

**BOARD OF DIRECTORS
BLUEFIELD, WEST VIRGINIA
January 10, 2012**

The Board of Directors of the City of Bluefield, West Virginia met in regular session January 10, 2012 at 12:00 p.m. in the Municipal Boardroom. Present were Mayor Linda K. Whalen; Directors, Mary Frances Brammer, Tom Blevins, Deb Sarver and Pete Sternloff; City Manager Andy Merriman, City Attorney Brian Cochran and City Clerk Helen L. Mitchell.

INVOCATION/PLEDGE

The Invocation was given by Director Mary Frances Brammer, followed by the Pledge of Allegiance.

Mayor Linda Whalen welcomed everyone to the meeting.

MINUTES

Minutes of the December 13, 2011 meeting were unanimously approved as presented on a motion by Director Pete Sternloff and seconded by Director Mary Frances Brammer.

ACTION ITEMS

City Manager Merriman asked the Board to consider the approval of a purchase of a 2011 Ford Taurus Police Cruiser for the Police Department. Manager Merriman stated this was a request from the police department to take money from the Coal Severance Fund, which is a fund that is allocated for the purchase of police vehicles. Merriman advised that the Crown Victoria with the police package was no longer being made, so they would be purchasing a Ford Taurus with all wheel drive. The Taurus is on state bid and is within the \$22,000 to \$23,000 range.

A motion to approve the purchase of a Ford Taurus Police Cruiser for the police department was made by Director Tom Blevins, seconded by Director Pete Sternloff. Unanimously approved and so ordered.

City Manager Merriman read into the record the first reading of an Ordinance establishing and Fixing Rates, Fees and Charges for Services to Customers of the Sewerage System of the City of Bluefield.

Manager Merriman said this is request from the Sanitary Board to adjust sewer rates.

Will Smith, Executive Director of the Sanitary Board and Jim Kelsh, Attorney for the Sanitary Board was in attendance to answer any questions.

Attorney, Jim Kelsh gave an overview of the proposed rate increase. Kelsh said the ordinance had two purposes with the first being to meet the bond obligations, and the second to allow the Sanitary Board to make repairs at the Ada plant.

Kelsh stated that the Bluefield Sanitary Board is currently not meeting its coverage requirements of 115 per cent. Kelsh said the Sanitary Board is operating in the red, and needs to take corrective action to fix the problem or else the bondholders will bring legal action against the Sanitary Board and the City. Kelsh further advised that if the bondholders come in and sue the City, the ability to control rates will be lost.

Attorney Kelsh stated that it would be a three-step rate increase that will gradually impose the increases over a three-year period, but if the bondholders get involved it is one big jump and you have to catch up any arrears that may have developed.

Attorney Kelsh advised that the second reason for the increase was to upgrade the Ada wastewater treatment plant and the four Cumberland Road pump stations. The last upgrade to the Ada treatment plant was in 1996. Kelsh said the cost of the Ada project was approximately \$2.9 million.

Kelsh said that the first step of the increase would be 8 percent, which would go into effect in March 2012; in March 2013, there would be another increase that would bring the increase up to 15.6 percent, and in March 2014, the third increase would bring the rate increase to a total of a little over 23 percent.

Discussion continued regarding controlling operational costs of the Sanitary Board.

Executive Director, Will Smith said the budget that he was given was \$1 million short of what was needed to operate the Sanitary Board, and that he had been asking for this rate increase for three years.

Mayor Whalen asked Director Will Smith questions regarding vehicle purchases, the number of persons employed by the Sanitary Board and the existing bonds that would be retiring in a couple of years. Mayor Whalen stated that she felt the Sanitary Board should be looking for ways to cut the operating costs instead of raising rates.

Director Sternloff said that from what he had heard today regarding the deficit, there is an emergency in terms of having enough cash to do what the Sanitary Board needs to do.

Director Sternloff said there are things that can be done like cut expenses, avoid spending money or rate increases. Director Sternloff said the City has a responsibility to make sure that everything is being done to make the Sanitary Board healthy.

Director Tom Blevins stated that before he would vote for a rate increase, he would need to see that the financial house was in order with the bills being paid from the revenue we have, and that we are meeting cover.

Director Deb Sarver said it is important to avoid default, but it was equally important to ensure that the Sanitary Board was cutting their costs. Director Sarver asked for the Sanitary Board to provide details on revenue and expenditures to the City Board.

Director Mary Brammer said the City appears to be between a rock and a hard place.

Director Brammer said that she had concerns about raising the rates, but also did not want to default on Sanitary Board bonds.

Director Tom Blevins moved to reject the ordinance as read. The motion failed for lack of a second to the motion.

Director Pete Sternloff made a motion to accept the ordinance as written. The motion failed for lack of a second to the motion.

Director Tom Blevins commented that the Sanitary Board must meet cover, but he could not recommend that customers be charged 23 percent over three years to upgrade the Ada facility.

Director Deb Sarver stated that she knows that if the rate increase is not passed at this time, it will be necessary at a later date to ask for a larger increase just to fix the system.

