

Galax City Council
Minutes
September 10, 2018

Galax City Council convened in regular session in City Council Chambers on September 10, 2018 at 7:30 p.m.

At 7:30 p.m. Vice Mayor Plichta called the meeting to order with the following Council persons present and they are as listed: Vice Mayor Plichta, Councilman Greene, Councilman Davis, Councilman Haynes, Councilwoman Ritchie, and Councilwoman White. Mayor Mitchell was absent.

Councilwoman Ritchie prayed the opening prayer and led the Pledge of Allegiance.

Vice Mayor Plichta welcomed Judge J.D. Bolt who was present to administer the Oath of Office to the recently appointed City Council member, Ms. Beth C. White.

Vice Mayor Plichta welcomed and administered the oath of office to Galax Police Department Officer, Aaron Willard, and Chief of Police, Dewitt Cooper.

Councilman Greene made the motion to approve the minutes of the regular meeting on September 10, 2018. Councilman Davis seconded the motion, and it was unanimously approved by the following votes of "yea": Vice Mayor Plichta, Councilman Greene, Councilman Davis, Councilman Haynes, Councilwoman Ritchie, and Councilwoman White.

Vice Mayor Plichta informed Council with the resignation of Councilman Helmick, there was a need to have a Council appointment to the Public Art Committee. Councilman Greene made the motion to appoint Councilwoman Ritchie to the Public Art Committee. Councilman Haynes seconded the motion and it was unanimously approved by the following votes of "yea": Vice Mayor Plichta, Councilman Greene, Councilman Davis, Councilman Haynes, Councilwoman Ritchie, and Councilwoman White.

Vice Mayor Plichta informed Council that since Ches Helmick had resigned, District III has requested the appointment of a Council member to their board. She said the board would meet on the 3rd Thursday @ 7:00 PM in Marion in every other month beginning in January. It was noted that Councilwoman Ritchie currently was serving as the alternate. Councilman Greene made the motion to appoint Councilwoman Beth White to the District III Board. Councilman Davis seconded the motion and it was unanimously approved by the following votes of "yea": Vice Mayor Plichta, Councilman Greene, Councilman Davis, Councilman Haynes, Councilwoman Ritchie, and Councilwoman White.

Vice Mayor Plichta announced that the Mission Statement and Council Planning Session had been delayed until all appointments to Council were made. Information would still be gathered for the training which would be held at a later date.

Keith Barker, City Manager, informed Council of the proposed ordinance revision for City Code Section 66-8.7. This code section currently requires renewal of the permit for approved commercial haulers every year. The proposed revision would allow the permit to be valid for 36 months or another time period as Council would determine. Mr. Barker explained that a condition of the revision would require any rate changes within that 36-month period to be approved by Council.

Mr. Barker said the adoption could not occur until after a public hearing had taken place. Councilman Davis made the motion to approve staff to advertise for the public hearing regarding the proposed revision. Councilwoman Ritchie seconded the motion and it was unanimously approved by the following votes of "yea": Vice Mayor Plichta, Councilman Greene, Councilman Davis, Councilman Haynes, Councilwoman Ritchie, and Councilwoman White.

Keith Barker informed Council of a FY2019 budget request item regarding New River Highlands Resource & Conservation Development. Mr. Barker explained this item was held over from the August 13, 2018 meeting. He said in developing the current FY2019 budget, he did not include funding for the New River Highlands Resource Conservation and Development organization. He said he received their letter, but it came in after the date we asked for all requests to be submitted and it was inadvertently excluded in your budget considerations. Funding for them had typically been at \$1000 per year but as they were not one of our core functions, the amount that would have been presented to Council was \$750 for funding in FY2019. Mr. Barker concluded that NRHRCD provided no direct services in Galax, but their goal was to promote the management of natural resources for the enhancement of the quality of life and the environment. Councilwoman Ritchie made the motion to fund NRHRCD \$750 for FY2019 funding. Councilman Greene seconded the motion and it was unanimously approved by the following votes of "yea": Vice Mayor Plichta, Councilman Greene, Councilman Davis, Councilman Haynes, Councilwoman Ritchie, and Councilwoman White.

Keith Barker informed Council the Galax City Attorney had appeared before the judge in Grayson County to address the council vacancy and the need for a special election. The judge agreed to our request and issued an order for a special election in November 2019. He said once the election results had been certified by the state, the election winner would take their seat with Council.

Sarah Beamer, Director of Finance & Administrative Services, and Sandy Bryant, Executive Director, from MRCSB were present to request Council to authorize MRCSB to obtain a line of credit of \$10M. Ms. Beamer explained the Code of Virginia now mandated that each community service board was required to have two (2) months of operating expenses in cash or credit available. She said for MRCSB that would be approximately \$10 M, of which they had cash funds of \$5 M in place. However, they had to seek approval from each member jurisdiction to establish the line of credit in order to be in compliance with the code. Ms. Beamer concluded while MRCSB must request approval from each member jurisdiction, there was no obligation from each member jurisdiction for repayment of the loan. She asked that a resolution of support be considered for adoption as well. Councilwoman Ritchie made the motion to adopt the MRCSB resolution which reflected the show of support for obtaining the line of credit of \$10 M. Councilman Greene seconded the motion and it was unanimously approved by the following votes of "yea": Vice Mayor Plichta, Councilman Greene, Councilman Davis, Councilman Haynes, Councilwoman Ritchie, and Councilwoman White.

Ms. Judy Taylor Gallimore, Finance Director, was present to request approval of a budget amendment to the City's FY2019 budget. Ms. Taylor-Gallimore explained with the receipt of some additional grants, we needed to modify the budget to accommodate the additional revenue and expenditures. She noted since the total amendment was less than 1% of our overall budget, a public hearing was not required. The total of the amendment was \$30,900 in revenue and expenditures.

