

The Smithfield Town Council held its regular meeting on Tuesday, June 3rd, 2014. The meeting was called to order at 7:30 p.m. Members present were Mr. T. Carter Williams, Mayor; Mr. Andrew Gregory, Vice Mayor; Ms. Connie Chapman, Mr. Michael Smith, Dr. Milton Cook, Mrs. Denise N. Tynes, and Mr. Randolph Pack. Staff members present were Mr. Peter M. Stephenson, Town Manager; Mr. William T. Hopkins III, Director of Planning, Engineering, and Public Works; Ms. Lesley King, Town Clerk; Ms. Ellen Minga, Town Treasurer; Mr. Steven Bowman, Chief of Police; Ms. Amy Musick, Smithfield Center Director; Ms. Judy Winslow, Director of Tourism; and Mr. William H. Riddick, III, Town Attorney. There were thirty five (35) citizens present. The media was represented by Ms. Abby Proch of The Smithfield Times and Mr. Ryan Murphy of The Daily Press.

Mayor Williams – Good evening ladies and gentlemen. Welcome to the Smithfield Town Council meeting of June 3rd, 2014. We welcome everyone for coming tonight. If everyone would stand and join me in the Pledge of Allegiance please.

All present stood and recited the Pledge of Allegiance to the flag.

Mayor Williams – We will move to the Informational Section. Our Town Manager will give us the Manager's Report.

Town Manager – Thank you, Your Honor. Welcome everyone. The May Activity Report was included in the electronic posting on the Town's website. We have a Planning Commission meeting on June 10th, 2014 at 7:30 p.m. at the Smithfield Center. On Tuesday, June 17th at 7:30 p.m. we will have the Board of Historic and Architectural Review meeting. There were no items submitted so we do not have a Board of Zoning Appeals meeting this month. The Town Council Committee meetings are on June 23rd and 24th at the Smithfield Center at 4:00 p.m. I would like to mention that tonight's meeting is typically continued so I anticipate that the Mayor will continue the meeting in terms of the budget. We do have a couple of public hearings that have been advertised for this evening for the proposed budget and the current year's amended budget. The continued meeting will be held at 6:00 p.m. on June 23rd. At our Committee meetings, I mentioned that our Town Planner/GIS Coordinator, William Saunders passed his (AICP) American Institute of Certified Planners exam. I would like to congratulate him. Also Mr. William Hopkins and Mr. Jack Reed, our Reverse Osmosis Water Treatment Plant Operator, had gone to an award ceremony in Norfolk last month. Our sampling,

reporting, and inspections for the Water Treatment Plant have been perfect for the last two years. We were recognized for our pollution prevention efforts by reducing our concentrate discharge five million gallons last year. Kudos again to public works, Mr. Jack Reed, and all our operators at the Reverse Osmosis Plant. We do anticipate a closed session this evening. It is listed every month. Some months we have them and some months we do not. At the end of this meeting we anticipate having a brief closed session tonight. Thank you.

Mayor Williams – Next we will have Public Comments. The public is invited to speak to Council on any matter except public hearings. We have two tonight. The public can speak on any topic that they would like. We would limit it to five minutes per person. Please give your name if you would like a response from the Town Manager or any Council member then give us your address. Do we have anyone signed up? Hearing none, we will move to a Briefing by Mr. Al Casteen, Isle of Wight County Board of Supervisors, Smithfield District.

Supervisor Casteen – Good evening, Mr. Mayor and members of Town Council. The Board of Supervisors authorized the County Administrator to execute the Partnership Agreement with the Town of Smithfield regarding the operation of the Isle of Wight Museum. The Board adopted a resolution for the issuance, sale, and awarding of General Obligation Refunding Bond Series 2014 in a principal amount not to exceed fifty million dollars providing for the refunding of certain general obligation and utility bonds of the county. This action will help reduce future spikes in bond payments and get the County on a better financial footing. I will remind you that this refunding is no more than reshuffling an amount of debt. We are not necessarily reducing it. We are renegotiating the terms and so forth to help normalize some of the spikes that we presently have before us. The Board voted to authorize the transfer and commitment of funds for the acquisition of school buses and text book funds as requested by the School Board. The Board voted to authorize the County Administrator to enter into a Facilities Use Agreement with each of the fire and rescue departments. In the event that the departments do not execute the Facilities Use Agreement by the Board's June 19th regular meeting the Board will consider withholding all designated funding, capital and operating from each noncompliant department until such time as an agreement is executed with that department. The Isle of Wight Volunteer Rescue Squad and the

Smithfield Volunteer Fire Department worked with the County Administrator to revise the agreement. They have already committed to signing the revised agreement. The Board directed the staff to review an existing Memorandum of Understanding with Windsor and Smithfield if applicable to ensure that the provisions retained within the MOU's will allow for the County to move forward on the issue of vehicle titling at the Board's June 19th regular meeting. Are there any questions?

Councilman Dr. Cook – How would the last item affect us?

Supervisor Casteen – I probably left a couple of extra words out. The MOU's are with the Windsor Fire Department and Windsor Rescue Squads. Thank you for bringing it up.

Councilman Dr. Cook – I wondered if you wanted to title Smithfield's vehicles too.

Supervisor Casteen – No. We are trying to get the liability issues squared away so that we can better protect all of us. Are there any other questions?

Mayor Williams – Thank you, Supervisor Casteen. We appreciate you coming. I would also like to thank Mr. Rudolph Jefferson for coming tonight too. We have a joyous occasion now that this community can be very proud of. We have a Resolution in Honor of Georgia Moton Shivers 100th Birthday. Would you come forward please, Ms. Shivers. Does anyone else want to join her up here?

WHEREAS, Ms. Georgia Moton Shivers is a long time resident of the Town of Smithfield; and

WHEREAS, Ms. Shivers celebrated her 100th birthday on Saturday, March 15th, 2014; and

WHEREAS, Ms. Shivers was employed by Luter's of Smithfield for 25 years and is a member of Little Zion Baptist Church. Ms. Shivers has nine children, five step children, and with numerous grandchildren, great grandchildren, great great grandchildren, and five great great great grandchildren; and

WHEREAS, Ms. Shivers is always willing to help anyone in need and she is well known in her community for her tasty homemade ice cream, hot rolls, sweet potato jacks, and apple jacks; and

NOW THEREFORE, BE IT RESOLVED, that I, T. Carter Williams, Mayor of the Town of Smithfield, 3rd day of June 2014 do extend to Georgia Moton Shivers my

heartfelt wishes that she can take pleasure in family ties, good health, and well being for many years to come.

BE IT FURTHER RESOLVED, I, T. Carter Williams, Mayor of the Town of Smithfield desire to record in the permanent records of the Town of Smithfield and that a suitable copy thereof be delivered to Ms. Georgia Moton Shivers.

Mayor Williams – Next item is Council Comments. Does any Council member have any comments? Hearing none, we will move to the Consent Agenda Items. We have ten items on the consent agenda tonight. Would anyone like to pull any of these items?

Councilwoman Chapman – I would like to pull item C-8 which is a motion to approve kayak shed/storage as amended.

Vice Mayor Gregory – I will make a motion to approve the consent agenda items excluding item C-8.

