

COUNCIL WORK SESSION JANUARY 24, 2017

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 January 24, 2017 at 5:00 p.m.

Council members
present:

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

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 Mr. Emerson, seconded by Mr. George, 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
	Mrs. Tanya Overbey	Yes

3. Public Comments—Agenda Items Only

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

Mr. Mitch Bernard, Avondale Drive, Altavista, addressed Council in regards to the Broadband proposal. He referred to a recent article in the *News and Advance* and read a portion: *The town of Appomattox and Nelson County are among the Virginia communities saying the "Virginia Broadband Deployment Act" not only will fail to live up to its name, but will prevent service from reaching people who need it. Robert J. Catron, who represents Roanoke's broadband authority, said "This bill provides a way for the cable companies to shake down localities for money to build out networks."* Stated by Nelson County's Administrator, Steve Carter, *"No matter how HB 2108 is presented as something positive for broadband services, such suggestions are nothing more than false propaganda," Nelson County Administrator Steve Carter said in an interview. "...This legislation is a complete deterrent to the progress local governments have and are making to provide their communities with broadband services."* Mr. Bernard brings this up not knowing what it has to do with the Town's plan but felt it was terrible to be subject to this monopoly within the town's limits adding he would like to see competition. He suggested Council make a statement and pass along to the newspaper to get the word out. He felt the proposed bill was another restriction.

Mayor Mattox thanked Mr. Bernard for the valuable information.

Council was presented with a packet of information on the proposed HB 2108 by Mr. Coggsdale.

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

No one came forward.

4. Introductions and Special Presentations

a. Altavista Broadband Planning Report-Design Nine, Inc.

Mr. Dennis Jarvis updated Council on the events leading up to tonight's presentation by Design Nine, Inc. and introduced Dr. Andrew Cohill, President of Design Nine, Inc.

Dr. Cohill presented Council with a PowerPoint noting they surveyed businesses and residents on existing assets. They looked at some of the technologies and strategies to improve better service. Looked at starter projects that were more respectful of the budget and the size of Altavista. Spent time with Mr. Jarvis and others in the town in regards to funding opportunities. Looked at if the town decides to spend some money on infrastructure, what does it mean in terms of a long term commitment, in terms of cost in operations. Dr. Cohill felt from a municipal and local government perspective, House Bill 2108 is a tragedy for local communities. One of the outcomes of this study is not for the town of Altavista to go into the retail business for internet and compete with the private sector. He stated a single high performance fiber wireless network would let all the service providers share the network with competition and competitive pricing for services. He stated what he would like for Altavista and any community in Virginia to have is the opportunity for distributive ownership infrastructure. He noted Altavista has the advantage of several internet providers having a presence in the town. In terms of recommendations, they are looking at modest investments by the town to help get fiber into the Main Street area and the development area that would attract more businesses and create more jobs, making the properties more valuable. He referred to Altavista Controls stating they are writing software for some of the largest companies in the world which has to be distributed via the internet. They are limited because of the high cost of moving their product in code to their customers all over the world. He felt there were opportunities for the town to make some investments that would help companies such as Altavista Controls and attract other companies to the area. Business relocation consultants advise fiber availability and competitive pricing for fiber is on the short list when looking for businesses relocation. Dr. Cohill noted for the size of the community the responses to the survey were good; 92% interested in better internet services with 71% working from their homes. He presented a listing of comments from residents which were mostly dissatisfaction with their internet service. They reached out to the businesses and their comments included Comcast wanting to charge \$30,000 to bring a fiber line less than a block to their business. Dr. Cohill stated their recommendation is that the town install fiber lines to some of the downtown businesses and lease access to Comcast, Lumos, or MBC to recover some of the expense.

Mr. Higginbotham questioned what the cost would be.

Dr. Cohill stated cost analysis is in the report. He has spoken with the Town Manager and Mr. Jarvis who feels this is something the town may be able to do. The core of the project is the fiber "starter project" in the downtown area which would make existing downtown buildings more attractive to entrepreneurs and startup businesses. He explained a "meet me" box would be installed in the downtown area, fiber would

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be ran in the alleys to the “meet me” box and into the backs of the buildings. Businesses would then be able to hook to these fiber connections. Dr. Cohill presented a map of the proposed fiber route for the town. He mentioned if this project can be tied to job creation or job retention, CDBG would be the best option for possible funding.

Mr. George asked where the fiber would be coming from.

