REGULAR
COUNCIL MEETING
October 19, 1987

The regular meeting of the Elkton Town Council was held October 19, 1987 at 8:00 P.M. in the council chambers with the Mayor Charles E. Dean presiding. The following council members were present: B. B. Holt, H. W. Leap, H. A. Leet, L. C. Life and R. L. Snow. R. E. Davis was absent. Dale Davenport, Attorney, Norma Leap, Clerk and Warren Pence, Chief of Police were also present.

Mr. McDaniel of Shen Valley Drywall was present to request council's approval for an addition over the top of a store front at their warehouse and future office building on Washington Avenue. There would be approximately a four foot overhang over the doorway. Mayor Dean stated this would be brought up for action later in the meeting.

Mr. Earl Judy of Commonwealth Cablevision was present to announce his intentions of retiring from the cablevision service in order to pursue other interests. He reported that he had come to the decision in March, had listed his company with a broker in Colorado, and has just recently signed a purchase agreement with Adelphia Communications Corporation. He requested council approve the transfer of the cable television franchise to Adelphia Communications Corporation. Mayor Dean stated council would consider the resolution which Mr. Judy's legal council has prepared during the business session.

Councilman H. A. Leet moved, seconded by Councilwoman L. C. Life and carried to approve the minutes of the Regular Meeting September 21, 1987.

Chief Pence asked if there were any questions on the monthly police report. He also reported that they have attempted to sell the old police car but have had no success.

Councilman R. L. Snow moved, seconded by Councilman B. B. Holt and carried to approve the Finance Report for the month of September.

Mrs. Leap reported that the audit report was suppose to be ready to distribute at this meeting but we have not received them.

Councilman R. L. Snow moved, seconded by Councilman B. B. Holt and carried to approve the following section which will be incorporated into the motion passed at the regular council meeting September 21, 1987 to borrow $9,600.00 from the Sovran Bank:

BE IT FURTHER RESOLVED THAT:

(a) said borrowing is to be paid from anticipated revenue during the Fiscal Year

(b) this obligation is hereby designated under Section 265(b) (3) (B) of the Internal Revenue Code of 1986 (the "Code") as a qualified tax exempt obligation qualifying for the 20% (rather than 100%) disallowance of the deduction for interest payments under Section 265 of the Code by financial institutions on debt incurred to purchase or carry tax exempt obligations.

(c) total tax exempt obligations reasonably anticipated to be issued during the calendar year of 1987 by the (town, county, city, etc.) and subordinated entities that will be so designated will be less than $10,000,000.00.

Councilman Leap reported on a letter from Virginia Power regarding alternatives of doing something with their electric

system. They are proposing to do a study to see if it would be in the best interest of the town to have Virginia Power purchase our system. Councilman Leap stated he has talked with Mr. Monger about the letter. Mr. Monger has attended a meeting of the Virginia Municipal Electric Association No. 1 and they recommended that before the town takes any stand that the Virginia Municipal Electric Association No. 1 would like to meet with council to discuss this. Councilman Leap recommended that this be referred to the Electric Committee until they can arrange a meeting with VMEA No. 1. Mayor Dean stated Virginia Power called today and they would also like to come talk with council. Councilman Leap stated the committee would also arrange a meeting with Virginia Power. Council was in agreement with the recommendation by Councilman Leap.

Councilman Leap reported that it has been brought to his attention that, as a member of the Virginia Municipal Electric Association No. 1, the council need to adopt some changes in the by-laws. Mr. Monger and Mr. Davenport have reviewed the changes. The recommendation is that council adopt the proposed changes in the VMEA No. 1 by-laws.

Mr. Davenport went over the proposed changes. There are changes in the by-laws and Articles of Incorporation to give the association more flexibility in getting low cost power. The major changes would be in the way you select your member on VMEA No. 1, expand the membership to include municipalities and counties that are contemplating establishing municipal systems but they would not have a vote and a change in the voting system. This would, after a regular vote is taken, allow for a weighted type of voting when requested by a voting member and would act as a type of veto. There were some other minor changes.

Councilman H. W. Leap moved, seconded by Councilman B. B. Holt to adopt the changes to the by-laws and Articles of Incorporation of the Virginia Municipal Electric Association No. 1. The vote was recorded as follows:

Holt	- yea	Life	- yea
Leap	- yea	Snow	- yea
Leet	- yea		

Councilman Leap brought up the request by Commonwealth Cablevision for council to adopt a resolution allowing them to sell their franchise and all the rights therein with the town to Adelphia Communications Corporation.

Mayor Dean reported that he had asked Mrs. Leap to call several communities who have service with Adelphia and gave a brief report on what each person had to say about the service. The comments were very favorable.