- C1. Resolution for Street Closure Request for the Mardi Gras Run 4 Beads Festival, Saturday, February 7th, 2015.
- C2. Contract Agreement for Sanitary Sewer Rehabilitation with Tri-State Utilities.
- C3. Contract Agreement for Underground Utilities with Lewis Construction of Virginia.
- C4. Invoices over \$10,000 Requiring Council Authorization:
 - a. Smithfield Volunteer Fire Department \$12,973.38
 - b. Beach Ford (budgeted Public Works truck) \$25,595.00
- C5. Resolution to Adopt Contribution Rate for Virginia Retirement Systems.
- C6. Resolution to Authorize the Town Treasurer to Open a Bank Account for Isle of Wight County Museum Donations.
- C7. Motion to Approve as Amended Trail Markers for Windsor Castle Park.
- C8. Pulled from Consent Agenda.
- C9. Motion to Approve Stormwater Memorandum of Agreement with Isle of Wight County.
- C10. Motion to Approve Kimley-Horn and Associates Proposal for Pinewood Heights Infrastructure Master Planning.

Councilman Dr. Cook – Second.

Mayor Williams – A motion has been made and properly seconded to approve all items except for C-8. Roll call vote.

On call for the vote, seven members were present. Councilman Smith voted aye, Councilman Dr. Cook voted aye, Councilman Pack voted aye, Councilwoman Chapman voted aye, Vice Mayor Gregory voted aye, Councilwoman Tynes voted aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Mayor Williams – Next is the Summary of Consent Agenda Items. Just as a formality so that everyone will know what we are talking about. We will start with Police Committee Chair, Mrs. Denise Tynes.

Councilwoman Tynes – Police Committee Summary. Good evening. We have a resolution for street closure request for the Mardi Gras Run 4 Beads Festival for Saturday, February 7th, 2015. This is the first time this event will be held in the Town of Smithfield. The streets that will be closed are Hill Street to Mason Street and all those in between. Thank you.

Mayor Williams – Next is the Water and Sewer Committee Chair, Vice Mayor Gregory.

Vice Mayor Gregory – Water and Sewer Committee Summary. We have two contracts one for sanitary sewer rehabilitation and one for underground utility services. Staff looked at a couple of different options for each of these contracts. In both instances we decided to stay with the contractor that we had been working with previously. They were the least expensive and had the best base of knowledge for the work that needed to be completed. Those contracts were awarded to Tri-State Utilities for sanitary sewer rehabilitation and Lewis Construction of Virginia for underground utility work.

Mayor Williams – Next Finance Committee Chair, Mr. Randy Pack.

Councilman Pack – Finance Committee Summary. Thank you, Mr. Mayor. We have three items on the consent agenda this evening. We have invoices over \$10,000 requiring Council's authorization. The first thing that we approved was for Smithfield Volunteer Fire Department in the amount of \$12,973.38. It is run money that the town has always taken care of this for our volunteer firefighters. We thank them for their service. We are able to offer them a little bit of money for every run they go on. The next item is a budgeted Public Work's truck from Beach Ford for \$25,595.00. We also

approved a motion to adopt a contribution rate for Virginia Retirement Systems based on our five year escalation plan. We also authorized the Town Treasurer to open a bank account for Isle of Wight County Museum donations.

Mayor Williams – Next is Parks and Recreation Committee Chair, Ms. Connie Chapman.

Councilwoman Chapman – Parks and Recreation Committee Summary. Thank you, Mayor. We have a motion tonight to approve as amended trail markers for Windsor Castle Park. These are small signage of numbers and letters that would signify a location in the park in the event of an emergency where 911 would need to locate someone lost, injured or for any other emergency in the park.

Mayor Williams – We will move to Public Works Committee Chair, Mr. Michael Smith.

Councilman Smith – Public Works Committee Summary. Thank you, Mr. Mayor. This is a Memorandum of Agreement with Isle of Wight County for stormwater management concerns that both parties have responsibilities for. It spells out the Town's responsibilities, the County's responsibilities and the fees regulated for those services. If the town is not able to perform their duties due to the size of the project or personnel issues then it can be turned over to the County. The fees for the services will then go to the County. It was recommended for approval.

Mayor Williams – Next is Public Buildings and Welfare Committee Chair, Dr. Milton Cook.

Councilman Dr. Cook – Public Buildings and Welfare Committee Summary. We are coming up with a master plan as far as infrastructure is concerned for the redevelopment of the Pinewood Heights area to be zoned (LI) Light Industrial. We approved Kimley-Horn and Associates to do the planning for us.

Mayor Williams – We have already approved these items.

Councilwoman Tynes – We have to make the amendments because we have two items that are marked C-8. One should be C-9 and one should be C-10.

Mayor Williams – Next we will move to item C-8 a Motion to Approve Kayak Shed/Storage as Amended.

Councilwoman Chapman – I spoke with Councilman Smith earlier about this. The original building that we were looking at will not work because of the requirements and

regulations by the County for the size of the building. We have actually decided to go with a post frame structure but we are waiting for estimates on that. We recommend that this item go to committee.

Mayor Williams – I do not think we need to vote on that. It will go to committee. Next we will move to the Action Section. We have a Public Hearing: Adoption of Amended budget for FY 2013/2014. We will have a staff presentation by our Town Treasurer, Ms. Ellen Minga.

Town Treasurer – Good evening. As we near the end of the current fiscal year we have completed financial statements through April and are working on those for May. We have reviewed the adopted budget numbers as they compare to actual and I am recommending some changes to address current year variances. In the General Fund there are one or two changes that were made from the printed budget which are highlighted in yellow. I am proposing a decrease of 4.53% or \$377,652.00 in the General Fund budget. Although I am recommending an overall decrease, I would like to note that there are positive increases in some of the local tax revenues. Bank Franchise taxes are increasing by \$14,515.00 or 12%. Sales taxes are projected to go up by \$27,000.00 or 11%. Meals tax revenues will increase by a little over 6% which translates to \$71,769.00. The total Meals tax for the year is estimated to be \$1,263,174.00 which is the second highest revenue source for the town after real estate tax. Revenues from use of money and property are projected to increase by \$25,341.00 over the adopted budget. This is largely due to new line items in this category such as kayak rentals, special event reimbursements, sale of retired vehicles, machinery, and equipment. Miscellaneous revenues which are shown as other revenues have been increased by \$37,439.00 mainly due to receipt of cash proffers totaling \$32,000.00 for Church Manor Subdivision. There is a large decrease in other financing sources of \$719,175.00. The largest component of this decrease is the removal of a \$400,000.00 note for Parks, Recreation, and Cultural that was originally included in the adopted budget to finance future ball fields. This project has not gone away but it is not relevant for the 2014 budget so it was removed. Operating Reserves were reduced from \$529,075.00 to \$182,892.00 so it is a reduction of \$346,183.00. This is actually a good thing because it represents less funding from prior years reserves needed to balance the current year's budget. The published budget shows Operating Reserves reduced to

