

MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN

Regular Meeting

May 24, 2022

THE WAYNESVILLE BOARD OF ALDERMEN held a regular meeting on Tuesday May 24, 2022 at 6:00 pm. 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 Jon Feichter
Alderman Anthony Sutton
Alderman Chuck Dickson

The following staff members were present:

Rob Hites, Town Manager
Jesse Fowler, Assistant Town Manager
Eddie Ward, Town Clerk
David Adams, Police Chief
Joey Webb, Fire Chief
Misty Hagood, Finance Director
Jeff Stines, Public Services Director
Olga Grooman, Planner

Town Attorney Martha Bradley was absent.

The following media representative was present:

Becky Johnson, Mountaineer
Cory Valliancort, Smoky Mountain News

1. Welcome/Calendar/Announcements

Mayor Gary Caldwell welcomed everyone and reminded the Board of the following events: Summer Resource Fair on Wednesday May 25, Spring Block Party, May 28, and Main Street Mile on June 11. He reminded everyone that Town Offices will be closed on Monday May 30 in observance of Memorial Day.

B. PUBLIC COMMENT

Several members of the audience spoke concerning Public Comments at Town Board Meetings including:

Trudy Schmidt
Kay Miller
Wanda Brooks

Raife Davis also spoke concerning low barrier shelters.

Sherry Morgan included Ordinances changes, Public Hearings, and Low Barrier Shelters

Scott Wilson and William Hite commented on House Bill 998 requiring all municipal and School Board elections in Haywood County be made partisan.

Paul Yeager commented on the 65% rule for traffic calming devices.

C. ADDITIONS OR DELETIONS TO THE AGENDA

Alderman Chuck Dickson read two Resolutions to the Board and asked they be added to the agenda for approval.

Alderman Chuck Dickson made a motion, seconded by Alderman Jon Feichter to approve Resolution R-10-22 in opposition of House Bill 998, an act requiring that Municipal Elections and Board of Education be conducted on a partisan basis in Haywood County. The motion passed unanimously.

A motion was made by Alderman Anthony Sutton, seconded by Alderwoman Julia Freeman, to approve Resolution R-11-22 requesting the Haywood County delegation to the N. C. General Assembly seek funding for a new fire station. The motion passed unanimously.

Alderman Jon Feichter asked to address some of the comments concerning limiting Public Comment. He said the Board has taken the stand that a Public Hearing will be held even when it is not required. He said that no Board member is limiting public comments.

D. CONSENT AGENDA

All items below are routine by the Board of Aldermen and will be enacted by one motion. There will be no separate discussion on these items unless a Board member so requests. In which event, the item will be removed from the Consent Agenda and considered with other items listed in the Regular Agenda.

- i. Adoption of minutes of the May 10, 2022 regular meeting

A motion was made by Alderman Anthony Sutton, seconded by Alderwoman Julia Freeman, to approve the Consent Agenda as presented. The motion passed unanimously.

E. PROCLAMATION

2. National Public Works Week
 - Mayor Gary Caldwell

Mayor Gary Caldwell stated that May 15th - 21st is National Public Works Week. He read a Proclamation "Ready and Resilient" in observance of the week and thanked the Public Works employees for the dedicated and hard work they do each day.

F. PRESENTATION

3. Retirement of Detective Tim Shook
 - Police Chief David Adams

Police Chief David Adams told the Board that Detective Tim Shook will be retiring from the Waynesville Police Department with 12 years of service as a part-time investigator and a combined 48 years in law enforcement. The Board recognized Detective Shook for his dedicated service to this community and thanked him for sharing with the Waynesville Police Department his knowledge and experience of many years.

4. TDA 1% Zip Code Funding Mid-Year Report for 28785/86

- Lynn Collins. TDA Executive Director

Ms. Lynn Collins presented the Board with the updated information in the TDA 1% Zip Code Mid-Year report. She reviewed the 3% net Occupancy Tax reports for 2021-2022 and the 1% Net Occupancy Tax report for 2021-2022. The TDA is currently on track to hit three million dollars in Occupancy Tax in 2022.

Ms. Collins said that in January of 2022 the highest number ever recorded was for vacation rentals. Hotels and motels were hit hard during COVID, but those numbers are trending back upward. In April of 2021 there were 224 listings for Air B & B, and in April 2022 there were 318 listings for the 28786-zip code.

