

COUNCIL WORK SESSION MARCH 22, 2016

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 March 22, 2016 at 4:00 p.m.

Council members

present:

Mayor Michael Mattox
Mrs. Micki Brumfield
Mrs. Beverley Dalton
Mr. Tracy Emerson
Mr. Timothy George
Mr. Jay Higginbotham

Council members

absent:

Mr. Charles Edwards

Also present:

Mr. J. Waverly Coggsdale, III, Town Manager
Mr. Daniel Witt, Assistant Town Manager
Mrs. Tobie Shelton, Finance Director
Mr. Dennis Jarvis, Economic Dev. Director
Mr. Steve Bond, Wastewater Treatment Plant
Mr. John Eller, Town Attorney
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. Dalton, to approve the agenda as presented.

Motion carried:

VOTE:

| | |
|----------------------|-----|
| Mr. Michael Mattox | Yes |
| Mrs. Micki Brumfield | Yes |
| Mrs. Beverly Dalton | Yes |
| Mr. Tracy Emerson | 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.

Mayor Mattox reminded Council of the John Martin Event following the work session.

4. Items for Discussion

- a. Residency Requirement (Chief of Police)

Mr. Coggsdale advised as discussion with candidates for the position of Chief of Police begin to unfold, there is the potential that a candidate may request a clarification on any residency requirement. He noted several years ago, this item was discussed with Council and it was deemed that the Chief would be required to live in Town. Mr. Coggsdale asked for direction from Council as to whether this policy will remain intact or whether flexibility will be granted on the issue.

Mrs. Dalton stated she is interested in the best person for the Chief of Police position and if that person happens to live in the town or could live in the town that would be great. If that person is the second or third choice, she suggested going after the best Chief; then offer some incentives that might incentivize them to live in town.

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Mr. Emerson agreed with Mrs. Dalton stating if the Chief is moving from out of state they are moving anyway but if the candidate is established in Central Virginia 20 to 30 minutes away; he too wants the best Chief.

Mayor Mattox stated he would like someone that understands Central Virginia, understands what the town is dealing with and what it has been through and where we want to go. He stated he would like someone to live in town but wanted the best Police Chief as well.

Mr. Higginbotham was in agreement with Mrs. Dalton.

Mr. George asked if this person would have a take home car and added he was willing to leave this decision to the Town Manager's discretion.

Mrs. Brumfield asked if a limit was being set because she didn't want someone 30 minutes away.

Mrs. Dalton stated she was not interested in setting a limit she just wanted the right chief. If the right chief lives 30 miles away and Council incentivizes to move close, they can take it or leave it. She just wants the best chief for the job.

It was the consensus of Council to lift the residency requirement for the town manager's discretion in hiring the new chief.

Mr. Emerson stated he agreed with Mr. George that the take home vehicle should be at the discretion of the town manager as well.

Mayor Mattox noted the top priority is to find the best chief.

b. CCUSA Water Agreement

Mr. Coggsdale advised at the last Council meeting, staff discussed the need for an agreement with the Campbell County Utility Services Authority (CCUSA) in regard to meeting the water request of a new customer in Town. The new request is for an average of 600,000 gallons per day, with intermittent days reaching water demand of 1,000,000+ gallons per day.

Mr. Higginbotham questioned the cost the town will purchase water from CCUSA.

Mr. Coggsdale responded the cost would be \$1.77.

Mr. Higginbotham asked what the town charges.

Mr. Coggsdale advised the town charges \$2.14 per 1,000 gallons for industries and \$2.18 gallons per 1,000 for residential.

Mr. Higginbotham asked what the cost to the town is.

Mr. Coggsdale responded \$1.55.

Mr. Higginbotham mentioned there was half a million dollars spent at the Water Plant in emergency repairs with additional to be spent. He stated his concern was the contract with CCUSA is contingent on the agreement with Dominion Virginia Power. He asked if Council was comfortable paying the \$1.77 a gallon for the 75,000 gallons Dominion Virginia Power will waste if it cost the town \$1.55. He asked if the Town is being fair to the taxpayers.

Mr. Coggsdale stated based on the customer, the town will need assistance in producing the additional water.

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Mr. Higginbotham felt as long as it was contingent on Dominion Virginia Power he did not feel there would be a problem.

Mr. Coggsdale stated he is hoping the Memorandum of Understanding will cover this.

