

**REGULAR MEETING – BOARD OF DIRECTORS
BLUEFIELD, MERCER COUNTY, WEST VIRGINIA**

March 14, 2017

NOON

A regular meeting of the Board of Directors of the City of Bluefield, Mercer County, West Virginia was held on Tuesday March 14, 2017, at noon in the Municipal Building Boardroom. Present were Mayor Thomas J. Cole, Vice Mayor Barbara Thompson-Smith, Assistant City Manager Joshua Cline, Director Ellen Light, Director Michael Gibson, Director Chuck McGonagle, City Manager Dane Rideout, Community and Economic Development Director Jim Spencer, City Treasurer Kelly Davis, and City Clerk Bobbi Kersey.

Mayor Thomas J. Cole called the meeting to order.

APPROVAL OF THE MINUTES

Vice Mayor Barbara Thompson Smith moved that the minutes of the February 28, 2017, Board of Directors meeting be approved with a name correction, unanimously approved and so ordered.

PRESENTATION

Police Chief Dennis Dillow stated a grant application had been submitted to the Community Foundation of the Two Virginias for \$5,000. The money will be used to purchase partitions for patrol cars. Representative Ms. Julie Johnson from the Community Foundation of the Two Virginias and Bluefield City Ambassador Marie Blackwell presented Chief Dillow with a check. Mayor Cole and the Board thanked the Community Foundation for their generosity and support.

RECOGNITION

Police Chief Dennis Dillow congratulated and presented promotional lieutenant badges to Sergeant J.D. Vance and Sergeant A.L. Crook. Chief Dillow reminded everyone that at the last meeting two senior lieutenants retired. Chief Dillow said Sergeant Vance and Sergeant have been with the force for a number of years and he was proud and honored to promote them to the rank of lieutenant.

CITY MANAGER DANE RIDEOUT

The Drug Task Force conducted a raid after eighteen months of careful surveillance and hard work. Several people were arrested on Union Street. Our officers are continually working with the Task Force and are “cleaning up” the city.

Officer Shrewsbury did not sustain any injuries from a vehicle accident last night. The accident occurred in the line of duty, around 9:30 p.m.

Proposal not to tax Veteran Retirement Pensions was discussed. City Manager Rideout, Marc Meachum, and John Shott are talking with Governor Justice. They are questioning how West Virginia tracks veterans coming to the state. As of January 2017, approximately 600,000 federal government employees will be eligible to retire. Veterans bring a disposable income, most have secret or top secret security clearance, leadership skills, management experience, are current with newest technology, educated, fit and in good health, family oriented and are exceptional members of the community and ready to put down roots. Most federal contracts go to businesses that have a viable workforce that has experience and knowledge; companies such as Boeing, Raytheon, Booze-Hamilton, Pitney Bose, McDonnell Douglas, etc. Examples of the dollar amount of federal contracts that went to surrounding areas: Ohio - \$1.1 Billion, Pennsylvania - \$3.9 Billion, Maryland - \$5.9 Billion, Virginia - \$8.5 Billion, and Kentucky - \$1.5 Billion. West Virginia had \$349 million in federal contracts or almost \$650 million less than our nearest competitor had. If the Veteran Retirement Pension proposal is passed, West Virginia will have the competitive edge being

the only state in the National Capital Area that does not tax military retirees and we would become an attractive option for folks who desire to keep working in Virginia but retire in West Virginia. If this change is made, West Virginia has the opportunity to increase veteran population, increase the economy, generate housing needs, and would increase money spent locally.

Bluefield City Park is open to vehicular traffic. City Engineer Tony Wagner, along with Public Works, continues work to complete the bleacher area behind the tennis courts. The Ridge Runner will be open for the 2017 season on April 1.

Bluefield Daily Telegraph published an informative article on the relocation of the Dog Park. This will be a test run and materials can be repurposed. The park will be paid for through private donations and the Parks and Recreation budget. There will be signage, security, and it will be maintained by city crews. This will be a positive amenity for the city.

