

The regular meeting of the Norton City Council was held on Tuesday, January 3, 2006 at 7:30 p.m. in Council Chambers with Mayor Robert Raines presiding.

Present: Jack Wallace, Robert Raines, William Mays, and Joseph Fawbush

Absent: Joseph Hunnicutt

Also Present: E. W. Ward, City Manager and Bill Bradshaw, City Attorney

The invocation was given by the City Manager and was followed by the pledge of allegiance, which was led by Police Chief Kenny Jackson.

At this time, Councilman Hunnicutt took his seat on Council.

21255

Upon a motion by Jack Wallace, seconded by Joseph Hunnicutt, and passed by unanimous vote, Council moved to adopt the minutes of the December 6, 2005 meeting as presented.

21256

During the audience for visitors, Nancy Porter Wheeler spoke briefly to Council regarding a cat problem in the area of Oak Street and Virginia Avenue. Ms. Wheeler advised Council she had been before them regarding this problem a year ago.

Mayor Raines advised that the City realizes there is a problem and that the City Administration is in the process of gathering information from the State and other localities as how to handle this problem.

Mr. Ward advised this information would be brought to Council in the near future.

Ms. Wheeler asked if a cat ordinance were to be adopted that she would like it named after Mr. Paul Gossett, a resident of their neighborhood who attempted to help with this problem and passed away in November of 2005.

21257

Mayor Raines advised Ms. Wheeler that in order to adopt an ordinance, a public hearing would have to be scheduled and held. The City Administration will bring information back to Council regarding the cat problem and Council will proceed from there.

At this time, Mayor Raines recognized the City Manager, who had an announcement that he would like to make.

Mr. Ward introduced to Council and those present, Mr. Steve McElroy, the City's new Public Works Director. Mr. McElroy started this position today. Council welcomed Mr. McElroy as an employee to the City.

21258

Mr. Ward supplied Council with an update on the Big Stone Gap water shortage and the City of Norton's water supply.

He advised that he felt this would be the last time that these items would need to be brought back to Council as he feels that the water emergency is now over. As of December 30<sup>th</sup>, the City, at the request of Big Stone Gap, ceased supplying them with water. The Big Cherry Dam has improved in capacity. The City sold them water for 79 days with an average daily purchase of 107,802 gallons.

As far as the City's water supply, we had a total of over 50 million gallons in both reservoirs. With the time of year, the precipitation we have been getting, and the likelihood of this to continue, Mr. Ward advised that he feels that this shortage is over. The nine-day forecast calls for precipitation. The City has purchased no water from the Wise County PSA since last week when Big Stone Gap requested that the City terminate supplying water to them. He further advised that we purchased water from the PSA for 123 days with a total of over 64 million gallons being purchased. The entire City was placed back on City water on December 29<sup>th</sup>.

21259

Upon a motion by Joseph Fawbush, seconded by Joseph Hunnicutt, and passed by unanimous vote, Council moved to eliminate the Update on the Big Stone Gap Water Shortage and the City's of Norton's Water Supply as a regular agenda item.

Council had been presented in their packets copies of the financial audits of the C-N-W Regional Wastewater Authority and the Norton Industrial Development Authority.

Mr. Ward gave highlights on both audits and advised that both entities were given an unqualified opinion.

The highlights Mr. Ward gave on the NIDA audit were that of the three Memorandums of Understandings between NIDA and the City Council. The first of these was an \$800,000 loan obtained by NIDA in early 1990's to renovate the Hotel Norton. As of June 30, 2005, \$675,000 has been paid on this debt resulting in \$125,000 remaining outstanding. Another \$75,000 is to be applied to this debt during this fiscal year, which will bring the outstanding balance to \$50,000 by June 30, 2006.

The second memorandum pertains to a \$3,900,000 loan to assist in the development of a commercial retail center. This loan will be paid off over a ten-year period commencing on June 3, 2006 and being paid off on March 3, 2016.

21260

The third memorandum pertains to the acquisition of real property (Goad property) in which NIDA purchased property in the amount of \$450,000 to be owner-financed and paid off over a five-year period.

NIDA had a net income of \$352,508 but a net decrease in cash and cash equivalents of \$33,440. Cash and cash equivalents at June 30, 2005 were \$453,477.

The amount of debt remaining on the Virginia Relay Center Building at year-end was \$92,219. This debt will be retired as of 8/15/07. Phase II of the Hotel Norton Project required the borrowing of \$1,000,000 from VCEDA and \$280,000 from the City's RBEG Program. As of June 30, 2005, the outstanding balance was \$858,511 and \$253,237 respectively.