Mr. Higginbotham stated the CCUSA agreement needs to say the Town entering into the agreement is based on the Town getting a contract with Dominion Virginia Power.

Mr. Coggsdale felt CCUSA would not see it that way. The town enters into an agreement with CCUSA and a memorandum of understanding with Dominion Virginia Power. Dominion Virginia Power knows the Town is taking on this agreement with CCUSA to meet their demands.

Mr. Higginbotham asked what will the Town obligate itself too if they don't enter into the agreement with Dominion Virginia Power.

Mr. Coggsdale responded the Town would be obligated to CCUSA for five years.

Mr. Higginbotham felt the agreement should include the comment "subject to reaching an agreement with Dominion Virginia Power this agreement will be in effect".

Mayor Mattox asked if the memorandum of understanding would obligate Dominion Power to purchase the water.

Mr. Eller responded the they would be obligated.

Mr. Coggsdale stated a formal contract would follow the memorandum of understanding.

Mrs. Dalton stated she understands Mr. Higginbotham's concerns of being saddled with CCUSA agreement if we don't have the customer but felt it was a moot point because the town would be getting both customers simultaneously.

Mr. Higginbotham stated this is a customer that because it is cheaper to use the town's drinking water as opposed to getting raw river water and running it through their plant. It is his understanding there is more corrosion using the river water than potable water. This one industry wants to save money by using the town's drinking water; this is a preference not necessity. They are making a business decision to save money which is putting the town at the point of instead of having a 3-million-gallon water plant (aside from the issues that are there now) it will cost \$5 million to upgrade the plant. He did not feel it was fair for the citizens of Altavista who have drinking water to subsidize this plant expansion for Dominion Virginia Power. He felt the price charged by the City of Lynchburg for water should be close to the price charged to Dominion Virginia Power.

Mayor Mattox asked what would Council say if the largest user now (Abbott Laboratories) wanted to expand and needed an increased amount of water.

Mr. Higginbotham asked if there would be increased jobs.

Mayor Mattox responded that would not necessarily happen.

Mr. Higginbotham questioned how many jobs are supported by Abbott.

Mr. Jarvis responded 475 jobs.

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Mr. Higginbotham stated he would spend the money to save 475 jobs; noting Dominion Virginia Power only has 7 to 9 employees.

Mr. George asked what is forcing the town to expand their Water Plant if the water can be purchased from CCUSA.

Mrs. Dalton stated the town is in the business of producing water and asked why the town would not produce water for this customer. A profit is made off of every customer that is a volume customer and the CCUSA piece that comes beside it is a plan. This is all part of the planning process. She stated Dominion Virginia Power would be a wonderful new customer.

Mr. George stated it was optional if the Town wants to enlarge the water plant and the Town can continue to be the middle man without jeopardizing the current customers. If it is decided to increase the volume 5 years down the road and it appears Dominion Virginia Power is going to stay, it may make more sense to expand the plant.

Mrs. Brumfield noted a Water Superintendent is being looked for at this time and she has all the confidence that when this person is hired who has the experience, who can watch the budget, watch the chemicals, watch over the use of the water in the plant and not losing the water that is being lost. The water that is being lost could be the water that is sent to Dominion Virginia Power and the town would not have to buy from CCUSA. She asked if it is determined that the water can be made by the town are we tied to the contract.

Mr. Coggsdale responded for five years but that could be tied only to the minimum which equates to approximately \$28,000 a year.

Mr. Higginbotham questioned why the agreement says 1.6 million.

Mr. Coggsdale responded that would be the maximum based on Dominion Virginia Power's highest flow one-day last year.

Mr. Higginbotham questioned the amount being made by the town.

Mr. Garrett responded presently 1.9 million is the average being made by the town.

Mr. Higginbotham stated 500,000 gallons is all we have cushion for; once 600,000 gallons is made and 300,000 from CCUSA, we are over.

Mrs. Dalton asked Mr. Higginbotham why that would not be a good thing.

Mr. Higginbotham stated we are going over the plant's capacity.

Mrs. Dalton noted there are four water tanks that staff is working on getting to work better so there is not water just sitting there and there are some efficiencies that will create the ability to make more.

Mr. Coggsdale stated if the Town provides 600,000 gallons a day on average to Dominion Virginia Power the revenue will be double what is budgeted for.

