

**MINUTES
REGULAR COUNCIL MEETING
MONDAY, MARCH 18, 2013
TOWN HALL – 6:00 P.M.**

Council Members:

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

Earl Carter – Public Utility Director
Debora Baca – Town Treasurer/Clerk
Glenda Lane – Deputy Clerk
Bo Phillips - Police Chief
Randy Beckner – Mattern & Craig
Bob Harrison – St. Paul IDA
Julie Hensley – Town Attorney
Frank Kilgore – Mountain Heritage

The meeting was called to order by Mayor Fletcher.

Councilman Salyer asked to add “Group Meeting” to the agenda as Item #12 under New Business. Councilman Kilgore asked to move Item #1 and Item#6 to follow the Project Report so those present to hear those two items do not have to sit through the entire meeting. A motion was made by Councilman Holbrook, seconded by Councilman Kilgore, to approve the agenda as amended. The motion passed with a unanimous roll call vote.

There were no public requests.

Under Announcements, Mayor Fletcher discussed an issue regarding the concrete step below the back door of the Willis Building. With no objection, Mayor Fletcher will ask the maintenance crew to repair this or divert water away from the door to keep the moisture out.

A motion was made by Councilman Salyer to approve the minutes of the February meeting. The motion was seconded by Councilman Holbrook and unanimously approved.

Chief Phillips reviewed the Police Report. Mayor Fletcher asked the Chief to address Item #3, Truck Noise, during his report. In the month of February, the department had 11 offenses, 1 simple assault, 1 shoplifting, 1 theft, 1 embezzlement, 1 destruction of property vandalism, 1 drug charge, 2 DUI's and 2 other offenses. The department had 5 arrests, and 53 citations and summons. He reviewed the new format of the written report. Chief Phillips said they are waiting for Two-Way and VA-KY to complete the installation of the equipment so we can begin using our own radio channel. Councilman Bailey said he has received three complaints about the truck noise on Wise Street, noting that the previous council unsuccessfully tried to get legislation passed to prevent trucks from using jake brakes in town, particularly residential areas. Chief Phillips said he also received a complaint about the trucks using jake brakes coming into town from Hwy. 58. Councilman Bailey pointed out that if jake brakes are causing this much disturbance, they are probably over the legal decibel limit. Chief Phillips said he has asked his officers to stop these trucks and give them a warning. He has put word out to several of the trucking companies to be courteous and talk to the other drivers and ask that they not use the jake brakes unless absolutely necessary. Chief Phillips said if this effort is not effective, then he will deal with the noise according to state law regarding noise levels and town ordinances.

**MINUTES
REGULAR COUNCIL MEETING
MONDAY, MARCH 18, 2013
PAGE II**

Councilman Bailey said he has also received complaints about people violating the “No Thru Traffic” signs at the Baptist Church parking lot on their way to school. He asked Chief Phillips to have the officer on duty in the morning to keep an eye on this. Councilman Kelly pointed out that many of these trucks are using straight exhaust and if they have legal mufflers, they do not make that much noise. Councilman Kelly also requested a breakdown of the number of citations or offenses written by each individual officer as part of his monthly report. A motion to accept the Police Report was made by Councilman Holbrook, seconded by Councilman Kelly, and unanimously approved.

Debbie Baca presented the Treasurer’s Report. The Castlewood Girls Basketball Team sent a thank you card for the donation to help them with travel expenses to the state tournament. Ms. Baca pointed out that, per Council action, she has placed \$1,000,000 of the diffuser money into two certificates of deposit at Carter Bank & Trust, which offered the highest interest rate in the area. \$500,000 was placed in a one year cd and \$500,000 in a three year CD. The interest rates are so low right now, Ms. Baca is hopeful that the town can get a better rate when the one year CD matures. If the rate increases significantly, enough interest will be earned on the three year cd to pay the penalty if it is in the best interest of the town to break that CD and reinvest into a higher paying CD. The Revenue Anticipation Note balance from wastewater treatment plant engineering costs has been paid off. This is part of the \$498,000 from the Dominion Diffuser payment allocated to cover the costs of the first design. When the Grit Chamber Project is closed out, Ms. Baca will close the Dominion Special checking and Escrow accounts. She will also open a construction account once the Regional Wastewater Treatment Project is started. Councilman Salyer asked about the Fire Program Funds having \$8,000 budgeted, but we actually received \$16,000. Ms. Baca explained that the funds for the past two years were both received in the current fiscal year. A motion was made by Councilman Boardwine to approve the Treasurer’s Report. The motion was seconded by Councilman Kilgore and carried unanimously.

