



**TOWN OF ABINGDON, VIRGINIA  
TOWN COUNCIL MID-MONTH MEETING  
THURSDAY, NOVEMBER 18, 2021 – 2:30 pm  
ARTHUR CAMBELL ROOM – TOWN HALL**

**DRAFT AGENDA**

*Please note there will be an opportunity during the meeting for citizens to address the Town Council when the Mayor declares public comments open. We request that anyone addressing the Council, sign up, approach the podium when called, state your first and last name, and provide your complete mailing address.*

- A. WELCOME – Mayor Webb**
- B. ROLL CALL – Kim Kingsley, Clerk**
- C. PLEDGE OF ALLEGIANCE – Councilmember Mike Owens**
- D. APPROVAL OF AGENDA – Mayor Webb**
- E. PUBLIC COMMENTS** – Please place your name on the sign-up sheet provided and comments are limited to three (3) minutes per person.
- F. PUBLIC HEARING -** Please place your name on the sign-up sheet provided and comments are limited to five (5) minutes per person.
- G. PROCLAMATIONS**
- H. NEW BUSINESS**
  - 1. Discussion regarding advisory boards and commissions – *James Morani, Town Manager*
- I. RESOLUTIONS**
- J. FIRST READING OF ORDINANCES**
- K. UNFINISHED BUSINESS**
- L. MISCELLANEOUS BUSINESS AND COMMUNICATIONS FROM TOWN MANAGER**
  - 1. Presentation of quarterly financial reports – *Steve Trotman, Director of Finance*
  - 2. Discussion regarding Memorandum of Understanding between Enhance Abingdon Foundation, Inc. and Town of Abingdon, Virginia and by-laws of Enhance Abingdon Foundation, Inc.. – *James Morani, Town Manager*
  - 3. Discussion regarding the Train Depot – *Tonya Triplett, Asst. Town Manager/Director of Economic Development & Tourism*
  - 4. Discussion regarding Council meeting dates for January – July, 2022 – *James Morani, Town Manager*
- M. COUNCIL MEMBER REPORTS**
- N. CLOSED SESSION**
- O. ADJOURN**



# TOWN OF ABINGDON Financial Report



November 18, 2021



# CASH & INVESTMENT BALANCES



GF/SEWER OPERATING	\$ 4,310,274.95	UNRESTRICTED	\$ 10,486,987.79
GF - RESTRICTED	\$ 71,551.50	RESTRICTED	\$ 5,601,292.99
GF SAVINGS	\$ 4,963,052.05		<b>\$ 16,088,280.78</b>
SEWER RESTRICTED	\$ 345,151.18		
SEWER SAVINGS	\$ 1,213,660.79		
ARPA	\$ 4,084,539.23		
CEMETERY FUND	\$ 28,216.10		
SNAP BOND FUNDS	\$ 1,071,834.98		
	<b>\$ 16,088,280.78</b>		



# FY22 GENERAL FUND - Revenue by Source



REVENUE BY SOURCE			
	ANTICIPATED	YTD	%
TAXES	\$ 7,692,366	\$ 2,748,320	36%
PERMITS & FEES	\$ 229,000	\$ 68,177	30%
BUSINESS LICENSES	\$ 1,387,500	\$ 2,846	0%
FINES & PENALTIES	\$ 82,000	\$ 26,100	32%
SERVICES	\$ 559,650	\$ 214,318	38%
RECREATION	\$ 247,500	\$ 87,247	35%
GRANTS	\$ 3,616,316	\$ 786,589	22%
OTHER	\$ 790,869	\$ 21,334	3%
TRANSFERS - RESERVES	\$ 1,162,967	\$ -	0%
	<b>\$15,768,168</b>	<b>\$3,954,931</b>	<b>25%</b>



