

TO: Mayor Foy and Board of Aldermen
FROM: Lee Galloway, Town Manager
DATE: June 1, 2004
SUBJECT: Status Report for period ending May 31, 2004

I was driving on Wall Street last Tuesday afternoon. The traffic was heavy and I noticed that there was not a single parking space available between the back of Wells Funeral Home and the back of the Fire Department. It looks like the summer season is ready to crank up once again, and from the volume of traffic in town over the weekend, the tourist season will get a strong kick off. Hopefully this will all be good for the local economy as residents and visitors return to the streets again. The sidewalk sales were attracting a number of shoppers on Friday and the various activities in the region offer locals and tourists alike a grand opportunity to enjoy our area. Being as this is such a beautiful region, it is no wonder that tourists flock here to enjoy what residents have the opportunity to enjoy year around.

It has been a few months since the last status report, and I apologize for that. The spring of the year is always the busiest time for me, particularly with the budget. But it is more than just the budget, and this report will attempt to note other activities of local government.

BUDGET

Many hours have gone into work on the budget over the past few months, and I cannot say enough good things about the dedication of our department heads and Finance Director Eddie Caldwell during that process. As stated previously, the budget for 2004-2005 was a very difficult document to prepare, one of the hardest during my 31 year career. The revenues in the General Fund have not been growing at the pace we need to meet the growing cost of services. The Property Taxes, Sales Taxes and Franchise Taxes are the three largest sources of revenues, providing \$5,423,030 or 59.7% of the General Fund budget for fiscal 2003-2004. We only expect a growth of \$107,800 in those three sources, and that is just less than 2%. In years past, we looked for growth of almost twice that much in these three categories. The proposed General Fund budget is actually about \$10,000 less than the original budget from last year, and we feel fortunate to be able to maintain the 43 cents per \$100 property tax rate.

In the Water, Sewer and Electric Funds, we are also seeing slow growth in sales and revenues. At the same time, we are seeing more and more water and sewer lines that are in need of rehabilitation and/or replacement. We will have to generate more revenues through higher rates and increased sales to alleviate the problems, and we have proposed 5% increases in both the water and sewer rates as well as increases in charges for water and sewer taps.

It was extremely challenging to meet the costs of health care and workers compensation insurance, but we were able to accomplish this by some changes in the program. We were also able to continue our efforts at reasonable compensation along with a strong fringe benefits package for our personnel. This helps a great deal in terms of keeping employees content and in holding down the amount of turnover in our organization. We had to make sharp cuts in the requests for capital outlay expenditures, but we feel these cuts were made using a scalpel and not a butcher knife. The organization should not suffer, nor should the services we provide.

We are optimistic that the early signs of a growing economy in certain sectors across the State will result in a stronger economy in Waynesville. In the years to come, we expect to see more revenue growth, and that will allow us to maintain the level of services to the community.



CONSERVATION EASEMENT

On April 27, the lengthy work on the Conservation Easement on the **Allens Creek Watershed** was finally on the agenda of the Town Board. Throughout the afternoon prior to that meeting, a public informational forum was held at the Town Hall so that citizens could learn more about the Conservation Easement and see what work had gone into its preparation. Town Staff, along with representatives of the Conservation Trust of North Carolina, the Southern Appalachian Highlands Conservancy, the Little Tennessee Land Trust and the Natural Resources Department of Western Carolina University were on hand to meet one-on-one with the public and to answer their questions. During the afternoon, about 20 to 25 people attended to see the documents that have been developed over the past few years related to the Conservation Easement and the Forestry Management Plan that would be part of the easement.

At the Board meeting on the evening of April 27, a public hearing was scheduled on the easement, and there were approximately a dozen speakers. All but one spoke in support of placing a conservation easement on the watershed, though there were different opinions about what the easement should allow. In order to allow input from those who were unable to attend the meeting of April 27, the Board decided to continue accepting comments from the public at subsequent meetings; however, at the meeting of both May 11 and May 25, the same two people spoke. We will continue scheduling the public comment on the easement as long as the Board wishes us to do so.



Knowing of the importance of protecting our water supply, I felt we have gone to great lengths to assure that the easement was an environmentally sound document. The initial work by the Conservation Trust of North Carolina was expanded to include the Southern Appalachian Highlands Conservancy and later, the Little Tennessee Land Trust. We also brought in the Natural Resources Department of Western Carolina University and had meetings with the Haywood Waterways Association in attempts to address and resolve any concerns about erosion and silt which might jeopardize the water supply.