Earl Carter discussed the Water & Sewer Report. The grit facility has been working well considering the amount of rain, but there are still issues to be addressed. A new screen has been ordered and the company has agreed to send a representative to look at the equipment performance because one is outperforming the other. The lost flow from the raw water pumps to the grit facility has been corrected by a wear-plate adjustment. Once the final inspection is done and we know how much money is available, Mr. Carter will address the purchase of a spare motor for the raw water pump station and for the Kason Screens. The VDES permit has been submitted and is under DEQ review. Mr. Carter anticipates a meeting with DEQ sometime in April. The combined use of the diffuser will be worked out through DEQ and the specific roles of each entity should be defined in the permit. The water plant has been running approximately 16 hours per day to meet the needs of Castlewood Water & Sewage Authority. The two new trucks have been delivered to Morgan McClure and sent for the tool bed installation. John Hicks has asked Council to consider temporary summer employment like they did last year. Mr. Carter said he plans to order the filter pump for the swimming pool. Councilman Bailey requested that the water meter near his building is a safety concern and asked that it be repaired. Councilman Holbrook moved to approve the Water & Sewer Report. The motion was seconded by Councilman Kilgore and unanimously approved.

**MINUTES
REGULAR COUNCIL MEETING
MONDAY, MARCH 18, 2013
PAGE III**

The Project Report was given by Randy Beckner of Mattern & Craig. The new screen for the grit system will replace the one that is torn. If the 40 mesh screen works better, he hopes to order a second one under warranty. Mr. Beckner said they have proceeded with the redesign of the wastewater treatment plant and should complete the design ahead of schedule. Rural Development has approved the bid advertisement for the sludge removal and bridge attachment, which should be advertised this Sunday. The Virginia Department of Health rejected the bids on the Water Tank Rehab Project, so the bids must be advertised again with direct solicitation to MBE/WBE companies. The bids were advertised last Sunday and a pre-bid conference is scheduled for March 28th at the Town Hall. The telemetry will bid as a separate item since it is a specialty service. Mattern & Craig has been working with Rural Development for the past few weeks trying to get the Downtown Sewer Rehab and West Hills project funded. Mr. Beckner provided an updated cost estimate to everyone, noting that the project would require an annual transfer of approximately \$60,000 from the general fund for 38 years. In the environmental response, the Health Department did not find any significant issues with the septic systems in West Hills and we are looking at about a 2.5% interest rate with a 68.4% loan and 31.6% grant. The new users will come from the 54 West Hills customers, but the downtown portion doesn't generate any new revenue. He discussed Council's option to waive the tap fee because the value of participation is more valuable than the connection fees during construction. A motion was made by Councilman Holbrook, seconded by Councilman Kelly, to approve the Project Report. The motion passed unanimously.

Next, Council addressed the two items moved from New Business. Glenda Lane reviewed the changes in employee health insurance costs. The town currently has 6 single, 6 dual, and 8 family policies. The increase for the 2013-14 year is 8% which covers health, dental, and vision. Nothing has been decreased or omitted from the coverage, but enhancements include coverage for autism and well baby care. A motion was made by Councilman Salyer, seconded by Councilman Boardwine, to approve the health insurance plan as presented. The motion passed unanimously.

