Regular
Council Meeting
November 21, 2005

The regular meeting of the Elkton Town Council was held on November 21, 2005 in Council Chambers with Mayor Wayne E. Printz presiding. The following Council members were present:

PRESENT
J. Dean
T. Pence
S. Sigafoose
R. Snow
P. Workman

ABSENT
C. McDaniel

Town Attorney Nathan Miller, Town Manager Dennis R. Donachy, Treasurer Clairen Sipe, Economic Development Director Emily Burner, Chief of Police Richard Pullen, and Clerk of Council Richard Carey were also present.

Council member Dean offered the Invocation.

The Pledge of Allegiance was recited.

Dr. Thomas LaTouche was present and discussed his disputed privacy fence. He described "rude, obscene, obnoxious, and illegal behavior" that led to the construction of the fence. Mr. Donachy stated Dr. LaTouche could apply for a variance, which Council can grant for any ordinance.

CITIZEN COMMENTS

Cathy Murphy, 110 North Stuart Avenue, asked if any revisions had been made to the Charter since last month's meeting. She complained that the phone system had changed and found it unacceptable that there is now a "Do Not Disturb" mode.

Mildred Shifflett, 112 West Spotswood Avenue, spoke of raising taxes and running the "seniors out of Town." She supported and praised Dr. LaTouche for erecting the fence.

Hazel Crider, Elkwood, asked if the emergency gate was added to the Angler contract. Caution should be taken in the future before contracts are signed. She is still "looking for the money tree." Neighborhood Watch's Christmas dinner will be December 20th at the Country Inn Restaurant. An invitation was extended.

Diane Johnson, 903 – 6th Street, spoke for the Recreation Commission and sought Town assistance to replace the deteriorating Kids Castle in Stonewall Park. A figure of $100,000.00 was mentioned.

B. W. Gooden, 302 Morgan Avenue, commended Council and Neighborhood Watch for the Veterans Day Program. Mr. Gooden spoke of an on-going problem with a neighbor operating a car repair garage in a residential district and a fence that has not been completely turned around, with some of the fence setting on his property.

Lee Dearing, 124 North Street, stated the Town has no customer service for Town emergencies. He spoke of an electric outage and people were unable to contact anyone. He applauded Mayor Printz for not signing the Angler contract because of snafus in past contracts. He cautioned that the revised Charter must reflect the will of the citizens.

Margaret Laconia, 334 W. Summit Avenue, identified herself as Bertha Williams' daughter. She presented her mother's argument regarding Dr. LaTouche's fence.

AUDIT

Richard E. Phillips, CPA, audit partner with Young, Nicholas, Branner & Phillips, LLP and David Black were present and presented the Financial and Compliance Reports ending June 30, 2005.

The report, overall, was very favorable. Mr. Phillips stated, "Lots is happening in Elkton right now. The next five years there will probably be a lot going on over here. I would encourage the Council to keep up and be careful of planning, both financially and other areas as well, because when you have growth like this you really need to stay on top of it and do the proper planning."

Vice Mayor Snow asked, "Is the Town broke?" Mr. Phillips responded, "My opinion is you need to be very frugal with these large project you have going here." He addressed the Community Center and realized the Town was receiving money from the County, but he cautioned "I don't think there is a lot of money in the Town's funds to be throwing into the Community Center." Grants would be one way to support the project and "would help the cash flow of the Town." Regarding the Pentecostal Hill project, Mr. Phillips suggested studying a rate of recovery from the total cost of the project, while servicing the debt (principle and interest). He concluded, "I'm not saying the Town is broke. I just think with all this growth we really need to do some planning."

Marty Shifflett arrived at 7:52 P.M.

CONSENT AGENDA

Consent Agenda
November 21, 2005

MINUTES
•Committee Meetings, October 11, 2005
•Joint Public Hearing – Elkwood Development – October 17, 2005
•Public Hearing – Charter Revisions – October 17, 2005
•Regular Council Meeting, October 17, 2005

REPORTS
•Chief of Police
•Public Works

Council member Dean moved, second by Vice Mayor Snow, and carried to approve the Consent Agenda.

