

WAYNESBORO, VIRGINIA

CITY COUNCIL BUSINESS MEETING MINUTES



Council for the City of Waynesboro held a Regular Business Meeting on Monday, January 9, 2017, at 7:00 p.m. in the Council Chambers of the Charles T. Yancey Municipal Building, 503 West Main Street, Waynesboro, Virginia, with Mayor Allen presiding and calling the meeting to order:

PRESENT: Council Members: Bruce Allen, Mayor
Terry Short, Jr., Vice Mayor
Jeff Freeman, Councilman
Pete Marks, Councilman
Elzena Anderson, Councilwoman

City Staff: Mike Hamp, City Manager
James Shaw, Deputy City Manager
Todd Patrick, City Attorney
Julia Bortle, Clerk of Council
Michael Wilhelm, Police Chief
Weixuan "Sunny" Yang, Associate Planner, Planning Department

School Staff: Dr. Jeffrey Cassell, Waynesboro School Superintendent

ABSENT: None

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES:

Mayor Allen opened the meeting and asked the City Manager to lead everyone in the Pledge of Allegiance to the Flag of the United States of America.

CONSENT AGENDA:

Councilwoman Anderson moved to adopt the Consent Agenda as presented. The motion was seconded and adopted with affirmative votes from Council members Allen, Short, Freeman, Marks, and Anderson:

- a) **Approval of Minutes:** Consider adopting the minutes for the December 12, 2016 Regular Business Meeting, and dispense with the reading of the minutes.
- b) **Police Department Digital Scanning Services:** Second consideration/adoption of an ordinance appropriating \$10,000 to the General Fund to provide for document scanning and digital storage services for the Police Department. (2017-01)
- c) **Commissioner of the Revenue Request:** Approval of a request for a refund in the amount of \$3,416.30 plus interest, for a 2016 Business License tax paid on behalf of Blue Ridge Dermatology.

Regular Business Meeting
Monday, January 9, 2017
Adopted January 23, 2017

CLOSED MEETING:

Vice Mayor Short moved to go into a closed meeting for the purpose of a discussion and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel pertaining to environmental issues, as permitted by Virginia Code section 2.2-3711(A)(7). Having been seconded, the motion was adopted on a roll call vote as follows: Mayor Allen, Aye; Vice Mayor Short, Aye; Councilman Freeman, Aye; Councilwoman Anderson, Aye; Councilman Marks, Aye. The closed meeting convened at 7:03 p.m.

Council came out of the closed meeting at 8:11 p.m. **Vice Mayor Short moved to adopt the following resolution as read in its entirety:**

RESOLUTION (R17-01)

WHEREAS, the Council has convened a Closed Meeting on this date pursuant to an affirmative recorded vote in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, §2.2-3711 of the Code of Virginia requires a certification by this Council that such Closed Meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Council hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia Law were discussed in the Closed Meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed or considered by the Council, namely discussion and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel pertaining to environmental issues, as permitted by Virginia Code section 2.2-3711(A)(7).

Having been seconded and with no objections, the resolution was adopted 5-0 on the unanimous affirmative roll call vote as follows: Mayor Allen, Aye; Vice Mayor Short, Aye; Councilman Freeman, Aye; Councilman Marks, Aye; Councilwoman Anderson, Aye.

MATTERS FROM COUNCIL MEMBERS:

Vice Mayor Short: reminded everyone that the DuPont/South River Mercury Contamination Settlement Public Comment meeting will take place at 6:00 p.m. at the Waynesboro Public Library.

PLANNING COMMISSION 2016 ANNUAL REPORT PRESENTATION:

The Associate Planner presented a summary of the Planning Commission's activities during the preceding year. This included reviewing major applications, downtown revitalization, a status of Smart Scale (HB2) project grant applications, the Greenway Phase 3VDOT grant application, and a Comprehensive Plan update.

WAYNESBORO HIGH SCHOOL RENOVATION PROJECT RESOLUTION:

City Council was asked to consider adopting a reimbursement resolution related to the Waynesboro High School (WHS) Renovation Project, which enables the City to reimburse itself for expenses related to the project incurred prior to the issuance of debt. Although the resolution does not obligate the City to reimburse itself from the proceeds of a borrowing, the City may not elect to do so without having adopted a reimbursement resolution. As the project progresses, the City Council may adopt subsequent reimbursement resolutions as the project schedule, debt issuance timing, and funding plan may require. The City has expended funds to acquire property and the School Board has incurred and will incur expenditures for architectural, engineering and design; the \$1,200,000 is intended to provide for expenses incurred to date, anticipated expenses, and reasonable unanticipated expenses of a qualifying nature.

