

The regularly scheduled meeting of the Norton City Council was held on Tuesday, September 18, 2012 at 6:00 p.m. in the Municipal Council Chambers with Mayor William Mays presiding.

Present: Mark Caruso, William Mays, Joseph Fawbush, and Terry Roop

Absent: Joseph Hunnicutt

Also Present: Fred L. Ramey, Jr., City Manager and Bill Bradshaw, City Attorney

The invocation was given by Rev. John Ellington and was followed by the pledge of allegiance led by Police Chief James C. Lane.

Upon a motion by Councilman Fawbush, seconded by Councilman Caruso, and passed by unanimous vote, Council moved to adopt the minutes of the September 4, 2012 meeting as presented. 25544

There was no response to the Mayor's call for visitors. 25545

A special presentation was made to Council by the Norton City Schools regarding projects that they wish to have included in the Virginia Public Authority bond initiative by having an additional amount of 2.5 million dollars added to the 7.5 million dollar debt to be refinanced, which will make the total amount 10 million dollars.

Mr. Ramey discussed with Council, at their July 17th meeting, the refinancing of the Norton Elementary/Middle School debt. Representatives from Davenport and Company were present and discussed both the short term and long term financing of this debt. Council authorized Davenport and Company to work with the City Administration on this refinancing and authorized the School Board to send an application to the Virginia Public School Authority. 25546

Dr. Jeff Comer, Superintendent of the Norton City Schools, presented nine projects, which were prioritized, to Council. After a PowerPoint presentation, Dr. Comer stated he would be glad to answer any questions Council may have.

During this discussion, Councilman Hunnicutt took his seat on Council. 25547

Also speaking on these projects was Councilman Terry Roop, an employee of the City of Norton Schools at J. I. Burton. Councilman Roop was given the task of working on this list of needed projects for the School Board. 25548

After a discussion on this, the City Manager advised Council that no action needs to be taken at this time. If they desire to do so, it will be later in the meeting with the adoption of a resolution on the bond issue.

A debt analysis was given by Kyle Laux of Davenport and Company to Council regarding the feasibility of long term financing on the Norton Elementary/Middle School Debt through the Virginia Public School Authority. Via a PowerPoint presentation, Mr. Laux stated they had looked at different scenarios and recommended that the City go

forward to refinance the 7.5 million dollar school debt now at an interest rate cap of 3.5%. If City Council is interested in doing so, they could also apply for the additional 2.5 million dollars for the Burton projects at an interest rate cap of 3.5%. The new money would be a fifteen year loan; whereas the old debt would be for a period of twenty years. Mr. Laux then discussed the timeline with Council and advised he would be happy to answer any questions from Council.

At this time, the City Manager presented a PowerPoint presentation to Council and advised that the City Administration concurs that now is the time to secure the long term financing for the school debt and also for funding of the other capital projects (City or School) if the City can afford it and the City could afford the additional 2.5 million dollars assuming no negative budget impacts arise as a result of potential action based on the General Assembly, impacts to local revenue, or other operational increases outside of the City's control. He then presented financial snapshots regarding the City's debt service, capital projects, and revenue.

Mr. Ramey stated that, in his opinion, due to the 2.5 million dollars, the Administration will be forced, in the upcoming budget process, to consider revenue enhancements which could include a real estate tax increase.

Mayor Mays thanked Mr. Ramey for this presentation and asked if there were any questions from Council members.

A public hearing was held on A Resolution Authorizing the Issuance of Not to Exceed \$10,500,000 General Obligation School Bonds of the City of Norton, Virginia, to be Sold to the Virginia Public School Authority and Providing for the Form and Details Thereof.

There were no questions or comments from Council prior to the public hearing.

Mayor Mays opened the public hearing.

There being no public comment, Mayor Mays closed the public hearing.

In comments from Council, Councilman Fawbush stated in his fourteen years on Council, the capital projects money has declined. He stated there is going to have to be a real estate tax increase, car tax, or something done to increase revenue. He further stated he did not feel comfortable voting in favor of the additional funds for Burton school projects unless there was some positive action from Council for some revenue increases. Council Roop asked the City Manager how much revenue a ten cents increase on real estate taxes would bring in.

Councilman Hunnicutt stated that they are businesses and residences experiencing flooding from the outdated storm drainage systems.

Upon a motion by Councilman Roop, seconded by Mayor Mays, and passed by the following roll call vote: YES – Caruso, Fawbush, Roop, Mays, NO – Hunnicutt, ABSENT – None, Council moved to adopt A Resolution Authorizing the Issuance of Not to Exceed \$10,500,000 General Obligation School Bonds of the City of Norton, Virginia, to be Sold to the Virginia Public School Authority and Providing for the Form and Details Thereof and accepted the list of projects submitted by Dr. Comer. (Inserts – Resolution and Councilman Roop's Disclosure Form)

Mr. Ramey advised that the maximum closing amount appeared to be 10.13 million dollars which will cover the old debt plus the new money for what Burton projects it will finance.

The City Manager advised Council that the City had received 3.1 inches of rain during the past twenty-four hours. Up to this week, the City had been purchasing 300,000 gallons per day from the Wise County PSA and 165,000 gallons per day from the Town of Big Stone Gap. As of September 12th, we had a total capacity in both reservoirs of 64.6 million gallons.

25551

An update, via a PowerPoint presentation, was given. The project is moving slower and work has begun on the wall slabs. He will continue to keep Council updated.

An Enterprise Fund Debt Analysis Presentation to Council was conducted by Kyle Laux of Davenport and Company.

