

**CITY OF BUENA VISTA
REGULAR COUNCIL MEETING
OCTOBER 3, 2019**

The City Council for the City of Buena Vista met for a Regular Council Meeting on Thursday, October 3, 2019 at 6:00 p.m. in Council Chambers (2039 Sycamore Avenue).

Council Members Present:	Mayor Bill Fitzgerald
Melvin Henson	Danny Staton
Stanley Coffey	Steve Baldrige
Vice-Mayor Tyson Cooper	Lisa Clark

Members Absent: NONE

ADG#1 PLEDGE OF ALLEGIANCE AND PRAYER:

Mayor Fitzgerald opened the meeting by requesting that everyone stand and repeat the Pledge of Allegiance. Vice-Mayor Cooper delivered the prayer.

ADG #2 APPROVAL OF THE MINUTES FROM THE REGULAR COUNCIL MEETING HELD ON SEPTEMBER 19, 2019:

Motion was made by Vice-Mayor Cooper to approve the above minutes, seconded by Councilman Coffey, carried by Council.

ADG #3 RECOGNITION/COMMUNICATION FROM VISITORS:
Citizens who desire to speak on matters not listed on the agenda below will be heard at this time. Citizens who desire to speak on an item listed on the agenda, open for public comment, will be heard when that item is considered:

Mr. Jamie Goodin, 202 N. Main Street, Lexington spoke first. He wanted to give Council a bi-weekly update on the "Go BV" activities. He said they are pumped to announce that Columbia Gas has disconnected the service from the Thanks for the Memories building. He said they have a contractor and the building should be cleared as soon as the contractor has time for it. There is a lot of interest in some of the other buildings. There will be a property tour next

Thursday from 5:00 p.m. to 7:00 p.m. Almost all their properties will be on the tour as well as some others around town. The tour will be self-guided and there will be a reception at the Camelot Building. Mr. Goodin also said for Mountain Day they are hosting a design thinking workshop in the Camelot Building. This workshop is a way to creatively problem solve on how to get folks into Buena Vista and how to make BV as vibrant as it can be.

Ms. Natalie Elliott of Roanoke spoke to Council on behalf of some churches in the Lexington and Rockbridge County area concerning the need for Foster Care. Intercept Health is partnering with churches and want to extend out to churches in the Rockbridge County area educating the community about the need for foster homes and opportunities for people to volunteer. She opined that children's issues are community issues and there are line items in our budget to pay for the Children Services Act with Rockbridge Area Social Services. The goal of this program is to recruit more foster homes. Rockbridge Area Social Services has about 7 homes and they have 65 children in foster care now. The Board of Social Services has reached out to Intercept to help bring a campaign about so they can identify more families and support for those families. This is a State issue in every community. On Friday, November 15th there will be a dinner at Lexington Baptist Church beginning at 5:30. They are offering dinner to everyone at no cost. They would like for this to be a full community event to learn about foster care.

Ms. Katy Patterson, Director of Glen Maury Park gave Council an update about the events that were held at GMP during the summer and what will be happening in the fall and winter.

Mr. Tom Roberts advised that the annual Mountain Day is October 12 and we have more vendors than ever before. It will be extended down to 21st and Sycamore. For the first time we will have a beer and cider garden at the old Thanks for the Memories lot. Mr. Roberts reported that this Sunday at 5:00 p.m. at 21st and Magnolia we will have the first of a weekly community interface "Pray BV" prayer service. They will be praying for our community. There will be 18 different banners from different congregations with written prayers from the congregations. Mr. Roberts stated this is part of Healthy BV. Healthy BV is a group that came out of a workshop in the spring that consists of representatives of different community groups. They have set 6 goals:

- 1.) Mental Health
- 2.) Emotional Health
- 3.) Social Health

- 4.) Economic Health
- 5.) Physical Health
- 6.) Spiritual Health

ADG #4 REPORTS:

1.) Mayor

None.

