

**MINUTES
REGULAR COUNCIL MEETING
MONDAY, JANUARY 21, 2013
TOWN HALL – 6:00 P.M.**

Council Members:

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

Earl Carter – Public Utility Director
Debora Baca – Town Treasurer/Clerk
Julie Hensley – Interim Attorney
Bo Phillips - Police Chief
Randy Beckner – Mattern & Craig
Bob Harrison – St. Paul IDA
Rob Jones – American Ramp Co.
Peyton Gregory – CVTimes
Allen Gregory – CVTimes

The meeting was called to order by Mayor Fletcher.

Ms. Baca said Councilman Kelly asked that the Mountain Heritage matter he had requested be placed on the agenda be removed and put on the February agenda since he is unable to attend this meeting. She also requested that the February meeting date be placed as Item #8 under new business. A motion was made by Councilman Holbrook to approve the agenda as amended. The motion was seconded by Councilman Kilgore and unanimously approved.

Under public requests, Rob Jones of the American Ramp Company gave a presentation of various designs for a skate park. Their pro series building product has a 20 year warranty and the savings they offer is because they manufacture their product so it is shipped factory direct to the end user. Mr. Jones reviewed the design contract, wherein a \$5,000 deposit is paid for the initial design and this amount would be credited toward the final product. His example was if you choose a \$100,000 package, the build portion would actually be \$95,000 and the initial \$5,000 design money would be deducted from the total \$100,000. However, if you choose one of the existing designs, there would be no need for the \$5,000 design contract. Mr. Jones said he has visited our skate park site and talked with several skaters. Councilman Bailey stressed the importance of having input from the kids who will be using the facility. Councilman Kilgore said skating is another viable option for our kids and we should make every effort to offer this opportunity to them. Mr. Jones pointed out that the parks can also be designed for BMX and roller blade use as well, but that would be up to the locality. Following a series of comments and questions, Councilman Bailey suggested that Mr. Jones get together with the skaters in attendance and discuss the designs presented. Mayor Fletcher agreed and recommended this be discussed further under Old Business Item #4.

Charlie Willis commented on an article in the Clinch Valley Times concerning the Dominion tax rebate program. In discussion with others, it seems this is a complicated matter that has a long history behind it. He requested that Mayor Fletcher, or someone who understands all about the circumstances of the tax rebate, explain how it works. Mr. Willis said he would not ask to take up meeting time to do this, but would like to set aside a time he could come by the office to

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discuss this matter. Mayor Fletcher told Mr. Willis he would be willing to discuss this at any time that is convenient for him.

Under announcements, Mayor Fletcher offered a summary of the meetings at the Legislative Session attended by himself and Councilman Kelly. Due to circumstances at Rural Development, the meeting with them was canceled. Mayor Fletcher, Councilman Kelly, and Randy Beckner met with Virginia Department of Health, and were told that the additional funding for the Water Tank Rehab Project will not be granted. However, VDH advised that we could look at removing less important items and there was discussion about bidding out the telemetry separately. Mayor Fletcher said Todd Christensen is excited that the town may be in a position to purchase the Lyric. There was discussion about Mr. Christensen including St. Paul in a grant application he is working on for local theaters and music venues. The group met with Bill Shelton and Denise Ambrose of DHCD regarding the CDBG Project and our Main Street program. Mayor Fletcher reported that the group met with our state representatives and delivered a thank you basket to each office. When meeting with VDOT, they emphasized the importance of getting the second round VDOT Enhancement grant application in by February 1, 2013. If this deadline is missed, then you are removed from this year and placed at the bottom of the priority list. Ms. Baca said Chris Starnes at LENOWISCO has been working on the application and assured the Mayor and Council that the application will be submitted on time. The Tobacco Commission did not have any funding available for the projects we currently have in mind.

Next, Mayor Fletcher commended the town employees for their organization and hard work during the recent snowstorm. Considering we had about 14 inches of snow in a five hour period, cars stranded all over the area, and a transformer blown at our water pump station, the crew handled it exceptionally well. They kept the town hall open late, provided assistance to people stranded, worked the streets, and our citizens never lost water while waiting for the transformer to be repaired. Overall, the town employees did an outstanding job.