She explained the Haywood County POI Dashboard report from Arrivalist, a company that uses pixels to track activity of visitors to the area. This program can track everything that a visitor does and where they go while they are here. In downtown Waynesville the program shows that in 2021 there were 256,335 visits with an average time spent 2.3 hours. The average nights spent was 2.6, and the average distance traveled was 330 miles. This information helps with the TDA marketing.

Ms. Collins shared the marketing ideas for Visit NC Smokies with the “Haywood would you like” logo. With these logos there is information specifically about Waynesville, Maggie Valley, and Haywood County. She said the Wayfinding signage was in the second phase of placement with a completion date of June 30.

The One Time Project Fund consists of \$500,000.00 and is designed to encourage creation or expansion of capital projects that will showcase Haywood County’s unique offerings and attract visitors from outside a fifty-mile radius. This is done through a grant process for municipalities and county governments. She said eight grant requests had been received, and the TDA will review the grants and will be approved at the June Board meeting.

5. Request for waiver of 65% rule for traffic calming device petitions

- Christine Kavanaugh

A traffic study was completed by J. M. Teague on East Street, and the area qualified for step 2 which is petition of property owners. Ms. Kavanaugh was sent a list of 27 properties that required 65 % of the signatures for the petition. She submitted a list bearing the signatures of 9 property owners and 6 emails (not signatures) stating their support for the devices, meaning that Ms. Kavanaugh is two signatures short if the emails are considered the same as a signature.

Ms. Kavanaugh spoke to the Board asking for a waiver of the Board's policy, stating that there are so many rental properties with absentee landlords on the street and some of the property owners would not return her calls.

There was much discussion concerning the number of signatures and whether to accept the emails in lieu of signatures.

A motion was made by Alderman Anthony Sutton, seconded by Alderman Jon Feichter, to waive the requirement for 65% of property owners and permit emails in lieu of signatures, only in this case, because of known speeding in the area, and add East Street to the list of streets approved for traffic calming devices. The motion passed unanimously.

G. PUBLIC HEARING

6. Public Hearing to consider a request for Annexation for property at 1184 Camp Branch Road, Waynesville, NC 28786, PIN 8614-34-4314.

- Olga Grooman, Planner

Planner Olga Grooman stated that the Town had received a petition for Annexation for the property located at 1184 Camp Branch Road owned by Billy and Hazel Sorrells. The property is 0.57 acres and is within the Town's extra-territorial jurisdiction. The petition for annexation is due to a failed septic tank. At the April 26, 2022 Board of Aldermen meeting, the Board approved the extension of the Town sewer line for the property before the annexation hearing, so the property now has access to both Town water and sewer.

Mayor Caldwell opened the Public Hearing at 7:17 pm and asked if anyone wished to speak.

Mr. Billy Sorrells, owner of the property, thanked the Board and staff for the hard work they had done, and was very complimentary of the water and sewer department.

Mayor Caldwell closed the Public Hearing at 7:19 pm.

A motion was made by Alderman Chuck Dickson, seconded by Alderman Anthony Sutton, to adopt Ordinance No. O-18-22 to extend the corporate limits of the Town of Waynesville, NC at 1184 Camp Branch Road PIN 8614-34-4314. The motion carried unanimously.

7. Public Hearing to consider the 2022/2023 Fiscal Year Budget

- Town Manager Rob Hites

A motion was made by Alderman Anthony Sutton, seconded by Alderman Chuck Dickson to open the Public Hearing at 7:22 pm. The motion passed unanimously.

Finance Director Misty Hagood presented the Fiscal Year Budget to the Aldermen. The total Budget is \$35,318,174.00 with the General Fund being \$17,377,874.00, Water Fund \$4,054,300.00, Sewer \$3,740,138.00, and Electric \$10,045,862.00. She reviewed revenues and decreases due to COVID. The budget proposes to increase the tax rate by 2¢ and increase residential garbage rates by \$1.00 per month.

In reviewing the General Fund expenditures, she said the largest was Public Safety, which included Police and Fire, with Streets and Sanitation being the second highest. There is a decrease in Special Appropriations because of the new Downtown Waynesville Advisory Committee department.

