

TO: Mayor and Board of Aldermen
FROM: Lee Galloway, Town Manager
DATE: June 7, 2007
SUBJECT: Status Report through June 6, 2007



By Memorial Day each year, I generally breathe a sigh of relief. By that time, the budget has been completed and presented to the Town Board and the meetings to hash over the budget contents have been held. While the public hearing remains to be held, the real labor is completed for the most part, and there is time to relax a bit from what is the largest undertaking of the year for the Finance Director and Town Manager. As was indicated during the budget presentation on May 8th, this may not have been the most difficult budget ever, but it was certainly one of the most time consuming. I do believe that is primarily related to how much we are attempting to accomplish in the 2007-2008 fiscal year. It is also a matter of how much we currently have underway, making it more difficult to focus on the upcoming fiscal year while not losing our concentration on what is underway in the current fiscal year. As I have often said, one of the things I love about this work is the fact that I rarely if ever get bored, and there is absolutely no time for any boredom with all the things on the table at the present time.

FIRE STATION CONSTRUCTION

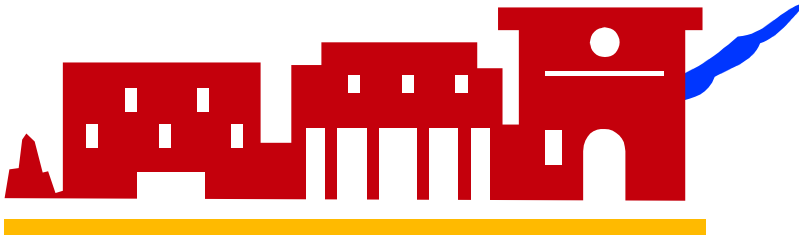


Construction on the new fire station on North Main Street began in earnest during the final week of March. The dry and relatively mild weather has given the contractor, Construction Logic of Hendersonville, the opportunity to proceed on the work without worries of rainfall or inclement weather. While the contract completion date is set for March 31, 2008, progress to date indicates that the work could be finished in January, 2008, and we are all pleased with this possibility. During the first few months of the construction, Construction Logic and its subcontractors have been able to follow the flow chart on the work. During the month of May, the subsurface work was completed for the concrete building pad, and it was poured on the last day of the month. During June, we will begin to see the installation of blocks, and the building will rise from the ground. By the fall of this year, the fire station will be pretty much completed on the outside and the work will move to interior finishes. We are very pleased with Construction Logic and the personnel they have assigned to this project.

POLICE STATION/DEVELOPMENT OFFICE

During the week work began on the construction of the fire station, we met with the architects on the renovations and expansion of the police station and the construction of the

development office and meeting room on the property opposite Town Hall. Since that meeting on March 28, there have been two subsequent meetings with the architects, hashing out the interior layouts and exterior designs. The architects will be attending the Board meeting on June 12 to present their conceptual design of the new structure.



I can assure you that we are all very excited about the new space for the police department, the one stop permitting office which will include Public Works Director, Planning Director, Land Use Manager, Building Inspections and

Code Enforcement. In addition, there will be a new meeting room on the second floor for the Town Board as well as all of the many Boards and Commissions which serve the citizens of Waynesville. That meeting room will be designed for video recording so that those meetings might eventually go onto a local access cable station as well as the internet.

In the meantime, we are continuing our investigation of potential sites to which the police department could relocate during the construction period. The architects advised us that pricing on construction would be much better if the building was vacant and contractors did not have to work around anyone attempting to occupy the building. We have looked at one site and found that it would be functional with some renovations, and we are negotiating with the owner and realtor on the rental rates and the various improvements which must be made.

Once the new fire station is complete, the fire department will vacate the existing location and work will begin on renovations and expansion of the police department. If the new fire station is completed by March 1, 2008, we would like to have the police department out of the existing building and relocated to satisfactory quarters no later than December 31, 2007. Construction on the new police and development office facility will take 12 to 14 months, so the police department may have to be in temporary quarters from December, 2007, until June, 2009. By then, their new building will be completed and the entire police department and various development related offices will be under one roof.

These are exciting times in our local government. The Town Board is meeting the needs of the employees and the community. We often talk of having good employees, and we do, and we speak of giving them the equipment needed to do their jobs. Just as important is for the employees to have adequate facilities from which to conduct their work in an efficient and professional manner. These new facilities will be a great morale booster for our personnel, and I know they will be proud to finally have sufficient space. The community will benefit as well as they will be able to access all police and development services at one location in a more functional, well designed and spacious facilities. As indicated, our employees are very excited.