A motion was made by Councilman Salyer to approve the minutes of the December 17th meeting as presented. The motion was seconded by Councilman Holbrook and unanimously approved.

Chief Bo Phillips reviewed the Police Report. In the month of December, there were 13 offenses, 13 incidents, 7 arrests, and 27 citations issued. Chief Phillips also presented a yearly review from January through December, 2012. During this period, the police department handled 167 offenses, 140 incidents, 109 charges, 86 arrests, and 318 citations. This is a big increase over the previous year. The new radios approved last month, to be compliant with FCC regulations, have been installed. Chief Phillips emphasized the need for a repeater system so the department can utilize their own FCC license. He has received a quote for the 100 watt system, and the VA-KY price would include linking into Wise County, but Two-Way would include linking into Russell County. Two-Way provided a quote of \$5,253, but it was for a 60 watt system. Ms. Baca advised Chief Phillips to get a quote from Two-Way for exactly the same specifications, so the two companies providing this equipment and service in our area have equal opportunity to bid on the same equipment. Chief Phillips said he will send a bid request for a

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100 watt system to Two-Way. Upon inquiry by Councilman Kilgore regarding complaints about ATV's on Gray Hill, Chief Phillips said there was an incident where an ATV went through a yard. Mayor Fletcher said they actually had driven through several yards on Friday. There was a brief discussion about whether or not any damage was done and what the penalty would be if an ATV was driving onto private property. Councilman Salyer asked if the repeater system would solve the 911 problem. Chief Phillips explained that the repeater system will help with the ability to contact St. Paul for police calls, but will not change the call situation for other emergencies. Following a brief discussion about the 911 call situation, Chief Phillips said if Wise County would fix their system, there wouldn't be a problem with dispatching 911 emergency calls. A motion was offered by Councilman Kilgore, seconded by Councilman Boardwine, to allocate up to \$6300 to purchase a repeater system from the lowest bidder. The motion carried unanimously. Councilman Holbrook moved to approve the Police Report. The motion was seconded by Councilman Kilgore and passed unanimously.

Ms. Baca presented the Treasurer's Report. She pointed out that the increased balance for the general fund checking account is largely due to the Dominion tax payment. This amount includes the tax rebate that must be paid to Dominion pending the letter from Attorney Dennis Jones. All but \$100,000 of the remaining tax paid by Dominion will be moved to the restricted savings account until the MOU issue with Wise County IDA is resolved. The façade escrow account is merely a pass through account where we hold the participant cash match until it is paid to the contractor. Ms. Baca reported that the quarter coal severance tax has been received and is almost one-half of the amount received for the same quarter in the previous year. The coal severance budget is going to be about \$40,000 short this year, however, the additional payment for Russell County sales tax and the error we found in the Old Dominion utility tax payment could make up for the coal severance shortfall. There was a brief discussion about the loss of meals tax for Burger King, the addition of McDonalds and the impact of losing the Shaw employees in the area. Councilman Holbrook moved to approve the Treasurer's Report. The motion was seconded by Councilman Kilgore and unanimously approved.

Earl Carter reviewed the Water & Sewer Report. There is an algae problem in the grit chamber system and Mr. Carter has been in communication with the builders of the equipment to see what can be done to resolve this problem. He also presented pictures of the sand collected at the grit chamber. Mr. Carter said he is working on the DEQ permit application and expects it to be filed before the required date. He also reported that Doug Jessee now has his Class II water certification, requesting that Council consider a monetary award for the higher level certification. The town has been pumping to Russell County and the water plant has been running 24/7 since the 15th of the month. The Street Department worked on salting and snow removal all day and throughout the night during the last snowstorm. The work order program has been installed into the office computers. Mr. Carter advised that pool work should begin soon to avoid a rush to complete repairs and upgrades in time for opening. Following a discussion about what work needs to be done at the pool, it was recommended that a committee be formed to determine the work to be done and equipment needed. Mayor Fletcher appointed Councilman Kilgore, Councilman Boardwine, Earl, and John. Earl suggested including a lifeguard and Councilman Bailey recommended asking a private citizen to serve on the committee. Councilman Kilgore

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will find a citizen and a lifeguard for the committee. A motion was made by Councilman Holbrook, seconded by Councilman Boardwine, to approve the Water & Sewer Report. The motion carried unanimously.

