

AGENDA

FRANKLIN CITY COUNCIL

MONDAY, NOVEMBER 26, 2018 – CITY HALL COUNCIL CHAMBERS – 207 W. SECOND AVE.

7:00 P.M.**Regular Meeting**

CALL TO ORDER MAYOR FRANK M. RABIL

PLEASE TURN OFF CELL PHONES MAYOR FRANK M. RABIL

PLEDGE OF ALLEGIANCE

CITIZENS' TIME

AMENDMENTS TO AGENDA

1. CONSENT AGENDA

A. Minutes: October 22, 2018 Regular Meeting and Called Meetings, October 24, 2018 & November 7, 2018

2. PUBLIC HEARINGS

A. SPSA Resolution to Amend By-Laws

3. FINANCE

A. FY 2017- 2018 Audit Presentation Report

4. OLD/NEW BUSINESS

A. Resolution to Adopt USDA Forms for Police Vehicle Grant

B. Agreement w/ Cypress Cove Country Club

C. Ordinance Amendment Authorizing Increase of School Board Salaries

D. DFA Presentation Regarding Possible Amendment of Agreement • • Dan Howe, DFA Director

E. City Manager's Report • • Clarence Monday , Interim City Manager

1. Edmunds Software Update

2. Open Positions Update

3. Disposal of Public Property

5. COUNCIL/STAFF REPORTS ON BOARDS/COMMISSIONS6. CLOSED SESSION

I move that the Franklin City Council meet in closed session to discuss prospective candidates for employment and to meet in consultation with legal counsel pertaining to a legal matter requiring legal advice and pertaining to possible litigation pursuant to Virginia Code Section 2.2-3711 (A) (1) and (A) (7) & (8).

Motion Upon Returning to Open Session- I move that the only matters discussed during the closed session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened.

7. ADJOURNMENT

UPCOMING ITEMS TO BE SCHEDULED

The items below are intended to be reflective, and not inclusive of all subjects staff is working on to bring forward to City Council in the next two months. Both the time lines and subject matter are subject to change and should not be considered final.

<u>SUBJECT</u>	<u>TENTATIVE TIME LINE</u>
Next Council Meeting (Only 1 meeting in December 2018)	December 10, 2018 @ 7:00 p.m. City Council Chambers – 207 W 2nd Ave.
City of Franklin Christmas Luncheon	December 14, 2018 from 11:30 a.m. – 1:30 p.m. @ Main Event
Rental Housing Inspection Program Ad Hoc Advisory Committee Meeting	TBD

CONSENT AGENDA

- A. Minutes: October 22, 2018 Regular Meeting and Called Meetings, October 24, 2018 & November 7, 2018**

The Franklin City Council reconvened its Regular meeting on Monday, October 22, 2018 at 7:00 p.m. in the Council Chambers at City Hall.

Council Members in Attendance: Mayor Frank Rabil, Barry Cheatham, Vice-Mayor; Linwood Johnson, Bobby Cutchins, Wynndolyn Copeland, Greg McLemore and Benny Burgess.

Staff in Attendance: Clarence Monday, Interim City Manager; Taylor Williams, City Attorney; Mark Bly, Director of Power and Light; Captain Tim Whitt, Franklin Police Department; Donald Goodwin, Community Development Director; Dinah Babb, Treasurer; Brenda Rickman, Commissioner of Revenue; Tracy Gregory, Interim Director Finance; and Russ Pace, Director of Public Works.

Others in Attendance: Sergeant Christopher Thomas, Franklin Police Department; Deputy Chief Mark Carr, Franklin Fire and Rescue; Stephen Faleski, Reporter, Tidewater News; and Teresa Rose-McQuay; Administrative Assistant and Acting Secretary, Recording Minutes.

School Members in Attendance: Tamera Sterling, Superintendent Franklin City Public Schools; Tammy Moore, Executive Assistant, Franklin City Public Schools; Norletta Edmunds, Coordinator of Exceptional Education, Franklin City Public Schools; and Mr. Daren Parker, Principal, J. P. King Jr. Middle School, Franklin City Public Schools.

School Board Members in Attendance: Robert Holt, Chairman, Franklin City School Board; Ms. Marchelle Williams, Ward 4, Franklin City School Board; Becky Jester, Ward 1, Franklin City School Board; Carrie Johnson, At-Large Representative, Franklin City School Board; Jessica Grant, Ward 5, Franklin City School Board; and Amy Phillips, Ward 2, Franklin City School Board.

The Pledge of Allegiance was recited by everyone in attendance.

CITIZENS' TIME

Mr. Bob Hayes, Board Member, Western Tidewater Free Clinic gave a brief update. He thanked the Council for the continued support of the clinic. He informed the Council of how the funds are being used. The clinic has served 156 Franklin residents this year.

Mr. Bob Holt, Chairman, Franklin City School Board addressed Council about the letter that Council had received prior to the meeting. He highlighted some of the information in the letter and reminded Council of the achievements of the current school board and asked Council to approve the requested school board salary increase.

Mrs. Becky Jester, Ward 1, Franklin City School Board spoke of the accomplishments of the Franklin City Public Schools over the last year. Ms. Jester asked Council to not only support the schools financially but with their time and involvement.

Ms. Tamera Sterling, Superintendent of Franklin City Public Schools addressed Council concerning the achievements of milestones accomplished through the year.

Students of J P King Middle School, Akayla English and Jeremiah Johnson spoke to Council about the programs being offered to students to help them achieve credits before getting to high school. They spoke of school programs and partnerships that are helping the kids.

Mr. Daren Parker, Principal of J. P. King, Jr. Middle School spoke to Council further on the strides being made at the middle school to help prepare the students for a successful transition to high school. He thanked Council for their support.

AMENDMENTS TO AGENDA

Vice-Mayor Cheatham made the motion to amend the agenda to include a discussion of the Recreational Services Agreement between the City and the County of Southampton with Cypress Cove Country Club dated November 17, 2017 and a review of the report of the benefits to the residents of the City and the County. Councilman Johnson seconded the motion.

The motion was approved by a 7-0 vote.

Vice-Mayor Cheatham made the motion to amend the agenda to include a discussion of salary increases for the members of the Franklin School Board because the issue was tabled at the last City Council meeting on September 24, 2018 until tonight's meeting. Councilman Johnson seconded the motion.

The motion was approved by a 7-0 vote.

This was added to the OLD/NEW Business section of the agenda as Item A.

Vice-Mayor Cheatham made the motion to amend the agenda to include a discussion of salary increases for the members of the Franklin School Board because the issue was tabled at the last City Council meeting on September 24 until tonight's meeting. Councilman Johnson seconded the motion.

The motion was approved by a 7-0 vote.

Consent Agenda

Minutes: September 24, 2018 Regular Meeting

Mayor Rabil asked if there were any corrections to the minutes of the September 24, 2018 Regular meeting. Vice-Mayor Cheatham noted there were some minor corrections that have been corrected prior to tonight's meeting. With those corrections made, Councilman Johnson made the motion to approve the September 24, 2018 minutes with the necessary correction and Vice-Mayor Cheatham seconded it.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Copeland, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, AYE; Councilman Burgess, AYE; and Mayor Rabil, ABSTAIN.

Departmental Reports: September 2018

No comments were made concerning the September 2018 departmental reports distributed in a separate file.

Arbor Day Proclamation

Mayor Rabil asked Councilwoman Copeland to read the Arbor Day Proclamation aloud. After the reading, Vice-Mayor Cheatham made the motion to adopt the Arbor Day Proclamation as presented and Councilman Johnson seconded the motion.

Mayor Rabil asked if there were any questions or comments concerning Arbor Day Proclamation and hearing none he asked for the vote.

The motion was approved by a 7 – 0 vote.

FINANCE

Manager Martin recognized Interim Finance Director Tracey Gregory to present the March 31, 2018 Financial Report to Council.

Financial Report: March 31, 2018**General Fund**

Manager Martin presented highlights of the March 31, 2018 Financial Report. Manager Martin stated that this financial report reflects nine months of revenue and expenditure in most cases.

Revenue Highlights

Overall General Property Taxes collected in the amount of \$249,000 is down from FY18 collections of \$481,000, primarily attributable to 1) \$187,000 early real estate payment in FY18; and 2) \$79,000 decrease in delinquent personal property tax collections. The breakdown is as follows:

- **Current Real Estate taxes** of \$0 are at 0% of budget and 100% lower than prior year period collections of \$187,000.
- **Delinquent RE taxes** of \$158,000 (73.6% of budget) are 30.4% higher than the prior year period collections of \$121,000.
- **Current Personal Property taxes** at \$0 (0% of budget) are comparable to the prior period collections.
- **Delinquent Personal Property taxes** – of \$63,000 (179.9% of budget) are 55.6% lower than prior year period collections of \$142,000.
- **Penalty and Interest** at \$28,000 (21.3% of budget) are 6.5% lower than prior year period collections of \$30,000.
- **Public Service Corporation taxes** of \$0 are 0% of budget.

Local Tax Revenue realized is 60.8% of Budget with the breakdown as follows:

- Local Sales & Use taxes collected are \$426,891.
- Cigarette Taxes collected are \$85,405.
- Meals Taxes collected are \$365,088.
- Lodging Taxes collected are \$41,510.

Revenue Summary

Overall, total current general fund revenue reported at \$918,894 (24.4% of budget) is a net of \$243,000.

General Fund Expenditure Highlights

General Fund expenditures at the end of the period total \$2.8 million and represents 12.2% of budget; which is comparable to the prior year.

General Fund expenditures at the end of the period totaled \$5.3 million and represented 23.1% of the total budget; when compared to the prior year period of \$4.9 million, this is a \$353,000 increase, primarily attributable to the timing of the payment of \$295,267 to Southampton County for shared operations.

FY19 Fund Balance Appropriated by Council for planned expenditures at September 30th: \$120,107.

Enterprise Funds**Airport Fund**

- Fuel sales and airport rental fees are below target with 20.8% of the budget realized.
- Expenses in the fund are at target with 26% of budget expended (net of capital outlay, depreciation and transfers).
- Cash balance in the Airport Fund is \$(15,337).

Water & Sewer Fund**Revenue Analysis**

- Revenue from the sale of water and sewer service charges of \$862,000 at the end of the period is slightly below target at 24.3% of budget.

Expenditure Analysis

- Expenses in the fund are \$322,000 and below target at 17.3%. Expenses are tracking \$26,000 lower than the prior year (net of capital outlay, debt service and transfers). Expenses are \$19,000 higher than prior year in the water division due to well operation maintenance; \$22,000 lower than prior year in the sewer division due to sewer clean out expenses in prior year; and \$23,000 lower than the prior year in the wastewater division due to sludge disposal and treatment plant supply expenses.

