Regular
Council Meeting
May 15, 2006

The regular meeting of the Elkton Town Council was held in Council Chambers on May 15, 2006 with Mayor Wayne E. Printz presiding. The following Council members were present:

PRESENT
J. Dean
C. McDaniel
T. Pence
S. Sigafoose
R. Snow
P. Workman

Town Attorney Nathan Miller, Town Manager Dennis R. Donachy, Treasurer Clairen Sipe, Economic Development Director Emily Burner, Director of Public Works Marty Shifflett, Chief of Police Richard Pullen, and Clerk of Council Richard Carey were also present.

Council member Dean offered the Invocation.

The Pledge of Allegiance was recited.

CITIZEN COMMENTS

Vic Corbo, 248 Windsong Hills, commented that at the May 2006 Committee Meetings Mayor Printz repeatedly stated there were "issues with the Angler agreement." When questioned, the Mayor did not elaborate on his statement. Mr. Corbo stated Mayor Printz was one who negotiated and signed the contract. "It's a signed contract. There should be no issues at this point," declared Mr. Corbo. Mr. Corbo also chastised the Council-elect for being uninformed regarding the Angler contract and for leaving the meeting instead of using the time to discuss and understand the terms of the contract. He stated, "They all declined. They said they had not read the contract. How can they be so concerned with its terms if they did not even bother to get a copy of it, read it, and understand it? Then they all left the meeting." That was a demonstration of a lack of "respect for Angler and the sitting Council," according to Mr. Corbo. Mr. Corbo also challenged Mr. O'Neill's statement in *The Daily News-Record* that he, Mr. O'Neill, preferred the Angler contract "go south if it is not renegotiated." Mr. Corbo affirmed "there is nothing in that contract that allows renegotiation." If the contract is not honored, the Town of Elkton is liable for all incurred Angler expenses, estimated by Mr. Donachy to be in the neighborhood of three million dollars. Mr. Corbo then addressed Mr. Dearing's concerns regarding the Town's liability for an unsuccessful golf course. The Elkton Park Authority was established as a buffer for the Town by assuming the liability for the golf course. "If Mr. Nathan Miller did his job properly," the Town should be isolated from any liability was Mr. Corbo's response. According to the contract, the Park Authority must own and operate the golf course for a minimum of seven years.

Bill Holt, 508 – 4th Street, was in attendance hoping to receive information regarding the Angler development. He specifically asked to hear Council member Workman and Councilman-elect Dearing speak. Council member Workman stated the Council was in agreement with the contract "100%." He believed the citizens' concerns had been addressed at the "six or seven public hearings." Mayor Printz commented, "The original contact and where we are at now are two completely different things. There's a volume of information differential between the original contract we agreed to and where we are now." Council member Workman made it clear that was the Mayor's opinion. The sitting Council supports the contract. Mayor Printz responded he spoke for the Council-elect.

Hazel Crider, 114 Hillside, addressed safety concerns in Elkwood created by Angler trucks and heavy equipment. The streets are also cracking. She questioned who gave permission for the construction and heavy equipment. Was a permit issued? She wanted the traffic stopped and the erection of a "No Through Trucks" sign. Mrs. Crider and Jenny Hansbrough had a discussion with an Angler representative who was present. The Angler representative was not near a microphone and his remarks were inaudible.

Council member Workman, who resides in Elkwood, stated there was minimal dirt on the roads and he was grateful to Angler for providing a well(s) to supply increased water pressure to all Elkwood residents.

Councilman-elect Mike O'Neill, 425 East Rockingham Street, did not favor the expenditure for the audit proposed by Mr. Donachy. He stated, "It does not go to the heart of the issues." He then proceeded to present a real estate advertisement in which Mr. Donachy listed his Town-issued cell phone as a contact number. Mr. O'Neill next read Section 1, Item C of Mr. Donachy's employment contract as it related to his "exclusivity " employment with the Town, wherein an "appearance or actual conflict of interest with the Town" was addressed. Page six, Section 15 was read as applied to Mr. Donachy as Zoning Administrator. Mr. O'Neill believed he presented two documents in conflict and requested that Council "resolve this and restore my trust that this Town is operating within the boundaries of what is expected (to be) good, ethical operations." Addressing Mr. Corbo, Mr. O'Neill read Section 4 and Section 5 of the contract. Section 4 contained information that Mr. O'Neill was not hearing. Section 5 contained Exhibit E, which Mr. O'Neill never received. Mr. O'Neill wanted a "dollar figure" for Sections 4 and 5. "That is what is missing," declared Mr. O'Neill.

