

MINUTES OF A REGULAR MEETING OF VINTON TOWN COUNCIL HELD AT 7:00 P.M. ON TUESDAY, APRIL 21, 2009 IN THE COUNCIL CHAMBERS OF THE VINTON MUNICIPAL BUILDING LOCATED AT 311 SOUTH POLLARD STREET, VINTON, VIRGINIA.

MEMBERS PRESENT: Bradley E. Grose, Mayor
Robert R. Altice
Carolyn D. Fidler
William W. Nance
William E. Obenchain, Jr.

STAFF PRESENT: Chris Lawrence, Town Manager
Elizabeth Dillon, Town Attorney
Darleen Bailey, Town Clerk
Consuella Caudill, Assistant Town Manager
Michael Kennedy, Public Works Director
Laura Reilly, War Memorial Facilities Manager
Barry Thompson, Finance Director/Treasurer
Herb Cooley, Police Chief
Ben Cook, Police Lieutenant
Joey Hiner, Asst. Public Works Director

Agenda

- A. 7:00 P.M. – Roll Call and Establishment of a Quorum
- B. INVOCATION
- C. PLEDGE OF ALLEGIANCE TO THE U. S. FLAG
- D. AWARDS, RECOGNITIONS, PRESENTATIONS
- E. CITIZENS' COMMENTS AND PETITIONS
- F. TOWN ATTORNEY
- G. TOWN MANAGER
 - 1. Award As-Needed Architectural and Engineering Services Contracts to Spectrum Design and Wiley Wilson – Resolution No. 1820
 - 2. Approve FY 2009-2010 Operating Budget for Roanoke Regional Cable Television Committee – Resolution No. 1821
 - 3. Right of Encroachment Request – 984 Lauderdale Avenue
 - 4. Report on Housing Symposium – Karla Turman, Associate Planner
 - 5. Identity Theft Prevention Policy
- H. MAYOR
 - 1. VML Policy Committee Nominations for 2009
 - 2. Town Section Meetings, Vinton War Memorial
 - 3. Announce Arbor Day – May 22 at 10:30 a.m. at the Vinton Historical Society
- I. COUNCIL
- J. ADJOURNMENT

WORK SESSION

1. Utility Fund Budget Briefing

Mayor Grose called the regular meeting to order at 7:00 p.m. Following roll call, Mr. Billy Booth gave the invocation and Mayor Grose led the Pledge of Allegiance to the U.S. Flag.

Roll call, invocation and Pledge of Allegiance to U.S. Flag.

Laura Reilly reported on the success of Relay for Life, the walk for cancer. She advised that the Vinton area Relay for Life Committee set a goal of \$40,000 for this year and has collected \$61,714.46 at this point. She further advised that the Town's team, the "Strong Striders" was the third highest fund raising team of the 33 participating teams and raised \$3,619. She thanked everyone who walked and especially the Public Works Department who set up the team's tent and got everything ready for the event.

Mayor Grose thanked Mrs. Reilly for her hard work and support in organizing the Town's Relay for Life team.

Doug Fonder, who lives at 1005 Allison Lane, requested that Council consider closing the Town's swimming pool this year and to donate \$30,000 of the money saved to help keep Fallon Park Swimming Pool open. He noted that after his organization, Roanoke Valley Swimming, learned that Roanoke City planned to close both of the City's public pools, they approached the City with a plan where Roanoke Valley Swimming, a non-profit 501C3 organization, would lease Fallon Park Swimming Pool and run it for the summer. Mr. Fonder advised that the City had agreed to cover the cost of getting the pool ready for the season at an approximate cost of \$33,000. Mr. Fonder reported that his organization would take over on May 22, staff the pool, provide the chemicals and operate the pool for this season. He pointed out that if this plan works, it could possibly be a permanent solution for the City and the Town. In response to a question from Ms. Fidler about the Town's commitment, Mr. Fonder replied that if the Town would contribute \$30,000, which is less than half the amount that was lost last year at Vinton's pool, it would help to make his plan a winning proposition.

Request by Doug Fonder for funding to help Roanoke Valley Swimming run Fallon Park Swimming Pool for the summer

Mayor Grose asked that Mr. Fonder provide additional facts and figures before the Town further considers his request. Mr. Fonder advised that Roanoke City needed a commitment by May 1st.

Mr. Lawrence recommended that Council discuss the issue at the work session on Monday, April 27th after staff has a chance to look at the numbers.