Cash Balance

- The cash balance in the fund at the end of the month is \$1,532,163.

Solid Waste Fund**Revenue Analysis**

- Revenue for the Solid Waste Fund is at target with revenue at \$330,000 or 25.1% of budget and is comparable to prior year period collections.

Expenditure Analysis

- Expenses in the fund at \$126,000 are below target with 19.2% of budget expended (net of capital outlay, debt service and transfers) and is below the prior year period expenses of \$144,000 (net capital outlay, depreciation, debt service and transfers).

Cash Balance

- The cash balance in the Fund at the end of the month is \$250,455.

Electric Fund**Revenue Analysis**

- Revenue from energy sales at \$4.13 million is at target at 25.8% of budget; below is a snapshot of prior year billed service revenue, current year budget, actual and % of budget realized.

Expense Analysis

- Expenses associated with the sale of energy for the fiscal year was \$2.6 million and is below budget at 19.8% of the total budget (net of capital outlay, depreciation, debt service and transfers). This is lower than the prior year period of \$2.1 million primarily due to the VMEA Transmission Peak Shaving True-Up credit in September 2017 of \$544,000.
- Cash in the Electric Fund at \$3,528,504 decreased by \$2,946 from the prior month period. Cash is above minimum policy guideline of \$1.494 million by \$2.03 million.

Mayor Rabil asked if anyone had any questions or comments on the September 30, 2018 Financial Report.

Councilman Burgess asked if the FY19 Appropriated Fund Balance for Planned Purchases for September 30, 2017 were budget amendments that have been approved to this point in the fiscal year.

Ms. Gregory stated that these approved amendments do not include the budget amendments that are on this evenings agenda but it did include City Budget

Mayor Rabil asked if there were any further questions or comments; hearing none they moved forward with City Budget Amendment # 2019 – 2.

FY 2018 – 2019 City Budget Amendment # 2019 –02

Interim City Manager Monday recognized Interim Finance Director Gregory to present the FY 2018 – 2019 City Budget Amendment # 2019 – 02 to Council.

Ms. Gregory stated that FY 2018 – 2019 City Budget Amendment # 2019 – 2 is a request to amend the budget to carry forward FY18 unspent appropriations for specific funds, grants and projects.

Mayor Rabil asked if there were any questions or comments concerning the FY 2018 – 2019 City Budget Amendment # 2019 – 02.

After some discussion with Council members, Ms. Gregory proceeded to the next City Budget Amendment.

FY 2018 – 2019 City Budget Amendment # 2019 – 03

Ms. Gregory stated that FY 2018 – 2019 City Budget Amendment # 2019 – 03 is a request to amend the budget to setup FY19 for various funds and projects.

Mayor Rabil asked if there were any questions or comments concerning the FY 2018 – 2019 City Budget Amendment # 2019 – 03.

After some discussion with Council members, Ms. Gregory proceeded to the next City Budget Amendment.

FY 2018 – 2019 City Budget Amendment # 2019 –0 4

Ms. Gregory stated that FY 2018 – 2019 City Budget Amendment # 2019 – 04 is a request to amend the budget to setup FY19 for various funds and projects.

Mayor Rabil asked if there were any questions or comments concerning the FY 2018 – 2019 City Budget Amendment # 2019 – 04.

Hearing none, Ms. Gregory proceeded to the next City Budget Amendment.

FY 2018 – 2019 City Budget Amendment # 2019 – 05

Ms. Gregory stated that City Budget Amendment # 2019 – 05 be amended to recognize additional revenues from various grants and to appropriate such revenue for new uses:

1. Recognize additional revenues related to refunds and insurance recoveries and appropriate such revenue for use;
2. Appropriate funding for the contractual services related to the Interim City Manager position;
3. Appropriate funding for salaries & benefits related to the ES employee promotions;
4. Appropriate funding for salaries & benefits related to Building Inspections employee raise;
5. Appropriate funding for Parks & Recreation contractual services & office supplies expenditures; and,
6. Appropriate funding for DSS repairs & maintenance related to mold mediation.

After some discussion with Council members, Ms. Gregory proceeded to the next City Budget Amendment.

Actions on City Budget Amendments

Vice-Mayor Cheatham made the motion to approve the City Budget Amendment # 2019 – 02 as presented and Councilman Johnson seconded it.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, ABSTAIN; Councilman Burgess, AYE; and Mayor Rabil, AYE.

Councilman Johnson made the motion to approve the City Budget Amendment # 2019 – 03 as presented and Vice-Mayor Cheatham seconded it.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, ABSTAIN; Councilman Burgess, AYE; and Mayor Rabil, AYE.

Vice-Mayor Cheatham made the motion to approve the City Budget Amendment # 2019 – 04 as presented and Councilwoman Copeland seconded it.

The motion was approved by a 7 – 0 vote

Vice-Mayor Cheatham made the motion to approve the City Budget Amendment # 2019 – 02 as presented and Councilman Johnson seconded it.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, ABSTAIN; Councilman Burgess, AYE; and Mayor Rabil, AYE.

Councilman Johnson made the motion to approve the City Budget Amendment # 2019 – 03 as presented and Vice-Mayor Cheatham seconded it.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, ABSTAIN; Councilman Burgess, AYE; and Mayor Rabil, AYE.

OLD/NEW BUSINESS**Recreational Services Agreement**

Taylor Williams, City Attorney reviewed the Recreational Services Agreement contract that became effective on December 1, 2017 and will end on November 30, 2018. There are six more weeks left in this contract period therefore; the time has come to revisit this contract to see if the City has any interest in going back to Cypress Cove Country Club to see if another agreement is in order. Last year the City of Franklin contributed \$30,000.00 as well as Southampton County contributed \$30,000.00. Mr. Williams presented a report stating the beneficial purposes of giving the Country Club \$30,000 which are listed below:

- As of September 15, 2018, 1,124 rounds of golf were played by City and Southampton County residents at a reduced rate estimated to be 1,500 by November 30, 2018
- Six fund raisers have been held at the Country Club which totaled \$73,350 in shared revenue by the City and County
- A \$15,000.00 benefit to the surrounding school teams for not having to pay in order to play golf.

Frank Rabil, Mayor stated that this status report should answer any questions Council may have. He added that there was a Shared Services Meeting the following night and this would probably be addressed.

Barry Cheatham, Vice-Mayor, suggested that the City do a radical share of 25% based on the number of rounds being played.

Greg McLemore, Councilman stated that \$15,000.00 savings to the City and County does not seem to be a good savings compared to the \$30,000.00 that was spent.

Attorney Williams reminded Mr. McLemore of the \$73,350 that was generated from the six fund raisers.

Councilman McLemore asked if there was a breakdown of how the revenue was distributed back into the community. His concern is that the revenue from these fundraisers becomes a part of salaries for these charities and not dispersed back into the community.

Attorney Williams replied perhaps he could contact these various charities and find out how the funds were distributed.

Mayor Rabil stated that the revenue generated from the Children's Hospital for King's Daughters Organization supports local children in need.

Vice-Mayor Cheatham informed Council that Teresa Beale of the Chamber of Commerce has stated that over a five-year period \$40,000.00 goes into the City and County through the chamber.

Dr. Linwood Johnson, Councilman asked who from the City is motivating interest in this project due to the fact that the City has less participants compared to Southampton County Public Schools and Southampton Academy.

Mayor Rabil replied that Franklin did not have a golf team last year. This year there are four students participating on the golf team due to Coach Sumblin. He also added that this summer eight students that participated in the First Tee Program.

Councilman Johnson stated if we are going to participate in this program then we should be utilizing it as much as the other schools.

Mr. Bobby Cutchins, Councilman stated that there was a previous discussion of the Parks and Recreations Department getting involved and why had that not happened.

Mayor Rabil replied that was a good question and he would look into that.

Mr. Benny Burgess, Councilman stated that he had asked for the Parks and Recreation Plan three or four months ago.

Councilman McLemore stated that he thought that the Parks and Recreations Department take the lead on this project.

Mayor Rabil stated he would explore this at the Shared Services meeting tomorrow night.

Councilman Cutchins stated that it was not Southampton County's fault that we did not have participation in this program and we needed to remember this.

Mayor Rabil stated this subject would be addressed in the future.

Franklin City School Board Salary Increases

Mayor Rabil opened the subject of Franklin City School Board Salary Increases.

Councilman Johnson is in favor of a salary increase due to it is very clear the accomplishments the Franklin City School Board has made in the school system.

Councilman Cutchins is also in favor of a salary increase and is very proud of the accomplishments the Franklin City School Board has made in the school system.

Vice-Mayor Cheatham is also in favor of a salary increase, he added according to the HRPDC the on-time graduation numbers, the USA on-time graduation average is 88, the state average is 89.7 and Franklin is 88.2.

Councilman McLemore is not in favor of a salary increase. He stated that he thought Council did something monumental when they asked for the resignation of the entire School Board. He added the current members of the School Board have accomplished the task that was required of them. He stated he would like to see a longer track record of constituency before approving a salary increase.

Councilman Burgess is in favor of a salary increase. He stated the School Board and the representatives of the school system work really hard and are headed in the right direction.

Mayor Rabil added he is pleased with the positive turn around that the School Board has made. He also added that when Council appoints you to the Board we give you the five-year responsibility to do the right thing.

Vice-Mayor Cheatham corrected Councilman McLemore by adding that there had been two graduating classes since the new School Board had been appointed.

A motion was made by Councilman Johnson to approve a salary increase for the Franklin City Schools and Councilman seconded the motion.

The vote was as follows: Councilman Linwood Johnson, AYE; Councilman Robert Cutchins, AYE; Mayor Frank Rabil, AYE; Councilwoman Wynndolyn Copeland, AYE; Councilman Gregory McLemore NAYE; and Councilman Burgess, AYE.

Board of Equalization Notice

Clarence Monday, City Manager informed Council that the Board of Equalization had set a schedule for when it wishes to meet which was in the packet he dispersed and stated that the Brenda Rickman, Commissioner of Revenue was present to answer any questions.

Budget Payment Plan Revision Draft

City Manager Monday introduced the Budget Payment Plan Revision Draft topic and stated that this had been discussed at several meetings. He informed Council that staff has listened to Council's wishes and has drafted up a policy for review.

Mayor Rabil opened the drafted policy for discussion and questions.

