

MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN

Regular Meeting

April 27, 2021

THE WAYNESVILLE BOARD OF ALDERMEN held a regular meeting on Tuesday, April 27, 2021 at 6:00 p.m. in the Town Hall Board Room located at 9 South Main Street Waynesville, NC.

A. CALL TO ORDER

Mayor Gary Caldwell called the meeting to order at 6:05 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
Eddie Ward, Town Clerk
Brittany Angel, HR Specialist
Town Attorney William E Cannon, Jr.
Elizabeth Teague, Development Services Director
Jeff Stines, Public Services Director
Autumn Lyvers, Finance Director
David Adams, Police Chief

The following media representatives were present:

Becky Johnson, The Mountaineer
Cory Valliancort, Smoky Mountain News

1. Welcome/Calendar/Announcements

Mayor Gary Caldwell welcomed everyone and reminded the board about the upcoming Rolls Royce Parking on Main Street starting at 11:30 am, and the Ramp Festival on May 2nd.

2. Adoption of Minutes

A motion was made by Alderman Anthony Sutton, seconded by Alderman Jon Feichter, to approve the minutes of the Board of Aldermen regular meeting held on April 13, 2021 as presented. The motion carried unanimously.

B. PUBLIC COMMENT

Town Attorney William E Cannon, Jr. asked if anyone had public comments.

**Lisa Overhultz
26 Davis Lane
Waynesville, NC 28786**

Ms. Overhultz thanked Mayor Caldwell, Alderman Chuck Dickson, Alderman Jon Feichter, and Chief David Adams for helping with the cleanups. She encouraged the other Aldermen and the public to attend the next clean up which will be held on Saturday May 1st. The group will be cleaning under the bridge on Russ Avenue.

**Eric Overhultz
26 Davis Lane
Waynesville, NC 28786**

Mr. Overhultz echoed the statements of his wife. He thanked the Aldermen for coming out to the cleanups. He said he is seeing positive results from the trash pickup. He asked the Board to visit under the Russ Avenue Bridge and said this was a distressed urban area, and the Town has a real challenge in cleaning in that area. He thanked Alderman Anthony Sutton for sending the Russ Avenue widening study to him. He would like to see the Town send out reports occasionally about what is happening with that project.

**Peggy Hannah
268 Hemlock St
Waynesville, NC 28786**

Ms. Hannah thanked the Board for their Participation in the clean up and encouraged the others to help as well. She thanked the Building Inspectors and Mr. Tom Maguire for the work they do. She told the Board to talk to Code Enforcement officers and tell them they are appreciated.

Ms. Hannah said she had been in contact with Blue Ridge Southern Railroad about the times the train will be coming through on Saturday while they are cleaning under the bridge.

Ms. Hannah encouraged the Board to talk to the merchants about prosecuting any loiters around their businesses, because we need to be proactive not reactive.

She expressed concerns about people returning to Pathways after six months, and about the meals that they are serving in the evening. She told the Board that the people would work with them if the Board worked with the citizens.

Mayor Caldwell asked Manager Rob Hites to coordinate with Public Services, and the Railroad for help with the clean up under the bridge.

C. PROCLAMATIONS

3. National Public Works Week

Mayor Gary Caldwell read a proclamation for National Public Works Week (May 16-22). He extended much appreciation to our Public Works Department for the vital service they perform each day for the citizens of the Town of Waynesville. He presented the Proclamation Public Services Director Jeff Stines. Mayor Caldwell told Mr. Stines that the Board appreciated all the work that the Public Services Department employees do.

D. PRESENTATIONS

3. Draft Final Report for compensation & classification study from Mercer Group
 - Phillip Robertson, Mercer Group by phone

Mr. Phillip Robertson explained that there are two major parts of the Compensation and Classification Study that is being conducted by the Mercer Group. He said that a paygrade had been established using a questionnaire and interview process. Every position is allocated a total point score to rank positions into pay grades. Benchmark positions are positions contained in the Town's classification system for which adequate marker matches can be found. Organizations compatible to Waynesville's market were surveyed to determine the minimum and maximum compensation for each benchmark position. A pay plan can be developed to include all positions. From there, an implementation cost is formed by looking at current salaries, and if a salary is below the new recommended salary for a pay grade, it is determined how much it would cost to bring that salary up.

