

TO: Mayor and Board of Aldermen  
FROM: Lee Galloway, Town Manager  
DATE: September 6, 2006  
SUBJECT: Status Report

It seems like I just blinked and the summer was gone and September was on the calendar. I guess having a busy summer with activities on so many different fronts has made the days fly by and suddenly the fall of the year is upon us. So much is going on and so much more is on the horizon, and there does not seem to be time to catch our breath. From new housing developments to a new shopping center and an assortment of other commercial ventures, growth is underway at a rapid pace in Waynesville and the surrounding area. We are also seeing a host of projects taking shape within our own operation, with plans for the new fire station and an addition to the water treatment plant lab proceeding on with construction to begin in early 2007. And work continues on planning our new electrical substation and for the replacement of water and wastewater lines. As a community and as an organization, we seem to be 'Full Speed Ahead'!

### NEW HOUSING UNITS

At the end of June, ground was broken for the Great Laurels development to be located on the south side of U. S. Route 19 behind what was the Lake View Motel. This project is a joint venture involving Lake Junaluska and Givens Estates. Initially, there are plans for 100 low to moderate income residential apartments; however, the group owns considerable more property and could build many additional residential units.

We have been advised that Vantage Pointe, an apartment project on the south end of town has been given the go ahead by federal agencies. This project is located between Old Balsam Road and the Great Smoky Mountain Parkway and is immediately south of Autumn Care Retirement Center. The approved plans for this project call for 161 residential apartments, most with vehicle garages, and this will certainly add to the boom set for the south entrance to Waynesville.

Other projects which are in the planning or approval stages include a two building, 15 apartment project on Cindy Lane off Oakdale Road. There are also 15 townhouse units planned for a development off Halltop Road west of the K-Mart site. A townhouse project was recently approved for Camelot Drive which will add 8 residences when constructed. The erection of houses continues at a steady pace on the project known as Quail Ridge on U. S. Route 276 South next to Hawks Crest, and road construction has begun at Windsong, another housing development on Route 276 South at the corporate limits.

Within the next year, it is quite possible that more than 300 new homes will be constructed inside the Town, and there will be a scattering of others within the town and the extraterritorial jurisdiction surrounding the town. A recent study estimated that by the year 2020, North Carolina's population of 8,000,000 will have grown to 12,000,000. We have heard and read about growth and development in Asheville and other parts of North Carolina, and it seems like Waynesville and Haywood County will be experiencing its own rapid growth in the coming years.



## COMMERCIAL PROJECTS

A great deal of time has been spent with the news media and public on the redevelopment of the Dayco site and adjustments to the Land Development Standards; however, other projects are being discussed and considered. On Russ Avenue, where our heaviest highway commercial district has been, there are projects such as the new Bealls Outlet in the former location of Winn-Dixie, plans for the redevelopment of McDonalds Restaurant, continued discussions on a Walgreen Drug Store, expansion plans for Ingles Markets, expansion of Caldwell Bankers Realty and the conversion of the Antipasto's restaurant into a steak and seafood house. There is discussion about the relocation of some county offices to this area to allow for the renovations to the historic courthouse, and there are other projects throughout the town being considered and hashed out with planners.

The Downtown areas continue to thrive and new businesses opening at several spots. On July 4<sup>th</sup>, International Day and Labor Day, there were truckloads of shoppers on hand and we hope that our merchants were able to reap the benefit of so many people in the community. There are many summer days when it is time consuming to drive down Main Street and the sidewalks are full of visitors and local residents alike. Certainly the planned reopening of Ghost Town will have an impact well beyond the corporate limits of the Town of Maggie Valley as those visitors drawn to the county will visit Waynesville, Canton, Clyde and unincorporated areas of Haywood.

## NEW FIRE STATION

The \$2 million dollar loan has been approved by the Rural Development Office of the U. S. Department of Agriculture. On August 19, various representatives from that agency were on hand with Congressman Charles Taylor to announce the loan. We have been working with the architectural firm on the plans. On August 1, we met to discuss the plans and design at the 30% completion level. There were no glaring problems at that point and the architects and engineers are proceeding on with the work. The goal has been for a bid opening in late November or early December, with hopes of presenting our request for approval to the Local Government Commission (LGC) on January 2, 2007. Unfortunately, the time frame to submit the material to the LGC in advance of their meeting is 28 days, and with our present schedule, it will be virtually impossible to meet the deadlines. It looks more and more like the matter cannot go to the LGC until their next meeting on February 6, 2007. We will not lose much, since construction in January is limited, but a more realistic date would be mid-February.