Community and Economic Development Director Jim Spencer:

- The planning session for Fantastic Friday, scheduled for today, has been cancelled and will be rescheduled for the first of the week.
- Dave Cole with E. L. Robinson was available for any questions concerning the Commercialization Station. Construction will begin in the next ninety days.
- The services that an incubator offers are the most important aspect of the program. We are developing policies and programs to make sure we are successful.
- Bluefield was one of thirteen communities chosen for a Cool & Connected Grant. Through Cool & Connected, a team of experts helps community members develop strategies and an action plan for using broadband and other local assets to attract investment and people. Representatives from the EPA's Sustainable Communities Program and the Appalachian Regional Commission and Smart Growth America will visit the City of Bluefield on March 21 and 22. For more information contact jspencer@cityofbluefield.com.

PUBLIC COMMENTS:

Art Riley, representing the Downtown Merchants Association, stated he liked the idea of the Dog Park but requested the area not be forgotten as a possible economic activity area. Mr. Riley asked if the conduit that was installed several years ago in the downtown area could be utilized with Cool and Connected program? Community and Economic Development Director Spencer stated the conduit is one of the assets located in the downtown area. Lastly, Mr. Riley spoke about the city collaborating with the merchants to purchase a billboard on I-77 and exit 1. People need to know that Bluefield is here and a billboard would help attract those traveling. Director Michael Gibson asked if the cost had been investigated. Mr. Riley stated one single billboard on I-77 would cost approximately \$5,000 and if an additional billboard was placed at exit one the cost would be approximately \$7,000 for the two billboards for one year. It would be an opportunity for one hundred twenty two thousand cars a week to see the billboard and shop in the area. We need new money in Bluefield.

ACTION ITEMS:

City Treasurer Kelly Davis requested approval of the February financial statement. City Treasurer Davis stated that at the close of February 2017, the 8th month of the fiscal year, revenue collected totaled \$7,504,257 (77.51%) of the projected amount of \$9,681,405. Expenditures total \$7,159,514 (61.15%) of the projected budget of \$11,707,645. **Director Ellen Light moved to approve the February financial statement as presented; unanimously approved and so ordered.**

City Treasurer Kelly Davis requested approval of the Fiscal Year 2018 General Fund Budget. It is the normal process this to pass a budget time of year and submit it to the State by March 28 for review. The budget has been reviewed line by line by individual Board Members. The City of Bluefield revenue projections for the fiscal year beginning July 1, 2017 and ending June 30,

2018 are three (3) percent more than the projections in the current fiscal year 2017, budget as of December 31, 2016. The fiscal year 2018 projections do not include grants (except routine annual grants) or contributions. These will be added to the budget at the start of the new fiscal year in July 2017. This revenue budget does include a 10% reduction (\$312,100) in the B & O Tax, which reflects as reduced B & O Tax rates for retail sales, contracting businesses and water, gas and electricity. It also includes an estimated \$700,000 in new revenue from the implementation of the 1% sales tax that will piggyback on with the present state sales tax effective July 1, 2017. The wine, liquor and private club tax has been reduced 10%, which reflects the lost ABC sales from K-Mart. The rental fees for Mitchell Stadium are projected to increase 23% due to new contracts with the Mercer County and Tazewell County Boards of Education as well as Bluefield College. Delinquent account collection is anticipated to increase by 83% or \$25,000 due in part to quicker release of the accounts to collections, as well as timely legal action from the collection agency.

