

MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN
REGULAR MEETING
June 11, 2019

THE WAYNESVILLE BOARD OF ALDERMEN held its regular meeting on Tuesday, June 11, 2019, at 6:30 p.m. in the board room of Town Hall, 9 South Main Street, Waynesville, NC.

A. CALL TO ORDER

Mayor Gavin Brown called the meeting to order at 6:30 p.m. with the following members present:

Mayor Gavin Brown
Mayor Pro Tem Gary Caldwell
Alderman Jon Feichter
Alderman LeRoy Roberson
Alderman Julia Freeman

The following staff members were present:

Rob Hites, Town Manager
Assistant Town Manager Amie Owens
Bill Cannon, Town Attorney
Eddie Ward, Town Clerk
Eddie Caldwell, CPA
Dean Trader, Interim Finance Director
Elizabeth Teague, Development Services Director
Brian Beck, Captain Police Department
Rhett Langston, Parks & Recreation Director

1. Welcome /Calendar/Announcements

Mayor Brown reminded the Board of the following calendar events:

Monday June 17 – 6:00 pm – Walk to end Elder Abuse – Historic Courthouse

2. Adoption of Minutes

A motion was made by Alderman Gary Caldwell, seconded by Alderman Julia Freeman, to approve the minutes of the May 28, 2019 regular meeting and the minutes of the May 30 2019 special called meeting, as presented. The motion passed unanimously.

PROCLAMATION – Blue Ridge National Heritage Weekend

Mayor Brown read a proclamation for the Blue Ridge National Heritage weekend which will be held at the Shelton Campus on June 22 and 23, 2019. He said this weekend event is a time to celebrate the contributions of those who have shaped the history of our region and state. He asked Mr. Mike McLean, Vice Chairman of the Shelton House, to explain some of the events that will take place during the weekend.

Mr. McLean stated that Mayor Brown will welcome everyone at 9:30 a.m., and Mr. Dale Bartlett of the Blue Ridge National Music Trails will be speaking afterwards. There will be a craft fair, farmers market, kid's games on front lawn, and alumni from the Junior Appalachian Musicians will perform on Sunday in the Hart Theater. He said that

Joe Sam Queen will also be conducting a street dance on the lawn of the Shelton House. He invited everyone and said and encouraged them to attend.

B. CALL FOR PUBLIC HEARING

3. ADA Transition Plan - Call for Public Hearing on June 25, 2019
 - David Foster, Public Works Director

Mr. David Foster, Public Services Director, explained to the Board that the NCDOT has been mandated by the US Department of Justice and Federal Highway Administration to ensure that all subrecipients of State and Federal funds comply with the Americans with Disabilities Act in which any municipality in receipt of Federal or State aid (Powell Bill funds) with over 50 employees possess an ADA Transition Plan.

He stated that the plan in their packets has been completed by JM Teague Engineering and inventories the Town assets which include: sidewalks, signals, buildings, parking lots, rest areas, mixed us trails, linkage to transit, etc.

Mr. Foster asked that a Public Hearing be held at the June 25th, 2019 meeting to discuss and approve the ADA Transition Plan.

A motion was made by Alderman Julia Freeman, seconded by Alderman LeRoy Roberson, to call for a Public Hearing on Tuesday, June 25, 2019 at 6:30 p.m. or as closely thereafter as possible, to be held in the Town Hall Board Room located at 9 South Main Street, Waynesville, to consider the adoption of the ADA Transition Plan. The motion carried unanimously.

C. PUBLIC HEARING

4. Fiscal Year 2019/2020 Budget Public Hearing
 - Eddie Caldwell, CPA

Mayor Brown noted that he was not inclined to approve the budget at this evening's meeting and informally polled the board to see if there were any objections to continuing the public hearing to the June 25th meeting. No objections were noted, and he asked Town Attorney Bill Cannon to open the public hearing.

The Public Hearing was opened at 6:46 p.m. and Attorney Bill Cannon asked if anyone from the audience would like to address the board. No one addressed the board. Mayor Brown asked former Finance Director Eddie Caldwell if there had been any changes to the budget since the previous discussion on May 30. Mr. Caldwell noted that there had not been any changes but that there still had not been any progress related to the landslide clean-ups.

Alderman LeRoy Roberson asked Mr. Foster if this type of repair for landslides and roadways following excessive rain was going to occur with regularity in the future. Mr. Foster answered that he could not

predict this, but with conditions becoming more and more wet, there was a possibility, but there was no true way to plan for it. Mr. Foster explained that there were currently 5 slide areas being addressed within the Town limits. He noted that the geotechnical firm was still busy with other projects but have been in contact with him and Town Engineer Preston Gregg; Mr. Foster will update when more information is known.