The site engineers on the project, Mattern and Craig, are now developing the bid documents for the removal of the asbestos and lead paint along with the underground heating fuel tank. Work on these items must follow EPA guidelines, and once those issues are resolved, work can begin on demolition of the buildings and preparation and grading of the site for construction.

## POLICE STATION

While meeting with Rural Development officials, Mayor Foy and I have been quick to remind them of the Town's need for additional financial assistance in the form of loans and grants to renovate and expand the existing police/fire building into a site for the police station. We have also mentioned the need for grant assistance to Mr. Graham Fields, representative of Senator Elizabeth Dole in the Western Office, and Mr. Fields has promised that the Senator's office is checking into the possibilities that might exist for us.



## HAZELWOOD TRANSITION

The transition of the Hazelwood Office has been completed. Work was carried out for some minor aesthetic improvements to the Hazelwood offices with some painting and carpeting and some rewiring for telephones and computers. Public Works employees arrived at Town Hall at 7:00 a.m. on August 29 to move Director of Planning Paul Benson, Land Development Administrator Byron Hickox and Administrative Assistant Frieda Rhinehart to Hazelwood. On the return trip, they transported the records of Tax Collector James Robertson from the Hazelwood office to Town Hall. And there was some movement at Town Hall with people relocating offices to achieve greater operating efficiency. We operated the Finance Office at Hazelwood from 8:30 a.m. to 5:00 p.m. through this past Friday, September 1. As of today, September 5, the drive-in window will be open from 8:30 a.m. until noon only to accept payments for utilities and taxes, and then the Customer Service Representative, Bruce Yarrington, will leave the Hazelwood office and work at the Town Hall in the afternoon.

Everyone has been extremely cooperative in facilitating the transition to the offices in Hazelwood. There are still some issues to work through and a few bumps in the road to smooth down, but I extend my thanks to the employees involved in this transition from planning, administration, finance, inspections, purchasing and public works. I want to offer special thanks to Alison Melnikova, our management intern, for taking this project and working it through. She did a very good job!

## STREETS AND SANITATION DEPARTMENT

This group has certainly been challenged in its work over the past few months. Summer is always a busy time of the year, with more people doing yard work and putting the remains at the curbside for collection by town crews. The volume seems to keep growing, and with wet weather, the growth is more rapid and the amount of debris more prevalent. We are also into the first full summer when employees must rip open the plastic bags at the town's landfill to be sure that no unacceptable items are in the plastic bags and that no plastic bags are buried. This is a very labor intensive, time consuming process, and we must continue to try to educate the public about not including paper, cans, flower pots, fertilizer bags, snakes (yes, I said snakes), animal wastes and other such items in the bags. We only want yard wastes, grass clippings and debris that will decompose in those bags, and we need the bags to be of light enough weight that our employees do not slip two discs trying to load the bags onto the flat bed collection trucks. These men have tough jobs and I commend them.

Part of the summer, we had some vacancies, and that makes the work even more demanding. It is not like we have extra employees we can slide into positions that are vacant. Employees have to put other work aside and take care of the priority item – operating five trucks and crews involved in collecting garbage, yard wastes, recycling, limbs/chipping and appliances/furniture.

During the month of July, the Town expended \$125,360 with WNC Paving for resurfacing of the following streets or portions of streets:



Norris Street, Fourth Street, Haywood Street, Miller Street, short portion of Blinkbonny Drive, Oakdale Road, Greenview Drive, Epsom Street, Brook Street, portion of Springview Drive.