WATERSHED APPRECIATION

During three Saturdays in the month of April, various activities were held as a part of Watershed Appreciation Month. The special salute to the watershed was an outgrowth of the meetings of the Watershed Advisory Committee with representatives of Western Carolina University and the Manomet Center for Environmental Sciences of Maine. The sessions were held during the summer of 2006, and all involved felt it was valuable to find a way to inform

the public about the wonderful asset this community has in the watershed. Ideas bantered about by the committee included guided hikes, bird watching, wild flower study, water quality assessment as well as the history of Quinlaintown, the community that existed at the headwaters of Allens Creek in the early 1900s.



Over the three Saturdays, approximately 200 people participated in the hikes, in the bird watching, in searching for wildflowers, in the visit to the solar powered water quality assessment monitor and in the presentation on Quinlaintown. There were also sessions on the Forestry Management Plan and on the work of the Haywood Waterways Association in their efforts to improve water quality in Haywood County.

We need to offer a special salute to a number of people who were involved in this special celebration of the watershed. Pete Bates and Jerry Miller participated to explain the Forestry Management Plan and the water quality assessment. Don Hendershot shared his knowledge and expertise in bird watching and wild flower searches as he led hikes on two Saturdays. Don was assisted on guiding these hikes by Pete Bates and Ed Kelley. Christie Fulcher gave an excellent presentation on Quinlaintown's history, sharing the pictures and information she had gathered from the months of research done on the area. Eric Romaniszn, Ron Moser, Bill Ecker and Gordon Small, Representatives of Haywood Waterways, were on hand to discuss the work of that organization. We want to thank each one of them for assisting with Watershed Appreciation Month, for sharing their knowledge and for giving up so much of their Saturday time.

Naturally, I extend thanks to Kyle Cook and Hugh Parrott from the Water Plant for their time and involvement. I want to especially thank Alison Melnikova, Assistant to the Town Manager, for the enormous amount of time she spent on the coordination of the activities, on meeting with the participants and on assuring that everything came off smoothly and went well. We are blessed to have such a capable employee as Alison!

GRANTS AWARDED/HOPED FOR

The Town has been fortunate to be considered for several grants in recent months, and we feel as if we are on a roll. In early May, we were informed of a \$16,000 Bicycle and Pedestrian Planning grant from the Department of Transportation. This will be used to help us assess our present layout of sidewalks, the sidewalk usage and determine where we need to construct new sidewalks. We want to tie in residential areas to what are determined to be destination points as well as create walking loops to help citizens with their personal exercise programs. We are hopeful that this grant will assist us in becoming an even more walkable community in the future.

In mid-May, we were informed that the Town had been selected for a \$73,000 grant from the Division of Water Resources to repair approximately 300 feet of eroding stream bank along Richland Creek in that portion of the Waynesville Town Park near the Recreation Center. In addition to curtailing the erosion and silt that flows into Lake Junaluska, this project will certainly approve the appearance along the creek and provide a much higher quality of life experience for those who use the greenway in that area.

Toward the end of May, we were informed that recommendations would be presented to the Board of Transportation to grant the Town the \$165,000 needed to complete the greenway between Lake Junaluska and Howell Mill Road. This project had initially been funded in 2000, but highway construction of the Asheville Road and U. S. Route 19 delayed locations and connections of this portion of the greenway. The delays led to much higher costs, particularly in dealing with the area in and around Richland Creek where stream crossing were challenging and expensive.



The project was bid twice and greatly exceeded the funds available, so Mayor Foy and Tim Plowman approached our district's Transportation Board Member Conrad Burrell seeking his help in securing additional funds for the project. Mr. Burrell began working with DOT Secretary Lyndo Tippett and Representative Ray Rapp who was a strong proponent in finding the funds for the Town. Secretary Tippett authorized \$82,500 from Enhancement Funds, Representative Rapp gained approval for use of

\$41,250 in contingency funds in the House and Senator Joe Sam Queen became involved in helping gain approval for contingency funds from the Senate for the project. It appears that the combined efforts of the Mayor and Tim, along with Mr. Burrell, DOT Secretary Tippett, Representative Rapp and Senator Queen will result in an additional \$165,000 for the Waynesville Greenway Trail System.

The final connection between an area at Blue Ridge Paper and the Waynesville Town Park will be linked when Howell Mill Road is reconstructed. That may be a few years off, but crossing Richland Creek and the Norfolk Southern Railroad in that area can only be reasonably accomplished by a walkway constructed as part of a bridge over the creek and railroad track.