Gerald Adams spoke in opposition to allowing alcohol at the Farmers Market at a Dogwood Festival event.

Mr. Barney Arthur of 204 Minnibell Lane, invited Council to a National Day of Prayer celebration that would be taking place at lunch time at the Roanoke City Market and at Hollins Road Baptist Church. Mr. Barney, who is a retired alcohol agent with the ABC Board, also spoke against the Dogwood Festival's planned Beer Garden event.

Bill Booth spoke in opposition of allowing alcohol to be served at the Dogwood Festival event.

Shatel Patel, owner of Eagle Discount Tobacco Store, spoke in opposition to the Town's proposed cigarette tax. She felt that the tax would hurt many consumers if it is implemented, especially since the Federal Government had recently increased their tax by \$7.00 per carton. She asked that Council consider either reducing the amount of the proposed tax or obtain the needed funds from another source. Ms. Patel felt that the tax would reduce the amount of sales tax received by the Town as consumers would go outside the Town to purchase their cigarettes. She was concerned that the tax would shut down her business. Mr. Obenchain questioned Ms. Patel's figures that the \$.30 per pack tax would bring in \$90,000 per month in tax revenue as staff had estimated the tax would bring in only slightly more than \$100,000 per year. She replied that she had gotten her figures from her sales representative and the number was an estimate. Ms. Patel went on to say she had been advised two years ago that Wilco on Virginia Avenue was selling 11,000 cartons a week.

Comments opposing proposed cigarette tax.

Ms. Patel advised that she would try to get some updated information on the number of cigarette packs sold in the Town. Mr. Lawrence commented that it would be helpful if the Town could get further information on the number of cigarette packs sold in the Town before setting the tax amount. He added that he had been unsuccessful in getting this information from the State. Mr. Nance stated that the Town does not wish to negatively impact businesses but revenue needs to be increased in order to continue providing services to Vinton's citizens.

In response to Ms. Patel's comments on the use of alcohol at a Dogwood Festival event, Mr. Nance stated that he felt the event would not impact the Town in a negative way. He went on to say that if it does, he would have a problem with allowing the use of alcohol next year.

Ms. Caudill reported on a request to award the Architectural and Engineering Services Contracts to Spectrum Design and Wiley Wilson. She pointed out that their services would be used on an as-needed basis. Mrs. Caudill that the bid went out in December, 2008.

Adopt Resolutuion No. 1820 awarding architectural and engineering services contract

The Assistant Town Manager advised that the Town had not had a general services contract for several years for anything other than transportation and water and sewer services. She advised that one up coming project was the indoor air quality assessment as well as an assessment of the Town's facilities that had been approved in the current budget. Proposed Resolution No. 1820 would authorize the Town Manager to enter into a contract with Spectrum Design and Wiley and Wilson to provide architectural and engineering services for the Town. Ms Caudill informed Council that the rate structures and proposals were in her office if they want to look at them.

Mr. Obenchain pointed out that the first word in the last line of the last paragraph of the proposed resolution, needed to be changed to "project" and the word "vendor" should be removed. Ms. Caudill agreed the word should be changed.

Mr. Obenchain moved to adopt proposed Resolution No. 1820, as amended, authorizing the Town Manager to award the architectural and engineering contract to Spectrum Engineering and Wiley and Wilson. The motion was seconded by Mr. Altice and passed unanimously on a roll call vote.

Mr. Lawrence reported on a request to adopt the FY 2009-2010 budget for Roanoke Valley Television in the amount of \$359,411 (minus \$41,021 that will be funded from the RVTV Rollover Account). It was reported that the proposed budget amount is an increase of 5,644.00 from last year.

Adopt CATV 2009/2010 Budget

Following further discussion, Mr. Nance moved to adopt proposed Resolution No. 1821 approving the Roanoke Valley Television's budget for FY 2009-2010. The motion was seconded by Ms. Fidler and unanimously approved on a roll call vote.

Mr. Lawrence reported that the property owner at 984 Lauderdale Avenue, Mr. Jason Boothe, began construction during the week of April 6, 2009 to replace an existing fence that had been installed approximately 15 years ago. The new fence would be constructed in exactly the same location as the old one and would be the same height as the old fence. The Town Manager advised that Karla

Authorize letter of agreement allowing an encroachment of Town right-of-way for property owned by Jason Boothe.