Mayor Brown added that several non-profits who regularly apply for special appropriations had not done so and he requested that they be contacted to inquire as to why. Multiple responses were received, and board members were given copies of their requests. Mayor Brown asked that the special appropriations be held open until the budget approval at the next regular meeting. Assistant Town Manager Amie Owens will update the spreadsheet and include for the next meeting.

Mayor Brown asked if any of the Board Members had questions about the budget. Alderman Jon Feichter indicated that he had several questions. His first question related to the Craven Street Park. He was enthusiastic about the funds being included in the capital budget but inquired as to the total cost of additional phases for the park and what amenities would be included. Development Services Director Elizabeth Teague noted that the initial plan was to get the picnic pavilion, site plan and parking area completed with the budgeted \$60,000. This appropriation could also be used as potential match funding for additional grants. With additional funding, and after meeting with the community, other additions could be considered. Ms. Teague that movement on the project could begin as soon as a contractor was secured.

Alderman Jon Feichter commented that there was an additional police patrol officer in this proposed budget and asked if a vehicle would be required for this new position. Captain Brian Beck explained that there would be a pool vehicle available to be assigned to this new position and that no purchase of a vehicle would be required.

Alderman Jon Feichter asked, besides the Wastewater Treatment Plant and the landslides, were there any additional large projects planned for the upcoming year. Mr. Caldwell noted that the Decktron dehumidification and air circulation system in the pool area needed replacement. Mr. Caldwell added that the cost for this system would be covered by a loan from the Electric Fund, so no outside borrowing would be necessary. Recreation Director Rhett Langston noted that there was a week each September when the Recreation Center is closed for maintenance and if possible, they would like to get this unit in at that time. Mr. Langston noted that bids could go out as soon as the fiscal year begins if the budget is approved.

Alderman Jon Feichter indicated that the Career Track amount that was included was 1.5% for this year, and that in the previous year a COLA (Cost of Living Adjustment) of 3.5% was available. Other municipalities and counties were offering COLAs to employees and from the retreat in 2018 he remembers that a COLA is proposed for next year. If COLA and Career Track are both indicated, would that be a 5% increase for employees? Town Manager Rob Hites answered that it would be a 5% increase over a two-year period. He reminded the board that if a COLA increase was provided every year, then funds would have to be available to cover the continuing employee costs which would mean that revenues would have to go up (i.e. tax or fee increases) or staffing pared down. By setting a COLA every other year, it is more manageable. At this point, the cash flow will not allow for annual COLAs. Manager Hites noted that ways to offset costs would be if the revaluation numbers came in stronger, the amount of development assists in the tax revenue received and potentially looking positively at a stormwater fee may prevent an elevation in tax rate. The revenues are not growing as fast as the needs.

Mayor Brown thanked Mr. Caldwell for his work on this budget and asked if there were any additional questions from the board. There being none, he asked the board to recess the public hearing until June 25, 2019.

Alderman Jon Feichter made a motion, seconded by Alderman LeRoy Roberson to recess the Public Hearing for the Fiscal Year 2019-2020 budget until June 25, 2019 at the regular meeting. The motion carried unanimously.

The public hearing was recessed at 7:06 p.m.

D. COMMUNICATIONS FROM STAFF

5. Manager's Report

- Town Manager Rob Hites

a. Discussion and Call for Public Hearing - Waynesville Housing Authority Board

Manager Hites explained to the Board that Chapter 157-4 of the General Statutes outlines the procedures for the creation, expansion and dissolution of Housing Authorities. The Chapter lays out their considerable powers to construct and maintain affordable housing and undertake neighborhood redevelopment. He said that Municipalities have the power to create an independent authority, assign the powers to an existing Redevelopment Authority, or undertake the powers of a Housing Authority themselves.

Housing Authorities may be administered as separate administrative units or a department of a Town. The statute permits authorities to have as few as five members and as many as eleven. Manager Hites stated that Waynesville's Housing Authority currently has seven members, with three vacancies coming up on June 30th. There is currently a critical need for more affordable housing in Waynesville, and several people have suggested that the Authority take on a more proactive role in neighborhood revitalization and construction of new housing. It has been suggested that the Town Board expand the size of the Housing Authority from seven to nine members. To do this, the General Statutes require that the Town Board pass a resolution to that effect and hold a public hearing seeking input into the need to increase the size of the Board. Manager asked the Board to call for a Public Hearing to consider this increase in the number of members on the Housing Authority.