Randy Beckner summarized their meetings with funding agencies in Richmond. DHCD will have funds available for LMI areas that need sewer or water. St. Paul may have a couple of areas that may qualify for these funds. Ms. Baca said she has not received the signed change order from Boggs. Mr. Beckner said he will follow up on the change order and try to get the final pay request submitted. On the Wastewater Treatment Plant project, plans for the bridge crossing have been submitted to VDOT and Mattern & Craig are preparing the bid documents for the sludge removal. Mr. Beckner provided copies of the revised engineering agreement for the mayor to sign. Once these documents are signed, they will be sent to RD for approval. Mr. Beckner reviewed the cost estimate for the proposed wastewater facility. Ms. Baca pointed out that the cost for both the original and new design is in the estimate, however, the \$498,000 from Dominion is listed as revenue to the project. Councilman Salyer moved to approve and authorize Mayor Fletcher to sign the engineering contract pending attorney review and approval. The motion was seconded by Councilman Kilgore and unanimously approved. Next, VDH does not have any additional 100% grant funding for the Water Tank Rehab project. They did indicate that we could get a low interest loan, but not additional grant. Mr. Beckner said VDH was agreeable to allowing the town to pull out the telemetry and bid it out as a separate contract, as long as the town follows the procurement law. Mr. Beckner will get with Mayor Fletcher, Earl and John to see how they wish to proceed on the Water Tank Rehab project.

Old Business:

In order to allow Mr. Jones to leave, Councilman Kilgore offered a motion to move Item #4 up to Item #1 under Old Business. Councilman Boardwine seconded the motion and it was unanimously approved.

Councilman Bailey discussed the designs presented. Mr. Jones said the most expensive of the designs he showed was \$186,733 and the other one was \$84,837, and without the half-pipe, it would be \$57,721 with full installation and the black framework enclosure. The additional equipment could be added, but you would pay additional shipping. If the town did the installation, it would reduce the cost. Following further discussion about the available space in the current skate park, type of surface needed, warranty, and input from the skaters through their discussion with Mr. Jones, Councilman Bailey said he would like to see the town enter into an agreement with ARC for the least expensive (\$57,721) design and form a committee to determine details such as lighting, colors, etc. He noted that the skate park is the first thing you see when you enter the park. There was discussion about whether or not lighting would be necessary. Mayor Fletcher recommended the committee meet first, and then come back to Council for a final decision. Councilman Bailey made a motion to enter into a contractual agreement with ARC for the \$5,000 pending Item #6 being settled tonight, which would allow for appropriate funding. The motion was seconded by Councilman Kilgore and passed unanimously. Mayor Fletcher appointed Councilman Bailey and Councilman Holbrook to this

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committee. Councilman Bailey will ask someone from the Downtown Revitalization Committee and a skater to serve on the committee.

Councilman Salyer suggested that a dialogue begin about what to do with the Lion's Den since the town now owns it. Ms. Hensley said the deed work and affidavits would be filed tomorrow. Following discussion regarding different options, Councilman Salyer moved to authorize the clerk to get the property appraised. The motion was seconded by Councilman Kilgore and carried unanimously.

