

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

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

A. CALL TO ORDER REGULAR MEETING

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

Mayor Gary Caldwell
Alderman Anthony Sutton

The following Board members and staff attending by Zoom

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

The following staff members were present:

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

Town Attorney William Cannon was absent.

The following media representatives were present:

Cory Valliancort, Smoky Mountain News – by Zoom

1. Welcome/Calendar/Announcements

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

2. Adoption of Minutes

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

B. PUBLIC COMMENT

There were no public comments.

C. PROCLAMATIONS

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

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

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

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

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

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

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

D. NEW BUSINESS

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

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

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

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

5. Budget Amendment for the Calvary Craven Park Project

- Jesse Fowler

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

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

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

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

- Preston Gregg, Town Engineer

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

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

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

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

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

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

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

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

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

E. COMMUNICATIONS FROM STAFF

7. Manager's Report
 - Manager Rob Hites

2020-2021 Budget Presentation

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

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

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

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

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

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

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

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

End of presentation.

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

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

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

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

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

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

Town Attorney Report

- Town Attorney, Bill Cannon

There was no report.

F. COMMUNICATIONS FROM THE MAYOR AND BOARD

No Comments

G. ADJOURN

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

ATTEST:

Gary Caldwell, Mayor

Robert W. Hites, Jr. Town Manager

Eddie Ward, Town Clerk