YEAS: J. Dean, T. Pence, S. Sigafoose, R. Snow, and P. Workman

Motion carried (5 – 0 voice vote)

TREASURER'S REPORT

Treasurer Sipe reported an ending ledger balance of $732,397.60 for General Government for the month of October 2005. Designated money was $453,174,49, leaving total cash available of $279,223.11.

Vice Mayor Snow moved, second by Council member Dean, and carried to approve the Treasurer's report.

YEAS: J. Dean, T. Pence, S. Sigafoose, R. Snow, and P. Workman

Motion carried (5 – 0 voice vote)

TOWN MANAGER'S REPORT

Information Items

Ordinance to Regulate Adult Businesses – Second Reading

The Planning Commission did not vote on the ordinance. Mr. Donachy will present it to Council at the December meeting.

Ordinance to Delete Permitted Use for Family Dwellings in Business Districts – First Reading

The Planning Commission recommended adoption and Mr. Donachy presented it as a First Reading.

AN ORDINANCE TO AMEND CHAPTER 110 (LAND DEVELOPMENT) SECTIONS 110-610 (DOWNTOWN BUSINESS DISTRICT B-1) B (4), 110-611 (GENERAL BUSINESS DISTRICT B-2) B (4) AND 110-613 (LIGHT INDUSTRIAL M-1) B (22) OF THE CODE OF THE TOWN OF ELKTON TO DELETE PERMITTED USE FOR ONE OR TWO FAMILY DWELLINGS

WHEREAS, the current code allows one or two family dwellings to be built in B1, B-2 and M-1 districts; and

WHEREAS, it is the intention of these districts to be for business and/or industrial usage; and

WHEREAS, the Town Council and Planning Commission wishes to maintain a distinct buffer between business and residential;

BE IT ORDAINED, by the Town Council of Elkton, Virginia, that Chapter 110 (Land Development) of the Code of the Town of Elkton, is hereby amended as follows:

1. Section 110-610 B is hereby amended by deleting the following wording:

   B. Permitted uses. Within the Downtown Business District B-1 the following uses are permitted:

   ~~(4) One or two family dwellings with lot requirements being the same as those in the R-4 District.~~

2. Section 110-611 B is hereby amended by deleting the following wording:

   B. Permitted uses. Within the General Business District B-2 the following uses are permitted:

   ~~(4) One or two family dwellings with lot requirements being the same as those in the R-4 District.~~

3. Section 110-613 B is hereby amended by deleting the following wording:

   B. Permitted uses. Within the Light Industrial/Business District the following uses are permitted:

   ~~(22) One or two family dwellings with lot requirements being the same as those in the R-4 District.~~

4. This ordinance shall be effective immediately upon its adoption.

Adopted by the Town Council of the Town of Elkton this ____ day of _____, 2005

_____
Mayor

_____
Clerk of Council

Approved this _____ day of _____, 2005

_____
Mayor

Ordinance Outlining Requirements for Installment Payments _First Reading

Mr. Donachy presented the ordinance as a First Reading.

FIRST READING

AN ORDINANCE TO AMEND CHAPTER 170 (WATER AND SEWERS), TO ADD SECTION 170-11.1(INSTALLMENT PAYMENTS OF WATER AVAILABILITY AND CONNECTION FEES) AND SECTION 170-29.1(INSTALLMENT PAYMENTS OF SEWER AVAILABILITY AND CONNECTION FEES)TO ALLOW INSTALLMENT PAYMENTS FOR WATER AND SEWER

WHEREAS, the Town wants to insure all residents have the opportunity to be supplied with clean water; and

WHEREAS, the Town wants to insure sewer service is available to all residents; and

WHEREAS, the Town Council understands that not all residents can afford to pay availability and connection fees in one payment;

BE IT ORDAINED, by the Town Council of Elkton, Virginia, that Chapter 170 (Water and Sewers) of the Code of the Town of Elkton, is hereby amended as follows:

1. The following section will be added:

170-11.1. Installment payments of water availability and connection fees.