Director Sarver stated that she that she would like to challenge the Sanitary Board to be fiscally responsible, and she would second the motion if it were made again.

Mayor Whalen asked again for a motion on the ordinance.

Director Pete Sternloff moved that the ordinance be passed by the Board as written, seconded by Director Deb Sarver. Motion passed by a vote of 4-1 in favor of the ordinance. Director Tom Blevins voted against the motion.

City Manager Andy Merriman asked to schedule a Public Hearing on an Ordinance Establishing and Fixing Rates, Fees and Charges for Service to Customers of the Sewerage System of the City of Bluefield.

Director Mary Frances Brammer moved to schedule a Public Hearing on January 24, 2012 at 5:30 p.m. for the purpose of establishing and fixing rates, fees and Charges for a Sanitary Board rate increase, seconded by Director Pete Sternloff. Unanimously approved and so ordered.

City Manager Andy Merriman read into the record the Second Reading of an Ordinance providing for the Zoning Reclassification of a Parcel of Real Estate in the City of Bluefield from (R-2) Single Family District to (BN) Business Neighborhood District by Amending the Zoning Map of the City of Bluefield as shown on the Exhibit hereto attached and Declared to be a part of this Ordinance as if the same was fully set forth therein.

A motion to approve the second Reading of the Ordinance as read was made by Director Pete Sternloff, seconded by Director Mary Frances Brammer. Unanimously approved and so ordered.

AN ORDINANCE PROVIDING FOR THE ZONING RECLASSIFICATION OF A PARCEL OF REAL ESTATE IN THE CITY OF BLUEFIELD FROM (R-2) SINGLE FAMILY DISTRICT TO (BN) BUSINESS NEIGHBORHOOD DISTRICT BY AMENDING THE ZONING MAP OF THE CITY OF BLUEFIELD AS SHOWN ON THE EXHIBIT HERETO ATTACHED AND DECLARED TO BE A PART OF THIS ORDINANCE AS IF THE SAME WAS FULLY SET FORTH THEREIN.

WHEREAS, Rajeev Chopra made an application to rezone Tax Map 42, Parcel 21, Pt Lots 6, 7, 8 Pt. 2, Leatherwood Lane, from R-2 to BN.

WHEREAS, this property is bounded on the North by an alley and Tax Map 42, Parcel 20, Pt Lots 9-10 College owned by Jack W. Sarver, Sr., bounded on the East by Leatherwood Lane, bounded on the South by the West Virginia and Virginia State Line, and bounded on the West by the West Virginia and Virginia State Line.

WHEREAS, on Wednesday, November 16th, 2011, the Planning Commission of the City of Bluefield, sitting as the Zoning Commission of said City, held public hearing upon and thereafter make its recommendation to the Board of Directors of said City that this property be reclassified and rezoned as (BN).

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD, MERCER COUNTY West Virginia, IN REGULAR SESSION ASSEMBLED AS FOLLOWS:

Parcel 21, Tax Map 42 Pt Lots 6, 7, 8 Pt. 2, Leatherwood Lane, as shown on the attached zoning map is hereby reclassified from R-2 to BN.

FIRST READING: December 13, 2011

SECOND READING AND ADOPTION: January 10, 2012

FILED:

RECORDED:

Mayor

City Clerk

City Manager Merriman read into the record an Ordinance Closing a Portion of that Certain Tract or Parcel of Land, being the Portion of Pine Street that Lies Between Bluefield Avenue and Highland Avenue; A portion of an Alley being Approximate 20 Ft. Wide and being Approximately 209.93 Ft. Long on the North Side of the South Side of the Alley, and being part of the Alley running from Pine Street to Cherry Street, All Situated in the City of Bluefield, Mercer County, West Virginia, and Being more Particularly Described Below:

Mayor Linda Whalen asked for a motion to approve the ordinance as read. The ordinance died on the floor for lack of a motion.

REPORTS OF OFFICERS, BOARD AND STANDING COMMITTEES

Director Pete Sternloff commented that he was concerned with the Board having the ability to function with meetings being held at noon, and proposed that an ordinance be drafted to return to having the regularly scheduled board meetings on the second and fourth Tuesday at 6:00 p.m.

Director Mary Frances Brammer wished everyone a Happy New Year.

Director Tom Blevins asked that everyone come out and support the Big Blues.

Director Deb Sarver commented that she had been involved in the Holiday of Lights for the past three years and this year the donations had exceeded past years. Director Sarver said there were 15,000 cars that visited the HOL this year and 1500 people visited on Christmas Eve.

Director Sarver thanked everyone that came out and donated to the Holiday of Lights. Director Sarver stated that everyone that worked on the Holiday of Lights had put their heart, soul and love into the project.

Mayor Linda Whalen invited everyone to come out and support the Big Blues, but to also support the Bluefield High School basketball team.

Mayor Whalen commented that the Convention and Visitor's Bureau had a list of activities that were taking place in the area.

Hearing no further business, the meeting was adjourned.

Helen L. Mitchell, City Clerk

Linda K. Whalen, Mayor