In the very near future, work will begin on redevelopment of the driveway access to South Main Street and Academy Street from the property which includes the Video Store, Dry Cleaners, Friends of the Smokies and other businesses. Over the years, we have had a number of complaints from pedestrians on Academy Street about the cars blocking the sidewalk with the way they are parked. This has been a particular problem for some handicapped individuals, and we have been contacted by a lady who is blind and some others in wheelchairs. In attempting to traverse this street, they are forced to walk in the street or operate their wheelchairs in the streets, certainly an unsafe situation for them. Parking on the property from Academy will be eliminated.

On the front side of that property, we will be working with the owners to reconfigure driveway access. At present, the driveway is open across the entire frontage, and vehicles enter and exit at will. This is unsafe for motorists on Main Street and in the parking area. When done, there will be a one way drive through the property, with ingress from a driveway near Academy Street and egress from a driveway at the south end of the site next to the Oak Park Inn property. The owners will redo parking in front of the building so that it is angle parking. We will be installing a raised sidewalk along Main Street and adding a few tree wells, and we are proposing three or four parking spaces on Main. We think this will greatly enhance the safety and attractiveness of the area.

### ELECTRICAL MATTERS

As we entered the current quarter, we evaluated the electrical rates we charge our customers. During the 2005-2006 fiscal year, the Town saw expenditures after transfers top revenues by approximately \$62,000. This was much better than in the 2004-2005 fiscal year when we saw expenditures after transfers top revenues by more than \$500,000. With that in mind, the Finance Director and I recommended that we leave electrical rates the same as we enter the new fiscal year, and the Town Board approved that recommendation.



Historically, the July-September quarter is not a good one and we often see spikes in electrical fuel adjustment charges from Progress Energy. Later in the year, we traditionally see a reversal, with the last six months of the fiscal year being the time the Town makes up losses during the first six months. This is in comparison with our base year of 2004-2005. For the first two months of the current fiscal year, we have seen losses against the base year of \$37,840 in July and \$23,589 in August, a combined loss total of \$61,429. While that may seem bad, it is better than the \$85,155 in losses we experienced in July and August of 2005. Had we reduced the rates for customers on July 1, our Finance Director Eddie Caldwell calculates that we would have lost \$182,000 in the first two months. While the Town absorbed losses in 2004-2005, it could not continue to absorb that level of loss.

Our electrical consultant, Kevin O'Donnell, advises that the price of natural gas dropped significantly during the month of August. That drop might impact the fuel adjustment charges that Progress Energy and other utilities charge to their customers. We are anxious to see where the costs go during the next few months.

Speaking of Kevin O'Donnell, he is planning to be at the Town Board meeting on October 10 to provide us with an update on our negotiations with Progress Energy for a wholesale power supply agreement beyond the expiration on December 31, 2009. He will be meeting with Town Staff that day to discuss a number of other matters, including what alternatives the Town might have in terms of the renewal agreement with Progress Energy. He enjoys appearing before the Town Board to keep you posted on energy issues and the impacts upon the electric rates the Town pays.

POLICE NEWS

Earlier this year, Mr. Roscoe Wells suggested to the Town Board that the Police Department give greater emphasis to curtailing speeders. The Department probably receives more complaints about speeding than just about any issue. Mr. Wells suggested that we purchase a device that would be mounted in a neighborhood and used to collect information about the numbers and speeds of vehicles. With a bit of research, the department recommended the StealthStat, a radar device offered by Kustom Signals, Inc., the firm which provides most of our radar units. The device operates on a battery and is good for about 48 hours.



The department thought through the streets from which they receive the most complaints about speeding, and there are about ten of those. As of this date, they have used the StealthStat on three streets and it is presently on a fourth, and the results were very interesting. Each time, the department recorded the information for two different periods. The average speed was much closer to the speed limit than one might expect based upon the number of complaints about speeding. When you have a figure for “85<sup>th</sup> Percentile”, it means that 85% of the drivers were traveling at this speed. Traffic engineers use this figure to determine what the speed limit should be basing it upon the speed at which the vast majority of drivers travel.

