

June 20, 2016

**TOWN OF ABINGDON
RECESSED COUNCIL MEETING
MONDAY, JUNE 20, 2016 – 6:00 P.M.
COUNCIL CHAMBERS - MUNICIPAL BUILDING**

A recessed meeting of the Abingdon Town Council was held on Monday, June 20, 2016 at 6:00 p.m. in the Council chambers of the Municipal Building.

A. Welcome by Mayor Morgan

B. Roll Call – Cecile Rosenbaum, Town Clerk

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

Absent: Mrs. Cathy Lowe, Vice Mayor

Administrative/Town Staff: Gregory W. Kelly, Town Manager
Cecile Rosenbaum, Clerk/Int. Asst. Town Manager
Deb Icenhour, Town Attorney
Chuck Banner, Dir. of Finance
Tony Sullivan, Chief of Police
Jon Phelps, Dir. of IT

Visitors: Webster Day, Esq., Jimmy Sanderson, Esq.

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**C. PUBLIC HEARING**

1. **Public Hearing – Issuance of Bonds** – The Council of the Town of Abingdon, Virginia will hold a public hearing on the proposed issuance of bonds by the Town of Abingdon at one time or from time to time. The estimated maximum amount of the bonds is \$10,000,000. More than 10 percent of the total bond proceeds is expected to be used for each of the following proposed uses: (a) to pay costs of developing and constructing a public sports and recreation complex (b) to pay costs of capital improvements to roads, storm drains, and other infrastructure of the Town and (c) to pay costs of renovating certain historic landmarks, structures or buildings of the Town.

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Greg Kelly, Town Manager provided a summary of the issue before Council for consideration relative to the issuance of bonds not to exceed \$10M for the purpose of developing a sports and recreation complex, development of infrastructure surrounding the sports complex and commercial development sites, and for the renovation of currently town owned historic properties. Mr. Kelly noted that the town had recently received the highest bond rating available to a locality of the town's size and economic tax base from Standard & Poore's and commented that the town was well positioned financially for the bond financing. Mr. Kelly further noted that the revenue projections from the commercial development, estimated at a conservative 65%, would be more than adequate to pay the debt service on the bond. Mr. Kelly also commented that the town had received VDOT revenue sharing funds for the project which would be used on the infrastructure.

Mayor Morgan commented that the initial funds would be in the form of a line of credit and drawdowns of the money would only occur after Council approval.

Jimmy Sanderson with Davenport & Associates came before Council to comment on the town's bond rating process. Mr. Sanderson commented on the ratings received from both Moody's and Standard & Poore's and noted that the town was in excellent financial condition to secure the bond before Council for consideration. Mr. Sanderson explained that the town received a total of four (4) proposals from banking institutions and that Carter Bank provided the best rate at 1.4% for five (5) years and recommended that Council select their proposal for the bond issuance. Mr. Sanderson noted that the loan carries no penalties for unused balance, no penalty for early payoff, and interest is paid only on the amount of monies currently drawn on the loan.

Mr. Humphreys noted that the town only needed 55% of the projected revenues from the commercial development to in effect "break even" on the project.

Mayor Morgan declared the public hearing open.

Mayor Morgan noted that county resident, Anthony Flaccavento had provided a letter in opposition to the bond issuance and each member of Council had been provided a copy.

The following citizens spoke in opposition to the issuance of the bonds:

- Wayne Craig, 204 Glenrochie Drive, Abingdon
- Cindy Patterson, 410 Green Spring Road, Abingdon
- Jim Moore, 133 College Street, Abingdon
- Stephen Jett, 333 Court Street, Abingdon
- Donna LeVine, 350 Green Spring Road, Abingdon

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- Joe LeVine, 350 Green Spring Road, Abingdon
- Deborah Meacham, 262 Church Street, Abingdon
- Niota Hensley, 941 Maiden Street, Abingdon
- Anita Manuel, 320 Maiden Street, Abingdon
- Janan Hurst, 185 Longview Drive, Abingdon
- Rudy Flora, 185 Longview Drive, Abingdon
- Barry Proctor, 927 Woodlawn Terrace, Abingdon
- Deron Ernst, 23485 Walden Road, Abingdon
- Bob Trevorrow, 148 Stonewall Heights
- Nick Proctor, 11092 Treeline Drive, Abingdon

Hearing no further comments, Mayor Morgan closed the public hearing.