Dr. Cohill responded the CenturyLink office is located on 7th Street and he would recommend putting the “meet me” box in that vicinity.

Mr. George asked if this connection would be available to the schools.

Dr. Cohill stated the schools have it already; this is not part of their recommendation with the starter project.

Mr. Higginbotham asked if this is installed with directional bore.

Dr. Cohill stated it would either be directional boring or slot cutting (micro-trenching).

Mr. Higginbotham asked about the cost estimates.

Dr. Cohill responded it is approximately \$20 per foot.

Mr. Higginbotham asked for the cost of materials and labor.

Dr. Cohill stated he did not have the numbers in front of him but generally labor is 50% to 60% of the cost; materials are fairly inexpensive.

Mrs. Dalton questioned where the fiber cables are now.

Dr. Cohill stated Lumos cables are behind the library; MBC, because they are connected to the schools, is in town but has not been extended.

Mayor Mattox asked if there would be competition or would there still be a monopoly.

Dr. Cohill stated this is why they are not recommending approaching the schools now because MBC is already there. The competition for the downtown area would be the telephone company and the cable company. There would be more competition. He stated one company would need to be identified that would say yes if this is built, they would like to come on and provide services. He was confident that Lumos would be interested.

Mayor Mattox asked if he had any historical data on the cost savings to the customer.

Dr. Cohill stated for the same amount of money the customer might get five to six times the bandwidth. The business sector is not as interested in cutting cost as they are wanting the bandwidth. It's about getting the bandwidth at an affordable price.

Mrs. Overbey questioned the residential portion of the proposal stating it looks like devices would be installed on poles that would provide WI-FI to residential areas around those poles. It said it would support 20-40 simultaneous connections and asked if that means 20-40 households or devices.

Dr. Cohill stated this would refer to devices.

Mrs. Brumfield asked if this would do away with a router in the home.

Dr. Cohill replied it could eliminate the router. The town can make it easier to bring in some wireless internet service providers by allowing them to put their equipment

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on poles. The town would not want to be in the business of running wireless radios but would want to partner with a wireless service provider.

Mrs. Brumfield asked if this is all safe.

Dr. Cohill responded as long as good passwords are used; it is not as secure as fiber or some type of landline cable.

Mrs. Overbey asked if the town would receive leasing fees from the company leasing the pole.

Dr. Cohill stated wireless internet is a tough business because the radios are fairly inexpensive but they are outside and subjected to weather extremes. The profit margin in wireless is low. It might be possible to get a modest lease fee for access. There needs to be a friendly negotiation with a wireless internet provider. If too much is charged, they will not come to town. He noted the biggest mistake seen with other communities is towns trying to charge the same fees to wireless providers as fiber providers.

Mr. Higginbotham noted Main Street was just torn up and repaved and asked if conduit was installed at this time.

Dr. Cohill stated you would want the cable to come in the back of the building with the other utilities; running fiber down Main street would increase the cost.

Mr. Higginbotham asked if someone damages the fiber cable is the town responsible.

Dr. Cohill responded if someone damages the cable, their insurance would cover the cost of repairs.

Mr. Higginbotham asked Dr. Cohill if he had an estimate of what repair would cost.

Dr. Cohill stated it is based on the number of fiber strands; downtown, 144 strand cable would likely be installed. The repair on that would likely be \$5,000 to \$7,000.

Mrs. Brumfield asked Dr. Cohill if he recommended directional boring or slot cutting (micro-trenching).

Dr. Cohill stated if Council decides to move forward, they would bring in some construction firms and get their recommendations and also talk with Public Works to see what utilities are in the alley and the depth noting one is no better than the other just two different techniques to get the cable in the ground.

Mr. Emerson asked if Abbott Laboratories, Moore's Electric, Bennett Mechanical, are interested in this service.

Dr. Cohill advised they spoke to Abbott Laboratories and they indicated they had everything they needed. He suggested extending the fiber in that direction if the downtown goes well.

Mrs. Dalton asked if the building that houses The Standard is served by fiber optic cable.

Mr. Jarvis stated The Standard has the necessary structure they have because they contracted with an internet provider. For a small company such an investment can be cost prohibitive. The question is how can the town tap into the fiber optic cable cost effectively. Mid-Atlantic provided the backbone. He stated this would be an alternative for the small businesses and citizens.

Mayor Mattox stated Council is not looking at this as a revenue tool but for economic development and improvement for the quality of life for the citizens.

