

AGENDA

FRANKLIN CITY COUNCIL

MONDAY, APRIL 9, 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: March 26, 2018 Work Session and March 26, 2018 Regular Meeting

2. FINANCE

A. FY 2018 – 2019 City Budget Request Update	·	·	R. Randy Martin, City Manager
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3. OLD/NEW BUSINESS

- A. Former Skating Rink Property Agreement of Purchase & Sale - H. Taylor Williams, IV, City Attorney
- B. City Manager's Report

4. COUNCIL/STAFF REPORTS ON BOARDS/COMMISSIONS

5. CLOSED SESSION

I move that the Franklin City Council meet in closed session to discuss appointments to boards and commissions pursuant to Virginia Code Section 2.2 – 3711 (A) (1).

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.

6. 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>
Joint Council/School Board Budget Work Session	April 10, 2018 @ 7:00 p.m. – 8:00 p.m. Franklin Business Center – 601 N. Mechanic St. 1st Floor Conference Room
Council Budget Work Sessions - Departmental Requests	6:00 p.m. – April 16th, 17th & 19th, 2018 @ City Council Chambers
City Council Elections	Tuesday, May 1, 2018
FSEDI Small Business Appreciation Cookout	Tuesday, May 8, 2018 – 5:00 p.m. – 8:00 p.m. Franklin/Southampton County Fairgrounds
FY 2018 – 2019 Proposed City Budget Public Hearing	Monday, May 14, 2018 @ 7:00 p.m. City Council Chambers
Council considers action on FY 2018 – 2019 School Board Budget Request	Monday, May 21, 2018 @ 6:00 p.m. City Council Chambers
Council considers adopting FY 2018 – 2019 City Budget	Monday, June 4, 2018 @ 6:00 p.m. City Council Chambers

CONSENT AGENDA

A. Minutes: March 26, 2018 Work Session and March 26, 2018 Regular Meeting

The Franklin City Council held a work session meeting with outside Agencies & Organizations to hear their comments on Budget requests for FY 2018 -2019 on Monday, March 26, 2016 at 6:00 p.m. in the Council Chambers at City Hall.

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

Other Staff members in Attendance: City Manager Randy Martin; City Attorney Taylor Williams; Interim Finance Director, Tracy Gregory, and Teresa Rose-McQuay, Administrative Assistant Recording Minutes.

Others in Attendance: Stephen Faleski, Staff Reporter; Tidewater News.

Mayor Rabil called the meeting to order at 6:00 p.m. Each Council member had received a binder containing all agency and organization budget requests for reference.

The Mayor welcomed everyone to the work session. The Mayor asked presenters' to state their name and the name of the agency or organization represented. Each presenter signed the sign in sheet and the Mayor called them in order following the sign in sheet. All agencies and organizations requesting funding from the City each fiscal year are annually given the opportunity to attend and comment on their budget request.

Downtown Franklin Association (DFA)

Mr. Dan Howe, Executive Director of the Downtown Franklin Association presented his budget request for the FY 2018 – 2019 budget year. He shared the mission and vision statements of the DFA. He commented on various programs that the DFA is currently working on and highlighted some of the successes of the StartUp Franklin. Mr. Howe thanked Council for their many years of support, as well as, his staff and volunteers that work with him.

Mr. Howe is requesting funding in the amount of \$120,000.

Blackwater Regional Library

Ms. Jenny Bakos, Director of the Blackwater Regional Library shared a presentation on the importance of public libraries. She reported on how the library assists the citizens of the City of Franklin. She reviewed numerous programs and services that the library provides for the community.

Ms. Bakos also informed Council that she included a raise for staff to bring them to the current rate as all other localities with similar size to the Regional Library system. She also provided Council with signatures of local residents thanking Council for their continued support of the library. The requested amount of funding for the FY 2018 – 2019 budget is \$282,567.

Smart Beginnings Western Tidewater (SBWT)

Ms. Lorraine Whitehead, Interim Executive Director of Smart Beginnings Western Tidewater (SBWT) located at 601 N. Mechanic Street, Suite 301, Franklin, VA presented her agency's request.

Ms. Whitehead stated that SBWT is a multi-jurisdictional collaboration comprised of three rural localities which are: The City of Franklin, Isle of Wight County and Southampton County. The goal of SBWT is to prepare children to be “Ready for School, Ready for Life”.

Ms. Whitehead stated that their work is to increase knowledge, skills, and effectiveness of our youngest citizens’ from ages 0 to 6 years old. Ms. Whitehead thanked Council for their support of the program over the years. She reiterated the importance of preparing children for the future. Ms. Whitehead shared that her heart’s desire is to see all children lifted from poverty and prepared for college readiness. She is requesting \$15,000 for the FY 2018 – 2019 budget.

