

March 21, 2011

**KILMARNOCK TOWN COUNCIL
Monday, March 21, 2011
Town Hall
Kilmarnock, VA**

Regular Meeting Minutes

1. Call to Order:

Mayor Booth called the Regular Meeting to order at 7:00 pm with the following Councilmembers present:

Raymond Booth, Mayor	Randy Moubray
William L. Smith, Vice-Mayor	Rebecca Nunn
Shawn Donahue	John A. Smith
Paul S. Jones	

Staff Present:

Tom Saunders, Town Mgr.
Susan Cockrell, Asst. Town Mgr.
Paul C. Stamm, Jr., Town Attorney
Jackie Blencowe, Town Clerk
Joan N. Kent, Transcriber
Michael S. Bedell, Chief of Police

Mayor Booth welcomed Kilmarnock residents, business owners, and guests. Mayor Booth stated that he was glad to see that Town Attorney Stamm was feeling better and that he was back. Mayor Booth led the recital of the Pledge of Allegiance

2. Acceptance and Approval of Agenda:

ACTION: Vice-Mayor Smith made a motion to accept the agenda for the March 21, 2011 Regular Town Council meeting as presented, seconded by Councilmember Smith; and carried unanimously.

3. Minutes: Approve, Correct, or Amend the Minutes of the Regular Town Council Meeting held February 28, 2011:

Town Manager Saunders stated that a typographical error on page 10 of the minutes had been corrected.

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ACTION: Councilmember Moubray made a motion to approve the February 28, 2011 Regular Town Council Meeting Minutes with the noted change, seconded by Councilmember Nunn; and carried unanimously.

4. Public Comments and Presentations:

A. Public Forum:

Mayor Booth invited members of the audience to address Council with any issues or concerns that were not scheduled for public hearing. Mayor Booth asked that comments be limited to 3 minutes per person.

There were no public comments.

B. Planning Commission Report: Councilmember Smith, Liaison

Council Liaison John A. Smith stated that the late Claudia Williamson was recognized for her years of dedicated service on the Kilmarnock Planning Commission. Mr. Smith advised that the Planning Commission heard a re-zoning request by Charles Dixon, Jr., regarding a parcel of land located at 130 Irvington Road. Mr. Smith said that Mr. Dixon requested to have the property re-zoned from R-1 to C-1. Mr. Smith stated that the Planning Commission was recommending that Council grant the request.

5. Public Hearing:

There were no public hearings scheduled.

6. Committee Reports:

A. Water/Sewer Committee: Councilmember Smith, Chair

1) Report from March 2, 2011 Meeting:

A copy of the Committee meeting notes was included in each Councilmember's packet.

Councilmember Smith said that the Committee discussed authorization to publicize a public hearing on a code amendment to allow private irrigation wells but no action was taken. Mr. Smith stated that the Committee also discussed the WWTP blower noise complaints and letters from the Crandalls and the Umphletts. Mr. Smith said that Pat Chenoweth reported that she was awaiting cost information for concrete noise barriers. Mr. Smith advised that Town Manager Saunders reported that he was working with staff on the FY2012 CIP budget items.

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Mr. Smith said that the Committee discussed the feasibility of contracting out the replacement of conventional water meters with radio-read meters in order to speed up the conversion process. Mr. Smith stated that Mr. Saunders and Mr. Seagle were tasked with getting estimates of the cost. Mr. Smith advised that the Harvey Lane pump replacement was complete and the School Street leak repair was awaiting pavement.

2) Committee Recommendations to Council:

There were no recommendations made to Council.

B. Streets/Sidewalks/Playground Committee: Councilmember Donahue, Chair

1) Report from March 3, 2011 Meeting:

A copy of the Committee meeting notes was included in each Councilmember's packet.

Councilmember Donahue was out of Town on business and was unable to make the Committee meeting. Mr. Donahue asked Councilmember Nunn to give the report.