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Mr. George asked what the cost might be.

Mr. Coggsdale reminded Council this study covers the downtown Main Street area.

Mr. Jarvis advised the cost was in the Altavista Broadband Study Results handout. The presented map is a starting point; an option for Council to consider. This is a conception, an initial blush of what could happen if the Town constructed the fiber and installed a “meet me” box. This could be positive for Altavista Controls and English Hardware. He felt Abbott Laboratories and BGF are happy where they are at.

Mayor Mattox felt it was the consensus of Council to investigate this further and start looking at grant availability.

Mr. Coggsdale asked Dr. Cohill in his experience what is the next step.

Dr. Cohill stated generally funding is identified and the \$334,000 estimate includes the area outlined on the map noting this could be scaled back. If Council is interested in this project, grants and other sources of funding need to be looked at.

Mr. Jarvis noted staff has identified and it was approved by Council in the Capital Improvement Plan as a place holder a wireless initiative for the downtown.

Mrs. Dalton suggested some due diligence be done along the area that has the greater probability of attracting the businesses that would use the fiber optic cable. She asked if there was a way to phase this in.

Mr. Jarvis stated in a recent EDA meeting it was brought out that people are looking for bandwidth and then the cost. If the bandwidth is not there, they are not going to lease/purchase the home. The buildings on Main and Broad Street are the catalyst of what can be if the bandwidth is available.

Mr. Coggsdale asked if the logical next step would be to bring in the fiber contractors.

Dr. Cohill felt the next step would be to look at the layout presented by Design Nine, Inc. and give them feedback on what is the minimum that would be useful from an economic development perspective. He stated the fiber contractors will want to know how many buildings you are going to pass and how many customers can they expect. He noted residential wireless will not support economic development in the same way.

Mrs. Dalton suggested Council and staff keep this front and center as a priority. She felt this has ramification and suggested this be a topic of discussion at the Council Retreat.

Mayor Mattox felt Council agreed on the concept but would like some options and cost associated with the options. He asked would it be easier to complete the entire area while the contractors are here. The goal is to have available internet for the young people who are our future.

Mrs. Brumfield asked if the map is split three times and the contractor has to come in three times would it be more cost effective to do the entire thing at one time.

Dr. Cohill stated it is always less expensive to have a bigger job.

Mrs. Dalton stated what Council wants to do is drive economic development; what are the possibilities. We are willing to make an investment that has a return. It is easier to make a decision when it is quantified.

b. Classification and Compensation Study-Springsted Incorporated

Mr. Coggsdale introduced Ms. Ann Antonsen, Vice President and Consultant of Springsted, who conducted a Classification and Compensation Study for the Town of Altavista.

Ms. Antonsen presented Council with a power point presentation. She advised the purposes identified for conducting the study is the town wants to respond to changing marketing conditions and supports the Town's efforts to attract and retain quality employees. The town recognizes employees' duties change over time along with the services provided changes over time. To provide a system that provides internal equity and consistency among similar positions. The town wants to ensure that salaries are externally competitive with comparable employers in appropriate labor markets. She explained why local governments conduct these studies noting to ensure that compensation and benefits for employees are equitable and competitive in the labor market, that an employee's position descriptions are up-to-date; salary compression issues are addressed (noting there was an increase in salary compression during the recession), that federal regulations are met and that jobs are treated in a fair manner and their rankings and pay are based upon a rational system of evaluation. This study aids in reducing employee turnover.

Ms. Antonsen advised the best practices for the classification and compensation study involves conducting the studies every five to seven years. Organizations will do these less often if there is an economic downturn or recession or done more often if they are having difficulty recruiting employees or large turnover. Many communities recognize their classification and compensation systems are in need of assessment and updating due to changes in job responsibilities of employees and a shifting labor market. Ms. Antonsen stated Springsted looked at providing a fair and equitable compensation to employees in an increasingly competitive and changing labor market. They looked at maintaining a competitive pay structure that takes into consideration the Town's fiscal resources. They also looked at ensuring that employee compensation is based on individual performance that meets or exceeds expectations and reflects changing economic conditions also provide consistent administration of pay policies and procedures among all Town departments.

