

TOWN COUNCIL MINUTES



Gate City Town Council Minutes October 13, 2020 190 Beech St., Gate City, VA 6:30 PM

I. COUNCIL MEETING CALLED TO ORDER AT 6:43 P.M. BY: Mayor – Bob Richards

II. ROLL CALL – Town Clerk – Lydia Morales

	PRESENT:	ABSENT:
Mayor, Bob Richards	X	
Vice Mayor, Robin Richards	X	
Council Member, Allan “Cotton” Roberts	X	
Council Member, Roger Cassell	X	
Council Member, Wallace W. Ross, Jr.	X	
Council Member, Tyler Kilgore	X	
Town Manager, Greg Jones	X	
Town Attorney, Michele Brooks	X	

Others present: Jim Addington; Larry Sturgill; Officer Shelley; Chief of Police Justin Miller; Frances Perry; Debbie Kindle; Ron Kindle; Jason Snapp, Mattern & Craig

III. INVOCATION – Mayor Bob Richards

IV. PLEDGE OF ALLEGIANCE - Chief of Police Justin Miller

V. APPROVAL OF AGENDA

Motion made to approve the agenda as presented.

Motion by: Allan “Cotton” Roberts

2nd by: Roger Cassell

VOTE: Aye, 5
Nay,
Absent,
Abstain

Motion Carried.

VI. PROCLAMATIONS, CONGRATULATORY RESOLUTIONS, AWARDS, APPOINTMENTS, RESIGNATIONS AND CONFIRMATIONS, ADMINISTRATION OF OATHS AND INTRODUCTION OF GUESTS.

1. Award Presentation: Present 2020 MADD Award to Lucas Shelley – Chief Miller

Chief Miller presented the 2020 MADD Award to Officer Lucas Shelley. Chief Miller stated that for three years in a row, Officer Shelley has won this award for successfully arresting and prosecuting drunk drivers.

VII. APPROVAL OF MINUTES

1. Approval of September 08, 2020 Town Council Minutes.

Motion made to approve minutes as presented.

Motion by: Roger Cassell

2nd by: Robin Richards

VOTE: Aye: 5
Nay:
Absent:

Abstain: **Motion Carried.**

2. Approval of September 29, 2020 Special Called Meeting Town Council Minutes.

Motion made to approve minutes as presented.

Motion by: Allan "Cotton" Roberts

2nd by: Roger Cassell

VOTE: Aye: 5

Nay:

Absent:

Abstain: **Motion Carried.**

VIII. APPROVAL OF PAYMENTS

Motion made for approval for payment of bills for September 2020 as presented.

Motion by: Allan "Cotton" Roberts

2nd by: Tyler Kilgore

VOTE: Aye: 5

Nay:

Absent:

Abstain: **Motion Carried.**

IX. PUBLIC COMMENT (Will be limited to 3 minutes per speaker.) - NONE

Mayor Richards closed the public comment session at 6:47 P.M. and opened the consent agenda session.

X. COMMUNICATIONS - NONE

XI. REPORTS (All reports given will be included with your packet. Any questions about the reports will need to be discussed with the department head PRIOR to the meeting.)

A. Engineer's Status Report – Mr. Jason Snapp delivered the Engineer's Report.

DEO Sewer I&I Rehab Job: The contractor has completed the project with the exception of the section of line along Little Moccasin Creek from MH 1012A to MH 1013 which is approximately 185' of sewer line left to install. This line is in the area just downstream of the Kane Street Bridge. This section of the work can't be completed until the TOYR year restriction ends on October 31st. At the conclusion of this work the project will be complete as the contract stands now. There are options to identify additional work to incorporate into the project to use up the additional money left in the construction budget. However, we recommend the Town only pursue identifying manholes that could be replaced to use up the manhole bases that would have to be absorbed by the Town otherwise. There are currently 7 manhole bases onsite that could be utilized to replace deficient manholes in other areas around town.

Currently the overall budget is projected as stated below:

Construction	\$ 1,250,000.00
Contingency	\$ 60,066.00
Legal/Bond Counsel	\$ 6,000.00
Basic Engineering	\$ 128,000.00
Permits	\$ 9,325.00
Mussel Survey	\$ 8,100.00
Easements/ROW Maps & Deeds	\$ 23,452.00
Asset Management Plan	\$ 20,000.00

Easement Acquisition	\$ 4,405.00
Resident Project Inspection	\$ 100,000.00
Additional Engineering for Redesign	\$ 14,740.00

These projections are estimated and not final and total approximately \$1,624,088.00. The original project budget was set at \$2,111,595.00. Current estimated project savings are \$487,507.00. These savings will be realized from the construction and resident project inspection line items.

Mattern & Craig's recommendation is to investigate locations to use the manhole bases that are onsite and then let that complete the project. Additional investigations can be completed with the recently approved grant money from the DEQ SSES money.

Sewer Asset Management Plan: M&C has submitted the Asset Management Plan to the Town for review. Mr. Snapp stated that the Sewer Asset Management Plan has to be approved before the project is closed out.

H/C Ramp HSIP Project: The project was bid at Town Hall on Thursday, June 25th, there was only 1 bidder that submitted. The lone bidder was Estes Brothers Const. at \$211,669.65. This was approximately 3 times the project's cost estimate. The project was re-advertised on Sunday, October 11th in the Kingsport Times newspaper. A Pre-bid conference will be held at Town Hall on October 27th at 10:00AM and bids will be opened at Town hall on November 12th at 10:00AM.

DEQ Sanitary Sewer Evaluation Study: DEQ has awarded the SSES funding package for Gate City (The Town's funding package totals \$100,000, and consists of \$75,000 grant money and a \$25,000 Town match). The Town is now authorized to start on this project by DEQ pending providing required paperwork to DEQ including procurement certification letters.