# ECONOMICALLY SENSITIVE TAXES



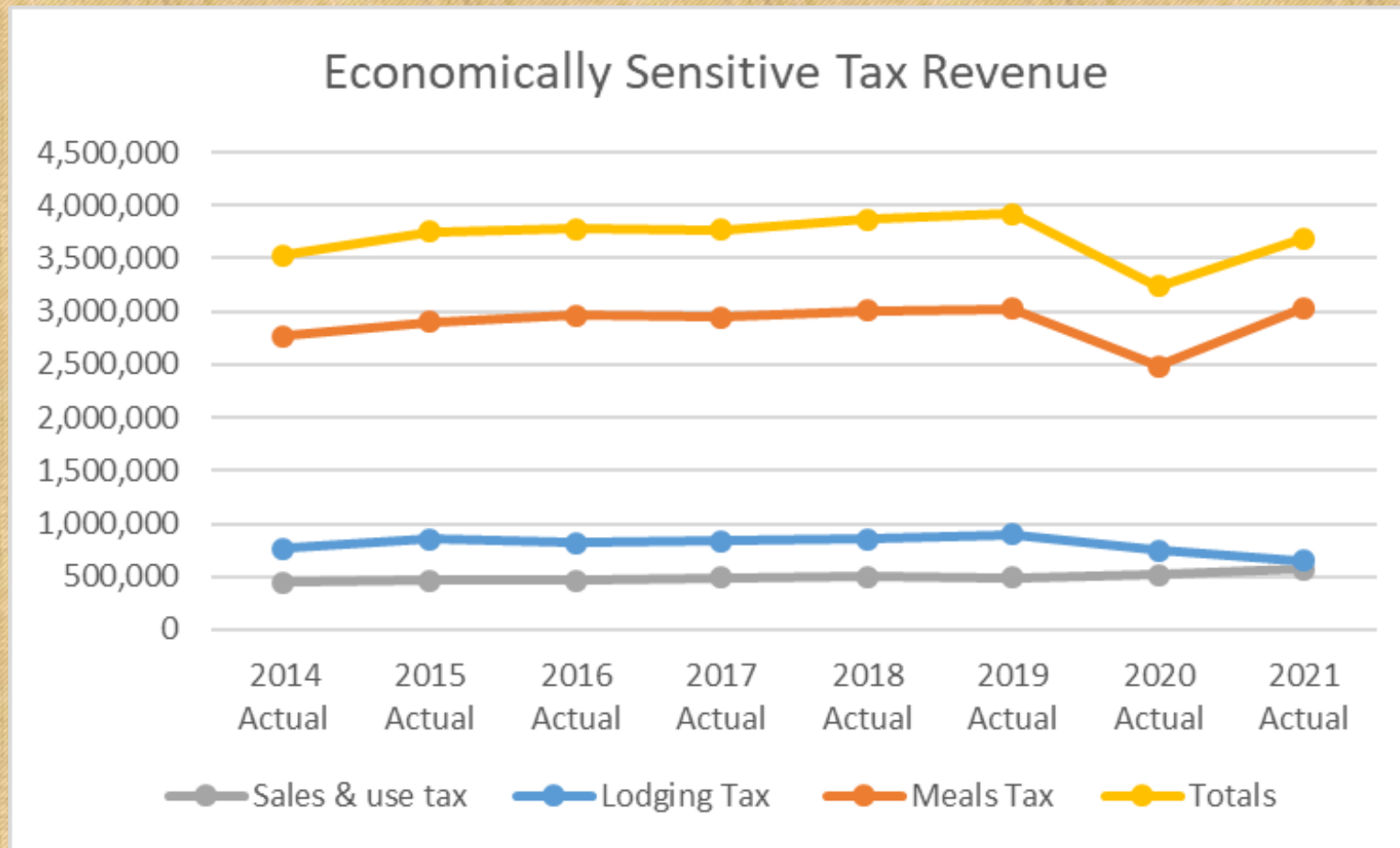
Revenue	FY21 Thru 10/2021	FY22 Thru 10/2021	FY21 Variance	FY21 %
Local Sales & Use Taxes	180,617	207,042	26,425	14.6%
Lodging Taxes	209,121	390,281	181,160	86.6%
Meals Taxes	966,910	1,270,434	303,524	31.4%
<b>Totals</b>	<b>1,356,649</b>	<b>1,867,757</b>	<b>511,108</b>	<b>37.7%</b>

Revenue	FY22 Projected	FY22 Actual	Pro rata % Real
Local Sales & Use Taxes	525,000	207,042	118.3%
Lodging Taxes	600,000	390,281	195.1%
Meals Taxes	2,996,056	1,270,434	127.2%
<b>Totals</b>	<b>4,121,056</b>	<b>1,867,757</b>	<b>136.0%</b>



