

MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN
Regular Meeting
February 23, 2021

THE WAYNESVILLE BOARD OF ALDERMEN held a regular meeting on Tuesday, February 23, 2021 at 6:00 p.m. via Zoom in the Municipal Building located at 16 South Main Street Waynesville, NC.

A. CALL TO ORDER

Mayor Gary Caldwell called the meeting to order at 6:00 pm with the following members present:

Mayor Gary Caldwell
Mayor Pro Tem Julia Freeman
Alderman Anthony Sutton
Alderman Jon Feichter
Alderman Chuck Dickson

The following staff members were present:

Rob Hites, Town Manager
Jesse Fowler, Assistant Town Manager
Town Attorney William E Cannon, Jr.
Eddie Ward, Town Clerk
Kathy Johnson, Deputy Clerk
Jeff Stines, Public Services Director
Autumn Lyvers, Finance Director
Rhett Langston, Recreation Director
Brittany Angel, Human Resource Specialist

The following media representatives were present:

Becky Johnson, The Mountaineer
Cory Vaillancort, Smoky Mountain News

1. Welcome/Calendar/Announcements

Mayor Gary Caldwell welcomed everyone and reminded the board about the upcoming Board Retreat which will be held on Thursday February 25th in the training room of Public Services.

2. Adoption of Minutes

A motion was made by Alderman Jon Feichter, seconded by Alderman Julia Freeman, to approve the minutes from the February 9, 2021 regular meeting. The motion carried unanimously.

<i>Mayor Gary Caldwell</i>	<i>Aye</i>	<i>Alderman Chuck Dickson</i>	<i>Aye</i>
<i>Mayor Pro Tem Julia Freeman</i>	<i>Aye</i>	<i>Alderman Anthony Sutton</i>	<i>Aye</i>
<i>Alderman Jon Feichter</i>	<i>Aye</i>		

B. PUBLIC COMMENT

3. Mayor Gary Caldwell asked Town Clerk Eddie Ward if there were any comments to be read into the minutes. She stated there were no public comments.

C. NEW BUSINESS

4. Support for the Haywood Waterways Association’s 9th Annual Plunge Benefitting Kids in the Creek

- Assistant Town Manager, Jesse Fowler

Assistant Town Manager Jesse Fowler stated that for the 9th year in a row, Haywood Waterways Association is hosting the Plunge Benefitting Kids in the Creek. He said that in past years, the Town of Waynesville has pledged a \$500 sponsorship because of the benefit the Kids in the Creek program has, not just for the Town of Waynesville, but Haywood County as a whole.

A motion was made by Alderman Julia freeman, seconded by Alderman Jon Feichter, to donate \$500 in support of Haywood Waterways Association’s 9th Annual Plunge Benefitting Kids in the Creek. The motion passed unanimously.

<i>Mayor Gary Caldwell</i>	<i>Aye</i>	<i>Alderman Chuck Dickson</i>	<i>Aye</i>
<i>Mayor Pro Tem Julia Freeman</i>	<i>Aye</i>	<i>Alderman Anthony Sutton</i>	<i>Aye</i>
<i>Alderman Jon Feichter</i>	<i>Aye</i>		

5. Presentation of the special events applications for the year 2021 received thus far

- Assistant Town Manager, Jesse Fowler

Assistant Town Manager Jesse Fowler said that he has received three applications for special events in 2021. He expects there will be more applications throughout the year, and they will be brought to the Board when they are received. The special event applications that was presented in the Board packets have been reviewed by the Special Events Committee which consists of the Fire Department, Police Department, and Public Services.

Alderman Jon Feichter asked Greg Duff what precautions would be put into place concerning Covid-19. Mr. Duff responded by stating that there would be small groups of 20 people.

A motion was made by Alderman Jon Feichter, seconded by Alderman Julia Freeman, to approve the discussed Special Event applications, and approve any required letters of support to be sent to NCDOT. The motion carried unanimously.