Turman investigated the fence after she had received a complaint and found that there were two issues that needed to be addressed. One was a right-of-way encroachment issue and the second was a height issue, as the fence is not in conformance with the Zoning Ordinance. Mr. Lawrence went on to say the property owner was advised that he would need to appear before Town Council to get approval for the right-of-way encroachment as fences are not allowed in the Town right-of-way.

Regarding the height requirement issue, Mr. Lawrence advised that the Zoning Ordinance requires that fences on corner lots (Mr. Boothe's property is on the corner of Lauderdale and Clearview), have a setback requirement of 15 feet and can be no taller than four feet. He went on to say that beyond the 15 ft. setback, the height of the fence can be increased. He noted that the reason for the height requirement is for public safety, (i.e. site requirements) and aesthetics.

Mr. Lawrence stated that the Planning Department had worked on five fence issues since he became Town Manager six months ago. He added that fence problems are usually found after a fence has been installed as the Town does not have a fence permit requirement. Mr. Lawrence pointed out that If a permit is not required, there is no way to communicate to the citizen what the code requirements are until after the fence has been installed.

The Town Manager advised that Council would need to determine whether the fence can remain in its present location. He stated that in the past, if it was determined that a fence was in a right-of-way, the issue had been handled administratively. If there were no public safety or Public Works issues, the fence would be allowed to remain in place with the written condition that the Town would not be responsible for replacing it if someone runs into it or if the Town has to move it. Mr. Lawrence felt that leaving the fence in place would not set a precedent as each case would be evaluated on its own merits.

The Town Manager reported that on Mr. Boothe's street, all the site issues from a technical VDOT standpoint are met. He went on to say that Council will need to determine if it is acceptable for the fence to remain in place in the public right-of-way. He also recommended that Council ask the Planning Commission and the Town Planners to evaluate the fence ordinance, make recommendations on whether to require a permit and to set standards for installing a fence. He added that for Mr. Boothe, this action would "stay" any violation or enforcement until Council makes a decision on the recommendations

by the Planning Commission and the Planning staff. Mr. Lawrence pointed out that if Council decides not to allow the encroachment, the fence would have to be moved.

Mr. Nance expressed concern that basing a decision on aesthetics was a "slippery slope" and noted he would like to see the ordinance reworked to allow citizens the right to put what they want on their property. He noted that the encroachment on this piece of property is fine but expressed concern that the next time a similar issue comes up, this decision will be "thrown back in their faces". Mr. Obenchain was not convinced the fence would not block the view and asked that staff look at this. He questioned the Town's obligation to notify any new owners that the fence might need to be taken down at some point because it is in the Town's right of way. The Town Attorney replied that if Council allows the fence to stay, the written agreement can include a statement that would require Mr. Booth to notify any new owner of the agreement and to supply the purchaser with the a copy.

Mr. Boothe advised that he did not believe there would be a visibility issue if the fence is allowed. He felt the fence is needed to protect his children. He went on to say that he understood the fence may have to be taken down in the future and agreed to furnish any future purchaser of the property with the above noted agreement. Mr. Bill Booth spoke in favor of allowing the fence to remain as the new fence improved the looks of Mr. Boothe's property. Mr. Nance asked Mrs. Turman if she had received comments from law enforcement as to whether they have any concerns with site restrictions because of the fence and Mrs. Turman replied that she was not aware of any.

Mr. Lawrence advised that a motion was needed from Council to show they are open to the encroachment and that staff would work with the Town Attorney to draft a letter of agreement for Mr. Boothe and for any future owner of the property.

Mr. Altice made a motion authorizing the Town Attorney to draw up a letter of agreement between the Town and the property owner allowing the encroachment and requiring Mr. Boothe to pass the letter of agreement on to any future owner of the property. The motion was seconded by Ms. Fidler and passed unanimously on a roll call vote.

Mr. Boothe stated that he had searched the Town Code but had not found any information on fences. Ms. Dillon responded that it is addressed in the Town Code but that it is in various sections and would be difficult to locate. Mr. Obenchain expressed his opinion that

anyone putting up a fence should get a permit so that this situation does not occur again.

Mr. Lawrence advised that the issue with the height of the fence will be studied by staff and sent to the Planning Commission for their recommendation and then brought back to Council to consider whether to change the Code.

Karla Turman reported on the 2009 Housing Symposium that will be hosted by the Town of Vinton and sponsored by the Roanoke Regional Housing Network. She advised Council they should have received an invitation for the event that will be held at the War Memorial on May 7, 2009.

