

Mount Jackson
Town Council Regular Meeting
November 10, 2020

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Regular Meeting

The regular meeting of the Mount Jackson Town Council was held November 10, 2020 at 7:00 PM in the council chambers at 5901 Main Street. Roll call was taken with the following in attendance; Mayor Donnie Pifer; Councilmembers Judy Fultz, Rod Shepherd, and Roger Rudy. Councilmembers Whitney Miller, and Bonnie Good, attended electronically through Zoom. Councilmember Dennis Andrick was absent.

Also, in attendance, Neil Showalter, Town Manager; Mario Rosso, Finance Director; Jeff Sterner, Police Chief; and Debbie Stover, Town Clerk. Sadie Gibson, CPA with Robinson, Farmer, Cox Associates; and Rob Mangrum, Consulting Engineer with Mangrum Consulting & Design LLC, attended electronically through Zoom. Visitors were Karen Costie and John Boor. Dave Moore from Cornerstone Technology was present to video record the meeting.

Agenda Additions/Deletions/Changes: None

Hear from Visitors:

1. Karen Costie spoke on behalf of the Mount Jackson Hometown Partnership thanking the Council and Town staff for their support this year for their abbreviated schedule of events. The Partnership sponsored three Second Sundays music events and the Apple Harvest Festival on Halloween, all were well attended, and most of the vendors were pleased with their merchandise sales. She stated the Partnership will not have the Christmas Parade this year, as their manpower has dwindled during the COVID pandemic, however, they are considering a Christmas Tree lighting ceremony that would be advertised in the December newsletter.

2. John Boor stated approximately 500-750 people attended the Apple Harvest Festival, and is growing each year. Mr. Boor stated he will be meeting with an Edinburg public works employee on Thursday, to discuss the military banner program. He stated the brackets cost \$25 to \$350 each, but Mike Dellinger can make them and he will get that pricing to submit to the Town. Mr. Boor stated the two-sided banners cost \$79.99 for 20 x 40, and \$99.99 for 24 x 48, and if they become damaged by weather, can be replaced for shipping cost only. Mr. Boor stated there is a minimum order of 35 to start. Mr. Boor stated the Partnership and Town staff will file and track the applications.

Remarks & Recommendations from the Mayor: Mayor Pifer thanked the Hometown Partnership for their work on the Apple Harvest Festival.

Remarks from Councilmembers: None

Presentations: None

Chief of Police Report: None

Town Manager Report: Mr. Showalter stated he will speak under New Business.

Hear from Visitors: None

Committee Reports:

1. Finance Committee Chairperson, Rod Shepherd stated he will speak under New Business.

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2. Ordinance Committee Chairperson, Dennis Andrick was absent.

3. Personnel Committee Chairperson, Roger Rudy stated in the last few weeks Neil Showalter, Joey Blankenship, and Randy Lonas completed the interviews of candidates to fill two remaining positions in the Town staff. As a result, Paul Feller was hired for the water plant, Chris Jordan was hired for public works, and both individuals will begin employment on November 23. Mr. Rudy stated with the recent hiring of Joey Blankenship as Director of Utilities, and Jamie Silveus as Assistant Director, these latest two staffers will fill the remaining vacancies. He congratulated Neil, Joey, and Randy for working hard to fill all positions with well-qualified individuals.

4. Public Safety Committee Chairperson, Judy Fultz reported October Police Department calls were 845, down 18 from September. There were 4 criminal offenses, 1 cleared by arrest, 1 under investigation, and 2 closed. They conducted 616 extra patrols/property checks, and 33 foot patrols. The Fire and Rescue Department reported 91 total responses, 69 EMS/22 Fire, 53 of the EMS calls were responded to by units capable of advanced life support, and the total number of Mount Jackson calls were 31.

5. Public Services Committee Chairperson, Bonnie Good stated the work on the water lines in Avondale Acres is almost complete.

6. Public Properties & Facilities Committee Chairperson, Whitney Miller had no report.

Consent Agenda: Approval – Minutes of October 13, 2020 Regular Meeting and Public Hearing.

Councilmember Shepherd MOVED, seconded by Councilmember Fultz to APPROVE the Consent Agenda above.

