

**MINUTES**  
**REGULAR COUNCIL MEETING**  
**MONDAY, MARCH 17, 2014**  
**TOWN HALL – 6:00 P.M.**

Council Members:

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

Julie Hensley – Town Attorney  
Debora Baca - Treasurer/Clerk  
Bo Phillips – Chief of Police  
Earl Carter – Public Works Director  
Tamara Greear – Thrower Blanton  
Cody McElroy – Mattern & Craig  
Teresa Harless – Main Street  
Terri Ann Funk – CR Adventures  
Kellee Patton – Appalachian Graphics  
Randy Bush

The meeting was called to order by Vice Mayor Holbrook at 6 p.m.

Councilman Kelly asked to add “Sidewalks/Downtown Parking” under old business. Considering the length of the agenda, Councilman Salyer asked that a time limit be considered. The town attorney said the council must have a closed session to discuss a legal matter. After a brief discussion, it was decided to try to complete the agenda. Councilman Bailey said he would like to add the word “pigeon” to Item 4 under new business. A motion was made by Councilman Kelly to accept the agenda as amended. The motion was seconded by Councilman Kilgore and unanimously approved.

Under public requests, Main Street Director Teresa Harless gave an update on events. On behalf of St. Paul Main Street, Ms. Harless will be traveling to Richmond tomorrow to accept the Main Street Milestone Achievement Award. The award is recognizing St. Paul for having over 5,000 hours of volunteer service during the past year. Bill Shelton of DHCD will be presenting the award. Ms. Harless said the Main Street communities in southwest Virginia are working on a group to do collaborative marketing. The lyric sign previously approved by the town council has been ordered. Lyric committee members have divided into two groups; one looking at theater space and one group considering conference space. Ms. Harless will be working on food service to be considered in the restaurant space. Main Street will be coordinating the artisan section for Clinch River Days and it will again be held at the Railroad Museum. Last year, Main Street raised about \$1,250 and they have applied for grants with Dominion and Wells Fargo to increase their budget this year. Ms. Harless suggested to the council to consider using the upstairs of the Hillman House as an overnight rental to raise additional funds. She understands that the IDA owns the Hillman House, but just wants to mention this idea to both boards. Following discussion about the current tenants and the pros and cons of operating an overnight rental, Councilman Bailey commented on competing with private investors who are operating short stay rentals. Councilman Kelly suggested Ms. Harless present the idea to the IDA next Monday.

Next, Kelly Patton presented council members with a packet she prepared regarding concerns and suggestions about downtown parking. Appalachian Graphics occupy property next door to

**MINUTES**  
**REGULAR COUNCIL MEETING**  
**MONDAY, MARCH 17, 2014**  
**PAGE II**

Stonebriar and now occupy commercial property on Russell Street for production. Businesses located on Broad Street have a real problem because they have no place for customers to park. Ms. Patton and her employees have been parking behind their two buildings, but now all the parking spots in front of their Broad Street business are being used primarily by Stonebriar residents and visitors. Across the street, apartment residents are taking up most of the spaces in front of Vearl Hileman's building. Ms. Patton suggested the parking spaces be equally aligned and painted which would open up a few more spaces. She also asked the council to consider placing signs restricting the parking to one hour in front of the businesses between 9 a.m. and 5 p.m. Councilman Salyer, speaking for Stonebriar, said he would cooperate any way he can, but when construction begins on upgrading the building, that will create even more issues. There was discussion about the number of handicap parking spaces on the street. Councilman Salyer said he believes a previous council designated those handicap spots based on requests at that time. Council members said they will address this matter.

Chief Bo Phillips presented a Certificate of Appreciation to Randy Bush for assisting police officers on December 29<sup>th</sup> with an arrest. Chief Phillips also recognized James Greear even though he was not present. On February 14<sup>th</sup>, Mr. Greear stopped to assist Officer Packard during a traffic stop. The suspect jumped out of his car and charged Officer Packard. A fight ensued and Mr. Greear stopped to help the officer. Chief Phillips expressed his sincere appreciation for these citizens who offered to help our officers.

