

**MINUTES
REGULAR COUNCIL MEETING
MONDAY, MARCH 20, 2017
TOWN HALL – 6:00 P.M.**

Council Members:

Kyle Fletcher-Mayor
Kenneth Holbrook
Greg Bailey
Tim Boardwine
Harry Kelly
Jason Kilgore
Monty Salyer

Jerry Couch - CVTimes

Others Present:

Debora Baca – Clerk/Treasurer
Julie Hensley – Town Attorney
Jonathan Johnson – Police Chief
Earl Carter – Public Works Director
Kathy Stewart – Main Street
Bob Harrison – IDA Chairman
Glenda Lane – Deputy Clerk
Randy Beckner – Mattern & Craig
Tamara Greear – Thrower & Blanton
Ben Chafin – Chafin Law
Jennifer Baker – Chafin Law

The meeting was called to order by Mayor Fletcher at 6:00 p.m.

Ms. Baca asked to add “Camp 18 MOU” to new business and “Business Challenge Donation” to old business. Councilman Kilgore asked to add “Sidewalks at Baptist Church” under new business. In response to an inquiry by Councilman Boardwine, Ms. Baca noted that a donation request from Rite-Aid for the Children’s Miracle Network was Item #9 on the agenda. Councilman Kelly asked to add “Car Show” to new business. Councilman Holbrook moved to approve the agenda as amended with the addition of several items. The motion was seconded by Councilman Kelly and unanimously approved.

Under public requests and presentations, Main Street Manager Kathy Stewart reported on the priorities of the Strategic Plan resulting from the planning sessions. She gave everyone a handout and encouraged them to review the goals and go online to sign up for something they would be willing to work on to help move the plan forward. She believes the town will be able to accomplish the short term and long term goals that have been established. Ms. Stewart also discussed the upcoming Business Challenge. There are ten participants and the first class is on April 4th. The Business Challenge will run for six weeks and the winner must use the money as an investment in a business in St. Paul. The St. Paul IDA has given \$2,000 for sponsorship and Ms. Stewart asked the Council to consider sponsoring the event as well. She is looking for other sponsorships and private assistance in way of services. Ms. Stewart also inquired about when the restrooms at the Bluebell entrance and Oxbow Lake will be opened. Mayor Fletcher said they will be opened when the warmer season begins. Councilman Salyer noted that the tennis courts and park were both full when he was at the park recently.

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IDA Chairman Bob Harrison announced several upcoming events being held in town: 1) May 6th - Spearhead Trails will allow ATV riders to enjoy the trails without a permit for this one day and Cabela's will be in town showing their ATV's; 2) June 10th - car show will be held on IDA property located in the redevelopment area; 3) June 17th - the Festival will be held outside on Fourth Avenue; 4) June 23rd and 24th - "Blessing of the Bikes and ATV's" will be held on IDA property. Apparently, this event has been very successful at other locations and a large crowd is expected.

Next, Tamara Greear presented the audit report for the fiscal year ending June 30, 2016. Ms. Greear reviewed the financial statements and findings of the 2016 audit. She reported that the town has received a clean opinion, commenting that the town has received a clean opinion for the past several years, but it should not be taken for granted because they often see localities that do not receive an unmodified opinion. A clean opinion is something that granting agencies look at when reviewing the town's audit. She pointed out the additional pages now required, especially regarding pension liability. Ms. Greear discussed their evaluation of internal controls, noting that no significant deficiencies or material weaknesses were found. Last year, two recommendations were made and a risk assessment policy was developed. The auditor suggested monitoring to make sure the policy is followed. The only other recommendation is regarding authorization of purchase orders. Ms. Greear said additional purchase order procedures has been drafted and will be submitted to Council for approval. She noted that the threshold for a single audit has been raised to \$750,000 in federal funding and the Town of St. Paul exceeded that threshold, requiring a single audit for the fiscal year ending June 30, 2016. She reviewed the Statement of Net Position showing a cash position of \$3,855,670. There is a net pension liability that is set by the VRS of \$392,810. The total net position of the general fund is \$6,075,903. The loss on the sale of the Willis Building property is shown as a special item. She discussed the Statement of Activities which shows what it cost to operate each department. The total fund balance for the governmental funds is \$3,905,126 and the net change in the fund balance is \$905,615. The water and sewer fund is a proprietary fund and always shows the capital assets. The total net position in the water and sewer fund is \$8,574,888. There was an operating loss of \$89,650, but a positive change in net position of \$790,623, however, \$916,998 of that was grant revenue. She briefly reviewed the OPEB and pension liabilities and noted that Page 35 and 36 can be very helpful during the budgetary process because it lists the principal and interest payments on the town's debt. The report was concluded and Ms. Greear said there is a document on file in the Treasurer's office stating that they did not receive any outside assistance with the audit and the auditor did not have any conflict with management during the auditing process. She noted that the audit was reviewed in detail with the Finance Committee, but encouraged council members to contact her with any questions they might have after reading through the audit. Councilman Salyer thanked the Town Treasurer and the Finance Committee for their work.