Councilman Johnson informed Council that he had requested a conference call with Dr. Taylor, City Manager Monday and himself. Dr. Taylor is the City Manager of Richland, Virginia. City Manager Taylor has thirty-one years of experience and works closely with the Public Utilities Department of Richland, Virginia which is about the same size as Franklin. One of the questions that was asked was do you offer the budget plan to everyone. Councilman Johnson stated that the plan should be offered to everyone and not just homeowners, but offer it with a twelve-month history which will disqualify some renters. Dr. Johnson is in approval of the budget plan.

Vice-Mayor Cheatham asked was he right in understanding that the budget plan will go live in July 2019.

City Manager Monday answered yes, open enrollment will start in May, 2019 and the budget plan will go live in July, 2019.

Councilwoman Copeland confirmed that the budget plan would be offered to renters as well as homeowners.

Mayor Rabil stated that he was hoping that the City could get this plan in operation before July 2019 with some tweaking.

Councilwoman Copeland asked what SGS represented in the budget plan.

City Manager Monday answered that SGS represented Small General Services which refers to smaller businesses.

Vice-Mayor Cheatham asked what was the determination between small business versus larger businesses.

City Manager Monday answered that the determination was based on the service and load.

A motion was made by Vice-Mayor Cheatham to accept the Budget Payment Plan as presented and Councilman Johnson seconded the motion.

Mayor Rabil asked if there were any more questions or discussion.

Councilman Burgess asked for an analysis to see who would be eligible for the payment plan.

Councilwoman Coleman asked if the e-billing portion was removed from the budget plan and after some discussion it was verified that it was removed.

The motion was approved with a 6 – 0 vote.

Fire/EMS Subscription Service

City Manager Monday introduced the Fire/EMS Subscription Service to Council. This is a subscription service where a \$60.00 annual fee would be the patient's responsibility after his or her insurance has been filed and paid. This \$60.00 annual fee will cover everyone in the household.

City Manager Monday stated in order to do this a Public Hearing would have to be offered so that the public will have a chance weigh in on this decision.

Councilman Johnson asked if Southampton County was agreeable to this because the City services some parts of the County.

Mark Carr, Interim Emergency Services Director concurred that Southampton County would be agreeable with this service.

Mayor Rabil opened the floor for a motion.

A motion was made by Councilman McLemore to advertise for a Public Hearing for the Fire/EMS Subscription Service. The motion was seconded by Councilwoman Copeland.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, NAY; Councilman Burgess, AYE; and Mayor Rabil, AYE

City Manager's Report

Edmunds Software Update

Interim City Manager Monday updated Council on the current status of the Edmunds software conversation that has been ongoing. After his report, it was the consensus of Council that the process has taken a considerable amount of time and needs to be completed as soon as possible.

Interim Manager Monday stated that he would meet with the Project Management Team and work to find a solution. He commented that he would give a further update on the project at the November 26th Regular Council meeting.

Social Services Offices Building Update

Interim Manager Martin updated Council on the completed work of the mold mediation in the Social Services building along with the costs associated with it. The current cost associated with the project was \$57,318.16. There was also a long range plan discussed to take care of the water issues in the basement and the costs associated with that potential project. The estimated cost of the long range plan is \$652,018.97.

Open Positions Update

Interim Manager Monday gave an update on the current open positions and their statuses to Council which are:

1. City Manager – Planning stage for active recruitment
2. Human Resource Director – Active recruitment and screening stage.
3. Finance Director – Interim currently in place.
4. Parks & Recreation Director – Interim currently in place.
5. Fire Chief – Interim currently in place.
6. Police Chief – Active recruitment stage in process.

Trails Project Update

The city received a letter from the Department of Conservation and Recreation notifying us that our trails project was not selected to advance for funding in the current grant cycle; however, DCR is anticipating another Recreational Trails Program grant cycle in 2020.

Interim Manager Monday stated that the any projects that can be completed to capture the attention of DCR to enhance the appeal of the project would help.

Disposal of Public Property

Interim Manager Monday informed Council of the impending retirement of Police Service K-9 Dash, badge number K902, a Belgian Malinois. Dash has surpassed his serviceable life as a K-9 which is 5 – 7 years. He has served the City of Franklin for 8.5 years. Due to his age, he has developed health issues being that he has a cyst on his right hip.

It is requested that his handler, Sergeant Todd Lyons be given Dash or allowed to purchase Dash for one dollar so he can continue to care for dash.

Vice-Mayor Cheatham made the motion pursuant to City Code Section 23.5-32 (c) that Council make a special dispensation of the K-9 known as Dash who has been declared to be surplus property to his handler, Sgt. Todd Lyons. Councilman Johnson seconded the motion.

After some discussion among Council members, Mayor Rabil called for the vote.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, NAY; Councilman Burgess, AYE; and Mayor Rabil, AYE.

Police Chief Hardison requested that he be allowed to purchase his MacBook Pro Laptop upon his retirement. According to a memo included in the agenda, the laptop no longer meets the necessary requirement to operate within our agency standards and guidelines. The police department obtained 6 estimates from companies who purchase used electronics. The estimates were averaged, resulting in a value of \$450.53.

Vice-Mayor Cheatham made the motion pursuant to City Code Section 23.5-32 (c) that Council make a special dispensation of the computer used by Chief Hardison that has been declared to be surplus property to the Chief for the price of \$450.00. Councilman Johnson seconded the motion.

Mayor Rabil asked for comments or questions concerning the disposition of the computer.

After a lengthy discussion among Council members, it was the consensus of Council to defer this item to the next agenda to ensure that security measures be taken to “clean” the laptop of all sensitive information before agreeing to the disposition of the laptop.

The motion was rescinded by Vice-Mayor Cheatham and Councilman Johnson. Interim Manager Monday was directed to investigate the concerns brought up by Council and report on them at the next Council meeting.

COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS

Councilman Burgess reported on a meeting held with staff, consultants, Councilman Cutchins and Interim City Manager Monday concerning our water flow and its improvement due to the slip lining work that has taken place over recent months.

Vice-Mayor Cheatham reported on WTRJ meeting. There is still a number of NC inmates in our jail due to the storm last month. The Superintendent of the jail received his review along with a 2% raise that was received by all the other employees.

Vice-Mayor Cheatham reported on the HRPDC and HRTPO meeting where a report of benchmarks was distributed and a copy is in the City Manager’s office.

Councilman Johnson reported that the DFA Fall Festival was a nice event. He also reported about other meetings that he attended. He is giving information to the City Manager for discussion at a later time concerning dredging.

Mayor Rabil reminded Council of the Closed Session meeting on October 24th at 6:30 p.m. He also let Council know that there would be some called meetings and/or work sessions in the next couple of months due to the fact that we are only having one Council meeting in November and December.

Closed Session

Councilwoman Copeland made the motion that the Franklin City Council meet in Closed Session to discuss appointments to boards and commissions; and, to discuss a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community pursuant to Virginia Code Section 2.2 – 3711 (A) (1) & (A) (5). Vice-Mayor Cheatham seconded the motion.

The motion was approved by a 7 – 0 vote.

The Council entered into closed session at 9:42 p.m.

Mayor Rabil reconvened the open session at 9:54 p.m. and asked for a motion certifying the closed session.

Councilwoman Copeland made a motion certifying that the only matters discussed during the closed session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened. The motion was seconded by Vice-Mayor Cheatham.

The motion was approved by a 7 – 0 vote.

Action #1

Councilman Burgess made the motion to approve to appoint Frank M. Rabil, Mayor, Clarence Monday, Interim City Manager and Mrs. Raystine Johnson-Ashburn (Community Member), as voting members to the Madison Street Neighborhood Revitalization Project Housing Oversight Advisory Board. Vice-Mayor Cheatham seconded the motion.

The motion was made by Councilman Burgess and seconded by Vice-Mayor Cheatham. The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Copeland, AYE; Vice-Mayor Cheatham, AYE; Councilman Burgess, AYE; Councilman McLemore, NAY; and Mayor Rabil, AYE.

Adjournment

Vice-Mayor Cheatham made a motion to adjourn the meeting which was seconded by Councilman Burgess.

The motion was approved by a 7 – 0 vote.

Mayor Rabil declared the meeting adjourned at 9:55 p.m.

These Minutes for the October 22, 2018 City Council Regular Meeting were adopted on the 26th day of November, 2018.

Mayor

Clerk to City Council

The Franklin City Council held a City Council Called meeting on Wednesday, October 24, 2018 at 6:30 p.m. in the City Council Chambers, 207 West Second Avenue, Franklin, VA 23851.

Council Members in Attendance: Mayor Frank Rabil, Barry Cheatham, Vice-Mayor; Linwood Johnson, Wynndolyn Copeland, Bobby Cutchins and Benny Burgess (Greg McLemore absent).

Staff in Attendance: Clarence M. Monday, Interim City Manager and Taylor Williams, City Attorney and Deputy City Manager.

Call to Order: Mayor Rabil called the meeting to order at 7:00 p.m.

Consent Agenda

Mayor Rabil stated that the purpose of the Called meeting was to meet in Closed Session to discuss and consider attributes and selection process of prospective candidates for City Manager pursuant to Va. Code Section 2.2-3711 (A)(1).

Closed Session

Councilman Burgess made the motion for the Franklin City Council to meet in Closed Session to interview a possible candidate for employment pursuant to Virginia Code Section 2.2 – 3711 (A) (1). Vice-Mayor Cheatham seconded the motion.

The motion was approved by a 7 – 0 vote.

The Council entered into closed session at 7:01 p.m.

Mayor Rabil reconvened the open session at 7:44 p.m. and asked for a motion certifying the closed session.

Councilman Burgess made a motion certifying that the only matters discussed during the closed session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened. The motion was seconded by Vice-Mayor Cheatham.

The motion was approved by a 7 – 0 vote.

Adjournment

There being no further business to conduct, Mayor Rabil asked for a motion adjourn.

Councilwoman Copeland made a motion to adjourn the meeting and Councilman Johnson seconded it.

The motion was approved by a 7 – 0 vote.

Mayor Rabil declared the meeting adjourned at 7:45 p.m.

These Minutes for the October 24, 2018 City Council Called Meeting were adopted on the 26th day of November, 2018.

Mayor

Clerk to City Council

The Franklin City Council held a City Council Called meeting on Wednesday, November 7, 2018 at 7:00 p.m. in the City Council Chambers, 207 West Second Avenue, Franklin, VA 23851.

Council Members in Attendance: Mayor Frank Rabil, Barry Cheatham, Vice-Mayor; Linwood Johnson, Wynndolyn Copeland, Bobby Cutchins and Benny Burgess (Greg McLemore absent).