Councilman H. W. Leap moved, seconded by Councilman R. L. Snow to adopt the following resolution and authorize the Mayor to sign it:

> WHEREAS, Commonwealth Cablevision Corporation holds the franchise for the construction, maintenance and operation of a community television antenna system sometimes known as a "CATV System" in the Town of Elkton pursuant to an ordinance enacted by the town and effective August 13, 1984; and
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> WHEREAS, Section 10 of said ordinance provides that the grantee, namely Commonwealth Cablevision Corporation "shall not sell or transfer its plant or system to another nor transfer any rights under this franchise to another without council approval"; and

WHEREAS, Commonwealth Cablevision Corporation desires to transfer it rights under said ordinance to the plant or system and to transfer its rights under the franchise to Adelphia Communications Corporation, and/or its wholly owned subsidiary trading as Adelphia Cable Communications; and

WHEREAS, Commonwealth Cablevision Corporation has requested the Town Council to approve the transfer of the plant system and its rights under this franchise; and

WHEREAS, the Town Council has agreed to approve the said transfer and assignment.

NOW THEREFORE BE IT RESOLVED by the council of the Town of Elkton, Virginia, that the town hereby approves the transfer of the plant system and rights of Commonwealth Cablevision Corporation under the said antenna television franchise ordinance to Adelphia Communications Corporation and/or its wholly owned subsidiary trading as Adelphia Cable Communications.

Councilwoman Life asked how many years are left on the franchise. Mr. Judy stated the franchise runs to 1992. Councilwoman Life asked if there is any way, by allowing the transfer to Adelphia, that the town can shorten the time period on the contract. Mr. Davenport stated he feels that if we transfer we will still be stuck with the original terms and the town is obligated to approve it unless they have some good reason they feel they should not and he does not think this would be a good reason. Councilwoman Life stated she did not feel council should rush into a decision and she would like more time to look over the resolution and information. The one thing that bothers her is that at the last meeting council was told that Commonwealth might go in with an outside consultant coming in to look over the system and then she reads in the paper that Mr. Judy has been thinking about selling the system since March. She is wondering why things have changed so in the last few weeks. This is why she still has some questions in her mind and would rather postpone a decision until the next meeting.

Councilman Holt stated he has no problem with when we act on the resolution as he does not feel waiting will affect the outcome, but since Councilwoman Life has been so deeply involved in the cablevision problems he is willing to go along with her wishes to delay action.

Councilman Leap asked Mr. Judy if waiting to act on the resolution next month would in any way affect his sale. Mr. Judy stated there is a lot of things to get done before the first of the year and it would make it easier if the resolution was passed tonight. In answer to Councilwoman Life's question, Mr. Judy stated that he did not have a buyer at the time he discussed with Councilman Leap the possibility of an outside consultant and if he had not found a buyer he would have gone ahead with the procedure. He stated that as the town was not satisfied with the service they are now getting from Commonwealth, here is their opportunity to get a number one company.

Mr. Davenport suggested that if council intends to take action tonight the motion should be amended to allow Mr. Monger or someone to do an audit of any obligations Commonwealth has to the town financially and make sure these are cleared before allowing a transfer of franchise.

Councilman H. W. Leap moved, seconded by Councilman R. L. Snow to amend the motion to include that Mr. Monger and Mrs. Leap audit the records to see if there are any outstanding debts by Commonwealth Cablevision and that these be cleared before the Mayor signs the resolution. The vote was recorded as follows:

Holt	-	nay	Life	-	nay
Leap	-	yea	Snow	-	yea
Leet	-	yea			

Mayor Dean asked Mr. Judy if he plans between now and January 1st. to continue trying to improve the service and he stated they are working on this and will continue to do so.

Councilman B. B. Holt moved, seconded by Councilman H. W. Leap and carried that since the horseshow sponsored by the Historical Society is to the benefit of the town, the town forgive the electric usage at this event.

Councilwoman Life reported that she has been trying to get a committee meeting set up but has not been able to get everyone together. She is planning to have a committee meeting next week. She has the survey that was taken on Rockingham and Spotswood and if anyone would like to see it after the meeting she would be glad to let them look at it.

Councilman Holt reported that the town is sending Ishmal Baugher, Chairman of the Planning Commission, to a short school over in Virginia Beach. The school is designed to provide training and instruction to people, such as Mr. Baugher, in the planning process. After the two or three days of school, he will also be doing some correspondence course work.

Councilman B. B. Holt moved, seconded by Councilwoman L. C. Life that the town authorize that on the building situated at 333 W. Washington Avenue an overhang not to exceed four feet, ten feet above ground level, be authorized for this building now belonging to Shen Valley Drywall as a warehouse and future office building. The vote was recorded as follows:

Holt	-	yea	Life	-	yea
Leap	-	yea	Snow	-	yea
Leet	-	yea			

Councilman Leet reported that we did not meet the deadline on the installation of the fluoride. The pipe is in but the meter has to be calibrated. This may have been done today but he is not sure. He is not sure all the chemicals are in as yet. Mr. Monger has talked with Mrs. Bernhard at the State Health Department, told her the situation and she said she thought it would be all right. She was quite glad to know the town really was just about there and that as long as there is real active pursuit of this she thinks everything will be all right. Mr. Monger thinks he should have this going within a week providing everything comes together.

Councilman Leet reported that the waterline going west to the shopping center is being installed. The county is actually installing theirs and have quite a bit installed. The town has not started theirs yet. We have the pipe but lack a few fittings. Mr. Monger hopes to get started this week.

As there was no further business, the meeting adjourned.

MAYOR: Charles E. Dean
Charles E. Dean, Mayor

RECORDER: Norma R. Leap
Norma R. Leap, Clerk