A. The Town Manager and/or his/her authorized representative is hereby authorized to accept, on behalf of the Town, notes for the payment of water availability/connection fees for single-family residences and duplexes (no more than two (2) residential, units) which are existing completed homes or have received a building permit on or before the date of enactment of this ordinance. The terms of such note shall be all availability/connection fees to be paid in equal monthly payments over a three (3) year period. (*Interest shall be charged at a rate equal to the Prime Rate for U.S. Banks, as published in the Wall Street Journal, when the installment contract is executed, plus three (3) percentage points, not to exceed twelve (12) percent per annum.)*

B. Installment payments of the water availability/connection fees is provided for certain property owners who qualify under this section, The approval of installment payments is to be administered by the Town Manager or his authorized designee. The Town Manager is hereby authorized and empowered to prescribe, adopt and enforce such rules and regulations, including the requirement of answers under oath, as may be reasonably necessary to determine qualifications for installment payments.

The Town Manager may require the production of certified tax returns and appraisal reports to establish income and financial worth.

C. Installment payments shall be granted under this section subject to the following provisions;

(1) Title to the property for which the recovery fee exemption is sought must be held or partially held by the applicant at least one hundred twenty (120) days prior to the installation, or scheduled date of installation, whichever comes first, of the water line.

(2) The owner of the title or partial title must be sixty-five (65) years of age or older at least one hundred twenty (120) days prior to the installation or scheduled installation date, whichever comes first, of the water line. If such person is under sixty-five (65) years of age, he or she shall possess a certification by the social security administration, the veterans administration, or the railroad retirement board, or if such person is not eligible for certification by any of these agencies, a sworn affidavit by two (2) medical doctors licensed to practice medicine in the commonwealth, to the effect that such person is permanently and totally disabled, as defined in subsection (f) of this section. The affidavit of at least one of such doctors shall be based upon a physical examination of such person by such doctor. The affidavit of one of such doctors may be based upon medical information contained in the records of the civil service commission which is relevant to the standards for determining permanent and total disability as defined in subsection (f) of this section. Such medical affidavits shall be filed with the Town Manager at such time as the applicant files a water line fee payment plan application.

(3) The dwelling to be connected to the water line must be the sole dwelling of the applicant claiming hardship.

(4) The total combined income of the owner and the owner's relatives living in the household during the year immediately preceding the installation must be determined by the Town Manager as not exceeding the most recent federally established poverty thresholds.

(5) The total combined income during the immediately preceding calendar year from all sources of the owners of the dwelling living therein and of the owner's relatives living in the dwelling does not exceed twenty-three

thousand five hundred dollars ($23,500.00); provided that the first five thousand dollars ($5,000.00) of income of each relative, other than spouse or spouses of the owner or owners living in the dwelling, shall not be included in such total; and provided further that the first seven thousand five hundred dollars ($7,500.00) or any portion thereof of income received by a permanently and totally disabled owner shall not be included in such total.

(6) The net combined financial worth of the owner shall not exceed eighty thousand dollars ($80,000.00), excluding the fair market value of the house to be connected to the water line. Net combined financial worth shall include the value of all assets, including equitable interests, of the owner and of the spouse of the owner.

D. Persons applying for availability/connection fee payment plan under this section must file with the Town Manager an availability/connection fee payment plan affidavit, setting forth, in a manner prescribed by the Town Manager, the location and value of the property to be connected to the water line, the names of the persons related to the owner and occupying the dwelling, their gross combined income and their net combined financial worth, If such applicant is under sixty-five (65) years of age, medical certification or affidavits, as set forth in subsection C(2) of this section, shall also be filed with the Town Manager.

E. If, within twelve (12) months after the payment plan is obtained under this section, the applicant's financial position should change so that its effect would be to remove the person holding the exemption from within the limits and standards of this section, then the remaining balance is due.

F. For purposes of this section, a person is permanently and totally disabled if he is so certified as required in subsection C(2) of this section and is found by the Town Manager to be unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment or deformity which can be expected to result in death or can be expected to last for the duration of such person's life.

