Regular Council Meeting
May 18, 2020
7:00 p.m.

The regular meeting of the Elkton Town Council was held on May 18, 2020 at 7:00 p.m., at the Elkton Area Community Center with Mayor Joshua J. Gooden presiding.

Present: Mayor Joshua J. Gooden, Vice-Mayor Randell Snow, Council Member Margaretta Isom, Council Member Heidi Zander, Council Member Louis Heidel, Council Member Jay Dean, and Council Member Steve America.

Also Present: Town Manager Greg Lunsford, and Town Attorney Nathan H. Miller.

Present Electronically: Chief of Police David Harris, Public Works Director Troy Shifflett, Project Director Gaither Hurt, EACC Administrator Howard L. Taylor, II, Recreation Director Diane Johnson, Community Development Director Delores Hammer, Town Treasurer Clairen Sipe, and Clerk of Council Denise Monger.

REGULAR COUNCIL MEETING

Mayor Gooden called the meeting to order. Council member Dean gave the Invocation. All present were asked to join in the Pledge of Allegiance.

CITIZEN COMMENTS, QUESTIONS, REQUESTS, AND PRESENTATIONS

There were no comments submitted for the record by the noon deadline.

STAFF REPORT'S

Mr. Lunsford presented the Staff Reports as follows:

i. Town Manager

1. COVID-19 Update

   Updated Council regarding the COVID-19 pandemic. He noted that restaurants were slowly being allowed to reopen for outdoor dining. Preparations were being made to reopen the community center in three to four weeks. Plastic guards were being considered for the Treasurer's office.

2. Public Safety

   The report was provided in the packet. No additional business.

3. Public Works

   Paving and milling projects started in various sections of Town.

4. Special Projects

   a. Jennings House Update

      Pre-construction meeting to be held on May 1, 2020. Strict safety requirements would be mandated thought-out the project including boots and hard hats. Council would need to vote to approve the general obligation bond for the funds.

5. Community Development

   The report was provided in the packet. No additional business.

6. Elkton Area Community Center

   All events canceled at the EACC due to the COVID-19 pandemic. Howard Taylor resigned as the EACC Administrator.

   Mr. Taylor briefly thanked everyone and noted he was grateful for the opportunity to work for the Town.

7. Parks & Recreation

   Parks were open for exercise and other activities in compliance with the Governor's Orders. Restrooms would remain closed. Basketball and tennis courts also closed.

8. Treasury

   a. Proposed Water & Sewer Rate Increases in FY21 Budget

      Proposed water and sewer user increases were 1.5% in accordance with the Consumer Price Index (CPI) and an additional increase to the sewer user rate in accordance with the Rate Resolution adopted by the Town Council as mandated by the USDA to pay for the WWTP project and sanitary sewer project.

   b. Review FY21 Budget

      Council was provided a copy of the draft FY21 Budget. Many hours of hard work was labored on the budget by the Finance Committee and staff. The budget included funds to repair sewer lines, create a columbarium, purchase new equipment for the EACC, campsites, purchase GPS systems for all police and public works vehicles, and 2% employee raises (based on performance evaluation).

      Operational costs decreased eight percent (8%) in the budget and the meals tax revenue had remained steady despite the current pandemic situation. The Town was not raising taxes with the addition of the Jennings House.

ii. Town Attorney

Town Attorney Miller stated there were many issues his office was working on in conjunction with the COVID-19 pandemic. He noted there had been activity regarding an investigation on behalf of the Town which would be discussed in a closed session.

NEW BUSINESS

i. Resolution Authorizing the Issuance of a General Obligation Bond not to Exceed $955,233 for Jennings House Construction and Restoration

Vice Mayor Snow moved, seconded by Council member Heidel, and carried after a tiebreak YEA vote cast by Mayor Gooden, to adopt the Resolution authorizing the issuance of a General Obligation Bond not to exceed $955,233 for the Jennings House Construction and Restoration Project.

YEAS: H. Zander, L. Heidel, and R. Snow

NAYS: M. Isom, J. Dean, and S. America

VOTE: (3 – 3 roll call) Tied

TIEBREAK: YEA vote from Mayor Gooden; motion carried

ii. Long Enterprise, LLC Weekly Trash Removal Proposal

Council member Isom moved, seconded by Council member Dean, and carried accept the Long Enterprise weekly trash removal proposal as presented.

It was determined the current contract fee would increase to $9.00 per month and remain the same for three years.

