



Town Council Retreat
Community Room – Liberty Lake Park
February 29, 2020 9:00 a.m.

Town Council members present:

Mayor Steve Rush, Vice Mayor Tim Black, Councilman Stacey Hailey, Councilman Bruce Johannessen, Councilman Bryan Schley, Councilman Darren Shoen, Councilman C. G. Stanley

Town Council members absent:

None

Town Staff present:

Town Manager Bart Warner; Assistant Town Manager Sonia Jammes; Town Attorney William W. Berry, IV; Clerk of Council Debra B. Anderson and Recording Secretary Julia Peters

Mayor Rush opened the meeting by welcoming everyone present and asking for a review of the draft policy for outside agency funding, which was included in the Council’s agenda packets. Discussion followed regarding revisions to the policy.

A. GENERAL TOPICS

1. Outside Agency Funding Policy

Revisions to the policy will include:

- Item I. - Purpose – Second paragraph, where “will” is replaced with “may”.
- Item V. Procedures – Number 3., where “January 15” is replaced with “December 1”.
- Item V. Procedures – Number 4., Mr. Warner will make changes, with Vice Mayor Black’s guidance, to include phrasing about the organization’s other sources of government funding.
- Mayor Rush requested a yearly evaluation of the project or program to be included in Item. V. Procedures.
- Item V. Procedures – Number 9. will be amended to keep the disbursement process for funds over \$10,000 as the same process that is used for funds under \$10,000.
- Item VI. Additional Provisions - first paragraph will read “...funding.” rather than “... future funding.”
- Item VI. - Number 2. will include “...and subject to reimbursement to the Town.”

Mayor Rush said he thinks this document will be a good policy once it is finalized. It will help the external organizations from continuing to rely on the Town's funding as part of their operating budgets and it will eliminate the need for these organizations to make a formal presentation to the Council every year. He also noted that the fire department is excluded from this policy.

2. Prior Year Reserves/Fund Balance

Mr. Warner reported that we have some unrestricted assets but no real policy to govern that, so based on discussion at the Finance Committee level, some research was done on other municipalities and the comparison is included in the agenda packets. He suggested to Council that we adopt a formal policy retaining 25% of our general fund expenditures as our reserve fund. That money would be locked away in an interest-bearing account and would not be touched. For the proposed budget, it would be between \$2.3 – \$2.4 million. There is also a pool of money available until 2028 of \$750,000 that should be able to address most contingencies in any given year. The remainder of the unrestricted net assets will also be put in an interest-bearing account that we will try not to touch for the next three years when the boundary adjustment may bring additional expenditures. Staff's proposal is to manage any general fund capital needs with the \$750,000 received from the County. Ms. Jammes noted the Government Financial Officers Association recommends 16.7% in reserve, but polling most of the area governments, they have well over the 16.7%. After discussion about possible future expenditures versus future revenues in three years due to the boundary adjustment and other unforeseen situations, and considering the loss of the \$750,000 after 2028, consensus of Council members was to agree with staff to reserve the 25% and update the policy accordingly for now.

3. Phase II Boundary Adjustment

a. Existing Services/Costs

Mr. Warner said we intend to provide the same level of service to citizens as is provided today without expanding a lot in the General Fund. We know there will be pressure on the Solid Waste Fund and we will try to accommodate that service the best we can without a rate increase to customers. Roads will receive VDOT funds and expenditures will go up a bit due to an increase of population.

b. Possible Enhancements (Recreation Fees/PSAT registration)

Mr. Warner reported that the Comprehensive Plan speaks to some enhancements that could be provided to citizens including paying registration fees for the PSAT for students living in Town, which could be done for about \$5,000. We know we have a significantly underserved portion of our community that needs access to education and this would remove one obstacle for them. Funding a share of recreation fees for our citizens is another option. These enhancements can be packaged to sell to the people coming into Phase II to demonstrate what the residents will get for whatever additional taxes they will be paying. It is expected that they will see a 60% increase in their taxes from Phase II.

Mr. Warner stated that in next year's budget retreat and budget planning meetings we will need to calculate projections and impacts. An ordinance will need to be passed to take in this boundary adjustment area which means a public hearing will be needed and action taken by the Town Council, probably in the Spring of 2023. Beginning in January of 2022, we should start having public hearings as often as possible with the people who will be impacted by Phase II. Mr. Schley suggested putting forth a marketing plan letting the citizens know where their tax dollars are going which would be beneficial for current issues as well and head off rumors before they start. Mr. Warner said money for a public relations expert will be included in next year's budget.