Greg Kelly, Town Manager commented that bond counsel, Webster Day had provided a resolution for Council's consideration that would authorize the borrowing of the funds for the bond issuance and further authorize him as Town Manager to sign the necessary paperwork for completion of the transaction.

On motion of Mr. Howard, seconded by Mrs. Duehring, the Council approved the following Resolution as presented:

**RESOLUTION GIVING FINAL AUTHORIZATION FOR THE ISSUANCE OF A GENERAL OBLIGATION BOND IN A PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000**

On June 6, 2016, the Town Council of the Town of Abingdon (the "Council") adopted a resolution entitled "RESOLUTION OF THE COUNCIL OF THE TOWN OF ABINGDON AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION BOND IN A PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT OF THE BOND AND AUTHORIZING CERTAIN RELATED ACTIONS" (the "Authorizing Resolution").

Section 15.2-2606 of the Public Finance Act of 1991 requires the governing body of a locality to hold a duly noticed public hearing on the proposed issuance of obligations before final authorization of the issuance of any obligations of the locality for the payment of money.

On June 20, 2016, the Council held a duly noticed public hearing on the proposed issuance of the bond authorized by the Authorizing Resolution, in accordance with Section 15.2-2606 of the Public Finance Act of 1991.

**BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF ABINGDON:**

1. The foregoing recitals are made a part of this resolution.

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2. The Council confirms the Authorizing Resolution and gives final authorization for the issuance of the bond in accordance with the terms of the Authorizing Resolution.

3. This resolution shall take effect immediately upon its adoption.

4. The Clerk is authorized and directed to see to the prompt filing of a certified copy of this resolution with the Circuit Court of Washington County, Virginia, pursuant to Section 15.2-2607 of the Public Finance Act of 1991.

- Mr. Humphreys commented about his service as a Council member and importance of conducting the town's business.
- Mrs. Duehring commented she leaves her Council seat with no regrets about the decisions she has made as an elected official and noted that those who spoke during the public comment section of the meeting represent only a small portion of town residents.
- Mr. Howard confirmed his years of support for the sports complex project.
- Mayor Morgan read a statement from Vice Mayor Lowe confirming her support for the sports complex project.
- Mayor Morgan confirmed his support for the project and noted his continued concerns relative to providing adequate police and fire protection for town residents.

**The roll call vote was as follows:**

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|----------------------|------------|
| <b>Mr. Howard</b>    | <b>Aye</b> |
| <b>Mr. Humphreys</b> | <b>Aye</b> |
| <b>Mrs. Duehring</b> | <b>Aye</b> |
| <b>Mayor Morgan</b>  | <b>Aye</b> |

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2. Authorization of Town Manager to enter into a contract for the purpose of contracting auctioneering services of town owned property located at Harmony Hills Lane, Lot #5, parcel #086-12-5.

Deb Icenhour, Town Attorney commented that Council had directed that staff explore the auction/sale of town owned property Lot #5, parcel #086-12-5 on Harmony Hills Lane. Ms. Icenhour reported that she had received two (2) proposals to conduct the auction of the property and recommended that the Council authorize the Town Manager to enter into a contract with Counts Auction to conduct the auction/sale.

On motion of Mr. Humphreys, seconded by Mr. Howard, the Council authorized Greg Kelly, Town Manager to enter into a contract with Counts Auction for the purpose of contracting auctioneering services of town owned property located at Harmony Hills Lane, Lot #5, parcel #086-12-5.


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The roll call vote was as follows:

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

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Mayor Morgan declared the meeting adjourned.

  
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Cecile M. Rosenbaum, Town Clerk

  
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Edward B. Morgan, Mayor  
Cathy C. Lowe