There seems to be a feeling that if the easement is approved, the logging trucks will be lined up at the gate of the watershed the following day. The easement only allows the present or a future Town Board the option of doing timbering on the watershed, and then, only under very stringent guidelines. We do not know what the future will be in 20 or 50 or 100 years, but the sense I had was that the present Board did not want to unnecessarily tie the hands of future Boards - to lock the gate to the watershed and throw away the key. The fact is that if the present or any future Town Board decided to do timbering, it would take an estimated eight to ten months of preliminary planning and gaining approvals before any cutting could take place. There would have to be a formal plan done by a certified forester, and notice would be given to the CTNC and the SAHC as well as the State, with the plan reviewed by them. I do not know how we could make any better assurances of the protection of our water supply, and that is and has been the number one priority of the conservation easement.

STORMWATER REGULATIONS

Several years ago, the federal government mandated that local governments adopt stormwater regulations and go through a permitting process, just as we do for permitting our water and wastewater plants. At first, it appeared that the Town would be exempt from the requirements, for we were below 10,000 population and (when we annexed the watershed) we would have so much undeveloped land, we would not meet the criteria for the permitting process. When the 2000 census was completed, Haywood and Henderson Counties were added to the Asheville Municipal Statistical Area (MSA), and when that happened, Waynesville was required to comply with the Phase II Stormwater Regulations.

Over the past 12 to 18 months, Public Works Director Fred Baker has spent considerable time in developing the information for the **Stormwater Permit**. During the summer of 2003, interns were used to help him in mapping the stormwater system. Stormwater management has also been made a part of the new Land Development Standards, and in recent months, the Town Board has adopted certain changes in our regulations to help bring us into compliance.

One of the main efforts behind the stormwater management will be to cut down on the amount of run off from development. Asphalt parking areas will need to have containment areas so that the stormwater is absorbed over a period of time. This may require detention ponds on the property or it may mean underground drain systems to absorb the water over a period of time.

In all communities, developers will have to secure permits from the town for the impact upon the stormwater system. Many communities are charging a fee for these permits, and it is assessed at a rate sufficient to finance the management of the stormwater program. These containment areas have to be checked from time to time to assure that they are performing as planned, so many cities have a Stormwater Manager. All of this is considered a result of the development, and the fees are charged on the basis of making the developer incur the cost rather than passing it along to the rest of the population.

Efforts such as these are needed to address erosion and silt and to curtail the problems that are being experienced by places like Lake Junaluska, Lake Lure and hundreds of other water impoundments across the country. It may be costly for developers, but the intention is good and the need to protect those water impoundments is undeniable.

As a part of our efforts to better inform the public about these new regulations, the Town worked with the Haywood County Soil and Water Conservation office to sponsor a workshop on May 26. These efforts will continue on a regular basis so that developers will understand what is required of them.

FACILITIES STUDY

Earlier this spring, the Board authorized a Facilities Study for the Town, and ADW Architects of Charlotte was selected for this work. Jim Powell, an architect with 20 years experience, was assigned to our project, and he has conducted a number of similar studies for local governments in North Carolina.

On May 18, Mr. Powell and Keith Carlyon, also with ADW, were in Waynesville to meet with the department heads and discuss the process. Separate meetings were held with Public Works, Fire, Police and Town Hall(s), and the first step in the process was explained – the need for each department to complete a lengthy survey form answering questions about their present department, existing conditions and what they expected in the future. We were allowed two to three weeks to complete the surveys and return them to Mr. Powell in Charlotte. They will be evaluating those surveys and then meeting with us to clarify any issues they might have. The first phase of the work should take about three months.

Following our meetings with the department heads, Mr. Powell and Mr. Carlyon toured the various buildings for the second time, taking a number of pictures of our existing facilities. We have provided them with copies of the building plans for the Town Hall, the Hazelwood Office and the Public Works Facility. We are still searching for plans for the Public Safety Building.

