

**MINUTES
REGULAR COUNCIL MEETING
MONDAY, JUNE 19, 2017
TOWN HALL – 6:00 P.M.**

Council Members:

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

Others Present:

Debora Baca – Clerk/Treasurer
Julie Hensley – Town Attorney
Jonathan Johnson – Police Chief
Earl Carter – Public Works Director
Bill Wallace – Special Project Mgr.
Kathy Stewart – Main Street
Bob Harrison – IDA Chairman
Lou Wallace – St. Paul Tomorrow
Randy Beckner – Mattern & Craig
Jason Snapp – Mattern & Craig
Shawn Lindsey – Spearhead Trails Director
Jack McClanahan – Spearhead Trails
Ben Chafin – Attorney
Brad Stallard - Attorney

Mayor Fletcher called the meeting to order at 6:03 p.m., followed by a moment of silence in memory of Lawrence “Pee Wee” Dean.

Councilman Salyer referenced a letter received from Wise County Schools today and asked to place it under New Business. Mayor Fletcher recommended that this matter be discussed in closed session. Councilman Salyer said he was going to ask that a committee be appointed to review the request, but rescinded his request to make an addition to the agenda. Councilman Holbrook asked to add a request for a donation to a Little League team that is going to state. A motion was made by Councilman Holbrook, seconded by Councilman Boardwine, to approve the agenda as amended. The motion passed by unanimous vote.

Jack McClanahan, Chairman of the Spearhead Trails Board, reviewed the creation and accomplishments of Spearhead Trails. He thanked the St. Paul community for believing in and supporting Spearhead Trails. Shawn Lindsey, Director of Spearhead Trails, mentioned the grants and counties that have funded Spearhead and their current efforts to become a sustainable organization as the grants disappear. He referred to a support letter from the St. Paul IDA and requests that the Town Council pass a moral obligation required by VRA for a loan made possible through the Tobacco Commission to start the Spearhead ATV Rental business. Mr. Lindsey said it makes sense to come to St. Paul for the moral obligation because this is where the business will be located. He briefly discussed the plan to add additional trailheads and miles of trails. He has applied for a VTC grant and an ARC grant. Councilman Kelly asked if they have made a request to Wise County for the moral obligation. Mr. Lindsey said they started here before asking anyone else for a moral obligation in the amount of \$200,000, noting they are not asking for actual cash. Spearhead will initially be borrowing \$105,000, and will borrow the

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additional \$95,000 if needed. Mr. Lindsey pointed out that establishing this business here in St. Paul will not only help Spearhead become more sustainable, but will bring a market to St. Paul from all over the world. Councilman Bailey said he has people calling daily from multiple states throughout the country asking for ATV rentals. Mr. Lindsey said Spearhead receives daily calls as well. The plan is to pay back the loan in five to seven years.

Main Street Manager Kathy Stewart reported that the Town recently hosted the Mountain of Music Homecoming Festival and it was a successful event. She handed out a visitor's guide from The Heart of Appalachia and pointed out the ad on the inside cover, noting the ad for St. Paul was one of the things paid for with the Town's donation to Heart of Appalachia. On Monday, June 26th, the feasibility study for the Clinch River Eco Campus will be revealed. This will take place at 6 p.m. at the town hall and everyone is invited. The preliminary plans for the Ecological Center will be reviewed and there will be discussion on how it ties into other things the town is doing. She discussed July events and advised that tickets are now available for the annual Cooks & Books. Ms. Stewart reported that the Governor has recommended that the Town of St. Paul receive a \$300,000 ARC grant for the Lyric Theater. Councilman Salyer thanked Ms. Stewart for her efforts to fund the Lyric Project.

Mayor Fletcher asked for a motion to enter into closed session pursuant to Virginia Code Section 2.2-3711(A)(7) to consult with legal counsel regarding specific legal matters pertaining to actual litigation relating to the denial of a rezoning requested by Bobby and Bernice Hill (Wise County Circuit Court Case No. CL17000074-00). The motion was made by Councilman Holbrook and seconded by Councilman Boardwine. A roll call vote was taken: Kelly-Aye; Kilgore-Absent; Boardwine-Absent; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 5-0.

Councilman Salyer moved to go back into open session. The motion was seconded by Councilman Boardwine and carried unanimously. Councilman Holbrook made a motion to certify that the only matter discussed in closed session was legal pertaining to actual litigation relating to the denial of Bobby and Bernice Hill rezoning request, pursuant to Virginia Code Section 2.2-3711(A)(7). The motion was seconded by Councilman Kelly and a roll call vote was taken: Kelly-Aye; Kilgore-Absent; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion carried by a 5-0 vote.