Ms. Hagood said she is proposing a 2% COLA beginning July 1st for all employees, 60% of the remaining Pay Compensation Plan to employees who qualify and continue the 2% and 5% Career Track compensation for employees. She gave an overview of the Enterprise Funds, and due to increases in supplies for the water, sewer, and electric, Ms. Hagood proposed to use \$330,000.00 in ARP funds for capital needs. This includes \$300,000.00 for meter changes from manual reads to radio reads. Also proposed is a 3% rate increase for water, but not including the base charge. She suggested using \$240,000.00 in ARP funds for infiltration mitigation and setting aside \$300,000.00 for a sewer slip lining project. A 10% increase is proposed to prepare for the debt service payments on the Wastewater Treatment Plant upgrades. The Electric Fund has seen the largest increases in supplies (50% - 100%) from previous years. A rate increase of 5% for electric is proposed to cover the increase in the cost of supplies. Included in the budget is \$60,000.00 for an AMI Study for the electric meters.

Alderman Jon Feichter stated he would like to take an aggressive action to avoid getting farther behind with the Town's capital needs by starting the process of obtaining a bond. Manager Hites explained that the process is easy by packaging several capital requests into one amount, but the question is how much the Waynesville economy can handle in terms of debt service, because it could entail up to a 12¢ tax increase.

Alderman Anthony Sutton stated that if taxes are not raised, and do not stay within the 42% as stated by the League of Municipalities, the Town could not get a favorable loan. He said he felt that the Board needs to have a definite list of what all the capital needs are.

There was much discussion about capital needs and wants, and how to proceed in determining what the critical needs are, what it would cost to finance those needs, and what the Town will need in the upcoming years.

Alderman Feichter said that he was interested in increasing the collection percentages by increasing the late payment penalty in the Electric Fund, and how Waynesville's collection compares to other Electric Cities. Ms. Hagood stated that 4% of the electric customers in the Town are behind with their bills. She said that second disconnect notices will be sent out soon.

Three people spoke during the Public Hearing:

Mr. John Baus asked how long it would take to receive money that has been requested from the government for payment on the new Fire Station. Manager Hites explained that it could be the beginning of next year, but he was not expecting to start on the Fire Department before April of 2023.

Scott Wilson stated he agreed with Alderman Sutton about the need to be conservative.

Wanda Brooks told the Board that the Budget needed to be conservative because of the high cost of everything, and how hard it has hit people.

A motion was made by Alderman Anthony Sutton, seconded by Alderman Chuck Dickson to close the Public Hearing at 8:05 pm. The motion passed unanimously.

Alderman Chuck Dickson and Alderman Feichter expressed that they would like to make sure there would be no tax rate increase in this budget. Alderman Feichter asked that electric or water rates not be increased as well. He said that the problems that occurred last winter with the water and electric bills cause a hardship on many citizens, and that was not a fault of their own.

Alderman Anthony Sutton stated that because some of the funds are being used to fix the issue that caused the problems last year, unfortunately that calls for rate increases. The root of the problem was the manual readers, and \$300,000.00 has been designated for radio readers.

Alderman Chuck Dickson said he knew the sewer rates would need to be raised, but with the water rates the base rate is not being raised. People who use small amounts of water will not see an increase. He asked that the same be done for the electric rates – set a base rate that would be fair to everyone.

Ms. Hagood said that if there were no increases now, that next year there will have to be larger increases. Ms. Hagood recommended cutting the recycle truck from the budget, and possibly finance it next year along with several other vehicles the Public Services Department is requesting.

Alderman Jon Feichter asked if the Town needs to increase the rate for the MSD from 19¢ to 20¢ to avoid taking money from the General Fund to supplement the Downtown Waynesville management of the MSD. Alderman Anthony Sutton stated that instead of increasing the rate for the MSD, properties needed to be added to the MSD.

Alderman Julia Freeman reminded the Board that the TDA had \$500,000.00 available funds in grant money and the Town had only applied for \$25,000.00 of that money. That is a great opportunity for the Downtown Waynesville Advisory Committee to look at alternative funding versus raising the MSD rate.

Alderman Chuck Dickson asked that donations and contributions be cut from \$150,000.00 to \$100,000.00. Alderman Sutton agreed.

A motion was made by Alderman Chuck Dickson, seconded by Alderman Julia Freeman, that the budget be revisited and presented at the June 14, 2022 Board meeting with no tax increases. The motion carried with four Ayes (Alderman Chuck Dickson, Alderman Julia Freeman, Alderman Jon Feichter, Mayor Gary Caldwell) and one nay (Alderman Anthony Sutton.)