Councilmember Nunn advised that the Kilmarnock Beautification team gave the Committee a presentation and noted that they had some beautiful plans in the works for large planters and hanging baskets. Mrs. Nunn commented that they had done a lot of work and said that Council would be hearing more about this later in the meeting. Mrs. Nunn reported that the Committee discussed options for the island at Irvington Road and Main Street and added that Mr. Saunders was getting prices on what avenue to pursue regarding this situation. Mrs. Nunn advised that they discussed trash removal in the Steptoe's District and whether or not to repair a trash receptacle down by Dixie Deli. Mrs. Nunn stated that it was decided to just remove the trash receptacle entirely. Mrs. Nunn said that the Committee reviewed the rules and regulations for Baylor Park and a copy of those was included in each Councilmember's packet. Mrs. Nunn reported that the sweeper purchased by the Town was received on March 2nd and was actually used by staff on that same date. Mrs. Nunn said that the Committee discussed the letters that went out to Black Stump Road residents and their responses regarding the potential name change. Mrs. Nunn stated that there was a discussion concerning the conversion of the street beds in front of the Buenos Nachos building and the Toy Store from private owner maintenance to Town maintenance. Mrs. Nunn advised that the resubmittal to VDOT was nearly complete on the Baylor Park entrance area and that rope replacement on the playground would be started shortly.

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2) Keep Kilmarnock Beautiful: Asst. Town Mgr. Susan Cockrell

Asst. Town Mgr. Cockrell gave a presentation on the Keep Kilmarnock Beautiful project. (See attachment)

Mayor Booth thanked Ms. Cockrell and everyone who had been working on the project and noted that if the actual execution was done as thoroughly as the planning then it was going to be very special.

Both Councilmember Donahue and Councilmember Moubray agreed that the Keep Kilmarnock Beautiful team had done a wonderful job.

Town Manager Saunders advised that the team had been working hard and the Town owed them a debt of gratitude.

3) Committee Recommendations to Council:

Recommend the approval of Priority #1 (Refresh all the islands on Main Street), Priority #2 (Refresh all the beds down Main Street) and Container Plan- Part 1 of the Keep Kilmarnock Beautiful Project.

ACTION: Councilmember Nunn made a motion to approve Priorities #1, #2, and Container Plan Part 1 of Priority #3, seconded by Councilmember Smith; and carried unanimously.

C. Police/Public Safety Committee: Councilmember Donahue, Chair

There was no meeting held.

D. Emergency Preparedness Committee: Councilmember Moubray Chair

There was no meeting held.

E. Economic Development Committee: Vice-Mayor Smith, Chair

1) Report from March 8, 2011 meeting:

A copy of the Committee meeting notes was included in each Councilmember's packet.

Vice-Mayor Smith said that the Committee had been discussing the incubator process for several months and noted that an article had been

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placed in the Northumberland Echo and the Rappahannock Record during the past week to see whether or not there was any interest in this. Mr. Smith commented that if the interest was not there then there would be no cause to pursue it any further. Mr. Smith stated that the Committee spent quite a bit of time discussing the BPOL tax and had one recommendation for Council. Mr. Smith said that the Committee had been looking at ways to attract or to grow new businesses in Town but they also needed to pay attention to the existing businesses, which along with our Town residents, were carrying the burden of financing the Town operations. Mr. Smith advised that one of the ways that they did this was through the BPOL tax which was based on certain classifications pertaining to the type of business being operated and the dollar amount of the tax based on a percentage of gross sales. Mr. Smith said that another problem was that the BPOL was due on March 1st which was not the best time to put that burden on the merchants. Mr. Smith added that the tax was a direct expense to the merchant and was in no way a flow-through tax. Mr. Smith noted that in the current economic conditions and in light of the fact that many businesses were struggling to stay open, the Committee was recommending that the Admin/Finance Committee take a look at the current classifications, existing rates, and timing to see if there was something that could be done to meet merchants half-way in improving cash flow on a temporary basis. Mr. Smith noted that the adjustment would apply to the BPOL Tax for 2011 operations which are due in 2012.

2) Recommendations to Council:

Recommend that the Admin/Finance Committee review the current BPOL approach in light of current economic conditions and in support of the business community. The review would include the BPOL classifications, rates and timing of payments.

ACTION: Vice-Mayor Smith made the motion to have the Admin/Finance Committee review the current BPOL Tax regarding classifications, rates, and timing of payments and report back at the April meeting with recommendations for possible enhancements for Town merchants, seconded by Councilmember Nunn; and carried unanimously.

F. Town Centre Committee: Councilmember John A. Smith, Chair

1) Report from March 8, 2011 meeting:

A copy of the Committee meeting notes was included in each Councilmember's packet.

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Councilmember Nunn advised that she gave an update on the dog park and noted that the entire \$5,000 had been collected. Mrs. Nunn stated that the best price for fencing came from Mayor Booth.

Mayor Booth stated that he would like to clarify that he solicited a bid from his fence wholesaler, Atlantic Fence Company in Ashland, which was forwarded to Councilmember Moubray. Mayor Booth asked that the Committee deal directly with them and that he not be a go-between.

