REGULAR
COUNCIL MEETING
June 11, 1979

The regular meeting of the Elkton Town Council was held June 11, 1979 at 8:00 P.M. in the council chambers with the Mayor, Charles E. Dean presiding. The following council members were present: R. R. Dean, S. P. H. Flick, H. D. Flory, B. B. Holt, L. C. Life and C. A. Schumacher. Norma Leap, Clerk, Gerald Monger, Superintendent and Bruce Wiles, Attorney were also present.

Councilman R. R. Dean opened the meeting with prayer.

The minutes of the regular meeting May 16, 1979 and the special meeting May 29, 1979 were approved.

Mr. Wiles introduced Mr. James V. Burgess Jr. of P.R.M. Law Publishers. Mr. Burgess had met earlier with Mr. Wiles to discuss updating the town code. His company would be willing to take over the present contract which the town has with Michie Bobbs-Merrill to update the code. Mr. Burgess felt there were some changes which could be made to improve the code at no increase in cost and presented his ideas to council. He gave an approximate delivery date of six months. Mr. Burgess was asked to present council with a proposed contract and council would then review the contract and take action.

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Councilman Holt reported that the Planning Commission has essentially accepted the comprehensive plan. The county planner's office is in the process of preparing a smooth copy and redoing the maps. There will have to be a public hearing with the required advertising and they suggest a joint public hearing at 7:00 P.M. preceding the regular council meeting July 9, 1979 providing the county gets the copies ready. Council was in agreement with this date. Councilman Holt stated he will see to publishing the dates for the hearing in the paper.

Councilman Flory reported that after the last meeting Mr. Monger had contacted the Virginia Municipal League to try to get some information regarding bond counsel and other firms which provide this service. Councilman Flory felt the league let us down on this particular problem. Councilman Flory contacted Gary Nickerson and got the names of a few more firms. He has contacted McGuire, Woods and Battle and they are sending information and prices. This matter was tabled until Councilman Flory could receive the information from this other firm.

Councilman Flory presented a request from Darrell Shifflett for a water hookup approximately 3/4 of a mile east of Elkton on the north side of Route 33. Mr. Monger has checked the pressure on this line and feels the pressure to the other customers on this line would not be affected by another hookup.

Councilman H. D. Flory moved, seconded by Councilman R. R. Dean and carried to give Mr. Darrell Shifflett a water hookup.

Councilman Flory reported on a letter he had received from EPA regarding the Clean Water Act. It appears the new requirements will affect Step I applicants, not the town as they are past this step.

Councilman Schumacher reported that we have received a letter from Vepco regarding the partial settlement agreement between Vepco and its wholesale municipal customers. The town will be credited on June 8, 1979 with $6,876.11.

Councilman Schumacher reported that they are still looking for an electrician. Councilman Flory suggested they also advertise in the Richmond and Washington paper as there has been no response from the ads in the local papers.

Councilman Flick gave the following report on Streets and Sidewalks:

1. The paving on Lewis Avenue, as recommended by the State Highway Department, has been completed as of last Thursday, June 7th. This job took in the entire length of Lewis from Spotswood Avenue to "D" Street. The following bids were received:

A. N. Johnson	$2,750.00
S. A. Morris	2,250.00
Pave Rite Pavers	2,950.00

Elkton Limestone was notified and presumably their bid was handled by Pave Rite Pavers. The low bid of S. A. Morris was accepted.

2. Street signs are being replaced and renewed and work on these is proceeding according to schedule.

3. No further work has been done on patching but this will be done as manpower is available.

4. Councilman Flick contacted Mr. Longley today and was told that he was waiting on the town for action on the signs which are to be placed at the four highway entrances to the town.

Mayor Dean reported that he and Councilman Flick had not talked with Mr. Longley to get a list of the committee to send out letters for a meeting as had been discussed at the last council meeting but that they would get in touch with Mr. Longley to get something started on this project.