Mr. Robertson told the Board that the total cost to implement the new pay structure, that is to move employees whose current salary is below their new minimum for their pay grade is \$227,053.84. This amount does not include fringe benefits and will change regarding possible updated employee salaries, on-going staff changes, annualized salaries for part time positions and other factors.

Manager Hites reiterated that this was only step one which is bringing employees who do not make the minimum pay up to the new minimum. Step two will involve long term employees moving them to their range.

A motion was made by Alderman Anthony Sutton, seconded by Alderman Julia Freeman, to approve the final draft report for compensation and classification study from the Mercer Group in the amount of \$227,053.84. The motion carried unanimously.

E. PUBLIC HEARING

Town Attorney Bill Cannon opened the Public Hearing at 6:35 pm and asked if anyone wished to speak.

4. Public Hearing on a Conditional District Rezoning request at 104 Locust Drive
 - Development Services Director, Elizabeth Teague

Elizabeth Teague, Development Services Director explained that this is a request for a Conditional District designation to accommodate flexibility in site plan requirements within the Plott Creek Neighborhood Residential (PC-NR) District. This will allow 60 new rental units to be built. She explained that the project is not for residents in assisted living or in residential care facilities, but the units will at be 80% of AMI for independent residents of 55 and older. At their regularly scheduled meeting on April 19, 2021, the Planning Board recommended approval of the application with the conditions of: compliance with sidewalk and landscaping requirements; flexibility in the design and calculation of civic space; allowance for parking to be wholly in the front of the building; and the addition of a Type A Buffer on the southern boundary of the project to remediate potential impact to the adjacent neighborhood. In addition, and in response to public comments regarding the

condition of Locust Drive, the Planning Board is asking for the Town Board to consider paving improvements to Locust Drive in coordination with any driveway or infrastructure work associated with the project.

Ms. Teague stated that Mills Construction, who specializes in multi-family and affordable housing developments in North Carolina, is requesting the Conditional District Rezoning to accommodate the 60-unit structure. They plan to apply for Low Income Housing Tax Credits and have expressed interest in the Town's affordable housing incentive program to assist with development costs.

Ms. Teague presented an in-depth staff report explaining zoning and Comprehensive Plan consistency, dimensional requirements, building design, infrastructure, environmental standards, civic space, landscape, parking, lighting, and signage. She told the Board that staff believes that the proposed Master Plan and Conditional District is consistent as written in the 2035 Plan to the benefit of the development and the Town specifically.

Bobby Funk
Mills Construction

Mr. Bobby Funk addressed the Board and presented details about the Hazelwood Bluff project. He said the Conditional District Request, if approved, would allow parking at the front of the building. Mills Construction Company has recently completed construction in other North Carolina areas, and has taken care to integrate seamlessly in the existing neighborhood with no negative impacts to surrounding neighbors, traffic, or utilities capacity.

Mr. Funk explained that the units will be affordable to households earning up to 80% of Area Median Income. A market study indicates there is a demand of 581 units and this proposed development would capture only 10.3% of current demand. This project would create a range of housing opportunities and choices for safe and affordable housing with one- and two-bedroom units along with community spaces within the three-story building. He referred the Board to a Power Point presentation and answered questions they had.

Town Attorney Bill Cannon closed the Public Hearing at 7:16 pm.

Consistency Statement and Motions are included in these minutes.