Mr. Laux advised Council that there is quite a bit of debt and some of this could be restructured or refinanced. He stressed that the City needs to strive to maintain the Utility Enterprise Fund as fully self-supported and not rely on the General Fund.

Following his PowerPoint presentation, Mr. Laux advised that the City could refinance their debt in the amount of approximately 1.8 or 1.9 million dollars through the Virginia Resource Authority at an interest rate of 3.61% in the public bond market and lock in a rate for up to thirty years. The next application deadline for the VRA is approximately February 13, 2013. He further advised that there is no cost to submit an application.

25552

Mr. Laux stated he would be happy to answer any questions from Council.

Mr. Ramey advised no action needs to be taken tonight by Council as Mr. Laux will be back the first of the year.

Mayor Mays thanked Mr. Laux for his presentations at tonight's meeting.

Council had been presented with A Resolution of the Governing Body of Norton, Virginia and a Code of Conduct to accept a grant from the USDA Rural Development in the amount of \$25,000 for a new police vehicle.

Mr. Ramey advised this grant had been applied for last year and the City has recently been notified of its award. This City will have to match \$8,000 to this grant.

25553

Upon a motion by Councilman Fawbush, seconded by Councilman Hunnicutt, and passed by the following unanimous roll call vote: YES – Caruso, Hunnicutt, Fawbush, Roop, Mays, NO – None, ABSENT – None, Council moved to adopt A Resolution of the Governing Body of Norton, Virginia and the Code of Conduct. (Inserts)

A Resolution Declaring the Week of September 24, 2012 as Rabies Awareness in the City of Norton and the co-sponsorship of a vaccination clinic to be held at J. I. Burton High School on October 6, 2012 from 10:30 to Noon was presented to Council in their packets.

25554

Upon a motion by Councilman Fawbush, seconded by Councilman Caruso, and passed by the following unanimous vote: YES – Caruso, Hunnicutt, Fawbush, Roop, Mays, NO – None, ABSENT – None, Council moved to adopt A Resolution Declaring the Week of September 24, 2012 as Rabies Awareness in the City of Norton. (Insert)

A check in the amount of \$113,482.89 to Boring Contractors was included in Council's packet for approval.

Upon a motion by Councilman Hunnicutt, seconded by Councilman Fawbush, and passed by unanimous roll call vote, Council moved to approve a check to Boring Contractors in the amount of \$113,482.89.

25555

Upon a motion by Councilman Hunnicutt, seconded by Councilman Roop, and passed by unanimous roll call vote, Council moved to go into closed meeting to discuss personnel as per Section No.2.2-3711 (A) (1) of the Code of Virginia, as amended.

25556

Mayor Mays declared Council in closed meeting.

Upon a motion by Councilman Caruso, seconded by Councilman Fawbush, and passed by unanimous vote, Council moved to go back into closed meeting.

25557

Mayor Mays declared Council back in open meeting.

The Clerk polled each member of Council as to the Certification of Closed Meeting with each answering yes.

The Clerk then read A Resolution of the Certification of Closed Meeting.

Upon a motion by Councilman Hunnicutt, seconded by Councilman Caruso, and passed by the following unanimous vote: YES – Caruso, Hunnicutt, Fawbush, Roop, Mays, NO – None, ABSENT – None, Council moved to adopt A Resolution of the Certification of Closed Meeting. (Insert)

25558

Mayor Mays opened the floor for nominations to the City of Norton Tourism Committee for two - four year terms which will expire September 30, 2016.

Councilman Caruso nominated Joyce Payne to be reappointed and Mike Craft to be appointed to this Committee.

25559

Upon a motion by Councilman Fawbush, seconded by Councilman Roop, and passed by unanimous vote, Council moved that the nominations cease.

Mayor Mays declared Joyce Payne reappointed and Mike Craft appointed to the City of Norton Tourism Committee for four year terms which will expire on September 30, 2016.

In comments from the City Manager, Mr. Ramey advised that:

The annual Virginia Municipal League Conference will be held September 23 – September 26 in Williamsburg. Mayor Mays will not be able to attend; however he and several council members will be attending.

As requested by Council, the Norton Industrial Development Authority has transferred \$150,000 for the roof replacement at Burton High School to the City and a public hearing will be scheduled at the October 2, 2012 meeting to amend the City's budget if there is a consensus of Council to do so. After inquiring, Mayor Mays advised the City Manager that he had the consensus to do so.

25560

There were no comments from the City Attorney.

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In comments from Council:

Councilman Caruso advised that he proposes that we begin looking for revenue enhancements by looking internally at those agencies that the City funds annually. He is looking forward to a rigorous review process for anyone seeking City funds during the next budget process.

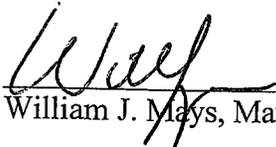
25562

Councilman Fawbush commended Mr. Ramey and Mr. McElroy for the work gone into keeping all the ditch lines cleaned out. He hopes to see this project continued.

Councilman Roop commended Mr. Ramey, Jeff, and their staffs for the work done on financial presentation for tonight's meeting.

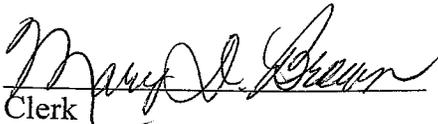
There being no further business to come before the Council, the meeting was adjourned.

CITY OF NORTON, VIRGINIA



William J. Mays, Mayor

ATTEST:



Clerk