Councilmember Nunn thanked Mayor Booth for contacting AFC and noted that they were \$9,000 less than the original bid. Mrs. Nunn stated that the plan was to start the park within the last week of March and try to coordinate its grand opening with the farmer's market on May 28th. Mrs. Nunn advised that in addition to brick sales, Anna's Pizza gave the Committee a hundred dollar gift certificate. Mrs. Nunn said that it was decided that everyone who purchased a brick would be entered into a drawing for the gift certificate. Mrs. Nunn stated that Mrs. Roxy Moubray, who had done a tremendous amount of work on the dog park project, had come up with the name of "Scottie Yard". Councilmember Nunn said that both she and Councilmember Smith liked the name and they were recommending that it be adopted. Mrs. Nunn commented that she sold two bricks in Mississippi.

Councilmember Nunn advised that a football league had requested the use of the Town Centre lot for football practice. Mrs. Nunn stated that they were covered by their league insurance and the Committee thought it was a great idea. Mrs. Nunn said that the last thing discussed by the Committee was a pending request for more permanent signage on the lot to advertise events.

Mayor Booth asked Town Attorney Stamm if he saw any liability issues with the football league practicing on the Town's lot.

Town Attorney Stamm said not if they had their own insurance and the Town was made an additional loss payee.

Assistant Town Manager Cockrell advised that had already been done.

Councilmember Moubray said that the crew helping to construct the dog park would be volunteers and asked if anything had to be done with insurance before they started work.

Town Manager Saunders advised that volunteers were covered under the Town's liability policy.

2) Committee Recommendations to Council:

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Recommend that Council adopt "Scottie Yard" as the official dog park name.

ACTION: Councilmember Nunn made a motion to officially name the Kilmarnock dog park "Scottie Yard", seconded by Vice-Mayor Smith; and carried unanimously.

G. Administration/Finance Committee: Vice-Mayor Smith, Chair

1) Report from March 4, 2011 meeting:

A copy of the Committee meeting notes was included in each Councilmember's packet.

2) Committee Recommendations to Council:

a. Recommend that Council approve the disbursements from March 1, 2011 through March 21, 2011 totaling \$594,087.36.

ACTION: Councilmember Moubray made a motion to approve the disbursements from March 1, 2011 to March 21, 2011 as presented, seconded by Councilmember Smith; and carried unanimously.

b. Recommend that Council approve the "Resolution Authorizing the Issuance, Sale, and Award of General Obligation Refunding Bonds, Series 2011, of the Town of Kilmarnock, Virginia in Maximum Aggregate Principal Amount of \$6,600,000, Providing for the Form, Details and Payment Thereof and Providing for the Refunding of Certain General Obligation Bonds".

Vice-Mayor Smith stated that, with the help of Town Manager Saunders and Mr. Ted Cole of Davenport and Company, the Town put out the RFP for refinancing its existing bonds. Mr. Smith said that he was proud to say that they received a great response and part of it was due to the financial management and the Town's responsibility in handling its affairs. Mr. Smith advised that there were six financial institutions that provided bids and the fixed rates came in at 3.65% and 3.82% but the closing cost and prepayment penalties were all over the board. Mr. Smith stated that one institution came back with the very best rate for the Town on its Series A Bond and a different institution came back with a better rate on the Series B Bond. Mr. Smith said that the Committee's recommendation was to go with the first option with no closing cost or prepayment penalty. Mr. Smith said that the Series A Bond would be with Carter Bank at a fixed rate of 3.65% for the amount of \$5,350,000.00 and BB&T for the Series B Bond for a 10 year fixed rate of 3.01% for the amount of \$1,400,000. Mr. Smith

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advised that by refinancing the bonds, the Town would save an average of \$34,108 per year.

Town Manager Saunders advised that the Town was not extending the period of pay-off or adding anything to indebtedness; they were simply exchanging interest rates for lower ones. Mr. Saunders said that he wanted to thank Ted Cole from Davenport and Company for bird-dogging this project and commented that if Council decided they did not want to do this there was no cost to the Town.

Councilmember Donahue said that in his packet it showed a closing cost of \$5,100 for BB&T.

Vice-Mayor Smith said that was correct and noted that there was going to be a small closing cost on the 1.4 million.