Councilman Kilgore read a Resolution to Dedicate Estonoa Alley. The resolution honored Dean Vencil for his dedication to the community and Team Estonoa, and proposed to dedicate the alley from Deacon Drive and Buchanan Street by placing a sign at both entrances naming the alley by Estonoa Dean Vencil Drive. Councilman Kilgore moved to adopt the resolution and Councilman Salyer seconded the motion. A roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 6-0.

Old Business:

The Treasurer provided a budget spreadsheet on the Grit Project. She explained that the first change order approved was not deducted from the contingency and equipment. Mr. Beckner thought contingency would cover the additional costs, but it is short \$3,400. However, interest earned on the account will reduce this amount. Mr. Beckner discussed the additional work needed, pointing out that the pumps mentioned by Mr. Carter are outside of the project. A motion was made by Councilman Salyer to approve up to \$3,400 in additional funds to be

**MINUTES
REGULAR COUNCIL MEETING
MONDAY, MARCH 18, 2013
PAGE IV**

allocated to the Grit System Project. The motion was seconded by Councilman Boardwine and unanimously approved.

Ms. Baca asked Council to give direction on the interim financing for the Sludge Removal and 58A Bridge Attachment. Previously, Russell County signed an agreement with the Town of St. Paul sharing responsibility for the repayment of interim financing for these projects. The expected costs of the projects are approximately \$800,000 and the funds available through our RAN are \$500,000. Ms. Baca said the Town can issue a new RAN for a higher amount, or look at a construction loan for these two projects. She stated concern about paying bond counsel if the RD loan is not closed within a year, and with a traditional construction loan, the bond fee would only be paid once. She also reminded Council that if the wastewater treatment project moves forward, this will be part of the project and will be paid back with funds from RD. Councilman Holbrook moved to accept the Treasurers' recommendation to seek a 2-year construction loan. 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.

The Mutual Aid Agreement previously reviewed by the Town Council had minor changes before being passed by Wise and Russell counties. Ms. Baca is asking for approval of the agreement as passed by both entities. Town Attorney Julie Hensley pointed out that, in addition to the first paragraph language change, an entire paragraph has been deleted from the original draft. Following further discussion, Ms. Hensley said she would need to look at this more closely. Ms. Baca said she will make sure that the resolution to be presented to Council for final approval is the exact language approved by both Russell and Wise County. A motion was made by Councilman Salyer, seconded by Councilman Holbrook, to table this matter until next month. The motion passed unanimously.

Councilman Kilgore presented a drawing done by Kevin Sutherland free of charge. The plans showed a layout for a new picnic shelter, restrooms and playground area at the park. The plan suggests that two new restrooms should be built at either end of the shelter located at the playground. This would remove the small single shelter, but the graveled walking path would remain in the same location. Councilman Bailey mentioned that this design would also prevent vehicles from driving on the grass in that area. Councilman Kilgore asked Council to keep this design in mind when discussing park renovations.

Councilman Kelly requested funding the Easement Agreement between the Town and Mountain Heritage for maintenance of the Oxbow and Sugar Hill Loop Trail. Frank Kilgore was asked to comment on the trail maintenance. Mr. Kilgore said, considering the funds requested for the new trail, he would first like to withdraw his request for the \$2500 easement payment for the Oxbow/Sugar Hill Loop Trail for the current year, and ask the budget committee to consider it for the 2013-14 budget year. Councilman Bailey clarified that the minutes from 2011 reflect that the original motion only allocated the \$2500 for the first year of the easement. Mr. Kilgore agreed that the easement signed is for five years, but asked for year to year funding. Councilman Bailey said he wanted to clear up any confusion as to why this wasn't allocated in the 2012-13

**MINUTES
REGULAR COUNCIL MEETING
MONDAY, MARCH 18, 2013
PAGE V**

budget. Mayor Fletcher said the proposal on the table is to ask the Budget Committee to allocate the \$2500 funding for the Mountain Heritage Easement in the 2013-14 proposed budget. Councilman Holbrook moved to send this request to the Budget Committee. The motion was seconded by Councilman Kelly and a roll call vote was taken: Kelly-Aye; Kilgore-Abstain; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion passed 5-0.