\$189,892.00 which is a \$7,000.00 difference. The difference was in transient occupancy which I increased that back up to original budget levels. It was reduced because of a delinquent account that we were working with and I was not sure what we would collect. We have resolved that situation so I think the current funding level that we had originally budgeted is correct. Road Maintenance Revenues increased by almost \$30,000.00 as State Grant Funds allocated to the town were higher than projected. Also, we are showing a carry forward from 2013 State Grant Funds of \$118,335.00 to be spent in the 2014 fiscal year. On the expense side there are some increases but mostly decreases. The largest increase is \$426,495.00 in Community Development Operating Expense. This change reflects the unfinished portion of Phase II Multiyear 1 of the Pinewood Heights Relocation Project. When we prepared the original 2014 budget we expected to have completed more of Multiyear 1 in 2013 than we actually did. Since that was not the case we have rolled that remaining budget into 2014. It is somewhat of a moving target. It is possible that at the end of 2014 we will not have accomplished as much still as expected and it may have to roll forward into 2015. It is very difficult to project when closings will be ready and those types of things. We do have a deadline from the state. We are still planning to meet those deadlines. We also show a decrease of \$93,400.00 in debt service. This is associated with the elimination of the principal and interest payments that were budgeted for the note payable of \$400,000.00 for the ball fields that I mentioned earlier. It was removed from the 2014 budget as well. Under Capital Outlay I am reflecting a decrease of \$30,000.00 in the Treasurer's office for the purchase of a new server. We are purchasing a refurbished one at this time for under \$15,000.00. Also the Capital budget for Planning, Engineering, and Public Works decreased by \$475,000.00 of which \$400,000.00 again was the budgeted cost for the ball fields. That is the beauty of fund accounting. You show the revenue for the note, the expense for the actual payment on the note, and then the actual expense that goes into the capital as well. It is a three pronged thing there so it came out again. The \$75,000.00 for stormwater improvements at Pinewood Heights we removed that. We reduced it to \$20,000.00 and moved it to Town Council Operating Expenses under professional services to have the study completed that was referred to in the consent agenda for stormwater and sewer infrastructure in Pinewood Heights. Road maintenance expenses increased by \$147,898.00 to utilize the carry forward of the grant funds from 2013 as

well as the additional \$30,000.00 allocated in 2014. Under water and sewer there has been one minor change to the proposed budget revisions. The Water Debt Service Revenue was adjusted from \$225,025.00 to \$206,222.00. This was based on the May reconciliation of this account. We found an adjustment was made to the account and it was done in error because it was done in the opposite direction that it should have been. Once we made the correction we realized that those revenues would be a little bit lower. This change now reflects the combined water and sewer budget decrease of 60.24% instead of 77.42% which was advertised. Basically it reduces the income loss from \$109,484.00 to \$43,527.00 which is still an improvement. Charges for service decreased \$85,264.00 for water and \$31,025.00 for sewer. These decreases are a direct result in drops of consumption. The water rate was increased as of July 1st, 2013 but the increase did not completely compensate for the decrease in usage. In order to offset some of the loss of revenue we were able to reduce water operating expenses by almost \$20,000.00 mainly in the line item for the Reverse Osmosis Plant. Expenses are running a little lower than expected in regards to HRSD charges and some of the operating costs. We were also able to reduce depreciation expense in the sewer department by \$172,720.00 although this is a non-cash item it does impact operating income or loss. The main reason for the reduction is that the majority of the capital projects for 2014 are not being addressed until the end of the fiscal year so they will not pick up as much depreciation most of it will be next year. Under non-operating revenue we added \$16,000.00 for pro-rata share fees for water and sewer that was not initially budgeted. To offset that we had availability fees originally budgeted at twenty and we had to reduce that to fourteen based on how development is progressing for the year. It went down by \$37,200.00. That is most of the changes we had in the 2014 budget. Overall the budget still looks very good. Particularly in the General Fund most of those changes had to do with large projects such as Pinewood Heights and the ball fields. Does anyone have any questions?

Mayor Williams – Hearing no questions from Council, we will open the public hearing on the adoption of the amended budget for FY 2013/2014. Would anyone like to speak about the budget? Hearing none, we will close the public hearing. We will have consideration by Finance Committee Chairman, Mr. Randy Pack.

Councilman Pack – I will make a motion to adopt the amended budget for FY 2013/2014 as presented this evening.

Councilman Smith – Second.

Mayor Williams – A motion has been made and properly seconded. Roll call vote.

On call for the vote, seven members were present. Councilman Smith voted aye, Vice Mayor Gregory voted aye, Councilwoman Chapman voted aye, Councilwoman Tynes voted aye, Councilman Dr. Cook voted aye, Councilman Pack voted aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Mayor Williams – Now we move to the Public Hearing: Proposed Budget for FY 2014/2015. We will have a staff presentation by our Town Treasurer, Ms. Ellen Minga.

Town Treasurer – When I was preparing my presentation I realized that this is the fifteenth annual budget that I have presented for the town. You would think I would have it down to a science by now but each year has had its own special set of challenges. The overall proposed 2015 General Fund & Highway budget is reflecting a 5.16% increase over the proposed amended budget for 2014. We will look at revenues first. Real-estate and personal property are expected to remain relatively flat at this time. We had been on a two year reassessment cycle which would have put us on schedule for this year. But it was moved to 2015 so we will not have changes in that regard until next fiscal year. Other local taxes are expected to rise by approximately 4% largely due to expected increases in existing revenue sources needed to fund the museum payroll. I am assuming that everyone is aware of the museum funding challenges so I leave that discussion to Council. For now, however, the increase shows as a \$100,000.00 in miscellaneous revenues under local taxes. The expected changes include elimination of discounts to businesses remitting meals taxes and transient occupancy to the town as well as the reduction in the discount to wholesalers for the cigarette tax stamp and increasing the cigarette tax. Upon the direction of Council, these items will be advertised and added to the agenda for the Town's continued meeting on June 23rd. We will break it out in the budget in more detail at that time. Other revenue has been reduced by \$50,000.00 or 89%. We do not budget for cash proffers. We only budget for them after they have been received. We did not receive an additional Wellness Grant from the Obici Foundation of \$18,000.00 for 2015. We had \$18,000.00 in the 2014 budget. That combined with \$32,000.00 of cash proffers is why

we had a \$50,000.00 reduction. Revenue from the federal government also decreased by \$104,914.00. This reflects a lower contribution from VDHCD for the Pinewood Heights Relocation Project Phase II Multiyear II than was granted for Multiyear I. As I mentioned with the discussion on the amended budget this amount could change depending on what progress is made on the project to finish out the 2014 fiscal year in June. Anything not spent or drawn down will be rolled forward to the 2015 budget. Other financing sources increased by \$592,979.00. There are two significant changes in this category. One is the addition of \$450,000.00 for a line of credit proceeds. The second is an increase in operating reserves of \$389,587.00. The line of credit proceeds may not even be needed during the fiscal year. It depends on the timing of the acquisition and relocation closings for the Pinewood Heights project. We have it in place just in case we have short term cash flow needs. You noticed it was not in the 2014 budget. First of all we did not have to use any of those funds in 2014. Our prior auditors had recommended that it not be included in the operating statement as it was short term financing. Our current auditors after they reviewed the statements from last year recommend that it is reflected in the financial statements. It is a change in the accounting here and not an actual \$500,000.00 increase in our debt. That is not the case. The Operating Reserves are increasing by \$206,695.00. We estimate that this amount will be necessary from prior year reserves to balance the budget. Again, like the line of credit this is mostly attributable to Pinewood Heights and we have the full budget for Multiyear II included in this budget. It is kind of how we are supposed to show it through our agreement with the Virginia Department of Housing and Community Development. We have to fully budget it then if it is not utilized during that fiscal year will be rolled to the next year. It is highly unlikely that we will finish all of Multiyear II in this fiscal year. I do not expect that amount of reserves to have to be applied to the budget. Road Maintenance Funds are budgeted at the 2014 levels since we have not received word from the state on any changes. We do not anticipate a carry forward of 2014 funds into the 2015 budget. Total Operating expenses are expected to rise 7.5% with a noteworthy increase of \$457,840.00 in debt service. Again, like on the revenue side this is to offset the line of credit proceeds. It is the principal portion. When you take the revenue side where we show the financing source and the principal repayment then it is a zero net effect to the budget. The only effect that the line of credit would have on expenses would be any