SIGN, SIGN, EVERYWHERE A SIGN

Those of you who have happened by the former Hazelwood Town Hall or the Public Works facility may have noticed the new wooden



identification signs which were installed in May. These signs were constructed by High Country Signs and the design of these was based upon the Welcome to Waynesville



sign located on Walnut Street on property owned by First Citizens Bank. We have been hopeful of adding more of the Welcome signs, but finding suitable locations on the corridors leading into Town has not been particularly easy. As we needed a new sign at Public Works and because an identification sign had never been placed at the Hazelwood Offices, we had those signs manufactured and installed. Thanks to Assistant to the Town Manager Alison Melnikova and Purchasing Supervisor Julie Grasty for their work on this project.

ELECTRICAL FINANCES

We are approaching the end of the fiscal year and have eleven month's experience as far as the financial situation of the Electric Fund. This fund has been a major challenge since the cost of fuel shot up in early 2004. Board members will recall that in 2004-2005, we saw a decline of more than \$500,000 in the financial position of the Electric Fund. In early 2005, we began making quarterly adjustments to address the fuel increases passed along to the Town by Progress Energy, but for the 2005-2006 fiscal year, the financial position of the Electric Fund still declined by \$63,000. For the present fiscal year, we left electric rates the same since July 1, 2006, and for the first eleven months of the present 2006-2007 fiscal year, we have seen an improvement of \$29,553 in the Electric Fund measured against the base year of 2003-2004. We were hopeful for a bit better year, to make up for some of the declines the past two years; however, the fact that we are showing an increase at all is an improvement over the previous two years, particularly when the cost of fuel has been skyrocketing again this spring.



NEW AGREEMENT SIGNED WITH PROGRESS ENERGY

On June 5, Linda Mann, Account Representative to the Town from Progress Energy, came to Waynesville to secure Mayor Foy's signature on the new Wholesale Power Supply Agreement between the Town and Progress Energy. Mr. Rob Caldwell, Vice President with Carolina Power and Light, had already signed the agreement on behalf of the public utility, so with Mayor Foy's signature, the contract is now official. The next contract will be for a period of six years, beginning on January 1, 2010 and continuing until December 31, 2015. Under the terms of the agreement, the rates charged the Town by Progress Energy will rise an average of 3.25%. This is an exceptional contract for the Town, and we were pleased that the rate increase could be kept so low. In many instances, an increase of 3.25% each year might be expected, but in this case, the increase of 3.25% is for the entire six year period. As previously discussed with the Town Board, beginning in January, 2010, the rates the Town charges electrical customers will likely need to increase by 3.25% to cover these higher charges.

WESTERN NORTH CAROLINA ENERGY ADVISORY COUNCIL

Progress Energy has created a Western North Carolina Community Energy Advisory Council for the Western Service area of the utility. As you may have read, Progress Energy was turned down on its rezoning request in Woodfin where it hoped to construct what I believe was an oil fired generating facility to help meet peak demands in the western region. Progress Energy has now determined that to be able to meet the growing demand on its electric generating capacity, there must be an energy-efficiency program, and the utility has adopted an aggressive goal of reducing consumption by 2,000 megawatts.

The citizen's panel which has been appointed will work with Progress Energy to try and find ways to reduce consumption and achieve this goal. The panel consists of 18 members who represent local government, environmental organizations, renewable energy companies and area businesses. As a representative of local government and being employed by one of

the wholesale power customers of Progress Energy in the western region, I have been asked to participate on this Panel. We will be meeting monthly in Asheville.

TOWN NAMED RECIPIENT OF 2007 EMPLOYER AWARD

Word has been received that the Town of Waynesville has been selected to receive a 2007 Employer Award from the Employment Security Commission of North Carolina. This announcement was made in May by ESC Regional Manager Jim McMahan of the Asheville Regional Office. The Town was nominated by the local ESC office on the basis of the positive contributions made to the local community and the support of ESC programs and services. In Western North Carolina, only 27 employers were selected to receive this award, so we are indeed honored at this recognition.

Awards will be presented in Asheville on Wednesday, June 27, and I have asked our Human Resources Director, Margaret Langston, to represent the Town at this function. Since joining the Town in 1994, Ms. Langston has worked very well with the local Employment Security Commission office and has built an excellent relationship with them; consequently, much of the credit for the Town's nomination and selection must go to Ms. Langston. Our thanks to Margaret for the great job that she does!

RECREATIONAL OPPORTUNITIES

Changes are certainly underway in our Recreation Department! As Recreation Director Rhett Langston approaches his first anniversary in office, it is evident that new programs and a new approach to publicizing activities are underway. And the result of this new thrust seems to be an increase in participation and related revenues to the program.

With his background in marketing, Rhett has placed a much greater emphasis on publicity, and during the past few months, there have been newspaper inserts informing the public of the various programs and activities. During the past year, the recreation center has seen an increasing number of visits by the public, with most months showing the highest or second highest number of visits during the brief, seven year history of the center. Revenues from admissions and program fees are up as well as Rhett attempts to chip away at the large subsidy the General Fund provides to recreation operations.

