

**MINUTES
EMPORIA CITY COUNCIL
CITY OF EMPORIA MUNICIPAL BUILDING
MARCH 31, 2009 – SPECIAL MEETING**

Note to Reader: Although the printed Agenda document for this City Council meeting is not part of these minutes, the Agenda document provides background information on the items discussed by City Council during the meeting. A copy of the Agenda document for this meeting may be obtained by contacting the Office of the City Clerk.

INVOCATION

Emporia City Council held a Special Meeting on Tuesday, March 31, 2009, at 5:30 p.m. in the Council Chambers of the Municipal Building. James C. Saunders, President of Council, presided over the meeting.

ROLL CALL

Councilman F. Woodrow Harris
Councilman James C. Saunders
Councilwoman Doris T. White
Councilwoman Carolyn S. Carey
Councilman Edward V. Lankford, IV
Councilwoman L. Dale Temple

Others present: C. Butler Barrett, City Attorney
Steve B. Hall, Assistant City Manager
Brian S. Thrower, City Manger
Jean V. Whiting, City Clerk

Absent: Mayor Samuel W. Adams, III
Councilman John R. White

UNFINISHED BUSINESS

09-42. Debt Restructuring Opportunity – Davenport & Company, LLC

Mr. David Rose of Davenport & Company, LLC provided City Council members with details concerning potential debt restructuring for the City of Emporia. He provided them with a debt analysis for the city, restructuring/refinancing options, and fund balance assessments at that time.

He advised City Council members that the City of Emporia had a very solid payout ratio, meaning that over half of the City's debts are paid within a 10 years period. He also advised them that potential restructuring recommendations by Davenport & Company, LLC would not negatively impact the existing 55% payout ratio and would attempt to maintain the current Undesignated Fund balance at its current level.

He reported that the 2010 fiscal year budget consists of approximately \$1.5M of debt services, which is similarly reflected in the 2009 fiscal year budget. He also reported that an anticipated decrease of over \$150,000 from existing debt service levels was anticipated for 2011, partially due to satisfying debts

quickly. He further reported that the 2 distinct objectives of potential refinancing/restructuring consisted of removing the risk of uncertainty for the City of Emporia and increasing reserve levels due to potential uncertainty.

Mr. Rose stated that the City of Emporia was potentially considering restructuring \$1.3M. He also stated that doing so would provide approximately \$135,000 of cash flow relief over the next 2 years. He further stated that, if restructuring is done, the city's debt will never be higher than reflected in 2009-2010 after 2012.

He reported that restructuring would free approximately \$270,000 for the city's General Fund for 2010 and 2011. He also reported that the relative cost of restructuring would be equal to the cost of issuance on refinancing and reflected approximately \$50,000.

Mr. Roland Kooch of Davenport & Company, LLC advised City Council members that, based on research with Carter National Bank, the following three potential alternatives existed concerning the City of Emporia's Series 2006 Bonds:

- Renegotiate an extended interest rate with Carter National Bank
 - ~ 4% rate – Resets in 5 to 10 years
 - ~ No change in debt service impact if interest rate remains as is
- Refinance with another bank qualified private placement
 - ~ 4% rate – Resets in 5 to 10 years
 - ~ Approximate increase of \$100,000+ if maturity is shortened to 20 yrs.
- Refinance via Virginia Resources Authority (VRA)
 - ~ 4.50% rate – Fixed
 - ~ Approximately \$30,000 higher in current market, but could change until rates are finalized with bond sale

Mr. Rose advised City Council members that he and Mr. Kooch recommend the option of renegotiating an extended interest rate with Carter National Bank. He also advised them that he recommended that the City of Emporia continue understanding the Utility Fund, continue negotiations with Carter National Bank, and move forward with competitive bids of restructuring approximately \$1.3M.

Councilman Saunders stated that he was in agreement with Mr. Rose's recommendations; however, he recommended carrying consideration of restructuring \$1.3M to the April 7, 2009 to allow Mayor Adams to provide his input concerning the matter.

Councilman Harris stated that he was not in favor of restructuring \$1.3M. He also stated that he had an issue with paying for the sake of leveling out for the two year period.