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Mayor Fletcher made the following announcements:

- 1) He thanked everyone that supported the St. Joe's group that was in town for a week. Mayor Fletcher said the kids worked hard and seemed to enjoy their visit.
- 2) Mountain Empire Older Citizens will be holding a Walk-a-Thon and Mayor Fletcher provided a sign-up sheet for anyone wanting to participate. This event is to raise funds for home heating assistance for elderly people.
- 3) The Town of St. Paul received a "Green Locality Award" from Upper Tennessee Roundtable. Mayor Fletcher, Councilman Kelly, and Lou Wallace went to a dinner at UVA Wise to accept the award for improving storm water with the new pavers at the IDA parking lot on Russell Street. Mayor Fletcher thanked Lou Wallace and the group that initiated and worked on getting this "green paver system" project complete. He also thanked the town crew, pointing out the excellent job they did working with a new product and draining process. He also thanked Mattern & Craig for their assistance.

A motion was made by Councilman Holbrook, seconded by Councilman Boardwine, to approve the February minutes as presented. The motion was approved by unanimous vote.

Under the Consent Agenda, Chief Johnson commented that he has added a K-9 report to his monthly police report. Councilman Boardwine asked Chief Johnson to provide a more detailed police report as was done back in 2015. He requested that the report of incidents show what each officer did. Chief Johnson said he can provide that information in his report. He also asked that the K-9 report be continued. Councilman Salyer said he appreciates the K-9 report that Chief Johnson created and suggested that he might go back for the last six months to see how many times the dog has been used. Chief Johnson said he will do a six month report and continue the monthly K-9 report.

Councilman Salyer asked about when the town makes requests to VDOT for paving, noting that the pavement on Longview Drive is busting up. Mayor Fletcher said the asphalt plants are not open yet but requests can be made. Councilman Boardwine thanked the police department and fire department for their quick response on the fire at the Boone residence. Councilman Holbrook moved to approve the Consent Agenda. The motion was seconded by Councilman Kilgore and unanimously approved by a roll call vote.

Old Business:

Councilman Holbrook presented a proposed change in the general leave policy as previously requested by the Council. He explained that the proposed language would still allow employees to donate PTO, but it would be calculated based on the hourly rate of the employee donating the PTO and the employee receiving the PTO. In the proposed change, a couple of examples were provided to show the calculation procedure. Mayor Fletcher commented that it reflects a fair

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equity of value. Ms. Hensley said it should be noted that the calculation is rounded to the nearest quarter hour. Councilman Salyer moved to adopt the policy change with the addition suggested by the Town Attorney. The motion was seconded by Councilman Boardwine and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion carried 6-0.

Councilman Holbrook addressed another proposed personnel policy change that came up from the Finance Committee meeting today. He provided a copy of the proposed policy regarding authorization of purchase orders. Ms. Baca said she drafted this language per the recommendation of the auditor. A motion was made by Councilman Boardwine to approve the purchase order policy. The motion was seconded by Councilman Kilgore and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion carried 6-0.

Ms. Baca reminded the Council that Kelly Miller previously requested permission to install storm drain markers throughout town. A motion was made by Councilman Salyer, seconded by Councilman Holbrook, to give permission to install the markers. The motion passed unanimously.

Ms. Stewart asked the Council last month and again this month to consider sponsoring the Main Street Business Challenge. Ms. Baca said the IDA gave \$2,000 and the winner of the Challenge will receive \$5,000 to invest into opening a new business in St. Paul. Asked by Mayor Fletcher about other sources of funding, Ms. Stewart said right now it is just Main Street. Councilman Bailey moved to sponsor the Business Challenge with a donation of \$3,000. Councilman Kilgore said he thought it should come from promotion/advertising. All agreed and Councilman Boardwine seconded the motion, and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion carried 6-0.