VDH Backup Generator Project: VDH has offered funding in the amount of \$1,220,000 per the funding application for the Emergency Backup Generator Project M&C and the Town submitted last spring. The funding package consist of \$366,000 in grant funds and \$854,000 in loan funds with a term of 20 years. It is possible that a Waterworks Business Operations Plan could be attached to this project per the funding letter. The offer must be accepted or denied no later than October 30, 2020.

B. Manager's Report – Town Manager Greg Jones delivered the Manager's Report.

Capital Projects

Town

- Highway Safety Improvement Project (HSIP)**

Ramp/Safety Rail West Jackson Street

HSIP grant application for the sidewalk replacement project on Manville Road was submitted on November 1st, 2017. Environmental Review has been completed and has been approved. VDOT has approved the final budget:

Project Cost and Reimbursement						
Phase	Estimated Project Costs	Funds type (Choose from drop down box)	Local % Participation for Funds Type	Local Share Amount	Maximum Reimbursement (Estimated Cost - Local Share)	Estimated Reimbursement to Locality (Max. Reimbursement - Est. VDOT Expenses)
Preliminary Engineering	\$14,556	HSIP	0%	\$0	\$14,556	
				\$0	\$0	
Total PE	\$14,556			\$0	\$14,556	\$6,056
Right of Way & Utilities						
Total RW						\$0
Construction	\$109,584	HSIP	0%	\$0	\$109,584	
				\$0	\$0	
Total CN	\$109,584			\$0	\$109,584	\$104,584
Total Estimated Cost	\$124,140			\$0	\$124,140	\$110,640

VDOT has also authorized the project to advertise for contractors. The advertisement will be for a minimum of 21 days.

The Pre-Bid Conference was held on May 28th, 2020 and the bid deadline was June 17th, 2020.

Out of the four plan holders there was only one contractor who submitted a bid. The bid was in the amount of \$211,669.65 which exceeded the engineers estimate by \$135,119.65. Currently Mattern & Craig, Inc is developing options for the Town to consider.

VDOT has approved the project to be readvertised. The Pre-Bid Conference will be held on October 27th, 2020 and the bid deadline has been set for November 12th, 2020.

Manville Sidewalk Project

VDOT has awarded \$402,000.00 for this project. This project will begin July 2021.

Gate City High School Sidewalk Project (Shoemaker, Beech, Bishop, and Jones Streets)

HSIP Grant Application has been submitted. The project total including Engineering Fees is \$578,475.00. If awarded, the project will be included in VDOT's six-year plan with the expectation that funding will occur in 2024. To date, VDOT has this project listed as "pending".

- **Department of Housing and Community Development (DHCD): Park Street Housing Rehabilitation Project.**

DHCD has awarded \$522,200 for the Park Street Housing Rehabilitation Project. The funds will be used to rehabilitate seven residential homes, reconstruct two residential homes, and demolition of two vacant residential structures on Park Street. Our budget is as follows:

\$522,200 – DHCD
\$12,000 – Town (In-Kind)
\$534,200 – Total

The Park Street Housing project will be set up on a reimbursement. This project will coincide with the DEQ Wastewater Line replacement project valued at \$1.7 million. The Town may need to obtain a Bond Anticipation Note (BAN) to provide interim financing for both projects.

The project sign has been approved by DHCD and installed onsite.

The demolition order for the vacant house on Park Street has been approved and posted by the Gate City Code Official.

The Management Team has approved the following bids on July 13th, 2020:

639 Park Street: Substantial Rebuild and Demo: Day 3 Construction: \$94,920.00
649 Park Street: Demolition: Egan Construction: \$13,000.00
599 Park Street: Demolition: Egan Construction: \$13,500.00

The Management Team has approved the following bids on September 14th, 2020:

559 Park Street: Substantial Rebuild and Demo: Day 3 Construction: \$103,389.00
554 Park Street: Rehabilitation: Day 3 Construction: \$20,600.00
669 Park Street: Substantial Rebuild: Day 3 Construction: \$51,375.00
608 Park Street: Demo: Day 3 Construction: \$15,960.00

Demolition for 599, 608, and 649 is ready to begin and should start soon. 554 Park Rehabilitation is ready to begin.

Council Action: Approve the Public Hearings for a Special Exception and Use Permit for 639 and 559 Park Street.

- **Dog Park & Gateway Park**

Proposed funding of \$5,000 for the Gateway Park has been approved in the FY 2021 Town Budget. Our next project will be the installation of the Stack Fence along the front of the property.

The Planning Commission is moving forward with constructing a Stack Fence along the front right of way of Gateway Park. Below is a representation of what the stack fence will look like:



Council Action: Approve quote from Factory to You Fence of Kingsport for \$7,046.00

Proposed funding of \$5,000 for the Dog Park located at Grogan Park has been approved in the FY 2021 Town Budget. Our next project will be to address the drainage issue and install the interior fencing.

- **Banner Placement – Kane & Jackson Streets**

\$25,000 has been allocated through the FY 2019 budget to place new streetlight banners along Kane and Jackson Streets. The FY 2019 funding for this project has been transferred to the Capital Improvement Savings to continue the project in FY 2020.

I met Mr. Joel Mosca, Mosca Designs – Glenn Allen, VA during the Main Street meeting in Lynchburg, VA. Mosca Designs stated that they can help with the engineering requirements needed for permitting.

I have asked the Gate City Frontier, Inc to take the lead on this project. Gate City Frontier has informed me that the banner design has been developed. This design will be used on the tall AEP Street Lights.



This is the same design that was recommended by Arnett Muldrow & Associates, Ltd. who drafted the Revitalization Plan for Gate City back in 2007.

Town Council approved the fall banner design shown below as recommended by the Economic Redevelopment Committee and the Planning Commission. The Street Committee has recommended approximately 20 flag poles to be removed from Jackson Street. 35 fall banners and 20 lower support arms have been ordered. This project will be completed as soon as the banner order comes in.