Staff in Attendance: Clarence C. Monday, Interim City Manager.

Call to Order: Mayor Rabil called the meeting to order at 7:00 p.m.

Consent Agenda

Mayor Rabil stated that the purpose of the Called meeting was to meet in Closed Session to discuss and consider attributes and selection process of prospective candidates for City Manager pursuant to Va. Code Section 2.2-3711 (A)(1).

Closed Session

Councilman Burgess made the motion for the Franklin City Council to meet in Closed Session to interview a possible candidate for employment pursuant to Virginia Code Section 2.2 – 3711 (A) (1). Vice-Mayor Cheatham seconded the motion.

The motion was approved by a 7 – 0 vote.

The Council entered into closed session at 7:01 p.m.

Mayor Rabil reconvened the open session at 8:29 p.m. and asked for a motion certifying the closed session.

Councilman Burgess made a motion certifying that the only matters discussed during the closed session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened. The motion was seconded by Vice-Mayor Cheatham.

The motion was approved by a 7 – 0 vote.

Adjournment

There being no further business to conduct, Mayor Rabil asked for a motion adjourn.

Councilwoman Copeland made a motion to adjourn the meeting and Councilman Johnson seconded it.

The motion was approved by a 7 – 0 vote.

Mayor Rabil declared the meeting adjourned at 8:30 p.m.

These Minutes for the November 7, 2018 City Council Called Meeting were adopted on the 26th day of November, 2018.

Mayor

Clerk to City Council

Public Hearings

A. SPSA Resolution to Amend By-Laws

**NOTICE OF
PUBLIC HEARING**

The Franklin City Council will conduct a Public Hearing pursuant to Virginia Code Section 15.2-5104 at its regular meeting to be held on Monday, November 26, 2018 at 7:00 p.m. at the Franklin City Hall at 207 West Second Avenue, Franklin, Virginia 23851 regarding adoption of Concurrent Resolutions of member communities to Amended and Restated Articles of Incorporation for the Southeastern Public Service Authority of Virginia, also known as SPSA:

The member communities of SPSA are the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach and the Counties of Isle of Wight and Southampton. SPSA is an authority created pursuant to the Virginia Water and Waste Authorities Act, Va. Code Section 15.2-5100, et seq.

By amendment to the Virginia Water and Waste Authorities Act in the 2018 Va. Acts of Assembly House Bill 1560 and codified in Va. Code Section 15.2-5102.1, certain changes were made regarding term limitations for members of SPSA's Board of Directors appointed by the member communities that now require amendments to SPSA's Articles of Incorporation to be in conformance with the changes made by House Bill 1560.

The Va. Water and Waste Authorities Act requires any amendments to the Articles of Incorporation to be adopted by concurrent resolution of all the member localities following a public hearing by each member locality.

The purpose of this public hearing is to receive public comment on the proposed Amendment to the Articles of Incorporation regarding term limitations for members of SPSA's Board of Directors before considering adoption of the Amendment to the Articles. Copies of the complete text of the Concurrent Resolution and Amendment to the Articles of Incorporation are available for public review in the office of the City Manager during normal business hours.

The public hearing is to be held at a public facility to be accessible to persons with disabilities. Any persons with questions concerning the accessibility of the facility or those who have need for reasonable accommodations should contact Teresa Rose-McQuay at (757) 562-8508. Persons needing interpreter services for the deaf must notify Mrs. Rose-McQuay at least seven (7) days in advance of the hearing.

**Franklin City Council
Clarence C. Monday, Clerk**

**CONCURRENT RESOLUTION ADOPTING AMENDED AND RESTATED
ARTICLES OF INCORPORATION FOR
THE SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA**

WHEREAS, the cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach, and the counties of Isle of Wight and Southampton (“Member Localities”) created the Southeastern Public Service Authority of Virginia (“SPSA”) pursuant to the Virginia Water and Waste Authorities Act (the “Act”), Va. Code § 15.2-5100, et seq.; and

WHEREAS, by amendment to the Act enacted under 2018 Va. Acts of Assembly House Bill 1560 and codified in Va. Code § 15.2-5102.1, certain changes were made regarding term limitations for members of SPSA’s Board of Directors appointed by the Member Localities, that require amendments to its Articles of Incorporation (the “Articles”); and

WHEREAS, the amendments that are needed to bring the Articles into conformance with the changes in the Act are set forth in the attached Amended and Restated Articles of Incorporation (the “Amended Articles”); and

WHEREAS, the Act requires that any amendments to the Articles must be adopted by concurrent resolutions, ordinances or agreements of all the Member Localities and that before any resolutions can be adopted, the councils and boards of supervisors of each of the Member Localities must comply with certain notice, advertising and public hearing requirements set forth in the Act; and

WHEREAS, in furtherance of the requirements of the Act, proper notice of a hearing and other information required by the Act was published and the councils and boards of supervisors of the Member Localities (“Councils and Boards”) adopted separate resolutions approving and adopting the Amended Articles; and

WHEREAS, the separate resolutions of the Member Localities authorized each of the Member Localities to execute this single Concurrent Resolution.

NOW, THEREFORE BE IT RESOLVED by the cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach, and the counties of Isle of Wight and Southampton (“Member Localities”):

1. The preliminary estimates of capital costs, proposals for any specific projects to be undertaken by the Authority and preliminary estimates of initial rates for services of such projects were not included in the Amended Articles because they are not germane to the process of amending the Articles and, in any event, the councils and boards of the Member Localities find that inclusion of such information is impracticable.

2. Pursuant to the provisions of the Act, the Councils and Boards approve and adopt the Amended Articles.

3. This resolution adopting the Amended Articles shall be effective as of July 1, 2018.

4. The Councils and Boards direct that the proper officers of each of them (i) execute the Amended Articles attached hereto, (ii) cause the executed Amended Articles to be filed with the Virginia State Corporation Commission, and (iii) do all other things necessary or appropriate to amend the Articles pursuant to the Amended Articles, including the execution of this single Concurrent Resolution with other Member Localities.

IN WITNESS WHEREOF, the Councils of the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk, Virginia Beach and the Boards of Supervisors of the Counties of Isle of Wight and Southampton have caused this Concurrent Resolution to be executed on their behalf by their proper officers and their seals to be affixed and attested by their Clerks on the date appearing above the seal.

CITY OF CHESAPEAKE

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF FRANKLIN

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF NORFOLK

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF PORTSMOUTH

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF SUFFOLK

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF VIRGINIA BEACH

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

COUNTY OF ISLE OF WIGHT

Date: _____

By _____
Title: Chair of Board of Supervisors

(SEAL)

ATTEST:

Clerk

COUNTY OF SOUTHAMPTON

Date: _____

By _____
Title: Chair of Board of Supervisors

(SEAL)

ATTEST:

Clerk

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF THE
SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA**

The Councils of the Cities of Chesapeake, Franklin, Nansemond, Norfolk, Portsmouth, Suffolk, and Virginia Beach and the Boards of Supervisors of the Counties of Isle of Wight and Southampton created the Southeastern Public Service Authority of Virginia (the “Authority”), formerly the Southeastern Water Authority of Virginia, pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia of 1950, as amended (the “Act”), formerly the Virginia Water and Sewer Authorities Act (Chapter 28, Title 15.1, Code of Virginia of 1950, as amended), as a public body politic and corporate, by adopting Articles of Incorporation effective January 24, 1973 (the “Original Articles”). On January 1, 1974, the Cities of Nansemond and Suffolk were consolidated into a single city and the terms of the members representing those cities terminated and the governing body of the consolidated City of Suffolk appointed a member to fill the vacancy and serve for the unexpired term. By concurrent resolutions, adopted by the Councils and the Boards of Supervisors of the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach and the Counties of Isle of Wight and Southampton (collectively, “SPSA Member Communities”), the Original Articles were amended by Articles of Amendment dated January 15, ~~1976 (the “1976 Amendment”)~~ and 1976, by Articles of Amendment dated July 15, 1983 ~~(the “1983 Amendment”)~~ and by Amended and Restated Articles effective January 1, 2010. In view of recent amendments to the Act that become effective ~~January~~ July 1, ~~2010~~ 2018, the Councils and the Boards of the SPSA Member Communities by concurrent resolutions have adopted these Amended and Restated Articles of Incorporation of the Southeastern Public Service Authority of Virginia ~~that become effective on January~~ as of July 1, ~~2010~~ 2018, and hereby certify:

(a) The name of the Authority is “Southeastern Public Service Authority of Virginia” and the location of its principal office is in Chesapeake, Virginia.

(b) The powers of the Authority shall be exercised by a board of directors (the “Board”) consisting of sixteen (16) members selected in the following manner: (i) one member from each participating political subdivision who shall be selected and appointed by the Governor (each, a “Governor Appointed Board Member”) from a list of three proposed members submitted by the governing body of each participating subdivision, which proposed members shall possess general business knowledge and shall not be an elected official, and (ii) one member from each participating political subdivision who shall be directly appointed upon a majority vote of the governing body of the political subdivision and who shall be an employee of the political subdivision (each a “Locality Appointed Board Member”).

(c) The first members of the Board consisted of one member residing in and appointed by the governing body of each of the original incorporating political subdivisions. The names and addresses of the first Board members, the names of the appointing political subdivisions and the year of expiration of the terms of the first Board members were as follows:

<u>Name</u>	<u>Address</u>	<u>Appointing Political Subdivision</u>	<u>Expiration of Terms</u>
Mrs. Marian P. Whitehurst, Mayor P.O. Box 15225, Chesapeake, VA		Chesapeake	1975
Dr. Darden W. Jones, Mayor P.O. Box 96, Franklin, VA		Franklin	1973
Gurley A. Barlow, Jr., Chairman Board of Supervisors, Route 1, Smithfield, VA		Isle of Wight	1974
D.J. Magnum, Jr., Mayor 318 Sherwood Dr., Suffolk, VA		Nansemond	1973
Roy B. Martin, Jr., Mayor City Hall, Norfolk, VA		Norfolk	1976

<u>Name</u>	<u>Address</u>	<u>Appointing Political Subdivision</u>	<u>Expiration of Terms</u>
Jack P. Barnes, Mayor 1 High Street, Portsmouth, VA		Portsmouth	1975
W. H. Story, Chairman Board of Supervisors, Capron, VA		Southampton	1974
James F. Hope, Mayor P.O. Box 1569, Suffolk, VA		Suffolk	1973
Robert B. Cromwell, Jr., Mayor P.O. Box 5533, Virginia Beach, VA		Virginia Beach	1976

The terms of the first members began on the date of the issuance to the Authority of the certificate of incorporation by the State Corporation Commission and expired on December 31 of the years set forth above.

