

COUNCIL WORK SESSION JULY 28, 2015

The work session of the Council of the Town of Altavista was held in the Council Chambers of the J.R. Burgess Municipal Building, 510 Seventh Street, on July 28, 2015 at 5:00 p.m.

Council members

present:

Mayor Michael Mattox
Mrs. Micki Brumfield
Mrs. Beverley Dalton
Mr. Charles Edwards
Mr. Timothy George
Mr. Jay Higginbotham

Council members

absent:

Mr. Tracy Emerson

Also present:

Mr. J. Waverly Coggsdale, III, Town Manager
Mr. Daniel Witt, Assistant Town Manager
Mrs. Tobie Shelton, Finance Director
Capt. Barry Stocks, Police Department
Mr. David Garrett, Public Works/Utilities Director
Mr. Steve Bond, Wastewater Treatment Plant
Ms. Misty Johnson, Water Plant Superintendent
Mrs. Mary Hall, Administration

1. Mayor Mattox called the meeting to order and presided.
2. A motion was made by Mrs. Dalton, seconded by Mr. George, to approve the agenda as amended; update on the Water Treatment Plant.

Motion carried:

VOTE:

Mayor Michael Mattox	Yes
Mrs. Micki Brumfield	Yes
Mrs. Beverley Dalton	Yes
Mr. Charles Edwards	Yes
Mr. Timothy George	Yes
Mr. Jay Higginbotham	Yes

3. Public Comments—Agenda Items Only

Mayor Mattox asked if anyone would like to speak on anything listed on the agenda.

No one came forward.

4. Introductions and Special Presentations

Mr. Turner Perrow, WW Associates, presented Council with an outline of the emergency situation at the Water Treatment Plant with a failure in the finished water header pipe early Wednesday (July 22, 2015) morning which forced the Water Treatment Plant to shut down. He mentioned the speculation is a water hammer came through the pipes. Mr. Perrow explained to Council the process in which water is temporarily restored. He advised WW Associates Design Team performed a damage assessment. The plan is to reroute the finished water header outside of the clearwell for improved long term maintenance and noted the required structural repairs are minimal. He requested that emergency procurement procedures be authorized (Section 2-235). Three contractors will bid the preliminary work. The lowest bid for the repair work will be awarded and additional work negotiated or paid based on time and materials. He stated the intent is to determine which contractor has crews readily available to perform the work.

Mr. George asked Mr. Perrow if there is an estimate on how much the repair will cost.

Mr. Perrow replied he was hoping to have some figures next week.

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Mr. Garrett noted there are two pumps that need to be replaced at a cost of approximately \$52,000. He stated as repairs are being done other issues need to be addressed to prevent this from happening again; pressure relieve valves, the two pumps and then working towards putting in the SCADA system in place. He noted the estimate to get the SCADA system working is \$26,000 and felt this failure could have been prevented if the SCADA system was in place.

Mr. Perrow mentioned the technology on the SCADA has changed dramatically and can provide critical information.

Council gave Mr. Garrett permission to move forward with the repair.

Mr. Coggsdale advised he would communicate with Council and advise of the figures.

Mr. Garrett introduced Ms. Misty Johnson, Water Treatment Plant Superintendent. She began work with the Town of Altavista July 27, 2015.

Mayor Mattox commended the Water Plant Staff, Mr. Garrett, and WW Associates for the job they have done to restore water to the Town of Altavista and Town of Hurt.

5. Items Contingent for the Regular Meeting

a. Utility Project Financing Discussion

Mr. Coggsdale advised the Town has decided to move forward with the Main Street Water Line Replacement Project (Project 1b) and the Melinda Tank High Pressure Zone Project. The Main Street project is currently in the process of being rebid and the Melinda Tank project is the final design phase. Previous discussions by Council have focused on the best method by which to finance the projects and staff has provided to Council information on different borrowing options.

