REGULAR
COUNCIL MEETING
October 11, 1982

The regular meeting of the Elkton Town Council was held October 11, 1982 at 8;00 P.M. in the council chambers with the Mayor Charles E. Dean presiding. The following council members were present: V. L. Cook Jr., R. E. Davis, S. P. H. Flick, B. B. Holt, T. G. Hulings and R. L. Snow. John Ebbert, Chief of Police, Norma Leap, Clerk, Gerald Monger, Superintendent and Dale Davenport, Attorney were also present.

Mr. R. Loring Cover and Mr. Frank Tinsley were present and presented a letter with the following proposal on workmen's compensation insurance:

"We propose for the coming year and are prepared to issue in the Aetna Casualty and Surety Company a participating policy which was just approved by State Corporation Commission three weeks ago.

We propose a participating plan based on loss ratio, which means premiums written divided by paid losses, using a total payroll of $255,450.00 applying to various classifications with a standard premium of $8,500.00, using an experience modification of .94.

Standard Premium		$8,500.00
Experience Modification .94	-	510.00
		$7,990.00
Deviation 15%	-	1,199.00
		$6,791.00
Premium Discount 2.2%	-	149.00
Net cost to town		$6,642.00
Expense Constant	+	60.00
Final Net cost to town		$6,702.00

Dividend based on last years losses, the town would receive a savings of approximately 25% or $1,698.00. The dividend will be paid to the Town of Elkton six months after the expiration of the policy. The plan is based entirely on the Town's individual experience. Under this plan the dividend schedule is as follows.

LOSS RATIO	DIVIDEND SAVING
0 to .10	$1,698.00
.10 to .20	$1,358.00
.20 to .30	$1,019.00
.30 to .40	$ 679.00
.40 to .50	340.00
over .50	0

We have several conditions which we feel that the town should take into consideration.

1. Engineering and loss control, serviced by the company's engineering department. Rehabilitation program on claims to help reduce losses which in turn will help the experience of the Town of Elkton, thereby, affecting a savings to the Town.

2. Local claims serviced by our office.

3. The rates are guaranteed for one year with no contingent liability on the part of the Town, no assessments due to any deficit fund.

4. Unlimited as to the amount of medical expenses.

5. How are future liabilities assessed should members decide to no longer participate in the self insurance program.

We feel our local service is worth a great deal in deciding who handles your insurance program since this agency is the only agency in the past 25 years that has kept the Town's insurance program up to date and serviced your account."

Mr. Tinsley questioned if the town went with the VML Group Insurance Program would they receive the same services, how the audit procedure would be handled and how prompt would claims be paid. He felt that only by cutting services could the VML Group Insurance be more lucrative.

Councilman B. B. Holt moved, seconded by Councilman V. L. Cook Jr. and carried to approve the minutes of the regular meeting September 13, 1982 as presented.

Councilman R. E. Davis reported that Chief Ebbert started work October 1st. and is living in town. Each councilman was presented with a summary of the police activities for the month of September. More appropriate forms will be set up for future reports.

Councilman Flick reported that we have received our audit report and each member of council received a copy. He pointed out that after taking into consideration all accounts payable and other obligations, we have a surplus of approximately $36,000.00. Considering the size of our annual budget of $1,175,000.00 he felt this surplus to be a reasonable figure.

Councilman S. P. H. Flick moved, seconded by Councilman B. B. Holt and carried to accept the audit report as presented.

Councilman Flick reviewed the following suggestions presented by the auditors:

(1) Even though items may be approved in the budget, all cash disbursements should be approved by someone other than office personnel. In the few instances where invoices are not available, a check request should be filed with approval for payment as outlined above.

(3) We recommend that council establish a policy to require two signatures on all checks issued except payroll for amounts in excess of $500.00 or some other nominal amount Council may select.

(4) We suggest that the balance in the checking account at Virginia National Bank be kept as low as feasible (perhaps $1,000) for daily operations and all excess funds be deposited in the Repurchase Agreement Account, thus earning more interest for the Town.

Mayor Dean recommended that in regards to recommendations one and three, we have either the Finance Chairman or the Mayor sign all invoices over $500.00. Council had no objections to this suggestion.