<i>Mayor Gary Caldwell</i>	<i>Aye</i>	<i>Alderman Chuck Dickson</i>	<i>Aye</i>
<i>Mayor Pro Tem Julia Freeman</i>	<i>Aye</i>	<i>Alderman Anthony Sutton</i>	<i>Aye</i>
<i>Alderman Jon Feichter</i>	<i>Aye</i>		

6. Permission to proceed with Parks and Recreation Trust Fund (PARTF) grant application
- Rhett Langston, Parks and Recreation Director

Parks and Recreation Director, Rhett Langston brought before the Board the Parks and Recreation Trust Fund Grant application for the bridge, greenway, and other recreational items at the Schulhofer property next to Vance Street Park. Although the bridge estimate from the Bell Engineering is not yet complete, the rough estimate will be close to \$270,000 and the Town of Waynesville’s contribution would be approximately \$30,000. Mr. Langston stated that Equinox will be working on the grant application which is due on May 1st and that specific estimates will be presented later in the spring for final approval.

A motion was made by Alderman Anthony Sutton, seconded by Alderman Chuck Dickson, to grant permission to pursue the PARTF grant application. Th motion carried unanimously.

<i>Mayor Gary Caldwell</i>	<i>Aye</i>	<i>Alderman Chuck Dickson</i>	<i>Aye</i>
<i>Pro Tem Julia Freeman</i>	<i>Aye</i>	<i>Alderman Anthony Sutton</i>	<i>Aye`</i>
<i>Alderman Jon Feichter</i>	<i>Aye</i>		

7. Itron Metering Solutions
- Jeff Stines, Public Services Director

Public Services Director, Jeff Stines explained to the Board that the Town of Waynesville will be deploying new electric meters to accommodate the requirements of new development occurring at the former Bi-Lo shopping center and old hospital building. He said the new Itron electric meters are not compatible with the current hand-held reading devices used by the Finance Department. This will require purchase of new Itron software and equipment to allow the Finance Department to read the new electric meters. The equipment upgrade will allow the Finance department to continue reading electric meters and provide additional capabilities such as remote disconnection. The new equipment is not able to read water meters unless additional equipment is purchased. The town will need to replace existing water meter endpoints with Itron ERT (radio) endpoints to read water meters with the new Itron equipment. The cost of these ERT endpoints is about \$85 per endpoint.

The following costs can be absorbed in the current FY2021 budget with projected savings in capital expenditure line items: (Surplus Funding Available = \$115,000.00)

- Itron Software and Mobile Equipment = \$50,000.00 (one-time cost)
Annual recurring fees of \$3,144 will be factored into future operating budgets.
- Electric Meter = \$280.00
- Water Meter ERT = \$85.00

The following will be requested in the FY2022 budget:

- Itron ERT endpoints for water meters = \$300,000
The Town currently has approximately 7,000 water meters in service. Half of these are radio-read meters and would require placement of the Itron ERT endpoints at \$85.00 per endpoint. Future water meters will be ordered with the Itron ERT already in place.

This cost can be split between the Water and Sewer Enterprise Funds.

A motion was made by Alderman Anthony Sutton, seconded by Alderman Jon Feichter, to approve reallocation of existing Capital Funds for Itron Metering Solutions Equipment/Electric Meters/Water Meter ERT's. The motion carried unanimously.

<i>Mayor Gary Caldwell</i>	<i>Aye</i>	<i>Alderman Chuck Dickson</i>	<i>Aye</i>
<i>Mayor Pro Tem Julia Freeman</i>	<i>Aye</i>	<i>Alderman Anthony Sutton</i>	<i>Aye</i>
<i>Alderman Jon Feichter</i>	<i>Aye</i>		

D. PRESENTATION

- 8 NC Local Government Employee Retirement System increase & update on health insurance
- Brittany Angel, HR Specialist.

HR Specialist Brittany Angel explained In January of 2019 the NC local Government employees Retirement system (LGERS) board passed an increase in the “base” employer contributions that went into effect on July 1, 2019 for three years. This is the final year for that increase that we are aware of. To reach the threshold established by NC LGERS, the contributions are mandated to be increased by 1.2%. The impact to the upcoming budget is \$110,000 or approximately one cent on the tax rate. This is the same amount it was last year even with salary increases. This is not something that the town can opt out of, and the contributions are not offset by any state funding.

