

Galax City Council
Minutes
October 5, 2020

Galax City Council convened in regular session in City Council Chambers on October 5, 2020, at 6:00 p.m.

At 6:00 p.m. Mayor Greene called the meeting to order with the following Council persons present and they are as listed: Mayor Greene, Vice Mayor Mitchell, Councilman Haynes, Councilwoman Ritchie, Councilwoman White, Councilman Larrowe, and Councilman Warr.

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

Mayor Greene welcomed Chief Cooper and Officer Hines to introduce Galax Police Department's Canine Police Officer, Rocko. Chief Cooper thanked the community for coming together with the help of Matthew LaRaviere and his family, who organized an auction to raise funds totaling over \$20K for the purchase and training of Rocko. Mayor Greene presented a resolution that City Manager, Keith Barker, read aloud which recognized the LaRaviere family for their extraordinary efforts. Vice Mayor Mitchell also thanked the LaRaviere family and made the motion to approve the resolution of appreciation. Councilman Haynes seconded the motion and it was unanimously approved by the following votes of "yea": Mayor Greene, Vice Mayor Mitchell, Councilman Haynes, Councilwoman Ritchie, Councilwoman White, Councilman Larrowe, and Councilman Warr.

Councilwoman Ritchie made the motion to approve the minutes of the regular meeting of September 14, 2020. Councilman Larrowe seconded the motion, and it was unanimously approved by the following votes of "yea": Mayor Greene, Vice Mayor Mitchell, Councilman Haynes, Councilwoman Ritchie, Councilwoman White, Councilman Larrowe, and Councilman Warr.

Keith Barker gave an update on the Galax Elementary School construction project. He explained the project was fast approaching final completion and Council was asked to adopt a final ordinance as part of the USDA loan package and process. The Ordinance would approve long-term financing with USDA/Rural Development for the City's elementary school project, which would authorize the issuance of bonds in the total amount of \$17.1 million. Mr. Barker said these funds would be used to pay off the principal amount of the City's interim financing with Kansas State Bank as well as some accrued interest on the interim financing and costs of issuing the bonds to Rural Development. The interest rate on the 40-year bonds with Rural Development as of September was 2.25% and on October 1 changed to 2.125%. The loan financing and tax increases were based on a 3.5% interest rate. Vice Mayor Mitchell made the motion to adopt the ordinance and authorize the Mayor and City Manager to complete any required loan documents. Councilman Warr seconded the motion and it was unanimously approved by the following votes of "yea": Mayor Greene, Vice Mayor Mitchell, Councilman Haynes, Councilwoman Ritchie, Councilwoman White, Councilman Larrowe, and Councilman Warr.

Keith Barker reminded Council that they had been updated monthly in regards to the City budget so they could consider if they wanted to amend the real estate levy and machinery & tools tax levy prior to December billing. Council was presented with a revised budget that took the following into consideration:

Revenue

- Elimination of the tax levy increase in real estate.
- Elimination of the tax levy increase on machinery & tools.
- Reduced recreation fees.
- Eliminated the admissions fees.

- Revised sales tax revenue to be the 1st quarter collections and the remainder of the year at 95% collection vs. 90%. We are collecting approximately 26% higher than budgeted and 11% higher than the same time last year.
- Revised meals tax to be the 1st quarter collections and the remainder of the year at 85% collection vs. 80%. We are collecting approximately 93% of the average from last year.
- Revised lodging tax to be the 1st quarter collections and the remainder at 75% collections vs. the 50%. This is tracking at about that number.

Expenditures

- Reduced PT staff at rec by \$20k a month for July – December, recognizing more limited programs.
- Reduced rec officials by 50%.
- Increased the part time costs at the Golf Course. It was reduced it too much as part of the budget and hiring of FT staff for the cemetery work.
- Reduced the capital reserve 9102-6018 by approximately \$58,000.
- Added in the pool HVAC at rec at \$100,000. Staff are working with another HVAC contractor to try other identified repairs with the hope of the system lasting until spring.

The revisions that were shown in the draft document would allow Council to reduce or eliminate the tax levy increase on real estate and machinery & tools while still maintaining a smaller capital reserve.