2.) City Manager

Mr. Scudder started his report by saying he has had some meetings a while back with the Library Board and discussed some things they wanted us to improve on. The third floor is clean, and we have started on the second floor. Mr. Roberts has reached out to some historic groups about some of the old left-over historic artifacts. Next week there will be a company working on the roof. The caboose at GMP is really looking good. They are finishing up putting in the plexiglass windows and Katy is going to be planning a ribbon cutting ceremony soon. We are also planning a ribbon cutting ceremony at the new Columbia Gas site. Mr. Scudder advised we have signed the contract with AMP road engineers to work on this project. They will be heading up our road projects. Mr. Scudder said he has gotten some good impacts on the work our crews have been doing with clearing brush, road right-of-way's and things of that nature. We have gotten some prison groups that have helped with the clean-up. He said he met with the Treasurer today and discussed making a push to put some things in place to work on some special tax collection areas. He really wants to get DMV stops going. We are going to try to do some debt warrants for delinquent accounts. We are also going to be giving tickets to people in the City that do not have a City decal.

3.) City Attorney

None.

4.) Council Committee/Representative

Council Member Clark thanked everyone that was in attendance last week at our intergovernmental meeting at the golf course. She opined it was a lot of fun. She opined there are some nice homes at Vista Links. All the City schools are fully accredited. The morning of Mountain Day beginning at 8:30 a.m. the Kindergarten and 5th grade students will be participating in a cross-country race at the golf course.

Councilman Henson advised on September 21 there was a golf tournament at Vista Links. There were 22 teams. There was also a car show at Rockbridge High School with over 1,000 cars. He opined that Nothin' Fancy was an excellent event. The Veteran Memorial Bridge dedication is scheduled for October 13 at GMP. He suggested since next year is the 50th anniversary for Labor Day at GMP, we get a committee together now.

CONSIDER APPOINTMENTS TO VARIOUS BOARDS, COMMISSIONS, AND COMMITTEES:

ADG #5 BOARD OF ZONING APPEALS:

Mr. Casey Crookston has resigned from the Board of Zoning Appeals. His term will expire on December 31, 2021. This is the tenth time this item has appeared on the agenda. **NO APPLICANTS – ADVERTISED NEWS GAZETTE MAY 15, 2019; WEB SITE AND CHANNEL 18 MAY 13, 2019**

This item will be carried over to the next Council meeting.

OLD BUSINESS:

None.

NEW BUSINESS:

NB #1 DISCUSS ROCKBRIDGE COUNTY FIRE-RESCUE VOLUNTEER RECRUITMENT AND RETENTION PROGRAM:

Mr. John Rowsey and Mr. Herman Huffman were present representing the Buena Vista Fire Department. Mr. Rowsey stated the fire department has been working for the past several years to get the volunteers more interested in answering calls and putting more time in at the fire department. The Board of Supervisors for Rockbridge County passed the Volunteer Recruitment and Retention Program. They have met with Mr. Scudder and a few council members concerning this program. They met with Mr. Scudder again and he suggested they present the program to Council due to the budget situation. Every member that is on the scene of a call would be paid \$7.50. Anyone on stand-by would get \$3.50 per call. They are requesting that the City mirror Rockbridge County with this program.

Vice-Mayor Cooper said he feels uncomfortable making any kind of commitment without knowing the cost.

Mr. Rowsey said the estimated cost would be around \$10,000.00 per year. If Council approves the program, they would ask that the first year have a cap of \$10,000.00. If they would use the whole \$10,000.00 within the year, the program would stop.

Mayor Fitzgerald wanted to know if the \$10,000.00 would cover both fire and rescue.

Mr. Rowsey said the \$10,000.00 would be for both fire and rescue.

Mr. Scudder advised that Lexington has had a program like this for a long time. When Rockbridge County started looking at this program, they mirrored it after Lexington. Rockbridge adopted this program after their budget had been approved. Mr. Scudder opined we have had a lot of issues with volunteers in our region. With us being the last man standing it kind of puts us at a disadvantage.

Council Member Clark suggested that Council look at this program through a different lens. She opined that Council should look at this program as the right thing to do rather than thinking that someone will not come and help because of \$7.50.

Councilman Coffey said that a lot of the time the volunteers are working beside of a paid staff. He opined the program is a great idea.