Ms. Antonsen reviewed with Council the Town's objectives which are to attract and retain qualified workers; to provide equitable and competitive salaries for all workers of the town; to develop a salary structure that provides for internal equity and ensures external competitiveness with other municipalities; to provide a fair method of annually evaluating employees' performance and provide for a merit pay increase when appropriate and to review current compensation practices and policies and develop recommendations for ongoing administration and maintenance of the proposed classification and compensation plan. She reviewed with Council their method of study and then gave the study's findings as: the town's salary levels are significantly lower than the average salary rates paid in comparable regional organizations; internal pay relationship inequities exist within the town, the current pay plan is recommended to be updated in order to develop consistency and to maintain competitiveness; and, policies regarding maintenance should be evaluated.

Ms. Antonsen advised 19 Benchmark Communities were selected for participation with 12 responding to help with developing the recommendations for the town. She advised they have developed an open range system which provides a minimum, midpoint and maximum salary consistent with the survey reports and contains 35 pay grades with a 5% separation between grades and a minimum to maximum spread of 60%. Job evaluation is something that is common in both public and private sector; the tool that organizations use to determine where a position should fit within their compensation plan. She referred to SAFE (Systematic Analysis and Factor Evaluation System) and explained this is a system developed for use in the public sector and has been tested in Federal Court under an EEOC claim and found to be an equitable method of evaluating and validating position placement. Ms. Antonsen advised they are still fine tuning some of the position placement and some of the options but presented Council with some implementation options. She noted once

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recommendations are finalized they would come back to Council to look at approving the study recommendations. She stated they recommend establishing guidelines for base adjustments, adjust pay ranges and wages of employees and adjustments that recognize individual employee performance annually. Ms. Antonsen stated they conducted a very comprehensive fringe benefits review noting the town's holiday and annual leave is below average, sick leave is above the survey average. Pension, retirement and life insurance is consistent with the survey respondents. With Health Insurance, the Town pays, on average, a higher premium amount for employees/spouse and employee and 1 child, and is below the survey average for contributions at all levels except family coverage. The deferred compensation is consistent with survey respondents. Ms. Antonsen noted the power point was just an overview of the written report which has more detail. In conclusion if Council adopts the report's recommendation it would provide a fairer and more equitable compensation package to employees in a competitive and changing labor market, improve opportunities to reduce turnover among current employees and to recruit quality replacements, when needed; provide compensation that addresses internal equity and external market competitiveness and establishes a market position that is fiscally responsible with public resources.

Mr. Emerson asked if Council comes up with an option that they would like to explore, how long would it take to implement the option.

Mr. Coggsdale stated the shortest term would be the next budget process, July 1. Some organizations take multiple years to achieve the goal.

Mr. Emerson stated in his opinion he did not think it should take years to implement this study but should bring these items up to speed as soon as possible.

Mrs. Dalton stated she was delighted that Council now has a tool that the Town Manager can use to recommend back to Council to pay people fairly and make decisions about compensation based on facts. Council has been making decisions on compensation based on erroneous things and this will allow for decisions to be made based on facts. She did not feel Council would go to the maximum compensation but should be off the floor of minimum.

Mrs. Overbey was in agreement with Mrs. Dalton that it was good to have a working paper now and agreed with Mr. Emerson that everyone should at least be at the minimum and as funding allows do better.

Mr. Higginbotham advised he has gone through the report extensively and stated he has four concerns with the data. He stated there were 19 localities listed and did not feel that apples to apples were being compared and asked how Abbott Laboratories fit into the survey.

Mr. Coggsdale noted Abbott Laboratories didn't respond to the survey.

Mr. Higginbotham asked why they would be asked.

Mr. Coggsdale offered because the town competes with them for employees.

Ms. Antonsen stated it is based on location and competition for employees. This is one of the factors that is taken into consideration when selecting the marketing group.

Mr. Higginbotham referred to the town of Ashland and stated they have a population twice the size of Altavista and is north of Richmond with the household median being slightly over Altavista's. The housing value is \$178,000 with Altavista's being \$112,000. He said everybody wants a pay increase; he felt Council had fiduciary duty to put in the pot comparable localities. He did not feel that Ashland, Woodstock, or Christiansburg were comparable. He noted Farmville has two colleges and a population of eight thousand. Mr. Higginbotham felt the process was good but there had to be good data going into it to have good data coming out.

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Mr. Emerson asked Mr. Higginbotham if Altavista could be a college town on the outskirts of Liberty University.

Mr. Higginbotham stated he did not consider Altavista as a college town.

Mr. Emerson noted the town of Ashland is not northern Virginia.

