

MINUTES

JOINT CITY COUNCIL AND UTILITY BOARD SPECIAL MEETING SEPTEMBER 19, 2011– 7:00 P.M.

Pursuant to a public notice posted 09-16-11 a Special Joint Council and Utility Board meeting was held at 7:00 P.M. in the St. James City Hall Conference meeting room.

ITEM # 1 - Mayor Dennis Wilson presided.

Councilmen Don Moore, Margaret Roberts, Danielle Verkamp, Rodney Edwards(arrived a few minutes late), Wendy Chitwood, Don Poskin, Brian Lambeth and David Watkins were present for the meeting.

Utility Board members Darel James, Joe Alexander, Fred Goodwin and Charles Armistead were present for the meeting.

Others and Employees present for the meeting were, Mike Licklider, Candace Connell, Marilyn Woolsey, Paulette Craft, police officers Jim Anderson, Mickey Boles, Neil Boshoff, Jason Rigsby, Carl Swanson, and reserve officers Tim McDonald, Dave Scantlin and Dan Strange along with City Attorney Ed Hoertel, Municipal Judge Tony Skouby, Steve Telscher with Sapp design, Greg Edwards with Leader Journal, Chris Daniels with Saint James Press, visitors Mr. & Mrs Bales and Mrs. Strange.

ITEM # 2 – Mayor Wilson led in the Pledge of Allegiance.

ITEM # 3 – There was no citizen input

ITEM # 4 – Mayor Wilson introduced those present with the exception of the police department, Chief Anderson introduced the police and reserve officers.

ITEM # 5 – Virginia Transformer Contract Amendment up to \$20,000 for storage of transformers.

Mike Licklider reported the transformers were scheduled to be delivered before now but the Sub-station is not ready for them yet so they have to be stored until we are ready for them and the storage cost is more than originally planned because of the extra time needed. He stated it is better to leave them where they are until needed because of the extra crane cost to move them more than once and travel time it would take for the company installing and moving them around.

After much discussion, on a motion by Charles Armistead and a second by Fred Goodwin the Utility Board approved recommending the City Council approve the Virginia Transformer Contract Amendment up to \$20,000 with the option to reconsider the amount at their regularly scheduled October 03, 2011 Board meeting. The Vote is as follows: Joe Alexander aye, Fred Goodwin aye, Charles Armistead aye, Darel James aye.

On a motion by Margaret Roberts and a second by Wendy Chitwood the City Council approved the contract amendment with Virginia Transformer, as recommended by the Utility Board.

The vote is as follows: Don Moore-aye, Margaret Roberts-aye, David Watkins-abstain, Bryan Lambeth-aye, Rodney Edwards-absent, Don Poskin – aye, Danielle Verkamp-aye, Wendy Chitwood-aye

ITEM # 6 – On a motion by Charles Armistead and a second by Joe Alexander the Utility Board approved moving forward with the drainage project North of Amanda and Benjamin Streets.

The Vote is as follows: Joe Alexander aye, Fred Goodwin aye, Charles Armistead aye, Darel James aye.

On a motion by Margaret Roberts and a second by Danielle Verkamp the City Council approved the Utility Boards decision to move forward with the drainage project North of Amanda and Benjamin Streets. The vote is as follows: Don Moore-aye, Margaret Roberts-aye, David Watkins-aye, Bryan Lambeth-aye, Rodney Edwards-aye, Don Poskin – aye, Danielle Verkamp-aye, Wendy Chitwood-aye

ITEM # 7 – Power Point Presentation:

- Mayor Wilson discussed the Meeting Objectives, Building Renovation Planning Process, ongoing since December, 2009, Reserve Policy Impact on Fund Balances, History of Community Funded Capital Investments, the Timeline for Final Design, Financing to Construction Start and Source of Funding through Staffing Changes.
- Candace Connell presented and explained the City and Utility Reserve Policies, talked about City and Utility Capital Project Fund Reduction, Restoration, Financing Options and Capital Improvement Sales Tax.
- Paulette Craft discussed the Municipal Utility Capital Project Fund Accounts with Balances for Fiscal Year 2011, and the need to keep the City Hall in good repair.
- Marilyn Woolsey reviewed the establishment of City Reserve Fund and Capital Project Fund accounts, City Hall Renovation Purpose and Function, and the History of Capital Investments paid by the City with the help a Utilities.