Next, Terri Ann Funk asked if the town council considered her request to participate in the Tourism Marketing Grant. Vice Mayor Holbrook advised that this matter was addressed at the last council meeting and the request to participate was declined. Ms. Funk then asked Council about renewing the rental agreement for the caboose. Clinch River Adventures would like to use the caboose again this year and believes it was a winning situation for her business and for the town. Clinch River Adventures brought 750 visitors into town last year and it was great to be able to utilize the caboose. She would like to propose part of the lease payment to be in the form of improvements. Ms. Funk said she has maintained her liability insurance throughout the entire year. Ms. Funk expressed their desire to keep their business location on the river. Councilman Salyer pointed out that this is not on the agenda and suggested that a proposal be submitted at the April meeting. Following discussion about advertising the town's intent to lease the caboose and the importance of giving anyone who may be interested an opportunity to present a lease proposal, Attorney Julie Hensley recommended that the opportunity to lease the caboose should be put out to bid. Ms. Baca said she can advertise to accept proposals prior to the next meeting.

The audit report for the year ending June 30, 2013 was presented by Tamara Greear of Thrower, Blanton & Associates. Ms. Greear reviewed changes in reporting format. The auditor did not identify any significant or material weaknesses and the town has received a clean opinion, which is the best report you can receive. There are some housekeeping recommendations regarding internal controls and accounts payable. Ms. Greear said most of those issues are already being addressed. She explained that in the Statement of Net Position, the fixed assets, capital assets, and debt are reflected, whereas on a budgetary basis, the books for the general fund are kept on a

**MINUTES**  
**REGULAR COUNCIL MEETING**  
**MONDAY, MARCH 17, 2014**  
**PAGE III**

cash basis and capital purchases are listed as expenses. Total assets for governmental activities are \$2,449,752 with liabilities of \$423,861, leaving a net position of \$2,025,891. Ms. Greear said the governmental fund has no debt, which is something she doesn't see in most localities. The Statement of Activities reflects a positive net change of \$167,198. She explained several changes to the audit format and new GASB requirements for this year. The revenue over expenses for the general fund shows a negative \$310,415 balance because the purchase of capital assets show as an expenditure on this report. Ms. Greear pointed out the proprietary fund has a total net position of \$4,097,459, noting the deferred revenue of \$1,667,308 from the Dominion diffuser payment. The unrestricted portion of the net position is \$484,605 and the remainder is invested in capital assets. The total revenue listed for the proprietary fund reflects the \$600,000 reimbursement from Dominion for expenses is a one time deal and this should be kept in mind if analyzing the data for future planning. Ms. Greear reviewed the long term debt in the proprietary fund which totals \$4,582,582 at June 30<sup>th</sup>. She also reviewed the VRS funding rate and the OPEB liability resulting from retiree health insurance. All of the town's debt is water and sewer revenue bonds and not general obligation bonds. The Town of St. Paul is the only locality in the area that has no general obligation debt and the legal debt limit for the town is currently \$57,088,204. Ms. Greear said the financials for the town look very positive, but cautioned council members to keep in mind that only about \$32,000 of the \$1,700,000 diffuser payment should be considered as available revenue. In closing, Ms. Greear discussed the SAS 114 and SAS 115 and copies of these communications are on file. Ms. Baca said she has asked Reba of Larry Sturgill's office if she could assist with writing more detailed internal control procedures.

In the absence of Mayor Fletcher, no announcements were made.

Councilman Boardwine moved to approve the minutes of the February meetings. The motion was seconded by Councilman Bailey and carried unanimously.

Ms. Baca said the one year \$500,000 certificate of deposit has matured. We were getting .80% and the highest quote for a 5 year CD is 1.2% at Carter Bank. She asked for approval to accept the highest rate at Carter Bank as part of the Treasurer's Report. A motion was made by Councilman Kilgore, seconded by Councilman Kelly, to approve the consent agenda with the Treasurer's recommendation. The motion passed unanimously.

Before going into old business, Vice Mayor asked for special consideration to allow employee Glenda Lane to address Item #2 under new business. A motion was made to allow the special consideration. The motion was seconded by Councilman Kilgore and passed unanimously. Ms. Lane presented the new rates for retaining the same employee health insurance coverage with the Blue Cross Blue Shield Anthem Local Choice Expanded plan. She pointed out that there is only a slight increase this year to keep the same coverage. For single coverage, the increase is \$20, dual it is \$37 per month, and the family plan is \$54, which is an increase of 3 ½ percent and the employees will absorb 10% of the increase. The policy must be renewed by April 1<sup>st</sup>. A motion was made by Councilman Salyer and seconded by Councilman Kilgore to keep the same health insurance coverage. The motion passed unanimously.