Mrs. Dalton felt previous discussions have led to a serious look at borrowings due to interest rates and cash flows. Mrs. Dalton asked if staff felt while looking at the presented data and the cash flow projections that the Town had the ability to manage the payments.

Mr. Coggsdale noted the surplus of \$147,300 and moving forward with potential rates.

Mr. George asked how much revenue water and sewer produces.

Mrs. Shelton responded \$3 million.

Mrs. Dalton stated the answer to the question is where as the Town is not totally able to support the total debt service from the Enterprise funds the Town has the capacity to manage these payments knowing that the next five years of rates need to be reviewed.

Mayor Mattox advised the Capital Improvement Plan for the Enterprise Fund is not where it needs to be for future repairs and a revenue source is needed to build that up. He advised staff needs direction and asked Council if they wanted to deal with the banks, get bond counsel and specifically the terms. Mayor Mattox reviewed with Council the presented rate estimates and asked Council if they were in agreement to have the ability to pay off early.

Council was in agreement.

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Mr. Edwards suggested with a long term project going with the 15 years.

Mrs. Dalton noted the presented rates will only increase over time and suggested locking in on rates for the long haul rather than make it reset.

Mr. Higginbotham stated his preference is 15 years and that staff needs to check with the local banks.

Mrs. Dalton advised the procurement process has to be used.

Mr. George asked if a consultant would be hired to guide Council through this process.

Mayor Mattox stated his understanding is if the RFP is with the banks, bond counsel is not needed.

Mrs. Shelton referred to a conversation she had with one of the banks. She was advised if borrowing with no bonds the bank would need a letter stating the funds qualify for a tax free rate. She reviewed a bank counsel document and that particular bank said that's what was needed. Mrs. Shelton stated she could not provide that; what is being paid for with bond counsel is protection. Should something occur, a law suit or IRS problems, Mrs. Shelton would be defending the Town if there was no bond counsel.

Mrs. Dalton stated in a previous meeting she recalled regardless of the route taken bond counsel is needed.

Mrs. Shelton noted it is not a true bond but a pledge that is being given and bond counsel is needed for the tax exempt rate and that also protects the bank because they have to send information to the IRS as well.

Mayor Mattox asked for an estimate of what bond counsel would be.

Mrs. Shelton responded \$12,000 to \$14,000.

Mayor Mattox stated this amount taken over a 12 to 15 year period would not be much.

Mrs. Dalton stated if staff is asked to take Council through the mandated processes they would find a bond counsel, put out a RFP and rates would be received back.

Mrs. Shelton stated when a previous RFP was submitted, there were open ended questions, provisions of exemptions, closing fees, additional cost, and payable without penalty. She stated a true number could not be obtained with so many variables.

Mr. Edwards suggested the closing cost being paid out of pocket.

Mrs. Dalton advised she could agree with financing for a longer period of time with the option of paying it off without penalty.

Mayor Mattox asked Council if they agreed for staff to move forward with this; hire bond counsel, get information in the 15 to 20 year range and bring back some figures.

Mr. Higginbotham asked if VRA has been considered.

Mrs. Shelton responded she has not with this project but with the previous project the banks were much lower than the VRA rates.

Council was in agreement.

b. Carryover Funds (FY2015 to FY2016)

Mrs. Shelton advised staff is requesting to carryover unexpended funds totaling \$246,375 for items/activities that were originally budgeted in FY 2015 that were not purchased/completed during the fiscal year. Staff has identified a need for these items and would like to earmark funds in reserves for the intended items and request a budget amendment to transfer in the funds once items are ready to be purchased. The list of the items that staff would like to acquire during FY 2016, which covers the period July 1, 2015 through June 30, 2016:

Council / Administration

\$10,000 to replace Town Council computers with newer technology and upgraded software. These computers are currently 6 years old, which is a reasonable life expectancy.

Transportation

\$6,375 for installation of bus shelters. The shelters were purchased in the FY 2015 budget year; however, installation was not ready to begin prior to June 30th, the end of FY 2015 Budget.