G. Any person falsely claiming an exemption or violating any provisions of this section shall be guilty of a Class 1 misdemeanor.

2. The following section will be added:

170-29.1. Installment payments of sewer availability and connection fees.

A. The Town Manager and/or his/her authorized representative is hereby authorized to accept, on behalf of the Town, notes for the payment of sewer availability/connection fees for single-family residences and duplexes (no more than two (2) residential, units) which are existing completed homes or have received a building permit on or before the date of enactment of this ordinance. The terms of such note shall be all availability/connection fees to be paid in equal monthly payments over a four (4) year period. (*Interest shall be charged at a rate equal to the Prime Rate for U.S. Banks, as published in the Wall Street Journal, when the installment contract is executed, plus three (3) percentage points, not to exceed twelve (12) percent per annum.)*

B. Installment payments of the sewer availability/connection fees is provided for certain property owners who qualify under this section, The approval of installment payments is to be administered by the Town Manager or his authorized designee. The Town Manager is hereby authorized and empowered to prescribe, adopt and enforce such rules and regulations, including the requirement of answers under oath, as may be reasonably necessary to determine qualifications for installment payments. The Town Manager may require the production of certified tax returns and appraisal reports to establish income and financial worth.

C. Installment payments shall be granted under this section subject to the following provisions;

(1) Title to the property for which the recovery fee exemption is sought must be held or partially held by the applicant at least one hundred twenty (120) days prior to the installation, or scheduled date of installation, whichever comes first, of the sewer line.

(2) The owner of the title or partial title must be sixty-five (65) years of age or older at least one hundred twenty (120) days prior to the installation or scheduled installation date, whichever comes first, of the sewer line. If such person is under sixty-five (65) years of age, he or she shall possess a certification by the social security administration, the veterans administration, or the railroad retirement board, or if such person is not eligible for certification by any of these agencies, a sworn affidavit by two (2) medical doctors licensed to practice medicine in the commonwealth, to the effect that such person is permanently and totally disabled, as defined in subsection (f) of this section. The affidavit of at least one of such doctors shall be based upon a physical examination of such person by such doctor. The affidavit of one of such doctors may be based upon medical information contained in the records of the civil service

commission which is relevant to the standards for determining permanent and total disability as defined in subsection (f) of this section. Such medical affidavits shall be filed with the Town Manager at such time as the applicant files a sewer line fee payment plan application.

(3) The dwelling to be connected to the water line must be the sole dwelling of the applicant claiming hardship.

(4) The total combined income of the owner and the owner's relatives living in the household during the year immediately preceding the installation must be determined by the Town Manager as not exceeding the most recent federally established poverty thresholds.

(5) The total combined income during the immediately preceding calendar year from all sources of the owners of the dwelling living therein and of the owner's relatives living in the dwelling does not exceed twenty-three thousand five hundred dollars ($23,500.00); provided that the first five thousand dollars ($5,000.00) of income of each relative, other than spouse or spouses of the owner or owners living in the dwelling, shall not be included in such total; and provided further that the first seven thousand five hundred dollars ($7,500.00) or any portion thereof of income received by a permanently and totally disabled owner shall not be included in such total.

(7) The net combined financial worth of the owner shall not exceed eighty thousand dollars ($80,000.00), excluding the fair market value of the house to be connected to the water line. Net combined financial worth shall include the value of all assets, including equitable interests, of the owner and of the spouse of the owner.

D. Persons applying for availability/connection fee payment plan under this section must file with the Town Manager an availability/connection fee payment plan affidavit, setting forth, in a manner prescribed by the Town Manager, the location and value of the property to be connected to the sewer line, the names of the persons related to the owner and occupying the dwelling, their gross combined income and their net combined financial worth, If such applicant is under sixty-five (65) years of age, medical certification or affidavits, as set forth in subsection C(2) of this section, shall also be filed with the Town Manager.