**MINUTES  
REGULAR COUNCIL MEETING  
MONDAY, MARCH 17, 2014  
PAGE IV**

**Old Business:**

A motion was made by Councilman Kilgore, seconded by Councilman Boardwine to leave on the table discussion of the Phipps property. The motion passed unanimously

Councilman Kelly said he has talked with our engineer about getting a cost to provide sewer to the four residents on G.B . Shortt St. when laying the West Hills sewer lines. Cody McElroy said they looked at the topo maps available and, if they can be fed by gravity, it would cost somewhere between the mid-40's to \$50,000 to service those four homes. If they cannot flow by gravity, the town is probably looking at mid-50' to mid-60's plus the electricity and maintenance of pumps. There was discussion about required hook-ups and the cost to provide the sewer service. A motion was made by Councilman Kelly to table this matter for another month. The motion was seconded by Councilman Boardwine and unanimously carried.

Councilman Salyer said he has talked with Mayor Fletcher about paving Wise Street. When in Richmond, VDOT was very receptive and indicated that would consider our request for paving. He moved that a letter be sent to VDOT, thanking them for meeting with us and reminding them that we are hopeful that milling and paving Wise Street will be in their plans. Councilman Salyer asked that the correspondence be sent to the Bristol engineer with copies to the Wise office. The motion was seconded by Councilman Kelly and unanimously approved.

Next, Councilman Salyer offered a motion to ask the Recreation Committee to meet and submit to the council a priority list of the work they would like to have done with the remaining recreation money. The motion was seconded by Councilman Kelly and carried unanimously.

A couple of months ago, the town agreed to put in directional signage at 3<sup>rd</sup> and Lee Street and Councilman Salyer would like to see that done. He pointed out that, since that time, we have had issues with VDOT taking down trail signage. It seems that VDOT doesn't want signage on their posts. Mr. Carter said the town did receive a letter advising they would be taking down the signs if we didn't remove them. Ms. Baca added that most of the signs taken down belonged to Spearhead Trails. She also said the letter was not specific about which signs they would be taking down, and when Mayor Fletcher called to inquire, they advised him they would be removing signs attached to VDOT signs. However, VDOT actually removed all of the trail signs and some of the "Shared Road Use" signs that were not on VDOT poles, but simply in VDOT right of way. Councilman Salyer stressed the need to develop a good working relationship with VDOT. Their cooperation in using VDOT right of way is needed to promote all that we have going on in town. Councilman Bailey pointed out that you have one state agency (Southwest Recreation Authority Spearhead Trails) trying to promote tourism, and another state agency (VDOT) trying to tear it down. Earl Carter said we will probably have to get a company to make signs that will meet VDOT standards. Councilman Salyer said signage is essential and made a motion to invite the VDOT Resident Engineer or proper official to a workshop within the next couple of weeks. The motion was seconded by Councilman Boardwine. Ms. Baca asked for clarification that the workshop is to be held to address a co-operative agreement on signage and

**MINUTES**  
**REGULAR COUNCIL MEETING**  
**MONDAY, MARCH 17, 2014**  
**PAGE V**

to invite VDOT and Spearhead Trails representatives. Councilman Salyer indicated yes and Vice Mayor Holbrook called for the vote. The motion passed unanimously.

Councilman Bailey said St. Paul Suites has been providing electricity for the Lyric roofing contractor. He thought Council agreed some time ago to put a pole at the back of the Lyric to provide electricity to the building and the Farmers Market. Councilman Kelly said Earl placed a box on the side of the Lyric building that has power. Councilman Kelly also asked that a lock be placed on the box because it is hot. A motion was made by Councilman Bailey to remove Item 6 from the table. The motion was seconded by Councilman Boardwine and passed by unanimous vote.