B. PUBLIC WORKS

1. Stormwater Management

Mr. Warner referenced the drainage update page included in the Council's agenda packets. The six projects listed will be undertaken next or are currently underway. Because these projects are weather dependant, they will take us into the next fiscal year. If Council members are aware of other projects or priorities, he will update the list. Vice-Mayor Black noted that at Edmund Street there is a drainage ditch that is higher than the road and water will pond there in the road. Mr. Warner said that the last complaint was probably before the completion of the work there because he drove over there during the last big rain and he did not see any ponding. However, he would make a note of it and follow up regarding this drainage issue.

2. Sidewalks

Mayor Rush asked if any of the sidewalk projects on the sidewalk update page would get done this year. Mr. Warner stated that work on the listed projects will begin this Spring but will continue into the next fiscal year. The Burks Hill Road project has been subject to intense scrutiny by VDOT to the point that VDOT is recommending a narrowing of the road down to two lanes due to safety concerns crossing the road to get to Liberty Lake Park. These concerns are delaying the project and the Peaks Street and Independence Blvd. projects are tied with it under VDOT funds but should commence work in July. The Streets Committee decided not to go forward with the Link Road project and the other projects on the update page have not been scheduled yet. Bids will be advertised this week but getting contractors is an issue because the projects are not big enough to attract a lot of bids. Council members suggested a possible solution would be to bundle small projects into one bid, making it more attractive to contractors. Mr. Warner said he will first look at the responses received by the bids advertised in the usual way and then see if issuing a separate RFP for linear feet would be beneficial. He also noted that the Streets Committee could come up with other possible sidewalk projects. Discussion followed about balancing projects between the different quadrants of town, keeping a mix of new sidewalk and replacement jobs, and doing some landscaping to beautify areas.

3. Solid Waste

Mr. Warner said that the Town has an agreement with Bays Trash Removal to haul commercial trash to Pittsylvania County so we avoid the hauling costs. Our only cost for commercial is in the collecting of the solid waste. This arrangement works well in the short-term but in the long-term there will be some contingencies that will need to be addressed. Residential trash is transported to the county landfill for free. The costs for residential are only for collecting and transporting to the landfill, so we are satisfied with the arrangement.

4. Need for HAZWOPR Certification (E-Waste Collection)

Mr. Warner stated that the Town provides many services people take for granted, one of which is e-waste. There are costs associated with it that pop up all the time due to mandates. Public Works Director, D. W. Lawhorne was notified two months ago that we would have to discontinue collections unless we had someone with the appropriate OSHA certification. He received that certification last month. Mayor Rush questioned why the Town collects e-waste because the county does so and Council needs to ask themselves if it is necessary. Mr. Warner said it is in the budget proposal. Discussion followed. A suggestion was made to have a clean-up day held jointly with the County. Mr. Warner made a note to speak to County Administrator, Mr. Robert Hiss, about it.

C. ELECTRIC DEPARTMENT

1. Long-range Strategy

Mr. Warner updated the Council noting John Wagner has done a great job of identifying cost savings and getting things under budget, starting with our purchase power contracts. He is being very creative and has even spoken to AEP about some battery storage options. His staff and all staff are focused on expenditures and getting things done for the cheapest but the most efficient way possible. The new long-term purchase power contracts will be discussed, probably in June. Instead of locking in on a four-year term; because we do not know what prices will do in the interim; the plan is to split up the portfolio in thirds. One third will be a one-year contract, the second third will be a two-year contract, and the third will be a three-year contract. Every year we will evaluate 33% of our purchases on the market to immunize ourselves from the boom or bust prices. Discussion followed about the New Green Deal and whether it has been passed and how it would affect the Town. Mr. Warner answered a few clarifying questions from the Council.

2. Timelines for Capital Projects

Mr. Warner noted that the Town has been in the electricity business for over 100 years and the infrastructure has aged. Replacement work is being done in Town to provide reliability but Big Island's transmission line is very old and we will have to rebuild that line which is a capital cost. The underground lines put in during the 80's were not insulated well and are beginning to fail. They are being replaced in local areas where there have been problems or where we anticipate

problems, which is an ongoing capital obligation. However, the savings we have achieved on the expenditure side are funneling through the PCA to the customers, so they are seeing reduced bills. Mr. Warner answered questions from the Council and discussion followed regarding electricity costs and educating customers on ways to save.