Alderman Dickson asked that several options be brought before the Board concerning the lowering of Special Appropriations.

Break from 8:25 – 8:35.

H. NEW BUSINESS

8. Automatic Aid Agreement
 - Joey Webb, Fire Chief

Fire Chief Joey Webb explained to the Board that the Waynesville Fire Department has Automatic Aid agreements with Maggie Valley Fire Department, Saunook Fire Department, and Center Pigeon Fire Department. Chief Webb said he would like to contract with Lake Junaluska Fire Department as well. The agreement will help the Fire Department with the NC Department of Insurance rating for homeowners, as well as access to water and equipment if needed.

A motion was made by Alderwoman Julia Freeman, seconded by Alderman Anthony Sutton, to approve the automatic aid agreement between the Junaluska Community Volunteer Fire Department and the Town of Waynesville Fire Department. The motion passed unanimously.

9. Budget Amendment to account for the December 2021 refinancing on Fire Station 1
 - Misty Hagood, Finance Director

Ms. Hagood stated that a budget amendment was needed to account for the refinancing of Fire Station 1 that closed in December 2021. The amendment will cover the transactions to pay off the USDA loan, pay the attorney that represented Truist Bank, and pay for the Town's bond attorney.

A motion was made by Alderman Anthony Sutton, seconded by Alderman Chuck Dickson, to approve Ordinance No. O-20-22 in the amount of \$1,679,109.63 for refinancing on Fire Station 1. The motion was approved unanimously.

10. Budget Amendment to account for the May 10, 2022 refinancing on the Public Works building and financing the land for Fire Station 2 and a new fire truck
 - Misty Hagood, Finance Director

This budget amendment is to account for the refinancing of the Public Works building and financing of the land for Fire Station 2 and a new fire truck that closed in May 2022. The amendment will cover the transactions to pay off the Truist loan for the public works building, the funds we received to reimburse ourselves for the land we purchased for Fire Station 2, the funds for the new fire truck and equipment, pay the attorney that represented JPM-Chase, and pay our bond attorney.

A motion was made by Alderman Chuck Dickson, seconded by Alderman Anthony Sutton, to approve Ordinance O-20-22 Amendment No. 25 to pay off the Truist loan for the public works building, the funds we received to reimburse ourselves for the land we purchased for Fire Station 2, the funds for the new fire truck and equipment, pay the attorney that represented JPM-Chase, and pay our bond attorney. The motion passed unanimously.

11. Establish a capital projects fund to account for the Walnut Street/Russ Avenue Improvements

- Misty Hagood, Finance Director

Ms. Hagood requested to establish a capital project fund for the Walnut Street and Russ Avenue improvements since it will take place over a period of several years. A capital project fund is easier to manage for a multi-year project because it does not close out at the end of the fiscal year. Any capital funds in the Electric Fund that are left in the FY22 budget will be transferred to the project. She estimated that there will be around \$250,000 to transfer to the project fund on June 30, 2022. Part of the town funds had to be used that were budgeted this year to cover the increase in the price of the lights for the roundabout. This did not include a transfer to the project fund in the FY23 budget. Because of the estimated timing the additional funds will be budgeted in the FY24 budget.

A motion was made by Alderman Anthony Sutton, seconded by Alderman Chuck Dickson, to approve Capital Project Ordinance O-21-22 for the Walnut Street/Russ Avenue Improvements. The motion passed unanimously.

12. Update of Grant Project Ordinance for the ARP Funds

- Misty Hagood, Finance Director

Ms. Hagood asked for the Board of Aldermen to update the Grant Project Ordinance to amend the budget amounts for the following:

- Fire Vehicles increase by \$2,250 for tax and tags on 2 vehicles
- Garbage cans increase by \$1,141 for variation prices from original estimates
- Pigeon Street water project increase by \$218,000 recommend using ARP funds for increase from estimate instead of General Fund Balance that was originally approved

A motion was made by Alderman Chuck Dickson, seconded by Alderwoman Julia Freeman, to approve the Grant Project Ordinance. The motion passed unanimously.

13. Budget Amendment to use Unauthorized Substance Tax Distribution Funds to purchase new equipment for patrol officers

- Chris Chandler, Senior Lieutenant

Lt. Chandler stated that the Town of Waynesville has a deferred revenue balance of \$28,545.95 from funds received for the Unauthorized Substance Tax Distribution program of the Town of Waynesville. These funds are received to purchase equipment and materials deemed necessary by the Waynesville Police Department. The Police Department asked to use these funds to purchase three new IDEMIA Morpho Ident mobile fingerprint scanners to be used by patrol officers on patrol. These fingerprint scanners provide immediate proper identification using the Automated Fingerprint Identification System.