Councilman Freeman moved to adopt a resolution:

**RESOLUTION ^(R17-02)
OF OFFICIAL INTENT TO REIMBURSE
EXPENDITURES WITH PROCEEDS OF A BORROWING**

WHEREAS, the City of Waynesboro, Virginia (the “Borrower”), intends to acquire certain real property for, and to undertake the design and engineering of, capital improvements for school purposes (the “Project”); and

WHEREAS, plans for the Project have advanced and the Borrower expects to advance its own funds to pay expenditures related to the Project (the “Expenditures”) prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of tax-exempt bonds or taxable debt (the “Bonds”), or both;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WAYNESBORO, VIRGINIA:

1. The Borrower intends to utilize the proceeds of the Bonds in an amount not currently expected to exceed \$1,200,000 to pay the costs of the Project.
2. The Borrower intends that the proceeds of the Bonds be used to reimburse the Borrower for Expenditures with respect to the Project made on or after the date that is no more than 60 days prior to the date of this Resolution. The Borrower reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or other debt.
3. Each Expenditure was or will be, unless otherwise approved by bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the Borrower so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Borrower.
4. The Borrower intends to make a reimbursement allocation, which is a written allocation by the Borrower that evidences the Borrower’s use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of (a) the date on which the Expenditure is paid or (b) the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The Borrower recognizes that exceptions are available for certain “preliminary expenditures,” costs of issuance, certain de minimis amounts,

expenditures by “small issuers” (based on the year of issuance and not the year of expenditure) and expenditures for construction of at least five years.

5. The Borrower intends that the adoption of this resolution confirms the “official intent” within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.
6. This resolution shall take effect immediately upon its passage.

Having been seconded and with no objections, the resolution was adopted 5-0 with affirmative votes from Council members Allen, Short, Freeman, Marks, and Anderson.

ORDINANCES:

General Fund Unassigned Fund Balance: The City of Waynesboro’s unassigned fund balance (not including the unspent School appropriation of \$736,410) at June 30, 2016 was \$10,321,712, exceeding the City’s Fund Balance Policy by \$2,886,279.

As in the past, City staff has identified several areas for the proposed re-allocation of the unassigned fund balance of \$2,867,213.

Summary of Unassigned Fund Balance Transfers		
Amount	Receiving Account	Reserve/Purpose
\$410,286	410-0000-445.01-15	ERP Software Purchase and Implementation
250,000	110-0000-445.01-15	Governmental IT Reserve
449,591	110-0000-445.01-19	Governmental Equipment Replacement
407,336	110-0000-445.01-20	Governmental Facilities Maintenance (Municipal)
135,000	110-0000-445.01-20	Governmental Facilities (H.S. Renovation Related)
715,000	410-0000-445.01-29	Capital Projects Fund (undesignated)
500,000	810-0000-541	School Fund (H.S. Renovation Engineering)
\$2,867,213		

Vice Mayor Short went on record stating important considerations for the high school appropriation. He encouraged the Council and School Board to reimagine what the high school renovation will mean to the community for the next twenty years. This should include a facility that will provide after-hours training as a regional work space exposing high school students to emerging labor markets, and also offering a remote learning center for community colleges for the unemployed and under employed. This is critical in order to develop a labor pool that will attract new employers to the City. The project should also incorporate renewable energy elements throughout the design; specifically, any new component should rely on solar as the primary energy source. Also, there should be abundant public involvement. The City must be mindful of how the federal and state government will continue to require changes to the traditional educational methods within the community. The City will be paying down the significant debt for many decades, and it is his hope the School Board will speak with the state legislators for guidance and advocacy.

It was the consensus of Council that staff post to the City’s website all committed reserve fund balances, by account and remaining balance, and every new appropriation, to be updated quarterly, enabling the public to see where their tax dollars are spent, where savings exist, and their intended purpose.