Councilman Holt suggested that in regards to recommendation four he agreed with Councilman Flick that council should not set an amount but Mrs. Leap be instructed to keep the checking account at the lowest level possible in order to earn as much interest as we can on our money. Council was in agreement with this suggestion.

Councilman Flick reported that since the Finance Committee had met with all members present and had recommended unanimously that we go with the VML Group Insured Program on workmen's compensation insurance on the basis of Mr. Monte Hunt's presentation, he feels as Chairman of the Finance Committee he must make this proposal. This is not made to influence anyone as he feels the entire council should make the final decision.

Councilman S. P. H. Flick moved, seconded by Councilman R. L. Snow to go with the V. M. L. Group Insurance Program on workmen's compensation.

There was considerable discussion on the proposals. Many council members still did not feel that the V. M. L. and Mr. Cover were quoting on the same figures and would feel more comfortable making a decision if they had a proposal from both groups on the same payroll information. Mr. Davenport when questioned stated he felt that the $5,000,000.00 reinsurance which the V. M. L. program has is adequate to make the fund solvent.

The vote was taken on the motion and recorded as follows:

Cook	- yea	Holt	- nay
Davis	- nay	Huling	- nay
Flick	- yea	Snow	- yea

C. Dean - nay

Mr. Monger was asked to contact Mr. Hunt to get a new quote from him on the payroll information used by Mr. Cover and then we will have a special meeting to act on this. The special meeting was set for Wednesday, October 20th. at 7:30 P.M.

Councilman Hulings reported that our current rate schedules are being conducted, the information has been given to Gary Green who is doing the rate study and he has assured Councilman Hulings that he would have the rates ready by the 25th. of October. Council needs to take action on these rates in order to make them effective October 1st. and have them ready for the Treasurer to bill the first of November. Mayor Dean stated he would set another special meeting as soon as Councilman Hulings notified him that the rates are ready.

Councilman Holt reported that he is working with Mr. Davenport on an ordinance to clean up the town. When they come up with some firm suggestions he will present them to his committee for their recommendations to bring to council.

Councilman Holt reported on the following letter from the Elkton Planning Commission:

> "At its September 27, 1982 meeting, the Elkton Planning Commission heard a request from Mr. James C. Powell, 95 Ashby Avenue, Elkton, Virginia to subdivide his property fronting Stuart Avenue on the west and bordered on the south by C Street (Block 30, Section 3, Lots 6, 7, and 8).
>
> It is Mr. Powell's desire to subdivide the three 50 feet wide lots into two 75 feet wide lots. One lot would then consist of Lot 8 and the north half of Lot 7, and the other lot would consist of Lot 6 and the south half of Lot 7. A drawing outlining the proposed subdivision is enclosed for your consideration.
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> It is the recommendation of the Elkton Planning Commission that Mr. Powell's request to subdivide said property as outlined be approved by the Elkton Town Council."

Councilman B. B. Holt moved, seconded by Councilman V. L. Cook Jr. and carried to approve this request by Mr. James C. Powell to subdivide his property on Stuart Avenue.

Councilman Holt reported on the following letter from Calvin Shaffer, Secretary of the Elkton Planning Commission to Larry Jennings, Director of Planning, Rockingham County Planning Department:

> "This letter is a follow-up to your October 7, 1982 telephone conversation with Mr. Gerald Monger, Elkton's Town Superintendent and member of the Elkton Planning Commission, regarding a rezoning of property owned by Mr. Charles Bowman on Route 340 south of the Elkton corporate limits.

It is the understanding of this commission that said property is presently zoned as agricultural land according to the Rockingham County Land Use Map although it has been used for commercial purposes for many years.

Since the aforementioned site no longer seems suited for agricultural use because of its size and its surroundings, the Elkton Planning Commission has no objection to a rezoning of Mr. Bowman's property from an agricultural to a commercial zone."

Councilman Holt stated he was happy to see the county coming to ask us how we feel about zoning requests which are in close proximity to the town.

Mayor Dean asked if anyone on council would be willing to serve on the 75th. Anniversary Committee. Councilman Holt and Norma Leap agreed to serve on this committee. The organizational meeting will be October 28, 1982.

As there was no further business, the meeting adjourned.

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

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