The anticipated operating costs for next year are projected to increase 2.24% from the current budget year, as of December 31, 2016. Operating costs exclude capital expenditures, contributions, grants and any reserve. Operating costs are reflections of what it takes to run the city without any extras. The Police, Fire, Street and Sanitation operating budgets comprise 65% of the General Fund operating budget. Capital expenditures at this time are anticipated to decrease 62%. The primary factors in this decrease are the monies received for the Bowen Field improvements (\$416,825) should be spent by July 1 and are not recurring. In addition, the funding for Phase II of the Park & Recreation improvements as well as the savings of \$420,000 for the field turf replacement should be expended by July. Though it is anticipated that funding may become available for Phase II of the Park & Recreation improvement projects, this will not enter the budget until after July 1, 2017. However, our capital expenditure budget does include funding for the Sidewalk Project (\$10,000), two police vehicles (\$40,000), lease purchase payments for the new fire truck (\$100,000), street paving (\$400,000), Street Department capital equipment purchases (\$70,000) and the implementation of the master plan for the Public Works facilities (\$70,000). Contributions from the General Fund include \$36,000 to the Bluefield Baseball Association, \$65,000 to Bluefield Area Transit, \$75,000, (estimated) to the Mercer County Visitors Bureau, \$30,000 to the Alliance for the Arts, \$90,000 to the Craft Memorial Library and the establishment of two Capital Reserve Accounts - \$40,000 for a garbage truck and \$50,000 for Mitchell Stadium field turf. The proposed Fiscal Year 2018 General Fund Budget totals \$10,459,981. **Director Chuck McGonagle moved to approve the Fiscal Year 2018 General Fund Budget as presented; unanimously approved and so ordered.**

City Treasurer Kelly Davis requested approval of the Fiscal Year Coal Severance Fund Budget. The City of Bluefield Coal Severance Fund Budget for Fiscal Year 2018 is projected to be \$31,600. It is anticipated that the carry over fund balance at the end of this year will be \$9,000 and the Coal Severance Tax receipts plus interest will bring the fund to \$31,600. The Coal Severance Fund historically has been dedicated to purchasing police vehicles and it is recommended that this practice continue for Fiscal Year 2018. Upon approval by the Board, the Fiscal Year 2018 Coal Severance Fund Budget will be submitted to the State Auditor for final approval. **Director Ellen Light moved to approve the Fiscal Year 2018 Coal Severance Fund Budget; unanimously approved and so ordered.**

Mayor Cole read and requested approval of a Proclamation for National Service Day. April 4, 2017 will be observed as a day to spotlight the importance of citizen engagement, recognize the dedication of national service members, and inspire more residents to get involved in their communities. **Director Michael Gibson moved to approve the Proclamation for National Service Day; unanimously approved and so ordered.**

Mayor Cole stated the next two agenda items involved the Sanitary Board. The Sanitary Board serves our community, neighboring communities and our neighboring state. The Sanitary Board is owned by the City of Bluefield, West Virginia and the Executive Director is Shannon Bailey. The board is composed of two Bluefield West Virginia representatives, two Bluefield, Virginia representatives, a board attorney, and City Manager Rideout as Chairman. One action item is a

permanent funding source/ a bond for capital funding improvements across the system. The other action item is for temporary funding arrangement until the Board's permanent funding is finalized. City Manager Rideout stated there are three major projects needing attention now; the Deerfield Park Pump Station Project, College Avenue Project (flooding issue), and Westside Plant (generator replacement). There will be three readings of each ordinance with a public hearing for public input before the third reading.

Mayor Cole requested approval of Consideration for Approval on First Reading of an Ordinance authorizing the issuance by The City of Bluefield of not to exceed \$2,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 2017 A, to permanently finance certain betterments, additions and improvements for the sanitary sewerage collection and treatment system of the City. **Director Michael Gibson moved to approve the First Reading of an Ordinance authorizing the issuance by The City of Bluefield of not to exceed \$2,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 2017 A, to permanently finance certain betterments, additions and improvements for the sanitary sewerage collection and treatment system of the City, unanimously approved and so ordered**