- **Sidewalks – West Jackson Street**

Currently there are no sidewalks located on West Jackson Street past the Scott County Life Saving Crew. Council has approved to submit a HSIP application for the installation of sidewalks on West Jackson Street.

We have learned that VDOT will not be accepting HSIP applications this year. Further Council discussion will be required.

- **Grogan Park/Baseball Fields Flooding Issue**

I met with Scott County Schools, Gate City Little League, and Michele Brooks, Attorney on March 12th, 2019 to discuss the flooding issue at Grogan Park Baseball Fields. Under our agreement with Gate City Little League, the Little League is responsible for the maintenance of the baseball fields. Gate City Little League states that they are not using the High School Baseball Field and should not have to provide maintenance to the field. Gate City Schools stated that they will not be playing home games at Grogan Park due to the damage caused by the recent flooding. Gate City Schools did state that they will repair the fence wall at the High School Baseball Field.

I contacted Mr. Hubert Thomas with the U.S. Army Corp of Engineers for assistance in handling the flood issue at Grogan Park. He indicated that a creek survey will need to be conducted prior to determining a plan of action. A site visit was conducted on May 13th, 2019.

As a result of the site visit, the Army Corp of Engineers stated that they are expecting to receive additional budget funding due to the increase of flooding issues in our area. Mr. Thomas stated that the Army Corp of Engineers can do a stream study for Big and Little Moccasin Creeks.

Council has approved the letter of engagement for the Army Corp of Engineers to proceed with this survey.

Grogan Park along with the Town of Gate City received significant flooding on Wednesday, February 5th, 2020. The Big and Little Moccasin Water Shed was documented with pictures and turned over to the Army Corp of Engineers to help with the assessment project.

The flooding issue continues at Grogan Park. We have received 4.83” in April and 4.42” in May. The park has flooded seven times in March and April 2020.

The Army Corp of Engineers contacted me on June 30th, 2020 and stated that the survey has been officially fully funded and they are ready to start. A kickoff meeting was held on August 3rd and the survey has started. We were informed that the survey will take a year to complete.

- **Wastewater Line Replacement Project**

The Gate City Sanitation Authority has been awarded funding to replace the aging wastewater trunk lines.

The original funding has been awarded. The loan will be for twenty years at zero percent interest.

Base Funding			
Total	Grant	Loan	Yearly Payment
\$1,726,278	\$700,000	\$1,026,278	\$51,314

The bid opening ceremony was conducted on October 30th. The lowest bid was received at \$2,117,595.00. DEQ has agreed to loan the difference under the same terms as the original offer.

Ammended Funding			
Total	Grant	Loan	Yearly Payment
\$2,117,595	\$700,000	\$1,411,595	\$70,580

The Sanitation Authority did request additional grant funding, but DEQ stated that all the grant funds have already been allocated. Town Council has approved the Support Resolution. This project successfully closed on January 30th, 2020. The Notice to Proceed was signed on March 3rd, 2020 and the project has begun.

The contractors have made significant progress with this project. The project was scheduled to take one year to complete. The project is now at the 40% completion mark. All the replacement sewer line has been completed. The remaining lines will be rehabilitated or pipe burst. The project has been modified to address additional infiltration concerns. Burnt Cabin Branch will be evaluated in addition to the scope of this project.

- **2021 Southwest Virginia Pilot Program Phase 1**

The Gate City Sanitation Authority has been awarded \$75,000.00 through the Virginia Clean Water Financing and Assistance Program Southwest Virginia Pilot Program. The project will consist of a sanitation sewer evaluation study to help determine Inflow and Infiltration (I&I) issues in our wastewater collection lines. The following represents the budget for this project:

\$75,000.00 DEQ's Clean Water Financing and Assistance Program
 12,500.00 LENOWISCO Planning Authority (soft commitment)
12,500.00 Gate City Sanitation Authority
 \$100,000.00 Total

- **Virginia Department of Health (VDH) – Backup Generator Project**

The Town of Gate City has received an offer letter from VDH for the Backup Generator Project. The proposed project consists of the following:

- * Backup Generator: Water Plant
- * Backup Generators: Water Lines/stations (5x)
- * Booster Pump: Increase flow to water tank (reduce plant hours)
- * Master Water Meters: (5x) Reduce water leaks through better accountability.
- * Reclaim Tank Demo: Tank at water plant no longer used. Taking in rainwater.

The project's estimated cost is \$1.22M with \$366k in grant/principal forgiveness. Our net cost will be \$854K payable over 20 years with an interest rate between 2.5% and 3.5% interest depending on market at the time of closing.

The debt retirement would be estimated at \$61,000/year based on 3.5%.

Council Action: Discussion, approve project and funding proposal

- **Utility Billing Software Replacement Project**

The Utility Billing Software replacement project is on hold while the Town completes the FY 2019 audit.

- **Telephone System Replacement – Town Hall**

The Request for Proposals (RFP) for a new Telephone System at the Gate City Town Hall has been completed and advertised. The due date for bids is September 24th, 2020.

Council Action: Approve bid from TUC Technologies in the amount of \$7,189.20.

2020 Town Events

Events scheduled for 2020:

King Alleyween: Saturday, October 24th, 2020
(Council Action: Cancel Event due to COVID-19)

Veteran's Day Event: Wednesday, November 11th, 2020 – Grogan Park

Christmas Open House: Saturday, November 21st, 2020

Shop Small Saturday: Saturday, November 28th, 2020

Christmas Parade: Saturday, December 5th, 2020

The above events are still scheduled but may need to be revised due to the COVID-19 health issue.