There have also been some internal changes in the assignment of personnel. Scot Worley, formerly the Coordinator at the Old Armory, has moved to the position of Aquatics Supervisor. In his place, we have hired Michael Huffstetler to join the supervisory team of the Recreation Department. We have also hired Rebecca Boswell as a Program Coordinator at the Waynesville Recreation Center. One of the main goals of the Director is to see an increase in the number of programs and activities offered to the public, and he also wants to see a much greater use of the armory than in the past. We are pleased to have Rebecca and Michael join the town and bring their new ideas and enthusiasm.



ELECTION SEASON APPROACHES

As unbelievable as it seems, 2007 is an election year for seats on the Town Board including the positions of Mayor and the four seats as Aldermen. The filing period for these positions begins at noon on Friday, July 6 and continues two weeks until noon on Friday, July 20. All seats are up for election, with each being for a four year term. The actual date of the election is Tuesday, November 6.

PENDING ITEMS

There are a lot of items that have been on the back burner the past several months. During that time, Alison Melnikova has been diligently working on several of these items and they have been piling up on my desk as I was concentrating on the budget, construction projects and several development and contract issues. There will also be Planning and Zoning issues that will come before the Board, and there are a number of proposed amendments that will be presented in the coming weeks and months. Some of the items include:



- Report on Animal Control issues related to the numbers of animals;
- Possible changes in the Civil Penalty ordinances, especially as they relate to property maintenance issues;
- Policy for the Town to consider on Special Events;
- Ordinance on Cemetery Regulations;
- Ordinance changes on Hillside Protection Standards.

There will be other proposals that will surface in the coming months, but these are the ones that quickly come to mind during this busy spring.

CIVIL WAR MARKERS

Several months ago, the Board approved the placement of three Civil War markers on Town property in Waynesville. These markers have now been placed and will become a part of the very popular Civil War History that attracts the attention of so many people. One of the markers is at Town Hall to designate the Battle House located immediately south of our building. Another is at Sulphur Springs Park, site of the last shot of the Civil War east of the Mississippi River. The third is in Green Hill Cemetery, commemorating the grave of William Thomas who led the Thomas Brigade, made up primarily of Cherokee Indians, in Civil War battles in this region and beyond. While the markers have been placed, a formal dedication ceremony will be conducted this summer when the signs have been landscaped.

PEOPLE ON THE ROAD FOR BUSINESS



This week, Alderman Feichter will be spending a few days in Raleigh for her work on committees for the North Carolina League of Municipalities. On Wednesday, she will be at a meeting of the Strategic Planning Committee on which she has served for the past two years. That group is continuing to work on planning to help determine the future shape of the League and the direction in which it needs to go in the coming years.

On Friday, the League's Finance and Administration Committee will be meeting at the League Offices. Alderman Feichter is an appointed member of that Committee she will remain in Raleigh to attend that meeting. I serve on that same Committee through my service as the Chairman of the Technical Advisory Committee for the Finance and Administration Committee, and I will be in Raleigh on Friday as well.

On Wednesday, June 20, Alison and I will be attending another planning meeting for the 75th Anniversary of the Great Smoky Mountains National Park. Alison attended the initial meeting in Gatlinburg, and this meeting will be held in Cherokee. The Park has certainly had a major impact on western North Carolina and east Tennessee, particularly in the area of tourism. The Park is such an asset for our area and it is fitting to pay tribute to this gem.

Town Clerk Phyllis McClure has made several trips to Raleigh this fiscal year to attend the Board meetings of the North Carolina Association of Municipal Clerks. Phyllis serves on that Board as a Director representing this district.

During the last week of June, Alison Melnikova will be attending the Summer Conference of the North Carolina City and County Management Association at Atlantic Beach. This is a great educational opportunity for Alison as well as giving her the chance to build her number of contacts with other managers and government professionals.

Alison has filed an application to attend the Annual Municipal Manager's Course which will run for approximately 40 days over a period of several months during the coming fiscal year. This program is an intense training session which is coordinated by the School of Government (formerly the Institute of Government) and is held in Chapel Hill.

MANAGER ON THE ROAD FOR PLEASURE

At the end of July, my wife and I are planning a trip to Colorado. We will spend some of a two week period visiting Nancy's family in the Boulder area, but a good deal of time will be spent touring Colorado, hiking and visiting National Parks and sightseeing in the Rocky Mountains. More on this later, but I did want to advise that I will be out of the office during the period of July 26 to August 10 for this trip.