WORKING WITH OTHER GOVERNMENTS

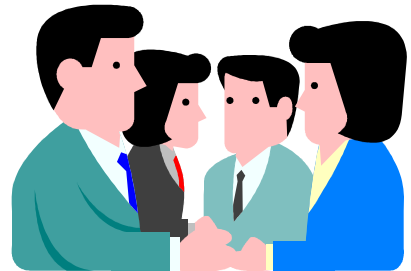
MAGGIE VALLEY:

Work is continuing on the **annexation agreement** between the Towns of Waynesville and Maggie Valley. Based upon input from our elected officials, we have developed a proposed boundary which will establish the future extent of the municipal corporate limits between the two towns. Now that both towns have completed the majority of the work on the 2004-2005 budgets, we will try to complete this work by developing a description of the boundary to be used. We hope that this can be presented to the Boards of the two towns this summer.

As the Board is aware, during 2004, Maggie Valley is honoring **the 100th anniversary** of the establishment of a post office in Maggie in 1904. As a part of that celebration, a parade was held in Maggie Valley on Saturday, May 15, and Mayor Foy, Alderman Feichter and Alderman Moore represented the Town of Waynesville at that event. I will say that I have it on good authority that there is no truth to the rumor that Alderman Feichter was seen riding one of the motorcycles of the Shriners who participated in the parade.

In honor of the 100th anniversary of the “official” settlement of Maggie Valley, the Town of Waynesville has offered to provide a tree as a show of friendship and solidarity between the two communities. Maggie Valley officials will select the tree later this year for placement during the fall when the time is better for planting.

To assist the Town of Maggie Valley and at their request, the Town of Waynesville provided street sweeping along both sides of U. S. Route 19 during the week before the parade. To supply this service, we had an employee work five hours of overtime, and the Town of Maggie Valley agreed to an hourly rate to cover the employee’s wages and fringe benefits and the charge for the street sweeper.



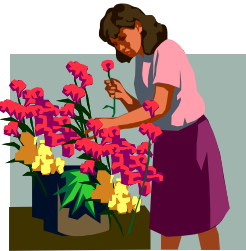
HAYWOOD COUNTY:

Haywood County has hired a part-time coordinator for the **Greenway Projects** in the County. Mr. Tony Sexton is working with the various communities to complete work already authorized and to seek grants for more greenway work. For some time, the Town of Waynesville’s Greenway Project between Lake Junaluska and the Recreation Park, has been bogged down with problems of creek crossings, bridges, railroad crossings, highway construction or planned highway construction and property owners who did not wish to provide right-of-way easements for the greenway. Meanwhile, our Recreation Center Supervisor, Tim Plowman, has been working hard trying to find time to deal with all these problems related to the greenway while still trying to perform his regular job requirements.

Mr. Plowman and Mr. Sexton met with me and we discussed some alternatives to get this project underway. They are looking at some different routes to avoid the need to build \$600,000 in pedestrian bridges which have been mentioned by the State. Mr. Sexton has a legal background, and we are optimistic that with his involvement, we can get this project moving. And on a broader scale, it is hoped that over time, Mr. Sexton can work with Waynesville and the other towns and unincorporated areas in the County to develop more greenways and link them together whenever possible.

WORKING WITH OTHER GROUPS AND ORGANIZATIONS

On April 24, the first annual “**Garden Faire**” was held in **Hazelwood**. It was a wonderful day, warm and sunny, and people came out in full force. Vendors at the event seemed very pleased, and from what I observed, many people went home with plants and garden related items that day. Little was required of the Town other than blocking off the parking lot the night before so that vendors could set up and organize for the Saturday event. The Hazelwood business district has had quite a rejuvenation, and for the “Garden Faire” event, we would particularly note the hard work of Kathleen Lamont. It is events just as this that help draw more business into an area, just as it has in Downtown Waynesville.



On Saturday, May 8, the “**Whole Bloomin’ Thing**” was held in **Frog Level**. Weather was also cooperative for this event, with a number of vendors on hand selling plants and garden related items as well as arts and crafts items. I am told that there was a large turnout for this event as well, and as stated, these promote more business and draw people back to an area. In the case of the “Whole Bloomin’ Thing”, the Town assisted by blocking off Commerce Street the evening before to allow the vendors to set up and organize for an early start on Saturday.