The Kiss the Grit Bike Ride was held on September 26th, 2020. There were twenty bike riders who participated. We received many positive comments about the route. Special Thanks to Spearhead Trails, Gate City Frontier, Inc, Scott County Tourism, Scott County Life Saving Crew, and Bill Dingus, Assistant Scott County Administrator for creating the route.

The Events Committee met with Scott County Tourism on September 2nd to discuss the Virginia Tourism Corporation (VTC) Recovery Marketing Leverage Program that has up to \$20,000 for advertising. The grant proposal has been submitted. VTC will announce the grant awards in early November 2020.

The “Meet the Town” advertising campaign is in production. The Town hired Market Innovations to create print and video advertising showcasing our local tourist destinations and locally owned retail businesses, accommodations, and restaurants. This project will be completed in about two weeks.

Other

Engineering Procurement

Town Council has voted to accept Request for Qualifications (RFQ) for qualified engineering firms. The RFQ has been drafted and approved by the Virginia Department of Health (VDH) and Virginia Department of Transportation (VDOT). Direct solicitation to Women Business Enterprise (WBE) and Minority Business Enterprise (MBE). Our direct solicitation has been submitted to VDH and VDOT and we are awaiting approval. The RFQ deadline was on February 20th, 2020. Council appointed Council Members Mr. Roger Cassell and Mr. Ron Kindle to the interview committee. The interview committee held the RFQ opening ceremony on February 20th, 2020. The RFQ’s are currently under review.

This project has been on hold due to the COVID-19 health crisis. Engineers who have submitted RFQ’s have been contacted. This project will be underway shortly.

Mayor Richards has appointed Mr. Tyler Kilgore to the Interview Committee along with Mr. Roger Cassell

The original RFQ was held on February 20th, 2020, a couple of weeks before the COVID-19 pandemic hit. This project has been on hold since then. Council has approved to re-advertise the RFQ. I have drafted a new RFQ and sent to VDOT for approval. The RFQ will be advertised as soon as the approval from VDOT is received. Town Manager Greg Jones stated that he hopes to have this taken care of in about six weeks.

CARES Act

Under the “Coronavirus Aid, Relief, and Economic Security Act” or the “CARES Act” grant funding has been made available through the Virginia Department of Housing and Community Development (DHCD) for the following eligible activities:

On June 1st, 2020, we learned that the CARES Act funding was sent to Scott County. Gate City’s portion of the funding will be \$163,299. With this funding we will be able to complete the following COVID-19 mitigation activities:



- Reimburse for cleaning and PPE for employees
- Reimburse for PPE for Gate City Businesses
- New Telephone System (not confirmed)
- New Foyer to help protect our office employees and maintain social distancing.
(Contract approved by Town Council under GES with Mattern & Craig)
- Provide payment assistance for our water customers (not confirmed)

FY 2019 Town Audit

Larry D. Sturgill PC, CPA has completed the FY 2019 audit.

Council Action: Approve the FY 2019 audit

C. Attorney's Report

Town Attorney Michele Brooks stated that there are six cases that are set for October 26, 2020 but these may get bumped. Town Attorney Michele Brooks stated that the only case that is highly emergent is 770 W. Jackson Street which has already been abated. Town Attorney Brooks stated that we are seeking to file a lien on the property for the cost of the cleanup. Town Attorney Brooks stated that most of the properties that were approved last month have been drafted but not filed and should be completed in the next week to ten days. Town Attorney Brooks stated that of the listed properties, there are 10 that have active cases filed.

- 946 West Jackson Street
- 391 Highland Street
- 194 Chestnut Street
- 848 Jackson Street:
- 391 Highland Street:
- 412 Highland Street
- 493 Highland Street
- 110 Cross Street
- 337 Sergeant Street
- 248 Ravine Street
- 195 Ravine Street
- Wall on 770 West Jackson Street
- Vacant Lot Highland/Starnes Street

D. **Council Reports** (Any new business from Committees that needs to come before the Council.)

Council Member Allan “Cotton” Roberts – Nothing to Report.

Council Member Tyler Kilgore – Nothing to Report.

Vice-Mayor Robin Richards - Vice-Mayor Robin Richards announced that Gate City Frontier will be selling Christmas ornaments for \$6 each that will feature a photo of the “Welcome to Gate City” sign with snow on it starting in early to mid-November.

Council Member Roger Cassell - Council Member Roger Cassell asked Town Manager Greg Jones if the black Crown Vic is still for sale? Town Manager Greg Jones stated that we are working with DMV to get the title for that vehicle and it will be for sale as soon as the title is obtained.

Council Member Wallace W. Ross, Jr. - Council Member Wallace W. Ross, Jr. stated that the grass on Manville Rd. and at the reservoir needs to be mowed. Council Member Allan "Cotton" Roberts stated that it is a V-DOT road. Vice-Mayor Robin Richards suggested calling the maintenance number for V-DOT because the contact at V-DOT stated that this is the fastest and easiest route to get these types of issues addressed. Council Member Ross stated that we have been mowing it for years. Council Member Ross stated that when the trees fell, we picked them up even though it is a V-DOT road. Town Manager Greg Jones stated that it depends on the issue and that the trees came down during a storm. Council Member Roberts stated that we do a lot of things in town that V-DOT should be doing in order to keep the town looking nice. Council Member Ross stated that we have been mowing since I have been on council. Mayor Bob Richards recommended that the street committee contact V-DOT and ask them about the mowing. Council Member Ross asked if the reservoir that we don't use is private property? Town Manager Greg Jones stated that he is not 100% sure of where Council Member Ross is referring to but he believes it is private property. Vice-Mayor Robin Richards asked Council Member Ross if he knows exactly where it is and since he is part of the street committee, why not call V-DOT and at least see if we can get a yes or no on whether or not they will mow? Council Member Ross stated that his issue is that it has been mowed by us and now you are saying that it is not being done by us.