Mayor Cole requested approval of Consideration for Approval on First Reading of an Ordinance authorizing the issuance by The City of Bluefield of not to exceed \$2,000,000 in aggregate principal amount of Sewer Surplus Revenue Notes, Series 2017 A, to temporarily finance certain betterments, additions and improvements for the sanitary sewage collection and treatment system of the City. **Director Michael Gibson moved to approve First Reading of an Ordinance authorizing the issuance by The City of Bluefield of not to exceed \$2,000,000 in aggregate principal amount of Sewer Surplus Revenue Notes, Series 2017 A, to temporarily finance certain betterments, additions and improvements for the sanitary sewage collection and treatment system of the City.; unanimously approved and so ordered.**

Director Michael Gibson spoke regarding the final action item concerning the **approval of disqualification of John Feuchtenberger as counsel for the plaintiffs in the Alliance of the Arts lawsuit.** Director Gibson stated John Feuchtenberger had met with City Manager Rideout and subsequently later that day with prosecutor Deborah Garton. It was his understanding that Mr. Feuchtenberger had discussed a possible settlement of the lawsuit. Director Gibson said Mr. Feuchtenberger brought up the issue of a possible conflict of interest. In the morning work session, directors discussed if the city is allowed to intervene in that lawsuit, there could be a conflict with Mr. Feuchtenberger suing the city and collecting fees for the city. The Board would like to wait and see what the judge does with the application on March 21 in terms of intervention. The city does not have standing, as of now, to ask the court to disqualify Mr. Feuchtenberger. **Director Michael Gibson moved to table the possible disqualification of Mr. Feuchtenberger, as counsel for the plaintiffs in the Alliance of the Arts lawsuit due to a conflict of interest, depending on the court's ruling.** Mayor Cole opened the floor for discussion. John Feuchtenberger was recognized.

Mr. Feuchtenberger stated he had met earlier with City Manager Rideout and Director Gibson and advised them that if the City is permitted to join the current suit, he would voluntarily withdraw as the attorney for the Summit Players – the City would not have to make a motion. Mr. Feuchtenberger expressed his opinion that the City Board has not voted to join the suit nor had it voted to retain Deborah Garton as an attorney to represent the City in filing the motion to intervene.

Mr. Feuchtenberger expressed his concern over the continuation of the Summit Players as an organization, if the City joins the suit and opposes the Summit Players. He stated that if he withdraws as attorney for the Summit Players, they would retain another attorney. Mr. Feuchtenberger expressed concern that another attorney for the Summit Players would likely counterclaim the City and certain directors over their conduct in supporting certain Alliance

members against the Summit Players. Mr. Feuchtenberger observed that the City has stated the purpose in joining the suit was to support volunteerism in the City, but that he and other Summit Players have volunteered in the City much more than any of the current Alliance directors.

Director Michael Gibson stated the City has significant interest in seeing that the historic Municipal Building, owned by the City and financially subsidized by the City at \$30,000 a year, is properly managed and that is why the City has decided to join the lawsuit. Further, the City Manager has authority to enter litigation on behalf of the City and therefore the city motion is proper. Director Gibson concluded his remarks by expressing hope that the parties could reach a resolution without a court judgment.

Mayor Cole expressed his concern that if the issues are decided by the court, everybody loses. He stated he knows everyone involved and is hopeful that the parties could resolve their issues amicably.

Director Ellen Light stated that over the last forty (40) years, the Summit Players have been the only constant at the old City Hall building. She thanked Sue Jackson for all her hard work with the Summit Players over the decades and having the Summit Players Theater placed on the West Virginia Historic Theater Trail last year and the Summit Players' 50th Anniversary.

Mayor Cole called for a vote on the motion **to table the possible disqualification of Mr. Feuchtenberger, depending on the court's ruling, as counsel for the plaintiffs in the Alliance of the Arts lawsuit due to a conflict of interest. Yes – 4 (Cole, Thompson Smith, McGonagle, Gibson) & Abstained – 1 (Light).**

Director Michael Gibson moved to adjourn, unanimously approved and so ordered.

Bobbi Kersey, City Clerk

Thomas J. Cole, Mayor