type of interest that occurs if we made a draw down. It is expected to be minimal for next year. Overall salaries were increased 2.5%. One percent of this was a mandatory increase for Plan 1 employees in year three of a five year phase in for employees to pay their portion of a 5% VRS pension contribution that was formally paid by the town. The additional 1.5% was to address the tax effect of the increase and provide a small cost of living adjustment. At the same time, the town's portion of the VRS pension contribution dropped to 6.72% for 2015 which was approved earlier in the consent agenda. This is down for 8.94% in 2014. When combined with the decrease from 3% to 2% of the employee portion as I previously mentioned this translates to almost \$73,000.00 in savings for the town compared to a \$68,000.00 increase in salaries for a net savings of \$5,000.00. Even with the salary increases what we are saving on the VRS side by the employees picking up more and our rate going down we came out very well. Let me qualify those numbers by stating that possible museum staffing is not included in the salary and benefit numbers that I mentioned. I currently have \$100,000.00 in the budget as a separate line item in the Parks, Recreation, and Cultural department as a single line item because Council is still discussing this. Depending on the outcome of that discussion the budget can later be modified to departmentalize any employees to show salaries, benefits, and detail like we do for the rest of the employees. Insurance premiums increased by 4% for health and 0% for dental which was a welcome reprieve. We were initially told that the increase would be 10%. We kept the benefit level for the upcoming fiscal year because we had been told to expect a big change in the following year when rates will be determined per employee based on age instead of a pooled premium. Due to some staffing changes that impacted the type of coverage selected such as family versus single the total budget increase for insurance in 2015 is under \$3,000.00 which is outstanding. The Capital Outlay budget increased by just under \$50,000.00 for 2015. Some departments went up and some went down. We did add an additional vehicle for the Police Department giving them four instead of three based on departmental budget savings for 2014. We also included \$150,000.00 in the budget for improvements to the Police Evidence building which is necessary for accreditation purposes and \$22,000.00 for a much needed phone system overhaul in the Police Department. Road Maintenance decreased by 10% mainly because we did not project any carry forward of prior year grant money to be spent in the current fiscal year. Next is

the water and sewer budget. The utility budget is projected to improve from a loss of \$43,014.00 to a loss of only \$36,055.00 in 2015. The Sewer Fund is remaining relatively flat in both the revenue and expenses so the improvements in the bottom line are primarily in the Water Fund. There is a slight increase of \$28,000.00 projected for water revenue. This is not due to an increase in rate or consumption but the fact that we have a full year of billing at the new rate that was passed on July 1st of last year. The first month or two of the current FY 2014 the consumption was at the prior rate because in July we bill for May and June etc. Operating expenses decreased by \$26,000.00 for water that is mainly because we decreased materials, supplies, and professional services that were budgeted in 2014 to review the Reverse Osmosis Plant discharge alternatives. Under non-operating revenues, we did not budget for pro-rata share fees in 2015 as they are based on new development and are very infrequent these days. We were fortunate to receive \$16,000.00 in pro-rata fees in 2014 so that budget improvement did not carry forward to 2015. I would like to point out in the notes that the Water and Sewer Debt Service principal increased because we are getting deeper into the payments and the interest is also decreasing as the principal is increasing. The actual total payments are no different. The Sewer Capital expenses decreased by \$250,000.00 as well as we are kind of shifting our focus of the consent order requirements more towards find and fix with pump station upgrades, MOA compliance, flow monitoring development, and those types of issues. Does anyone have any questions?

Mayor Williams – Are there any questions from Council? Hearing none, the public hearing for proposed budget for FY 2014/2015 is now open. We have one sign up. Please state your name if you would like a response from the Town Manager or any Town Council member give us your address.

Mr. Cripps – I am Andy Cripps, CEO of the Isle of Wight/Smithfield/Windsor Chamber of Commerce. I have with me Mr. Todd Rauchenberger, Chairman of our Board of Directors, and Ms. Meredith Marchant, Program and Events Coordinator. I want to thank you for the opportunity to speak. I would like to request that you restore funding for the Chamber of Commerce that was cut from the proposed budget during the committee process. We understand that this budget process is an arduous one. It is hard to make everybody happy. We feel that this cut in funding will cause an undue

hardship to our organization and members. We labor in a very difficult economy to maintain and improve our services to the businesses of Smithfield and the County while keeping our membership fees low. As I am sure you are aware, the Chamber of Commerce serves the Town of Smithfield and its businesses by promoting the town and businesses to help them reach new clients and customers by encouraging responsible public policy effecting businesses. We support economic development initiatives to attract and retain businesses. We help new companies get started and become stable through technical assistance provided by the small business development center and our own educational workshops. The Chamber takes great pride in its accomplishments in Smithfield including its important role in the beautification of downtown Smithfield, the launch of the Smithfield Farmer's Market, the spinoff of the Smithfield/Isle of Wight CVB from a Chamber Committee, and the Chamber's role in establishing a YMCA program for Smithfield. Its role for getting legislative approval for funding Paul D. Camp Community College's Smithfield Center, initiating the America in Bloom project, and much more. The Leadership Isle of Wight Program which has been preparing leaders for our community including Councilwoman Chapman as well as Ms. Judy Winslow, Ms. Gina Ippolito, and many others since 1999. The Chamber also created its Student Leadership Institute in 2012 the first of its kind in Hampton Roads. It is being offered again this fall to rising Juniors from Smithfield High School, Windsor High School, Isle of Wight Academy, and others including for the first time home schooled students. I had a call this morning from a parent of a student in Smithfield who is just overjoyed that she was accepted into the leadership program. It was the final criteria that she needed to be able to apply to the college of her choice. This program is making differences in families in Smithfield and throughout the County. Last year the Chamber founded the Isle of Wight Community Foundation a tax exempt non-profit arm dedicated to support programs intended to enhance educational opportunities, workforce development, economic development initiatives, and address the growing needs of the community. The Chamber of Commerce has played an important part in Smithfield's success story and the town's continued support will ensure that we can help Smithfield achieve its future potential. In nearly two decades of being involved with the Chamber of Commerce, I have never seen a healthy, vibrant community without a strong and active Chamber. That is not a coincidence. When a Chamber is well supported by its

community it can be a powerful force for progress by bringing business and government and business leaders together to address vital issues as it has in Smithfield. In towns where the Chamber lacks support some of that energy and focus necessarily goes into fundraising to keep the lights on and the bills paid. It is why this restored funding is so important. Admittedly, our Chamber has been in a transition during the past twelve months with the retirement of Ms. Connie Rhodes after thirty years and the search and hiring of a new CEO. With that transition comes new perspectives and new opportunities. In the past few months the Chamber has already instituted fundamental improvements and upgrades. We have improved communication to businesses with a weekly electronic newsletter. We have developed new promotional opportunities and new educational workshops. We are investing in new software to help us serve our members better and more efficiently. We also have a new website with expanded visitor information to better promote Smithfield and the County as an ideal place to live, work, and play. Finally, part of what I bring with me to this position is extensive experience in tourism particularly heritage tourism. Smithfield's historic resources and charm are a big part of what has drawn me and my family here as it draws many other people. Smithfield has seen tourism become a major driver in the local economy and the potential for more growth is tremendous. I am excited to have an opportunity in my role with the Chamber to work with community leaders as Smithfield employs its historic landmarks and unique character to build tourism into an even stronger economic engine and to ensure the preservation of those landmarks. I hope you will restore the Chamber of Commerce funding that was cut in the proposed budget. We understand that the original purpose of that funding was to support the renovation of the Chamber's headquarters. The project was completed more than a decade ago. As I understand it was the Chamber's request that those funds remain in the budget. The Town Council has fully discussed and renewed this funding every year since. I am confident that this Council's intention all along was to support the Chamber's ongoing mission and programs. I hope you will continue to do so today. By restoring the funding the Town of Smithfield's support for the Chamber would remain on par with the level of support provided by the Town of Windsor based proportionally on the number of businesses served in each town. Perhaps in the future this funding could be reallocated for the specific purpose of supporting the Chamber's mission and programs. In anticipation of