ROLL CALL VOTE:

| <u>AYE</u> | <u>NAY</u> | <u>ABSTAIN</u> | <u>ABSENT</u> |
|------------------------|------------|----------------|-----------------------|
| Councilmember Fultz | | | |
| Councilmember Miller | | | |
| | | | Councilmember Andrick |
| Councilmember Shepherd | | | |
| Councilmember Rudy | | | |
| Councilmember Good | | | |

5 AYES, 1 ABSENT, motion carried

Old Business: None

New Business:

1. Audit/Financial Report for Fiscal Year Ended June 30, 2019.

Mr. Shepherd introduced Sadie Gibson with Robinson, Farmer, Cox Associates, and asked her to speak on the audits for fiscal years 2019 and 2020.

Mr. Gibson stated for FY 2019, most importantly is their opinion on the financial statement, and they issued an unmodified, clean opinion, the highest opinion the accounting profession provides. She stated they feel the financial statements as presented are materially correct and conform to generally-accepted accounting principles. Ms. Gibson stated in FY 2019 the Town received federal funding in excess of \$750,000, primarily in relation to the well project grant and loan program. They performed a single audit for FY 2019 and tested the Town's compliance with the major compliance requirements for that federal program, and had no non-

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compliances to report. In relation to the Town's internal controls, they identified a material weakness in the Town's bank reconciliation process, and recommended staff strives to return to monthly bank reconciliations, rather than less frequently. The general fund ended the year with approximately one million dollars, with \$994,000 unassigned. Overall, governmental activities increased the fund balance by almost \$500,000, and the water/sewer fund ended the year with a net position of approximately 11.6 million dollars, the majority of which is reflected as investment in capital assets. The water/sewer fund also posted an increase in net position of approximately \$485,000. Ms. Gibson stated they provided adjusting journal entries to the Town, discussed those with management, and they have been listed in the Town's ledger.

Councilmember Shepherd MOVED, seconded by Councilmember Rudy to APPROVE the Audit/Financial Report for FY 2019.

ROLL CALL VOTE:

| <u>AYE</u> | <u>NAY</u> | <u>ABSTAIN</u> | <u>ABSENT</u> |
|------------------------|------------|----------------|-----------------------|
| Councilmember Fultz | | | |
| Councilmember Miller | | | |
| | | | Councilmember Andrick |
| Councilmember Shepherd | | | |
| Councilmember Rudy | | | |
| Councilmember Good | | | |

5 AYES, 1 ABSENT, motion carried

2. Audit/Financial Report for Fiscal Year Ended June 30, 2020.

Ms. Gibson stated as with FY 2019, they issued an unmodified, clean opinion, the highest opinion the accounting profession provides. She stated the government-wide financial statement highlights are on Exhibits 1 and 2, starting on page 19. In these exhibits, the capital assets are reflected in the balance sheet net of accumulated depreciation, as well as the long term debt reflected as liability. There are some additional liabilities in relation to pension, net pension liability and liabilities for other post employment benefits, basically group life. These exhibits present all governmental activities in one column and all business-type activities, such as water/sewer, in another column. The Town ended the year with an overall net position of 19.7 million dollars, with the majority invested in capital assets. The Town had a net investment in capital assets of 14.7 million, indicating the Town is heavily invested in capital assets. There is a small amount restricted net position for the remaining funds in the community development block grant fund. The remaining amount of net position is unrestricted and just under 5 million.

In Exhibit 2, the governmental activities resulted in a decrease in net position of approximately \$166,000, while the water/sewer activities increased net position by approximately \$475,000, with a gain in net position of approximately \$309,000. On page 22, Exhibit 3, is the governmental balance sheet. The general fund ended the year with a fund balance all unassigned at approximately 1 million dollars, and overall governmental activities had a fund balance of approximately 3.5 million. Exhibit 5, on page 24, is the statement of revenue expenditures and changes in fund balances, which is only governmental funds, no water/sewer activities. The combined total revenue is approximately 2.1 million while expenditures were 2.2 million, after taking into account transfers out to the water/sewer fund net of \$117,000. The overall change in fund balance for governmental funds was a decrease of \$259,000. Exhibit 7 on page 26, is the balance sheet, statement of net position, for the water/sewer fund. The net investment and capital assets is 10.5 million and the remaining amount of net position is unrestricted at almost 1.6 million. The water/sewer fund had a net operating income of \$252,000, and that includes a non-cash item, a charge for depreciation expense of \$517,000, which doesn't

