

**ROCKY MOUNT TOWN COUNCIL
SPECIAL COUNCIL MEETING
AUGUST 24, 2009**

The August 24, 2009 special Council meeting of the Rocky Mount Town Council was held in the Council Chambers of the Rocky Mount Municipal Building located at 345 Donald Avenue, Rocky Mount, Virginia at 7:00 p.m. with Mayor Steven C. Angle presiding. The following members of Council were present:

Vice Mayor Posey W. Dillon and Council Members Jerry W. Greer, Sr., John H. Lester, Roger M. Seale, Robert W. Strickler and Gregory B. Walker

The meeting was called to order by Mayor Angle.

The Town Clerk read for the record the following being present: All members of Town Council as noted, Town Manager C. James Ervin, Assistant Town Manager/Community Development Director Matthew C. Hankins, Finance Director Linda Woody, Town Attorney John T. Boitnott, and Town Clerk Patricia H. Keatts.

APPROVAL OF AGENDA

Prior to the meeting, Council had received the agenda for review and consideration of approval.

- Motion was made by Council Member Seale to approve the agenda as presented, seconded by Council Member Lester and carried unanimously.

REVIEW AND CONSIDERATION OF FINANCING OPTIONS FOR UPTOWN REVITALIZATION COSTS

Prior to the meeting, Council received a breakdown of costs titled "Rocky Mount Uptown Streetscape Project (Main Street/Warren Street/West Court Street) for their review.

The Town Manager came before Council to present the financing options for the uptown revitalization costs, presenting the following:

- The Town Manager and Finance Director have investigated the financing and payment options for the uptown project, as well as the need to refinance a balloon payment of \$1,619,075.16 on the Town's Emergency Services Building, which is due in 18 months.
- As discussed at most recent committee meetings, the Finance & Human Services Committee reviewed options for financing the uptown project.

- Financing options were presented:
 - The Virginia Municipal League (VML) Loan program is designed for interim and/or permanent financing. It is primarily used as short-term financing for construction projects and then converted to a long-term debt instrument at the end of construction. Rather than borrowing the entire \$1.8 million up front as a conventional loan and paying interest on the entire amount from the beginning, only the amount needed is borrowed when needed and interest is paid only on the borrowed amount. The amount borrowed will increase with each draw-down.
 - The short-term rates are re-set on a weekly basis but renewed with the borrower monthly. Over the past year, short-term rates have averaged 2.0%, including interest and closing costs. This program allows pre-payment at any interest reset date (monthly) without penalty. The approximate closing costs on a \$1.8 million loan are \$12,000 and can be rolled into the loan. The \$12,000 would be approximately \$5,500 for program fees and \$6,500 for bond counsel.
 - The Town can lock into a long-term rate at any point without going through the financing process again. This conversion from a short-term instrument to a long-term instrument does require additional closing costs (up to \$35,000) and can be financed. Generally, there is a ten year period where the long-term bond cannot be pre-paid. The current long-term rate for 20 years is about 4.5%. The annual debt service would be about \$136,600. This debt service would be paid either by a three cent property tax increase, or by a direct tap of the Town's reserves until the economy generates this revenue from normal economic activity.

The scope of the project was discussed, with a breakdown of the project:

- Construction:	\$1,367,724.25
- Landscaping:	\$435,138.00
- Water	\$47,250.00
- Sewer	\$80,805.00
- Crosswalks	\$60,000.00

There was also discussion regarding some of the aspects of the project being eliminated or changed. The Town Manager informed Council that if this is pursued, it will need to be done quickly as the \$631,550 of state funds has been pending for several years and by changing or delaying the project, those funds may not be available in the future.

It was the recommendation of the Town Manager that Council consider having the Town finance the project using the short-term loan instrument from VML until the Emergency Services Building balloon payment comes due in 18 months. At that point, the Town can elect to continue with the short-term rates or lock in on a long-term rate, or use cash to reduce the total amount owned. For the current fiscal year, the debt service will be paid out of Town reserves, which will still be a net savings over the use of cash as there is still about .5% more in interest earned versus interest paid in the Town's current scenario. Future

debt service will be determined in the budget process.

There was discussion having the Public Works Department doing the sewer/water portion of the project in order to save funds. The Town Manager informed Council that he had approached the Public Works Director about this and he would not mind taking it back before him, but he was informed by the Public Works Director that it would be a challenge for his crew to coordinate this, and by the time the Town bought the material, it would not save the Town that much money.