Mayor Fletcher made the following announcements:

- 1) Buck Oil has closed and Rush Oil is now the fuel provider and the distribution is out of Mountain City, TN. There will be one person left in the St. Paul office.
- 2) Mayor Fletcher thanked Camp 18 for the assistance they provided during Clinch River Days and he also thanked the town employees for crowd control and clean-up, and especially thanked Bob and Suzy Harrison for all of their hard work in planning and operating the event.

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- 3) Visitation for Lawrence Dean is tonight. Services and committal will be held tomorrow, June 20th.
- 4) The town lost out in the bidding for a bucket truck and will continue to search for one.
- 5) The celebration for July 4th will be held on Tuesday, July 4th with free swimming at the pool, and games, music, vendors, and fireworks at Miners Exchange Bank.
- 6) The Water Plant Security Project is complete, with new windows, doors, cameras, fencing, and installation of an emergency generator. This work was 100% funded by a grant from the Virginia Department of Health.
- 7) The Job Corps has notified the town that they will be back to complete their work at Lake Estonoa.
- 8) The Car Show recently held on IDA property was a big success and generated over \$3,000 for St. Jude's.

Councilman Salyer inquired about the status of the pallet situation on Riverside Drive. Mayor Fletcher reported that another gentleman wants to lease that building. He advised him that the pallets must be removed before the property can be used for another business. The Town Attorney asked that discussions regarding this issue be discussed in closed session under Legal.

A motion was made by Councilman Boardwine to approve the minutes of the May 15, 2017 council meeting. The motion was seconded by Councilman Holbrook and passed by unanimous roll call vote. Councilman Kelly moved to approve the minutes of the public hearings and special council meeting held on June 6, 2017. The motion was seconded by Councilman Boardwine and passed unanimously.

Under the Consent Agenda, Chief Johnson reported that 214 kids participated in the annual Kid's Fishing Tournament. He also reported that both the Town of St. Paul and Wise County have applied for an SRO grant for St. Paul Elementary School. Ms. Baca advised that a copy of the SRO grant application is in council member mailboxes. Councilman Salyer asked if the remnants of the pool were dumped at the property adjacent to the car wash. Earl Carter said he was not sure where they were dumped. Councilman Salyer noted that he has asked several times that the town not dump at this location. Mr. Carter said they should be dumping at the landfill. Councilman Salyer said someone has dumped white material at this site. He noticed this after having a discussion with a representative from USDA Rural Development. Mr. Carter said he will look into it. A motion was made by Councilman Holbrook to approve the Consent Agenda items. The motion was seconded by Councilman Kelly and unanimously approved. Councilman Kelly noted that the report on the wastewater plant indicates that the sludge pressing has dropped from three or four times per month down to one per month.

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Old Business:

Councilman Kelly presented quotes from Chad King and Ken Construction on sidewalk repairs. Councilman Kilgore had solicited a quote from a Kentucky contractor, but Councilman Kelly did not know any details about that quote. Following a discussion about the format of the quotes and what each included, Councilman Salyer asked that the quotes be put into a comparable format. A motion was made by Councilman Kelly to table this matter until July. The motion was seconded by Councilman Boardwine and passed unanimously.

The Russell County Fair request tabled from last month was discussed. Ms. Baca advised that the cost of corporate sponsorship is \$1,000, but they will accept any donation. Also, the Fair Association has asked for a letter of support for their application to The Tobacco Commission. If there are any uses the town might have for the building that is being upgraded, they asked that a list of those uses be provided. A motion was offered by Councilman Salyer to write a letter of support for the Russell County Fair Association's grant application. The motion was seconded by Councilman Kelly and passed by a unanimous roll call vote.

Bill Wallace updated Council members on the work he is doing to get the VDOT approved signs for ATV's. The application submitted to VDOT for the Land Use Permit for ATV's and golf carts is still pending. Mr. Wallace discussed his suggestions for signage to guide people into downtown St. Paul. He is recommending two signs on Highway 58; one on the east and west end of town from both directions. Mr. Wallace said each sign application costs \$200 and asked for direction from the Council on what they would like regarding the signage. Ms. Baca said the town hall gets people asking for directions to Oxbow Lake and Sugar Hill Loop. Lou Wallace said they are working on directional signage on the corner of Wise Street in downtown, but are waiting for VDOT approval. She also said putting signage for Sugar Hill and Oxbow on the four lane is a good idea. After a brief discussion regarding the costs of getting each sign placed once approved, a motion was made by Councilman Salyer to authorize payment of the application fees for signage. Following further discussion, Councilman Salyer amended his motion to authorize \$1,000 in application fees for four signs. The motion was seconded by Councilman Boardwine and passed by a roll call vote: Kelly-Aye; Kilgore-Absent; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 5-0.