Councilman-elect Lee Dearing, 124 North Street, stated he did not receive a copy of the Angler contract and had been absent from the negotiations for four years. "Why should I want to participate before I am on Council?" he asked Mr. Corbo. "You have a responsibility to uphold your contract. On February 15, 2005 the Mayor did sign this contract. You had one year to accomplish six different things on page 5," continued Mr. Dearing. He listed what Council had failed to fulfill under the contract. Mr. Dearing commented, "We were not against Angler. We were against the things that you did not accomplish." Mr. Dearing did not believe all staff with purchasing authority were completing the required Conflict of Interest forms. By his estimate, Angler will gross $233,000,000.00 from Dominion Ridge. The Town will be given a golf course in exchange for 1.5 million dollars in "free water and sewer connections," he stated. He firmly believed the Town maintenance crew could continue to pick up yard waste instead of Council imposing a fee on residents to have an outside firm perform the task.

Ron Hensley, 67 Monger Hill Road, who speculated that he would one day be within the Town limits, addressed the "mismanagement of Town funds and condoned by the majority of Council members." He believed some Council "had financial interests" and others "look to the convenience of a golf course for their personal use." Mr. Hensley stated he addressed the feasibility of a golf course before when he credited *The Wall Street Journal* for an article which stated for ten golf courses constructed per year, seven closed. He expressed his support of Mayor Printz and the Council-elect and wished them luck dealing with Town finances. There was too much money going out and not enough coming in. Mr. Hensley closed by saying, "I would say that it was unfortunate that the Town of Elkton did not have the expertise of legal counsel to advise them, as the developers did, and to protect their interest."

R. G. Grimsley, 16751 East Washington Avenue, had a question regarding the placing of trailers in Town. Mr. Donachy replied that Elkton Code does not specifically describe "trailers." It does describe a "manufactured home" as being a structure on a frame with wheels. A "modular home" has a frame but is lifted off and set on a permanent foundation. A skirt can be put around a manufactured home. A property on

East Washington was issued a permit. According to Mr. Donachy, information from Rockingham County was if the structure meets all the requirements of the Code, "there is nothing that can be done."

Jenny Hansbrough, 102 Persimmon Street, wanted Council to be aware that Angler trucks were parking in front of residences in Elkwood.

Mr. Donachy remarked that he did not own property in Town, nor did he own any interest in any business in Town. He does have a real estate license, but his role is as a consultant. Under the employment contract, he is permitted to act in that role. He stated there have been 98 years of infrastructure neglect. Angler money would have addressed that neglect. Now, instead of a three million dollar surplus as projected in a budget that included Angler money, his revised budget shows a $600,000.00 shortage which, now, must be take from REPO to balance the budget. There are no Capital Improvement Projects in the revised budget. All of this is a direct result of the loss of Angler money.

Vice Mayor Snow stated that certain members of Council wanted "upfront" money from Angler. As a result, 750 water connections were negotiated at a reduced rate.

CONSENT AGENDA

Consent Agenda
May 15, 2006

MINUTES
•Committee Meetings – April 11, 2006
•Regular Council Meeting – April 17, 2006

REPORTS
•Chief of Police
•Public Works

Council member Dean moved, second by Council member Sigafoose, and carried to approve the Consent Agenda.

YEAS: J. Dean, C. McDaniel, T. Pence, S. Sigafoose, R. Snow, and P. Workman.

Motion carried (6 – 0 voice vote)

TREASURER'S REPORT

Treasurer Sipe reported an ending ledger balance of $711,696.98 for General Government for the month of April 2006. Designated money was $481,630.06, leaving a total available cash of $230,066.92.

Vice Mayor Snow moved, second by Council member Dean, and carried to approve the Treasurer's report.

YEAS: J. Dean, C. McDaniel, T. Pence, S. Sigafoose, R. Snow, and P. Workman.