On Thursday, May 27, Mayor Foy and I attended a reception welcoming the newly appointed **Superintendent of the Great Smoky Mountains National Park**. Mr. Dale Ditmanson has become the 15th Park Superintendent, beginning his work in our region on May 3. A native of South Dakota, Mr. Ditmanson was previously at the National Park Service’s Northeast Regional Office in Philadelphia, where he was the Associate Regional Director of Park Operations. He has more than 26 year experience in a wide variety of jobs within the National Park Service.

On Wednesday, May 26, the Historic Commission held a Farewell Reception for Ron Fleenor and his wife Sherry. Mr. Fleenor has been on the Historic Commission for several years, and most recently, he has served as Chairman of that group. The Fleenors will be relocating to Colorado Springs soon to be nearer to their children in that area. The Fleenors were very appreciative of the event.

NEW CITY CODE

Several years ago, work was begun on redoing the Town Code Book. The existing Code was last recodified in 1987, and the last supplement to that document was in 1994. In 1999 and 2000, much work was done and a draft was developed of the new code; however, we had to put that work on the shelf when the Town Board decided to prepare a Land Use Plan and adopt Land Development Standards. We felt it was better to remove Zoning, Subdivisions, Flood Plain and Erosion Control regulations from the Town Code and place them in the Land Development Standards. Once those Land Development Standards were adopted in April, 2003, it was time to return to the work of recodification of the Town Code.

All of the work on the Town Code was resubmitted to Municipal Code Corporation during the winter, and we included all the ordinances and amendments up through December 31, 2003. There was some extensive additional work due to the number of ordinances adopted over the past three to four years, but MCC only added an additional charge of \$500 to update the original draft, a very reasonable fee.

We have now received the first few copies of the final document, and Town Clerk Phyllis McClure, Town Attorney Woody Griffin and I am reviewing the new Town Code. We expect to be finished with this work and ready to receive the additional copies of the recodified code during July. Then the Town Board will need to approve the new code so it may be distributed to Town Staff and those in the community who wish to purchase copies. I believe that the Code will also be available on a compact disk to the general public, and in time, it will likely be on the Town’s web site as well.

NEWSLETTER

Over the past several years, we have often discussed the need to transmit information to the citizens of the community. Town Clerk Phyllis McClure and I have often discussed the means of developing a newsletter for this purpose, but there never seemed to be enough time or a way to effectively put our ideas into action. During the winter months, Ms. McClure resolved to get a newsletter done. She set a goal of April 1, with the intention of having a newsletter mailed to everyone who lives inside the Town on or about the first day of each quarter.

By late March, she had the newsletter ready. Cornerstone Printing worked with us on the design of the newsletter, shifting the items around to add a more professional touch that professional printers should be able to offer. The newsletter was printed and another company was employed to mail the documents to the public.

We have received many very favorable comments from the public about the newsletter. It was said to be informative, and we had a number of telephone calls from citizens who had questions or needed clarification about an item in the newsletter. Information was conveyed about a number of projects that are underway or explaining water or sewer problems we are encountering and planned corrections. The new solid waste ordinance was discussed as were various other programs and activities. And there was not one mention of the horse that the general news media has made so famous.

The cost of the newsletter was just under \$2,400, and that included the layout, printing, postage and mailing of the document, an excellent price, we thought, for the ability to keep citizens more informed. In the 2004-2005 budget, we have requested an appropriation of \$10,000 annually, so that this will continue.

I want to extend a big congratulations and “job well done” to Phyllis McClure for all of her work, ideas and determination in completing the first newsletter. The Town is blessed with a number of very good employees, and Phyllis certainly ranks high among them!



FIRE DEPARTMENT

Personnel in the Fire Department have recently begun the annual work of flushing and testing fire hydrants throughout the Town. As a part of earning and maintaining a Class 5 Fire Insurance classification, Fire personnel must regularly check fire hydrants, making repairs and calculating the fire flows and water pressures at each hydrant. This information is very useful for developers and anyone considering the location of a rather large water consumer, particularly if fire suppression systems are involved. There have been some reports of muddy or cloudy water as these lines are flushed, but the lines will usually clear up after the water is run for a few minutes. The work on these hydrants will continue for the next few months. (There have been no reports of dogs leashed to any fire hydrants – I just thought this picture was neat!)