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represent actual cash out flow but instead an accounting entry to recognize a portion of depreciation expense on the fixed assets. There was grant income of \$65,000 and an overall increase in net position of \$475,000. Ms. Gibson stated behind the financial statements, starting on page 29, are the note disclosures, which provide a lot of detail for items in the financial statements, particularly on capital assets and long term debt, and information on the Town's net pension liability and other post employment liability. On page 63 which is Exhibit 10, is a budget to actual analysis for the general fund of revenues and expenditures. The final budget general fund revenue came in at 1.9 million, and actual revenue at \$2,058,000, so very close to the budget. The main difference was the Town was able to utilize some CARES Act money to offset public safety expenses that occurred before June 30, and offset existing expense. Ms. Gibson stated in regards to expenditures, the budget is right in line with actual expenditures. The final budget amount is \$1,941,000 and the final actual expenditures in the general fund are \$1,917,000. Overall, the general fund had a net change in fund balance of an increase of \$5,788, basically a break even year. There is some additional supplementary information, a lot of schedules regarding pension liability which are somewhat complicated, but the pension plan is funded at approximately 90% which is in line with other localities, maybe slightly higher. The net pension liability at the end of the year amounted to \$274,000, which is derived from an actuarial evaluation at the state level, and fluctuates from year to year based on changes in assumptions for the Virginia Retirement System. The Town is approximately 90% funded, with no anticipated change in contribution rates in the near term. Similar to FY 2019 regarding internal controls, the only area noted is bank reconciliations, and beginning March of 2020, the Town began to do monthly reconciliations to correct this issue. Mr. Shepherd added two non-obligatory taxes, meals taxes and cigarette taxes, brought in over \$600,000. Ms. Good asked the reason bank reconciliations were not done monthly. Ms. Gibson stated partly due to changes in staff, as well as staff felt the bank reconciliation module with the new software was cumbersome.

Councilmember Shepherd MOVED, seconded by Councilmember Fultz to APPROVE the Audit/Financial Report for FY 2020.

ROLL CALL VOTE:

AYE

NAY

ABSTAIN

ABSENT

Councilmember Fultz
Councilmember Miller

Councilmember Andrick

Councilmember Shepherd
Councilmember Rudy
Councilmember Good

5 AYES, 1 ABSENT, motion carried

3. Preliminary Engineering Report – Mount Jackson WWTP Influent Equalization Evaluation.

Mr. Showalter stated earlier this year, the Council retained consulting engineer Rob Mangrum to prepare a preliminary engineering report concerning equalization at the sewer plant, which he reviewed with the Public Services Committee on October 15. He asked Mr. Mangrum to review the highlights of the report, and explain what was found and possible solutions going forward.

Mr. Mangrum stated the driving factor was at the request of DEQ based on May 2019 and May 2020 episodes which caused some perturbations and treatments, which are separate from issues encountered in 2017. Mr. Mangrum stated in 2019 some factors were identified, short term perturbations called inhibition events that possibly caused the problem. He stated bacteria do most of the work at the wastewater plant, and environments are created for certain bacteria to do certain things, the culmination of which purifies the water.

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One particular bacterium is very important and sensitive to changes in temperature, PH, and toxicants, such as Drano. That most sensitive bacteria needs to be protected, and has caused some issues in the past, and DEQ asked the Town to evaluate the situation, and inform them of solutions to fix the issue. Mr. Mangrum stated his report summarizes several things, and the recommendation has 3 components. One is to continue proactive implementation of the pretreatment program to include outreach campaigns, to keep businesses aware of the continued threats of the overuse of certain chemicals, called quaternary ammonium compounds. Due to the present COVID pandemic, people are overusing them, but they have been in use by industries for a long time. Quaternary ammonium compounds are easily purchased by anyone, and mainly used in food processing industries. The second component is to construct an equalization basin. Currently, when a slug of water enters the wastewater plant, half of the biomass would be exposed to whatever toxicant is in that batch. There is some dilution, one basin is always filling, and so having two basins equals half the biomass. Mr. Mangrum stated one effective way to protect against short term perturbations is to have an inline equalization basin, which holds a certain amount of volume, so water that potentially has bad chemicals in it would be diluted by a large volume of water. It would be a multiple barrier approach to protecting the bacteria that is doing the hard work. The third component is a chemical that has been identified that could potentially help similar situations to not repeat itself. Those types of chemicals are expensive and would need to be used all the time, since it would be unknown when an issue would repeat.