(d) Alternate Board members may be selected in the same manner as Board members. Alternate Board members selected by the Governor shall have the same qualifications as Governor Appointed Board Members. Alternate Board members selected by the participating political subdivisions shall have the same qualifications as Locality Appointed Board Members.

(e) The successor of each Board member shall be appointed for a term of four years, except that any person appointed to fill a vacancy shall serve only for the unexpired term. Board members shall hold office until their successors shall have been appointed and qualify, and any member shall be eligible for reappointment to succeed himself; provided, however, that no Governor Appointed Board ~~member~~Member shall serve for more than two consecutive four-year terms, except that any ~~member~~Governor Appointed Member appointed to the unexpired term of another shall be eligible to serve two consecutive four-year terms. The term of each ~~Ex-officio~~Locality Appointed Board Member shall expire upon such member's ceasing

full-time salaried employment with such member's participating political subdivision. Each Governor Appointed Board Member may receive compensation of \$25 per meeting attended but not to exceed \$600 per year, or such other compensation as may be determined from time to time by resolutions of the governing bodies of the member political subdivisions, but each ~~Ex-officio~~Locality Appointed Board Member shall serve without compensation. Each Board member shall be reimbursed the amount of the member's actual expenses necessarily incurred in the performance of the member's duties.

(f) The Authority has been formed for the purposes of financing, constructing, operating and maintaining a water system and a garbage and trash collection and disposal system, all pursuant to the provisions of the Act. The core purpose of the Authority is the management of the safe and environmentally sound disposal of regional waste.

The Authority may contract with its participating political subdivisions, any sanitary district thereof or any authority therein created pursuant to the Act to furnish water service and garbage and trash collection and disposal service upon such terms as the Authority shall determine; provided, however, that the same schedule or service rates shall be applicable to all such political subdivisions unless the Authority, by unanimous consent of its Board members, authorizes different service rates for any one or more of the participating political subdivisions. The Authority is expressly prohibited from contracting with any other party desiring a supply of water except upon the written consent of the city or county within the geographical boundary of which such party is located.

(g) The Authority shall cause an annual audit of its books and records to be made by the State Auditor of Public Accounts or by an independent certified public accountant at the end of

each fiscal year and a certified copy thereof to be filed promptly with the governing body of each of the participating political subdivisions.

[Remainder of this page intentionally left blank – signature pages follow]

IN WITNESS WHEREOF, the Councils of the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk, Virginia Beach and the Boards of Supervisors of the Counties of Isle of Wight and Southampton have caused these Amended and Restated Articles of Incorporation to be executed on their behalf by their proper officers and their seals to be affixed and attested by their Clerks, on the date appearing above the seal.

CITY OF CHESAPEAKE

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF FRANKLIN

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF NORFOLK

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF PORTSMOUTH

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF SUFFOLK

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF VIRGINIA BEACH

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

COUNTY OF ISLE OF WIGHT

Date: _____

By _____
Title: Chair of Board of Supervisors

(SEAL)

ATTEST:

Clerk

COUNTY OF SOUTHAMPTON

Date: _____

By _____
Title: Chair of Board of Supervisors

(SEAL)

ATTEST:

Clerk

Document comparison by Workshare Compare on Tuesday, July 17, 2018 2:24:16 PM

Input:	
Document 1 ID	interwovenSite://WSDMS//1552598/1
Description	#1552598v1<I> - SPSA Restated Articles of Incorporation - 2018
Document 2 ID	interwovenSite://wsdms//1552598/2
Description	#1552598v2<I> - SPSA Restated Articles of Incorporation - 2018 (7/13 WLT revisions)
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Padding cell	

Statistics:	
	Count
Insertions	13
Deletions	13
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	26

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF THE
SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA**

The Councils of the Cities of Chesapeake, Franklin, Nansemond, Norfolk, Portsmouth, Suffolk, and Virginia Beach and the Boards of Supervisors of the Counties of Isle of Wight and Southampton created the Southeastern Public Service Authority of Virginia (the “Authority”), formerly the Southeastern Water Authority of Virginia, pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia of 1950, as amended (the “Act”), formerly the Virginia Water and Sewer Authorities Act (Chapter 28, Title 15.1, Code of Virginia of 1950, as amended), as a public body politic and corporate, by adopting Articles of Incorporation effective January 24, 1973 (the “Original Articles”). On January 1, 1974, the Cities of Nansemond and Suffolk were consolidated into a single city and the terms of the members representing those cities terminated and the governing body of the consolidated City of Suffolk appointed a member to fill the vacancy and serve for the unexpired term. By concurrent resolutions, adopted by the Councils and the Boards of Supervisors of the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach and the Counties of Isle of Wight and Southampton (collectively, “SPSA Member Communities”), the Original Articles were amended by Articles of Amendment dated January 15, 1976, by Articles of Amendment dated July 15, 1983 and by Amended and Restated Articles effective January 1, 2010. In view of recent amendments to the Act that become effective July 1, 2018, the Councils and the Boards of the SPSA Member Communities by concurrent resolutions have adopted these Amended and Restated Articles of Incorporation of the Southeastern Public Service Authority of Virginia effective as of July 1, 2018, and hereby certify:

(a) The name of the Authority is “Southeastern Public Service Authority of Virginia” and the location of its principal office is in Chesapeake, Virginia.

(b) The powers of the Authority shall be exercised by a board of directors (the “Board”) consisting of sixteen (16) members selected in the following manner: (i) one member from each participating political subdivision who shall be selected and appointed by the Governor (each, a “Governor Appointed Board Member”) from a list of three proposed members submitted by the governing body of each participating subdivision, which proposed members shall possess general business knowledge and shall not be an elected official, and (ii) one member from each participating political subdivision who shall be directly appointed upon a majority vote of the governing body of the political subdivision and who shall be an employee of the political subdivision (each a “Locality Appointed Board Member”).

(c) The first members of the Board consisted of one member residing in and appointed by the governing body of each of the original incorporating political subdivisions. The names and addresses of the first Board members, the names of the appointing political subdivisions and the year of expiration of the terms of the first Board members were as follows:

<u>Name</u>	<u>Address</u>	<u>Appointing Political Subdivision</u>	<u>Expiration of Terms</u>
Mrs. Marian P. Whitehurst, Mayor P.O. Box 15225, Chesapeake, VA		Chesapeake	1975
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Gurley A. Barlow, Jr., Chairman Board of Supervisors, Route 1, Smithfield, VA		Isle of Wight	1974
D.J. Magnum, Jr., Mayor 318 Sherwood Dr., Suffolk, VA		Nansemond	1973
Roy B. Martin, Jr., Mayor City Hall, Norfolk, VA		Norfolk	1976

<u>Name</u>	<u>Address</u>	<u>Appointing Political Subdivision</u>	<u>Expiration of Terms</u>
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W. H. Story, Chairman Board of Supervisors, Capron, VA		Southampton	1974
James F. Hope, Mayor P.O. Box 1569, Suffolk, VA		Suffolk	1973
Robert B. Cromwell, Jr., Mayor P.O. Box 5533, Virginia Beach, VA		Virginia Beach	1976

The terms of the first members began on the date of the issuance to the Authority of the certificate of incorporation by the State Corporation Commission and expired on December 31 of the years set forth above.

(d) Alternate Board members may be selected in the same manner as Board members. Alternate Board members selected by the Governor shall have the same qualifications as Governor Appointed Board Members. Alternate Board members selected by the participating political subdivisions shall have the same qualifications as Locality Appointed Board Members.

(e) The successor of each Board member shall be appointed for a term of four years, except that any person appointed to fill a vacancy shall serve only for the unexpired term. Board members shall hold office until their successors shall have been appointed and qualify, and any member shall be eligible for reappointment to succeed himself; provided, however, that no Governor Appointed Board Member shall serve for more than two consecutive four-year terms, except that any Governor Appointed Member appointed to the unexpired term of another shall be eligible to serve two consecutive four-year terms. The term of each Locality Appointed Board Member shall expire upon such member's ceasing full-time salaried employment with such

member's participating political subdivision. Each Governor Appointed Board Member may receive compensation of \$25 per meeting attended but not to exceed \$600 per year, or such other compensation as may be determined from time to time by resolutions of the governing bodies of the member political subdivisions, but each Locality Appointed Board Member shall serve without compensation. Each Board member shall be reimbursed the amount of the member's actual expenses necessarily incurred in the performance of the member's duties.

(f) The Authority has been formed for the purposes of financing, constructing, operating and maintaining a water system and a garbage and trash collection and disposal system, all pursuant to the provisions of the Act. The core purpose of the Authority is the management of the safe and environmentally sound disposal of regional waste.

The Authority may contract with its participating political subdivisions, any sanitary district thereof or any authority therein created pursuant to the Act to furnish water service and garbage and trash collection and disposal service upon such terms as the Authority shall determine; provided, however, that the same schedule or service rates shall be applicable to all such political subdivisions unless the Authority, by unanimous consent of its Board members, authorizes different service rates for any one or more of the participating political subdivisions. The Authority is expressly prohibited from contracting with any other party desiring a supply of water except upon the written consent of the city or county within the geographical boundary of which such party is located.

(g) The Authority shall cause an annual audit of its books and records to be made by the State Auditor of Public Accounts or by an independent certified public accountant at the end of each fiscal year and a certified copy thereof to be filed promptly with the governing body of each of the participating political subdivisions.

[Remainder of this page intentionally left blank – signature pages follow]

IN WITNESS WHEREOF, the Councils of the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk, Virginia Beach and the Boards of Supervisors of the Counties of Isle of Wight and Southampton have caused these Amended and Restated Articles of Incorporation to be executed on their behalf by their proper officers and their seals to be affixed and attested by their Clerks, on the date appearing above the seal.

CITY OF CHESAPEAKE

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF FRANKLIN

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF NORFOLK

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF PORTSMOUTH

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF SUFFOLK

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

CITY OF VIRGINIA BEACH

Date: _____

By _____
Title: Mayor

(SEAL)

ATTEST:

Clerk

COUNTY OF ISLE OF WIGHT

Date: _____

By _____
Title: Chair of Board of Supervisors

(SEAL)

ATTEST:

Clerk

COUNTY OF SOUTHAMPTON

Date: _____

By _____
Title: Chair of Board of Supervisors

(SEAL)

ATTEST:

Clerk

FINANCE

A. FY 2017- 2018 Audit Presentation Report



December 7, 2017

To: Mayor & Council Members

From: Clarence Monday, Interim City Manager

Subject: FY 2017 – 2018 CAFR/Independent Auditor Presentation

The Independent Auditing firm of Creedle, Jones & Alga, PC will be represented at the Council meeting by lead auditor Robin B. Jones, CPA, CFP. Ms. Jones will give her summary presentation on the FY 2017 – 2018 audit. I appreciate all agencies for their cooperation which contributed toward the City meeting this deadline. I congratulate representatives of the firm Creedle, Jones & Alga, PC, Interim Finance Director, Tracy Gregory, the entire Finance Department staff and all other organizations involved, for their efforts in this endeavor.