Jason Snapp, of Mattern & Craig, said a meeting has been held with Dominion Power to discuss their interest in contributing \$40,000 to the Grit Chamber Generator Project to upgrade the generator to be able to continue pumping raw water to Dominion in the event of a power outage. They expressed an interest in participating in upgrading the generator, but it will take approximately one month to get final approval on this matter. Ms. Baca said Council agreed last month to go with the engineer's recommendation not to upgrade the generator size unless Dominion opts to pay for it. Randy Beckner agreed, saying they would be on hold until they get a decision from Dominion. If Dominion agrees, he will draft an agreement allowing for their

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participation. If they choose not to participate, the project will continue as planned. A motion was made by Councilman Holbrook, seconded by Councilman Kelly, to table this matter until the Town hears back from Dominion.

Mayor Fletcher reported that letters have been sent to both property owners that had gray water going directly into the street or into a storm drain. One property owner has complied and the other has not yet responded. Mayor Fletcher said he will follow up with a telephone call and if the non-compliant property owner does not respond to the phone call, other steps will be taken.

New Business:

The Treasurer asked for approval of the 2017-18 Budget Ordinance. Councilman Salyer asked to amend the proposed budget by moving \$5400 for the River Sweep that will be conducted in conjunction with Russell County. Councilman Salyer moved to adopt the 2017-18 Budget with the amendment to reallocate \$5400 to an appropriate line item for this expense. The motion was seconded by Councilman Kelly and a roll call vote was taken: Salyer-Aye; Bailey-Aye; Holbrook-Aye; Boardwine-Aye; Kilgore-Absent; Kelly-Aye. The motion was approved by a 5-0 vote.

The Treasurer provided Council a list of recommended tax abatements and the reason for abatement. She noted that most abatements are because they are not located within the town limits. A motion was made by Councilman Holbrook to approve the Treasurer's list of tax abatements. The motion was seconded by Councilman Boardwine and a roll call vote was taken: Kelly-Aye; Kilgore-Absent; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 5-0.

Councilman Bailey said he has received complaints about yard sales that are setting up more like permanent businesses, particularly one that brought in a pallet and has been set up on 5th Avenue. He stated two problems with this situation; 1) an ordinance against permanent yard sales; 2) we have a business possibly coming into town who will buy a business license and pay sales tax on his receipts from pallet sales and you have these individuals setting up a tent and not paying anything. Councilman Bailey asked that the Police Department stop this type of yard sale. Councilman Holbrook said this should fall under "Itinerate Merchant" under the Business License Ordinance. The Town Attorney said this may be a civil issue that should be handled with a written notice. She asked Ms. Baca to forward the Business License Ordinance and any ordinance regarding yard sales and she will review them and determine what action can be taken. Ms. Baca said she recalls Councilman Salyer bringing the yard sale issue before council a couple of years ago, but does not believe any action was ever taken. Mayor Fletcher said this will be referred to the Town Attorney and asked for a motion to authorize her to review this issue. The motion was made by Councilman Bailey, seconded by Councilman Boardwine, and passed unanimously.

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A draft resolution was presented by Councilman Salyer in support of continued funding for the Clinch River Valley Initiative (CRVI). He talked about the purpose of CRVI, the work they have done, and the impact on the Clinch River Valley. Initially, there were 33 resolutions sent in support of the creation of CRVI. Councilman Salyer offered a motion to adopt the Resolution for the Continuation of Funding, sending the resolution to our state representatives Pillion, Kilgore, and Chafin. The motion was seconded by Councilman Holbrook. Councilman Kelly asked that Will Morefield be copied as well. Mayor Fletcher mentioned the importance of CRVI's work in getting a state park. The motion passed unanimously.

Councilman Salyer moved to donate \$500 to the Bus Tour requested by Kathy Stewart and Lou Wallace. The motion was seconded by Councilman Boardwine and passed unanimously.