- Steve Telscher with Sapp Design, explained the Building Designs, Layout and Construction Cost Estimates for the City Hall and Justice Center Renovations.
- Chief Anderson explained the need to be compliant with the new laws in the police department, which they cannot be now because of lack of space, and the need for more storage and work space for the department.
- Municipal Judge Tony Skouby and City Attorney Ed Hoertel both sharing the need for more court room and waiting space, Judge Skouby invited those present to come to Court and see for themselves how crowded and potentially dangerous for staff in this building during that time.

ITEM # 8 – Draft Proposed Ordinance – to establish a City of St. James and St. James Municipal Utilities Reserve and Capital Project Funds Policy.

On a motion by Charles Armistead and a second by Fred Goodwin the Utility Board unanimously agreed to recommend the City Council approve the proposed ordinance establishing a City of St. James and St. James Municipal Utilities Reserve and Capital Project Funds Policy at their next regular City Council meeting in October. The Vote is as follows: Joe Alexander aye, Fred Goodwin aye, Charles Armistead aye, Darel James aye.

ITEM # 9 – Financing options and use of funds to proceed to final City Hall and Justice Center design. Five options were presented as follows:

1. General Obligation Bond financing. (The remaining bond capacity of our legal debt margin is not enough, with all of the fees, to complete the project. Interest rate of 4.3%)
2. Lease Financing – Certificates of Participation. (Lessor is a creditor requiring the deed of trust on the finance buildings. Interest rate at 4.5%)
3. USDA Community Facility Financing. (requires formation of not-for-profit to own financed facilities and lease to City at a 4.25% rate of interest)
4. Combination of financing and funding from Municipal Utilities and City Reserve Funds. (To fund City Hall renovation from Municipal Utility reserves and Justice Center renovation from City reserves and borrowing the balance need from the Municipal Utility reserves with the City paying the Utility reserves back at 1.22% interest over a ten or twenty year period. 1% above Treasury Bill Rate.)
5. Combination of financing and funding from reserves. (Funding from City/Municipal Utility Reserve Funds repaying the utilities for the difference at 1.22% interest. 1% above Treasury Bill Rate.)

Possible Sources of funding for Debt Service are as follows:

1. Capital Improvement Sales Tax. (Requires public vote to approve 1/8th, 1/4th, 3/8th, 1/2 or 1 Percent.)
2. Staffing Changes – create City Administrator position, eliminate Community Development Department and reduce Codes Administrator hours for the City sharing the expense with the Utility Department.

After much discussion, on a motion by Charles Armistead and a second by Fred Goodman the Utility Board approved financing option #4 to proceed to the final City Hall and Justice Center design. The Vote is as follows: Joe Alexander aye, Fred Goodwin aye, Charles Armistead aye, Darel James aye.

On a motion by Rodney Edwards and a second by Wendy Chitwood the majority of the City Council agreed, one abstaining and two nay votes, with the Utility Board and moved to go with financing option # 4 to proceed to the final City Hall and Justice Center design not to exceed the current estimate of \$313,605 to be financed. The vote is as follows: Don Moore-nay, Margaret Roberts-aye, David Watkins-nay, Bryan Lambeth-abstain, Rodney Edwards-aye, Don Poskin – aye, Danielle Verkamp-aye, Wendy Chitwood-aye

On a motion by Rodney Edwards and a second by Danielle Verkamp the meeting adjourned at 10:00 P.M.

Mayor – Dennis Wilson

Ut. Board President – Darel James

ATTEST:

City Clerk

Cc: Mayor, Wilson, Watkins, Chitwood, Edwards, Roberts, Moore, Verkamp, Lambeth, Poskin
James, Armistead, Goodwin, Alexander, Licklider, P.Craft