In addition, the Planning Board committed to forward concerns of several neighborhood residents who attended the public hearing expressing consistent and serious concerns related to the condition of Locust Drive, not relevant to the Hazelwood Bluffs project itself. The Planning Board requests that these concerns be communicated to the Town of Waynesville Public Works Department on behalf of these citizens, specifically:

- The fact that Locust Street is very narrow and not safe to use as a pedestrian sidewalk.
- There is substantial damage from prior public works construction that has left one side damaged and not safely drivable.
- Drivers who "miss" the entrance ramp to the Expressway end up on Locus Street and there is no signage stating that there is no outlet and no turn-around beyond the commercial driveways.

- Indian Motorcycles is reported to "test drive" vehicles up Locust Street sometimes leaving "burnt rubber" marks in the street.
- There is no continuation of sidewalks to give safe passage to families and children toward the school.

By this memo, the Planning Board wish to inform the Board of Aldermen of these citizens' concerns and requests for roadway improvements and signage to improve the above conditions.

5. Public Hearing to "solicit input from the residents and property owners as to the needs of the service district prior to the contract" (160A-536 d1 (1)).
 - Town Manager Rob Hites

Town Attorney Bill Cannon opened the meeting at 7:20 pm. and asked if anyone wished to speak.

**Teresa Pennington
15 North Main Street
Waynesville, NC 28786**

Ms. Pennington stated that she was representing the Downtown Waynesville Association and thanked the Board for allowing her to speak. She said she had been on the DWA Board for 34 years. Town of Waynesville has been a Main Street City since 1986 and have received accreditation every year. Ms. Pennington highlighted several events that the Downtown Waynesville Association has accomplished and told the Board about several current and future events the DWA is involved in.

**Kirk Kirkpatrick
37 Branner Avenue
Waynesville, NC 28786**

Mr. Kirk Kirkpatrick said that he felt like the needs of the Town was to have someone with establishment, and the DWA has been here for 30 years. He said that according to the statues, the Town could take on the DWA or contract a private entity. It will be important for who ever take over the DWA to obtain specific direction from the Town Board. He said that at this point he feels that that input is needed, and on an annual basis provide information showing what has been accomplished in a year. Mr. Kirkpatrick told the Board that he is in favor of the DWA, but he feels that there needs to be guidance from the Town.

**Loralei Garnes
50 South Main Street
Waynesville, NC 28786**

Ms. Garnes is a digital marketing specialist who works with small businesses and has worked with the DWA Executive Director Buffy Phillips many times. She said the DWA seeks to attract, retain, and earn people's businesses. She feels that the DWA has done this very well for many years and moving forward she can offer free consultation to downtown business owners, and DWA. She hopes the DWA can continue moving forward attracting small businesses to Main Street.

**Jeremiah Smith
240 North Main Street
Waynesville, NC 28786**

Mr. Smith said he felt like it was a very short timeline to receive quality responses from bidders. He explained to the Board that the success metrics needs to be defined in detail in the RFP that is sent out. Mr. Smith had questions concerning the existing budget and the funding for the 501C status.

**Mike Coble
62 North Main Street
Waynesville, NC 28786**

Mr. Coble owns several businesses in the Town, and he expressed his concerns that he does not see a clear direction or transparency regarding the DWA. He is in support of a bid process and he feels that a lot more can be done with the money that the DWA has. Mr. Coble gave examples including the painting on Wall Street. He said he appreciates the DWA and they have done a good job in the past, but a fresh approach and direction needs to be taken now to make sure that financially businesses are taken care of downtown.

Town Attorney Bill Cannon closed the Public Hearing at 7:40 pm.

Alderman Chuck Dickson said that if anyone wished to provide written comments, to turn them in to the Town Clerk Eddie Ward at 16 South Main Street.

Alderman Anthony Sutton asked the staff to obtain minutes from the DWA meetings for the last five years so they can be included in the RFP.

A motion was made by Alderman Anthony Sutton, seconded by Alderman Julia Freeman to instruct staff on specific topics that should be included in Request for Proposals. The motion carried unanimously.

6. Public Hearing for the expansion of Industry- Sonoco
 - Town Manager, Rob Hites

Town Attorney Bill Cannon opened the Public Hearing at 7:43 pm and asked if anyone wished to speak.