Councilman Bailey moved to remove the Crooked Road Resolution from the table. A second was offered by Councilman Boardwine and the vote was unanimous to remove this item from the table.

Next, there was no motion offered to purchase a table for the Wise County Gala. Councilman Holbrook moved to remove this matter from the table. The motion was seconded by Councilman Boardwine and passed unanimously.

Councilman Bailey commented on the recent presentation regarding the skate park. Funding for the skate park is contingent on Item #10 under Old Business. Councilman Bailey said he is waiting for the budget adjustment to be approved and the transfer of funds before actually proposing the allocation of funds for this project. The company representative said if the town wishes to have a summer opening, they will need a decision soon. The original plan was to complete the skate park in a couple of sections, but Councilman Bailey reviewed a plan that he will propose after the public hearing. Ms. Baca said once the budget adjustment is approved, the excess funds will be in contingency or "Recreation Capital Outlay" as discussed in previous meetings. Ms. Baca recommended that the Council look at the money available in contingency and recreation capital improvements, prioritize their projects, and then allocate a budgeted amount for each project. Councilman Bailey moved to table this matter until next month. The motion was seconded by Councilman Holbrook and passed unanimously.

Councilman Salyer reported that prior to the meeting the appraisal on the Lion's Dens was received. The appraised value is \$28,000. Councilman Salyer said he would like to see the property sold and the money set aside to use toward something like the trail system that was voted on tonight. He also noted that if we choose to keep the building for a use not covered in R1 zoning, the Council would have to make an exception to our zoning rules. He noted that Robert Mullins has discouraged the town from making exceptions. Councilman Salyer moved to open discussion on the Lion's Den. The motion was seconded by Councilman Kilgore and carried unanimously. Councilman Kilgore said he would at the very least like to get an estimate on what it would cost to repair the building before making a decision. Ms. Hensley pointed out that the ordinance does allow for churches and other community facilities in R1. She also noted that the comparables used in the appraisal were all houses and this building was never intended to be a residence, therefore, you would not be converting the use of the building. Mayor Fletcher advised that several years ago the repairs were estimated to cost around \$50,000. Councilman Holbrook said it was pointed out to him by a citizen that about 40% of our population is senior citizens and this would be something to consider for this location. Following a brief discussion regarding possible uses and non-profit senior citizen agencies that might be interested, Mayor Fletcher said he thought it was important to have input from the citizens and get an estimate on

**MINUTES
REGULAR COUNCIL MEETING
MONDAY, MARCH 18, 2013
PAGE VI**

the cost to renovate the building. Councilman Bailey moved to hold a public hearing prior to the next council meeting to receive comments on possible uses of this building. The motion was seconded by Councilman Holbrook. Councilman Salyer said he will have a contractor give him an estimate and have it for the public hearing. Councilman Salyer also said he will be asking under Item #12 to hold a special called meeting and suggested that we could have the public hearing prior to that meeting. Councilman Salyer offered a substitute motion to hold the public hearing prior to the special council meeting. Councilman Holbrook seconded the substitute motion and it passed unanimously.

Last month, Council approved a motion to transfer \$800,000 from the Utility Fund to the General Fund. Ms. Baca said she will work with the Town Attorney to prepare a resolution authorizing a transfer of funds from the Utility Fund to the General Fund and will include the repayment method to pay back the Utility Fund. She suggested that the repayment terms be \$100,000 to be paid back prior to the end of this fiscal year, and \$100,000 prior to December 31st each year beginning in December, 2013 until paid in full. A motion was made by Councilman Kilgore, seconded by Councilman Holbrook, to accept the Treasurers' recommendation on the repayment terms. Ms. Baca said a budget adjustment public hearing needs to be scheduled and it must be advertised for two consecutive weeks so the earliest date would be the week of April 1st. A motion was made by Councilman Holbrook, seconded by Councilman Boardwine, to schedule the budget public hearing for Thursday, April 4th at 5:15, the Lion's Den public hearing at 5:30, and a Special Council Meeting to address these two items and a group discussion on financial planning at 6:00 p.m. The motion passed unanimously.