Mr. Ward advised that he would be willing to answer any questions Council may have. Also present to answer questions from Council was Fred Ramey, the Assistant City Manager.

The C-N-W Authority is primarily funded by fees from the City of Norton and the Towns of Wise and Coeburn. For the year ended June 30, 2005, the City of Norton paid \$760,248 to the C-N-W, which represented 48% of their total revenue and 36% of the City's Water and Sewer Budget. Beginning July 1, 2005, the City's minimum annual contribution to the C-N-W increased to \$778,272. C-N-W had an increase in net assets for the year of \$228,858, which includes depreciation of \$528,090, but does not include

the retirement of debt in the amount of \$773,035. Cash and cash equivalents at June 30, 2005 was \$986,945; a decrease of \$50,331 from the previous year.

Long term debt of the Authority as of June 30, 2005 was \$5,399,207. The original amount of debt at the formation of the authority was \$14,211,321. Under the current financing arrangement, this debt will be paid off in 2012. Also, the annual debt service of the authority will increase from \$773,035 to \$856,253 for the 2007-2008 fiscal year.

21261

Following these highlights, Mr. Ward advised he would answer any questions Council may have on this audit. He also advised that the City's two representatives to the C-N-W Authority, Councilman Wallace and Councilman Hunnicutt, would also be willing to answer questions from Council members.

Following a brief discussion, Mayor Raines thanked the City Manager for this presentation on these two audits.

Council had a request for additional funding from Virginia's Heritage Music Trail-The Crooked Road for \$5,000 to be used to obtain matching grant funds from the Tobacco Indemnification Commission to provide funds for marketing initiatives. This request was made by Mr. Keith Holland, Rocky Mount Town Manger on behalf of this organization in a letter dated November 16, 2005 and followed up by an e-mail dated December 13, 2005.

21262

Following a brief discussion and upon a motion by Joseph Fawbush, seconded by William Mays, and passed by unanimous roll call vote, Council moved to appropriate \$5,000 to the Crooked Road for the purpose of securing matching grant funds. These funds will come from Contingency.

Council had a request from the City Treasurer for a refund of erroneously assessed 2005 Personal Property Taxes to Ball Construction Company in the amount of \$316.35. This vehicle had been assessed in both the City and Wise County and paid in both localities. The vehicle had been garaged in Wise County.

21263

Upon a motion by Joseph Hunnicutt, seconded by Jack Wallace, and passed by unanimous roll call vote, Council moved to authorize a refund to Ball Construction Company in the amount of \$316.35 for personal property tax erroneously assessed in 2005.

In Council's packets was a copy of a check made payable to the Norton City Schools in the amount of \$300,000.

Upon a motion by William Mays, seconded by Joseph Hunnicutt, and passed by unanimous roll call vote, Council moved to approve this check made payable to the Norton City Schools in the amount of \$300,000.

21264

Upon a motion by Joseph Fawbush, seconded by William Mays, and passed by unanimous roll call vote, Council moved to go into closed meeting to discuss personnel as per Section 2.2-3711 (A) (1) of the Code of Virginia, as amended.

21265

Mayor Raines declared Council in closed meeting.

Upon a motion by William Mays, seconded by Joseph Hunnicutt, and passed by unanimous vote, Council moved to back into open meeting.

21266

Mayor Raines declared Council back in open meeting.

The Clerk then polled each member of Council as the Certification of Closed Meeting with each answering yes. The Clerk then read A Resolution of the Certification of Closed Meeting.

21267

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

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

Financial Disclosure Forms are due to the City Clerk by January 15<sup>th</sup>, 2006.

An invitation was included in Council's Info Packets inviting Council members to attend a legislative reception to be held on January 19, 2006 at the Omni Richmond Hotel during the hours of 5:30 p.m. and 8:00 p.m. hosted by the Boards of Supervisors and the Industrial Development Authorities of Buchanan, Dickenson, and Wise Counties.

21268


At the next Council meeting, the School Board will be present to discuss the Stadium Project for J. I. Burton High School and Thompson and Litton will be present to discuss their recommendations for the upper reservoir and dam. He encouraged all Council members to attend this meeting.

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

CITY OF NORTON, VIRGINIA

  
B. Robert Raines, Mayor

ATTEST:

  
Clerk