Council Member Ross stated that a lot of the streetlight bulbs are out, and it doesn't look good. Mayor Bob Richards stated that he was walking in town and noticed that there are a lot of bulbs out. Town Manager Greg Jones stated that it may be a timer issue since the time has changed. Council Member Roger Cassell stated that he believes there may be a problem with the sockets because they are blowing way too soon and it may just be time to take them down. Council Member Ross stated that the middle part of the lights seems to work and suggested the rest of the light could be taken down.

Council Member Ross stated that he has previously mentioned the Town Council getting a raise but is unsure if he is using the correct term since council receives a stipend. Council Member Ross stated that he has been doing some research and has not found anything that says it would take one to two years for a pay increase. Council Member Cassell stated that it is a state law and is not in the charter. Town Attorney Michele Brooks stated that there is a statute that the sitting council cannot benefit from a raise that it votes on itself, so it would apply to the next council. Council Member Ross is a stipend in that same category? Town Attorney Michele Brooks stated yes, that any money of any kind received for serving on the council can only be acquired by the following council. Town Attorney Michele Brooks stated that this sitting council cannot vote on a raise and then collect it during this session, so it would be two years. Council Member Cassell asked Council Member Ross if he started taking his stipend? Council Member Ross stated that he doesn't but he can at any point. Mayor Bob Richards stated that if Council Member Ross chooses to want to raise it, it can be put on the agenda at anytime and council can vote on it. Council Member Cassell stated that it is a fail safe to keep someone from voting themselves a big raise while they're on the council. Council Member Ross asked as a council we can vote for employees to receive raises but not ourselves? Town Attorney Michele Brooks stated that is correct and I will send you a copy of that statute. Council Member Ross asked how will it affect those who are still members of council after a two year rotation? Town Attorney Michele Brooks stated that her recollection of the statute is that it applies to the next sitting council after the next town election.

- E. **Sanitation Authority** – Town Attorney Michele Brooks stated that the regularly scheduled quarterly meeting was held last night. Town Attorney Brooks stated that the Sanitation Authority discussed the sewer line project and the ongoing dispute with the PSA.
- F. **Police Department** – Chief of Police Justin Miller delivered the police department report. Chief Miller stated that since the construction has began on Highway 23, we can anticipate a lot of traffic backups into the foreseeable future, especially near the school zone. Chief Miller stated that the police department is doing everything they can to control this including getting deputies to help with the second light so that buses can flow through a little bit quicker.

Chief Miller stated that Officer McGraw is still doing well in the academy and just has a little over a month left. Chief Miller stated that he hopes to have her out on her own by January 2021.

XII. UNFINISHED BUSINESS

1. CEI Lease Agreement: Green Space in Town

Vice-Mayor Robin Richards asked Town Attorney Michele Brooks if she has any concerns and if everything we expected was met? Town Attorney Michele Brooks stated that we previously had a concern about how the taxes were dealt with but we are paying \$125 per year. Town Manager Greg Jones stated that this will be prorated down to \$45 for the first four months because this is a 4-month agreement and then after that we will go to the regular rate which will reimburse them for the value of the taxes of the property. Town Attorney Michele Brooks stated that everything that has been asked for has been corrected and believes it is a good thing for the town. Vice-Mayor Robin Richards asked if the months have been defined or called out? Town Manager Greg Jones stated that it will be four months from the date of the contract. Town Attorney Michele Brooks stated that it is listed in the terms of renewal. Council Member Roger Cassell stated that it will be November 1st through March 1st. Town Attorney Michele Brooks stated that this will give us flexibility about renewing the lease and CEI as well. Council Member Ross stated that he did not have a chance to review this since there was so much in the packet. Town Attorney Michele Brooks stated that the agreement is not much different than the original agreement that council was given, but now ensures that the Town is not responsible for any environmental issues that existed on the property before the lease hold and includes a lease term where we pay rent of \$125 rather than reimbursing them for taxes. Council Member Ross asked are we leasing this for just one year? Town Attorney Michele Brooks stated that we can renew it if we choose to do so, but we are not locked in forever. Town Attorney Brooks stated that the agreement is renewable by both parties.

Motion made to approve the CEI Lease Agreement: Green Space in Town.

Motion by: Allan "Cotton" Roberts

2nd by: Robin Richards

VOTE: Aye: 4

Nay: 1

Absent:

Abstain:

Motion Carried.

XIII. NEW BUSINESS

1. FY 2019 Audit Presentation

Mr. Larry Sturgill presented the FY 2019 audit. Mr. Sturgill stated that pages 1 through 3 are the independent auditor's report and the report is a clean, unmodified opinion. Mr. Sturgill stated that page two states that "In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Town of Gate City, Virginia, as of June 30, 2019.

Mr. Sturgill stated that page 12 is the statement of net position or the balance sheet which uses the full accrual basis of accounting and records assets, accumulated depreciation, and liabilities. Mr. Sturgill stated that the statement of net position lists assets, deferred outflow of resources, liabilities, and deferred inflow of resources. Mr. Sturgill stated that the town is in a very good net position.

Mr. Sturgill stated that page 13 is the statement of activities and also uses the full accrual basis of accounting and records depreciation expense on the assets that are reported on the statement of net position. Mr. Sturgill stated that this page shows a change in net position in the governmental activities column of \$154,543 which is the profit of the general fund and includes \$81,956 in depreciation expense. Mr. Sturgill stated that the business type activities showed a change in net position of \$36,808 which includes the water fund and the sanitation authority and has \$313,138 in depreciation expense.

Mr. Sturgill stated that pages 19 and 20 shows a breakdown of the proprietary fund types and the statement of net position for those funds.