Town Manager Rob Hites explained that Sunoco has approached the Town and County to request economic expansion incentives to construct an additional production line. The new line will provide employment for fifteen employees at an average salary of \$17.63 per hour. He added that the Corporation will also provide health insurance and other benefits to the new employees.

Manager Hites referred the Board to a spread sheet showing two options for incentives based on the property taxes paid on the new equipment. The incentives are considered a "grant" not a "rebate". The additional property tax that an industry pays after an expansion is simply the "basis" for the incentive grant. The grant is to encourage the Company to invest \$2.6 million in new equipment that would depreciate over the five- year incentive period. He said that Based on the County's economic development policy, they would award Sunoco a 50% grant based on their projected ad valorem tax bill. The Town would offer an 80% grant based on their

policy. In addition to additional ad valorem taxes the Town would benefit from additional electric, water, and wastewater revenue.

Town Attorney Bill Cannon closed the Public Hearing at 7:50 pm.

A motion was made by Alderman Jon Feichter, seconded by Alderman Anthony Sutton, to approve the grant of up to \$36,425.00 in five annual installments based on the Corporations Ad Valorem tax payments from input from Public "In Accordance with NC GS 158-7.1 and 7.2." The motion passed unanimously.

E. NEW BUSINESS

7. Adjusting part time pay

- Brittany Angel , HR Specialist

Ms. Brittany Angel, HR Specialist explained to the Board that part time salaries have not been raised in four years. She said that we are struggling to get applicants for full time and part time when other places are paying up to \$15.00 per hour. She presented the Board with a proposed adjustment to the part time salaries.

PART-TIME PAY ADJUSTMENTS						
	CURRENT CLASS MINIMUM	CURRENT CLASS MAXIMUM	PROPOSED CLASS MINIMUM	PROPOSED CLASS MAXIMUM	TOTAL ADJUSTMENT	
FIRE						
Fire Fighter-PT	\$12.50	\$14.50	\$13.50	\$15.50	+ \$1.00/hour	
PARKS & RECREATION						
Child Care Aid	\$9.00	\$11.00	\$11.00	\$13.00	+ \$2.00/hour	
Customer Service Rep-PT	\$9.00	\$11.00	\$11.00	\$13.00	+ \$2.00/hour	
Fitness Instructor*	\$15.00	\$20.00	\$15.00	\$20.00	NO CHANGE	
Lifeguard-PT	\$10.00	\$12.00	\$12.00	\$14.00	+ \$2.00/hour	
Maintenance Worker-PT	\$10.00	\$12.00	\$11.00	\$13.00	+ \$1.00/hour	
Recreation Aid - (Programs)	\$9.00	\$10.00	\$9.00	\$10.00	NO CHANGE	
Referee	\$15.00	\$15.00	\$15.00	\$15.00	NO CHANGE	
Scorekeeper	\$8.50	\$8.50	\$8.50	\$8.50	NO CHANGE	
Summer Camp Assistant	\$9.00	\$10.00	\$10.00	\$11.00	+ \$1.00/hour	
Lead Summer Camp Assistant	\$10.00	\$11.00	\$11.00	\$12.00	+ \$1.00/hour	
Umpire	\$20.00	\$20.00	\$20.00	\$20.00	NO CHANGE	
POLICE						
Crossing Guard	\$8.00	\$8.50	\$9.00	\$10.00	+ \$1.00(.50)/hour	
Telecommunicator-PT	\$12.00	\$13.00	\$13.00	\$14.00	+ \$1.00/hour	
Police Officer-PT	\$14.00	\$15.25	\$15.00	\$16.25	+ \$1.00/hour	
PUBLIC SERVICES						
Maintenance Worker-Seasonal	\$10.00	\$11.00	\$11.00	\$12.00	+ \$1.00/hour	
ALL DEPARTMENTS OTHERWISE						
Intern**	\$10.00	\$20.00	\$10.00	\$20.00	NO CHANGE	
Retirees Returning to Work PT***	No Minimum	Calculated Rate	Calculated Rate	Calculated Rate	NO CHANGE	

Part-time and seasonal employees may receive \$0.25/hr additional wage adjustments for each year of consecutive employment in the same position up to the maximum for the class, except where the minimum and maximum are fixed at the same rate.