The work order system was discussed by Councilman Salyer. Ms. Baca said the work order system is in place and we will complete the work orders manually as requests are made. Wendee will take the work orders and enter them into the computer for the monthly report. In discussing this with John, he requested that all of the work orders be given to him or Earl, they will assign them and then sign off on the work completed and return them to the office. Councilman Salyer clarified that a report will be included in the packet next month. Ms. Baca said it would. Councilman Bailey reported on the "Students in Government" program. He has been working with Beth Marshall and students in establishing a mock government. Councilman Bailey spoke to the students and they plan to use the St. Paul town charter as a guide. They have elected their officials and will be hiring department heads. At some point, they will attend a real council meeting and shadow our elected officials and employees. Councilman Bailey said he showed them our website which will provide a lot of information. The project has received administrative support from CHS.

Councilman Kilgore talked about designing the new park picnic shelter as a scaled down version of the Farmers Market shelter. Councilman Bailey suggested several smaller shelters which would allow more people to use a shelter at one time. He also suggested looking at the Virginia Tech designs and drawing a layout. Councilman Kilgore said he would like to have another large shelter and possibly some additional smaller ones. He also said he would talk with Kevin Sutherland, take a look at the Virginia Tech designs, and see what they can come up with. A motion was made by Councilman Holbrook, seconded by Councilman Boardwine, to table the matter until next month. The motion passed unanimously.

Ms. Baca provided an updated sample of the diffuser rental and reimbursement revenue and expenditures for Council to consider. From the \$600,000, the fixed number of \$498,050.00 is the number required to pay toward the WWTP project. The other suggested allocations are: \$27,000 to pay for the new police car; \$60,000 for the two new street department trucks; \$8700.00 for a new office phone system; and \$6,250 for the police department repeater system. She also discussed suggestions for the \$1,700,000 payment for the diffuser rental. Ms. Baca emphasized the importance of restricting a portion of this money to cover any repair or replacement of the diffuser, noting that the town is contractually obligated to accept industrial wastewater from Dominion for the next 49 years. Other capital projects to consider are grant matches, the park and pool renovations and the I&I/West Hills project. Restricting 1 to 1.2 million has been mentioned in previous discussions, and Ms. Baca said, from what she has been told, future councils could likely reduce the amount of funds restricted. Robert Hilt has asked

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about any other capital projects this money will be going to and noted that if we have available funds, it will affect funding for the I&I West Hills project. There was discussion about allocation of the diffuser funds, the projects that are needed, the ability to move the money from the utility fund to cover general fund projects, Councilman Holbrook said we really need to know what projects would be acceptable to RD. Ms. Baca informed Council that she has received rates from three local banks for cd rates and from the government investment pool, providing rates from .25% to .75%. She said the first issue to be addressed is how much to reserve and where to invest it. Councilman Kilgore pointed out that if we needed to replace the diffuser every 10 years at today's cost would be \$800,000. After further discussion, a motion was offered by Councilman Holbrook to reserve \$1,000,000. The motion was seconded by Councilman Kilgore. Upon inquiry by Councilman Salyer, Ms. Baca said she asked our auditor about where public funds could be invested and she said they cannot be at risk; savings, cd, and the Local Government Investment Pool run by the State. A roll call vote was taken on the motion: Kelly-Absent; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 5-0.

A motion was made by Councilman Salyer to authorize the Treasurer to deposit the \$1,000,000 where she could get the best rate and terms. Councilman Boardwine seconded the motion and Mayor Fletcher pointed out that more than one person should make that decision. Ms. Baca said any two authorized by the Council to perform banking transactions can make the purchase. Those currently authorized are the Mayor, Vice-Mayor, Treasurer, and Councilman Bailey. There being no further discussion, a roll call vote was taken: Kelly-Absent; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 5-0.

A motion was made by Councilman Holbrook to allocate the \$600,000 as recommended by the Treasurer (\$498,050-WWTP project; \$27,000-police car; \$60,000-street department trucks; \$8700-phone upgrade; \$6250-police department repeater system). The motion was seconded by Councilman Kilgore and a roll call vote was taken: Kelly-Absent; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion carried 5-0.

New Business:

Mayor Fletcher asked Council for approval to pay travel expenses to the Legislative Session. A motion to approve these expenses was made by Councilman Boardwine, seconded by Councilman Holbrook, and unanimously passed.

