

MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN
SPECIAL MEETING - RETREAT
May 2, 2022

THE WAYNESVILLE BOARD OF ALDERMEN held a Special Called Meeting on Monday May 3, 2022 at 5:30 p.m. at the Municipal Building Training Room located at 16 South Main Street, Waynesville, NC.

A. CALL TO ORDER

Mayor Gary Caldwell called the meeting to order at 5:33 pm with the following members present:

Mayor Gary Caldwell
Alderman Jon Feichter
Alderman Chuck Dickson
Alderman Anthony Sutton

Mayor Pro Tem Julia Freeman was absent.

The following staff members were present:

Town Manager Rob Hites
Assistant Town Manager Jesse Fowler
Town Clerk Eddie Ward
Town Attorney Martha Bradley
Assistant Fire Chief Chris Mehaffey
Police Chief David Adams
Assistant Police Chief Brandon Gilmore
Parks and Recreation Director Rhett Langston
Development Services Director Elizabeth Teague
Public Services Director Jeff Stines
Finance Director Misty Hagood

The following media representatives were present:

Vicky Hyatt – The Mountaineer
Cory Vaillancort – Smoky Mountain News

B. Review of proposed General Fund Budget

1. General Fund Revenue Highlights
2. General Fund Capital Requests

Town Manager Rob Hites thanked everyone for attending the meeting. He said he wanted to give an overview of the preliminary budget with the Board and Department Heads in the event there needed to be changes before the May 24 Board of Aldermen meeting. He asked Finance Director Misty Hagood to go over the revenues and expenditures and encouraged the Board to ask questions.

Ms. Hagood reviewed the proposed 2022/2023 proposed budget stating decreases in the following areas:

❖ Recreation revenues due to COVID =	\$275,900.00
❖ Commercial Sanitation since stopping dumpster service =	\$174,000.00
❖ Utility Franchise Tax =	\$ 99,400.00

Increases were shown in the following areas:

❖ Sales Tax (budgeting 5% increase from current actual) =	\$568,620.00
❖ Fire Taxes in outside districts =	\$ 92,000.00
❖ Residential Sanitation is monthly fee goes up \$1.00 =	\$ 45,000.00

Ms. Hagood said that at this point, we are asking for a two-cent property tax increase, which will amount to \$304,000.00, which would bring the rate to .4592/\$100.00. With this proposed budget the General Fund would increase 1.1% or \$191,261.00.

General Fund Capital Requests

Alderman Anthony Sutton asked about the App for the Police One Application and said he would like to see that added to the Police Department requests. Chief Adams explained the App could be installed on phones and is free to the public. It can be used to send out alerts for water outages, arrests, weather related items, searches, road closures, employee directory and many other police alerts. Alderman Sutton said this would be a transparent way for the public to know what is going on. He said the start-up cost would be \$15,000.00 for the first year, and \$4000.00 annually.

Alderman Jon Feichter inquired about the solar installation at the Recreation Center. Manager Hites said this was a General Fund Expense, and we just did not have the revenue, unless it is taken out of the Fund Balance. There was discussion concerning the possibility of starting with a smaller project, such as one of the other Town buildings, and placing the solar on the ground. Manager Hites suggested adding solar panels, or solar roofing to the RFP for the new Fire Station. Alderman Dickson said he would like to look for grants to help with the cost of solar projects.

Chief Adams explained to everyone about the Tsunami 360 Surveillance Camera. He said it was a set of 3 mobile cameras that can be used all over Town and has live feed. They would be excellent for festivals, events, and problem areas. The cameras are fed through the Verizon network. Alderman Feichter said he would like to move forward with the Tsunami cameras. The Board discussed the need for the upgrade of the cameras in the cemetery. The consensus of the Board was to proceed with both items.

C. Proposed Salary Increases

1. Proposed implementation of remaining pay plan
2. Proposed cost of living adjustments

Finance Director Hagood told the Board that inflation for the last 12 months ending in March of 2022 is 8.5%. She proposed a 2% COLA for all employees as of July 1, 2022. The remaining 60% of the Pay Plan is proposed for January 1, 2023. Assistant Manager Fowler stated that if an employee is above the midpoint of their current position, they will not receive any money. He added that the Police Department would not be receiving the Pay Plan Compensation in January because they had received so much more when the last compensation was distributed in September, but they will receive the 2% COLA. All employees will still be eligible for the 2% - 5% career track. Alderman Feichter asked that he receive a report of what percentage of employees will receive the 60% compensation.

Alderman Feichter asked about the installation of smart meters for the Finance Department. He is very concerned about the length of days in the billing cycles in electric and water bills that are sent out. Manager Hites explained that \$60,000.00 had been budgeted for a consultant and study, because AMI is a very complex, and it could take many years to complete installation of the meters. He said to convert to the smart meters would be very expensive.

Manager Hites explained how "packaging" some of the capital items that have been requested by the Department Heads, into one loan could be handled. Alderman Feichter said that maybe it is time to look at that possibility with the significant amount of capital projects requested. All the requests seem important, and he does not want to keep pushing things out into the future, so now is the time. The Board would like to see exactly what each department needs, rather than what they are wishing for.

Manager Hites reminded the Board that a "borrowing package" would be in next year's budget.

D. Review of Enterprise Funds

1. Enterprise Funds Highlights
2. Enterprise and Internal Services Funds Capital Requests

Ms. Hagood said that all the utility funds is down from what was budgeted, which could be accounted for in that people are paying more attention to their utility usage, and there has been no cut-offs for utilities since COVID. She said she anticipated to send final letters to customers by the end of May, send out the second cut-off notices, and start cutting them at the first of July. There is potential to make up part of the revenue when that happens.

There has been a big increase in the price of supplies, and because of that Ms. Hagood suggested 3% increase in water rates, 10% increase in sewer rates, and 5% increase in electric rates. She proposed that some of the ARP funds be used for some water and sewer capital. Alderman Chuck Dickson asked if we could increase the gallon rate that is charged in the water utility. He said he would like to see a base charge in the electric rate for everyone that would include a certain number of kilowatt hours. There was much discussion concerning establishing a base rate for residential customers.

E. American Recovery Plan (APR) Review

The allocation of ARP Funds for FY 2022 is \$1,615,955.39. The total budgeted amount is \$1,578,411.00. The second allocation for FY 2023 is expected in late August or early September. She listed several items that she felt the second allocation could be used for, but said she wanted to wait until it is in hand before spending any of it. She said the money had to be spent by December 2026 and be appropriated by December 2024.

F. General Board Discussion

Alderman Chuck Dickson stated he would like to see the proposed \$304,00.00 from the 2-cent tax increase be taken from the General Fund balance instead of raising taxes.

Manager Hites said that the Budget would be presented at the May 10, 2022 Board Meeting and the Public Hearing could be set at that time. Another budget work session can be schedules after that meeting.

G. Other Business

No other business was discussed.

H. Adjourn

A motion was made by Alderman Chuck Dickson, seconded by Alderman Anthony Sutton to adjourn the meeting at 7:18 pm. The motion passed unanimously.

Gary Caldwell, Mayor

Rob Hites, Town Manager

ATTEST

Eddie Ward, Town Clerk