New Business:

Bob Harrison discussed the VHDA MUMI Planning grant application prepared by Rob Jones. Mr. Harrison said this is a \$10,000 grant to cover additional costs associated with planning for the Willis Building. The grant application proposes to use these funds for an environmental site assessment, structural evaluation, and a mechanical/electrical evaluation. Councilman Boardwine moved to approve the funding application. Councilman Kilgore offered a second and the motion passed unanimously. Mayor Fletcher commented that Mr. Jones has been working with several different people seeking possible developers and investors.

Item #3, Truck Noise, was addressed during the Police Report.

Councilman Kilgore suggested getting a quote for installing a camera system at the park to help monitor any vandalism. He would also like to see internet access made available throughout the park. Mr. Carter has obtained an estimate for a sixteen camera system and was quoted a wireless camera system with wireless internet service. The top of the line system was estimated to cost about \$40,000, which is a day/night colored wireless system with nearly indestructible cameras. The next step down would be a wired system. Councilman Kilgore said he will get some prices on a less expensive camera system and moved to table this matter until next month. The motion was seconded by Councilman Kelly and passed unanimously.

**MINUTES
REGULAR COUNCIL MEETING
MONDAY, MARCH 18, 2013
PAGE VII**

The condition of downtown streets was addressed by Councilman Kilgore. He suggested contacting VDOT to request repairs to 6th Avenue and Broad Street. Councilman Kelly also pointed out the repairs needed on Wise Street due to the truck traffic. He was told that this matter will be referred to the Bristol VDOT office since it is a main road. Mayor Fletcher said he will contact VDOT to address these issues.

Only one bid was received on the RFP for the swimming pool. Others looked at the project, but only one bid was received. Ms. Baca added that it doesn't appear there are very many contractors who specialize in pool construction in our area, and insurance requirements seemed to concern some contractors. The bid received from MNCC, Inc. of Bristol, VA would allow enough remaining funds for furniture. The bid included a range cost on the marsite depending on the texture and color chosen. Mayor Fletcher said the town crew will work on the inside of the building including the dressing rooms and restrooms, the pump house, door replacements, and replacement of the broken window at the concession stand. Councilman Kilgore said he would also like to have an awning built in the concession stand area, and he believes that \$120,000 will cover the pool and deck work. Councilman Kilgore moved to award the pool construction contract to Mark Nash Construction Company, Inc. The motion was seconded by Councilman Salyer 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 Kelly stated support of the resolution proposing approval of a trail route through the downtown area connecting Blue Belle Island trail and Oxbow Lake. The resolution further states that the town officials and its employees will facilitate the establishment of this trail along with volunteer groups and individuals, and will allocate \$25,000 for materials and labor as needed to finish and maintain the trail under the authority of the Town's duly appointed recreation committee with monthly reports made to the full council as the project progresses. There is also language to authorize the Town to request TVA and other agencies to allow reduction of hazardous rock barriers along the river re-channeling route for safer boat passage. Frank Kilgore reviewed the trail map and Bob Harrison said the goal is to tie together the river, the CRVI project, and the Sugar Hill Loop Trail. The proposed trail places people in the business portion of our town. Mr. Harrison commented that promotion of our trail systems has the town headed in the right direction. Mayor Fletcher said he has been working on getting assistance to remove these barriers left by VDOT, but a crane will be needed. Councilman Kelly said he has given the Town Attorney a copy of the deed to the library building to see if an easement is needed to place the trail by the library. Mr. Kilgore said the detention center has provided people to work on the trails and a community service worker has been working on spreading gravel. He also mentioned the donations made by Fred Arrington, Mountain Material, and Jerry Farmer. Most of this \$25,000 will go toward crossings and signage. Councilman Kelly commended Mr. Kilgore for the work he has done on the trails in our area. Mayor Fletcher thanked Mr. Kilgore for his volunteerism. Councilman Kelly moved to adopt the resolution as presented. The motion was seconded by Councilman Boardwine and passed unanimously. Councilman Bailey noted that this was passed without debate or discussion about whether the money is in the budget.