Vice Mayor Short moved to introduce an ordinance **APPROPRIATING \$2,367,213 OF GENERAL FUND UNASSIGNED FUND BALANCE FOR TRANSFER TO COMMITTED RESERVES, \$500,000 OF GENERAL FUND UNASSIGNED FUND BALANCE FOR TRANSFER TO THE SCHOOL FUNDS, AND \$200,000 OF GENERAL FUND COMMITTED FUND BALANCE FOR TRANSFER TO THE CAPITAL PROJECTS FUND, FOR THE FISCAL YEAR ENDING JUNE 30, 2017.** Having been properly introduced, this ordinance will be considered again at the January 23, 2017 Regular Business Meeting.

Schools Unspent Appropriation Reserve: The Superintendent of Schools requests on behalf of the School Board, that the City Council re-appropriate \$736,410, the unspent school appropriation from FY 2016, specifically to be placed in a reserve account for capital projects including at least one phase of the replacement of the roof at Kate Collins Middle School. Dr. Cassell noted that in the current fiscal year, enrollment lower than anticipated resulted in reduced state revenue. If this shortfall cannot be addressed through management of the budget, he will request that some portion of the funds be used to meet needs in the current operating budget. Councilman Freeman moved to introduce an ordinance **APPROPRIATING THE GENERAL FUND SCHOOL UNSPENT APPROPRIATION RESERVE, IN THE AMOUNT OF \$736,410, FOR TRANSFER TO THE SCHOOL OPERATING FUND, FOR THE FISCAL YEAR ENDING JUNE 30, 2017.** Having been properly introduced, this ordinance will be considered again at the January 23, 2017 Regular Business Meeting.

Public Works – Street Paving and Florence Avenue Bridge: Councilman Marks moved to introduce an ordinance **APPROPRIATING \$406,624 FROM THE VDOT RESTRICTED FUNDS RESERVE, AS WELL AS \$282,510 OF ADDITIONAL FY17 STREET MAINTENANCE REVENUE, TO THE GENERAL FUND, FOR ADDITIONAL PAVING EXPENDITURES AS WELL AS TO FUND ENGINEERING FOR RENOVATION OF THE FLORENCE AVENUE BRIDGE.** Having been properly introduced, this ordinance will be considered again at the January 23, 2017 Regular Business Meeting.

Parks and Recreation Softball Baseball Fields: Councilwoman Anderson moved to introduce an ordinance **APPROPRIATING A DONATION FROM WAYNESBORO YOUTH BASEBALL/SOFTBALL, IN THE AMOUNT OF \$8,000, TO THE GENERAL FUND FOR FUTURE IMPROVEMENTS TO LOCAL BASEBALL FIELDS.** Having been properly introduced, this ordinance will be considered again at the January 23, 2017 Regular Business Meeting.

Parks and Recreation Ridgeview Park Playground New Deck System: Vice Mayor Short moved to introduce an ordinance **APPROPRIATING A PORTION OF THE FACILITY MAINTENANCE RESERVE, IN THE AMOUNT OF \$14,560, TO THE GENERAL FUND, TO FUND THE PURCHASE AND INSTALLATION OF A NEW DECK SYSTEM AT THE RIDGEVIEW PARK PLAYGROUND.** Having been properly introduced, this ordinance will be considered again at the January 23, 2017 Regular Business Meeting.

Library Materials and Supplies: Councilman Freeman moved to introduce an ordinance **APPROPRIATING ADDITIONAL STATE AID TO THE LIBRARY, IN THE AMOUNT OF \$4,597, TO THE GENERAL FUND, FOR THE PURCHASE OF ADDITIONAL MATERIALS AND SUPPLIES.** Having been properly introduced, this ordinance will be considered again at the January 23, 2017 Regular Business Meeting.

COMMUNICATION, CORRESPONDENCE, AND CALENDAR:

Property Tax Exemption Program: Considering the pending increased tax rate due to the high school renovation project, it was the consensus of Council to have staff investigate and provide information regarding adjusting the City's income thresholds comparable to surrounding localities. It was agreed that the information would be included on an upcoming Council meeting agenda.

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CITIZEN COMMENT PERIOD:

Mr. William Kirkendall, 109 Hollands Circle: agreed with the utilization of the high school for furthering educational opportunities after hours and for remote education. Also, he didn't see any salt being used in subdivisions after the City plowed the snow, causing icy conditions. If the City was more proactive, it may enable the schools to open sooner after a snowfall.

With no further business to discuss, the meeting was adjourned 8:58 p.m. on a motion by Councilman Marks.

Julia Bortle, CMC, Clerk of Council

Bruce Allen, Mayor