H. If, within twelve (12) months after the payment plan is obtained under this section, the applicant's financial position should change so that its effect would be

to remove the person holding the exemption from within the limits and standards of this section, then the remaining balance is due.

I. For purposes of this section, a person is permanently and totally disabled if he is so certified as required in subsection C(2) of this section and is found by the Town Manager to be unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment or deformity which can be expected to result in death or can be expected to last for the duration of such person's life.

J. Any person falsely claiming an exemption or violating any provisions of this section shall be guilty of a Class 1 misdemeanor.

3. This ordinance shall be effective immediately upon its adoption.

Adopted by the Town Council of the Town of Elkton this ____ day of _____, 2005

_____
Mayor

_____
Clerk of Council

Approved this _____ day of _____, 2005

_____
Mayor

Items Requiring Council Action

Resolution for the Issuance and Sale of Bonds

The resolution permits Elkton to participate in the VACO Pooled Bond Program for funds for the Pentecostal Hill project. The bond was lowered from 1.4 million to 1.3 million dollars.

RESOLUTION OF THE COUNCIL OF THE TOWN OF ELKTON, VIRGINIA APPROVING THE ISSUANCE AND SALE OF THE TOWN OF ELKTON, VIRGINIA, GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND IN THE MAXIMUM PRINCIPAL AMOUNT OF UP TO $1,450,000, AND THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS PREPARED IN CONNECTION THEREWITH

WHEREAS, the Town of Elkton, Virginia (the "Town") has previously submitted an application (the "Application") to the Industrial Development Authority

of the County of Stafford and the City of Staunton, Virginia (the "Authority"), to refinance / finance various capital improvement and other associated water and sewer system costs related to the Pentecostal Hill project, together with related expenses (collectively, the "Project"), through the Virginia Municipal League / Virginia Association of Counties Finance Program, and the Authority has indicated its willingness to finance the Project from the proceeds of its revenue bonds (the "Authority's Bonds"), in accordance with the terms of a Loan Agreement between the Authority and the Town (the "Loan Agreement"), the form of which has been presented to this meeting;

BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF ELKTON, VIRGINIA (THE "COUNCIL"):

1. Issuance of Bonds and Use of Proceeds. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991 (the "Act") and without regard to the requirements, restrictions or other provisions contained hi any charter or local or special act applicable to the Town, the Council hereby provides for the issuance and sale of a general obligation public improvement bond of the Town in a principal amount not to exceed $1,450,000 to provide funds to refinance / finance the Project and to pay costs incurred in issuing such bonds.

2. Authorization of Loan Agreement. The form of the Loan Agreement submitted to this meeting is hereby approved. The Town Manager, Mayor and Vice Mayor are each authorized to execute the Loan Agreement hi substantially such form, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Town Manager or the Mayor, whose approval shall be evidenced conclusively by the execution and delivery thereof. The issuance and sale of the Town's general obligation public improvement bond to the Authority shall be upon the terms and conditions of the Loan Agreement. The proceeds of such bond shall be applied in the manner set forth in the Loan Agreement and related documents. All capitalized terms used but not defined herein shall have the same meaning as set forth in the Loan Agreement.

3. Bond Details. The bond shall be issued as a single, registered bond, shall be designated "General Obligation Public Improvement Bond" (the "Bond"), with an appropriate series designated, and shall be numbered R-l. The Council authorizes the issuance and sale of the Bond on terms as shall be satisfactory to the Town Manager; provided, however, that the Bond (a) shall be in a principal amount not to exceed $1,450,000, (b) shall mature no later than December 31, 2037, and (c) shall have a "true" interest cost not to exceed 6.00%. Subject to the preceding terms, the Council further authorizes the Town Manager or the Mayor to (a) determine the final principal amount of the Bond and (b) establish the interest rate or rates and the amortization schedule (including the principal installment dates and amounts) for the Bond in such manner as the Town Manager or the Mayor shall determine to be in the best interest of the Town. The Town Manager's or the Mayor's approval of the final terms and purchase price of the Bond shall by evidenced by the execution and delivery of the Bond, and no further action shall be necessary on the part of the Town. As set forth in the Loan Agreement, the Town agrees to pay from legally available funds the Additional Payments as set forth in the Loan Agreement. The principal of and premium, if any, and interest on the Bond shall be payable in lawful money of the United States of America.