Mr. Rowsey said that the City of Lexington started a program similar to this years ago. They are at the point now that they are paying by your level of training.

Mr. Huffman said the program is an incentive to retain the firefighters they have plus bring in new ones.

Councilman Henson said we have a good volunteer staff in Buena Vista. There are some members that are on paid departments in other cities. He opined that people don't want to take the time to come in and take the necessary training for a fireman.

Mr. Rowsey said that it takes over 200 hours of training for a fireman to be allowed to answer calls.

Vice-Mayor Cooper wanted to know where the money would come from to support the program. He wanted to know if we would have to raise taxes or cut something else within in the City in order to get the money. He is supportive of the program but does not know where the money will come from.

Mayor Fitzgerald asked Mr. Scudder to look at some numbers and come up with some ideas for the next Council meeting.

Mr. Rowsey and Mr. Huffman thanked Council for the consideration of the program and said they understand the City is strapped at this time.

Mr. Kearney said the program would have to be redone for Buena Vista since the one provided is for Rockbridge County.

Councilman Baldrige stated that in the regular budget cycle in January or February there will be an opportunity to put this request into the proposed budget that is approved in May for the new fiscal year that starts in July.

NB #2 JOINT MEETING WITH THE BUENA VISTA ECONOMIC DEVELOPMENT AUTHORITY TO DISCUSS POSSIBLE LENDING OPTIONS AND AN OVERVIEW OF AUTHORITY ASSETS:

In attendance from the Buena Vista Economic Development Authority were the following members:

Chairman Brent Styler

Member Elizabeth Braddy

Member Peter Trotman

Member Marolyn Cash

Member Skye Lowry

Member Lynn Chapman

Mr. Kearney stated that no action would be voted on because he does not have all the information yet.

Mr. Scudder wanted to know if the EDA could act on the request tonight if they chose to.

Mr. Kearney said they could not. The only thing they can do is decide if they want to pursue the request.

Mr. Scudder started the discussion by stating there are a couple of things that are very important. The City is building an Industrial Park and we have a customer already there; Columbia Gas. Columbia Gas is making about a four-million-dollar investment which enabled us to get special funding from VDOT; \$357,000.00 for the road construction. We sold a parcel of land to Columbia Gas for approximately \$120,000.00 which basically paid for the engineering for the Industrial Park. We have also received almost \$900,000.00 in paving money

from VDOT under the State of Good Repair initiative. All of this money is reimbursable. It must go through the City's general fund, and we get reimbursed as fast as we can. With the City's current financial situation, it is quite an undertaking to run this money through the City's financial system. Over the last several months Mr. Kearney, City Council and himself have been talking about getting a line of credit through the EDA that will help fund economic development initiatives. Mr. Kearney has done most of the negotiation with CornerStone Bank to come up with what we might be able to receive. Also, we are engaged in another economic development initiative that we cannot disclose at this time. We have secured some funding through the Commonwealth Opportunity Fund and Job Opportunity money for new employees that get hired and trained. That amounts to about \$150,000.00 in possible incentive money. We are doing some legal work on some property that the EDA owns within the City limits. We are having some surveying work and background work on the actual ownership on some property. There is a lot going on in the Economic Development arena and road paving. What we worked out is a line of credit through the EDA for Economic Development initiative with CornerStone Bank. We are going to have to make sure that we get these properties appraised and the EDA land holdings will be enough money for CornerStone to approve the loan. We are fairly certain that we will be able to obtain the loan based on the information that we have now. Essentially it is a line of credit at 2% above prime. With today's lending market it puts it at about 7%. There will be no payments for up to 2 years. We want the money for the interest held in escrow.