A motion was made by Councilman Salyer to approve the VDOT application resolution as presented during the public hearing. The motion was seconded by Councilman Kilgore and passed by a unanimous vote of 5-0.

Councilman Salyer moved to approve per diem, mileage, and hotel for two Main Street representatives to attend the required training seminars in Luray. The motion was seconded by Councilman Holbrook and passed unanimously.

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Councilman Bailey said VDOT painted the crosswalk at the Methodist Church but did not put up a sign. Mayor Fletcher said he will contact VDOT to request that a sign be placed at that crosswalk.

Councilman Kilgore discussed the possibility of expanding our garbage service to out of town water customers at Morefield Bottom, the Flags, and the loop at Burton's Ford. He suggested surveying these areas to see how many residents would be interested. Councilman Holbrook stated concerns that you are talking about spending taxpayer dollars to fund a service to out of town residents. There was a brief discussion about whether or not the out of town garbage fee would cover the additional costs involved and if it would conflict with any service offered by the county. It was also pointed out that most of these residents had an opportunity to be incorporated into the town and most of them opposed it. Mr. Carter said the few out of town people we pick up now are not out of the way, and our truck runs right by them. Councilman Kilgore said he was merely suggesting that the town might look into this since these areas have an aging population and a need for this service.

The need for a larger bucket truck was addressed by Councilman Kilgore. He said we have been waiting for months just to repair the park lights because we don't have anything to reach that high. He suggested looking into the cost of a used truck. Mayor Fletcher recommended renting any equipment that we might only need occasionally. Councilman Salyer asked how often we would utilize a larger bucket truck. Mr. Carter said we use the bucket truck we now have on a regular basis, but it has had some mechanical problems. Councilman Kilgore suggested including the expenses of a used bucket truck as part of the park project expense since it would primarily be used at the park. He also said he will do some further research on what could be used to reach the lights at the park and prices available for a used bucket truck. Ms. Hensley stated concern about liability and recommended that the present truck be kept in proper working condition.

For the past year, the Zoning Commission has been looking at several zoning violations, and Councilman Holbrook has been asked to present the Zoning Commission recommendations to the Town Council. The first recommendation is regarding three ground level apartments located in the downtown historical district. The Commission is asking that the Town Attorney meet with Zoning Administrator Robert Mullins to look into the process of placing some type of covenant on the property so that, if it is ever sold, the ground level could no longer be used as apartments or residences. The second recommendation is to ask the Town Attorney to examine what steps must be taken to stop businesses from operating in an R-1 zoning district. The three owners of the ground level apartments have been notified that they are in violation. Councilman Salyer noted that he disagrees with the first recommendation because he feels they should restrict the use for the present owner once the current tenant moves. He cited a situation where a building owner just up the street had asked if he could rent his ground level space for residential purposes. The owner was denied and Councilman Salyer said it just seems we are not treating everyone the same. He also asked that the record reflect he will support moving forward with the planning commission recommendation, but he objects to allowing the non compliance for an extended period. Councilman Salyer said if we are going to have zoning ordinances, then enforcement is

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important. Ms. Baca commented that we have several matters of non compliance or special exceptions and other situations where uses have been allowed because they were grandfathered. A motion was made by Councilman Holbrook to accept the recommendation of the Planning Commission and authorize the cost for the Town Attorney to research this matter and meet with Robert Mullins regarding the specific zoning violations and the recommended action from the Planning Commission. The motion was seconded by Councilman Bailey and carried unanimously.

Ms. Baca reminded the Council that the regular meeting for February will fall on a holiday. She also said that our auditor had a conflict on February 18th. A motion was made by Councilman Salyer to change the regular February meeting to 6:00 p.m. on Thursday, February 21, 2013. The motion was seconded by Councilman Holbrook and passed unanimously. Ms. Baca said she would advertise the change.

There being no other business to discuss, a motion was made by Councilman Salyer, seconded by Councilman Holbrook, to adjourn. The motion passed and the meeting was adjourned.

Mayor

Town Clerk