The brick pavers were discussed, with the Town Manager informing Council that the \$60,000 was for the replacement of pavers in the downtown area that needed replacing after the Town paved over the streets. He also informed Council that he has received requests from the downtown businesses wanting the pavers to be put back.

Several points were brought up by Council and staff:

- When the downtown project was completed, Council wanted to bring that design to the uptown area in order to tie-in both areas.
- Need to look into using some other material for the pavers, with the cost possibly being less.
- The Town citizens do not need to have a tax increase to pay for this project, especially due to the existing economy.
- Staff confirmed that the master plan for the uptown project has not changed much.
- Staff went over what the landscaping consisted of.
- As part of the State requirement, parking has been created, not taken away, for the uptown area.
- Went over how many benches and trees were planned for uptown and where the trees would be placed. Staff informed Council that the sidewalks were in compliance with American Disability Act (ADA), and that where the trees would be placed in pockets near or in the sidewalk would not hinder any pedestrians using the sidewalks.
- Discussed how the different finances would work.

It was pointed out by the Town Manager that the Town needs to present the contract for the uptown project in three weeks in time for validity of the bid, with the Finance Director needing to know how to proceed with the financing, per Council instruction. Also stated that ultimately, some changes may be able to be negotiated down with the contractor to decrease the cost, but that it will not change the project overall. He also stated that he looks forward to having a great uptown and downtown, and he believes all of Council share in this vision. He also pointed out that in the uptown project the private sector has stepped up and provided private money on the table, referencing the Court Appointed Special Advocacy's (CASA) new building, and the renovations done to the N. Morris Building.

There being no further discussion, the Mayor entertained a motion.

- Motion was made by Council Member Lester to accept the Town Manager's recommendation that the Town finance the project using the short-term loan

instrument from Virginia Municipal League until the Emergency Services Building balloon payment comes due in 18 months; at that point, the Town can select to continue with short-term rates or lock in on a long-term rate, or use cash to reduce the total amount owed; for the current fiscal year, the debt service will be paid out of Town reserves, which will still be a net savings over the use of cash as there is still about .5% more in interest earned versus interest paid in Town's current scenario; and future debt service will be determined in the budget process. Let the record show that the motion on the floor was seconded by Council Member Seale. Discussion ensued. It was confirmed by the Town Manager to Vice Mayor Dillon that the amount being borrowed was at \$1,798,458.98, which includes everything that was discussed, such as the crosswalks and water/sewer. The Town Manger informed Council that there would be room to expand or subtract, but that the Finance Director needed to know how to go forth with the financing of the project. Vice Mayor Dillon stated that his biggest concern is pricing for the different types of pavers, as he noticed that there was nothing else listed for the material but brick work. Vice Mayor Dillon also mentioned the proposed benches, and that he also has no problem with working on an uptown project, but that some of the items are a little too much in asking citizens to pay for in this type of economy, that the Town needs to think about scaling down now and going back later if things turn around, and for the Town to pay as you go and not have to pay interest on that money. Council Member Lester stated that what is being proposed now gives the Town the availability to downsize it, and that this process has been thought through on numerous occasions during committee meetings. The Mayor stated that the way he thinks is that a lot of these things can be negotiated as they are looked at, with the cost possibly coming in lower. Council Member Lester stated that he agrees with Vice Mayor Dillon on keeping the costs as low as possible, but that as this is presented now, it gives the Town that availability to negotiate, and that the Town now needs to move forward with this project. The Mayor restated the motion on the floor. Let the record show that the motion passed five to one, with Vice Mayor Dillon voting no to the motion on the floor.

REVIEW AND CONSIDERATION OF OPTIONS TO ELIMINATE DAM ON PIGG RIVER

It was brought to Council's attention by the Town Manager that the Town has looked into making the Pigg River dam safer, with Council approving Paul Shively putting in rip-rap at the dam site at a cost of approximately \$4,200. The dam would still be in place. He further stated that the United States Department of the Interior, Fish and Wildlife Service (Fish & Wildlife) has offered to assist the Town with the removal of the Pigg River dam located near the Veterans' Memorial Park. This assistance would be in the form of technical and engineering help, as well as funding in the amount of \$30,000. Further, they have agreed to monitor the site after the work is performed, which has a value of over \$5,000 a year. It was also pointed out that if the Town partnered with Fish & Wildlife, there would be no whitewater park as proposed by Scott Martin with Franklin County Commerce & Leisure Services.