# ECONOMICALLY SENSITIVE TAXES

## HISTORICAL TREND





# FY22 GENERAL FUND - YTD Expenditures



	BUDGET	YTD ACTUAL	PRO RATA BDGT	VARIANCE
<b>SALARIES/BENEFITS</b>	\$ 6,979,101	\$ 2,072,513	\$ 2,326,367	\$ 253,854
<b>OPERATIONS</b>	\$ 3,639,797	\$ 1,151,381	\$ 1,213,266	\$ 61,885
<b>REPAIR &amp; MAINTENANCE</b>	\$ 2,884,365	\$ 52,104	\$ 961,455	\$ 909,351
<b>CAPITAL OUTLAY</b>	\$ 139,665	\$ 48,310	\$ 46,555	\$ (1,755)
<b>CONTINGENCY</b>	\$ 16,900	\$ 2,201	\$ 5,633	\$ 3,433
<b>DEBT SERVICE</b>	\$ 1,097,635	\$ 349,668	\$ 365,878	\$ 16,211
<b>TRANSFERS</b>	\$ 968,205	\$ 4,075,190	\$ 322,735	\$ (3,752,455)
<b>NON</b>	\$ 42,500	\$ 10,558	\$ 14,167	\$ 3,609
	<b>\$ 15,768,168</b>	<b>\$ 7,761,924</b>	<b>\$ 5,256,056</b>	<b>\$ (2,505,868)</b>



# FY22 WASTEWATER FUND - Revenue by Source



REVENUE BY SOURCE			
	BUDGET	YTD ACTUAL	%
OTHER	\$ 16,710.00	\$ 76,658.46	459%
SERVICE	\$ 3,473,898.00	\$ 1,139,472.95	33%
PENALTY	\$ 50,000.00	\$ 18,756.66	38%
RESERVES	\$ 1,228,666.00	\$ -	0%
	<b>\$ 4,769,274.00</b>	<b>\$ 1,234,888.07</b>	<b>26%</b>



# FY22 WASTEWATER FUND - YTD Expenditures



	BUDGET	YTD ACTUAL	PRO RATA BDGT	VARIANCE
<b>SALARIES/BENEFITS</b>	\$ 1,754,529.00	\$ 511,570.74	\$ 584,843.00	\$ (73,272.26)
<b>OPERATIONS</b>	\$ 583,765.00	\$ 209,000.08	\$ 194,588.33	\$ 14,411.75
<b>REPAIR &amp; MAINTENANCE</b>	\$ 110,500.00	\$ 18,505.77	\$ 36,833.33	\$ (18,327.56)
<b>CONTINGENCY</b>	\$ -	\$ -	\$ -	\$ -
<b>CAPITAL OUTLAY</b>	\$ 1,592,165.00	\$ 37,307.20	\$ 530,721.67	\$ (493,414.47)
<b>DEBT SERVICE</b>	\$ 728,315.00	\$ 347,925.41	\$ 242,771.67	\$ 105,153.74
	<b>\$ 4,769,274.00</b>	<b>\$1,124,309.20</b>	<b>\$ 1,589,758.00</b>	<b>\$ (465,448.80)</b>



# FY22 ARPA & CIP FUNDS



	REVENUE		
	FY 22 ANTICIPATED	YTD ACTUAL	%
<b>CIP Fund</b>	\$ 7,556,105	\$ 4,075,190	54%
<b>ARPA Fund</b>	\$ 4,081,156	\$ 2,572	0%
	<b>\$ 11,637,261</b>	<b>\$ 4,077,762</b>	<b>35%</b>

	EXPENDITURES		
	FY 22 BUDGET	EXPENDED YTD	%
<b>CIP Fund</b>	\$ 7,556,105.00	\$ 4,096,372.01	54%
<b>ARPA Fund</b>	\$ 4,081,156.00	\$ 876,299.00	21%
	<b>\$11,637,261.00</b>	<b>\$ 4,972,671.01</b>	<b>43%</b>



# Questions





**Memorandum of Understanding between the  
Town of Abingdon, Virginia ("Town") and  
Enhance Abingdon Foundation, Inc. ("Foundation")**

**This Memorandum of Understanding** (the "MOU") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021, between the Town and the Foundation (collectively the "Parties").