next year's budget we would be happy to explore with you a service contract in which the Chamber agrees to provide specific support services to the town in return for an agreed amount. This would alleviate any confusion about the intent of the funding. It could provide cost savings to the town and would give the Chamber specific criteria for justifying its continued support. Thank you, Mayor and Council for the opportunity to speak.

Mayor Williams – Thank you, Mr. Cripps. We appreciate you giving us an overview. Are there any other comments? The public hearing is still open on the budget for 2014/2015. Hearing none, I declare the public hearing closed. Next we have consideration of the continued Council meeting on June 23rd, 2014. Finance Committee Chairman, Mr. Randy Pack.

Councilman Pack – Is there any discussion for Council at this point with regards to the budget for FY 2014/2015?

Vice Mayor Gregory – Mr. Mayor, I would like to ask the Council to consider Mr. Cripp's request on behalf of the Chamber to restore its funding back to its previous level. I was at the Financing Committee meeting but had to leave early. I thought we had discussed all of the contributions. After the fact, I found out that this item was brought back up and later discussed then removed. I was unaware of it until I went to the Chamber meeting. I am the Town Council representative on the Chamber. As a person who runs a business in Isle of Wight County I feel like the Chamber provides a ton of benefits for local businesses and the business community as a whole. I remember the time that this Chamber stepped up and looked out for the recession of 2008 and 2009. They spent \$20,000.00 out of their own coffers to advertise the buy local campaign for all of the businesses in Smithfield, Isle of Wight County, and Windsor. When times were tough, they stepped up. Now things are starting to improve somewhat for the towns, municipalities, and businesses slowly. I do not think that this is the right message that we want to send to the business community that we are going to basically fund less than the Town of Windsor has already approved \$3,500.00 in their budget to support this organization. I do not think it is the right message to send. So I would make a motion to further discuss to possibly restore funding to the Chamber of Commerce as it was previously set which I believe was a total of \$8,800.00.

Councilwoman Tynes – Second.

Mayor Williams – A motion has been made and properly seconded to restore the funding for the Chamber of Commerce. Is there any discussion?

Councilman Dr. Cook – Two committee meetings ago Mr. Cripps presented to us a request for funding. We asked specifically if we were a contributing business then what would our dues be. He did not know at the time. He said that he would get back to us with what that would be. At the next committee meeting, I asked our Town Manager if he had heard from Mr. Cripps as to what our rightful dues would be as a member of the Chamber of Commerce. He had not heard from Mr. Cripps. The financial amount that was to be given to the Chamber reverted back to what we had on our books for membership dues and the other part was a donation. We were not just going to pick a number out of the air and make that our dues. We went back to the only information that we had. I am sure there is a formula to find out what we owe. It has never been presented to us. I asked and never received any information about it. I am not into getting into long term blind donations. If we can set up a dues structure for how much we owe as a municipality then I am interested in that. I am not interested into a forever donation amount of a capital campaign. We reduced the amount that we had because it was the only number that we had been given. We can get into the discussions on what the Chamber provides and how it benefits the town but everyone has their own opinions. There are plenty of people like Vice Mayor Gregory who really appreciate what the Chamber has to offer. There are plenty of people and business owners that do not see the benefit of having membership in the Chamber which is why they do not have 100% membership. I am here to discuss our duty to the Chamber of Commerce to help fund them. If we can figure out a rate of what we owe then I am willing to discuss that. I am not into forever funding a capital campaign.

Mayor Williams – Is there anyone else who would like to comment?

Councilwoman Tynes – I agree with some of the things that Vice Mayor Gregory said. I had mentioned to Council over a year ago where I had an opportunity to go to a meeting with the VML Legislative Committee. We had a workshop. At that particular meeting they centered on the Chambers in the state of Virginia. We were asked as representatives from our local governments to come back and be supportive of the Chambers. The reason they said that is the same as we have tourism departments now in the local governments. The Chamber is just as important. People moving to

Smithfield or Isle of Wight County would look up the Chamber to determine what type of town or county it is. It was one reason why they said we should support it. Our Tourism does a great job but the Chamber is just as important to getting people to come and move into our town. This is why I would like to support it. The state organizations that we belong to say that we should support the Chamber then I think we should. Perhaps the capital campaign is over but if they have a need for donations then by all means I think we should support them if we have the funding. Thank you.

Councilman Pack – Ms. Minga, what did we agree to fund the Chamber in the FY 2014/2015 budget?

Town Treasurer – In the past it was \$2,800.00 for the actual dues portion and \$6,000.00 for the capital campaign.

Vice Mayor Gregory – Is that how they billed it or is it just how we have always accounted for it?

Town Treasurer – Fifteen years ago when I first came here, we were being billed \$2,800.00 for dues and then when the capital campaign started they ask for an additional \$6,000.00 per year. Initially it was billed as \$2,800.00 and \$6,000.00 then eventually it was blended together. They would bill us for \$8,800.00 but we continued to break it out in our budget. We felt that it was two separate components. We considered the \$2,800.00 our dues. Even though the capital campaign had ended we still considered the \$6,000.00 a contribution so that is how it is budgeted separately.

Councilman Pack – I believe that we should support the Chamber as an equal member to any of the other businesses in town.

Councilman Dr. Cook – I do not think anybody is saying contrary to what Councilwoman Tynes is insinuating that we should not support the Chamber. The question comes up to the amount. The Chamber of Commerce has become accustomed to \$8,800.00 that we have been giving every year. Dues were really \$2,800.00 at the time. They have become used to \$8,800.00 and now they have budgeted it into their budget. I wanted to be very clear about other donations for capital campaigns we should have a definite end date. I do not want people to fit this into their budget and become dependent on what we see as a contribution. I want to support the Chamber. I would like to see the Chamber do even more things for the businesses in this community. Maybe they can step up to the level of what Smithfield 2020 is doing

bringing more businesses to town. I think that you have a public relations problem in that we do not know what you do all the time. I am sure that you do many good things but we do not hear about it as far as bringing new businesses to town and expanding business in Smithfield. I agree with Councilman Pack that we have an obligation to pay our dues. I think we do need to make a donation to support them. The question is to what amount. I think we need some kind of formula for our dues based on employees. Give us a figure that we can see.

Councilwoman Chapman – I just wanted to say that I do receive emails and mailings from the Chamber. I think they do a wonderful job. I receive emails from Ms. Meredith Marchant all the time about what is going on. If I send something community wide as far as a free event or something that is going on through my employer then they always promote it. I think they do a really good job on that. I do understand the dues and donation thing I think we need to discuss that. I would recommend that it go back to committee for a little further discussion.