Councilman Kelly moved to discuss the request for a Moral Obligation Bond by Spearhead Trails be discussed further in closed session. Ms. Hensley said it could be discussed under Legal or Contracts. The motion was seconded by Councilman Holbrook and passed unanimously..

A motion was offered by Councilman Kelly to adopt the Resolution to Issue a General Obligation and Sewer Revenue Bond for the Town of St. Paul Not to Exceed \$1,535,000 and Providing for the Form, Details and Payment of the Bonds. The motion was seconded by Councilman Boardwine and a roll call vote was taken: Salyer-Aye; Bailey-Aye; Holbrook-Aye; Boardwine-Aye; Kilgore-Absent; Kelly-Aye. The motion passed 5-0 with Kilgore being absent.

Councilman Kelly moved to adopt the Resolution to Authorize the The Terms of Interim Financing with CoBank for up to \$1,535,000. Ms. Baca clarified that this is the same \$1,535,000, which will be paid off by the permanent loan from Rural Development. The motion was seconded by Councilman Holbrook and a roll call vote was taken: Kelly-Aye; Kilgore-Absent; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 5-0 with Kilgore being absent.

Councilman Salyer moved to table the Resolution of Commitment of Funds to the Lyric Project for one month. The motion was seconded by Councilman Holbrook and carried unanimously.

Ms. Baca talked about previous discussions regarding the purchase of a new fire truck. In the past few years, there has not been any grant money available for this type of equipment. She advised that Rural Development representatives contact the town about money available for a feasibility study on a new fire station. During that conversation, it was indicated there could possibly be \$25,000 available in grant money and the rest in loan money for the purchase of a new fire truck. Earl Carter has a quote of approximately \$370,000 for a new truck. It has been discussed that the Town would contribute \$100,000 and the Fire Department \$100,000. That would leave \$170,000 balance. With a \$25,000 grant, the Town/Fire Department would finance the remaining \$145,000 with Rural Development. The current interest rate is 3 ¼ percent and we

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can finance it for up to ten years. Ms. Baca is asking Council for Authorization to Apply for Funding with Rural Development for a Loan/Grant for a New Fire Truck. A motion was made by Councilman Boardwine to approve the application. The motion was seconded by Councilman Holbrook. Following a brief discussion about the type of truck, Mayor Fletcher asked for a roll call vote: Salyer-Aye; Bailey-Aye; Holbrook-Aye; Boardwine-Aye; Kilgore-Absent; Kelly-Aye. The motion passed 5-0.

Councilman Holbrook said he received a letter that was dropped off at the office today, asking for a donation for one of the Clinch River softball teams that will be going to state. Ms. Baca noted that there is no money left in donations, but there is almost \$100 left in the Little League line item. Councilman Salyer moved to donate \$100 from that line item. The motion was seconded by Councilman Kelly and passed unanimously.

A motion was made by Councilman Holbrook to enter into Closed Session for the purpose of discussing Personnel under VA Code Section 2.2-3711(A)(1) and Legal under VA Code Section 2.2-3711(A)(7). He asked that Bob Harrison be allowed to stay for closed session. The motion was seconded by Councilman Boardwine and a roll call vote was taken: Kelly-Aye; Kilgore-Absent; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed by a vote of 5-0.

Councilman Holbrook moved to enter back into Open Session. The motion was seconded by Councilman Boardwine and passed unanimously.

A motion was made by Councilman Holbrook to certify that the only matters discussed in closed session were Personnel under VA Code Section 2.2-3711(A)(1), Legal 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-Absent; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed by a vote of 5-0 with one absent.

Councilman Salyer moved to appoint a committee consisting of Councilman Kelly, Councilman Bailey and Bob Harrison to address the Moral Obligation Bond request from Spearhead Trails. Any agreements drafted by this committee shall be reviewed by the Town Attorney and IDA Attorney. The motion was seconded by Councilman Boardwine and unanimously approved.

A motion was made by Councilman Salyer to authorize the Town Attorney to file court documents regarding the Jonsrud and Kanwal properties. The motion was seconded by Councilman Boardwine and passed unanimously.

Mayor Fletcher appointed Councilman Salyer, Councilman Holbrook, and Town Attorney Julie Hensley to review the Wise County School Board request letter and proposed resolution and make a recommendation to Council.

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A motion to adjourn was made by Councilman Salyer, seconded by Councilman Boardwin, and passed unanimously. Mayor Fletcher adjourned the meeting.

Mayor

Clerk