**RECITALS**

**WHEREAS**, the Town is a municipality in the Commonwealth of Virginia; and

**WHEREAS**, Foundation, is a private non-profit corporation organized under Virginia's non-profit corporation statute for the express purpose of enhancing the health, education, and quality of life for Abingdon residents and visitors by: (1) promoting the Town's parks, historical properties, and recreational activities, (2) providing opportunities for partnerships with other community organizations to support the Town's parks, historical properties, and recreational activities, (3) raising funds to support parks, historical properties, and recreational programs offered by the Town of Abingdon; and

**WHEREAS**, Foundation currently holds tax-exempt status from the Internal Revenue Service under Section 501(c)(3) of the United States Internal Revenue Code; and

**WHEREAS**, the Town and Foundation want to formalize the relationship between the Town and the Foundation by setting forth a series of mutual expectations; and

**NOW THEREFORE**, in consideration of the mutual covenants, promises and commitments herein, and parties agree as follows:

**PURPOSE**

The purpose of this MOU is to establish a general framework for cooperation and collaboration between the Town and the Foundation. It will assist in defining the relationship between the Parties in order to ensure that the goals of each are accomplished in a mutually supportive way.

**TERM**

This agreement will remain active for the three (3) years from the date signing this agreement, and may be is renewed for additional three (3) year terms by mutual written agreement of the Parties, and requiring formal action by both the Foundation Board and the Town Council.

**GUIDING PRINCIPLES**

The guiding principles and assumptions for this agreement are as follows:

- The Foundation exists to support Abingdon's historical properties, parks, trails, and open spaces by raising donations and encouraging civic engagement in alignment with Town priorities.
- The Foundation is therefore to act as a philanthropic partner for the Town's historical properties, parks, trails, and open spaces. This relationship is formalized through the adoption of operating agreements and procedures. Both Parties will work collaboratively to develop shared philanthropic priorities.
- The Foundation, although affiliated with the Town by its purpose, is an independent corporate entity.



- The Foundation's fundraising begins with a shared dedication to enhancing the health, education, and quality of life for Abingdon residents and visitors by sustaining and enhancing our historical properties, parks, trails, recreational activities, and to promote the economic well-being of our Town.
- To fulfill its mission, the Foundation is both a fundraising and a grant-making organization.
- To create a private donor base for historical properties and public parks, the Foundation creates connections among the foundation, the Town, private funders, businesses, and community members and organizations.
- The Parties are committed to promoting equity through parks and programming, cognizant of geographic, socioeconomic, demographic, cultural, physical ability, and population density realities.
- The Parties will strive for mutual transparency in fundraising efforts to the greatest feasible extent, including prospects, potential proposals and agreements. Each recognizes that safeguarding donors' privacy may be essential in any given case to build trusting relationships, and at the same time will encourage donors to view both organizations as trustworthy partners.
- The Parties will strive for mutual transparency in their financial condition and issues, as such issues may influence the positions or priorities that each adopts.
- The Parties will jointly develop annual development plans that assign clear responsibility and accountability, which avoid duplication of effort, and which avoid competition for the same dollars, focused instead on the growth of funding opportunities.
- The Parties acknowledge that the Foundation will serve as an additive funder for Abingdon's historical properties, parks, trails, and open spaces rather than supplanting existing Town funding obligations.

#### **RELATIONSHIP BETWEEN THE TOWN AND THE FOUNDATION**

The Foundation Board of Trustees agree to work with Town staff in support of their priorities.

The Town agrees to encourage and maintain the independence of the Foundation and, at the same time, foster the cooperative relationship between the Town and the Foundation.

The Foundation agrees to cooperate with Town staff to allow the Town to monitor the relationship between the Town and the Foundation.

An employee of the Town holding a position of director-level or above shall be a voting member of the Foundation's governing board.

Funds or gifts to the Foundation shall be owned by the Foundation and shall be maintained and/or distributed for the Town's benefit as determined by the Foundation Board. All funds received by the Foundation for Foundation purposes shall be maintained in accounts that are separate from Town accounts, and Foundation and Town funds shall in no event be intermingled. The Foundation Treasurer shall be responsible for complete and accurate record-keeping regarding all Foundation receipts and expenditures.

The Foundation agrees in the exercise of all its functions and activities to act consistently with all pertinent Town policies.

In all necessary cases, the Town agrees to seek and obtain historical preservation approval for physical improvement projects that involve Foundation funding.



The Town and Foundation agree that, as separate corporate entities, each is responsible for any liabilities and costs arising from its own action(s) and/or inaction(s), and for procuring its own insurance(s) for such liabilities and costs in policy amounts as each deems prudent.