Councilwoman Life reported that two checks have been issued for litter pickup. One for $16.00 to Brownie Troop 426 and one for $40.00 to Cub Scout Pack 181. They picked up litter in the park, on Shenandoah Avenue, Fifth Street, on the town basketball and tennis courts and around the town hall. There is $82.00 left for litter pickup and there are still two more groups which are going to do this.

Councilman Flory had suggested that the town enter the Keep Virginia Beautiful Contest and as there is a deadline to enter plus a lot of work required, Councilwoman Life decided to send a letter requesting more information as to the awards. She felt if the awards were recognition only, not monetary, the work required would not be justified. Mrs. Leap has sent a letter and Councilwoman Life is waiting for the reply before making any decision on this.

Councilwoman Life reported that the following steering committee was appointed at the special meeting of the park:

Sam Gentry
Raymond Mowbray
Bob Necesary
Jeff Nester
Carol Nicholson

The preliminary data has been sent to the Commission on Outdoor Recreation. The Recreation Commission does need to have certification in writing that the council did adopt, in theory, not monetary, a resolution in support of the development of Memorial Park. Mrs. Leap was asked to send the necessary letter.

Councilwoman Life set a committee meeting for Wednesday, June 27th. at 7:30 P.M. They need to consider ordinances for brush grinding, sewer clean-outs, plus other items of business pertaining to their committee.

Councilman Holt reported that the Lion's Club has adopted an area on Fourth Street which they have been cleaning up in conjunction with the town's cleanup and litter programs. Councilwoman Life expressed the council's appreciation to the Lion's Club for their efforts.

Mr. Monger reported that the slide program should be ready by the end of this week.

Councilman Flory requested that council be given a copy of the applications regarding the development of the park. Councilwoman Life stated she would get a copy from the Recreation Commission for council.

The Finance Report for the month of May was approved as presented.

Mayor Dean reported that we could not have the Second Reading on the budget as there has to be seven days between the public hearing and the Second Reading and there has not been seven days.

Councilman Dean presented the First Reading on the 1979-80 Budget appropriations in each department as presented on the second page of the budget breakdown.

Councilman B. B. Holt moved, seconded by Councilman R. R. Dean to approve the First Reading for the following additional appropriations:

General Government	
Unemployment Tax	$ 420.00
Repairs Town Property	1,300.00
	$1,720.00
Electric	
Misc.	$1,000.00
Garbage	
Misc.	$ 700.00
Supplies	100.00
	$ 800.00
Streets	
Wages	$2,000.00
Public Safety	
Overtime	$2,400.00
Radio & Radar Upkeep	50.00
Misc.	250.00
Telephone	460.00
Uniforms	185.00
	$3,345.00

The vote was recorded as follows:

R. Dean	- yea	B. Holt	- yea
S. Flick	- yea	L. Life	- yea
D. Flory	- yea	C. Schumacher	- yea

Councilwoman Life reported that in talking with Mrs. Black she reported she needs six new sections in the library rather than five as she had requested at the public hearing.

Councilwoman Life questioned if the area insurance agencies were given the opportunity to submit bids last year on the town's insurance as they had requested and if not, felt they should be given the opportunity this year.

Councilwoman L. C. Life moved, seconded by Councilman H. D. Flory that the town insurance program be put out on bids for the coming year. The vote was recorded as follows:

R. Dean	- yea	B. Holt	- yea
S. Flick	- yea	L. Life	- yea
D. Flory	- yea	C. Schumacher	- yea

The Finance Committee was asked to carry out this project.

There was a discussion regarding the audit report for the year. Several council members felt prices should be obtained from other auditing firms. As time does not permit this year, they suggested we go ahead with the firm that has been doing the audit in the past, but next year get prices from other firms as well. Council was in agreement with this suggestion.