*Fitness instructors shall be paid \$15/hr with the Town paying for certifications, or they may be paid up to \$20/hr upon recommendation by the Department Head if they pay for their own certifications

**The hiring of interns, and rate at which they are hired, requires prior approval of the Town Manager

***The hiring of retirees to provide part-time or occasional assistance, and the rate at which they are re-hired requires prior approval of the Town Manager

A motion was made by Alderman Anthony Sutton, seconded by Alderman Julia Freeman, to approve the proposed increase in part-time pay. The motion carried unanimously.

8. Award of Janitorial Contract

- Julie Grasty, Asset Services Manager

Julie Grasty, Asset Services Manager, told the Board that in December of 2020 the Town had contracted with HyTech Professional Cleaning to provide Janitorial Services through May 15, 2021. An RFP was sent out to eight

firms and only one firm requested a walk-thru of Town facilities. Two bids were received on April 7, 2021 with HyTech being the lowest bidder.

Alderman Feichter asked Ms. Grasty if there had been any problems with HyTech. Ms. Grasty answered that there had been a few problems in the past, and that she had gone over with the owner what is expected of them.

Alderman Sutton asked if it would be possible to renew the contract for one year instead of two.

A motion was made by Alderman Jon Feichter, seconded by Alderman Anthony Sutton, to award the Janitorial Contract to HyTech Professional Cleaning at an annual cost of \$62,328.00 with the contract ending June 30, 2022. The motion carried unanimously.

9. Commercial Container/Garbage Truck(s)
 - Jeff Stines, Public Services Director

Jeff Stines, Public Services Director, explained to the Board that the container trucks in our fleet are nearing the end of their service expectation. Mr. Stines is asking that because of the aging trucks, along with the decreasing number of commercial customers, to discontinue service to commercial dumpster customers and to sell the surplus of dumpsters, and two container trucks. He suggested giving the current customers until the new fiscal year to find another contractor to supply this service.

A motion was made by Alderman Julie Freeman seconded by Alderman Jon Feichter to discontinue this service to the commercial dumpster customers that currently use this service and to sell the surplus of dumpsters we have as well as the two container trucks. Giving the current customers until the new FY to find another contractor to supply his service. The motion carried unanimously.

F. COMMUNICATIONS FROM STAFF

10. Manager's Report
 - Assistant Town Manager, Jesse Fowler

Assistant Town Manager Jesse Fowler told the Board that in the past several weeks the Town has received many complaints concerning utility bills. These complaints were centered around the bills that were received in April for March consumption. He said that in February the hand-held radio-read devices malfunctioned, and to fix the issue the manufacturer Neptune was called. At that point we were told that the devices required a software update, and when installed, all read data for the month of February was deleted. To continue the billing process, the billing for electric was estimated and caused lower bills in February. Actual reads in March made up for the difference, resulting in much higher bills.

Assistant Manager Fowler said that over a 90-day period the bills are accurate, even though the high bills were shocking. He offered two solutions to help alleviate having to pay the high bills in one payment.

1. These bills are indeed calculated based on true readings of consumption. Because of this, we could still charge our electric customers the amount they paid for the same period in 2020, but we would divide the

difference between that bill and the 2021 bill over 6 months on top of their normal bills.

2. A second option is to charge every electric customer the price of the bill they paid in 2020. This will result in the Town forgiving the difference between the customer's 2020 bill and their 2021 bill. The cost of this forgiveness is approximately \$177,751. We are unsure if this option is legal because, per statute, a municipality is not allowed to forgive electric bills. To remain compliant, we would be required to pass a budget amendment from the General Fund Balance into the Electric Fund for that approximate amount of \$177,751. We will be in contact with our auditors to assess whether this option is legal.