PROJECTS

DEPOT STREET

We are pleased to report that the work on Depot Street has very nearly drawn to a conclusion. Were it not for the rainy, turbulent weather of May, all the work would have been completed. It was certainly not for a want of effort and hard work on the part of Town employees, for they attacked the project with a vengeance and showed all the determination needed to get the job done. It also required a great deal of coordination, for the work involved the Streets, Water and Sewer Maintenance and Electric Departments, each playing a major part in overall construction, replacing utility lines or installing new street lights to compliment those on Main Street. It also required the cooperation of our suppliers and contractors, and we extend our thanks to Eddie Whitten and his personnel for the getting the curb work in place and to Bob Wiggins and WNC Paving for leaving other work and putting the asphalt down on Depot Street as soon as our project was ready.

Originally, it was our intention to finish one side of the street and then go to Wall Street to resume work there on pedestrian crossings, tree bulb-outs and plantings. When our personnel saw how good the northern part of the street looked, they asked if they could remain on this project and complete the south side of Depot Street. They preferred to see the entire project finished rather than leaving it half done. Besides, with the construction work on the rear of the old bank building on Wall Street, there was enough confusion and disruption going on. There did not appear to be a need for any more. With the promise that they would complete the work by June 1, we gave Robert Hyatt and his personnel the approval to attack the south side and use all efforts to finish the entire street. During the last week of May, when we were getting rains almost every day, it looked doubtful, but our personnel delivered just as they promised. The street is reopened and the concrete was poured for the United Community Bank driveway. The brick sidewalk pavers will start this week and we will have this job completed. Good job Public Works!!



SEWER PROJECTS:

Several years ago, there was a violent storm that sent a significant volume of water flowing down Richland Creek. As the creek enters Lake Junaluska, the Town has a sewer line on piers immediately north of the **bridge on U. S. Route 19**. The velocity or volume of the water was such that one of the piers supporting the sewer line was undermined and kicked to one side. In the years since, the sewer line has had a sag where the pier was knocked out of line, but the flow has never been impeded and we have not had a problem with sewer flows in that area. At least twice in recent years, while contractors were in the area doing other work, we asked if they might be willing to fix the problem; however, no one would try the project. Fortunately, there have not been further problems so that the line collapsed.

With the work underway on replacement of the bridge on Route 19 at the Lake, it was a perfect time to ask the contractor about fixing the problem with the piers. They really needed to correct the situation, for they feared that the work they were doing on the piers for the new bridge might shake the rock ledge on which the sewer pier is resting, causing the sewer pier to fall. So the contractor set about to install new piers and lines, and as of last Tuesday, the wastewater flow was connected to the new line. The cost to the Town for this work will be in the range of \$43,000.

Work has begun on replacing a section of sewer line on **Westwood Circle** between Georgia Avenue and Hazelwood Avenue. This line had been giving us problems, and when we ran a camera up the line, we found it was collapsed in portions. This is the only section of sewer line on Westwood Circle that has not been replaced since the merger of Hazelwood and Waynesville in July, 1995.

This week, we have discovered a sunken spot next to **Richland Street** near the intersection with Goodyear Street. It is within the right-of-way for the railroad. A check of this ten inch line determined that it was also collapsed and in need of immediate repairs. A new, ten inch piece of ductile iron will be used under the railroad tract to replace the deteriorated clay line.



EAST STREET

Over the years I have been in Waynesville, I have often noticed the overgrown area between the Police Department and East Street. It was a small area and at one time, it was apparently planted with nice trees and shrubs, and then left forevermore, so it seemed. Todd Hannon, the student horticulturist from Haywood Community, must have thought the same thing. One afternoon, DWA director Ron Huelster and Todd came to me to present a plan for rehabilitating that area.

Todd's proposal was to remove some of the overgrown shrubs and plant a number of shade loving flowering and green leaf plants, giving it a more inviting appearance. His original plan called for some benches and a sitting area, similar to what is on the opposite side of East Street, a place for shoppers to sit and relax or for men, women or children to rest and wait on others who were visiting various shops.

The Electric Department assisted Todd with the removal of some of the overgrown shrubs and trees, but when it came to preparing the land and planting the plants, the work was done by Todd. He had some of the most innovative ideas and possessed some of the finest skills of any of the horticultural students we have had from Haywood Community College. It is the work of people like Todd that led me to recommend a full time horticulturist in the budget, for he makes it obvious what the Town can gain by having a full time individual to help beautify the community and to look after what we already have in the ground. Unfortunately, Todd accepted a position with his brother's landscaping company on the Outer Banks. He would have certainly been the type individual I would have loved to have as our horticulturist if the position remains in the budget.