Mr. Showalter asked Mr. Mangrum to explain some of the dollar amounts the equalization project might entail, then he would talk briefly about potential funding. Mr. Mangrum said the equalization basin would have other benefits besides protecting against unseen problems. It would also help increase the throughput of the existing assets because the plant will run more effectively and efficiently even without the presence of bad chemicals. The large tank is sized at 1 million gallons, so at full plant capacity of .7 mgd, the tank would stay 70% full at all times, and there would be a large amount of concentration equalization to influence swings of chemicals. The table on page 9, itemizes costs for an equalization project, and there are two alternatives. Alternative 1 is least costly and makes the most sense, and would have a lower operating cost and lower capital cost. It would involve putting an equalization basin in, utilizing existing headworks and flowing by gravity out of the tank. Alternative 2 is more gold-plated, but alternative 1 has all the benefits at a lower cost. Mr. Mangrum stated the most expensive item is the estimate for the concrete tank, and this cost represents an installed cost from the same company who installed the Town's other tanks. Those tanks are precast with a long warranty, and the appropriate tank to use in this application because it is trouble free and has a 10 year warranty. Other cost items are walkways and stairs, blowers, mixers and diffusers. Alternative 1 is estimated at 1.3 million dollars for the equalization system, and structuring. In addition, other costs include engineering, special inspections, and SCADA programming, which is the data acquisition system that controls the plant and monitors tank levels, bringing the total to 1.6 million dollars. Mr. Mangrum stated if the issue happens again, since the Town has had two rounds of violations, DEQ would impose significant fines and penalties, and the problem will still exist. If the Town does the equalization project it will provide protections from any future violations.

Mr. Showalter stated he has asked DEQ to work with the Town on the language of a consent order, so the Town can buy some time to digest this report, and look at the cost and funding and grant possibilities. The Council also has the opportunity to not make any changes, and remain proactive.

Ms. Good asked Mr. Mangrum what the penalty amounts could be. Mr. Mangrum stated since the Town had issues back to May 2019, DEQ could potentially fine \$1000/day for every day of violation. There is also the Riverkeeper and the possibility of people filing suits regarding violations in water quality standards. Mr. Good

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asked if DEQ penalties have anything to do with previous grants the Town received. Mr. Mangrum stated the local office does not have that authority, rather these problems can help to get better interest rates and funding through DEQ. The Richmond office can pull back some previous grant money, purely on the wastewater side, from the grant in 2010, however in 10 years the grant will be fully amortized, and that won't be an option.

Mr. Rudy asked why yard piping and valves cost is \$25,000 more in alternative 1. Mr. Mangrum stated alternative 1 is using existing equipment with two large 18-inch pipes to use gravity flow, instead of a pump station.

Mr. Shepherd asked Mr. Mangrum for examples of fines he has seen in other localities with this situation. Mr. Mangrum stated often towns can negotiate fines with DEQ if shown new procedures are put in effect to address the problem. In fact, Mount Jackson was very successful in lowering the penalties by approximately \$200,000 back in 2017. Mr. Mangrum stated this problem dates back to May 2019, and the Town had a hard time convincing DEQ this was separate from the 2017 issue, which would potentially hinder any negotiating in this case. Mr. Shepherd asked if there were any issues in years prior to 2019, and if so, were they in the May/June timeframe as well. Mr. Mangrum stated 2018 was a great year, and in 2017 from February to June, many parameters were violated. When wastewater gets warmer, the bacteria are more resilient, so it possibly could be tied to an industry's use of cleaning in the spring. In the summer the warmth can mask things, whereas weaknesses are exposed in colder weather.

4. Special Use Permit (SUP 20-06) – French Brothers, LLC and Boddie-Noell Enterprises, Inc. – Hardees Restaurant Freestanding Sign. Introduce/Set for Joint Public Hearing December 7, 2020 at 7:00 PM.