Councilman Kilgore reported that volunteers have been working on Bowman Field for the past three weekends converting it from baseball to softball for municipal leagues and soccer play. He has contacted a couple of the regional soccer agencies who are going to visit the field and decide whether they would like to host a soccer team or coach us through getting a soccer league started. Councilman Kilgore has had several inquiries about soccer and he has put a facebook page up to share information. With almost 100 volunteer hours, getting the field prepared for softball is almost complete. After discussing additional work needed at the field and the interest in softball tournaments and soccer, Councilman Kilgore said it would take about \$3,000 to finish the work and he would like to take from the money currently allocated to recreation. He is currently getting quotes on the tennis court fence. Councilman Boardwine moved to approve the \$3,000 expenditure for improvements to the field. The motion was seconded by Councilman Kilgore. Councilman Salyer expressed concern about spending money on the field before completing the projects we have at the park, including the additional restrooms. Following further discussion about funds available and prioritizing the remaining recreational projects, Ms. Baca said she will send an email to Jason with a breakdown of what is left for the tennis court fence, the new bathroom, and the basketball court so they can prioritize. Councilman Salyer clarified that all four people on the Recreation Committee should be involved. Vice Mayor Holbrook asked for a roll call vote: Kelly-Nay; Kilgore-Aye; Boardwine-Aye; Bailey-Nay; Salyer-Nay. The motion failed by a vote of 3-2. Councilman Boardwine moved to leave this matter on the table. The motion was seconded by Councilman Kilgore and passed unanimously.

Yesterday, Councilman Kelly and Councilman Kilgore looked at the Estonoa alley and talked with Ms. Vencil. Councilman Kilgore talked about taking out the pavement beginning at the back of the Sandstrom residence and fill with gravel so that any runoff will soak into the ground and not run into the lake. There was brief discussion about the water issue in the alley behind the Dick Hodge rental house and possibilities on how to resolve the matter. Earl Carter commented that the issue is on private property and would probably be a building code or health department matter. He said he will look into the sewer ordinance. Vice Mayor Holbrook asked if there was a way to temporarily divert the water. Councilman Kilgore moved to remove the pavement from Sandstrom's down and backfill it with gravel on Estonoa alley. The motion was seconded by Councilman Boardwine. Councilman Salyer questioned doing this work when the water will just wash it out again as soon as the gravel is in place. He asked Councilman Kilgore to consider

**MINUTES  
REGULAR COUNCIL MEETING  
MONDAY, MARCH 17, 2014  
PAGE VI**

amending his motion “pending a determination of the Director of Public Works” on how to resolve the water issue. Councilman Kilgore added to his motion” pending Earl going to look at it and recommend what we need to do about the drainage. After that is resolved, we will fix the alley, gravel it, and smooth it out.” The amended motion was seconded by Councilman Boardwine and unanimously approved. A motion was made by Councilman Kilgore to leave it on the table to follow up. The motion was seconded by Councilman Boardwine and unanimously approved.

Ms. Baca said several people have come by the town hall to inquire about the vehicles we had previously advertised to sell, particularly the bucket truck. They want to just make an offer, but have been advised that the council would have to vote again to advertise for disposition of these vehicles since they rejected the previous bids on these three. There had been previous discussion about listing the vehicles on Ebay, but Councilman Kilgore said that was not done. A motion was made by Councilman Salyer to re-advertise disposition of the bucket truck, the 1969 fire truck, and the old Crown Victoria police car. A second was offered by Councilman Kilgore and the motion carried unanimously.

Councilman Kelly reported that he and Councilman Kilgore have looked at some of the sidewalks that need replacement, as well as parking availability downtown. They have identified some locations for opening up additional parking. Right of way for the property adjacent to the water plant was discussed. He mentioned several places where the yellow curbing is taking up some parking spaces unnecessarily. After a lengthy discussion, a motion was made by Councilman Kelly to leave this matter on the table until something is resolved. Councilman Salyer suggested putting together a priority list and Councilman Kelly agreed. The motion was seconded by Councilman Bailey and Councilman Salyer asked the Street Committee to make a recommendation on how to resolve the parking complaints the council heard tonight, stating his concern about the problem escalating when Stonebriar construction begins. He also questioned enforcement of limited time parking. Councilman Boardwine said parking spaces and limits don’t mean anything unless you enforce them. The motion to table was approved by unanimous vote.

**New Business:**

Ms. Baca said a budget workshop needs to be held soon and a full council workshop to hear several options regarding the downtown sewer rehabilitation project. Funding and cost options are being prepared by Mattern & Craig to possibly add water line replacement, stormwater drains, sidewalk replacement, and paving in the downtown area. A motion was made by Councilman Salyer to schedule a Budget Committee meeting for 5:30 p.m. on March 27<sup>th</sup>, followed by a full Council workshop at 6:30 p.m. to discuss the downtown infrastructure project. The motion was seconded by Councilman Boardwine and passed unanimously.