Information will be handed out on Monday, November 26th at the regularly scheduled meeting.



**Creedle
Jones
& Alga**

A Professional Corporation

*Robin B. Jones, CPA, CFP
David V. Alga, CPA, CVA, CFF
Denise C. Williams, CPA, CSEP
Scott A. Thompson, CPA, CGMA
Kimberly W. Jackson, CPA*

*Nadine L. Chase, CPA
Monique A. Lubick, CPA*

Sherwood H. Creedle, Emeritus

*Members of
American Institute of Certified Public Accountants
Virginia Society of Certified Public Accountants*

To the Honorable Members of
City Council
City of Franklin, Virginia

In planning and performing our audit of the financial statements of the City of Franklin, Virginia for the year ended June 30, 2018, we considered the City's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of matters that are an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We reported on the City's internal control in our report dated November 14, 2018. This letter does not affect our report dated November 14, 2018 on the financial statements of the City of Franklin, Virginia.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the City's personnel, and we will be pleased to discuss them in further detail at your convenience.

Sincerely,

Creedle, Jones & Alga, P.C.

Creedle, Jones & Alga, P.C.
Certified Public Accountants

South Hill, Virginia
November 14, 2018

*P. O. Box 1113
204 S. Main Street
Emporia, Virginia 23847
434-634-3111 • FAX: 434-634-6895*

*P. O. Box 487
828 N. Mecklenburg Avenue
South Hill, Virginia 23970
434-447-7111 • FAX: 434-447-5793
www.cja-cpa.com*

*P. O. Box 147
313 N. Main Street
Lawrenceville, Virginia 23868
434-848-4191 • FAX: 434-848-1009*

MEMORANDUM

CITY OF FRANKLIN, VIRGINIA

Management Letter Points

School OPEB Liabilities and Actuarial Valuations

Due to the implementation of GASB 75, OPEB (Other Post-Employment Benefits) benefits for future and current retirees, must be actuarially determined and the net pension benefit obligations must be reported in the City's CAFR (Comprehensive Annual Financial Report). The School Division needs to be more diligent in providing, calculating, and accumulating data for all of the various OPEB plans that the school participates in with VRS and with the retirees' health insurance. The School Board has to provide current year covered payroll and current year employer contributions for all of its OPEB plans – retirees' health insurance, VRS group life, VRS health insurance credit, VRS Virginia Local Disability Program, and VRS retiree health insurance. These numbers and reports should be available at the beginning of the audit.

School Reconciliation between RDA System and Edmunds System

The City should continue to insist on the school food service bank balance being reconciled monthly between the Component Unit School Board and the City with both entities' systems (Edmunds and RDA) arriving at the same balances. Discrepancies are difficult to find when the two systems are only reconciled once a year for audit purposes. All of these reconciliations should occur monthly. Systems can be put in place that would streamline this process. The School Board's cash account for the School Food Service Fund (on RDA system) was not in balance with the City's cash balance on the Edmunds System. There were numerous errors on the School's RDA system's bank reconciliation. Since this is the School Finance Director's responsibility, a higher official should approve this monthly bank reconciliation until the process is done timely and accurately on a consistent basis. Outstanding items were incorrectly listed on the bank reconciliation which had to be corrected for audit purposes.

School Board Year-End Accruals

The School Board needs to thoroughly review its invoices at year end to properly record accounts payable. Any invoices incurred or bills that are unpaid with dates of June 30 or prior are considered accounts payable and should be expensed in that fiscal year whether paid or not. Year-end adjustments are normally made until early September for such accruals so the final records reflect all expenses incurred. This ensures an accurate ending fund balance for the School funds. Accounts payable items had to be corrected by the City in order to correctly state expenditures and accounts payable at year end, particularly with invoices related to high dollar purchases for fixed assets.

School Board Fixed Assets

The School Board's fixed asset system needs to be updated on a timelier basis at year end in order to correctly generate year end audit reports. It took several weeks before the fixed asset reports were correctly provided so that audit procedures could be applied to the fixed asset data. Once provided, it was noted that accumulated depreciation figures needed to be evaluated by the RDA software company in order to properly report the figures for next year's audit. The figures could be calculated correctly but the reports were showing the wrong figures.

OLD/NEW BUSINESS

- A. Resolution to Adopt USDA Forms for Police Vehicle Grant**
- B. Agreement w/ Cypress Cove Country Club**
- C. Ordinance Amendment Authorizing Increase of School Board Salaries**
- D. DFA Presentation Regarding Possible Amendment of Agreement** • •
 Dan Howe, DFA Director
- E. City Manager's Report** • • • • •
 Clarence Monday , City Manager
 - 1. Edmunds Software Update**
 - 2. Open Positions Update**
 - 3. Disposal of Public Property**



*Office Of The Interim City Manager
Clarence C. Monday*

November 21, 2018

To: Mayor & Council Members
From: Clarence Monday, Interim City Manager
Subject: USDA Rural Development Grant Resolution # 2018 – 06

The City have applied for a grant with the U. S. Department of Agriculture Rural Development division to assist with the purchase of a police patrol vehicle. This is very timely as the City needs to regularly replace the oldest/highest maintenance cost vehicles and particularly since the City did not purchase any police vehicles this year.

The grant award is for \$25,000 which the city must match with \$21,500. To further the process, the attached Resolution is required.

Action Recommended: Approve Resolution # 2018 – 06 to authorize the necessary required for application of the USDA grant.

USDA Grant Authorization



RESOLUTION # 2018 - 06
RESOLUTION OF THE GOVERNING BODY OF
City of Franklin

The City Council governing the City of Franklin consisting of 7 members, in a duly called meeting held on the 26th day of November, 2018 at which a quorum was present, RESOLVED as follows:

BE IT HEREBY RESOLVED that, in order to facilitate obtaining financial assistance from the United States of America (USDA), acting by and through the Rural Utilities Service, an agency of the United States Department of Agriculture, (the Government), to purchase police vehicles and equipment, the City Council does hereby adopt and abide by the covenants contained in the following agreements:

1. Form RD-400-1, "Equal Opportunity Agreement"
2. Form RD-400-4 , "Assurance Agreement"
3. Form RD-1942-54, "Applicant Feasibility Report"
4. Form RD-442-3, "Balance Sheet"
5. Form RD-442-7, "Operating Budget"
6. Form RD-1910-11, "Application Certification, Federal Collection Policies for Consumer or Commercial Debts"
7. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters- Primary Covered Transactions"
8. Form AD 1049, "Drug-Free Work Place Requirements"
9. Form AD 3030, "Representations Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants"
10. Form SF 424-"Application for Federal Assistance"

BE IT FURTHER RESOLVED that the City Manager be authorized to execute, on behalf of the City of Franklin the above agreements and to execute such other documents including, but not limited to, debt instruments and security instruments as may be required in obtaining said financial assistance.

This Resolution, along with a copy of the above-named documents, is hereby entered into the permanent minutes of the meetings of this Council.

On motion made by _____ and seconded by _____, the USDA Resolution Authorizing the Purchase of two police cars was approved by Council. The vote on this motion was as follows:

_____, _____, _____, _____,
_____, _____ and _____.

Frank M. Rabil, Mayor

ATTEST: _____
Clarence Monday, Clerk



*Office Of The Interim City Manager
Clarence C. Monday*

November 21, 2018

To: Mayor & Council Members
From: Clarence Monday, Interim City Manager
Subject: Agreement with Cypress Cove Country Club

The Council discussed its current joint Agreement with the City and Cypress Cove Country Club (CCCC) at its last regular meeting. The matter was also discussed at the last Joint Services meeting.

Southampton County BOS has this matter on their agenda on November 26, 2018, and the County Administrator provided a draft Agreement between the County and CCCC, as attached.

This matter is brought to the Council for further discussion, consideration, and/or direction as deemed by the Council.



*Office Of The City Attorney
H. Taylor Williams, IV*

November 1, 2018

From: H. Taylor Williams, IV, City Attorney

To: Members of City Council

Re: School Board Salary Increases

At the City Council meeting on October 22, 2018, Council considered the issue of allowing the School Board to provide for salary increases for the Chairman and the members of the School Board. A motion was made and passed to allow the School Board to increase the salaries. Now it is proper to actually adopt a motion to amend City Code Section 2-73 to raise the potential salaries of the members of the School Board to the amount allowed in the City Charter. Attached you will find a proposed motion to amend the existing ordinance 2-73.

H. Taylor Williams, IV
City Attorney

Motion:

WHEREAS, Franklin City Charter Section 12.04 provides the Council shall fix the compensation of the members of the Franklin City School Board, but such amount shall not exceed the sum of \$4,000 per board member and shall fix the compensation of the chairman of the Franklin City School Board, but such amount shall not exceed the sum of \$5,000; and

WHEREAS, Franklin City Code Section 2-73 provides the salary of the chairman of the School Board shall be \$4,050 and the salary of the members of the School Board shall be \$2,560; now, therefore

Be It Resolved, that City Code Section 2-73 Annual salaries of members of School Boards shall be amended to the following:

Section 2-73 Annual salaries of members of School Boards.

- (a) Pursuant to City of Franklin Charter Section 12.04 the salary of the chairman of the School Board shall be \$5,000, and the salary of the members of the School Board shall be \$4,000.

- (b) The above salaries shall be paid in equal monthly installments.



*Office Of The Interim City Manager
Clarence C. Monday*

November 21, 2018

To: Mayor & Council Members
From: Clarence Monday, Interim City Manager
Subject: DFA Presentation Regarding Possible Amendment of Agreement

The current Letter of Agreement (LOA) between the City and Downtown Franklin Association (DFA) has been in effect since 2002, as attached.

Dan Howe, Executive Director of DFA, will discuss the following with the Council:

- 1) Need to amend the current LOA.
- 2) Present a draft LOA for consideration.
- 3) Seek input from the Council for adoption in the revised LOA.
- 4) Discuss next steps

Following Mr. Howe's presentation, a revised LOA will be brought back to the Council for approval, following Council's input.