Mr. Showalter referred to the application and the introductory staff report, dated November 10. The filing of this permit was a follow up to the previously filed SUP 20-05 that Council partially approved, except the free standing sign. Boddie-Noell reworked their sign request and have narrowed the issues down to two items. One, on the shopping center road side the current ordinance has a 100 square foot allowance, and the proposal has a total sign area of 149.5 square feet, which is down from previous submission. In regards to the free standing sign, Boddie-Noell is proposing 1-sided, 124.5 square feet and 30 feet tall. Mr. Showalter stated the applicant has provided a photograph in respect to the projected new sign and building, and Mr. Barnacascel intends to be present at the joint public hearing.

Ms. Miller asked if the rear of the sign will be red or black, and if it will be unlit. Mr. Shepherd asked for a height estimate on the 7-11 sign, which would provide a good visual on how much higher the proposed Hardees sign is. Mr. Showalter will follow up on both of those issues with Boddie-Noell.

Councilmember Shepherd MOVED, seconded by Councilmember Good to APPROVE the Introduction and Set For Joint Public Hearing, Special Use Permit (SUP 20-06) for December 7, 2020 at 7:00 PM.

ROLL CALL VOTE:

| <u>AYE</u> | <u>NAY</u> | <u>ABSTAIN</u> | <u>ABSENT</u> |
|------------------------|------------|----------------|-----------------------|
| Councilmember Fultz | | | |
| Councilmember Miller | | | |
| | | | Councilmember Andrick |
| Councilmember Shepherd | | | |
| Councilmember Rudy | | | |
| Councilmember Good | | | |

5 AYES, 1 ABSENT, motion carried

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5. Consideration of Axon Vehicle Cameras Proposal to the Mount Jackson Police Department.

Chief Sterner asked if there were any questions on his cover letter and quote for this proposal. Ms. Miller asked for clarification that this quote is for a preferable system, based on continuity with other police department systems, will be available in the summer, and therefore important to get on a wait list as soon as possible. Mr. Sterner confirmed that is the case, and stated the equipment is not available until July 1, 2021. He stated the quote is for a 5-year lease for \$60,000, therefore \$12,000/year. Mr. Showalter stated once on the waiting list, staff would determine how to pay for the equipment during the next budget. Mr. Sterner stated if the Town receives the equipment before July 15, the lease would start August 1, and would run for 5 years, like the body cameras and Tasers.

Councilmember Good MOVED, seconded by Councilmember Fultz to APPROVE the Axon Vehicle Cameras Proposal to the Mount Jackson Police Department.

ROLL CALL VOTE:

| <u>AYE</u> | <u>NAY</u> | <u>ABSTAIN</u> | <u>ABSENT</u> |
|------------------------|------------|----------------|-----------------------|
| Councilmember Fultz | | | |
| Councilmember Miller | | | |
| | | | Councilmember Andrick |
| Councilmember Shepherd | | | |
| Councilmember Rudy | | | |
| Councilmember Good | | | |

5 AYES, 1 ABSENT, motion carried

6. Resolution R-05-2020 – Resolution Establishing December 1, 2020 as “Gale Netz Day” in the Town of Mount Jackson.

Mr. Showalter stated December 1, 2020 marks the 45th anniversary of Gale’s first day of employment with the Town, and it would be appropriate to declare his own day in Mount Jackson. Mr. Showalter stated Council can then formally recognize Gale at the next meeting.

Councilmember Good MOVED, seconded by Councilmember Rudy to APPROVE Resolution R-05-2020 Establishing December 1, 2020 as “Gale Netz Day” in the Town of Mount Jackson.

ROLL CALL VOTE:

| <u>AYE</u> | <u>NAY</u> | <u>ABSTAIN</u> | <u>ABSENT</u> |
|------------------------|------------|----------------|-----------------------|
| Councilmember Fultz | | | |
| Councilmember Miller | | | |
| | | | Councilmember Andrick |
| Councilmember Shepherd | | | |
| Councilmember Rudy | | | |
| Councilmember Good | | | |

5 AYES, 1 ABSENT, motion carried

Motion made by Councilmember Shepherd, seconded by Councilmember Fultz, to adjourn the meeting at 8:25 PM.