D. POLICE

1. Level of Service

Mr. Warner told the Council members that the level of service provided is based on a staffing level of 25 officers. We think this is the right operating level and want to continue it into Phase II. Currently, we are a little low on officers and our men and women have to work harder, but sometimes we hire over that level because we know someone is retiring or new officers need to get certified through the academy. To address the high turnover rate and lack of advancement opportunities, Chief Foreman and Ms. Jammes are working on different classifications for patrol officers which will have benchmarks to meet before an officer can rise in classification. Each level will have some reward that will be budgeted. This will help show that experience is important to us. A career enhancement plan was adopted which addressed compression issues and the ability to advance in pay but we have reached the limits of what that can do. Mayor Rush noted that with the young force that we have, if a sergeant is off for a week or two for training or other reasons, the next senior officer is not compensated to do the sergeant's work in his absence.

2. Vehicle Inventory/Replacement

Mr. Warner said that there is no replacement of vehicles in the capital budget this year. Ms. Jammes directed the Council to the updated list of departmental vehicles which includes each vehicle's mileage. In an effort to keep capital costs down, Mr. Warner went to the department heads and asked them to avoid the need to replace vehicles using the General Fund this year and we hope it works out. Vice Mayor Black said we have talked in the last few years of setting up some time of replacement cycle for vehicles and how to fund it outside of the normal operating budget so we are not hitting the budget for large sums of money, particularly in public works and fire trucks. He was hoping to see something in this budget addressing the issue but wondered if some of the unrestricted funds could be used for this purpose. Mr. Stanley said that mileage is not always the best indication of replacement and that hours of use may be a better factor where some vehicle engines run much more than the mileage shows. Ms. Jammes mentioned that on page 3 of the vehicle handout, the electric department addressed this very same factor with a note. Mayor Rush questioned whether the police department needed 20 vehicles. Discussion followed about whether the police officers needed all the cars, the expense of keeping equipment in so many vehicles, the cost of allowing them to take the cars home, and the incentive to retain officers with the benefit of a take-home car. Discussion returned to the need for a vehicle replacement policy. Mr. Warner said that there is a 5-year capital improvement program where future needs are identified and a replacement policy could use it as a component.

E. FINANCE/ADMINISTRATION

1. Cost of Living Adjustment

Mr. Warner said the budget proposal includes a 2% cost of living adjustment (COLA) for most employees but there is an exception with the electric department. We are considering a change in pay for the lineman to address a compression issue which means they would not be included in the COLA. Mr. Schley mentioned the pay study that was done several years ago that recommended pay raises be given by merit instead of a standard COLA and asked if that is being done. Mr. Warner said they have not implemented that recommendation yet. Ms. Jammes directed the Council members to the handout in the agenda packet that shows calculations using the 2% COLA and comparing the numbers with no COLA added. She reviewed the figures and the total costs of the adjustment with the Council members.

2. End of Year Bonus

Ms. Jammes spoke about the costs of the \$500 end of year bonus given to employees where the General Fund would incur \$35,000, the Solid Waste Fund would be \$2,000 and the Electric Fund \$12,500. She said all the information is articulated in the power point presentation if Council members wanted copies at the end of the meeting. The raises and bonuses have been included in the balanced proposed budget.

3. Health Insurance

Ms. Jammes provided Council with a handout calculating the increases for VRS, life and health insurance. There was a 4.8% increase in health insurance rates this year, a .03% increase in life insurance for the next two years and a 1.34% increase in VRS retirement rates for the next two years as well. She noted the numbers reflect what the Town pays and the employees' contributions are not included. She answered clarifying questions from the Council members.

Discussion followed regarding employee merit increases versus COLA, how to implement a merit raise system, and whether the COLA and bonuses should both be granted or just one. Incentives for raises and bonuses were also discussed. Consensus was to grant the COLA but grant the bonuses only if the budget breaks even or there is a surplus.

Ms. Jammes informed the Council members that the position classification could be found in the proposed budget on page 195 and included the minimum, middle, and maximum annual base salaries for each grade and shows how many employees are in each of the grades.

4. Collective Bargaining

Mr. Warner stated that the General Assembly will probably remove the prohibition on collective bargaining which means if we want to do so, we can. We do not want to pursue it at this time.

5. Dog Tags

Mr. Warner told the Council he would like to stop issuing dog tags and let the County handle it. Mayor Rush said he understood his position on the subject and is not opposed, but the reason for the tagging was for the health and safety of citizens regarding rabies. Ms. Jammes said they are

advocating for stopping tag issuance because when Phase II begins, the individuals that have already bought lifetime tags from the County will not understand why they have to buy annual dog tags at the Town. The \$4,500 in revenue generated is not enough to cover the cost of the time it takes staff to track every dog in Town. The County will share their information with the Town animal control officer so he/she will be able to continue to enforce the law.