Councilwoman Ritchie made the motion to approve the budget amendment for FY2019. Councilman Greene seconded the motion and it was unanimously approved by the following votes of "yea": Vice Mayor Plichta, Councilman Greene, Councilman Davis, Councilman Haynes, Councilwoman Ritchie, and Councilwoman White.

Ms. Mandy Archer, Ms. Brenda Marrah, and Ms. Jessica Milby were present to announce that the City of Galax was 1 of 4 localities selected to receive DHCD funds for a business challenge grant. An overview of the grant and program was given. Ms. Archer said there were 7 awards to be given totaling \$43,000.

Keith Barker gave an update of the Jack Guynn Drive property transfer which was discussed previously. Mr. Barker explained that AEP was reviewing the property at the end of Jack Guynn Drive as the possible location of a new substation. In reviewing the deed and plat for the property, it was noted that the road cul-de-sac was actually included in the property under consideration. Mr. Barker said he had spoken to the City's attorney and a deed that transfers that portion of the property from the IDA to the City was included for Council's review. He noted this would allow Council to retain the road and then request that it be included in the road maintenance funds we would receive from VDOT. Mr. Barker asked Council to accept the deed as presented. He said the resolution which would request VDOT's acceptance of the road would be presented at the October meeting. Councilman Davis made the motion to accept the deed for the parcel on Jack Guynn Drive. Councilman Greene seconded this motion and it was unanimously approved by the following votes of "yea": Vice Mayor Plichta, Councilman Greene, Councilman Davis, Councilman Haynes, Councilwoman Ritchie, and Councilwoman White.

Keith Barker made Council aware of some pending changes to the Tobacco Commission funding of economic development projects. He explained in the past, grants were awarded to a locality and company as an incentive to locate or expand their operations in a jurisdiction. The grants were based on hiring and investment, and carried a 36-month time frame to complete the project and avoid any return of grant funds. While not finalized, he said proposed changes were being developed that would require repayment of 105% of all funds from the Tobacco Commission based on the taxes collected from the company. He said the proposal at this time was that a locality would pay 5% of new taxes collected from a company, up to a total of 105% of any tobacco funds that were awarded. Essentially this would make any incentive being offered a local incentive only in regards to the Tobacco Commission. Mr. Barker said while a new company calculation on taxes was relatively straightforward, he posed questions to the commission concerning how the 5% is calculated on an existing company that was expanding; what would happen if a company or expansion fails in the future (beyond 36 months); and what would happen if the equipment generating the additional tax revenue was sold or falls off of the tax rolls due to depreciation. The tentative answers received were:

- The 5% payment on the grant would be based on any increased taxes from the company over the previous year. This would be true whether it was an expansion or new industry. The funds would have to be paid back until 105% was returned to the commission. This could be a very long tracking process.
- If a company fails beyond the 36-month agreement, then the 5% return of funds was no longer applicable.
- If equipment was sold, falls off of the tax rolls, or was depreciated out then a notification must be sent to the commission making them aware of it and no further payment would be required.

Mr. Barker said as more information became available he would bring it to Council's attention.

Keith Barker made a request to Council to adopt the resolution that was presented and ratify the state of emergency that was declared by the city manager for the flooding event on September 8, 2018. He explained that provided the City would meet the spending thresholds, the Virginia Department of Emergency Management would provide financial assistance for cleanup and repair of publicly owned facilities including roads, pipes, etc. They would also reimburse the City for employee and equipment costs. The resolution and ratification were required within 45 days of the event. Councilman Greene made the motion to adopt the resolution and ratify the decision to declare a state of emergency. Councilwoman Ritchie seconded the motion and it was unanimously approved by the following votes of "yea": Vice Mayor Plichta, Councilman Greene, Councilman Davis, Councilman Haynes, Councilwoman Ritchie, and Councilwoman White.

Keith Barker presented a request to Council to authorize a PER for a review of the stormwater system that serves the downtown area and areas around Galax Elementary School. He said he had spoken to Kevin Heath with Lane Group and it was believed the study could begin for approximately \$30,000. He said this cost would not provide detailed designs but would assess the current system and its capacity, determine where future areas of repair/replacement may be needed, and would give a general outline of estimated construction costs. He concluded by saying the funding for the study would be from the stormwater funds within the budget. Councilman Davis made the motion to approve the proposed PER as presented. Councilwoman White seconded the motion and it was unanimously approved by the following votes of "yea": Vice Mayor Plichta, Councilman Greene, Councilman Davis, Councilman Haynes, Councilwoman Ritchie, and Councilwoman White.

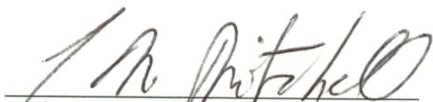
Vice Mayor Plichta opened the floor for any public comments. Ms. Cassie Lineberry, a resident of Parkwood Drive, asked Council if the City took part in the National Flood Insurance Program. Mr. Barker answered that Galax took part in this program in the late 70's or early 80's but no longer was affiliated with it due to the fact that all of the furniture factories would have to have been eliminated by Chestnut Creek. She stated her concerns of flooding issues in the City and her neighborhood.

Tony Truitt, whose family owns Roy's Diamond Center at 108 S. Main Street, was present to thank the City for the showing of support toward the businesses that were involved in the flooding on September 8. He said that he and his family are anxious for a resolution to the flooding issue that had impacted their business.

Keith Barker encouraged everyone to track Hurricane Florence's path. He said he hoped the rain would fall at a slower rate so the flooding wouldn't be an issue for our area.

With no further comments the meeting adjourned.

ADJOURNMENT at 8:50 p.m.



Mayor



Clerk