| STREET         | POSTED SPEED | NUMBER OF VEHICLES | AVERAGE SPEED | MAXIMUM SPEED | 85 <sup>TH</sup> PERCENTILE |
|----------------|--------------|--------------------|---------------|---------------|-----------------------------|
| Boundary       | 20           | 1,499              | 22.26 mph     | 45 mph        | 31 mph                      |
| Boundary       | 20           | 1,558              | 23.41 mph     | 41 mph        | 31 mph                      |
| Sulphur Sprgs. | 35           | 10,281             | 32 mph        | 57 mph        | 39 mph                      |
| Sulphur Sprgs. | 35           | 9,225              | 32 mph        | 71 mph        | 39 mph                      |
| Shelton        | 30           | 1,124              | 27.55 mph     | 52 mph        | 34 mph                      |
| Shelton        | 30           | 1,565              | 27.25 mph     | 46 mph        | 34 mph                      |

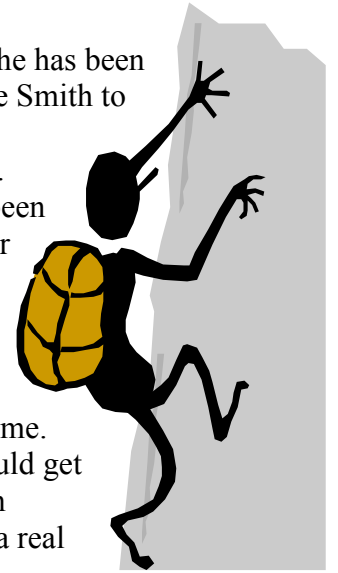
PURCHASING ---- Gov-Deals

A few months ago, the Board approved an agreement with Gov-Deals, an organization that lists property for sale by municipal and county governments and various other governmental agencies. The company uses the internet to conduct on line bidding or auctions, and many entities that have used this method have been pleased with the results. Prior to the Town’s annual auction, the Board had declared a 2004 Dodge Intrepid as surplus. At the auction, since the car only had 40,000 miles, I recommended that we set a starting bid of \$4,000; however, we could not get anyone interested in the car at that price. We placed the car on the Gov-Deals site and sold it for \$6,225. In August, we decided to put the old street sweeper on Gov-Deals. It was a 1995 Ford L7000 truck with the Tymco 600 Sweeper, and we felt like we had more than gotten the life from the unit, and we set the minimum bid at \$7,500. In the auction though, the bidders pushed the price to \$17,100, far more than we ever anticipated. We will be asking the Board for approval to declare a Case Backhoe surplus and place it on Gov-Deals and we will be anxious to see what type money it brings. With the type success we are experiencing, we may lean toward recommending that the Town sell all of its surplus equipment on Gov-Deals.

## RECREATION

Rhett Langston, our new Recreation Director, began work on July 3, and he has been in high gear since his arrival. Rhett has been working with retiring Director Mike Smith to learn as much as possible about the operations and personnel, but Mike has been pushing Rhett to start developing his own programs and goals for the department. Our new director is sending me regular reports on the activities in which he has been involved, and there have been some interviews and articles about the new director and the programs being implemented.

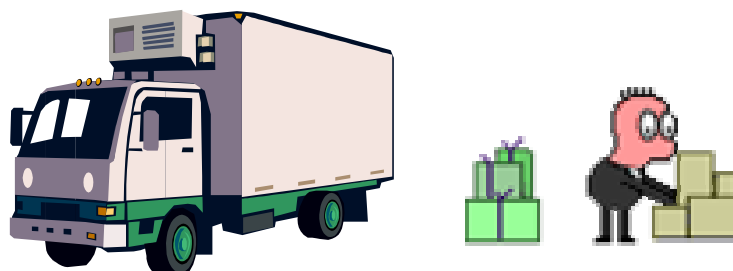
Recently, we put out a call for a new coordinator for the Town's United Way campaign, and Rhett Langston immediately volunteered to take on this challenge. I was very much impressed and asked him if he was sure he had the time. Rhett said that he had thought about it and wanted to make the time so that he could get out and meet his fellow employees and get to know more about the community in which he his family now call home. I like his enthusiasm and believe he will be a real asset for the department.



Current Director Mike Smith has an official retirement date of December 1, but at this point, it appears that his final work day will be October 4. Mike has a long career with the town and has seen the department through much growth and many changes. During the 12+ years I have had the pleasure to work with him, he has always spoken up for the department and its needs, but he has also realized that there is a bigger picture which much be considered. He has been a very good public servant and a real joy to work with. We wish him the very best in retirement!