Councilwoman Tynes – I would like Councilman Dr. Cook to clarify himself about the contrary remarks that I made. The only remarks that I made was agreeing with Vice Mayor Gregory. I also mentioned the fact that I had attended a workshop. At this point, I have noticed at the last few Council meetings that I have attended that my name is always coming up in some negative way. I would like for you to clarify the reasons why. I do have an opinion as a Council member. I was just agreeing with Vice Mayor Gregory. I just put a few words in there as to why I agreed. At this point it becomes old. I would like to know from Councilman Dr. Cook now if there is a concern. I do have a right to voice my opinion as a Council member.

Councilman Dr. Cook – Mr. Mayor, do you want us to get into this right now.

Councilwoman Tynes – He constantly brings my name up during these sessions. I would like for him to clarify why.

Mayor Williams – If you do not mind Councilwoman Tynes, I would like to bring that up in closed session. We will continue it then.

Councilwoman Tynes – That will be fine. Thank you.

Mayor Williams – We have a motion on the floor and a second that we fund the full \$8,800.00 to the Chamber of Commerce.

Councilman Smith – I agree with Councilman Dr. Cook. I want to support the Chamber. Maybe the breakdown over the years is now causing indigestion for them because it has suddenly been cut drastically. I think we do have a responsibility for dues but not an ongoing continued pro-rata of capital improvement that has been expired for some time.

Councilman Pack – With respect to Vice Mayor Gregory and Councilwoman Tynes's motion and second, I would like to discuss this at committee where we can have some real numbers in front of us. Perhaps by then the Chamber can give us what the dues for a municipality would be by that point. We could discuss this funding before we approve this budget at the continued Town Council meeting.

Mayor Williams – Can you have some numbers for us, Ms. Minga, as far as what is in the budget and what we could do about \$8,800.00. We have a motion on the floor and a second to approve the \$8,800.00 to fund the Chamber of Commerce as we have done in the last few years. We can pull the motion or we can vote on it. If we pull it then we could take it to committee.

Vice Mayor Gregory – I would like to make one more comment and then I will decide if I want to withdraw my motion. Part of my heartburn here is this is not a new thing. I have been on the Finance Committee for as long as I can remember. This has come up every year. It is not a surprise that we have just found out that the \$6,000.00 is not a capital campaign contribution we have known that. I will not speak for everybody. I have always looked at this as our contribution to the Chamber as a whole. We kept it separate. They stopped billing it separate awhile ago I am assuming. In no way did they ever reiterate to us that it was two separate pieces. I would dare say that if we go back to the minutes we could see that it was very clear that we understood what this was and what it was going to. To reduce the funding based on that argument, I do not like as much. I would actually think that if we are going to reduce the funding then we need to have the argument about the value of the contribution. I feel like that it is a hard argument to make. I think we get plenty of value and plenty of quote unquote bang for our buck for what we put in versus what comes out on the other side. I do not know if that needs to go back to committee. We can make an argument that if you really do a formula and do it on a pro-rata basis based on the number of businesses that we are probably getting a deal. It would probably be closer to \$10,000.00 to \$12,000.00. If we

agree at committee that we are going to agree to some formula and it ends up being more are we going to fund that amount? I do not know. It does not sound like it. I tend to say that we should vote on it. If it passes it passes and if it does not then it does not. We still have the ability to talk about it at the committee meeting.

Mayor Williams – You have a motion on the floor.

Vice Mayor Gregory – Let it stand Mr. Mayor.

Mayor Williams – Yes sir. Is there any further discussion on the motion? The motion is to fund the \$8,800.00 to the Chamber as we have been doing in the past. We do have a second.

Town Attorney – This is just for clarity Mr. Mayor. This is an amendment to a motion to amend the budget. It is not a motion to approve the expenditure. This is for our meeting minutes purposes. We are not voting on the budget tonight. Vice Mayor Gregory has made a motion to amend the budget as proposed to restore the funding. That is what his motion is. It is not restoring the funding it is just changing the budget which you will vote on at your continued meeting.

Mayor Williams – Is everybody in agreement? Roll call vote.

On call for the vote, seven members were present. Councilman Pack vote nay, Councilwoman Chapman voted nay, Councilwoman Tynes voted aye, Vice Mayor Gregory voted aye, Councilman Smith voted nay, Councilman Dr. Cook voted nay, and Mayor Williams voted aye. There were four votes against the motion. The motion fails.

Town Attorney – Mr. Mayor, there is another matter of housekeeping that we need to take care of. The Town Treasurer explained in her presentation that there are anticipated revenues that our predicated on the elimination of certain discounts pertaining to the discounts for the collection to retailers for the collection of meals tax and transient occupancy tax as well as a proposed reduction in the discount for cigarette tax stamps and a proposed increase in the cigarette tax. If it is the Council's desire to pursue those revenue enhancements as proposed in your budget then you just need to direct staff including the Town Manager and myself to set this for the public hearing at your continued meeting. We would need to change those ordinances to comport with your revenue sources. We would need a motion to direct staff to advertise those proposed changes for the June continued meeting then we will do so.

Councilman Pack – So moved.

Town Attorney – Normally we just do this for you but this is a big deal from the standpoint that it is effectively in one instance a tax increase but also a revenue measure. You have to have public hearings that effect revenue issues. There is time to do that. The Town Treasurer and I communicated on the subject and it would be something that she would want to go ahead and advise the effected parties which would be merchants to anticipate the change as of July 1st.

Councilman Dr. Cook – Second.

Mayor Williams – A motion has been made and properly seconded. Roll call vote.

On call for the vote, seven members were present. Councilman Smith voted aye, Vice Mayor Gregory voted aye, Councilwoman Chapman voted aye, Councilwoman Tynes voted aye, Councilman Dr. Cook voted aye, Councilman Pack voted aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Councilwoman Chapman – If we do not approve a \$6,000.00 donation can we take back to committee the discussion of a different amount instead of saying nothing? Can we take that back to committee please?

Mayor Williams – Absolutely. I think every member is in agreement then we will take it back to committee.

Councilman Pack – Is there any continued discussion on the proposed budget for FY 2014/2015 at this time? Seeing none, I would like to make a motion to table consideration for the FY 2014/2015 Budget at our Continued Town Council meeting on June 23rd, 2014 at 6:00 p.m.

Vice Mayor Gregory – Second.

Mayor Williams – A motion has been made and properly seconded. Roll call vote.

On call for the vote, seven members were present. Councilman Smith voted aye, Vice Mayor Gregory voted aye, Councilwoman Chapman voted aye, Councilwoman Tynes voted aye, Councilman Dr. Cook voted aye, Councilman Pack voted aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Mayor Williams – The next item is a Motion to Approve the Isle of Wight County Museum Partnership Agreement. Finance Committee Chair, Mr. Randy Pack.

Councilman Pack – We have deliberated over this quite a bit in the last couple of months. Before the Town Council meeting tonight you see an agreement that was drafted by Isle of Wight County and it was amended by us which they were agreeable

to. Is there any additional discussion on this Partnership Agreement with Isle of Wight County tonight?

Councilman Dr. Cook – Are we discussing the disposition of employees in this agreement?

Councilman Pack – No, that is the next item.

Town Attorney – It is specifically silent on that. The agreement addresses the fact that the decision is solely that of the Town Council.