14. Request approval to use the remaining ARP Funds from FY2021-22 allocated to the Police Department for vehicles, to purchase a UTV Polaris

- Chris Chandler, Senior Lieutenant

The Waynesville Police Department has been allocated ARP funds in FY2021-2022 to purchase and equip vehicles. Lt. Chandler said the Department realized that there was a need for a UTV to be utilized at parades, festivals, and other large crowd gatherings in Waynesville. This would allow more mobility in confined areas resulting in a more rapid response to emergencies commonly associated with these gatherings.

A motion was made by Alderman Anthony Sutton, seconded by Alderwoman Julia Freeman, to approve available ARP funds from the FY 2021-2022 to purchase a UTV Polaris. The motion passed unanimously.

15. Resolution Supporting an increase in the State Revolving Loan for the WWTP

- Town Manager Rob Hites

Manager Hites explained to the Board that the Town and McGill and Associates are following the guidance of DENR’s Division of Environmental Infrastructure (DEI) to fund the cost overruns in the Wastewater Treatment Plant. Their advice is to request an additional \$5 million loan to supplement the \$19,454,000 loan that the LGC has already approved while at the same time applying for a \$15 million dollar ARP grant earmarked for “Distressed Communities”. The loan by itself will not fully cover the cost of the plant. It will take a substantial grant to permit the plant to be constructed. The Division of Environmental Infrastructure and the Western Division of the regulatory division of DENR the Division of Environmental Quality must approve the design and bids for the project to move forward. The purpose of this resolution is to support the Town’s application to both DEI and the LGC to approve the five million dollar loan. We will not know if some or all the loan will be necessary to fund the improvements to the plant until we are notified of our grant amount.

Mr. Joel Storrow of McGill explained the tentative award for the Wastewater Treatment Plant Improvements to Harper Construction that is required by DWI. The tentative timeline for construction is for a preconstruction conference in August, and the construction possibly in September 2023.

A motion was made by Alderman Anthony Sutton, seconded by Alderman Chuck Dickson, to approve Resolution R-09-22 supporting the Town’s application for a \$5 million increase in the State Revolving Fund (SRF) Loan amount and to grant a tentative award to Harper Construction in the amount of \$24,019,200.00. The motion passed unanimously.

H. COMMUNICATION FROM STAFF

Manager’s Report

- Rob Hites, Town Manager

17. Skate Park Pavilion

- Assistant Manager Jesse Fowler

Assistant Manager Jesse Fowler reported on the proposed skate park pavilion. He stated there was only one bid for the pavilion at \$104,000.00. After sending the bid out once more, there was only one bid from the same contractor as before, and price was much higher for the second bid. Assistant Manager Fowler said the options were to retract the bid and send out another RFP, pursue other options with a redesigned plan, or put the plan on hold and wait for the economy to change.

A motion was made by Alderman Chuck Dickson, seconded by Alderwoman Julia Freeman, to withdraw the RFP, and continue to investigate alternate means of construction. The motion passed unanimously.

As of June 30, 2022 several Board and Commission members will have reached the time limit for their terms. Assistant Manager Fowler reminded the Board that at the July 27, 2021 the Board voted to interview all applicants for the Statutory Boards (Planning Board, Board of Adjustment, ABC Board, and Waynesville Housing Authority.) He said the original motion read that all Board members will interview applicants.

There was much discussion concerning how to conduct the interviews and what questions to ask. The consensus of the Board was to wait until all applications are received, and then communicate on dates and times for the interviews.

18. Rules and Procedures

Due to the absence of Town Attorney Martha Bradley, the presentation of Rules and Procedures will be placed on the June 14, 2022 agenda.

J. COMMUNICATIONS FROM THE MAYOR AND BOARD

There were no comments.

K. ADJOURN

With no further business, a motion was made by Alderwoman Julia Freeman, seconded by Alderman Anthony Sutton, to adjourn the meeting at 9:02 pm. The motion carried unanimously.

ATTEST:

Gary Caldwell, Mayor

Robert W. Hites, Jr. Town Manager

Eddie Ward, Town Clerk