Mr. Kearney explained there will be interest only payments for 2 years. It is set up as a revolving line of credit available in case it is needed. Initially it will be used to pay down the road construction and when we get the State money back in, we will pay it off. The first 2 years the interest will be held back which should equal about \$64,000.00. If we sell something it will have to be paid down immediately because the loan will be secured by the Industrial Park land. The land the EDA has is not as valuable as the Industrial Park. When we get the money back from the State, we will pay that part of the loan off and the money will just be sitting there. It is a regular loan that will have to be paid off. It will be subject to the 75% loan of value so we will have to have the property appraised to make sure it is worth at least \$750,000.00. The rate is a little bit higher, but it is also a very unique kind of loan. Most loans have a dedicated payment stream. This loan is not a dedicated payment stream. The first part should be taken out and put back fairly quickly when we are reimbursed by VDOT.

Mr. Scudder opined that it is the only option we have as of now.

Mr. Kearney said that almost every lender wants a dedicated payment stream and this loan does not have one. Only a community bank would approve this type of loan. The bank is willing to pursue and there are some costs involved. Before we went any further, we wanted everyone to know what we were doing and to make sure you all agreed to move forward.

Chairman Styler wanted to know if an appraisal has been done?

Mr. Kearney said an appraisal has not been done. He said nothing has been done so no costs have been incurred.

Mr. Chapman wanted to know what the role of the EDA would be in this transaction. He wanted to know what Council needs from the EDA. He also wanted to know if the loan is revolving or non-revolving.

Mr. Kearney said the EDA would eventually have to approve the loan. Ultimately it will be a loan for the EDA. Mr. Kearney said the loan is a revolving line of credit. He said that since we have Columbia Gas in the Industrial Park, hopefully someone else will come in behind them along with other projects around town. Those projects will have to be bought before the EDA for approval.

Vice-Mayor Cooper advised that the EDA will need to approve and Council will need to approve paying the loan.

Mr. Trotman wanted to know if we have someone lined up to spend the second batch of money.

Mr. Kearney said we do not have anyone lined up for the second batch of money. The first monies would hopefully be paid off in a year. The loan is not just for the Industrial Park but can be used for other economic development projects.

Mrs. Braddy wanted to know if the City owes VDOT \$900,000.00 for the road.

Mr. Kearney said we got a grant to pay for the road. However, we will have to match some of the grant money for the paving of Route 501 and Route 60.

Mrs. Braddy wanted to know if people are working now can VDOT tell us when we will be reimbursed. The quicker VDOT comes in the less interest we will have to pay on the loan.

Councilman Baldrige explained it is like when you purchase something that has a rebate. You put the rebate in the mail and then the rebate is sent to you.

Vice-Mayor Cooper stated again the whole idea is to have the funds available if they are needed.

Mayor Fitzgerald added the loan is to try keep from using our fund balance. We need the fund balance to pay the teachers, the employees and the regular day to day running of the City. He opined that paying interest is better than writing bad checks.

Mr. Scudder advised that we have \$450,000.00 left over from the Dickinson Well project in the water/sewer reserve. Under the terms of the loan for Dickinson Well we can use the funds to pay for water and sewer in the Industrial Park. We pay the bills and then we invoice US Bank for everything related to water and sewer. We may not have enough money to cover all the expenses related to water and sewer in this fund. If we run into problems, we may have to have another source to pay the expenses.

Vice-Mayor Cooper said the VDOT reimbursement is not the only reimbursement that we are waiting for. The City only get 2 paychecks a year; one in January and one in December. In the meantime, we are living off the savings and the reimbursements from all the various agencies. We cannot control it. A few months ago, we were scraping the bottom of the barrel. Not that the money wasn't coming, it was just that the money was received a few days later than we expected. This loan would give us the flexibility for this project in particular so that we do not have to add one more thing to balance with everything else we are waiting to be reimbursed for.

Mrs. Braddy wanted to know if Council would have to come back to the EDA before they can spend any further funds.

Mr. Kearney said the loan can only be used for economic development and Council will have to get permission from the EDA to spend any of the funds from the loan.

Mr. Scudder said it positions us as a locality where if we have a good economic development project that comes our way, and we are in a situation where we need to provide some kind of financial incentive or to extend water and sewer to make a site ready, we have the financial resource to make it ready. That would really put the City at an advantage if something were to positively happen in the economic development area.