Vice-Mayor Robin Richards asked if these two pages show that the water fund is paying for itself? Mr. Sturgill stated yes, in a sense. Mr. Sturgill stated that on page 21 the line titled income loss before capital contributions shows the water fund with a \$137,568 loss and a depreciation expense of \$256,109. Mr. Sturgill stated that 50%-60% of depreciation was covered. Mr. Sturgill stated that the water fund shows a loss but not a cash loss because depreciation expense is a non-cash expense. Mr. Sturgill stated that there were capital contributions in the water fund of \$129,650 to arrive a change in net position of \$7,918 as a negative impact. Mr. Sturgill stated that the Sanitation Authority included a profit of \$44,726 which covered \$57,029 in depreciation expense, so it covered all of its depreciation expense and showed a profit. Council Member Roger Cassell stated that it is important to keep in mind that we didn't have the new meters for most of this budget period. Town Manager Greg Jones stated that is correct, and our rates are not established to cover depreciation because it would be a 50%-60% increase in water rates. Town Manager Greg Jones stated that most towns don't budget rates to cover depreciation and we are just looking to remain cash positive after the operating expense. Vice-Mayor Robin Richards stated that we are required to for bond rating. Council Member Cassell stated that if depreciation is taken out, we are in good shape. Mr. Sturgill stated that page 22 is the statement of cash flows which shows a net increase in cash of \$18,179 in the water fund and \$13,142 in the Sanitation Authority fund for a total increase in cash of \$31,321.

Mr. Sturgill stated that page 14 is the balance sheet and is on the modified accrual basis of accounting and fund approach which does not include capital assets, net accumulative depreciation, or note liabilities. Mr. Sturgill stated that page 16 shows a net change in fund balances of \$180,907 in the general fund. Mr. Sturgill stated that page 18 shows the budget to actual comparison. Mr. Sturgill explained the differences in the full accrual basis and the modified accrual basis. Mr. Sturgill stated that there were no findings or questioned costs.

Council Member Wallace W. Ross, Jr. asked Mr. Sturgill why did it take the audit so long to be completed? Mr. Sturgill stated that due to the treasurer being new, the information was received late. Mr. Sturgill stated that the audit for 06/30/2020 will begin in January and should be completed quicker. Mr. Sturgill stated that there are other towns still trying to complete the 06/30/2019 reports. Council Member Ross stated that the audit should try to be completed before the approval of the budget. Mr. Sturgill agreed. Council Member Roger Cassell commended Town Manager Greg Jones for watching the budget.

Motion made to approve the FY 2019 Audit as presented.

Motion by: Allan "Cotton" Roberts

2nd by: Roger Cassell

VOTE: Aye: 4

Nay:

Absent:

Abstain: 1

Motion Carried.

2. Water System Backup Generator Project: VDH Funding Offer Discussion/Approval

Council Member Wallace W. Ross, Jr. asked where will the pump stations be located? Town Manager Greg Jones stated that there are five different locations throughout the water distribution system and in the event that the electricity goes out, the backup generator can sustain pressure in the water system. Mr. Jason Snapp stated that the five backup generators will be located at the five existing pump stations that are in the town water system now and one additional pump station will be installed that will also have a backup generator. Council Member Roger Cassell stated that four of the existing pump stations are the Smith-Elliott, Tucker Barker Subdivision, one on Oak Street, one on Moccasin Hills. Mr. Snapp stated that he believes there are four existing pump stations, one to be installed, and one at the water plant. Council Member Ross asked how far do they pump past city limits since Manville Road extends into the county? Town Manager Greg Jones stated that he would have to look this information up, but our water lines are covered. Mr. Snapp stated that pump stations typically pump to the water tanks and then gravity flow out into the community and these generators will be for

emergencies in case of power outages. Council Member Ross asked if the five places chosen were emergency locations? Vice-Mayor Robin Richards stated that we did not pick where the pump locations are located, there is a generator for every pump station. Council Member Roberts asked Mr. Snapp why the generator at the water plant is \$140,000 versus \$80,000 for the others and will it take care of everything in the water plant? Mr. Snapp stated that the water plant requires a larger generator and will probably be a 300kw generator whereas the pump stations will be smaller. Mr. Snapp stated this will help power anything that is in operation at the water plant. Council Member Roberts asked if it is normal for other water plants to have a backup generator? Mr. Snapp stated that everyone likes to have them but everyone doesn't have them. Council Member Roberts stated that the master meters are a great idea to help detect leaks. Council Member Ross asked where the \$80,000 generator will be? Town Manager Greg Jones stated that it will be on a line to the larger water tank to help the operators get water faster and increase efficiency.

Motion made to approve the funding from VDH for the Water System Backup Generator Project.

Motion by: Roger Cassell

2nd by: Allan "Cotton" Roberts

VOTE: Aye: 5

Nay:

Absent:

Abstain:

Motion Carried.

3. Transfer \$2,900 to Capital Outlay Account: Ford Explorer Sold

Motion made to transfer \$2,900 to Capital Outlay Account for the sold Ford Explorer.

Motion by: Allan "Cotton" Roberts

2nd by: Robin Richards

VOTE: Aye: 5

Nay:

Absent:

Abstain:

Motion Carried.

4. Transfer \$20,500 from Capital Savings to General Fund Public Works Department: Purchase of 2016 Dodge Ram 1500

Motion made to transfer \$20,500 from Capital Savings to General Fund Public Works Department for the purchase of 2016 Dodge Ram 1500.

Motion by: Allan "Cotton" Roberts

2nd by: Robin Richards

VOTE: Aye: 5

Nay:

Absent:

Abstain:

Motion Carried.

5. Quote Approval: 5 Year Support Telephone System for Town Hall

Town Manager Greg Jones stated that on page 3 of the TUC quote the breakdown is listed and total cost would be \$7,189.20. Town Manager Greg Jones stated that the lease options are also listed but does not recommend leasing. Council Member Roger Cassell asked if a conference call phone for the Town Council chambers is included? Town Manager Greg Jones stated that there will be two conference call phones and if we have to work from home again, we can physically take the phone and plug it into the wall and the phone will automatically ring from wherever it is located. Vice-Mayor Robin Richards asked if this will resolve the problem of losing voicemails left for the police department? Town Manager Greg Jones stated that it will all be taken care of.