YEAS: M. Isom, H. Zander, L. Heidel, R. Snow, J. Dean, and S. America

NAYS: None

VOTE: (6 – 0 roll call) Motion carried

iii. WW Associates Recommendation to Award the Town of Elkton Phase 3 Wastewater Treatment Plant Improvements Rebid Contract to MEB General Contractors, Inc.

Council member Dean moved, seconded by Council member America, and carried to approve the recommendation by WW Associates to award the Town of Elkton Phase 3 Wastewater Treatment Plant Improvements rebid contract to MEB General Contractor, Inc.

It was noted the bid was for approximately $13.5 million.

YEAS: M. Isom, H. Zander, L. Heidel, R. Snow, J. Dean, and S. America

NAYS: None

VOTE: (6 – 0 roll call) Motion carried

iv. WW Associates Recommendation to Award the Town of Elkton Phase 3 Sanitary Sewer Rehabilitation Contract to Commonwealth Excavating, Inc.

Council member Dean moved, seconded by Council member America, and carried to approve the recommendation by WW Associates to award the Town of Elkton Phase 3 Wastewater Treatment Plant Improvements rebid contract to Commonwealth Excavating, Inc.

It was noted the bid was for approximately $1,874,594.60.

YEAS: M. Isom, H. Zander, L. Heidel, R. Snow, J. Dean, and S. America

NAYS: None

VOTE: (6 – 0 roll call) Motion carried

v. Fossil Fuel Factor Decrease

Vice Mayor Snow moved, seconded by Council member Isom, and carried to approve the new fuel adjustment factor of $0.00149 per kilowatt hour as presented to become effective with the billing month of April 2020. The new rate replaced the old rate of $0.00813 per kilowatt hour.

YEAS: M. Isom, H. Zander, L. Heidel, R. Snow, J. Dean, and S. America

NAYS: None

VOTE: (6 – 0 roll call) Motion carried

vi. Memorial Day Flags

Mayor Gooden stated that typically the American Legion requested the Town pay for flags that would be placed on graves at Elk Run Cemetery. He noted the expense would not exceed $200.

COMMITTEES

Economic & Community Development (S. America)

Council member America reported several items for discussion in closed session. He noted that Howard Taylor would be missed as the EACC Administrator.

Finance (R. Snow)

Vice-Mayor Snow reported no additional business.

Personnel (L. Heidel)

Council member Heidel reported no additional business.

Water & Sewer (J. Dean)

Council member Dean reported no additional business.

Streets & Sidewalks (H. Zander)

Council member Zander reported that feedback/comments were needed before the finalization of the sidewalk plan.

Public Health, Safety & Ordinances and Planning Commission (M. Isom)

Council member Isom reported no additional business.

UNFINISHED BUSINESS

i. Resolution to Declare an Intent to Reimburse

Vice Mayor Snow moved, to approve the Resolution to Declare an Intent to Reimburse for the Town's Jennings House property.

It was noted that funds from the Town's General Government Capital Fund would be used.

RESOLUTION TO DECLARE AN INTENT TO REIMBURSE

WHEREAS, the Town Council of the Town of Elkton, Virginia (the "Town Council"), upon mature consideration, has determined that it is essential for the Town of Elkton, Virginia (the "Town") to provide funds to pay the capital costs to (a) construct, reconstruct, rehabilitate, and equip various improvements to the Town's Jennings House property for use as the Town Hall, and (b) pay issuance costs in connection with the Bond (collectively, the "Project"); and

WHEREAS, the Town reasonably anticipates to obtain financing for all or any portion of the costs of the Project through tax-exempt financing as may be necessary or convenient, in one or more financings, and accordingly, the Town shall comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), so that interest on any bond(s) issued by the Town, the proceeds of which are used to fund such loan to the Town (the "Loan"), will remain excludible from gross income for federal income tax purposes in accordance with law; and

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL, as follows:

1. The Town hereby declares its intent and reasonable expectations to use all or any portion of the proceeds of one or more tax-exempt obligations to be issued, in one or more series, to reimburse the Town for costs and expenses relating to the Project as required by federal tax laws, including Treasury Regulations § 1.150-2 of the Tax Code, all as further described below.