Alderman Jon Feichter asked how confident we are in stating that only the February, March and April are the only months that have been affected by this malfunction. He stated that he would like to make 100% sure that there aren't any previous months that are incorrect.

Alderman Chuck Dickson stated he felt that the customers should be charged for exactly what they used and give customers a certain time frame to pay. First, apologize to the customer and then send a letter or some type of information to customers explaining what has happened with these bills.

Mayor Caldwell suggested that the meters be read manually for two months as well as with the handheld devices so people will feel comfortable with the readings that are input for electric.

Alderman Anthony Sutton said he would like to have an outside firm to conduct an audit of the system to make sure it is completely accurate.

A motion was made by Alderman Anthony Sutton, seconded by Alderman Jon Feichter, to engage a third party to review electric bills. The motion carried unanimously.

Manger Hites stated that in this year's budget they have several million dollars of capital requests that have been put aside for two years. He explained to the Board that the tax neutral rate is 41 and the current tax rate 49.57, and if he knew how much money the staff would be allowed to use of the 2.97 ARP money, that money could be used to offset capital purchases. He said he and Finance Director Autumn Lyvers need to know if some of the money can be used, they can complete this year's budget. The first part of this money (1.5 Million) will be available on May 11th, 2021 and the second allotment will be on May 2022. All the money needs to be spent by December 31, 2024.

There was much discussion about what items to spend the money on.

Finance Director Autumn Lyvers stated the printer equipment that is being used to print the "post card" type of utility bills is outdated and are constantly needing repair. She has been working with a third party to program a trifold utility bill using the date out of the current Munis system. They will print and mail the bills for the Town. Another advantage to this type of bill is that information can be printed on the back such as a newsletter.

A motion was made by Alderman Anthony Sutton, seconded by Alderman Chuck Dickson, to convert to the new billing process for utility customers. The motion carried unanimously.

11. Town Attorney Report

- William Cannon, Town Attorney

Town Attorney William Cannon had nothing to report.

G. COMMUNICATIONS FROM THE MAYOR AND BOARD

Alderman Feichter reminded everyone of the community wide clean up on Saturday May 1, 2021.

H. CLOSED SESSION

A motion was made by Alderman Anthony Sutton seconded by Alderman Julia Freeman to enter closed session at 9:01 pm to preserve attorney client privilege and discuss with the Town Attorney matters concerning potential land acquisition under NCGS §143-318(a)(3) and matters concerning possible judicial action NCGS §143-318(11)(3). The motion carried unanimously.

I. OPEN SESSION

A motion was made by Alderman Anthony Sutton and Seconded buy Alderman Chuck Dickson to return to open session at 9:33 pm. The motion carried unanimously.

J. CLOSED SESSION

A motion was made by Alderman Anthony Sutton and Seconded by Julia Freeman to enter closed session at 9:33 pm to preserve attorney client privilege and discuss with the Town Attorney matters concerning the purchase and improvement of property for the location of industry NC GS §158.7.1(b). The motion carried unanimously.

K. OPEN SESSION

A motion was made by Alderman Julia Freeman and seconded by Alderman Anthony Sutton to return to open session at 9:46 pm. The motion carried unanimously.

A motion was made by Alderman Anthony Sutton and seconded by Alderman Chuck Dickson for the Town of Waynesville to be included by name in the lawsuit between Tokio Marine HCC and Standard Coffee in order for Tokio Marine HCC to recoup the payments made for repairs to the Municipal Building.

I. ADJOURN

With no further business, a motion was made by Alderman Anthony Sutton, seconded by Alderman Julia Freeman, to adjourn the meeting at 9:48 pm. The motion carried unanimously.

ATTEST:

Gary Caldwell, Mayor

Robert W. Hites, Town Manager

Eddie Ward, Town Clerk