A motion was made by Alderman LeRoy Roberson, seconded by Alderman Julia Freeman, to call for a Public Hearing to be held on Tuesday, June 25, 2019 at 6:30 p.m. or as closely thereafter as possible, to be held in the Town Hall Board Room located at 9 South Main Street, Waynesville, to consider the adoption of the change in the number of members on the Waynesville Housing Authority Board. The motion passed unanimously.

b. Update ABC Privatization

Three bills have been filed in the NC Legislature relating to privatizing the States' ABC system. They are summarized in the memo prepared by Manager Hites concerning the Alcoholic Beverage Control Legislation as follows:

Three bills have been filed in the Legislature regarding changes to the ABC system. House Bill 091 and Senate Bill 0087 are companion bills. The House version has been assigned to House Finance and hasn't moved since 4/17/19. Senate Bill 0087 has been assigned to Senate Rules and hasn't been calendared for debate. These bills mainly deal with permitting private, non-State-owned vehicles to transport liquor to retail establishments. It permits an independent contractor hired by the ABC store or permit holder to transport any amount of spiritous liquor or fortified wine without obtaining a purchase-transportation permit. The main issue for municipalities is that his bill permits Sunday opening of ABC stores upon passage of an ordinance by a municipality permitting such an opening and it orders the merger of all ABC stores in a County into one. There does not appear to be much activity surrounding these bills.

House Bill 971 completely changes the way that spiritous liquors are distributed and sold in NC. The bill dissolves the State ABC warehouse and all locally owned ABC stores. It orders that the assets of both the State and local systems be sold at public auction by January 1, 2020. It specifies that "local boards remain subject to any liabilities arising or remaining from the liquidation. The proceeds of the auction of local ABC assets shall go to capital needs of the school system. The bill does NOT provide a mechanism for dealing with any debt local ABC Boards may owe.

The Bill states that if a municipality or county has an ABC system they are deemed to permit private distributors of liquor (off premises sales of spiritous liquor). The State shall permit an initial group of 1,500 liquor store permits and after January 1,2021 each municipality and or county shall receive an additional permit for each 7,500 citizens added after the 2010 census. If a Town or County has an ABC store they must permit at least one retail sales location.

Sunday sales of liquor may be permitted by ordinance with each store opening at 10:00 am.

The distribution of taxes from the sale of liquor would be changed to one where each gallon of liquor is taxed at a rate of \$28. 25% of that tax would revert to municipalities. 30% of that would be earmarked for alcohol and substance abuse education and law enforcement. The remainder could be used for any lawful governmental purpose.

HB 971 passed first reading in the and has been sitting in the Finance Committee since April. It was supposed to be discussed during the Finance Committee meeting on Tuesday June 4th but was not on the committee agenda. A companion bill has not been introduced in the Senate.

The legislature is consumed in the budget at present and it is very possible that the Governor may veto it. Without the votes to override the Governors' veto the legislature may adopt a continuing resolution and "fight it out in the trenches if it takes all year". Given the uncertain adjournment of the long session it is difficult to determine if HB 971 will be passed by the House. If it is adopted in the House, it could be taken up in the Short Session of 2020 or even reintroduced as a "budget bill". There is also the real threat that the Governor could veto it even if it is ratified by both houses of the General Assembly.

Manager Hites stated he would like to follow the progress of the legislation, an at the next Board of Alderman meeting have a Resolution for adoption to oppose the Bill as it is currently drafted. He stated that if privatization becomes a reality, it should be required that each retail outlet remit the same taxes to the municipality as is currently permitted.

10. Attorney's Report
- Town Attorney Bill Cannon

Attorney Cannon stated he had received a dismissal order for the Red Square LLC lawsuit, and the Deaver lawsuit. He stated that as of now the only litigation pending is the Hazel Street property.

E. COMMUNICATIONS FROM THE MAYOR AND BOARD

Board members had nothing to discuss.

F. CALL ON THE AUDIENCE

No one spoke.

G. ADJOURN

With no further business, a motion was made by Alderman LeRoy Roberson, seconded by Alderman Jon Feichter, to adjourn at 7:25 p.m. The motion carried unanimously.

ATTEST:

Gavin A. Brown, Mayor

Robert H. Hites, Jr. Town Manager

Eddie Ward, Town Clerk