Motion carried (6 – 0 voice vote)

TOWN MANAGER'S REPORT

Ordinance to Amend Section 110-703, B-1 District Parking – First Reading

Mr. Donachy presented the following as a First Reading:

AN ORDINANCE TO AMEND CHAPTER 110 (LAND DEVELOPMENT) SECTION 110-703 (OFF-STREET PARKING) TO ESTABLISH PARKING GUIDELINES FOR B-1 DISTRICTS

WHEREAS, the current code does not contain parking guidelines for B-1, Downtown Business District; and

WHEREAS, there is already limited parking in B-1 Districts; and

WHEREAS, recently there have been inquiries on the purchase of land and building of new businesses in B-1 Districts;

BE IT ORDAINED, by the Town Council of Elkton, Virginia, that Chapter 110 (Land Development) of the Code of the Town of Elkton, is hereby amended as follows:

1. Section 110-703A and C are hereby amended by deleting the following wording:

   A. Parking space requirements for all ~~certain~~ districts. In all districts ~~except Downtown Business District B-1,~~ the following requirements apply:

   C. Parking space requirements for all districts ~~except B-1 Business~~.

2. This ordinance shall be effective immediately upon its adoption.

Adopted by the Town Council of the Town of Elkton this ____ day of _____, 2006

_____
Mayor

_____
Clerk of Council

Approved this _____ day of _____, 2006

_____
Mayor

Letter of Resignation – Officer David Harris

Council member Dean moved, second by Council member Sigafoose, and carried to accept Officer Harris' resignation.

YEAS: J. Dean, C. McDaniel, T. Pence, S. Sigafoose, R. Snow, and P. Workman.

Motion carried (6 – 0 roll call)

Council member Workman expressed his regret and Mayor Printz agreed that Officer Harris was "an excellent officer."

Letter from Scott Knight

Mr. Donachy presented a letter from Mr. Knight, which was in response to Mr. Donachy's letter to him dated April 20, 2006. Mr. Donachy stated, "I can find no further

violations to the Town Code Section 110-705 (Home Occupation) that would warrant revoking Knight's Home Occupation Permit.

Council was satisfied with the conclusion.

David Taylor Property – First Reading

Mr. Donachy requested "Council action on taking money from the REPO Fund to purchase the David Taylor property by the end of May (2006). If this does not occur, the Town could face a request for more money for the property or could lose the property and be in default on the original contract with Angler."

Attorney Miller confirmed Mr. Donachy's statement and, as an extension was not an option to purchase the property at the current price, Council will set a Special Meeting for a Second Reading.

Set Date and Time for Joint Public Hearing – Dominion Ridge Master Plan

Council will set a date and time at the end of tonight's meeting.

Set Date and Time for Police Officers Interviews

Our Town police force is now down to three officers. Proper coverage cannot be maintained with the shortage so the Rockingham County Sheriff's Office will be contacted for assistance.

Pete Bonavita's Letter on Water/Sewer Connections

Mr. Donachy's Manager's Report contained the following:

Enclosed are copies of the July 13, 2004 Committee Meeting Minutes, July 19, 2004 Council Meeting Minutes, July 9, 2004 request letter from Mr. Bonavita, July 14, 2004 letter to Mr. Bonavita that contained conditions and the July 21, 2004 revised letter sent to Mr. Bonavita. Nathan is looking into the legal aspects of the last letter sent to Mr. Bonavita.

Council will discuss the matter in closed session.

Budget

Mr. Donachy presented his most recent budget, minus Angler money.

Audit

Mr. Donachy's report stated:

Enclosed is a copy of a letter from Yancy, Miller & Bowman, CPA's, PLLC outlining the scope of work and fees to conduct an audit in response to the Mayor's allegations of fraud, misappropriation of funds and possible criminal activities by the Town Manager. This audit was requested by the Mayor. Request Council action on this letter of intent.

Mayor Printz opposed the request. He said, "I'd like to say I do not support an audit at this time. That memorandum was an interoffice memorandum to – in personnel. That should not have went to the paper. You are the one who took it there and as far as doing an audit we will – I think we have the resources to do a financial analysis without spending $15,000.00."

Mr. Donachy disagreed with the Mayor's statement. Mr. Donachy stated, "That memorandum was not interoffice. It was sent to our auditors and then it had to be brought before Council so they could vote on spending the money. Once it was brought before Council, I received two Freedom of Information requests of that document. Once that document becomes public, it went public. All I ask of the Council is, this is a black mark against my name, and I know there's individuals here who don't care, but I do – so I ask the Council if you could please put a letter in the minutes, or take a vote of confidence, that you feel, that is you are not going to spend the money to find out, that you feel comfortable that there was no misallocation of funds or possible criminal activity by myself. If you would do that, I would appreciate it."