Economic Development

\$40,000 to cover a housing study and marketing to include such items as Branding: Tag line development, a series of new ads as well as printed materials.

Water

\$50,000 for water tank maintenance and repair. Staff was anticipating work to begin prior to June 30th on the water tanks; however, we were unable to begin to due to addressing the Bedford Ave. water tank issue. (*Note: Currently \$50,000 is earmarked in reserves for this purpose*)

Wastewater

\$90,000 to replace 1992 International tandem dump truck. This vehicle is used daily to haul sludge to the landfill. This is the only vehicle the Town has for this use.

\$50,000 to replace PLC for Press System. This system controls the operation of the Plate Frame Press used to process sludge for landfill applying. Parts are becoming unavailable for this critical piece of equipment.

Mrs. Shelton noted in addition to the carryover request of unexpended funds, Staff would also like to request to use \$56,000 of unexpended FY 2015 Wastewater CIP Funds to rebuild the bar screen at our wastewater facility. Several CIP items totaling \$125,500 were not replaced at our Wastewater Treatment Plan as planned because the equipment was operating efficiently. These items are included in the FY 2016 CIP Budget. Staff has identified the need to replace this piece of equipment and would like to request to use \$56,000 of the unexpended funds.

Mrs. Shelton requested approval to earmark funds for the above listed items totaling \$302,375 in reserves to be expended during FY 2016.

A motion was made by Mr. Edwards, seconded by Mrs. Dalton, to approve earmarking funds totaling \$302,375 in reserves to be expended during FY2016.

Mr. Higginbotham questioned the \$40,000 for Economic Development for the housing study and marketing.

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Mr. Coggsdale advised these items were adopted in the FY2015 budget; a portion of the \$40,000 is for a housing study

Mr. Jarvis addressed Council advising this is a two phase initiative; he has met with the Virginia Technical Office of Economic Development and their Virginia Center for Housing Research. This would help with identifying a type of house that could be developed in the Town and have the businesses augmented as well; a mix use development. He used Wyndhurst in Lynchburg as an example. He referred to the marketing initiative stating he would like to look into a new tag line for the Town with the logo remaining the same and some marketing materials.

Mr. Edwards referred to the housing study and asked where the people would come from and where would they work.

Mr. Jarvis responded he could not tell where or how they would come from but are seeing trends for mix use development. Census tracking shows commute time as 29 to 39 minutes. Because of the school system, quality of life or other variables this location may be attractive for the employee. This study will show if mix use development is feasible for this area.

Mayor Mattox stated there are manufacturing plants in the town with the majority of the employees living outside of the town and would like to know why. It would be nice to have some of the employees in the well paid positions living in the Town. He asked could the reason be the housing, the night life or what is the reason for not wanting to live in the town.

Mr. Jarvis stated from his standpoint of recently moving into area because of his new job, he was not asked to move into town but elected to, the house selection was limited.

Mr. George mentioned there is no retirement community in the Town; when someone retires they move to Lynchburg.

Mr. Jarvis noted the study will focus on demographics for persons between the ages of 25-34 and households of 1 to 3 people, persons 55 and older; will include intergeneration households, all data for MLS. This is a part of the planning analysis.

Mr. Higginbotham felt with Council about to spend \$3 million the \$25,000 could be better spent elsewhere.

An amendment to the motion was made by Mr. Higginbotham, seconded by Mr. Edwards, to remove that \$25,000 housing study from the carryover but continue with the marketing portion under the Economic Development section.

Mayor Mattox felt the housing study is needed for direction and data to use in decision making noting \$25,000 is a lot of money but felt there would be a good return on the investment. There has to be citizens living in Altavista.

Mr. Higginbotham stated he agreed with the Mayor but did not feel this is the appropriate place to spend the money.

Mayor Mattox noted Virginia Tech has negotiated the price down substantially and asked what is the Town lacking.

Mr. Edwards asked what has happened to jobs in the town in the last 10 years.

Mr. George asked how this could be reversed.

Mr. Edwards responded more jobs.