Mr. Eller asked if the agreement with Dominion Virginia Power could include nothing in it would construed to require the town to expand the Water Plant.

Mrs. Brumfield did not feel the VDH would allow this.

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Mr. Higginbotham noted Mrs. Dalton and Mr. Edwards have discussed in the past eight years that the water rates were too low and he felt this was the perfect opportunity to charge Dominion Virginia Power more than the average citizen because they are using drinking water and using it for an industrial purpose. He also noted Dominion only has seven or eight employees. He asked what if Abbott Laboratories needs additional water then the water plant would have to expand.

Mrs. Dalton stated because of the agreement with CCUSA, there is the possibility of purchasing additional water if necessary. With regards to the rates, Mrs. Dalton stated it should all be raised systematically for residential and industrial over time.

A motion was made by Mrs. Dalton, seconded by Mr. George, to enter into the Memorandum of Understanding with Dominion Virginia Power.

Motion carried:

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| VOTE: | Mr. Michael Mattox | Yes |
| | Mrs. Micki Brumfield | No |
| | Mrs. Beverly Dalton | Yes |
| | Mr. Tracy Emerson | Yes |
| | Mr. Timothy George | Yes |
| | Mr. Jay Higginbotham | No |

A motion was made by Mrs. Dalton, seconded by Mr. George, to execute the agreement with Campbell County Utilities Service Authority.

Motion carried:

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| VOTE: | Mr. Michael Mattox | Yes |
| | Mrs. Micki Brumfield | Yes |
| | Mrs. Beverly Dalton | Yes |
| | Mr. Tracy Emerson | Yes |
| | Mr. Timothy George | Yes |
| | Mr. Jay Higginbotham | Yes |

c. Employee Health Insurance

Mr. Coggsdale advised each year during the budget process, staff looks at the health insurance benefit provided to Town employees. Currently, the Town provides health insurance through Anthem’s The Local Choice and employees can choose between a \$500 or \$1,000 deductible for single, dual or family coverage, with a “Comprehensive or Preventive Dental” option. The renewal figures for premiums were received and reviewed by staff, the \$500 deductible plan saw a 7.3% increase while the \$1,000 deductible plan premiums rose by 7%. The FY2017 Budget is based on the renewal figures for the \$500 and \$1,000 deductible plans.

Mr. Coggsdale advised staff requested information from Anthem in regard to a “High Deductible Health Plan” (HDHP) provided through The Local Choice and presented information showing the current rates for the existing plans, as well as the renewal rates for the existing plans and the HDHP (which increased 7.6% over last year’s rates).

Based on the renewal rates for each potential plan (\$500, \$1,000 and HDHP, both Comprehensive and Preventive), the total premium cost to the Town:

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|---------------------------|--|
| 500 & 1000 Plans Offered: | \$359,100 |
| 1000 Plan Only: | \$343,700 |
| HDHP Plan Only: | \$286,200 (does not include contribution to HSA) |

The HDHP has a \$2,800 deductible for one person and a \$5,600 for family (two or more people), this would be \$500 and \$1,000 for the 500 Plan and \$1,000 and \$2,000 for the 1000 Plan.

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The HDHP has a Plan Year Out-of-Pocket Expense Limit (In-Network) of \$5,000 (one person) and \$10,000 for family (two or more people), this would be \$4,000 and \$8,000 for the 500 Plan and \$5,000 and \$10,000 for the 1000 Plan.

Mr. Coggsdale noted it would be staff's recommendation to continue to offer employees a choice between two plans; either the 500 & 1000 plans; or the 1000 & HDHP plans. Without knowing how many employees would choose one plan or the other, it is difficult to finalize a total cost number. The range would be between all employees selecting one plan and those financial numbers (Town cost); selection of plans to be offered is to be submitted to Anthem by April 1st.

Mrs. Dalton stated if the town were to go to the HDHP the town would have to contribute to their employees on the front end to help with transitioning into the program.

Mr. Higginbotham noted the trend is going to the high deductible.

Mr. Emerson stated it is terrible insurance (HDHP) as he is a participant with Campbell County's plan noting it would be a hard hit on some of the employees to go with the HDHP. He noted part of getting good employees is the benefit package offered.

Mrs. Dalton suggested staying the course of the 500 Plan and 1000 Plan. She stated it would take a lot of educating and teaching employees how to deal with the high deductible.

Mayor Mattox stated he was in agreement that everyone is going to HSAs but this may not be the year for the town. He encouraged staff to start planning.