Report on 2009
Housing Symposium

Mr. Lawrence reported on a request to adopt an Identity Theft Prevention Policy that was instituted by the Federal Trade Commission whereby all creditors have to implement a written policy by May 1. He explained that though the Town is not a creditor in the usual sense, the Town does extend credit to water and sewer customers because they pay after they have received the service.

Adopt Identity Theft
Policy

The Town Manager reported that the purpose of the policy is to prevent and mitigate identity theft in connection with the opening of an account or with any existing account. Mr. Lawrence pointed out that also contained in the policy are the Town's procedures for compliance with the Virginia breach of personal information notification statute. He went on to say that if there is a breach, there would be a number of acceptable notices that would need to be sent out to those whose personal information has been compromised. Also, the policy contains definitions and gives the Town details for relevant "red flags" to look for. The Town Manager advised that there are a number of requirements for when accounts are opened and when accounts are closed. Lastly, the it requires that the Policy will be evaluated every year.

Mr. Thompson pointed out a correction on page two of the policy where it refers to "the Town Board of Directors" and noted that should be changed to "Town Council". He also noted that the Town Manager would be appointed administrator of the Policy.

Mr. Pat Patterson asked if the Town would have any responsibility to notify the citizens that the policy is being established and suggested that it be added to the utility bill. Mr. Lawrence agreed that this would be a good idea. Ms. Dillon responded that the Town is not required to notify their customers but is free to do so.

Ms. Fidler moved to adopt the Identity Theft Policy as described by the Town Manager. The motion was seconded by Mr. Nance and passed unanimously on a roll call vote.

Mayor Grose reported that he was pleased with the appearance of the new Porters Haven development.

The following VML Policy Committee nominations for 2009 were made:

VML Policy Committee nominations

- Community and Economic Development – Ms. Fidler
- Environmental Quality – Mayor Grose
- Finance – Mr. Nance and Mr. Thompson
- Human Development & Education – Mr. Obenchain
- Transportation – Mr. Altice

The Town Clerk stated that she would make reservations for any Council or staff member who wished to attend the Town Section Meeting being held at 10:30 a.m., on May 22, 2009, at the Vinton War Memorial. Four Council members advised they would be attending. Mr. Lawrence stated that the Town would be paying for the use of the War Memorial room.

Mayor Grose noted that the signed proclamations for Arbor Day and Relay for Life would be forwarded to the appropriate organization.

Council comments

Mr. Obenchain commended the Town staff for the good work they do and the commitment they have to the Town and stated that he felt blessed to be associated with them. Mr. Nance echoed Mr. Obenchain's comments.

Council discussed plans for Dogwood Festival Day and their plans to wear period clothing for the parade. It was noted that the costumes would be picked up for Council by staff.

Mayor Grose invited everyone to attend the Arbor Day event that was scheduled for the next day.

Ms. Fidler announced that Council would have the opportunity to see a video and get a preview of the proposed Explore Park Project by Mr. Larry Vander Maten on Tuesday at 9:00 a.m. She also commented on the great job done for the Relay for Life event.

Mayor Grose adjourned the meeting at 9:00 p.m.

WORK SESSION

1. Utility Fund Budget Briefing

Mr. Lawrence reported that the Utility Fund's proposed revenues were short by approximately \$485,000. He further reported that revenues are short due to a reduction in water use and the fact that there is very little construction which has reduced the amount of system development fees being collected. He advised that \$182,000 of the revenue shortage for water and sewer is due to the lack of construction activity. Mr. Lawrence explained this affects how the Town pays for improving, planning, designing and construction of the water and sewer system. He also noted an \$11,000 reduction in inspection fees. He pointed out that the current water and sewer rates will not fund new projects, capital investments in new water and sewer systems or depreciation of equipment in the upcoming year.

The Town Manager advised that the Utility Fund would be paying \$220,000 next year for debt service incurred during the current year through the sale of bonds to pay for a number of needed projects.

Mr. Lawrence reported that capital improvements in the amount of \$124,000 were requested but were taken out of the proposed budget because of the revenue shortage. He further reported that Mr. Kennedy had come up with a total \$226,300 worth of reductions to bridge the \$485,000 utility budget gap. Mr. Lawrence reviewed some of the items that had been cut from the utility budget. He noted that there was money in the budget for priorities but the buffer had been taken out.