Mr. Ted Cole of Davenport and Company stated that the Carter Bank and Trust loan from 2002 was currently with the Virginia Resource Authority and tied to the utility system. Mr. Cole said that the recommendation was to move forward with Carter Bank and Trust at a fixed rate of 3.65% with no closing cost. Mr. Cole stated that BB&T actually gave a better rate for the second piece of debt which was the 2005 bond issued by the Bank of Northumberland at 3.01% but did have closing cost not to exceed \$5,100 which was included in the financing. Mr. Cole said that the total savings over the life of the loans aggregated to approximately \$580,000.00 which equaled out to about \$34,000.00 per year. Mr. Cole commented that the Town had fixed interest rates today and would have fixed interest rates going forward and could prepay down the road if there was an opportunity or need to do that. Mr. Cole said that BB&T had a 1% prepayment penalty.

Vice-Mayor Smith asked Mr. Cole for his professional opinion regarding money that the Town had in reserve which was drawing half of a percent interest. Mr. Smith said that it was his opinion that the Town should look at making some type of principal curtailment since they were paying 3.65% and only earning half of a percent which could result in a cash flow savings of \$31,000 per year.

Mr. Cole advised that a number of local governments were looking into what to do with excess cash because the interest rates were so low. Mr. Cole said that he thought it was a good idea but what needed to be considered was the Town's cash position and if they had the 1.4 million or should they consider a partial payment. Mr. Cole stated that they needed to consider what they could realistically afford to take out of the reserve and make sure the remaining reserve levels were adequate for needed cash flow. Mr. Cole said that eventually he expected the interest earning rates to come back up to a more reasonable level but it was certainly worth further discussion.

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ACTION: Councilmember Nunn made the motion to approve the “Resolution Authorizing the Issuance, Sale, and Award of General Obligation Refunding Bonds, Series 2011”, seconded by Councilmember Donahue; and carried unanimously through a roll call vote.

Councilmember Shawn Donahue-Aye
Councilmember Rebecca Nunn-Aye
Councilmember Randy Moubray-Aye
Vice-Mayor William L. Smith-Aye
Councilmember Paul S. Jones-Aye
Councilmember John A. Smith-Aye

Vice-Mayor Smith stated that he would like to charge the Admin/Finance Committee with looking into the feasibility of making a partial principal curtailment on the note and reporting back to Council.

Mayor Booth stated that he wanted to thank Town Manager Saunders and Vice-Mayor Smith for their hard work on this matter.

6. Administrative Comments and Report: Town Manager Saunders

A. CDBG Performance Audit:

Town Manager Saunders advised that the CDBG Performance Audit was completed but that he would not receive the letter for several weeks. Mr. Saunders said that Zoning Administrator/Planning Director Sebra and Town Treasurer Judy Stevens were running a real tight ship and the auditor was very pleased and complimentary of that. Mr. Saunders advised that Mr. Sebra was holding a community meeting at New St. John’s Baptist Church on Friday night to give an update, and he encouraged Councilmembers to attend.

B. Paving in Town:

Town Manager Saunders stated that there was going to be a lot of paving going on this spring and summer in Town although he had not been able to narrow VDOT down on a schedule.

C. Street Sweeping:

Town Manager Saunders reported that he had located a street sweeping contractor that was going to do an initial cleanup on Main Street this week.

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D. Appreciation for Keep Kilmarnock Beautiful Team:

Town Manager Saunders wanted to thank the Keep Kilmarnock Beautiful Team once again and Assistant Town Manager Cockrell who did 100 percent of the management of the project.

E. Expansion of Businesses on Main Street:

Town Manager Saunders reported that Burkes Jewelers was expanding into another building on Main Street and Foxy's was moving onto Main Street. Mr. Saunders stated that the new business "Show-Off" was a gorgeous little high-quality shop.

8. Old/Unfinished Business:

There was no discussion under Old/Unfinished Business.

9. New Business:

There was no discussion under New Business.

10. Council Comments:

Mayor Booth stated that the Kilmarnock Planning Commission at their past meeting adopted a very nice resolution regarding the late Claudia Williamson and her service to the Town. Mayor Booth said that he was under the impression that the Planning Commission would send some type of resolution to Council for endorsement but was apparently mistaken. Mayor Booth stated that he thought it would be appropriate for Council to compose one as well and said that he would work on that with some other Councilmembers and present it at the next meeting.

11. Adjournment:

ACTION: Councilmember Smith made a motion to adjourn, seconded by Vice-Mayor Smith; and carried unanimously.

Meeting adjourned at 8:10 pm

Prepared by:

Joan N. Kent

Raymond C. Booth, Jr., Mayor

Jacqueline L. Blencowe, Clerk