NEW BUSINESS

09-45. West Atlantic Street Neighborhood Revitalization Project – Resolution to Submit CIG Application

Mr. Hall reported that preparations were underway for resubmission of the West Atlantic Street Neighborhood Revitalization Project application to the Virginia Department of Housing and Community Development. He also reported that the application was due on or before April 8, 2009 and that a public hearing concerning the matter was held on Tuesday, March 17, 2009. He further reported that Resolution 09-04 had been generated and provided to City Council members for review and approval concerning the authorization of preparing and filing the application for Community Development Block Grant funds

through the Virginia Small Cities Community Development Block Grant Program.

Mr. Brian Reagan of K.W. Poore & Associates, Inc. apprised City Council members of the West Atlantic Street Revitalization Project application's content, its process, current status, and funding mechanisms. He also advised them that, since the initial application submission, in 2008, several meetings were held involving the Department of Housing and Community Development that consisted of discussions relative to strengthening the City of Emporia's application in an effort to produce a more favorable response. He further advised them that the Department of Housing and Community Development was provided updates relative to what the City of Emporia had since accomplished based on concerns and suggestions expressed during those meetings.

He stated that the Department of Housing and Community Development was pleased with the progress and efforts being made by the City of Emporia and provided very encouraging feedback concerning the efforts.

Mr. Hall provided City Council members with a synopsis of chronological-order events that had taken place over the last several months concerning the application process. He advised them that he and staff had been working to compile informational packets for distribution to residents and property owners informing them of the city's dedication to stringent code enforcement. He also advised them that approximately thirty-five individuals had expressed an interest in buying their first home in the West Atlantic Street neighborhood.

Mr. Reagan reported that Mr. Hall distributed fliers to all West Atlantic Street neighborhood residents informing them of courses offered via the Virginia Housing Development Authority concerning home ownership and financial literacy. He also reported that he felt the City of Emporia's chances of a more favorable application response were greater as a result of working closely with the Virginia Department of Housing and Community Development to meet their expressed concerns. He further reported that, due to specific mandates, the support of an acquisition and relocation specialist would be required to assist with the relocation process of residents who would be temporarily relocated while their respective living quarters is rehabilitated.

Mr. Hall reported that the project would take approximately two to four years to complete and that the City of Emporia's committed resources would be extended over that time frame.

Councilwoman Temple moved to approve **Resolution 09-04** authorizing the preparation and filing of the application for Community Development Block Grant funds through the Virginia Small Cities Community Development Block Grant Program as presented. Councilman Harris seconded the motion, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Carolyn S. Carey	aye
Councilman Edward V. Lankford, IV	aye
Councilwoman L. Dale Temple	aye

09-46. Water Treatment Plant and Intake Structure Engineering Proposals

Mr. Thrower requested that item 09-46 be carried to the April 7, 2009 City Council Regular Meeting due to continued reference checks on engineering firms interviewed.

It was the consensus of City Council members to carry item 09-56 to the April 7, 2009 City Council Regular Meeting.

09-47. COPS Grant

Mr. Thrower reported that through the American Recovery and Reinvestment Act of 2009, Community Oriented Policing Services (COPS) Hiring Recovery Program funding was made available to address personnel needs of state, local and tribal law enforcement. He also reported that applications for consideration were due April 14, 2009. He further reported that the grant program was a competitive grant program that provides funding to law enforcement agencies to hire or rehire officers and that no cap existed on the number of positions that may be requested per agency.

He stated that the City of Emporia's chief of police requested that an application be submitted to fund 2 additional police officer positions. He also stated that the grants only provide funding to cover entry-level salaries and benefits for 3 years for newly hired full-time sworn officer positions, which include filling existing unfunded vacancies. He further stated that any additional costs or higher salaries, benefits, vehicles, equipment, and training are the responsibility of the locality.

He reported that at the conclusion of the 36-month period, grantees must retain all sworn officer positions awarded under the grant for a period of 12 months, unless granted a retention exemption. He also reported that absorption of the officer positions under attrition did not meet retention requirements. He further reported that consideration should be given to City of Emporia's fiscal stress in considering the matter.

Councilman Harris reported that, had the City of Emporia not previously increased the size of the department, it would be something that City Council members would want to really check into. He also reported that he did not foresee approval of the application in addition to the previously approved increase for officers.

Councilman Saunders reported that his sentiments concerning the matter mirrored those of Councilman Harris.

