayment's through Q2 due to COVID-19

Expected use of Fund Balance

# Sewer Fund Summary

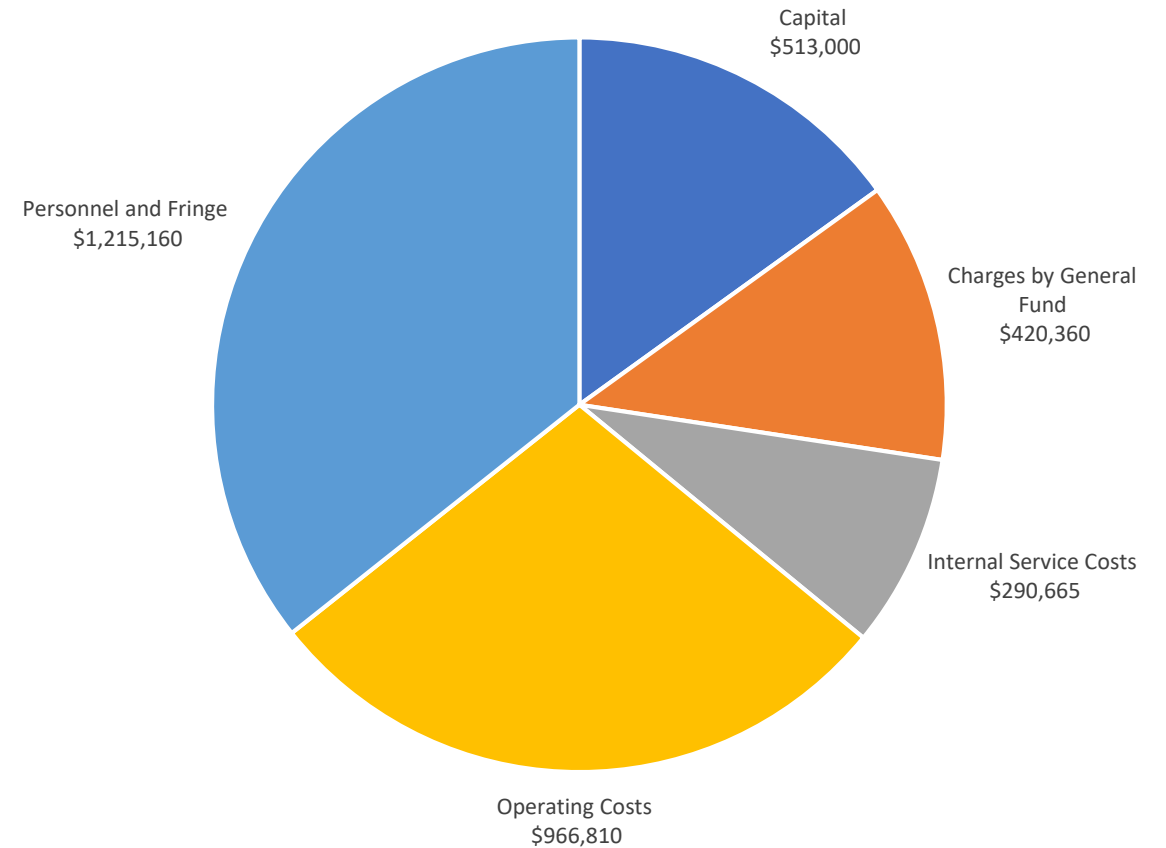
Department	Amount	Percent of Total
Sewer Maintenance	\$1,048,425	30.78%
Sewer Treatment	\$1,919,990	56.37%
Charges by General Fund	\$420,360	12.34%
Bad Debt Expense	\$17,220	0.51%
<b>Total</b>	<b>\$3,405,995</b>	<b>100%</b>





# Sewer Fund Summary

Expenditure Type	Amount	Percent of Total
Personnel and Fringe	\$1,215,160	35.68%
Operating Costs	\$966,810	28.39%
Capital	\$513,000	15.06%
Charges by General Fund	\$420,360	12.34%
Internal Service Costs	\$290,665	8.53%
<b>Total</b>	<b>\$3,405,995</b>	<b>100.00%</b>