F. PLANNING/ECONOMIC DEVELOPMENT

1. Comprehensive Plan Projects

Previously discussed.

2. Bridge Street Plan

Previously discussed.

3. Zoning Ordinance Review

Mr. Warner said the RFQ's are due at the end of next month and at the April Planning Commission meeting he will report the responses he receives.

4. Protocol for Economic Development Prospect Information

Mr. Warner reported that when Ms. Zirkle interacts with businesses she is asked sometimes to keep information confidential and cannot talk about the prospect even to him. Many times she is privy to plans that don't go through and we don't want to talk publicly about them and then have to explain why they didn't happen. The Governor's Opportunity Fund is notoriously tight with information and Mr. Warner wanted to inform the Council about this confidentiality in case they have interactions with Ms. Zirkle. Discussion followed and consensus was Council members would like to have more information on the economic development front and would like Ms. Zirkle to speak to Council at least once per quarter.

Mayor Rush recommended that Item **H.1 Role of KBBC** be moved forward and have Item **G. Closed Session** thereafter. Mr. Warner agreed.

G. OTHER TOPICS

1. Role of KBBC

Mr. Hailey stated that the Keep Bedford Beautiful Commission (KBBC) has been around for many years and they received grant money last year but did lose money when we reverted from a City to a Town. It might come time when Council decides whether KBBC stays and we will need to fund it if the State does not continue with the grant money. He believes the amount would be \$3,000. Discussion followed. Mr. Hailey said he wanted to bring attention to the situation just in case the KBBC does not get the grant.

Vice Mayor Black noted that the Housing and Redevelopment Authority has been living off a grant that has never been funded as a line item in the Town and asked about it being in the budget long-term. Ms. Jammes responded she has included the Housing and Redevelopment Authority in the proposed budget under **Special Funds**. She only built into their budget the amount they have in their bank account which is around \$22,000. She said we are currently working on some grants to get additional funds to go towards the low income housing population. Both the EDA and the Housing and Redevelopment Authority have been included in the proposed budget so they will actually have budgets this year. Both are only budgeted for what they have in their bank accounts.

Mr. Johannessen asked the Council members if they would personally help fund flowers for the area and the watering of them as they have in the past years. The Elks Home does not water them and he had to pay someone to water them last year. He wanted to make sure he had their support before he followed through with the flowers.

Mr. Schley stated that in the next budget cycle, we have no Council driven capital improvement projects planned. Last year we had Crenshaw Street that was put into the budget which Council voted to kick down the road due to more important projects that needed to be completed. We are now going into another fiscal year with nothing getting planned or completed so we are looking at another two years without a project. He is bringing it to the Council members attention to see if they are ok with it. Discussion followed. Mr. Warner said this discussion brought Amtrak to mind and something may need to be done to support that if the train stop actually happens. Another suggestion was expansion and/or deferred maintenance of Liberty Lake Park.

H. CLOSED SESSION (Personnel)

Mayor Rush read the Closed Session pursuant to Section 2.2-3711 (a) (1) of the Code of Virginia of 1950, as amended, to discuss personnel matters.

On a motion by Councilman Hailey, seconded by Vice Mayor Black, the motion was voted upon and carried by the following roll call vote:

Vice Mayor Black	aye
Councilman Hailey	aye
Councilman Johannessen	aye
Councilman Schley	aye
Councilman Shoen	aye
Councilman Stanley	aye
Mayor Rush	aye

The motion carries with seven members voting aye.

Council adjourned into Closed Session at 12:30 p.m.

Non-Council members present: Town Manager Bart Warner, Assistant Town Manager Sonia Jammes

Council reconvened into open session at 1:15 p.m.

The Recording Secretary read aloud the following resolution:

BE IT RESOLVED that the Council of the Town of Bedford hereby certifies that (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification Resolution applies, and (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Council.

On a motion by Vice Mayor Black, seconded by Councilman Hailey, voted upon and carried by a roll call vote, Council adopted the resolution. Roll call vote follows:

Councilman Hailey	aye
Councilman Johannessen	aye
Councilman Schley	aye
Councilman Shoen	aye
Councilman Stanley	aye
Vice Mayor Black	aye
Mayor Rush	aye

The motion carries with seven members voting aye.

ADJOURNMENT:

Mayor Rush said the Council will meet for a budget work session on March 10, 2020 at 6:00 p.m. prior to the regular Town Council meeting scheduled for 7:00 p.m.

Adjournment 1:20 p.m.

Steve Rush, Mayor

Debra Anderson, Clerk of the Council