With no motion from City Council members to move forward or further consider the matter, it was the consensus of City Council member to strike the matter from the agenda for further consideration.

09-48. VDOT Six Year Improvement Program

Mr. Thrower reported that he met with VDOT official on Thursday, March 19, 2009, to discuss the status of the City of Emporia's Six Year Improvement Program and options for addressing other needed road improvements. He also reported that the current program consisted of the Sunnyside Road Extension Project, involving the connection of Sunnyside Road to 301 North. He further reported that estimated project costs reflected \$3.7M several years and a 2 percent local match was required on all projects.

He stated that E. Atlantic Street was in need of substantial reconstruction as well as the addition of a possible turning/staging lane for Georgia Pacific trucks. He also stated that, during 2008, the City of Emporia's Public Works Department director estimated associated reconstruction costs at \$700,000.

He reported that the Halifax Street Bridge was in need of repair/replacement and that estimated repair costs reflected \$50,000 and estimated replacement costs reflected \$300,000. He also reported that requests to amend the Six Year Improvement Program would require the approval of 2 resolutions no later

than May 1, 2009. He requested that City Council members approve amending the Six Year Improvement Program to include E. Atlantic Street improvements and repairs of the Halifax Street Bridge.

Councilman Harris moved to approve that the Six Year Improvement Program be amended as requested and that the city manager present the 2 respective resolutions for City Council to review at their April 21, 2009 meeting. Councilman Lankford seconded the motion, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Carolyn S. Carey	aye
Councilman Edward V. Lankford, IV	aye
Councilwoman L. Dale Temple	aye

PUBLIC COMMENT

Ms. Venus Tate of 617-B Maryland Avenue, Emporia, Virginia stated that she was new to the area and asked what immediate modifications could be made to E. Atlantic Street under the VDOT Six Year Improvement Program.

Councilman Harris advised Ms. Tate that improvements would start upon approval of the grant and would continue for over a 2 to 4 year period.

Mrs. Debra Brown of 604 Temple Avenue, Emporia, Virginia stated that she was very concerned that the City of Emporia was repairing rental properties for the rental property owners. She also stated that she was in favor of home ownership and that it disturbed her that the City of Emporia's lack of code enforcement has turned into the city utilizing funding to repair rental properties. She further stated that rental property owners should be responsible and liable for fees associated with repairs of their rental properties.

She reported that she was concerned with the quality of the structures and that the City of Emporia should give due attention to quality investments and not repeat investments in years to come. She also reported that some local renters were paying more than homeowners were paying and have no support from the City of Emporia in the area of code enforcement regarding living conditions. She further reported that she is on the NAACP Housing Committee and the State Executive Committee of Housing and that she wished to see everyone treated fairly concerning housing matters.

She stated that she was concerned with property owners increasing rental fees and forcing renters out of the properties after repairs are done. She also stated that City Council members should observe the situation as she would be.

With there being no comments to come before City Council the meeting was adjourned.

*****CLOSED SESSION*****

Councilwoman Temple moved that Closed Session be entered for the purpose of discussing Virginia Code § 2.2-3711 (A) (7) **Legal Matter** and **Contractual Matter**. Councilwoman Carey seconded the motion, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye

Councilwoman Doris T. White	aye
Councilwoman Carolyn S. Carey	aye
Councilman Edward V. Lankford, IV	aye
Councilwoman L. Dale Temple	aye

*****REGULAR SESSION*****

Councilman Saunders moved that the meeting be returned to Regular Session. Councilwoman Carey seconded the motion, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Carolyn S. Carey	aye
Councilman Edward V. Lankford, IV	aye
Councilwoman L. Dale Temple	aye

CERTIFICATION

Councilman Harris moved to certify the following:

1. only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were discussed in the Closed Session to which this certification applies, and
2. only such public business matters as were identified in the motion by which the Closed Session was convened were heard, discussed, or considered by City Council.

Councilman Lankford seconded the motion, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Carolyn S. Carey	aye
Councilman Edward V. Lankford, IV	aye
Councilwoman L. Dale Temple	aye

ADJOURNMENT

With no further business to come before City Council the meeting was adjourned.

Samuel W. Adams, III, Mayor

Jean V. Whiting, City Clerk