# FY 20 -21 Electric Fund Overview

Proposed 5% rate increase

Capital funding for “Bi-Lo” apartment infrastructure

Capital funding for Russ Ave/Walnut St. DOT relocation

Expected increase in customer bad debt

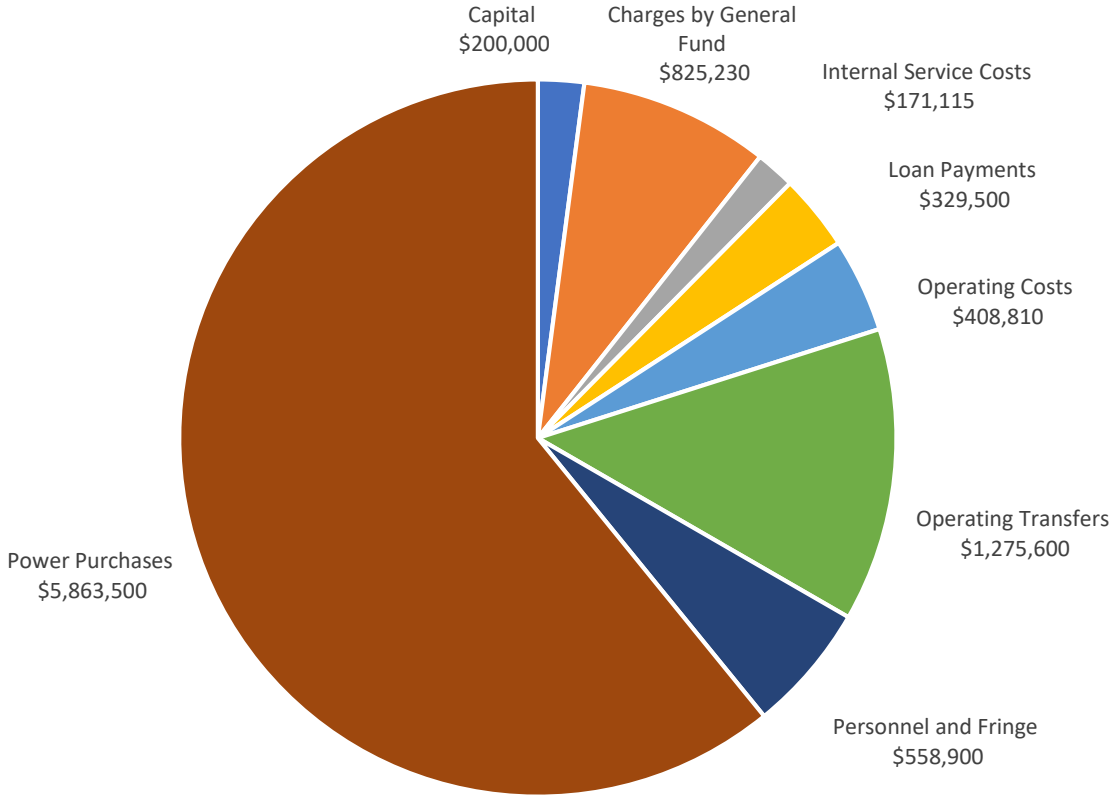
Continued uptick in nonpayment's through Q2 due to COVID-19

Expected use of Fund Balance

\*Dectron – dehumidification system

# Electric Fund Summary

Expenditure Type	Amount	Percent of Total
Personnel and Fringe	\$558,900	5.80%
Operating Costs	\$408,810	4.24%
Loan Payments	\$329,500	3.42%
Power Purchases	\$5,863,500	60.87%
Capital	\$200,000	2.08%
Charges by General Fund	\$825,230	8.57%
Operating Transfers	\$1,275,600	13.24%
Internal Service Costs	\$171,115	1.78%
<b>Total</b>	<b>\$9,632,655</b>	<b>100.00%</b>