Alderman Jon Feichter asked if this is the last time for the increase. Ms. Angel stated there is no word from the NC Board saying there will be another increase. Over the past two years there has been 3.6% increase.

Ms. Angel explained that she, along with Assistant Town Manager Jesse Fowler and Finance Director Autumn Lyvers, met with the brokers to discuss the health insurance premium costs and the potential impact on the upcoming budget. The medical loss ratio (MLR) is the amount of premiums paid versus the claims paid out. The insurance industry considers a 85% payout a good number for little to no increases in premiums; the Town’s MLR at the same time last year was 92.1% and the increase we received was 12%. Our broker was able to negotiate and get us a 3% increase. We are staying in the 90% percentile. Our broker worked with an underwriter and was able to give an estimate. We are looking at a 10% increase. This would be an increase to the budget of approximately \$250,000. Ms. Angel stated that we will have our official renewal quoted rate by mid-April.

9. Annual Fire Department Report
- Chris Mehaffey, Assistant Fire Chief

Assistant Fire Chief, Chris Mehaffey explained to the Board that there have been almost half a million dollars in property saved this year. He stated that is vastly underreported and steps are being taken to fix that issue and he expects the numbers will increase significantly next year. Mr. Mehaffey said that due to the pandemic there were about five hundred fewer medical calls this year due to the stand down order and change of response to that order. He stated that fire calls went up 85 to 100 over last year. He said

there was 28.8% in overlap, which means that multiple calls were happening simultaneously. National recommendations suggest adding an additional station when overlap reaches 10%.

Alderman Feichter asked if 30% of the time there is more than one call concurrently happening. The rule of thumb is that if it is over 10%, we need to add one more station and we are at three times that.

Mr. Mehaffey said to think in units not stations, which means available units that can respond.

10. Review of Town Finances

- Autumn Lyvers, Finance Director

Finance Director Autumn Lyvers explained to the Board that we added 2.4 million dollars to our fund balance. We were able to accomplish this through expenditure savings and additional grant revenues. The Town has been reacting to the Covid-19 pandemic since March of 2020.

The Manager’s Office imposed a freeze on hiring and nonessential spending to mitigate a drastic decrease in sales tax, motor vehicle and utility revenue. The current 2020-21 budget was drafted with an emphasis on reducing spending at all levels of the Town.

Ms. Lyvers said the Town received \$360,000 in Cares Act funding, and that was used to help offset public safety expenditures, bringing our total fund balance to \$10.7 million dollars. Out of that \$8.4 million is available to use.

The region saw a normal flow of sales tax during the winter and a healthy economy during the summer tourist season. The Town’s end of year finances was very favorable and its revenue stream through the end of 2020 continues to show a slight gain.

While the Town was as much as \$1,000,000 in arrears in utility collections, letters requesting payment of late utility bills have reduced that arrearage to a manageable level. Non-current receivables and estimated uncollectable amounts have doubled since June 30, 2019. Utility collection rates remain steady at 98%. standard billing and collections practices (cutoffs) will resume mid-March. Permits and fees are very strong at 93%. Recreation is still trying to recover, and investment is still struggling. Good news is sales tax revenue is 42% of the budget and has been collected over a 4-month period. Based on this data Ms. Lyvers stated she expects to have an excess of \$500,000 in sales tax revenue over budget. She is hopeful this revenue will help in other departments where there are shortfalls.

A motion was made by Alderman Anthony Sutton, seconded by Alderman Jon Feichter, to accept the presentation for information. The motion passed unanimously.