Council member Dean moved, second by Vice Mayor Snow, to move forward with the audit.

Council member Sigafoose stated, "I don't think we ought to waste the money. I say just let things go and be done with it. I have no problem. That's all I can say."

Vice Mayor Snow said, "So we need to give, somebody needs to give, Mr. Donachy a letter saying that those things are either invalid or that they are no longer a concern, or something, so that he won't have a black mark on his record."

Mayor Printz spoke, "Mr. Snow, I might want to remind you that all three of you guys on that side of the fence came to me and complained about the deferred compensation and said that it was not right. You told me that right out of your own mouth. As the responsible party for oversight of the Charter at that time, I took action to find out what was going on."

Mr. Donachy countered that he could have provided the information, but the Mayor chose to go public and made allegations against him.

Council member Workman recalled citizens requesting "...the same thing. There was concern in the community about having an audit because they didn't think things were being done kosher also."

Council member McDaniel did not interpret the deferred compensation as a "fraud issue." To him, it was a "policy issue." He added, "Possibly the policy wasn't followed but that, certainly in my view, was not a reason to suspect fraud or wrong-doing." If the Council lacked "confidence" he believed an audit should be conducted.

Mayor Printz interpreted certain actions by Mrs. Donachy as disruptive and disrespectful and had Sergeant Morris escort her from the Council Chambers.

Council member Dean called for the question.

YEAS: J. Dean, C. McDaniel, T. Pence, R. Snow, and P. Workman.

NAYS: S. Sigafoose

Motion carried (5 – 1 roll call)

Cemetery Resignation – Cathy H. Murphy

Vice Mayor Snow moved, second by Council member Dean, and carried to accept Ms. Murphy's resignation.

YEAS: J. Dean, C. McDaniel, T. Pence, S. Sigafoose, R. Snow, and P. Workman.

Motion carried (6 – 0 roll call)

Council member Workman thanked Ms. Murphy for her hard work and regretted her resignation.

Letter of Retirement – Chief of Police Richard Pullen

Vice Mayor Snow moved, second by Council member Workman, and carried to accept Chief Pullen's retirement letter.

YEAS: J. Dean, C. McDaniel, T. Pence, S. Sigafoose, R. Snow, and P. Workman.

Motion carried (6 – 0 voice vote)

In his letter, Chief Pullen gave June 1, 2006 as the effective date of his retirement. Mayor Printz wished him and his family well.

Angler Extension

Council action required for extension on closing on Kite property.

Council member Dean moved, second by Vice Mayor Snow, to approve the thirty (30) day extension.

Attorney Miller advised Council he wished to discuss the issue in closed session.

The motion and second were withdrawn.

DIRECTOR OF PUBLIC WORKS

Mr. Shifflett received a water and sewer hook-up request for a mobile home at the end of Prospect Avenue. The mobile home sets in the County. The entire cost will be absorbed by the requester.

Vice Mayor Snow moved, second by Council member Sigafoose, and carried to approve the request.

YEAS: J. Dean, C. McDaniel, T. Pence, S. Sigafoose, R. Snow, and P. Workman.

Motion carried (6 – 0 roll call)

Mr. Shifflett presented three bids for bi-weekly yard waste removal. All else being equal, the only difference was price: $1.98, $2.75, and $5.00. The term would be until October 31.

Vice Mayor Snow commented that he did not favor "charging the entire Town for what a few people need." Council member Sigafoose agreed with Vice Mayor Snow that the Town maintenance crew should continue to collect the yard waste.

Council member McDaniel moved, second by Vice Mayor Snow, and carried to not accept any contracts for yard waste removal.

YEAS: J. Dean, C. McDaniel, T. Pence, S. Sigafoose, R. Snow, and P. Workman.

Motion carried (6 – 0 roll call)

It remained undecided where to place the waste. Mayor Printz sent the discussion to Committee.

Mr. Shifflett stated he had a "plan" for a Pentecostal Hill issue presented by Council member Workman. The Garden club asked that the sidewalk flower pots be watered.