2. The Town has paid or caused to be paid, beginning no earlier than sixty (60) days prior to adoption hereof and will pay or cause to be paid, on and after the date of the adoption of this Resolution, certain expenditures (the "Expenditures") in connection with the Project that do not otherwise qualify under an exception for reimbursement of an original expenditure provided in Treasury Regulations § 1.150(2) (f). Further, it has been determined that those moneys previously advanced no earlier than sixty (60) days prior to the date of this Resolution and to be advanced on and after the date of this Resolution to pay Expenditures related to the Project are available only for a temporary period and it is necessary to reimburse the Town for the Expenditures from the proceeds of such Loan as described above or otherwise from one or more issues of tax-exempt bonds (the "Proceeds"). Accordingly, the Town hereby declares its intent and reasonable expectations to reimburse the Town with the Proceeds for the Expenditures with respect to the Project made no earlier than sixty (60) days prior to the adoption of this Resolution. The Town reasonably expects on the date hereof that it will reimburse the Expenditures with the Proceeds.

3. The maximum aggregate principal amount of tax-exempt bond(s) to be issued by the Town, in one or more series, in connection with the Project, as described above, is reasonably anticipated to be approximately $955,233.

4. The Town will make a reimbursement allocation, which is a written allocation that evidences the use of the Proceeds to reimburse the Expenditures, no later than eighteen (18) months after the later of the date on which each Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three (3) years after the date on which each Expenditure is paid.

5. This declaration of intent to reimburse, as required by Treasury Regulations § 1.150-2 and federal tax laws, shall take effect immediately.

ADOPTED:

TOWN OF ELKTON, VIRGINIA

_____
Mayor

CERTIFICATE OF VOTES

The undersigned hereby certifies that the foregoing constitutes a true and correct copy of the foregoing Resolution to Declare an Intent to Reimburse, duly adopted by the

Town Council upon a roll-call vote at a regular meeting duly held and called on the date hereof, and that the recorded roll-call vote of the Town Council of the Town is as follows:

Name	Aye	Nay	Abstain	Absent
Joshua Gooden, Mayor				
Randell Snow, Vice Mayor				
Margaretta Isom				
Jay Dean				
Louis W. Heidel				
Steve America				
Heidi Zander				

Dated: **TOWN OF ELKTON, VIRGINIA**

[SEAL]

_____
Clerk of Town Council

Duly seconded by Council Member Zander

YEAS: M. Isom, H. Zander, L. Heidel, and R. Snow

NAYS: J. Dean, and S. America

VOTE: (4 – 2 roll call) Motion carried

MAYOR'S BUSINESS

Mayor Gooden reported that three new businesses had opened in Town. He was working with local businesses to assist them in any way possible.

CLOSED SESSION

Council member Dean moved to go into closed session under Virginia Code Section 2.2-3711A.1 personnel issues and under 2.2-3711.A.3 real estate. Duly seconded by Council member Isom.

YEAS: M. Isom, H. Zander, L. Heidel, R. Snow, J. Dean, and S. America

NAYS: None

VOTE: (6 – 0 roll call) Motion carried

Council member Dean moved to go from closed session back into regular session and that each member, to the best of his or her knowledge, certified that only public business matters lawfully exempted from an open meeting requirement under Chapter 21 of Title 2.2 of the Code of Virginia were heard, discussed, or considered. Duly seconded by Vice Mayor Snow.

YEAS: M. Isom, H. Zander, L. Heidel, R. Snow, J. Dean, and S. America

NAYS: None

VOTE: (6 – 0 voice vote) Motion carried

Approve Sale of Real Estate in Elk Run Subdivision, Section 1, Lots 2–14

Vice Mayor Snow moved, seconded by Council member Dean, and carried to approve the sale of real estate to James Shifflett for $265,000 subject to the Town Attorney drawing up the contract.

It was noted that the property was located along Mt. Pleasant Road. A public hearing was held in 2019.

YEAS: M. Isom, H. Zander, L. Heidel, R. Snow, J. Dean, and S. America

NAYS: None

VOTE: (6 – 0 roll call) Motion carried

Promote Public Safety Officer Lynette Campbell to Police Sergeant

Council member Isom moved, seconded by Council member Dean, and carried to promote Lynette Campbell to Police Sergeant effective May 19, 2020. The salary will be adjusted to $54,000 on July 1, 2020 with the new fiscal budget.

YEAS: M. Isom, H. Zander, L. Heidel, R. Snow, J. Dean, and S. America

NAYS: None

VOTE: (6 – 0 roll call) Motion carried

With no additional business, the meeting was adjourned at 9:00 p.m.

Mayor: Joshua J. Gooden
Joshua J. Gooden

Recorder: Denise R. Monger
Denise R. Monger, Clerk