Mr. Higginbotham stated the median housing is \$188,000 in Woodstock, \$112,000 in Altavista. He agreed with Mrs. Dalton that Altavista does have the cost of living going for it, but that Roanoke was the lowest in the state if not nationwide. Mr. Higginbotham stated he had a listing of towns that have similar housing values, similar household incomes and similar populations. He stated he would like to see these compared to the town of Altavista. He stated he did understand Altavista is competing with what Chatham, Gretna and Lynchburg are paying their employees.

Mr. Emerson noted the Peer Group study from four years ago used these same Benchmark Communities.

Mrs. Dalton stated this study is a tool to be used and is not perfect. She suggested asking Springsted to rework some data; we are not trying to be absolute in any form. Mrs. Dalton stated she agreed the better the data going in, the better the data coming out but some of the small communities don't have utilities like the Town of Altavista.

Mr. Higginbotham stated they do have a Police Force and Administration.

Mrs. Dalton felt it was not bad to have the bigger communities in the mix as this is a working tool for Council.

Mr. Higginbotham noted the Town of Blackstone was comparable to the town of Altavista but there was no data from them.

Mr. George noted the City of Lynchburg did not respond but is competition for the town of Altavista; Campbell and Bedford Counties are all competition for the town. He stated he was in agreement with the majority of Council; he would like to see the employees paid fairly and for it to be done soon than later.

Mrs. Brumfield stated her concern was the cost of the turnover and referred to employees being trained and then going elsewhere to work. Why can't the town of Altavista be the one that people want to come work at. The longer a person works at a location the more valuable they are.

Mrs. Dalton felt Mrs. Brumfield's comments were a piece of the town manager's puzzle, how to hire and retain quality employees, and it is his job to figure out what might be fair compensation for them. He will be coming to Council for a figure to plug into the budget as the budget is built. The facts need to drive decisions made in regards to compensation.

Mrs. Brumfield asked how many of the employees participate in the health insurance program.

Mrs. Shelton advised approximately 90% participation for 62 full time employees.

Mr. Emerson noted in the past few months Council has gone into closed session to discuss salaries for a couple of positions which tells him the salaries are not where they need to be.

Mr. Higginbotham asked Ms. Antonsen how long it would take to rerun the numbers.

Ms. Antonsen offered it would take a short period of time.

Mr. Coggsdale asked if there was a little bit of a tradeoff because Altavista does compete with Lynchburg and their numbers are not included in the study.

Ms. Antonsen stated sometimes you have to bring in large communities because of the services they provide: noting utility services is a difficult recruitment area.

Mayor Mattox asked Ms. Antonsen to run some new numbers. He noted Altavista is a conservative community but is a service oriented community and the goal is to provide the best services to the citizens. To do this, it takes great people.

Mayor Mattox thanked Ms. Antonsen for her presentation.

Mr. Coggsdale thanked Mr. Jarvis for the Broadband initiative and Mr. Witt for the Classification and Compensation study and all the hard work and effort involved.

5. Items for Discussion

Mayor Mattox asked if there was anything on Dr. West's building.

Mr. Coggsdale advised he and Mr. Garrett met with the consulting engineers and has received a letter with options to consider which he will be forwarding to Council.

6. Public Comments

Mayor Mattox asked if anyone would like to comment on anything not listed on the agenda.

No one came forward.

Mr. George asked Mr. Garrett if he was still working on the various Parks and Recreation items.

Mr. Garrett advised most have been submitted to Mr. Witt to place in the Capital Improvement Plan.

Mr. Higginbotham asked if there was any progress on how to tackle the Charlotte Avenue drainage problem and asked Mr. Garrett if this is something he wants to do or put out to bid.

Mr. Garrett stated his recommendation is to have the consultants look at it to see what it will take to tie into the existing lines; then there will be some budget numbers for Council to consider. Mr. Garrett stated he would like to put this out to bid.

Mayor Mattox thanked the Department Heads for the good work done the previous year and for all that they do.

Mr. Higginbotham asked about the "grey water" for Dominion Virginia Power.

Mr. Coggsdale advised he has had a brief conversation with Mr. Emmett Toms, Dominion Virginia Power, who will be providing him with a report.

Mayor Mattox thanked Mr. Coggsdale for the work he has done this past year.

7. Adjournment

Mayor Mattox adjourned the meeting at 7:18 p.m.

Michael E. Mattox, Mayor

J. Waverly Coggsdale, III, Clerk