Mr. Barker informed Council there was also a discussion and proposal for a blight abatement program and for approval from Council to accept and be the fiscal agent on two (2) Twin County E-911 Grants. Mr. Barker explained when a locality received housing payments and income from projects such as the North Central Housing Project and the Bottom Area Housing projects, the locality must develop a plan for how to spend those revenues in the future. In reviewing the City's housing program that DHCD approved, he said we had the ability to use those funds to eliminate housing blight. While we had made contact with some property owners on severely blighted homes, others have no point of contact or it would take a court order to remove the house. He said if we could work with an owner to remove the house, we could then place a lien on the property to recover the funds at a later date, or we could proceed with court action and recover costs under the code. In some instances, the costs to recover funds would be more than what we would actually spend. Mr. Barker explained the funds that were being discussed would reduce the immediate cost to the City and were within the parameters of the housing program. Council was requested to approve \$30,000 from this program income for blight abatement. Councilman Haynes made the motion to approve the funds for blight abatement. Vice Mayor Mitchell seconded the motion and it was unanimously approved by the following votes of "yea": Mayor Greene, Vice Mayor Mitchell, Councilman Haynes, Councilwoman Ritchie, Councilwoman White, Councilman Larowe, and Councilman Warr.

As part of the budget amendment and discussion, Jolena Young, Twin County E-911 Director was present to discuss information concerning two awards to Twin County E-911 where Galax would be the fiscal agent. Ms. Young thanked Council for their approving CARES funding to E911. She said the funds helped offset the added costs of COVID. She explained the grants were for an interoperability study and continuity of service. The grants are \$61,000 and \$81,000 and require no local match. Ms. Young explained how the funds would be utilized best and how the mobile 911 station & radio equipment would be used to help potentially several localities.

Councilman Larowe made the motion to approve the acceptance of the two E-911 grants and for the City to be the fiscal agent. Councilwoman White seconded the motion and it was unanimously approved by the following votes of "yea":

Mayor Greene, Vice Mayor Mitchell, Councilman Haynes, Councilwoman Ritchie, Councilwoman White, Councilman Larrowe, and Councilman Warr.

Keith Barker said the total budget amendment was a \$77,000 increase in revenue and expenditures; however, it was possible with this amendment to reduce the tax levy that Council adopted at your June 2020 meeting when the budget was finalized. He said this possible reduction does not eliminate tax increases due to the real estate reassessment that was completed. Mr. Barker explained if Council chose to reduce the levy as presented, he asked for motions to:

- Reduce the real estate levy from \$0.92 per \$100 value to a new value. The levy was raised 7.5¢ from \$0.845 to \$0.92.
- Reduce the machinery and tools levy from \$1.60 per \$100 value to the new value. The levy was raised 10¢ from \$1.50 to \$1.60.
- Consider the blight abatement program as presented.
- Consider accepting the Twin County E-911 grants totaling \$141,000.

Council discussed their thoughts in considering the tax levy rates:

- Councilman Larrowe spoke at length regarding his reason why he felt it was in the City's best interest for a maintaining the rates and not reducing them. His concern was how the lack of stimulus money would affect our economy 4 or 5 months from now. He said while there was a boost in the local economy right now because of the stimulus money, he felt now would be the time when people would be able to handle a rate increase. He noted that sooner or later the City has to collect what it spends. There was a base line that has to be maintained. He noted that he realized why there may be different views on the appropriate path because we don't know what the future holds.
- Vice Mayor Mitchell asked Keith Barker about where we stood last year versus this year.
- Councilman Haynes said because the future was uncertain, he felt that we did not need to back up any. He also spoke on the concern of how children in the foster care system would be affected.
- Mayor Greene said he understands having a rainy-day fund, but folks were having rainy days now. His concern was that the people who had been receiving temporary funds or extra unemployment and were no longer getting that money. He said they were the ones who it would hurt to go up on the rates. However, later, Mayor Greene said that he understood Councilman Larrowe concerns. Mayor Greene stated that he thought it was be nice to give back since we had 2 increases in the last 2 years.
- Councilwoman White agreed that her concern was for the citizens and businesses who were struggling because of COVID and how it would be difficult for them to pay higher rates. Her thoughts were to reduce the rates.
- Councilwoman Ritchie asked about a compromise where part of the rates would be raised and part would not. Keith Barker noted that it could be done however Council would like.

There was a consensus to leave the rates as is with no changes.

Keith Barker informed Council that the September 2020 City Council meeting, Council approved the ordinance that established the hospital provider assessment. Mr. Barker spoke regarding the draft MOA that we spoke about at the last meeting. He said it had been reviewed by our attorney and the hospital. He asked our attorney what the usual fee was and one locality they were working with had a flat \$5000 fee rather than a percentage. Mr. Barker said that Staff were in agreement with that rather than trying to establish a percentage fee, and had a response from Mr. Pearson with TCRH that they were also agreeable to that fee.

Council was asked to consider the Twin County Regional Healthcare Memorandum of Agreement for the provider assessment fee. Councilman Larrowe made the motion to approve the request.

Councilwoman Ritchie seconded the motion and it was unanimously approved by the following votes of "yea": Mayor Greene, Vice Mayor Mitchell, Councilman Haynes, Councilwoman Ritchie, Councilwoman White, Councilman Larrowe, and Councilman Warr.