# Asset Services & Garage Overview

Allocation remains the same

Increase in Copier and Janitorial contracts

Roof repair at Waynesville Rec Center

Garage allocation increased to account for higher maintenance costs

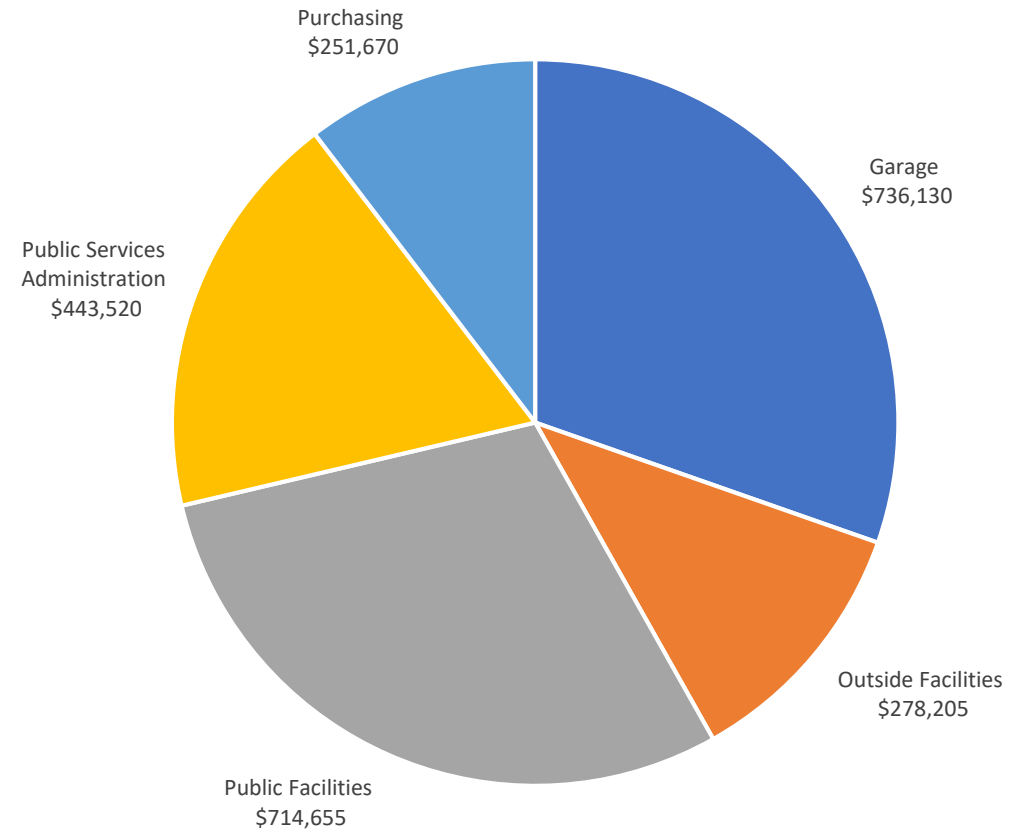
Decrease in Gas due to lower costs

Increase in Vehicle R&M allocation due to increasing costs and replacement deferment

Fuel Island replacement at Garage

# Asset Services and Garage Summary

Department	Amount	Percent of Total
Public Services Administration	\$443,520	18.30%
Public Facilities	\$714,655	29.48%
Outside Facilities	\$278,205	11.48%
Purchasing	\$251,670	10.38%
Garage	\$736,130	30.37%
<b>Total</b>	<b>\$2,424,180</b>	<b>100.00%</b>



# Expense Themes Throughout All Funds

Increases	Amount
3% Healthcare	\$160,000
1.2% NCLGERS	\$115,000
Longevity and Bonus is Funded	\$27,000



\$302,000

Reductions	Amount
OT & PT Pay	(\$73,000)
Operating Line Item Reductions	(\$230,000)



\$303,000

\*note – line item reductions are net of required increases and current year transfers

# General Fund Revenue Themes

Losses	Amount
Motor Vehicle Tax	\$34,460
Sales Tax	\$205,000
All other Revenues	\$130,000



\$369,460

- Assumes flat property tax collection rate and decrease in Powell Bill funding
- 7% annualized loss in sales tax revenue
- Assumed loss in MV Tax and Municipal Vehicle tax due to deferment of payments
- Assumes 7% loss in recreation revenue

# Enterprise Fund Revenue Themes

Proposed rate increases in all Funds

Assumes collection rates remain flat

Understanding that delinquency/bad debt will continue to increase well into Q3

Rate increases help offset uncollectable amounts due to COVID

Water, Sewer, and Electric Funds must operate as an enterprise regardless of COVID

Enterprise Fund financial positions impact ability to receive state/federal grants/loans



# Budget Takeaways

High levels of continued uncertainty

Large decline in sales tax revenue

Delayed MV Tax collection

Possible decrease in Ad Valorem Tax collections

Utility rate increases

Higher level and longer periods of customer utility delinquency

Baseline operations without cutting services

If projections do not meet expectations must look to personnel reductions