Councilman Kilgore asked John Hicks to address the need for signage and other safety equipment for the street department. After hearing comments from Mr. Hicks, a motion was

**MINUTES**  
**REGULAR COUNCIL MEETING**  
**MONDAY, MARCH 17, 2014**  
**PAGE VII**

made by Councilman Kilgore to authorize up to \$3500 to purchase work signs, barricade signs, and other safety equipment requested by the Street Department when working in the road area. The motion was seconded by Councilman Salyer, commenting on the importance of keeping up with our inventory. Councilman Kelly offered information he had gathered on pricing for break away signage. The motion was approved by unanimous vote.

The continuing problem with turkey buzzards and vultures was discussed by Councilman Salyer. Earl Carter suggested asking the police chief to contact Game & Fish. A motion was made by Councilman Salyer to ask Chief Phillips to look into what can be done to deal with the buzzard, turkey vulture, and pigeon problems. The motion was seconded by Councilman Boardwine and passed unanimously.

A motion was made by Councilman Salyer to donate \$100 to St. Paul Elementary School to support their Junior First Lego League. The motion was seconded by Councilman Kilgore and passed by unanimous vote.

A motion was made by Councilman Salyer to donate \$100 to the Eastside After Prom Party. Councilman Kilgore offered a second and the motion carried unanimously.

The next item on the agenda was Board Appointments. Vice Mayor Holbrook opened the floor for nominations for the Board of Building Code Appeals. Ms. Baca advised that the nominees are voted on in the order of which they were nominated. Councilman Kelly nominated Chris Evans, Jay Zeigler, and Linda Head. There being no other nominations, Councilman Kilgore moved to cease nominations. The motion was seconded by Councilman Boardwine and approved by a vote of 5-0, with Councilman Bailey abstaining.

Councilman Kelly nominated Lee Kidd to serve on the Board of Zoning Appeals. There being no other nominations, Councilman Kilgore moved to cease nominations. The motion was seconded by Councilman Kelly and Lee Kidd was appointed by acclamation.

Councilman Boardwine nominated Bob Harrison, Harry Kelly, and Mike Jessee to the IDA Board. There being no other nominations, Councilman Salyer moved to cease nominations. The motion was seconded by Councilman Bailey and the three nominees were appointed by acclamation.

Kenneth Holbrook, Kevin Sutherland, and Joey Stanley were nominated by Councilman Kelly to serve on the Planning Commission. There be no other nominations, a motion to cease nominations was made by Councilman Salyer and seconded by Councilman Kelly. The three nominees were appointed to the Planning Commission by acclamation.

A motion was made by Councilman Salyer to enter into Closed Session to discuss Personnel under VA Code Section 2.2-3711(A)(1) and Legal under VA Code Section 2.2-3711(A)(7). The

**MINUTES  
REGULAR COUNCIL MEETING  
MONDAY, MARCH 17, 2014  
PAGE VIII**

motion was seconded by Councilman Kilgore and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Aye; Bailey-Aye; Salyer-Aye. The motion passed 5-0.

Entering back into Open Session, Councilman Bailey offered a motion certifying that the only matters discussed in Closed Session was Personnel under VA Code Section 2.2-3711(A)(1) and Legal under VA Code Section 2.2-3711(A)(7). The motion was seconded by Councilman Salyer and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Aye; Bailey-Aye; Salyer-Aye. The motion passed 5-0.

A motion was made by Councilman Salyer to hire John Long, Jr. at \$10.50 per hour to fill the vacancy in the Street Department and release the job opening for the garbage truck position. The motion was seconded by Councilman Bailey and the motion was passed by unanimous vote.

At the recommendation of the Police Chief, Councilman Kelly moved to hire Shannon Dishman at \$14.00 per hour and promote Officer Andrew Packard to the rate of pay of Officer Puckett. The motion was seconded by Councilman Bailey and passed unanimously.

Next, Councilman Salyer moved to have legal counsel address the request by Josh Horner for a Step 3 meeting by sending a letter as being time barred. The motion was seconded by Councilman Bailey and carried unanimously.

There being no further business, a motion was made by Councilman Salyer, seconded by Councilman Kilgore, to adjourn the meeting. The meeting was adjourned.

\_\_\_\_\_  
Vice Mayor

\_\_\_\_\_  
Clerk