4. Payment and Redemption Provisions. The principal of and premium, if any, and interest on the Bond shall be payable as set forth in the Bond and the Loan Agreement. The Town may, at its option, redeem, prepay or refund the Bond upon the terms set forth in the Loan Agreement.

5. Execution and Form of Bond. The Bond shall be signed by the Town Manager, the Mayor or the Vice Mayor and the Town's seal shall be affixed thereon and

attested by the Clerk of the Council. The Bond shall be issued as a typewritten bond in substantially the form of Exhibit A attached hereto, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Town Manager or the Mayor, whose approval shall be evidenced conclusively by the execution and delivery of the Bond.

6. **Security for the Bond.** The full faith and credit of the Town are hereby irrevocably pledged for the payment of principal of and premium, if any, and interest on the Bond. Unless other funds are lawfully available and appropriated for timely payment of the Bond, the Council shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the Town sufficient to pay when due the principal of and premium, if any, and interest on the Bond.

7. Preparation of Printed Bond. The Town shall initially issue the Bond in typewritten form. Upon request of the registered owner and upon presentation of the Bond at the office of the Registrar (as hereinafter defined), the Town shall arrange to have prepared, executed and delivered in exchange as soon as practicable the Bond in printed form in an aggregate principal amount equal to the unpaid principal of the Bond in typewritten form, in denominations of $5,000 and multiples thereof, of the same form and maturity and registered in such names as requested by the registered owners or their duly authorized attorneys or legal representatives. The printed Bond may be executed by manual or facsimile signature of the Town Manager, the Mayor or the Vice Mayor, with the Town's seal affixed thereto and attested by the Clerk of the Council; provided, however, that if both such signatures are facsimiles, no Bond shall be valid until it has been authenticated by the manual signature of the Registrar and the date of authentication noted thereon. The typewritten Bond surrendered in any such exchange shall be canceled.

8. Registration and Transfer of the Bond. The Town appoints the Town Treasurer as paying agent and registrar (the "Registrar") for the Bond. If deemed to be in the best interest of the Town, the Town Manager or the Council may at any time appoint a qualified bank or trust company, or another official of the Town, as Registrar. Upon surrender of the
Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Town shall execute, and the Registrar shall authenticate and deliver in exchange, a new Bond having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rates and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. The Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto. The Registrar shall treat the registered owner as the person or entity exclusively entitled to payment of principal, premium, if any, and interest, and the exercise of all other rights and powers of the owner, except that installments shall be paid to the person or entity shown as owner on the registration books on the date that is fifteen days in advance of each interest payment date.

9. Mutilated, Lost or Destroyed Bond. If the Bond has been mutilated, lost or destroyed, the Town shall execute and deliver a new Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; provided, however, that the Town shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the Town in connection therewith and, in the case of a lost or destroyed Bond, (a) has filed with the Town evidence satisfactory to the Town that such Bond was lost or destroyed and (b) has furnished to the Town satisfactory indemnity.

10. Preparation and Delivery of Bond. The Town Manager, the Mayor or the Vice Mayor and the Clerk of the Council are authorized and directed to take all proper steps to have the Bond prepared and executed in accordance with its terms and to deliver it to the Authority as the purchaser thereof upon receipt of the purchase price from the Authority as set forth in the Loan Agreement.

11. Arbitrage Covenants. The Town covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (the "Code"), or otherwise cause interest on the Bond to be includable in the gross income of the registered owner thereof under existing law. Without limiting the generality of the foregoing, the Town shall comply with any provision of law that may require the Town at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bond, unless the Town receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Bond from being included in the gross income for federal income tax purposes of the registered owners thereof under existing law. The Town shall pay any such required rebate from legally available funds.