Councilman R. R. Dean moved, seconded by Councilman B. B. Holt to employ A. M. Pullen and Company to do the annual audit. The vote was recorded as follows:

R. Dean	- yea	B. Holt	- yea
S. Flick	- yea	L. Life	- yea
D. Flory	- abstain	C. Schumacher	- yea

Councilman R. R. Dean moved, seconded by Councilman B. B. Holt to set the tax rate for this year at $0.12 on each $100.00 of assessed value for real estate and $0.75 on each $100.00 of assessed value for personal property. The vote was recorded as follows:

R. Dean	- yea	B. Holt	- yea
S. Flick	- yea	L. Life	- yea
D. Flory	- yea	C. Schumacher	- yea

Mr. Wiles reported that he had written to Michie Company and informed them that the town thinks they have another company willing to take over the contract to revise the town code assuming Michie is still willing to do this. He has

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received no response to the letter. He also ask for an indication of what interest rate they have in mind. Mr. Wiles felt the rate of interest should be about 8%. He pointed out that Mr. Burgess will probably have their proposal in about a week or so and that council will need to decide what action they are going to take.

Councilman B. B. Holt moved, seconded by Councilwoman L. C. Life that if the Mayor is satisfied that we have been able to transfer the contract with Michie Bobbs-Merrill and that he has arranged for a satisfactory rate of interest, the Mayor be authorized to affect that transfer and if necessary sign the contract with the other company. The vote was recorded as follows:

R. Dean	-	yea	B. Holt	-	yea
S. Flick	-	yea	L. Life	-	yea
D. Flory	-	yea	C. Schumacher	-	yea

Mr. Wiles had presented copies to council of a loan resolution which is required by FmHA for their consideration.

Councilman H. D. Flory moved, seconded by Councilman B. B. Holt to adopt the following resolution:

LOAN RESOLUTION

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF ELKTON, VIRGINIA AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS SEWAGE TREATMENT FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURIDICTION TO SERVE.

WHEREAS, it is necessary for the Town of Elkton, Virginia (herein after called association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of Three Hundred Thousand Dollars ($300,000.00) pursuant to the provisions of Article 2, Chapter 5, Title 15.1--Code of Virginia, 1950, as amended

WHEREAS, the association intends to obtain assistance from the Farmers Home Administration, United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and to purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the association:

NOW THEREFORE, in consideration of the premises the association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds and containing such items and in such forms as are required by STATE statutes and as are agreeable and acceptable to the Government.

2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983 (c)).

3. To provide for, execute, and comply with Form FmHA 400-4, "Nondiscrimination Agreement", and Form FmHA 400-1, "Equal Opportunity Agreement", including an "Equal Opportunity Clause", which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of $10,000.

4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissable source.

5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government, at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the association (payable from the source of funds pledged to pay the bonds or any other legally permissable source) incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this Resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the association, and default under any such instrument may be construed by the Government to constitute default hereunder.

6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, not permit others to do so, without the prior written consent of the Government.

7. Not to borrow any money from any source, enter into any contract or agreement, or incur any other liabilities in connection with making enlargements, improvements or extensions to, or for any other purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.

8. To place the proceeds of the bonds on deposit in an account, in a bank, and in a manner approved by the Government.

9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.

10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. No free service or use of the facility will be permitted.

11. To acquire and maintain such insurance coverage including fidelity bonds as may be required by the Government.

12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof in such a manner as may be required by the Government, to provide the Government without its request, a copy of each such audit, and to make and forward to the Government such additional information and reports as it may from time to time require.

13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.

14. To serve any applicant within the service area who desires service and can be feasibly and legally served, and to obtain the concurrence of the Farmers Home Administration prior to refusing service to such applicant. Upon the failure to provide such service which is feasible and legal such applicant shall have a direct right of action against the association under this agreement.

The provisions hereof and the provisions of all instruments incident to

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the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instruments, shall be binding upon the association as long as the bonds are held or insured by the Government. The provisions of sections 6 through 13 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling as between the association and the Government.

The vote was recorded as follows:

R. Dean	- yea	B. Holt	- yea
S. Flick	- yea	L. Life	- yea
D. Flory	- yea	C. Schumacher	- yea

Mayor Dean reported that council has been invited to ride in the Fireman's Parade Friday night at 7:00 P.M.

As there was no further business, Councilman B. B. Holt moved to adjourn.

MAYOR: Charles E. Dean
Charles E. Dean, Mayor

RECORDER: Norma R. Leap
Norma R. Leap, Clerk