The Parties will discuss and agree on a project-by-project basis if either party identifies a compelling reason to deviate from the general approach outlined in this document; further, the Parties recognize that there may be a compelling reason to adopt additional agreements for specific projects on which they might collaborate.

### **FUNDRAISING EXPECTATIONS**

The Town shall typically accept grants from state or federal agencies, gifts of real estate or other property, and gifts in-kind of equipment and supplies intended for Town use.

The Foundation shall typically accept private philanthropic financial donations and restricted or unrestricted gifts intended for endowment or capital use.

The Foundation shall provide the Town with a summary report of gifts received upon request.

The Foundation agrees to seek approved types of gifts that can benefit the Town's historical properties, recreational activities, parks, trails, and open spaces, and coordinate with the Town regarding funding goals, programs or campaigns.

The Foundation agrees, before accepting gifts with any restrictive terms or conditions or gifts of real estate or equipment, to confer with Town, and the Foundation and Town both agree to advise donors that a restricted gift for the benefit of the Town may not be accepted without Town and Foundation approvals.

The Parties will work to streamline internal processes to ensure prompt and relevant support for each other's fundraising efforts to further mutual effectiveness.

### **FUNDING EXPECTATIONS OF THE FOUNDATION**

While there is an MOU that the Foundation exists to partner with the Town in support of Abingdon's historical properties, recreational activities, parks, trails and open spaces, the Town does not exercise the authority to obligate the projects that the Foundation chooses to fund, as the Foundation is an independent corporation.

The Parties acknowledge that the Foundation plans to fund specific projects that are priorities of the Town, and that funding may also be used for general maintenance expenses of the Town's historical properties, parks, trails and open spaces.

The Parties acknowledge that the Foundation will be an additive funder rather than supplanting existing Town funding obligations and that, if there is a time in the future when it appears that the Town does not ensure that the Foundation's funding is additive, this would be grounds for the Foundation to reconsider this agreement with the Town.

The Foundation's spending policy will be established subject to the approval of the Foundation's Board of Trustees.

The Parties understand that the Foundation will transfer funds that are under its control to the Town when there is agreement about the intention of how these funds are to be used. The Town will use these funds in accordance with this MOU and provide the Foundation timely accounting and reporting on the expenditure of these funds. If the Town is unable to use all of the funds for the stated purposes, it will return the remaining



funds to the Foundation.

The Foundation agrees to receive sign-off from the Town Manager prior to applying for or accepting funds intended to be used toward physical improvements of Town-owned property.

The Foundation agrees to receive sign-off from the Town Manager prior to applying for or accepting funds intended to be used toward gatherings that are likely to involve 25 people or more.

#### **FUNDING EXPECTATIONS OF THE TOWN**

The Parties agree that there does not exist any obligation for the Town to provide financial or in-kind support to the Foundation.

The Town may provide other limited and reasonable support to the Foundation, at the discretion of the Town, including but not limited to, Board of Trustee meeting space.

#### **GIFTS FUND MANAGEMENT**

During the term of this MOU, the Foundation shall be responsible for overseeing the management of funds that originate with its activities or are entrusted to it by its donors. The Foundation fund management services shall include the following:

- The Foundation is entitled to “capture” a certain portion of the gifts as an offset to its annual operating expenses.
- The Foundation is authorized to accept restricted gifts that are designed to benefit the Town. The Foundation will not intentionally solicit or accept gifts for any use specified by a donor that is known to be inconsistent with the Town’s vision, mission, strategic priorities, goals, policies, or procedures.
- Distribution of restricted current use funds will be made on an ad hoc basis or at the discretion of the Foundation Board.
- The Foundation shall maintain a separate accounting for unrestricted funds received and gains, profits, and losses resulting from said investments.

#### **FOUNDATION FILING, AUDITS AND REPORTING**

The Foundation will file all reports and other documents required by law in a timely and comprehensive manner, including but not limited to, those required by the Virginia Non-Stock Corporations Act, Virginia Solicitation of Contributions Law, and the United States Internal Revenue Code.

The Foundation will supply the Town with an annual set of financial statements for the most recently ended fiscal year no later than the last business day in March. The Town may also contact the Foundation’s statement preparer or auditor directly to obtain additional information or clarify information about those statements.