12. Tax and Continuing Disclosure Documents. The Town Manager, the Mayor and the Vice Mayor of the Town are authorized and directed to execute and deliver a Tax Certificate as to Arbitrage, a Continuing Disclosure Agreement (to the extent applicable), a Bank Qualification Allocation Agreement and an IRS Form 803 8-G, in a form approved by such officers and the Town's bond counsel.

13. Limitation on Private Use. *The Town covenants that it shall not permit the proceeds of the Bond or the facilities financed with the proceeds of the Bond to be used in any manner that would result in (a) 5% or more of such proceeds or the facilities financed with such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141 (b) of the Code, (b) 5% or more of such proceeds or the facilities financed with such proceeds being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141 (c) of the Code; provided, however, that if the Town receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the Bond from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the Town need not comply with such covenants.*

14. Official Statement. *The Town authorizes and consents to the inclusion of information with respect to the Town contained in the near final and final Official Statement or similar offering document(s) prepared in connection with the sale of the Authority's Bonds.*

15. Reimbursement for Prior Expenditures. *To the extent applicable and necessary, in adopting this resolution the Council intends to evidence its "official intent" to reimburse Project expenditures with proceeds from the issuance of the Bond within the meaning of Treasury Regulations Section 1.150-2 promulgated by the Internal Revenue Service pursuant to the Internal Revenue Code of 1986, as amended.*

16. Other Actions. *All other actions of Town officials in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bond are ratified, approved and confirmed. The Town officials are authorized and directed to execute and deliver all certificates and other document and instruments considered*

necessary or desirable in connection with the issuance, sale and delivery of the Bond pursuant to this Resolution and the Loan Agreement, the establishment of any reserves therefor, and any applicable continuing disclosure requirements.

17. ***Filing of Resolution.*** *The Town Attorney and the Town Manager are authorized and directed to see to the prompt filing of a certified copy of this resolution in the Circuit Court having jurisdiction over the Town, in accordance with Sections 15.2-2607 and 15.2-2627 of the Act.*

18. ***Effective Date.*** *This Resolution shall take effect immediately.*

[Remainder of Page Intentionally Left Blank]

Vice Mayor Snow moved, second by Council member Dean, and carried to approve the resolution.

YEAS: J. Dean, T. Pence, S. Sigafoose, R. Snow, and P. Workman

Motion carried (5 – 0 roll call)

Resolution for Adoption of All Hazards Mitigation Plan

The Central Shenandoah Valley All Hazards Mitigation Plan is required to be in place before any funds could be requested from FEMA.

RESOLUTION

Adoption of the Central Shenandoah Valley All Hazards Mitigation Plan

WHEREAS, the Disaster Mitigation Act of 2000, as amended, requires that local governments develop and adopt natural hazard mitigation plans in order receive certain federal assistance, and

WHEREAS, the Central Shenandoah Mitigation and Planning Workgroup representing the Town of Elkton, as well as the remaining 20 localities of the Central Shenandoah Planning District was convened in order to study the Region's risks from and vulnerability to natural hazards, and to make recommendations on mitigating the effects of such hazards on the Region; and

WHEREAS, the Mitigation and Planning Workgroup was provided staff support by the Central Shenandoah Planning District Commission; and

WHEREAS, the efforts of the Mitigation and Planning Workgroup, the staff of the Central Shenandoah Planning District Commission and Virginia Tech's Center for Geospatial Technology as well as members of the public, private and nonprofit sectors, have resulted in the development of a Natural Hazards Mitigation Plan for the Region.

NOW THEREFORE, BE IT RESOLVED by the Town Council of Elkton, Virginia that the Central Shenandoah Valley All Hazards Mitigation Plan dated September 2005 is hereby approved and adopted for the Town of Elkton.

Adopted by the Town Council of the Town of Elkton, Virginia this ____ day of _____, 2005.

APPROVED:

Mayor, Town of Elkton

ATTEST:

Council member Workman moved, second by Vice Mayor Snow, and carried to approve the resolution.

YEAS: J. Dean, T. Pence, S. Sigafoose, R. Snow, and P. Workman

Motion carried (5 – 0 voice vote)

Short Term Loan for Community Center Renovations

Mr. Donachy recommended a two year fixed line of credit for 3.60% as proposed by Farmers and Merchants Bank. Two years would be helpful to the Committee to establish the 501 C (3) and accept donations. The money from the County will set in a separate account and will be used to pay the interest on this loan. It was part of the collateral to obtain the short-term line of credit.

Vice Mayor Snow moved, second by Council member Dean, and carried to borrow up to 1.7 million dollars from Farmers and Merchants Bank with Option 2, as recommended by the Town Manager.

YEAS: J. Dean, T. Pence, S. Sigafoose, R. Snow, and P. Workman

Motion carried (5 – 0 roll call)

Treasurer Sipe stated it would be more convenient to make quarterly payments as opposed to monthly payments.

Charter Revisions

Tabled.

Reappropriation of Police Radio Funds – Second Reading

$25,000.00 be used to pay the first year lease agreement on three police vehicles
$12,000.00 be used for repair of Library roof
$17,000.00 be used for repair of Spring

$54,000.00 Total

Council member Dean moved, second by Vice Mayor Snow, and carried to reappropriate the funds as recommended by the Town Manager.

YEAS: J. Dean, T. Pence, S. Sigafoose, R. Snow, and P. Workman

Motion carried (5 – 0 roll call)

Council member Sigafoose will speak with another dealership.

Boundary Line Adjustments

Council member Dean moved, second by Vice Mayor Snow, and carried to approve the boundary line adjustments discussed during tonight's public hearing.

YEAS: J. Dean, T. Pence, S. Sigafoose, R. Snow, and P. Workman

Motion carried (5 – 0 roll call)

COMMITTEE REPORTS

Electric
No report.

Finance
No report.

Personnel
Town Manager's evaluations needed.

Public Health, Public Safety, and Ordinances
No report

Street and Sidewalks
No report.

Water and Sewer

Council member Dean noted the $17,000.00 reappropriated tonight for Spring repairs. He commented, "This should have been done years ago. These are the problems this Council is facing. These problems are catching up with this Town and we will have to have the backbone and money to fix them."

Recreation

Council member Workman reported that the Recreation Commission is studying the equipment needs in the Park, either repairs or replacement.

Planning Commission

Mr. Donachy reported the Commission has full membership and they have been very active.

Cemetery Commission

Dogs running loose in the Cemetery have become a problem. A meeting to review/change the bylaws will be forthcoming.

Charter Revision Committee
No report.

Park Authority
No report.

Economic and Community Development Committee

Mr. Donachy stated invitations were sent to each Committee Chair and it was his/her responsibility to get the information to the members regarding the groundbreaking ceremony at the Community Center. Ms. Burner said she sent 81 invitations.

Elkton Area Community Center Committee
No report.

TOWN ATTORNEY

Closed session needed to discuss Angler contract.

Meetings

December 13 – Committee Meetings
December 19 – Council Meeting

Council member Workman recognized the Spotswood High School Cheerleaders for capturing first in District, second in Regional, and second in State competitions.

Closed Session

Council member Dean moved, second by Council member Pence, and carried to go into closed session under Virginia code 2.2-3711 to discuss real property.

YEAS: J. Dean, T. Pence, S. Sigafoose, R. Snow, and P. Workman

Motion carried (5 – 0 roll call)

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. Council member Pence duly seconded the motion.

YEAS: J. Dean, T. Pence, S. Sigafoose, R. Snow, and P. Workman

Motion carried (5 – 0 roll call)

Hastings Property

Council member Dean moved, second by Vice Mayor Snow, and carried to approve the Hastings' Agreement as presented by Attorney Miller.

YEAS: J. Dean, T. Pence, S. Sigafoose, R. Snow, and P. Workman

Motion carried (5 – 0 roll call)

As there was no further business, the meeting was adjourned.

Mayor: _____
Wayne E. Printz, Mayor

Recorder: _____
Richard D. Carey, Clerk