**MINUTES
REGULAR COUNCIL MEETING
MONDAY, MARCH 18, 2013
PAGE VIII**

Councilman Salyer moved to decline the request for a donation from Eastside since we have no money left in the donation line item. The motion was seconded by Councilman Holbrook and passed unanimously.

Regarding the next request, Ms. Baca reminded Council that the St. Paul Police Department will be holding a Kid's Fishing Tournament during Clinch River Days. Since it has already been determined that there is no additional funds in the donation line item, Councilman Holbrook moved to decline the request for the Russell County Kid's Fishing Day. The motion was seconded by Councilman Boardwine and unanimously approved.

Mayor Fletcher asked everyone to look at the vacated board seats. Councilman Salyer moved to reappoint all those whose position expires on March 31st. Councilman Kelly seconded the motion, stating that he spoke with everyone currently holding these positions and all have agreed to serve another term. There was a brief discussion if Council can simply make a motion to reappoint all those currently holding the expired seats. Mayor Fletcher asked the attorney if this motion was appropriate. Ms. Hensley suggested that the nomination and voting process be carried out individually so there is no question about the appointments.

Councilman Salyer withdrew his motion and nominated Aubrey Ward for the Building Code of Appeals. There being no other nominations, Mayor Fletcher closed the nominations and asked for a vote. Aubrey Ward was appointed by unanimous vote.

Councilman Bailey nominated Frank Molinary to serve on the Board of Zoning Appeals. There were no other nominations and Mayor Fletcher closed the nominations. Frank Molinary was appointed by a unanimous vote.

Councilman Boardwine nominated Bill Wallace to serve on the Planning Commission. Councilman Kelly nominated Bob Ramey to serve on the Planning Commission. There were no other nominations and Mayor Fletcher ceased nominations and called for a vote to fill the two vacancies on the Planning Commission. Bill Wallace and Bob Ramey were appointed to the Planning Commission by unanimous vote.

Councilman Kelly nominated Bill Steele to serve on the IDA Board. Councilman Holbrook nominated J. D. Cassell to serve on the IDA Board. There being no other nominations, Mayor Fletcher ceased nominations and called for a vote. The Council voted unanimously to appoint Bill Steele and J. D. Cassell to the IDA Board.

The group meeting requested by Councilman Salyer will be on the agenda of the special called meeting on April 4th.

A motion was made by Councilman Holbrook to enter into Closed Session to discuss Personnel under VA Code Section 2.2-3711 (A)(1). 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 passed by a vote of 6-0.

**MINUTES
REGULAR COUNCIL MEETING
MONDAY, MARCH 18, 2013
PAGE IX**

Councilman Holbrook moved to enter back into Open Session, certifying that the only matter discussed in Closed Session was Personnel under VA Code Section 2.2-3711(A)(1). The motion was seconded by Councilman Kelly and a roll call vote was taken: Kelly-Aye; Kilgore-Aye; Boardwine-Aye; Holbrook-Aye; Bailey-Aye; Salyer-Aye. The motion carried 6-0.

A motion was made by Councilman Holbrook to hire Debbie Phillips temporarily at \$8.00 per hour, up to 32 hours per week, to assist in the office while Wendee Jones is on sick leave, and to authorize Earl Carter to advertise for two seasonal employees for the Street Department with the pay at minimum wage for the time period from mid-April until the end of October. The motion was seconded by Councilman Boardwine and unanimously approved. Councilman Kelly requested that Earl or Johnny bring the applications to the next council meeting with their recommendation.

There being no further business, Mayor Fletcher adjourned the meeting.

Mayor

Town Clerk