COMMITTEE REPORTS

Electric

No report.

Finance

Set budget work session.

Public Health, Public Safety, and Ordinances

Mayor Printz asked Council to take action on Mary K. Hutton, who owed a demolished house on Jackson Avenue. The hole created by the removal of the house is now a safety concern. Mayor Printz stated Mrs. Hutton had not responded to any requests to fill the hole.

Council member Sigafoose moved, second by Council member McDaniel, to give her ten (10) days to fill it up. If not, we'll do it.

Council member Pence asked if it was 10 days from the date of the letter or 10 days from now. Mayor Printz stated, "From now. That would be more than fair." Council member Pence believed that was too long, but agreed with the motion. On the advice of Attorney Miller, Council member Sigafoose amended his motion to include "public nuisance."

Council member Sigafoose moved, second by Council member McDaniel, and carried to amend the motion to declare a public nuisance and give her 10 day to take care of it or we'll do it.

YEAS: J. Dean, C. McDaniel, T. Pence, S. Sigafoose, R. Snow, and P. Workman.

Motion carried (6 – 0 roll call)

Streets and Sidewalks

Council member Sigafoose and Mr. Shifflett will work on a priority list next week. Considering all the current and pending construction in Elkton, Council member Workman wanted to make sure someone had the authority to approach the various companies and builders to keep our street clear of mud and other construction debris.

Water and Sewer

Mr. Shifflett will research a hook-up charge that was brought to his attention by Council member Pence.

Recreation

Council member Workman presented the concept of adding another Commissioner to be in charge of the parks and grounds.

Planning Commission

No report.

Cemetery

Councilman-elect Dearing will resign as Chair before he takes his Council seat.

Park Authority

Vice Mayor Snow moved, second by Council member Workman, and carried to reappoint Ishmal Baugher, Tom Galvin, Barry Ream, and Bruce Senn to the Elkton Park Authority for terms beginning June 1, 2006 and ending May 31, 2010.

YEAS: J. Dean, C. McDaniel, T. Pence, S. Sigafoose, R. Snow, and P. Workman.

Motion carried (6 – 0 roll call)

Economic and Community Development

Council member Workman welcomed **Serendipity** to the business community. He would also like this Committee to become a Standing committee of the Elkton Town Council.

Elkton Area Community Center

Vice Mayor Snow reported the Center is on schedule to be completed by the middle of next month.

Miscellaneous

Council member Workman wants to follow through with the Gerald Monger Community Service Award. He suggested that next year each Council member submit a name for consideration to receive the award.

Council member Workman suggested the confusion of trailers and doublewides be looked into so the issue can be addressed in the future.

Mayor Printz scheduled a meeting for June 7 at the Firemen's Activity Building for a citizen dialogue session.

Meetings

May 22, 2006 – Special Council at 6:00 P.M., in Council Chambers

1. Purchase Taylor Property (Second Reading)
2. Vote Angler Agreement Extension

June 13, 2006 – Committees will meet at the Kite house, where Council will conduct police officer interviews beginning at 5:00 P.M. Committees will meet following the conclusion of the interviews.

June 19, 2006 – Joint Public Hearing at 6:00 P.M., in Council Chambers – Dominion Ridge. The regular Council meeting will convene at 7:00 P.M., in Council Chambers.

Closed Session

Council member Dean moved, second by Vice Mayor Snow, and carried to go into closed session under Virginia Code 2.2-3711 to discuss possible litigation and purchase of real estate.

YEAS: J. Dean, C. McDaniel, T. Pence, S. Sigafoose, R. Snow, and P. Workman.

Motion carried (6 – 0 roll call)

Council member Dean moved to go from closed session back into regular session and that each member, to the best of his or her knowledge, certified that only public business matters lawfully exempted from an open meeting requirement under Chapter 21 of Title 2.1 of the Code of Virginia were heard, discussed, or considered. Vice Mayor Snow duly seconded the motion.

YEAS: J. Dean, C. McDaniel, T. Pence, S. Sigafoose, R. Snow, and P. Workman.

Motion carried (6 – 0 roll call)

As there was no further business, the meeting was adjourned at 9:40 P.M.

Mayor: _____
Wayne E. Printz, Mayor

Recorder: Richard D. Carey, CMC
Richard D. Carey, Clerk