New Business:

Glenda Lane discussed the new rates from the employee's health insurance plan with Anthem Blue Cross/Blue Shield. She talked about the additional benefits and enhancements offered under the current plan and there has been no change in dental or vision. COBRA now must be offered to employees even if you have as few as 20 employees. She asked Council to approve the renewal. Ms. Lane also commented on the work accomplished by the 32 students from Philadelphia, PA. They spent the week painting, building, cutting brush, and all kinds of other projects. The students completed projects for 18 individuals in town and in the area. Citizens, churches and other organizations fed them during their stay. A motion was made by Councilman Boardwine, seconded by Councilman Kilgore, to approve the insurance plan as proposed. The motion passed unanimously.

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A motion was made by Councilman Holbrook to approve the audit as presented tonight. The motion was seconded by Councilman Kilgore and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion carried 6-0.

Earl Carter discussed information provided to council members from Ovivo, the supplier of the filters at the new wastewater treatment plant. He talked about the problems they have encountered and various reasons the filters are damaged. Some of the filters were initially damaged by being left out in the weather for several months prior to installation and they sustained some significant damage. Also, some have been damaged by larger items getting through the screens. Randy Beckner talked about the placement of additional screens to prevent large items from getting through and noted how well the plant is functioning even with the damaged screens. Mr. Beckner said, after considering all of the issues surrounding the problems with the filters, he believes the proposal from Ovivo to replace all of the membrane units and a new tube type diffuser is a generous offer. The estimated cost for Ovivo is \$250,000. They are asking the town to cover the cost of the removal of existing modules and installation of the new modules with supervision from Ovivo, freight to the jobsite, crane rental, and paid services to Ovivo for installation supervision and startup. Their estimated cost to the town is \$33,000 plus the cost of the crane. Mr. Carter pointed out that Ovivo estimated twenty days of payment for supervision at \$1,250 per day, but he believes, with the training and expertise of the town employees, the number of days of supervision could be reduced to a maximum of ten days, possibly even five with no issues. He believes we could keep the town's cost around \$20,000. Ms. Baca said she closed the WWTP construction account and transferred approximately \$19,000 to the utility fund. This money could be used to cover those costs at the wastewater plant because it was not grant or loan money for the project, it was damages paid by Frizzell Construction for going beyond the completion date. Following questions from the Council regarding costs of the membrane system replacement and warranty coverage of the new membranes, Mr. Carter advised that the worst case scenario should not exceed the \$33,000 estimate, and the new membranes would come with a significant warranty and a change in the maintenance methods. After further discussion, a motion was made by Councilman Boardwine to accept Earl's recommendation to approve the Ovivo offer. The motion was seconded by Councilman Holbrook and Councilman Salyer asked if a maximum dollar amount should be part of the motion. Mayor Fletcher said the project has to be done and Mr. Carter advised that the maximum would be the amounts in the initial offer. Mayor Fletcher called for a roll call vote: Salyer-Aye; Bailey-Aye; Holbrook-Aye; Boardwine-Aye; Kilgore-Aye; Kelly-Aye. The motion passed 6-0.

Next, Chief Johnson asked for permission to advertise for a full time police officer to bring the police department back to full staff and keep overtime down to a minimum. He hopes to get a certified officer to fill the position. Councilman Holbrook moved to advertise the position. The motion was seconded by Councilman Kilgore. Upon a question from Councilman Salyer, Ms. Baca said there is a salary scale for police officer in our policies. Councilman Bailey said the

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Council typically accepts the recommendation of the department head, but because the police department has caused some embarrassment to the town over the past several years, he would like either an appointed committee or the entire council to be involved in the interview process. Councilman Bailey offered a substitute motion to proceed with advertising the position and when applicants are received, they be reviewed by the Council and Chief Johnson. Councilman Boardwine seconded the substitute motion and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 6-0.

Ms. Baca reported that only one bid was received on the nearly fifty year old welder. The bid was submitted by Gary Barker in the amount of \$100. A motion to accept the bid was made by Councilman Salyer, seconded by Councilman Kilgore, and passed unanimously.