Motion made to approve the quote for 5 year support telephone system for Town Hall.

Motion by: Allan "Cotton" Roberts

2nd by: Tyler Kilgore

VOTE: Aye: 5

Nay:
Absent:
Abstain: **Motion Carried.**

6. Cancel King Alleyween Event

Motion made to cancel the King Alleyween event due to COVID-19.

Motion by: Allan "Cotton" Roberts

2nd by: Roger Cassell

VOTE: Aye: 5

Nay:
Absent:
Abstain: **Motion Carried.**

7. Auction: 2008 Chevrolet Colorado Vin#*6332

Motion made to approve auction of the 2008 Chevrolet Colorado Vin#*6332 on govdeals.com.

Motion by: Allan "Cotton" Roberts

2nd by: Tyler Kilgore

VOTE: Aye: 5

Nay:
Absent:
Abstain: **Motion Carried.**

8. Public Hearing: Special Exception and Use Permit: 639 Park Street

Town Attorney Michele Brooks stated that this is for the Park Street Rehabilitation Project due to the narrowness of the lots, they cannot meet setback. Town Attorney Michele Brooks stated that the Planning Commission has recommended that Council consider a Special Exception and Use permit to allow this to go forward for 639 and 559 Park Street. Council Member Ross asked if the structures will be torn down? Town Attorney Michele Brooks stated that the two properties in question are total tear downs but will be built back smaller than the current footprint that it is on which will be more in line with our zoning ordinance.

Motion made to advertise for public hearing: Special Exception and Use Permit: 639 Park Street on November 10, 2020 at 6:30 p.m.

Motion by: Roger Cassell

2nd by: Allan "Cotton" Roberts

VOTE: Aye: 5

Nay:
Absent:
Abstain: **Motion Carried.**

9. Public Hearing: Special Exception and Use Permit: 559 Park Street

Motion made to advertise for public hearing: Special Exception and Use Permit: 559 Park Street on November 10, 2020 at 6:30 p.m.

Motion by: Roger Cassell

2nd by: Allan "Cotton" Roberts

VOTE: Aye: 5

Nay:
Absent:
Abstain: **Motion Carried.**

10. Approve amended Mural Ordinance: Signage Regulations

Council Member Ross asked if this is under RC? Town Attorney Michele Brooks stated that it is only commercial and will have strict guidelines of what can and cannot be done. Town Attorney Michele Brooks stated that it will still have to go through the planning commission. Mayor Bob Richards stated that

there were no regulations for murals prior to this. Town Attorney Michele Brooks stated that murals were previously under the sign ordinance for instance the mural in King Alley conforms to those guidelines and this would give a little more flexibility. Council Member Ross asked if it would have to go through the planning commission and then through the council? Town Attorney Michele Brooks stated only if it is a special exception and use permit, if it remains within the guidelines only the planning commission will need to approve.

Motion made to approve amended Mural Ordinance: Signage Regulations.

Motion by: Allan "Cotton" Roberts

2nd by: Tyler Kilgore

VOTE: Aye: 5

Nay:

Absent:

Abstain: **Motion Carried.**

11. Approve amended Zoning Ordinance: Substance Abuse Clinics

Council Member Wallace W. Ross, Jr. asked if a vote for this means that we are voting not to have a clinic put in? Mayor Bob Richards stated yes, we are prohibiting them in commercial districts. Council Member Ross asked where would they be eligible to put a clinic in? Town Attorney Michele Brooks stated that there is a mechanism for a special exception and use permit if the council wants to use it but they are generally prohibited in the Town of Gate City if this is passed. Council Member Ross asked what harm would it have if we had one in Gate City? Council Member Cassell stated the clientele that they attract could be an issue. Vice-Mayor Robin Richards asked Town Attorney Michele Brooks if the clinics are designated or licensed as substance abuse clinics? Town Attorney Michele Brooks stated that she is not sure what they are licensed as. Vice-Mayor Robin Richards asked how would we know if they are truly a substance abuse clinic? Town Attorney Michele Brooks stated that they would have to apply for a business license and organizations that want to come to town are going to seek out the ordinance. Town Attorney Michele Brooks stated that if they come to town hall and apply for a business license, the employees there will ask what the purpose is. Council Member Cassell asked if this ordinance will address pain management clinics? Town attorney Michele Brooks stated that it will just address substance abuse clinics and many localities have taken this step to prevent certain things that come along with that. Mayor Richards stated that some of these clinics open up and just pass out the pills and there is no counseling or help for the people who are actually addicted. Mayor Richards stated that is not true of all of the clinics but there are many that are in it for the money.

Motion made to approve amended Zoning Ordinance: Substance Abuse Clinics.

Motion by: Allan "Cotton" Roberts

2nd by: Tyler Kilgore

VOTE: Aye: 4

Nay:

Absent:

Abstain: 1 **Motion Carried.**

12. Approve Public Hearing on November 10, 2020: Electronic Participation Policy

Town Attorney Michele Brooks stated that the Electronic Participation Policy is going to expire and was part of the continuity of government. Town Attorney Michele Brooks stated that this would allow the Electronic Participation Policy as outlined.

Motion made to advertise for public hearing on November 10, 2020 at 6:30 p.m. for the Electronic Participation Policy.

Motion by: Allan "Cotton" Roberts

2nd by: Tyler Kilgore

VOTE: Aye: 5

Nay:

Absent:

Abstain: **Motion Carried.**

13. Approve Public Hearing on November 10, 2020: Continuity of Government

Motion made to advertise for public hearing on November 10, 2020 at 6:30 p.m. for the Continuity of Government.