Mayor Gary Caldwell

Aye

Alderman Chuck Dickson

Aye

Mayor Pro Tem Julia Freeman

Aye

Alderman Anthony Sutton

Aye

Alderman Jon Feichter

Aye

E. COMMUNICATIONS FROM STAFF

Manager's Report

- Town Manager Rob Hites

11. Waste Treatment Plant Loan Offer

Town Manager, Rob Hites told the board that over two years ago the Town began the task of seeking a grant/loan to fund the renovation of the Waste Treatment Plant. At that time, we were looking at two types of loans, a 20-year, 1.89% interest loan from the State Revolving Loan Fund and a 40-year, 3.8% loan from the USDA. As the engineer's studied the condition of the plant, they discovered that our sludge processing system was old and corroded by lime and needed renovating or replacing as well. That added an additional \$2,000,000 to the renovation budget. In early January the Town applied for an SRF loan to the Local Government Commission. On February 2nd the LGC revisited our loan package and awarded the Town a \$19,545,000 loan offer for 26 years at an interest rate of "0%". DENR also provided \$500,000 of their own funds to provide \$500,000 in principal forgiveness. In summary the Town has been offered a \$19,545,000 SRF loan for a 26-year amortization period, \$500,000 in principal forgiveness bearing an interest rate of "0%".

A motion was made by Alderman Anthony Sutton, seconded by Alderman Julia Freeman, to approve a Resolution R-01-21 accepting the SRF Loan Offer. The motion carried unanimously.

<i>Mayor Gary Caldwell</i>	<i>Aye</i>	<i>Alderman Chuck Dickson</i>	<i>Aye</i>
<i>Mayor Pro Tem Julia Freeman</i>	<i>Aye</i>	<i>Alderman Anthony Sutton</i>	<i>Aye</i>
<i>Alderman Jon Feichter</i>	<i>Aye</i>		

12. Grant Application for Recycling Carts

Town Manager Rob Hites explained to the Board that David Francis has drafted an application for a State recycling grant amounting to \$30,000. Haywood County will match the grant with \$20,000. The Town has approximately 4,500 residential customers. The County's experience with the other municipalities indicates that 85% of the residents will participate in the Town's recycling program. We will purchase an additional 175 carts through the grant program bringing the total number of carts to 4,000. The Town's share of this program will be a General Fund expenditure of \$141,370.00.

Manager Hites said that if the grant is awarded the State will require the County to bid out the cans using its specifications for a 65- gallon rollout cart (used by Clyde, Canton, and Maggie Valley) as well as prequalified bid list of NC manufactures. The County will arrange assembly of the cans and delivery to the Town. We will distribute the cans after we conduct an information campaign. In addition to the rollout cans we will have to purchase hydraulic units for the trucks. The Town has purchased two rear loading garbage trucks in the past three years and specified that they be equipped with hydraulic lines to accommodate a container dumpster. The grant includes some funds to help purchase the hydraulic lifts that fit the rollout recycling cans. These lifts will ensure that our employees will avoid the injuring

associated with garbage, trash, and recycling pickup.

A motion was made by Alderman Jon Feichter, seconded by Alderman Anthony Sutton, to approve the Grant Application for Recycling Carts. The motion carried unanimously.

<i>Mayor Gary Caldwell</i>	<i>Aye</i>	<i>Alderman Chuck Dickson</i>	<i>Aye</i>
<i>Mayor Pro Tem Julia Freeman</i>	<i>Aye</i>	<i>Alderman Anthony Sutton</i>	<i>Aye</i>
<i>Alderman Jon Feichter</i>	<i>Aye</i>		

13. Town Attorney Report
- Town Attorney William Cannon

Town Attorney William Cannon had nothing to report.

F. COMMUNICATIONS FROM THE MAYOR AND BOARD

There were no additional comments.

G. ADJOURN

With no further business, a Motion was made by Alderman Julia Freeman, seconded by Alderman Jon Feichter to adjourn the meeting at 7:12 pm. The motion was approved unanimously.

<i>Mayor Gary Caldwell</i>	<i>Aye</i>	<i>Alderman Chuck Dickson</i>	<i>Aye</i>
<i>Mayor Pro Tem Julia Freeman</i>	<i>Aye</i>	<i>Alderman Anthony Sutton</i>	<i>Aye</i>
<i>Alderman Jon Feichter</i>	<i>Aye</i>		

ATTEST:

Gary Caldwell, Mayor

Robert W. Hites, Town Manager

Kathy Johnson, Deputy Clerk