Councilman Henson said we have another 26 acres in the Industrial Park that can be used. This loan would give us the money in case something comes in and needs something; we would already have the money to be able to fulfill their request and it would make things move along more quickly.

Vice-Mayor Cooper stated again that the EDA must approve each use of the loan and they are in control of the loan. City Council will have to pay back the loan.

Mrs. Lowry stated that the EDA will know before the money is used what it is being used for.

Mrs. Cash wanted to know if the line of credit has a time limit.

Mr. Kearney said that is one of the things we must work out with the bank. He would like to have at least a 10-year arrangement for pay back. He said we got grant money this time. However, we may not get the grant money the next time. He stated again that every project must be presented to Council and Council must present it to the BVEDA.

Mayor Fitzgerald said that the EDA must approve the final agreement with the bank. He opined that Council is asking only for permission to proceed with the loan.

Mr. Chapman said the material was sent out with no complete outline of the cost and no obvious stream of repayment. He understands that with the first draw we have a grant for repayment but what about the second draw?

Vice-Mayor Cooper said there are multiply expenditures the City must make pretty quickly. One is for the Industrial Park. We must spend \$225,000.00 on a repaving project that does not have to do with this loan. If we could use the line of credit to ease the financial strain on the fund balance and we will not be paying for both projects out of our fund balance.

Mr. Kearney stated again that any time there is an economic development project, Council will come to the BVEDA for approval. Any of the money from the line of credit must be used on an economic development project.

Mr. Scudder stated that the goal is to make sure all of Route 501 is paved with grant money and the money that the City must put up. Since it is at the Industrial Park it qualifies under economic development because we are improving the access to the whole Industrial Park. We have 2 pots of money we have grants for: \$357,000.00 for the Industrial Park road and \$900,000.00 from the State of Good Repair money which is to pave Route 501 South. The City must contribute money to that project. That was a stipulation of getting that \$900,000.00. If the City goes to the EDA and says we need some extra money to finish paving Route 501 then we might need to use some of the loan money to pave part of Route 501. We might have to use part of this \$500,000.00 loan money to do some more water and sewer at the Industrial Park. If Council says we want to

use this money for economic development projects, and you all agree to it that is what we want to use the money for.

Mr. Kearney said again any project must qualify as an economic development project in order to use any of the funds.

Mrs. Braddy wanted to know how much the City would have to contribute to the \$900,000.00.

Mr. Scudder said it will be about \$250,000.00 to \$300,000.00.

Mr. Styler wanted to know how the 8 pieces of property came under the EDA.

Mr. Kearney said a big part of the property came from the Industrial Park on Route 60 initially. Most of the left-over land is not very good. The only property that has any real value is the Industrial Park.

Mr. Styler wanted to know where the founding documents for the EDA were at.

Mr. Kearney said it was set up a long time ago according to the Code of Virginia. The section of the Code talks about the formation and authority of the EDA.

Mr. Styler said the members of the EDA need to see what they can and cannot do and they need to know what they are dealing with.

Mr. Kearney said he would supply the Code section to the members of the EDA.

Vice-Mayor Cooper said if the majority of the EDA is opposed to this idea then it is dead. That is why they wanted to get a feel. We have not put out any money to appraise the properties or have them surveyed.

Mr. Chapman wanted to know how much the first draw would be.

Mr. Kearney explained if we borrow \$500,000.00, \$64,000.00 would be held back to pay down on the loan until the grant money comes in. The grant money should be able to pay the money back completely. The bank wanted it pre-funded because we do not have an income stream to pay back the money. The \$64,000.00 would be sufficient to pay interest on the \$500,000.00.

Mr. Scudder said once again that the City is responsible for all the debt and payments. The EDA is the legal financial conduit.

Councilman Baldrige stated that the means of paying whatever may have to be paid in interest and is going to be some allocation from the City because there is not a revenue stream.

After further discussion about who is responsible for repaying the loan, Mr. Kearney said he would get the requested information to the EDA and Council will meet with them again in 2 weeks to discuss further.

ADJOURNMENT – There being no further business the meeting was adjourned.

William H. Fitzgerald, Mayor

Dawn M. Wheeler, Clerk of Council