Motion by: Allan "Cotton" Roberts

2nd by: Roger Cassell

VOTE: Aye: 5

Nay:

Absent:

Abstain: **Motion Carried.**

14. Approve quote for stack fence: Gateway Park

Motion made to approve quote from Factory to You Fence of Kingsport for \$7,046 for the fence at Gateway Park.

Motion by: Roger Cassell

2nd by: Allan "Cotton" Roberts

VOTE: Aye: 5

Nay:

Absent:

Abstain: **Motion Carried.**

15. Property Maintenance Violation: 110 Cross Street NOV: 2nd Offense (Paid): Approval to file lawsuit.

Town Attorney Michele Brooks asked what does "(Paid)" mean? Town Manager Greg Jones stated that the property has been abated and the owners have paid it. Town Manager Greg Jones stated that we did approximately \$1500 worth of work and they have paid it but we still have the violation itself. Town Attorney Michele Brooks asked if we have abated the second time? Town Manager Greg Jones stated yes and everything is paid up.

Motion made to approve Town Attorney Michele Brooks to file a lawsuit for property maintenance violation 110 Cross Street NOV: 2nd Offense.

Motion by: Roger Cassell

2nd by: Allan "Cotton" Roberts

VOTE: Aye: 5

Nay:

Absent:

Abstain: **Motion Carried.**

16. Property Maintenance Violation: 337 Sergeant Street: 2nd Offense: Approval to file lawsuit.

Motion made to approve Town Attorney Michele Brooks to file a lawsuit for property maintenance violation 337 Sergeant Street: 2nd Offense.

Motion by: Roger Cassell

2nd by: Allan "Cotton" Roberts

VOTE: Aye: 5

Nay:

Absent:

Abstain: **Motion Carried.**

17. Property Maintenance Violation: 248 Ravine Street: 2nd Offense: Approval to file lawsuit.

Motion made to approve Town Attorney Michele Brooks to file a lawsuit for property maintenance violation 248 Ravine Street: 2nd Offense.

Motion by: Tyler Kilgore

2nd by: Allan "Cotton" Roberts

VOTE: Aye: 5
Nay:
Absent:
Abstain:

Motion Carried.

18. **Property Maintenance Violation: 196 Ravine Street: 2nd Offense: Approval to file lawsuit.**
Town Manager Greg Jones asked to hold off on this agenda item until next month.

TAKE NO ACTION

19. **Property Maintenance Violation: 195 Ravine Street: 2nd Offense: Approval to file lawsuit.**
Motion made to approve Town Attorney Michele Brooks to file a lawsuit for property maintenance violation 195 Ravine Street: 2nd Offense.

Motion by: Allan "Cotton" Roberts

2nd by: Wallace W. Ross, Jr.

VOTE: Aye: 5

Nay:

Absent:

Abstain:

Motion Carried.

20. **Property Maintenance Violation: 337 Sergeant Street: Lien on Property/Town Abatement: Approval to file lawsuit.**

Motion made to approve Town Attorney Michele Brooks to file a lien on property/town abatement approval to file lawsuit for property maintenance violation: 337 Sergeant Street.

Motion by: Roger Cassell

2nd by: Allan "Cotton" Roberts

VOTE: Aye: 5

Nay:

Absent:

Abstain:

Motion Carried.

21. **Property Maintenance Violation: 169 Reed Hollow: Approval to file lawsuit.**

Motion made to approve Town Attorney Michele Brooks to file a lawsuit for property maintenance violation 169 Reed Hollow.

Motion by: Tyler Kilgore

2nd by: Wallace W. Ross, Jr.

VOTE: Aye: 5

Nay:

Absent:

Abstain:

Motion Carried.

22. **Property Maintenance Violation: 394 Highland Street: Approval to file lawsuit.**

Motion made to approve Town Attorney Michele Brooks to file a lawsuit for property maintenance violation 394 Highland Street.

Motion by: Roger Cassell

2nd by: Tyler Kilgore

VOTE: Aye: 5

Nay:

Absent:

Abstain:

Motion Carried.

23. **Property Maintenance Violation: 507 Cleveland Street: Approval to file lawsuit.**

Motion made to approve Town Attorney Michele Brooks to file a lawsuit for property maintenance violation 507 Cleveland Street

Motion by: Tyler Kilgore

2nd by: Roger Cassell

VOTE: Aye: 5

Nay:

Absent:

Abstain:

Motion Carried.

24. Property Maintenance Violation: 1273 West Jackson Street: Approval to file lawsuit.

Motion made to approve Town Attorney Michele Brooks to file a lawsuit for property maintenance violation 1273 West Jackson Street.

Motion by: Allan "Cotton" Roberts

2nd by: Wallace W. Ross, Jr.

VOTE: Aye: 5

Nay:

Absent:

Abstain:

Motion Carried.

25. Property Maintenance Violation: 362 Highland Street: Approval to file lawsuit.

Motion made to approve Town Attorney Michele Brooks to file a lawsuit for property maintenance violation 362 Highland Street.

Motion by: Tyler Kilgore

2nd by: Allan "Cotton" Roberts

VOTE: Aye: 5

Nay:

Absent:

Abstain:

Motion Carried.

XIV. PUBLIC COMMENT – NEW BUSINESS - NONE

XV. CLOSED SESSION - NONE

XVI. ADJOURN

Motion made to adjourn.

Motion by: Allan "Cotton" Roberts

2nd by: Tyler Kilgore

VOTE: Aye: 5

Nay:

Absent:

Abstain:

Motion Carried.

*Mayor Richards adjourned the meeting at 8:23 P.M., until the next scheduled Council Meeting on November 10, 2020.

Bob Richards – Mayor

Lydia Morales - Town Clerk