Keith Barker informed Council he had met with Chris Pollins of the Public Art Committee and that group was reassessing the location of the intersection street mural.

Keith Barker explained to Council as mentioned in the budget revision discussion, staff were working with another HVAC contactor who had identified some repairs we will do to try and keep the pool HVAC system working a while longer. He said this would be an upcoming capital repair later in the current budget or in the FY2022 budget.

Keith Barker informed Council that the date Council had agreed upon for the upcoming work session was set for October 27, 2020 from 9:00AM to 12:00PM (or later as required) to revisit the Vision 2020 plan and discuss updates, revised goals, future staffing, succession planning, capital planning, etc. Council discussed keeping the meeting open past noon and having lunch. Everyone was in agreement.

Keith Barker spoke regarding a jake brake ordinance request. He said that he met with Chief Cooper concerning this issue and there were concerns on the enforceability of an ordinance of this type. Chief Cooper asked that he be permitted to work with officers concerning enforcement efforts along the route for speed and safety. He said there were selective enforcement grant funds that he could allocate to this effort so that we were not supplanting other police patrol needs in the City.

Councilman Larrowe presented an overview on the Virginia Career Works/ Workforce Investment Board in which he serves on. He spoke regarding the valuable services and training opportunities available for employers and employees. Councilman Haynes gave an example of how he utilized their service for his business.

Emily Brown, Tourism Director, was present and gave an overview of events she had planned for October and a request for New Year's Eve. Ms. Brown discussed a street closure for Halloween which Council had already approved as well as plans for the Christmas lights in Felts Park. She also informed Council of a fireworks display on New Year's Eve to say good bye to 2020. Funding for the fireworks will be from the Tourism and City Manager budgets.

Keith Barker spoke to Council regarding the CDC recommended guidelines for Halloween activities. He had spoken to administrators from surrounding localities and no one was taking a formal action to stop trick-or-treating. Instead, they were posting the CDC information and letting individuals decide if they would host the event/trick or treaters. There was a consensus among Council to not take formal action concerning Halloween.

City Manager Report

Keith Barker gave a brief overview of the status of various projects and initiatives that were underway with the City or with regional boards that he was part of. He invited Council to ask questions or for additional information. The topics included:

- Bottom Area Project, Eastview Phase
- VDOT Projects

- Galax Elementary School Renovations
- Galax Wastewater Treatment Plant and Pump Station Upgrades
- Stormwater Projects
- T. G. Vaughan Furniture Plant Study, VT Economic Development Dept.
- MRPDC Assistance
- Animal Shelter Project
- Numerous emails, calls, complaints, etc.
- COVID-19
- Attended various project progress meetings
- Received applications and conducted reviews for the small business grant program.

Council Comments

Mayor Greene said that he really appreciated the fact that Council can agree to disagree and get along. As a follow-up, he said that his grandson had an idea of setting up jars around the area to raise money for the caboose at the trail to become a museum. Also, Trish Fore, Galax Carroll Librarian, had contacted him to invite Council to come by the library and get a card if they didn't have one. Keith Barker noted that Ms. Fore would be introduced at the next Council meeting.

Vice Mayor Mitchell said that he had heard about the push to get data centers in SWVA in old mine sights.

Councilman Haynes informed Council that the new employee at GGEMS had billed \$400K. He said Staff had been training on how to find and generate new invoices.

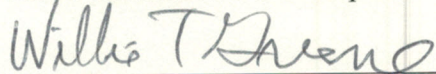
Councilwoman Ritchie said that she was looking forward to the upcoming VML Conference.

Councilwoman White gave an update on the 2020 Census. She said Oct. 5 was the deadline, and there had been a Galax 68% self-response, 98% door to door, 2% unaccounted for and 70% state level. She said the door knockers did an outstanding job.

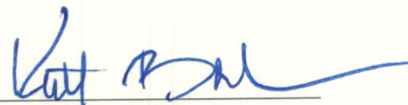
Councilman Warr raised a question regarding the paving that was recently done on Main Street and how there was a large hole developing in it. He asked about a warranty by the company who performed the work. Keith Barker said he would check on it. He also informed Council of a nice new venue call Legacy Creek. He said that it was rustic and was located on Delhart Road and owned by the Beltons. He also said there was a good response at the ribbon cutting for the new business, Yellow Dog, located downtown.

Mayor Greene invited any public comments to be made at this time. With no further discussion, Councilman Haynes made the motion for the meeting to adjourn. Councilman Warr seconded the motion and it was unanimously approved by the following votes of "yea": Mayor Greene, Vice Mayor Mitchell, Councilman Haynes, Councilwoman Ritchie, Councilwoman White, Councilman Larowe, and Councilman Warr.

ADJOURNMENT at 8:16 p.m.



Mayor



Clerk