Councilman Pack – Seeing no further discussion, I would like to make a motion to approve the Isle of Wight County Museum Partnership Agreement as presented.

Councilman Dr. Cook – Second.

Mayor Williams – A motion has been made and properly seconded. Is there any further discussion? Hearing none, roll call vote.

On call for the vote, seven members were present. Councilwoman Tynes voted aye, Councilman Smith voted aye, Councilman Pack voted aye, Vice Mayor Gregory voted aye, Councilwoman Chapman voted aye, Councilman Dr. Cook voted aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Mayor Williams – Next is a Motion to Direct the Town Manager Regarding Staffing of the Isle of Wight County Museum. Finance Committee Chair, Mr. Randy Pack.

Councilman Pack – One of the more debated items that we have had in the last month is whether the museum employees become a member of the Town's staff or the County's staff. There are a lot of things to think about here. There is a small savings to the town for them to be town staff. There has been a lot of discussion between the employees of the museum and the County. It is the recommendation of County Attorney Popovich that they do come to the town. If they came to the town then they would be under the direction of the Town Manager, Mr. Peter Stephenson. Is there any discussion?

Councilman Dr. Cook – I am for them being town employees.

Councilman Pack – We have discussed this a lot. Have we made our minds up? I am prepared to make a motion. Does everyone know where they stand at this point?

Vice Mayor Gregory – I think you should make the motion and then we can discuss it.

Councilman Pack – I would like to make a motion that we bring the Isle of Wight County Museum employees under the employment of the Town of Smithfield.

Councilwoman Tynes – Second.

Mayor Williams – A motion has been made and properly seconded. Is there any further discussion?

Councilman Smith – I think Judy Winslow said that it was to their benefit to stay employees of the County for monetary reasons and outside benefits. Is that what you told us?

Director of Tourism – Yes. Since then I have had further discussions with the museum employees and they are willing to give those benefits up.

Councilman Smith – Ms. Minga, did you say that it was about \$1,600.00 a year savings to us instead of them staying with the County?

Town Treasurer – Yes.

Councilman Smith – I am against us hiring these people. I want to let you all know this up front. I do not mind them staying Isle of Wight County employees. The \$1,600.00 savings will disappear in administrative fees and action needed by town staff to oversee and communicate. To me it is more than a \$1,600.00 figure. When you start bringing that into the picture I do not know how you attach a dollar amount to that. I do know that it is extra time for town staff. I think it is best for them to remain County employees because we are only entering into this for a one year agreement.

Councilman Pack – It is for three years.

Councilman Smith – Yes but we can renew it every year.

Councilman Pack – Correct.

Councilman Smith – If they go back to the County then the county can say that they do not need those employees then they are gone. I feel like we are protecting them by having them remain county employees. The benefits are better.

Director of Tourism – I did not necessarily say that. What I am saying is that because they were defunded by the county. What that means in terms of the Reduction in Force (RIF) Agreement they would all have to reapply for their own jobs with the County at this point.

Councilman Smith – Has the county said that they would not hire them?

Director of Tourism – No. They are certainly willing to go through that process.

Councilman Smith – Okay.

Councilman Dr. Cook – The County corrected me at the Intergovernmental meeting because I said they were fired and they say they are (RIF) Reduction in Force. The ball has already rolled on that. They would have to reapply for the jobs. Their benefits have already been used up. I understand they have already lost their sick leave.

Director of Tourism – They will lose them as of June 30th.

Councilman Dr. Cook – Yes. Staying on does not help them. I think this agreement will be more than three years. It will probably be five or more years or if ever going back to the County. I am standing up for the museum and making it a town entity essentially by having the employees with the town. I think the museum is good for the town. It is good for the town's tourism. I am willing to stand behind it as a town for however long it takes. At the Intergovernmental meeting I explained that if they are town employees because of the moving target of our funding with meal tax rebates, increase in cigarette taxes, and other resources that we were just talking about that is a guess. Next year if we have a plummet in hotel stays, meals taxes, and cigarette sales then our funding for this has gone down the drain. We need the ability to handle the employees if we need to cut hours because of money. If they are County employees then we are promising the County \$100,000.00 a year for employees. We would be on the hook for \$100,000.00 per year regardless what our revenues on meals tax, occupancy tax, and cigarette tax. If we have a stellar year and get a bit more money then we might be able to add another employee. It gives us that flexibility of managing the museum versus just giving the County \$100,000.00 per year.

Councilman Smith – I am not saying that I do not want to support the museum. I think it is vital. I really do. I am behind it.

Councilman Dr. Cook – I did not mean to insinuate that you are not. I am trying to give my reasons why I think they should be town employees. The word control has been thrown out too many times. We need to be in charge of the staff so that they will move with the fluidity of our income structure. Perhaps Councilman Pack could amend his motion to include creating these positions for the Town Manager to fill. It would give our Town Manager the ability to create a museum department short of any better word. He can decide how many positions he needs and who should fill the positions. Obviously

the people there are the best qualified for today. It would give our Town Manager the ability to create a department.

Councilman Pack – I understand.

Councilwoman Tynes – I feel that these people are already employed. This is just a transition from the county to the town. I do not see the need to create positions. They are already in place. If they no longer want that position then we can go out and advertise for the position. It is just a transfer. They are no longer working for the county. They would be working for the town.

Councilman Pack – I do think it is a bit more than that Councilwoman Tynes. Although they are in place it is only until June 30th when their budget year ends. Essentially they have been unhired. The county had a reduction in force. They no longer have a position. Even if we funded the county to pay their salaries then the county would still have to go through a reapplication process.

Councilwoman Tynes – So as of June 30th, they are considered RIF (Reduction in Force).

Councilman Pack – Yes.

Councilwoman Tynes – I will take back what I said then.

Councilman Smith – In order to hire new people or the same people is that the responsibility of the Town Manager to oversee them once they are hired? Does the Town Manager oversee them constantly?

Councilwoman Tynes – Yes.

Councilman Smith – Ms. Winslow, are you still with the County?

Director of Tourism – Yes.

Councilman Smith – Okay. I am sort of seeing the county and town playing around with who is going to be whose boss and who is going to say what. I have been concerned about that.

Director of Tourism – I have supervised them for a number of years. I would be happy to serve in an advisory capacity to whatever the Town Manager needs.

Vice Mayor Gregory – Ms. Seward is not here but she was at the Intergovernmental meeting. Maybe I heard it wrong but it was my understanding that because they had a RIF then their sick time that they built up has evaporated.

Director of Tourism – No. At the end of June, they will be paid for vacation hours but sick time is gone.

Vice Mayor Gregory – One of Councilman Smith's concerns is that if they built up a bunch of sick leave and it is gone because they will be town employees it is gone regardless. It would have been a big concern for me. If I had built up thirty days of sick leave in case one of my children were real sick then I would not like that. It sounds like that will be the same either way no matter who they work for. As far as a benefits analysis, I know that our Town Treasurer crunched the numbers as best she could. I agree with Councilman Smith that there are probably some hidden costs and quite honestly it is probably the Town Manager's time more than anything. He is the one who will directly supervise them. There is not really someone under him that will be the intermediary.

Councilwoman Chapman – I would like to see them become town employees.

Mayor Williams – If I knew that my job was going to be terminated in twenty-five days and I had any sick leave at all then I would get sick. I do not understand it. I have worked men for almost sixty years and they pull all of those strings. They get doctor excuses and everything else. I have been sitting on the fence about this issue for awhile. I am back and forth on it. I guess I am going to have to give the Town Manager more employees. I feel that it is the best way to do it. I agree with Councilman Dr. Cook if we are going pay somebody for the job then we need to be able to have some oversight over it. Is there any other discussion?