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Mr. George asked how this could be done.

Mr. Edwards responded economic development.

Mr. Coggsdale asked as a Council how they felt about the population and the housing.

Mrs. Brumfield mentioned there are a lot of houses for sale in the town.

Mayor Mattox stated the houses that are for sale are usually 3 or 4 bedroom houses that are older and the younger people are not moving into town because there is nowhere for them to move.

Mrs. Dalton stated she was not a housing expert and if this study is available (what if there was a private enterprise interested in a multi family dwelling or mixed use) there is an informative study that may be encourage or discouraging to the private enterprise but it would be data readily available. Mrs. Dalton noted this was approved in the last fiscal year and in her opinion Council should proceed.

Mr. George mentioned the realtors he has spoken to say the problem with the houses in this area is they are old and outdated noting houses are being sold at 2/3's of their assessed value. He advised of several people that would not buy a house in Altavista because they were afraid they would not be able to get the money out of their house. Mr. George stated he didn't have the answers but felt Council should try to do something about this. Altavista is aging out; most of the children don't live here and are not going to live here. He felt amenities are very important.

(Amended Motion)

Motion failed:

VOTE:	Mayor Michael Mattox	No
	Mrs. Micki Brumfield	Yes
	Mrs. Beverley Dalton	No
	Mr. Charles Edwards	Yes
	Mr. Timothy George	No
	Mr. Jay Higginbotham	Yes

(Original Motion)

Motion failed:

VOTE:	Mayor Michael Mattox	Yes
	Mrs. Micki Brumfield	No
	Mrs. Beverley Dalton	Yes
	Mr. Charles Edwards	No
	Mr. Timothy George	Yes
	Mr. Jay Higginbotham	No

Mr. Coggsdale asked if the majority of Council supports the portion of the marketing with the Economic Development request.

A motion was made by Mrs. Dalton, seconded by Mrs. Brumfield, to approve the Carryover Funds (FY2015 to FY2016) with the Economic Development piece regarding the housing study of \$25,000 be brought back to Council after additional research.

Motion carried:

VOTE:	Mayor Michael Mattox	Yes
	Mrs. Micki Brumfield	Yes
	Mrs. Beverley Dalton	Yes

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Mr. Charles Edwards	Yes
Mr. Timothy George	Yes
Mr. Jay Higginbotham	Yes

c. Virginia Telecommunications Planning Initiative-Phase II

Mr. Jarvis advised the Town of Altavista was selected as one of 13 communities in the state of Virginia participating for a broadband planning grant. The Town of Altavista has been selected as a Tier II participant; meaning the town is eligible for a grant award of \$50,000. If the town is selected, we would be required to allocate a 15% match for the grant of \$7,500. Mr. Jarvis advised of a meeting scheduled for August 3, 2015 at the Altavista Train Station which will focus on specific needs of the community stakeholders on the development of the broadband plan.

Mr. Edwards mentioned there are two broadband lines; one on I95 and one on US 29.

A motion was made by Mr. Edwards, seconded by Mrs. Dalton, to pursue the Virginia Telecommunications Planning Initiative grants.

Motion carried:

VOTE:	Mayor Michael Mattox	Yes
	Mrs. Micki Brumfield	Yes
	Mrs. Beverley Dalton	Yes
	Mr. Charles Edwards	Yes
	Mr. Timothy George	Yes
	Mr. Jay Higginbotham	Yes

Mr. Higginbotham asked for a brief update on the PCB matter.

Mr. Coggsdale advised he has attempted to make contact with EPA, both Mr. Scott Rice and Mr. Steve Rock, but has been unsuccessful. He noted he has received an email from Professor Jerry Schnoor, University of Iowa, which has been forwarded to Mr. Steve Rock.

6. Items Scheduled for the Regular Meeting Agenda

7. Public Comments

8. Adjournment

Mayor Mattox adjourned the meeting at 6:38 p.m.

Michael Mattox, Mayor

J. Waverly Coggsdale, Clerk