Action Recommended: Approve revised LOA.

AGREEMENT
BETWEEN THE CITY OF FRANKLIN
AND THE DOWNTOWN FRANKLIN ASSOCIATION

THIS AGREEMENT made this 26th day of August, 2002 by and between the City of Franklin, Virginia, a municipal corporation (hereinafter "the City") and the Downtown Franklin Association, a Virginia non-stock corporation (hereinafter "the Association").

WHEREAS, the Association has requested that the City appropriate to it certain funds on an annual basis with which; along with other funds obtained by the Association, the Association, in conjunction with the City, will implement the Main Street Program and take such other actions as it deems appropriate to promote business in the downtown service district; and

WHEREAS, the City, in lieu of continuing to implement the Main Street Program and otherwise engage in certain promotions on behalf of Downtown Franklin exclusively through a Department of Downtown Development, has agreed to provide funding, subject to annual appropriation by City Council, for the Association, in conjunction with the City, to perform such functions.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises set forth below, agree as follows:

THE CITY AND THE ASSOCIATION AGREE TO:

1. Form a five member committee consisting of two Board members selected by the Association, the Councilmember designated as liaison between Council and the Association and two city staff members selected by the city manager to advertise for and employ an Executive Director for the Main Street Program (hereinafter "the Director") as needed from time to time;
2. Designate the Director a city employee with respect to payment of salary, the granting of employee benefits and applicability of personnel policies and procedures; and
3. Designate the Director an Association employee with respect to the determination of job duties and responsibilities, the supervision of the employee and the evaluation of such employee, city staff to assist in such matters as requested by the Association Board or the President of the Association.

THE CITY AGREES TO:

1. Appropriate the amount of \$50,000.00 plus all the revenue generated from the additional real property tax on property in the downtown service district in funding for the Association for FY 2002-03, less an amount to be withheld and used for the salary and benefits of the Executive Director following expenses of the Main Street Program;

2. Appropriate annual funds for the Association for subsequent fiscal years in an amount determined by City Council from year to year during its budgetary process to include revenue generated from the additional real property tax on property in the downtown service district and utilized as set forth in paragraph 1. above;
3. Assist the Association in obtaining further funding through donations and grants from governmental and non-governmental sources;
4. Provide in-kind services through its public works, electric, police, fire and rescue, recreation and other departments for the support of downtown activities such as festivals, parades, etc., subject to the availability of personnel and equipment of such departments, given their other duties and obligations as determined by the directors thereof or their designees;
5. Provide the Association with an office or offices for its exclusive use in the Visitors' Center/Museum and provide the Association with a waiting area and a conference room to be used by the Association on a non-exclusive basis in the Visitors' Center/Museum at the time such facility is operational;
6. Provide storage space for personal property of the Association at facilities designated by the city;
7. Assist in the advertisement of activities, promotions and festivals of the Association through City Clips, the City Web Site and the City Cable Television Channel(s);
8. Give advance notice to the Association of any capital improvements, repairs, street closings, or other city activities which might have an effect on downtown business;
9. Give the Association, during regular business hours, access to all non-confidential public records which may assist it in performing its activities in the downtown service district;
10. If budgetary constraints permit, continue the downtown loan and grant programs as presently operating;
11. Cooperate with the Association in meeting the objectives of the Main Street Program;

THE ASSOCIATION AGREES TO:

1. Employ such part-time employees as the Association deems necessary to assist the Director;
2. Obtain and pay for any facilities and associated expenses such as utilities, janitorial services, etc. to be used by the Association and the Director until an office or offices are made available to the Association in the Visitors' Center/Museum.
3. Obtain and coordinate a corps of volunteers to assist in the work of the Association, particularly in staffing the Visitors' Center/Museum when it is operational and keep and provide to the City an annual record of the names of volunteers who have assisted and the total number of hours worked;

4. Utilize the office or offices, waiting area, storage room and conference room in the Visitors' Center/Museum, have a staff person or volunteer serve as a guide for members of the public who visit the facility during regular business hours and coordinate the use of any conference room or display areas in that facility with the city and with other organizations;
5. Organize, advertise and promote events, activities, promotions, shows, ribbon-cuttings for new businesses and festivals in the downtown area;
6. Publish an annual brochure or calendar of such events, promotions, shows and festivals for the calendar year;
7. Serve as a liaison with and obtain assistance for downtown activities from civic clubs, organizations and other associations;
8. Communicate with the city manager, or his designee, with respect to activities which shall occur downtown and may require city assistance and give advance reasonable and appropriate notice to the relevant departmental contact person of such activities, it being understood by the Association that failure to give reasonable advance notice may preclude assistance from the relevant city department;
9. Give advance notice to downtown businesses of capital improvements, repairs, street closings or other activities of the city upon receipt of notice of same from the city;
10. Take such actions required to ensure that the Main Street Program is carried on and thrives in the city.
11. Abide by all federal, state and local laws, regulations and procedures in conducting the various activities of the Association, it being understood that any failure to so abide will preclude assistance from the city and any of its departments in such activities;
12. Upon receiving 501 C 3 status from the IRS, failure to maintain such status shall make this agreement immediately voidable in the discretion of City Council;
13. Provide to City Council within 30 days after the conclusion of each calendar quarter a written report of its activities, including an itemized report of revenue received and expenditures made during said quarter, provide the city with a copy of its IRS Form 990 at the same time that it is mailed for filing with the Internal Revenue Service, appear before City Council from time to time at Council's request, to report orally on the activities of the Association and make such suggestions and recommendations to Council as it may deem advisable with respect to downtown activities, facilities, parking, lighting, etc; and .
14. Provide to the City Manager by MARCH 1 of each year its budget request to City Council.

It is understood and agreed that at least one member of City Council, nominated by City Council and elected by the Board of Directors of the Association shall be a voting member of the Board of Directors of the Association.

This agreement shall extend from year-to year on a fiscal year July 1-June 30 basis until one of the parties hereto gives the other notice by March 1st of any year that it wishes to terminate the agreement on July 1st of that year.

This agreement may be revised by an amendment in writing adopted by the Board of Directors of the Association and by City Council.

In WITNESS WHEREOF, the parties have executed this agreement on the dates set forth below and it shall be effective on August 29, 2002.

CITY OF FRANKLIN, VIRGINIA

BY: James P. Council
Mayor

August 28, 2002
date

DOWNTOWN FRANKLIN ASSOCIATION, INC.

BY: Mary Alice Beal
President

August 29, 2002
date



Downtown Franklin Association
120 S. Main Street
Franklin, Virginia 23851

Telephone: 757-562-6900
Fax: 757-562-5666
E-mail: downtownfranklin@beldar.com

November 15, 2018

AGREEMENT
BETWEEN THE CITY OF FRANKLIN
AND THE DOWNTOWN FRANKLIN ASSOCIATION

THIS AGREEMENT made this ____ day of _____, 2018 by and between the City of Franklin, Virginia, a municipal corporation (hereinafter “the City”) and the Downtown Franklin Association, a Virginia non-stock corporation (hereinafter “the Association”).

WHEREAS, the Association has requested that the City appropriate to it certain funds on an annual basis with which; along with other funds obtained by the Association, the Association, in conjunction with the City, will implement the Main Street Program and take such other actions as it deems appropriate to promote business in the downtown service district; and

WHEREAS, the City, in lieu of continuing to implement the Main Street Program and otherwise engage in certain promotions on behalf of Downtown Franklin exclusively through a Department of Downtown Development, has agreed to provide funding, subject to annual appropriation by City Council, for the Association, in conjunction with the City, to perform such functions.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises set forth below, agree as follows:

THE CITY AND THE ASSOCIATION AGREE TO:

1. The corporation shall have a Board of Directors. Hereinafter, the members shall be referred to in singular as Director or Board Member and in plural as Directors, Board Members, Board of Directors, or Board. The initial Board of Directors shall consist of twelve members. Thereafter, Board members shall be elected as provided below. Thereafter, the number of Directors may be increased to no more than 15 or decreased but to no less than 9 Directors. Directors shall be elected at an annual meeting of Directors and each Director shall have one vote to cast for the Director. Those receiving the greatest number of votes shall be deemed elected though not receiving a majority.





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Franklin, Virginia 23851

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November 15, 2018

Each Director shall hold office until his successor is duly elected. Any vacancy occurring on the Board during the term of a Director due to any cause shall be filled until the next annual meeting by the majority vote of the remaining Directors on the Board. The Directors shall be elected at the annual meeting of the Board of Directors as provided by the majority vote.

2. Designate the Director a city employee with respect to payment of salary, the granting of employee benefits and applicability of personnel policies and procedures; and
3. Designate the Director an Association employee with respect to the determination of job duties and responsibilities, the supervision of the employee and the evaluation of such employee, city staff to assist in such matters as requested by the Association Board or the President of the Association.

THE CITY AGREES TO:

1. Appropriate the amount of \$60,000 Fiscal Year 2019-20 plus all the revenue generated from the additional real property tax on property in the downtown service district in funding for the Association for FY 2019-20, less an amount to be withheld and used for the salary and benefits of the Executive Director following expenses of the Main Street Program;
2. Appropriate annual funds for the Association for subsequent fiscal years in an amount determined by City Council from year to year during its budgetary process to include revenue generated from the additional real property tax on property in the downtown service district and utilized as set forth in paragraph 1. Above;
3. The City will act as Fiscal Agent as allowed by IRS regulations;
4. Provide in-kind services through its public works, electric, police, fire and rescue, recreation and other departments for the support of downtown activities such as festivals, parades, etc., subject to the availability of personnel and equipment of such departments, given their other duties and obligations as determined by the directors thereof or their designees;





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November 15, 2018

5. Provide the Association with an office or offices for its exclusive use;
6. Provide storage space for personal property of the Association at facilities designated by the city;
7. Assist in the advertisement of activities, promotions and festivals of the Association through City Clips, the City Web Site and the City Cable Television Channel(s);
8. Give advance notice to the Association of any capital improvements, repairs, street closings or other city activities which might have an effect on downtown business;
9. Give the Association, during regular business hours, access to all non-confidential public records which may assist it in performing its activities in the downtown service district;
10. Cooperate with the Association in meeting the objectives of the Main Street Program;

THE ASSOCIATION AGREES TO:

1. Employ such part-time employees as the Association deems necessary to assist the Director;
2. Utilize the office or offices, waiting area, storage room and conference room in the Visitors' Center/Train Depot, until such time the City provides an satisfactory, alternative location, have a staff person or volunteer serve as a guide for members of the public who visit the facility during regular business hours, subject to availability and coordinate the use of any conference room or display areas in that facility with the city and with other organizations;
3. Organize, advertise and promote events, activities, promotions, shows, ribbon-cuttings for new businesses and festivals in the downtown area;
4. Publish and coordinate an annual calendar of downtown events, promotions, shows and festivals for the calendar year;