Ms. Baca presented the Loan Resolution from Rural Development (RD) on the West Hills/Downtown Comprehensive Project loan. Approval of the Loan Resolution is one of the conditions of the loan/grant from RD. She said one of the other conditions is to get bond counsel preliminary documents, but no response was received from the advertisement for bond counsel. She will re-advertise and send out direct solicitations to procure bond counsel. A motion was made by Councilman Salyer to adopt the Loan Resolution. The motion was seconded by Councilman Kilgore and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 6-0.

Next, Ms. Baca presented the lease of the upper room of the pool building to St. Paul Tomorrow/Lyric Project. She advised that the lease will expire and there is not another renewal option. She asked if Council would like to renew it with the same terms. Councilman Salyer offered a motion to allow each party time to see if they would like any changes in the lease terms and address this item again at the next council meeting. The motion was seconded by Councilman Kilgore and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion carried by a vote of 6-0.

Councilman Bailey made a motion to ask the Project Manager to work with VDOT and Chris Sturgill (of Spearhead Trails) on placement of proper signage directing ATV's. He said the town became ATV friendly in May of 2012 and VDOT was not ready to provide information regarding signage at that time. Later, VDOT removed the initial signs we placed in town. About \$1100 was spent putting up temporary signs. Approximately two years ago, the mayor attended a meeting in Norton and we were advised of a requirement to submit a traffic design for a land use permit in order for signs to be compliant with VDOT standards. Councilman Bailey said Shawn Lindsey (of Spearhead Trails) approached him about this issue. The motion was seconded by Councilman Boardwine. Mayor Fletcher pointed out that VDOT was not ready initially and these VDOT approved signs have specific color requirements and are not cheap. Mayor Fletcher called for a roll call vote: Salyer-Aye; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 6-0.

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Councilman Boardwine moved to donate \$100 to the Children's Miracle Network being sponsored by Rite-Aid. The motion was seconded by Councilman Kilgore and passed unanimously.

Ms. Baca presented information provided to the Finance Committee during a presentation from the Virginia Investment Pool (VIP). The Committee wanted to bring this information to the Council as an option for investment of town funds. Ms. Baca said only one bank in town was willing to even give a rate quote to accept public funds last year, and that was Carter, where most of our certificates of deposit are currently located. The VIP offers an opportunity to invest into a group that is run by towns and counties throughout Virginia. After reviewing the documents and two types of investment presented by VIP, Ms. Baca advised if Council is interested, she has provided a sample of the Trust Joinder Agreement, but the town would have to adopt an ordinance and hold two public hearings prior to investing funds into the VIP. Mayor Fletcher commented that this is one of the best deals he has seen for public fund investment and he recommended that this pool be considered. Resulting from a question by Councilman Kelly, Ms. Baca advised that the town can join at any time. Following additional discussion about the process and rates of return, a motion was made by Councilman Bailey to take the first steps to start the process to sign the agreement with VACO/VML Investment Pool. The motion was seconded by Councilman Holbrook and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed by a vote of 6-0.

Councilman Salyer asked Mayor Fletcher if he has contacted those appointed board members whose term is expiring to see if they are interested in continuing to serve. Mayor Fletcher said he has and everyone has expressed an interest except Frank Molinary, who declined to serve again on the Board of Zoning Appeals. Councilman Holbrook nominated Aubrey Ward to serve on the Board of Building Code of Appeals. Councilman Salyer moved to close nominations and Aubrey Ward was reappointed by acclamation. Councilman Kelly nominated Charlie Willis to serve on the Board of Zoning Appeals. Councilman Salyer moved to close nominations and Charlie Willis was appointed by acclamation. Councilman Kelly nominated J. D. Cassell to serve on the IDA Board. Councilman Holbrook nominated Bill Wallace. Councilman Salyer moved that nominations be closed. J. D. Cassell and Bill Wallace were reappointed by acclamation to fill the two positions on the IDA Board. Councilman Kilgore nominated Bill Wallace to serve on the Planning Commission. Councilman Kelly nominated Bob Ramey to serve on the Planning Commission. Councilman Salyer moved to close nominations. Bill Wallace and Bob Ramey were reappointed to the Planning Commission by acclamation.

Council was provided a copy of the sample agreement to utilize workers from Camp 18. Earl Carter briefly reviewed some points in the contract. Councilman Salyer said we are in need of cleaning along the highways running through town. Mr. Carter said the town would have to get permission from VDOT to use the Camp 18 workers on a VDOT road. A motion was made by Councilman Salyer to approve the MOU with Camp 18. Councilman Boardwine seconded the

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motion. The Town Attorney suggested that the motion specify approval of an MOU between the Town of St. Paul and Camp 18 since the sample being used is with the Town of Coeburn. Councilman Salyer amended his motion according to the attorney recommendation. There was a brief discussion about where these workers would and would not be allowed. Mayor Fletcher said we would utilize the workers all year round. This agreement would provide four workers with a guard at a cost of \$12 per day per worker. The agreement is for one year. Following further discussion about the difference in cost of workers from Camp 18 and cost of two seasonal employees to assist in the Street Department, Councilman Holbrook seconded the amended motion and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion carried by a vote of 6-0.

Councilman Kilgore talked about the condition of the sidewalks at the Baptist Church. He said people are tripping on a manhole cover. Charlie Willis said five people have fallen between the corner and the library crosswalk. Councilman Kilgore moved to repair the sidewalk around the manhole cover at the corner of the Baptist Church and Wise Street. The motion was seconded by Councilman Boardwine. There was discussion about the condition of this sidewalk and how to fix it. Mayor Fletcher said he is concerned about fixing the manhole so people don't trip on it. Earl Carter said they will do whatever needs to be done to repair it. Discussion continued about the condition of other sidewalks and whether or not money is available for sidewalk repairs. There was some debate about whether or not the \$10,000 allocated for sidewalk repairs had been spent. Ms. Baca said she believed it had been but would look it up to confirm. Councilman Bailey offered a substitute motion to repair the sidewalk mentioned if the Treasurer says money is still available for sidewalk repair; if not, the matter should be referred to the Budget Committee as done for the past two years. The motion was seconded by Councilman Kelly and passed unanimously.

Councilman Kelly said Billy Hillman has asked him if the town could provide four portable bathrooms for the car show that will be held on June 10th. Councilman Kelly said they are expecting several hundred at this event and he moved that the town pay to place four portapots in the car show area. The motion was seconded by Councilman Boardwine and passed unanimously. Councilman Salyer commented on Mr. Travers lack of maintaining his property at Rose's. Mayor Fletcher said he would call him again.

A motion was made by Councilman Holbrook to go into Closed Session pursuant to Virginia Code Section 2.2-3711(A)(7) to consult with legal counsel and briefings by staff members regarding specific legal matters pertaining to actual litigation filed in Wise County Circuit Court, Case No. CLO 17-74, related to the denial of the Hills' request to rezone property. The motion was seconded by Councilman Kilgore and a roll call vote was taken: Salyer-Aye; Bailey-Aye; Holbrook-Aye; Boardwine-Aye; Kilgore-Aye; Kelly-Aye. The motion carried 6-0.

Councilman Holbrook moved that the Town Council certify by a recorded vote that, to the best of each Council member's knowledge, only public business matters lawfully exempted from the

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open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed or considered in the closed meeting. The motion was seconded by Councilman Kelly and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Absent; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 6-0. Councilman Boardwine had a personal emergency and had to leave the meeting during closed session at 8:55 p.m. The motion passed 5-0.

The Town Attorney had other legal matters to address in closed session. A motion was made by Councilman Holbrook to enter into Closed Session to discuss Legal Matters under VA Code Section 2.2-3711(A)(7). The motion was seconded by Councilman Kelly and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Absent; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 5-0.

A motion was made to enter back into Open Session, certifying that only Legal Matters were discussed in Closed Session under VA Code Section 2.2-3711(A)(7). The motion was seconded by Councilman Kelly and a roll call vote was taken: Salyer-Aye; Bailey-Aye; Holbrook-Aye; Boardwine-Absent; Kilgore-Aye; Kelly-Aye. The motion carried 5-0.

Councilman Salyer moved to utilize the coverage offered by VML for legal fees as suggested by the Town Attorney. The motion was seconded by Councilman Kilgore and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Absent; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 5-0.

A motion was made by Councilman Kilgore, seconded by Councilman Holbrook, to adjourn. Mayor Fletcher adjourned the meeting.

Mayor

Clerk