Town Attorney – Councilman Dr. Cook had a good point that Councilman Pack has already acknowledged that. It really is a motion to authorize a creation of positions. The Town Council only hires the Town Manager, Town Clerk, Town Treasurer, and Town Attorney.

Councilman Pack – I would like to make a motion to authorize the Town Manager to establish new positions to staff the Isle of Wight County Museum.

Councilwoman Tynes – Second.

Mayor Williams – A motion has been made and properly seconded. Does everyone understand the motion? Are there any further comments?

Councilman Smith – We are not paying the money that we discussed to the County. We are keeping that money. If we hire these employees then that money stays in house.

Councilman Pack – Correct.

Mayor Williams – Is there any further discussion? Roll call vote.

On call for the vote, seven members were present. Councilman Dr. Cook voted aye, Vice Mayor Gregory voted aye, Councilwoman Chapman voted aye, Councilman Smith voted aye, Councilwoman Tynes voted aye, Councilman Pack voted aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Mayor Williams – The motion passes unanimously after discussing this for many hours.

Vice Mayor Gregory – Did this combine item three and four together?

Councilman Pack – No. They were definitely separate.

Mayor Williams – The next item is a Motion to Approve the Town Council Meeting Minutes of May 6th, 2014.

Town Attorney – Mr. Mayor and members of Council they were much longer than normal but I have reviewed them. I have made some minor revisions and corrections and would recommend that they be approved as revised and corrected.

Councilman Pack – So moved.

Vice Mayor Gregory – Second.

Mayor Williams – A motion has been made and properly seconded. All in favor signify by saying aye, opposed say nay.

On call for the vote, seven members were present. Councilman Dr. Cook voted aye, Vice Mayor Gregory voted aye, Councilwoman Chapman voted aye, Councilman Smith voted aye, Councilwoman Tynes voted aye, Councilman Pack voted aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Mayor Williams – Next we have New Business. The first item is an Appointment of Evaluation Committee for the Four Appointed Positions of Town Treasurer, Town Clerk, Town Attorney, and Town Manager. I would like to appoint Ms. Connie Chapman to head that up for us. She has done it twice before and done an outstanding job. Councilwoman Chapman will get with the Town Clerk to get the information out to all the Town Council members. I would ask that everyone get them back in a timely manner.

Last year they came in at the last minute. When you get them please start working on them. The next item is to Appoint a Nominating Committee for the Expiring Term of Joseph Howell on the Board of Zoning Appeals. I would like to appoint Mr. Mike Smith and Mr. Randy Pack. Is there any other new business? Seeing none, we move to Old Business. Do we have any old business?

Councilman Dr. Cook – I just wanted to bring the other Council member's up to speed that were not at the Intergovernmental meeting we had. There were a couple of things that we discussed that we need to start thinking about. The boundary line adjustment was brought up. We will bring that up again in a month. The second item is the use of the Rescue Squad building that we are currently in partnership with the County. There was a lot of discussion on that about the best use for us, the county, or combined use. We talked about what the contract with the County currently says. We reviewed what was required to get out of the contract or for us to buy the County's half of the building. The County had a lot of ideas for how they could use it as far as office space and storage spaces. We obviously have a lot of uses for it for the town. We could have a secure evidence room for our police department which we will need in eighteen months for accreditation. We could also have winter storage for our boat and our command vehicle. Instead of paying \$6,000.00 a year to store artifacts somewhere else we could store them in our own climate controlled building. There are a lot of uses that we obviously have for the building that would pretty much take up 100% of the building. We need to start discussing how to move forward with this building either we can work with the County to figure out some kind of combined use or initiating the procedures to buy the County out of their half of the building. I think we could look at selling them the building and the land. It is something to think about. We are going to need to get moving on this because the police department evidence room is going to be needed soon. We cannot wait until the last minute to work on it.

Mayor Williams – At that meeting we directed Anne Seward and the Town Manager to look into it. I think it would behoove rest of Council and the ones that were there to get a copy of the Intergovernmental Meeting minutes.

Councilman Dr. Cook – I have one more item from the Intergovernmental meeting. One of the Supervisors said that we did not make a date for our next

Intergovernmental meeting. We should get that set for maybe six months from now so we can have it on the books.

Mayor Williams – I thought we had discussed having one in a couple of months because of the land.

Councilman Dr. Cook – Yes but the date was not set. I think we need to get a date sooner instead of later so that we can all have it on our books. Summer schedules get crazy.

Mayor Williams – I think we should have it at the end of July or the first of August. Councilman Pack, could you set that up with Ms. Seward?

Councilman Pack – Sure.

Mayor Williams – Is there any other old business? Hearing none, we will now move to Closed Session. I would like to thank everyone for coming out tonight.

Town Attorney – Mr. Mayor, we need a motion to go into closed session for three specific purposes. Number one is the discussion of the disposition of publicly held real property, number two is personnel matters, and number three is legal matters requiring legal advice by counsel for potential litigation. There was a remark during the general meeting that parliamentary matters or decorum among Council members would be discussed. It is not a legitimate subject for closed session. It will not be discussed in closed session. It is a matter for the Mayor to deal with as a parliamentary matter. It can be done at the conclusion of the closed session or at another time.

Councilman Pack – So moved.

Councilwoman Chapman – Second.

Mayor Williams – A motion has been made and properly seconded. All in favor signify by saying aye, opposed say nay.

On call for the vote, seven members were present. Councilman Dr. Cook voted aye, Vice Mayor Gregory voted aye, Councilwoman Chapman voted aye, Councilman Smith voted aye, Councilwoman Tynes voted aye, Councilman Pack voted aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Town Council went into closed session at 9:01 p.m.

Town Council went back into regular session at 9:33 p.m.

Town Attorney – We need a motion to go back into open session.

Councilman Smith – So moved.

Councilman Pack – Second.

Mayor Williams – A motion has been made and properly seconded. All in favor signify by saying aye, opposed say nay.

On call for the vote, seven members were present. Councilman Dr. Cook voted aye, Vice Mayor Gregory voted aye, Councilwoman Chapman voted aye, Councilman Smith voted aye, Councilwoman Tynes voted aye, Councilman Pack voted aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Town Attorney – Mr. Mayor, we need a motion that during the closed session there was a discussion of the disposition of publicly held real property, potential acquisition of real property for public purposes, and a discussion of legal matters requiring advice by counsel in particular potential litigation.

Vice Mayor Gregory – So moved.

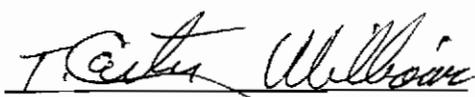
Councilman Dr. Cook – Second.

Mayor Williams – A motion has been made and properly seconded. All in favor signify by saying aye, opposed say nay.

On call for the vote, seven members were present. Councilman Dr. Cook voted aye, Vice Mayor Gregory voted aye, Councilwoman Chapman voted aye, Councilman Smith voted aye, Councilwoman Tynes voted aye, Councilman Pack voted aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Mayor Williams – This meeting will be continued until June 23rd, 2014. We stand adjourned.

The meeting adjourned at 9:35 p.m.


T. Carter Williams
Mayor


Peter Stephenson, AICP, ICMA-CM
Town Manager