## ANNUAL CONFERENCE OF LEAGUE OF MUNICIPALITIES

On October 15-17, the North Carolina League of Municipalities will be holding its annual conference at the Joseph Koury Convention Center in Greensboro. This is one of the better conferences due to the convenience, for the Sheraton Hotel there at the Koury Center can handle all those attending the conference. No one has to worry about being at a distant hotel and riding a bus back and forth from hotel to convention site. Aldermen Libba Feichter and Gary Caldwell have agreed to join me in attending the conference. If Alderman Caldwell wins as many door prizes as he did at Hickory last year, I may need to rent a truck to bring it all back.



## MANAGER'S TRAVELS AND TRAINING

I again want to express my thanks to the Town Board for moving the date of the meeting of September 12 to September 5. I have not missed a meeting in the 12 ½ years I have been here and did not want to miss any now. I will be leaving on Thursday, September 7 to fly to San Antonio, Texas, to attend the City Managers' Conference. During the conference each year, they offer some special training classes in addition to the regular conference sessions, and it is an excellent time to take advantage of these continuing education programs. It also gives me the chance to maintain my Credentialed Manager certification which requires at least 40 hours per year of continuing education.

Courses I will be taking at the ICMA conference include:

- Developing Successful Orientations and Retreats
- How New Consumer Health Products Can Lead to a Healthier Bottom Line
- Know Your Leadership Strengths: Discover Your Power
- Servicing Constituent Needs

Other sessions which look interesting include:

- What to Say, When to Say It, How to Say It
- Managing Big-City Expectations on a Small Town Budget with Small Town Staff
- Citizen Surveys: What Matters Most to Your Citizens
- Addressing the Affordable Housing Shortage
- Have We Become a Nation of Taxpayers vs Citizens?
- Getting Communities on Track for an Aging Population
- Watchdog vs Barking Dog: Developing Effective Media Relations
- Escaping the Tyranny of the Minority

The problem I always encounter when I attend these conferences is that at any given time, there will be eight to ten sessions to choose from and I might want to attend two or three sessions which are scheduled at the same time. You also have to work in time to visit the more than 400 vendors which are at the conferences, and over the years, I have discovered many products and services which I have brought back to my community for our use.

I appreciate the Board allowing me to attend these conferences and the training sessions which are offered. Over the years, I have tried to accumulate materials and information that could be used in the community in which I was working, and I feel the conferences have made me a better manager and benefited the community and citizens as well. Thanks for the opportunity!



Previously I advised you that I have been asked to serve on the League's Technical Advisory Committee for Finance and Administration issues. This Committee offers advice to the Finance and Administration Action Committee, and Alderman Feichter serves on that committee. At the meeting of the Advisory Committee in July, I was elected to serve as Chairman and am also one of two representatives to the Action Committee. From what I could tell, Waynesville is the only municipality with two representatives on the Board.

I have again been asked to serve on the Program Committee of the North Carolina City and County Management Association for the 2006-2007 year. Our first meeting is scheduled for Friday, September 22 in Chapel Hill, so I will plan to attend. The meeting lasts from 10:00 a.m. until 2:00 p.m., and I will drive down on the prior evening.

On that same date, from 2:00 to 4:00 p.m., the School of Government is holding a reception to honor Jack Vogt upon his retirement as the Financial Specialist. Over the years, Jack has given many courses for local government employees and written books and articles for ICMA and the League of Municipalities and County Commissioners Association on governmental finance. In January, 1973, the first course I took at the Institute of Government, "School for new Finance Officers", was taught by a new instructor at the Institute, Jack Vogt. My greatest strength as a manager, I believe, has been in my financial knowledge and skills, and I give credit to Jack Vogt for his guidance in placing me there. So I would not want to miss his retirement reception. I will return to Waynesville that Friday evening.

As always when I am traveling, I leave my contact numbers here with the Mayor, Town Clerk Phyllis McClure and Public Works Director Fred Baker, who is the Acting Manager in my absence. I also check in with them when I am away and I still have access to my email in most cases. So if I am needed, with the high tech telecommunications available nowadays, I can be reached pretty easily.