The Foundation agrees to provide the Town, annually:

- An annual report; and
- A list of Foundation governing board, officers, and advisors.



## **MUTUAL INDEMNIFICATION**

~~Each Party shall indemnify, defend and hold the other Party harmless from all liabilities, costs and expenses (including, without limitation, attorney's fees) that such Party may suffer, sustain or become subject to as a result any misrepresentation or breach of warranty, covenant or agreement of the indemnifying Party contained herein or the indemnifying Party's gross negligence or willful misconduct in performance of its obligations under this Agreement.~~

## **LIMITATIONS**

Town's Obligations Limited. The Town's obligations pursuant to this MOU are moral obligations subject to the limitations of the constitution and laws of the Commonwealth of Virginia, subject to annual appropriation by the Abingdon Town Council, and non-appropriation shall not constitute grounds for recovery against the Town. State law and constitution prohibit the Town from expenditure of funds unless appropriated by the Town Council, and from obligating funds beyond the current fiscal year (July 1 – June 30). Therefore, notwithstanding any provision in this MOU to the contrary, if the Town Council does not appropriate funds for the continuance of this Agreement in any future fiscal year, this MOU and all obligations hereunder shall automatically terminate upon depletion of the currently appropriated funds.

## **CONFIDENTIALITY**

Neither the Foundation nor the Town shall disclose or use any private or confidential donor or employee information provided from one to the other except as required by law or in and by the terms of this MOU.

## **COMPLIANCE WITH APPLICABLE LAW AND NON-DISCRIMINATION**

The Foundation further agrees not to discriminate in any manner on the basis of race, religion, color, national origin, gender, disability, age, sexual orientation or preference, or marital, parental, or veteran's status in its programs and activities, and to comply with all non-discriminatory laws and policies that the Town promulgates and to which the Town is subject.

This MOU shall be governed by and construed in accordance with the internal laws of the Commonwealth of Virginia.

## **MISCELLANEOUS**

**ENTIRE AGREEMENT** - This Agreement sets forth the entire agreement and understanding of the Parties with respect to its subject matter and any prior agreements regarding the subject matter are no longer in force. No terms, provisions or representations not set forth in this MOU shall be of any force or effect.

**AMENDMENT** - This MOU may be amended only in writing signed by an authorized representative of both Parties.

**BINDING NATURE** - This Agreement shall be binding on the heirs, successors and assigns of the Parties.

**TERMINATION** - This MOU shall terminate immediately in the event that:

- The Foundation dissolves.
- Town Council withdraws recognition of the Foundation.
- The Foundation ceases to be a non-profit corporation.
- In the event the Foundation ceases to exist, all monies and items of value received by or held by the Foundation for the benefit of the Town shall immediately be transferred to the Town consistent with federal and state laws and any restrictions as may have been imposed by the donors.



**INDEPENDENT CONTRACTOR STATUS** - The relationship of the Parties under this MOU is strictly that of independent contractors, and not that of joint venturers, partners, or agents. No Party shall have any authority to bind any other Party unless such authority is specifically granted to the Party in writing by the other Party.

**ASSIGNMENT** - This MOU and the obligations under it are not assignable or transferrable without the written consent of both Parties.

**NOTICES** - All notices relating to this MOU shall be in writing and delivered personally or mailed by email to the addresses stated below:

To Town:                      Town of Abingdon  
                                      133 W. Main St.  
                                      Abingdon, VA 24210  
                                      toafinance@abingdon-va.gov

To Foundation:              Enhance Abingdon Foundation  
                                      P.O. Box 2148,  
                                      Abingdon, VA 24212  
                                      president@enhanceabingdon.org

[Signature Page to Follow]

## SIGNATURES

**IN WITNESS WHEREOF**, the Town of Abingdon and the authorized representative(s) of Enhance Abingdon Foundation, Inc. have executed this MOU on this \_\_\_\_\_ day of \_\_\_\_\_, 2021, the effective date of this Understanding. This MOU will expire two years from the date of signing.

### TOWN OF ABINGDON, VIRGINIA

By: \_\_\_\_\_  
Derek Webb, Mayor

COMMONWEALTH OF VIRGINIA  
County of Washington to wit:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

My Commission Expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public

### ENHANCE ABINGDON FOUNDATION, INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

COMMONWEALTH OF VIRGINIA  
County of \_\_\_\_\_, to wit:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

My Commission Expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public