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November 15, 2018

5. Serve as a liaison with and obtain assistance for downtown activities from Franklin Southampton Economic Development Inc., Franklin Southampton Chamber of Commerce, civic clubs, organizations and other associations;
6. Communicate with the city manager, or his designee, with respect to activities which shall occur downtown and may require city assistance and give advance reasonable and appropriate notice to the relevant departmental contact person of such activities, it being understood by the Association that failure to give reasonable advance notice may preclude assistance from the relevant city department;
7. Give advance notice to downtown businesses of capital improvements, repairs, street closings or other activities of the city upon receipt of notice of same from the city.
8. Take such actions required to ensure that the Main Street Program is carried on and thrives in the city.
9. Abide by all federal, state and local laws, regulation and procedures in conducting the various activities of the Association, it being understood that any failure to so abide will preclude assistance from the city and any of its departments in such activities;
10. Maintain 501 C 3 status from the IRS, failure to maintain such status shall make this agreement immediately voidable in the discretion of City Council;





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November 15, 2018

11. Provide to City Council annual and monthly reports per annual performance criteria Exhibit "A".
12. Provide to City Manager its budget request to City Council based on budget schedule all for City Departments.
13. Establish annual metrics for Association in conjunction with City Council's and the Downtown Franklin Association's vision, mission and goals as they relate to the Downtown Historic District, Virginia Main Street and National Main Street Criteria. Reference Exhibit "A"

It is understood and agreed that at least one member of City Council, nominated by City Council and elected by the Board of Directors of the Association shall be an ex officio of the Board of Directors on the Association.

This agreement shall extend from year to year on a fiscal year July 1-June 30 basis until one of the parties hereto gives the other notice by March 1st of any year that it wishes to terminate the agreement on July 1st of that year.

This agreement may be revised by an amendment in writing adopted by the Board of Directors of the Association and by City Council.





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November 15, 2018

In WITNESS WHEREOF, the parties have executed this agreement on the dates set forth below and it shall be effective on _____.

CITY OF FRANKLIN, VIRGINIA

BY: _____

Mayor

Date

BY: _____

City Manager

Date

DOWNTOWN FRANKLIN ASSOCIATION, INC.

BY: _____

President

Date





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November 15, 2018

Exhibit “A”

2019 Performance Agreement

DOWNTOWN FRANKLIN ASSOCIATION Performance Criteria FY 2019 (July 1, 2019 – June 30, 2020)

1. Provide to City Council annual and monthly reports within 30 days after the conclusion of each calendar year quarter, a written report of its activities, including an itemized report of revenue received and expenditures made during said quarter, provide the city with a copy of its IRS Form 990 at the same time that it is mailed for filing with the Internal Revenue Service, appear before City Council from time to time at Council’s request, to report orally on the activities of the Association and make such suggestions and recommendations to Council as it may deem advisable with respect to downtown activities, facilities, parking, lighting, etc
2. Continue the Commercial Rehabilitation Loan Program loan and programs as presently operating;
3. Obtain and coordinate a corps of volunteers to assist in the work of the Association, keep and provide to the City an annual record of the names of volunteers who have assisted and the total number of hours worked;
4. Identify and create a new Branding & Image process as suggested by Virginia Main Street (VMS) by June 30, 2019. This entails review of current branding, stakeholders’ interview, visioning project conducted with Spark Mill professional (6-2017-orchestrated through VMS), Transformation Strategies Project conducted by VMS (10-2018), tours of community and businesses, bid proposals, presentation of findings, proposed brand, logo and artwork, etc. Funding will be from proposed Virginia Main Street branding grant and Downtown Franklin Association (DFA) matching funds.
Objective: To have secure funding and begin implementation of the New brand for the DFA by December 30, 2019. Rebranding will include update of current website, promotional material, social media and other marketing products as determined by the process.





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November 15, 2018

5. Obtain and coordinate a corps of volunteers to assist in the work of the Association, keep and provide to the City an annual record of the names of volunteers who have assisted and the total number of hours worked;
6. Continue Economic Development initiatives related to reducing the number of vacant and leasable first floor storefronts within the Historic Downtown District (special tax district).

Objectives:

- A. Specific program for 2019: Startup Round 3 (to be identified Startup Franklin Southampton) - Continue Partnerships with Franklin Southampton Economic Development Inc. (FSEDI will take the lead for Round 3), Franklin Southampton Chamber of Commerce, and other potential funding partners similar to and including financial organizations from previous rounds. Note Startup Downtown Franklin was the official name for Rounds 1 & 2 initiated by a \$60,000 CBL (Community Business Launch) secured by the DFA in 2017 from VMS/DHCD and limited startup business to locate only in Downtown Franklin.
- B. Have a net positive percentage reduction in the number of vacant and leasable first floor storefronts within the Downtown District for FY ending December 30, 2020.





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November 15, 2018

In WITNESS WHEREOF, the parties have executed this agreement on the dates set forth below and it shall be effective on _____.

CITY OF FRANKLIN, VIRGINIA

BY: _____

Mayor

Date

BY: _____

City Manager

Date

DOWNTOWN FRANKLIN ASSOCIATION, INC.

BY: _____

President

Date





*Office Of The City Manager
Clarence M. Monday*

November 21, 2018

To: Mayor & Council Members
From: Clarence C. Monday, Interim City Manager
Subject: City Manager's Report – November 26th Council Meeting

The following items are to be included in the City Manager's report at the November 26th Regular Council meeting:

- 1) Per direction of the City Council, I will be giving a status report on the Edmunds Software conversion.
- 2) Included in the agenda package is a vacant position work plan on Director's open positions in the City of Franklin. I will report to Council on the status of the positions and discuss the next steps desired in the process.
- 3) Also included in the agenda for Council consideration are memo's from the Police Department concerning Disposition of Public Property.

Enclosures



*Office Of The Interim City Manager
Clarence C. Monday*

November 21, 2018

To: Mayor & Council Members
From: Clarence Monday, Interim City Manager
Subject: Edmunds Software Update

Since the last Council meeting, city staff has met numerous times to assess the effectiveness of the system components installed to this point and to determine outstanding modules not provided as specified in the the RFP. Edmunds staff came to Franklin on November 14th and met face-to-face with the City's Project Management Team.

At that meeting the focus was on the Tax Module and other outstanding items.

Edmunds staff interacted with the City Team and expressed no reservations about delivering a completed product. At the Council meeting, Steve Newsome, City IT Director and Project Manager, will provide a more detailed summary of the meeting including a projected timeline.

Director Newsome will also discuss a decision needed by the Council in the near future regarding the online pay component, specifically, transaction fees.

Office Of The Interim City Manager

Clarence C. Monday

Vacant Positions Work Plan

November 26, 2018

The following positions are temporary, filled by part-time personnel, or by interim director including the City Manager, Human Resources Director, Finance Director, Parks & Recreation Director, Fire Chief, and Police Chief. The purpose of this document is to outline the status of each position and to establish next steps to ensure organizational effectiveness. Updates will be added as recruitment/selection occurs.

City Manager

(Active Recruitment Stage)

Clarence Monday was appointed Interim City Manager on September 17, 2018. Monday is employed by the Berkley Group and works 32 hours per week. The City Council met twice to discuss qualifications, experience, and leadership attributes. Council authorized a recruitment notice that has been circulated to generate interest. Although open until filled, preliminary review of applications will occur on November 28th. Council will meet in closed session on December 4th to identify candidates for interview in early to mid-December.

Human Resources Manager

(Interviewing Stage)

Carolyn Joyner retired from the position on March 17, 2017. She continued to work part time on some projects designated by the former City Manager. At the end of September 2018, she stopped working even on a part-time basis.

The City previously decided to jointly hire a full-time director in partnership with Southampton County. After at least two cycles of advertising and receiving applications, for unknown reasons, the position was never filled with a full-time director. Both localities still desire to collaborate and jointly fund the position as originally planned.

County and City management have reviewed applications on file to determine qualifications, experience, and continued interest. To date, two candidates have been interviewed. An additional interview is scheduled to take place just prior to the November Council Meeting. The Interim City Manager will provide an update at your meeting as to latest developments pending said interview.

Parks & Recreation Director

(Active Recruitment Stage)

The Parks and Rec Director position has been "vacant" due to retirement since June, 2014, and Frank Davis has continued to work on a part time basis in this role. An advertisement has been developed and published. Although open until filled, preliminary review of credentials will occur on December 14th. Mr. Davis will remain in his position, as is, until a new director is selected. Timeline for the new person to start depends on strength of the candidate pool, experience, availability, and fit for the position.

Police Chief

(Candidate Screening Stage)

On October 1, 2018, Police Chief Phil Hardison announced his retirement, effective January 1, 2019. The position has been advertised on the City's website, local and regional print media, City social media, VML, and the National Minority Update. Deadline to apply was November 9, 2018 at 5:00 PM and was extended one additional week as the selection process was being initiated. (9) candidates submitted all required paperwork with candidates possessing various levels of experience and credentials. Candidate screening is occurring at the moment, and preliminary interviews start in early December.

Finance Director

(No Current Activity)

The previous, full-time Finance Director position was vacated in early 2017 and has been filled by Tracy Gregory via a 32-hour week arrangement through Minor and Associates. Staff is not actively recruiting for this position.

Fire Chief

(No Current Activity)

Fire Chief Vince Holt retired on September 1, 2018. Deputy Chief Mark Carr is serving as the Interim Fire Chief with full leadership duties and authority. Staff is not actively recruiting for this position.



*Office Of The Interim City Manager
Clarence C. Monday*

November 21, 2018

To: Mayor & Council Members
From: Clarence Monday, Interim City Manager
Subject: Disposal of Public Property

The Council considered a request at the October 22nd Council meeting from Police Chief Philip Hardison to purchase his department issued computer upon his retirement. In order to ensure elimination of sensitive data, Council directed staff to bring the matter back at its next meeting.

In short, the memo states that if the Council approves the Chief's request, there is no potential for system access internally, and actions can be taken to "clean" or remove information from the device.

The City's IT Director (Newsome) has discussed the above referenced memo with Deputy Chief Porti and concurs that appropriate steps can be taken to factory reset the device, thus remove content.

Action Recommended: Authorize the request to purchase department issued equipment to retiring Chief Philip Hardison after factory reset of the device.

COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS