TOWN OF ABINGDON
REGULAR COUNCIL MEETING
MONDAY, MAY 2, 2016 – 7:30 PM
COUNCIL CHAMBERS – MUNICIPAL BUILDING

A Regular meeting of the Abingdon Town Council was held on Monday, May 2, 2016 at 7:30 p.m. in the Council Chambers of the Municipal Building.

A. Welcome by Mayor Morgan

B. ROLL CALL

Members of Council Present:
Edward B. Morgan, Mayor
Mrs. Cathy Lowe, Vice Mayor
Mr. Richard E. Humphreys
Mr. Robert M. Howard
Mrs. Jayne A. Duehring

Administrative/Town Staff:
Gregory W. Kelly, Town Manager
Cecile Rosenbaum, Assistant Town Manager
Tonya Triplett, Deputy Clerk
Deb Icenhour, Town Attorney
Matthew Johnson, Director of Planning
John Dew, Dir. Of Construction/Public Services
Tony Sullivan, Police Chief
Kevin Costello, Director of Tourism & Economic Development
C.J. McGlothlin, IT Department
Kevin Sigmon, Town Arborist

Visitors:
Jim Moore, Stephen Jett, Doc O'Neal, Barry Proctor, Joe & Donna LeVine, Nan Harmon, Cindy Patterson, Rich Macbeth, and others

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Morgan

D. APPROVAL OF MINUTES

- April 4, 2016 Work Session Meeting
- April 4, 2016 Regular Meeting
- April 11, 2016 Work Session Meeting
- April 20, 2016 Work Session Meeting

Mrs. Lowe stated that under the Consideration of Any Bids for paving at the April 4, 2016 Regular Meeting she had asked if the low bid was the best bid.

On motion by Mrs. Lowe, seconded by Mr. Howard, the Council approved the

April 4 and April 11, 2016 Work Session Meeting minutes as presented and the minutes of the April 4, 2016 Regular Meeting with correction in the Consideration of Any Bids to include Mrs. Lowe asked if the low bid was the best bid.

The roll call vote was as follows:

Mrs. Duehring	**Aye**
Mr. Howard	**Aye**
Mr. Humphreys	**Aye**
Mrs. Lowe	**Aye**
Mayor Morgan	**Aye**

On motion by Mr. Humphreys, seconded by Mrs. Lowe, the Council approved the April 20, 2016 Work Session Meeting minutes as presented.

The roll call vote was as follows:

Mrs. Duehring	**Aye**
Mr. Howard	**Abstained** ***(He was not present at the April 20, 2016 meeting)***
Mr. Humphreys	**Aye**
Mrs. Lowe	**Aye**
Mayor Morgan	**Aye**

E. EMPLOYEE RECOGNITIONS

Mr. Kelly, Town Manager recognized James Carey, Environmental Coordinator at the Wolf Creek Water Reclamation Facility for twenty-five (25) years of service.

F. PETITIONS, PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

1. **Ordinance Of The Council Of The Town of Abingdon, Virginia Proposing A Budget For The Town of Abingdon, Virginia And To Make Appropriation For The Current Expenses Of The Town And To Fix A Tax Rate Upon Real And Personal Property, To Fix All Other Local Tax Rates and Fees and Rates on Utility Services For The Fiscal Year Beginning July 1, 2016 And Ending June 30, 2017.**

Greg Kelly, Town Manager reviewed the Ordinance Of The Council Of The Town of Abingdon, Virginia Proposing A Budget For The Town of Abingdon, Virginia And To Make Appropriation For The Current Expenses Of The Town And To Fix A Tax Rate Upon Real And Personal Property, To Fix All Other Local Tax Rates and Fees and Rates on Utility Services For The Fiscal Year Beginning July 1, 2016 And Ending June 30, 2017. Mr. Kelly stated the general fund budget is balanced and includes an increase in cigarette tax from .10 per pack to .25 per pack. All others taxes will remain the same, with the exception of personal property, which will decrease from .68 to .56 and will be consistent with the county rate. $375,000, previously budgeted for and a match for grant funds, has been transferred from reserves and will be used for work that will take place next year on the Urban Path and Virginia Creeper Trail projects. All

departments contingency lines were reduced by 50% and all travel was cut by 1/3. The sewer fund is balanced, no general fund money was used to operate the sewer and no rate increases are expected.

Mrs. Lowe inquired about the sewer funds ability to repay the general fund for money borrowed over several years. Mr. Kelly stated the sewer fund may be positioned to pay back money borrowed from the general fund in the next couple of years and that the money collected from the sewer fund would be placed in the general fund reserves.

Mr. Kelly stated the general fund budget shows a 4.5% decrease in expenditures and includes a 2% pay increase for all town employees except Town Council members and Council appointees, who will not receive an increase.

Mayor Morgan declared the public hearing open and asked if anyone had comments.

Hearing none, Mayor Morgan declared the public hearing closed.

The budget will be on the June 6, 2016 agenda for the second reading.

2. **Public Hearing on proposed rezoning Jesse L. and Lisa D. Owens, owners. Application to rezone property located at 325 Cummings Street, consisting of .33 acres, from O & I, Office and Institutional to B -2, General Business District. Tax Map No. 020-2-14.**

Matthew Johnson, Director of Planning reviewed the application and reported that the Planning Commission unanimously voted to recommend denial of the request. Mr. Johnson reported that no new businesses were being added to the area and that the applicant is seeking rezoning in order to obtain greater signage allowance.

Mrs. Lowe inquired if a sign variance could be allowed. Mr. Johnson reported the size of a sign does not qualify for a variance.

Mayor Morgan declared the public hearing open and asked if anyone had comments.

Jesse Owens, 165 Longview Drive stated a tenant of his 325 Cummings Street property would like to add additional signage that would be visible from Main Street and the Abingdon Farmers Market. Mr. Owens also stated his and one other privately owned property are the only two properties between Main and I- 81 that are not zoned B-2.

Mrs. Duehring questioned why it was not zoned B-2. Mr. Humphreys stated that when he owned the property he also tried to get it rezoned, but was denied. There was opposition from residents on Bradley Street, who wanted their neighborhood protected from retail establishments like gas stations. However, the property was allowed to use a Cummings Street address though the entrance faces Bradley Street.

Mayor Morgan declared the public hearing closed.

Mayor Morgan suggested it may be time to revisit the sign ordinance.

On motion by Mr. Humphreys, seconded by Mr. Howard, the Council denied the proposed rezoning request from Jesse L. and Lisa D. Owens, owners of property located at 325 Cummings Street, consisting of .33 acres, from O & I, Office and Institutional to B -2, General Business District. Tax Map No. 020-2-14, supporting the Planning Commission recommendation.

The roll call vote was as follows:

Mrs. Duehring	**Aye**
Mr. Howard	**Aye**
Mr. Humphreys	**Aye**
Mrs. Lowe	**Aye**
Mayor Morgan	**Aye**

G. SECOND READINGS OF ORDINANCES – None.

H. CONSIDERATION OF ANY BIDS – None.

I. REPORTS FROM THE TOWN MANAGER - ***Greg Kelly, Town Manager***

1. Authorization for Town Manager to sign off on boundary line adjustment for Marathon Realty/Town of Abingdon property 021-1-5B (Marathon) and 105-A-39 (Town of Abingdon).

Matthew Johnson, Director of Planning reviewed the boundary line adjustment for Marathon Realty (021-1-5B) and Town of Abingdon (105-A-39). Mr. Johnson explained the adjustment is almost the same amount of acreage but would allow better separation, a better site line, a better entry and would move the property line an additional 164 feet away from the house. Mr. Johnson also explained the Town Manager has the authority to sign off on a boundary line adjustment, but because this adjustment involves town property, Council will need to authorize Mr. Kelly to act on behalf of the town. The boundary line adjustment will require rezoning.

On motion by Mr. Humphreys, seconded by Mrs. Lowe, the Council authorized Greg Kelly, Town Manager to sign off on the boundary line adjustment for Marathon Realty/Town of Abingdon property 021-1-5B (Marathon) and 105-A-39 (Town of Abingdon)

The roll call vote was as follows:

Mrs. Duehring	**Aye**
Mr. Howard	**Aye**
Mr. Humphreys	**Aye**
Mrs. Lowe	**Aye**
Mayor Morgan	**Aye**

2. Consideration of financial policies for adoption by Town Council.

Greg Kelly, Town Manager reviewed the draft copy of the Financial Policy Guidelines which was recommended during the bond process by our financial consultants, Davenport and Company, as well as the two bonding agencies, Moody's and Standard & Poor's. Moody's has given the top rating for a town of our size, with the understanding that financial policy guidelines will be adopted. S&P has reserved their rating until the polices are adopted. The policy is not adding anything that we are not already doing, it is just formalizing and solidifying policies. The purpose of the guidelines is to enhance short and long term financial credit ability by helping to achieve the highest credit and bond ratings possible, promote long term financial stability and provide framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.

Mayor Morgan inquired if the annual audit would reflect compliance with these policies and if the auditor would report if we are being consistent with the policies.
Mr. Kelly stated that is correct. The debt policy states the debt capacity should not be more than 2% of revenues. The town has very little debt, less than ½ a percent, and if the town borrows on the maximum amount for the Meadows project the town would still be below 2% of our debt capacity. The reserve policy states the town will maintain a minimum unassigned fund balance of $5,000,000. If the fund should drop below $5,000,000 the town will adopt a plan to restore the fund to the $5,000,000 within a 36-month period.
Mr. Kelly reported that no CDs have been cashed in that have not been reinvested, since he has been town manager.

Mayor Morgan found it interesting that the bonding agencies consider real estate taxes to be solid and collectible, while meals and lodging taxes may vary with the economy.
Mrs. Lowe stated it was a great experience to have town finances evaluated by financial experts, for those experts to review all of our information and then give the town a wonderful rating.

On motion by Mrs. Lowe, seconded by Mr. Howard, the Council adopted the Financial Policies Guidelines as presented.

The roll call vote was as follows:

Mrs. Duehring	**Aye**
Mr. Howard	**Aye**
Mr. Humphreys	**Aye**
Mrs. Lowe	**Aye**
Mayor Morgan	**Aye**

3. **Consideration of dates for Town Council Strategic Planning Retreat.**

Council did not act on consideration of dates for Town Council Strategic Planning Retreat.

4. **Authorization of Town Manager to enter into a contract for auditing services.**

Chuck Banner, Director of Finance requested authorization to enter into a contract for

auditing services. The contract is for three (3) years, 2016-18 and two (2) subsequent years after that. The firm Mr. Banner would like to recommend after an extensive RFP process is Brown Edwards and Company. Brown Edwards can meet the town's deadlines and are within the town's budget requirements.

Mrs. Lowe stated this is the third layer of protection.
Mr. Banner stated the town has a firm who provides write up services and prepares draft financial statements that the auditors review.
Mrs. Duehring inquired what metrics were use during the RFP process.
Mr. Banner stated metrics included: skill, experience and training of personnel performing the audit, prior experience and reputation, references from other local governments and the ability to complete the audit by the November 30th deadline.

On motion by Mrs. Lowe, seconded by Mrs. Duehring, the Council accepted the bid from Brown Edwards and Company for auditing services for three years, 2016-18, with two consecutive years and authorized Greg Kelly, Town Manager to execute all the necessary documents.

The roll call vote was as follows:

Mrs. Duehring	**Aye**
Mr. Howard	**Aye**
Mr. Humphreys	**Aye**
Mrs. Lowe	**Aye**
Mayor Morgan	**Aye**

J. RESOLUTIONS - None.

K. OLD BUSINESS– None.

L. MATTERS NOT ON THE AGENDA

M. APPOINTMENTS TO BOARDS AND COMMITTEES - None.

N. COUNCIL MEMBER REPORTS

- Mr. Humphreys inquired about the whereabouts of Bradley's Mill millstone that was at the water treatment plant for several years. Mr. Kelly stated there is a millstone in the park across from the post office that could possibly be the millstone Mr. Humphreys is inquiring about.

  Mr. Humphreys thanked Rich Macbeth, along with 42 people from his church and scout group, who cut trees, cut and split wood, restacked the fence, and planted flowers at the Muster Grounds for a community service day in April. Mr. Macbeth stated about 210 hours of volunteer time spent at the Muster Grounds.

- Mayor Morgan thanked Mr. Dew, his department and Melonie Carter, the consultant working on the Wolf Creek Restoration Project at the Muster Grounds. Mayor Morgan encouraged everyone to visit the Muster Grounds and observed the stream

restoration project.

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Edward B. Morgan, Mayor

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Tonya Triplett, Deputy Town Clerk