Please take a look at this "beauty spot" on East Street if you have a chance. Todd Hannon surely did a great job in making our community look better!!

POLICE DEPARTMENT

Lieutenant Chuck Way does an excellent job with the monthly report he prepares on the activities of the Police Department, so I do not normally add much about that operation. There are a few things I did want to give special attention to in this report.

Recently, there have been several news stories on the increasing number of meth-amphetamine labs in our state and region. In one report, former Town Attorney and now District Attorney Mike Bonfoey and Police Chief Bill Hollingsed were quoted extensively. This synthetic drug is cooked in these labs which have been found in homes, apartments, motel rooms and even in a vehicle in our area. The labs are highly toxic and can explode or catch on fire very easily. The remnants of the operations can be very hazardous to innocent workers who inadvertently find the left over materials, and these may include those who collect household refuse.

For your information, I am including two recent news releases from Attorney General Roy Cooper's office. But you do not need to go to Raleigh to learn about this problem – just talk to some of our own officers at the Waynesville Police Department. For instance, in 1999, the first year that North Carolina had reports of meth labs, the SBI investigated nine labs. Already in 2004, the Waynesville Police have been involved in the investigation of six meth labs. And in 2003, the SBI shut down 177 meth labs across the State. This is rapidly becoming another scourge on our society, and we all need to know more about the issue.



MANAGER'S MEETINGS AND TRAVELS

I will be leaving the office on Tuesday afternoon, June 8, to attend **Town Hall Day** in Raleigh on Wednesday, June 9. I will drive back to Waynesville on Wednesday evening following that meeting.

On Thursday, Friday and Saturday, June 17-19, the **North Carolina City and County Managers Association** will be holding the Summer Conference at the Renaissance Hotel in Asheville. The educational sessions will be held on Thursday afternoon, Friday morning and Saturday morning, with the conference adjourning at noon on Saturday. I will be attending the conference, but I will drive back and forth each day rather than staying in Asheville. For the past two years, I have served as the Program Committee Chairman for the Association, but I have suggested that the incoming president appoint someone else to fill this role. I do not mind being on the program committee, and I have served on that committee for ten years, being chairman for three of the past five years. It is time to let someone else have a crack at that role.

On Wednesday, June 23, the Board of Directors of the Municipal League will have a meeting in Raleigh. I will likely drive to the Greensboro area on Tuesday evening following the Town Board meeting and then drive on to Raleigh on Wednesday morning. At the present time, I plan to return to Waynesville on Wednesday evening.

PLANNING

In early April, we began advertising for a new town planner to replace Paul Benson who had accepted a position in the Planning Department of Buncombe County. I received 23 applications from as far away as Maine and Wisconsin to as close as this county. Only a few of these had any significant experience of more than one or two years, and many were right out of college or scheduled to graduate later this year. I provided copies of all the applicants to John Swift, and his reaction to them was similar to my own.

In late May, I was contacted by Paul Benson, indicating that he felt that he may have made a mistake in going to Buncombe County and asking if we would consider him for his old position. John and I agree that Paul is far and away more highly qualified than the others who have applied for the position of Town Planner. His many years with the Cities of Morganton and Asheville are very valuable experience for us in Waynesville. He also has the people skills that are so important in dealing with others in the organization as well as with the general public.

John and I have discussed the possibility of splitting the positions, to have a Director of Planning and a Director of Zoning. Paul had recommended this when he resigned from the Town Planners post. There would certainly be some overlap of job functions, so that one could cover for the other when they are on vacation or out sick. We still have some details to work through on this item.

We have arranged a meeting with Paul for later this week to talk about his situation and try to learn more about his desire to return. As I have relayed to Paul, I want to make sure that he really wants to return and that he intends to remain with us for the immediate future. I do not want to go through this process again in six months.

I know that you are interested in this position as it is so important to the Land Use Plan and the Land Development Standards; consequently, I wanted you to be aware of the status of the search. At this point, I would ask that you keep this matter in confidence. I would not want to jeopardize Paul's position with Buncombe County should we not reach a mutual agreement about his returning to Waynesville.