Council Member Seale had been asked by the Town Manager to contact Dave Byrd of Fish & Wildlife (who he has had dealings with in the past) regarding if Fish & Wildlife was willing to consider any other options for assisting with the safety issues of the dam without having it removed. In talking with Mr. Byrd, Council Member Seale came to the conclusion that the offer made by Fish & Wildlife is pretty much set in stone, and that they do not want to permit a white water park at this site. Also, that if the Town wants assistance from Fish & Wildlife, the Town would have to accept their assistance as proposed. It was mentioned that on Thursday, August 27, around 1:00 p.m., Fish & Wildlife will have a contractor at the dam site to come up with the costs for removal of the dam. Council Member Seale also stated that Fish & Wildlife does not believe the silt and sediment behind the dam will be an issue as they feel it will flow on upstream once the dam is removed. He also stated that the Town may get as much as \$40,000 in assistance for the removal of the dam.

The Town Manager informed Council that he has met with B. W. Wright (member of the Veterans' Memorial Park committee) and Scott Martin during a conference call to Fish & Wildlife. The perception of the Town and County staff involved is that Fish & Wildlife are offering to help in lieu of permitting an in-stream project other than removal. They have thus far been reluctant to issue a permit for any work in the Pigg River downstream of the Town's dam due to that area being a highly sensitive area, and have also not been receptive to the idea of a water park. This is the area where the Town's contractor (Paul Shively) would have needed to build a coffer dam to sit his equipment on in order to pile rocks on the back side of the dam.

Three options were presented by the Town Manager for Council's review and consideration:

1. Work with Fish & Wildlife to remove the dam, jointly trying to resolve the safety issue and promote the recovery of the Roanoke Log Perch. This involves abandoning the plans for a white water feature at this site.
2. Attempt to eliminate the hydraulic with the use of rock and dam, notching as previously proposed (preserving the future potential for a white water development).
3. Take no action.

There was discussion regarding if the County would still be going forth with plans for their white water park upstream near the Town's Wastewater Treatment Plant. It was mentioned by the Town Manager that by removing the Pigg River dam, the Roanoke Log Perch would be allowed to move further upstream more freely, and the removal of the dam would be beneficial to the County's proposed blueway concept.

The Town Manager also brought to Council's attention that given that it is unlikely that Fish & Wildlife would ever issue a permit for in-stream work in the area downstream of the dam, he would like to recommend for Council's review and consideration that the Town partner with Fish & Wildlife to remove the dam, as it offers the lowest potential cost to the Town, promotes the survival of an endangered species, carries the least liability, and eliminates a safety threat.

No motion was taken, but it was the consensus of Council for the Town to partner with Fish & Wildlife to enter into the proposed agreement as submitted by the Town Manager at such time as it is finalized, and then bring back before Town Council for final approval.

ADJOURNMENT

At 7:50 p.m., motion was made by Council Member Lester to adjourn the meeting to reconvene to the Town's Water Plant on Thursday, August 27, 2009, at 4:00 p.m. for an optional tour of the improvements to the dam and the Blackwater River, seconded by Council Member Seale and carried unanimously.

RECONVENING OF MEETING

On August 27, 2009 at 4:00 p.m., let the record show that the following members of Council and staff reconvened the August 24, 2009 Special Council meeting to the Town's Water Treatment Plant located on Cliff Street, Rocky Mount, Virginia:

Mayor Steven C. Angle, Vice Mayor Posey W. Dillon, and Council Members Jerry W. Greer, Sr., Roger M. Seale, Robert W. Strickler, and Gregory B. Walker; also Town Manager C. James Ervin, Assistant Town Manager Matthew C. Hankins, Town Clerk Patricia H. Keatts, and Water Treatment Plant Superintendent Robert Deitrich.

Let the record show that Council Member John H. Lester was absent.

Also present were: Scott Martin (Director of Franklin County Commerce & Leisure Services), Marsha Cramblitt (Franklin County Parks & Recreation), Charles Wagner (Chairman of Franklin County Board of Supervisors), Larry Moore and Charles Catlett (Franklin County), and Bobby Pruitt (Franklin County Parks & Recreation).

The Town Manager, Assistant Town Manager, and Water Treatment Plant Superintendent conducted a tour of the recent Blackwater River dam modifications (which consisted of increased signage, buoys, and increased lighting), along with the canoe take-out and put-in sites that were strategically located for safety of anyone on the river that would be approaching the dam site.

Prior to leaving the Blackwater River dam site, Council was invited by the Water Treatment Plant Superintendent for a tour of the Water Plant.

Steven C. Angle, Mayor

ATTEST:

Patricia H. Keatts/Town Clerk

/phk