The Town Manager recommended three options for balancing the Utility Fund:

1. Cut back on expenses and see what can be done for a year
2. Use some of the fund balance
3. Increase rates

He discussed a utility rate study that would be completed in the fall. He stated that a rate structure and schedule would be set up, probably within a five year time frame, with incremental increases. He added that once the five year period is up, the rates would stabilize for a long period of time. During Mr. Lawrence's discussion it was noted that the recommended increase would probably be within the 10% range.

Mr. Obenchain questioned whether a rate increase of 50% would allow the Utility Fund to break even and Mr. Lawrence replied that at least a 50% increase over a five year period would be needed to break even. Mr. Kennedy advised that the Western Virginia Water Authority rates were significantly higher than the Town's and the higher rates have enabled the Water Authority to make significant investments in improvements to their system. After acknowledging that gains made in the last four or five years were gone, Mr. Kennedy advised that a 10% increase should get the Town through the next year. Ms. Fidler pointed out that when rates were raised four years ago, Council raised them to just one-third of what was actually needed.

Mr. Obenchain questioned what the Town would do if what occurred in Buchanan, happened in Vinton and Mr. Lawrence replied that if the Town had a catastrophic issue with the water system, the state would provide loans that would be charged back to residents with rate increases. Mr. Kennedy advised that the Town needs to fund capital at a rate of at least \$400,000 per year to take care of equipment needs, designer projects and to allow for much needed improvement projects.

Mr. Obenchain inquired as to the reason for waiting until fall to get the rate study completed and was told by Mr. Kennedy that it takes time to pull it together. Mr. Kennedy went on to say that the rate study should be completed by the end of September. Mr. Obenchain recommended informing the citizens as soon as possible about the rate increase so they can prepare for it. Mr. Lawrence replied that staff will work with the newspaper on an article about the rate increase to inform citizens that because consumption is down and development is down, the rates will need to increase and will continue to go up.

Mr. Kennedy informed Council that he had a couple of videos he would like them to view when they get a chance, one called "Liquid Assets" concerning nation-wide infrastructure that was prepared by the Environmental Protection Agency and public broadcasting stations, and the second one, "Strategies for Local Leadership" prepared by the EPA with interviews of local government officials who are faced with these kinds of decisions. He pointed out that the Town's water and sewer system is old and that many parts of the system need to be replaced. Mr. Kennedy stressed that if they do not begin now to make improvements in the water and sewer systems, there will be nothing left in 25 years.

Mr. Lawrence advised Council that it was up to them to decide whether to raise the water/sewer rates by 7.5% or 10% but that staff would get together and make a recommendation to Council along with a justification for the increased percentage. Mr. Obenchain observed that in the past, Council had a rate structure that "barely got them over the hump" and felt that it might be time to go a little farther than "just getting by". Mr. Lawrence stated that an increase of 10% would be about \$6.00 for the average residential customer, approximately \$3.00 for water and \$3.00 for sewer each month. Mr. Kennedy pointed out that purchased water from the Western Virginia Water Authority, which is mostly sold to PFG, might also need to bear some of the cost. He went on to say that PFG pays .10 more per thousand gallons than the Town is paying the Authority and generates about \$4,000 per year. Mr. Kennedy advised that the rate could be raised incrementally as the water/sewer rates increase for residential and business customers. He stressed that the rates need to be raised so that capital investments can be made.

Mr. Kennedy briefly discussed a couple of capital purchases that he would like to make. One of the items was deployable leak detectors which is a relatively new, highly successful technology that would detect a water leak and locate it before it surfaces which would reduce the amount of unaccountable water that is lost.

Mr. Lawrence stated that staff would meet the next day to determine the best way to approach closing the budget gap and then make a recommendation to Council. Mr. Nance advised that he did not want to raise rates this year but if that is what needs to be done, then

maybe they should consider raising the rates in January. Mr. Lawrence pointed out that the Town had accumulated over \$4,000,000 to \$5,000,000 in debt service over the past five years to make much needed improvements to the water and sewer systems.

The Mayor commented that he did not like to see the rates go up but he understood the need to raise them.

The Town Manager reminded Council that there would be a budget work session with Department Heads on the following Monday beginning at 10:00 a.m. As there was no further business to discuss, the work session adjourned at 10:07 p.m.

APPROVED:

Bradley E. Grose, Mayor

ATTEST:

Darleen R. Bailey, Town Clerk