Mr. Coggsdale stated if Council decided to go in the direction of HSAs, it would need to be a multi-step process.

Mrs. Brumfield referred to a previous conversation in which the thought of offering employees' incentives to be healthy, noting to date nothing has been done.

Mr. Coggsdale stated staff has been in touch with Anthem on this.

Mrs. Shelton noted she is in touch with an Anthem representative who will be setting up a Wellness screening by the end of summer.

Mayor Mattox noted there is a program called "Heal Virginia" and asked staff to look into this.

A motion was made by Mrs. Dalton, seconded by Mr. George, to renew the current Anthem 500 and 1000 Deductible Plans.

Motion carried:

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|-------|----------------------|-----|
| VOTE: | Mr. Michael Mattox | Yes |
| | Mrs. Micki Brumfield | Yes |
| | Mrs. Beverly Dalton | Yes |
| | Mr. Tracy Emerson | Yes |
| | Mr. Timothy George | Yes |
| | Mr. Jay Higginbotham | No |

Mr. Higginbotham noted he is voting no because he felt we have get to the high deductible health plan to give the actual savings to the citizens of Altavista.

Mrs. Dalton suggested Mr. Higginbotham sit on the committee that will meet with the town employees to which Mr. Higginbotham agreed.

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5. Public Comment

Mayor Mattox asked if anyone would like to come forward and speak on anything not listed on the agenda.

No one came forward.

Mayor Mattox called for a recess at 4:43 p.m. He called the meeting back to order at 4:55 p.m.

6. Presentations

Budget Presentations by Outside Agencies

Small Business Development Center—Coordinator/Director Nathan Kolb presented Council with two documents that demonstrate what the Small Business Development Center has been doing in the past year. He pointed out in the annual report they have offered 47 seminars, 775 hours in class training and 300 hours in one on one training. He noted across the commonwealth, localities that support the SBDC see approximately 400% return on investment in true tax income.

Mr. George asked how much Campbell County would be contributing to SBDC.

Mr. Kolb replied Campbell County was contributing approximately \$15,000 to \$16,000.

Altavista Area YMCA—Mr. Steve Jester, Executive Director, addressed Council noting the YMCA has been receiving monies from the Town of Altavista since 1971, 1972 and hopes Council thinks the YMCA is a good use of the monies. They continue to hold job fairs, wellness programs, fitness programs, aquatic programs and senior programs. He feels it is a win, win situation for the Town of Altavista and the YMCA.

Mrs. Dalton thanked Mr. Jester for the time and energy spent at the YMCA. She noted she was impressed with the way the YMCA mixes the population in this town; all mixes in the YMCA like there are no differences.

Altavista EMS--not represented

Avoca—Mr. Michael Hudson, Executive Director, addressed Council and requested \$9,000 to cover the cost associated with landscaping. He noted Avoca has year after year raised about 75% of its own funds and has asked for as little as possible of town funds especially when the museum projects could be paid for in grants, fundraisers and its own membership. The amount requested is due to the inability of the volunteers to continue to provide landscaping services. The Board of Directors felt this might be the time to ask for additional funding to cover these cost.

Mayor Mattox thanked Mr. Hudson for the excellent work he does at Avoca.

Mr. Hudson extended an invitation to the open house at Avoca on April 2, 2016.

Altavista Senior Center--not represented

Altavista Chamber of Commerce—not represented

Altavista on Track—Ms. Jamie Glass, Executive Board Director, addressed Council thanking them for their continued support and advised they are entering their 9th year as an accredited Main Street Community. She noted the request of \$5,000 is the same as it was last year which covers the operational expenses, insurance and the financial audit. Ms. Glass reported \$11,000 was raised with the Giblet Jog, \$25,000 was given out in the Pop-Up Program with 3 new business opening in the district and the former Smithers's building on Broad Street being sold. A feasibility study will be completed for the former Dollar General Building with a grant received from the Governor's office.

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Mr. George noted Altavista on Track has applied for a grant for the proposed boat ramp.

Mayor Mattox thanked Ms. Glass for her work with Altavista on Track.

The Healing Place of Southwest Virginia-- not represented

7. Adjournment

Mayor Mattox adjourned the meeting at 5:12 p.m.

Michael E. Mattox, Mayor

J. Waverly Coggsdale, III, Clerk