Virginia Legal Aid Society (VLAS)

Mr. Michael Stultz, managing attorney for the Virginia Legal Aid society, advised Council that last year they were able to close 58 cases in the City of Franklin helping 142 people. He reported that VLAS helped recover \$44,039 for Franklin residents in 2017. With the support being requested VLAS can reduce the number of people we have to turn away for lack of resources. VLAS is requesting funding in the amount of \$3,000 for FY 2018 – 2019. Mr. Stultz distributed a handout to the Council.

Paul D Camp Community College

Dr. Daniel Lufkin, President of Paul D. Camp Community College addressed Council about their current financial condition. Dr. Lufkin informed Council of the plans for the college in both the present and the near future. He also spoke about the addition of the sports programs, as well. He shared that local funding covers expenses for general administration, community service events, physical plant components like our grounds, parking lots, and routine site maintenance that are five feet away from our existing structures. The college is requesting \$11,785 from the City of Franklin.

Dr. Lufkin also took the opportunity to thank the City for its support in this inaugural baseball season for the College’s new team.

Western Tidewater Free Clinic (WTFC)

Ms. Ashley Greene, Director of Development for the Western Tidewater Free Clinic, presented the request for the FY 2018 – 2019 budget. Ms. Greene shared the following information with Council concerning the services for Franklin residents:

1. Served 161 patients (residents of Franklin) treated in 2017.
2. Had an overall increase of 18% in patient volume.
3. Increase in staffing in all clinical areas.

Ms. Greene stated that WTFC is in need of increased funding to continue to treat the increased number of patients from the City of Franklin which has consistently totaled 10% of the total patient volume over the past several years. WTFC is requesting \$37,000 for the FY 2018 – 2019 budget. Ms. Greene distributed a brochure from the clinic to the members of Council.

Mayor Rabil asked if there was anyone else present that wanted to present their request. There were no other presentations.

RECESS

Mayor Rabil recessed the work session at 6:38 p.m. until 7:00 p.m. when the regular meeting will begin.

These Minutes for March 26, 2018 City Council Work Session Meeting were adopted on the 9th day of April, 2018.

Mayor

Clerk to City Council

The Franklin City Council reconvened its Regular meeting on Monday, March 28, 2018 at 7:00 p.m. in the Council Chambers at City Hall after a brief recess was called following the Work Session that was held prior to the Regular meeting.

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

Staff in Attendance: Randy Martin, City Manager; Taylor Williams, City Attorney; Mark Bly, Director of Power and Light; Chief Phil Hardison, Franklin Police Department; Tracy Gregory, Interim Finance Director; Dinah Babb, Treasurer; Brenda Rickman, Commissioner of Revenue; and Russ Pace, Director of Public Works.

Others in Attendance: Sergeant Frank Justus, Franklin Police Department; Deputy Chief Mark Carr, Franklin Fire and Rescue; and Teresa Rose-McQuay; Administrative Assistant and Acting Secretary, Recording Minutes.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by everyone in attendance.

CITIZENS' TIME

Mr. George Reid of 701 Pretlow Street addressed Council wanting to know what is sewer and why are we paying it.

Mr. Dwight Morris withdrew his request to speak at Citizens' Time.

Mr. Jerry McCreary of 508 N. High Street addressed Council with a petition requesting that the Council direct the city manager to immediately credit each Customer's account no less than 10% of the total electric charges listed on utility bills for periods covering power used December 1, 2017 to February 28, 2018. Furthermore, he requested that all late payment penalties, fees, and disconnect/reconnect charges incurred by customer's due to hardship endured in the billing periods referenced above shall be eliminated. He asked that the Council consider the request. He handed copies of the petition to the Council.

AMENDMENTS TO AGENDA

There were no amendments to the agenda.

Consent Agenda

Minutes: March 12, 2018 Regular Meeting

Mayor Rabil asked if there were any corrections to the minutes of the March 12, 2018 Regular meeting. Hearing none, he asked for a motion. Councilman Johnson made the motion to approve the March 12, 2018 Regular meeting minutes and Vice-Mayor Cheatham seconded it.

The motion was approved by a 7 – 0 vote.

Departmental Reports: February, 2018

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

Proclamation: National Public Safety Telecommunicators Week April 8 – 14, 2018

Mayor Rabil asked Vice-Mayor Cheatham to read aloud the proclamation recognizing National Public Safety Telecommunicators week, April 8th through April 14th, 2018. After the reading, Councilwoman Hilliard made the motion to adopt the proclamation as presented and Councilman Johnson seconded the motion.

The motion was approved by a 7 – 0 vote.

Mayor Rabil presented Chief Phillip Hardison of the Franklin Police Department with the proclamation. Everyone in attendance applauded.

PUBLIC HEARING**Sale of City Property: Airport Industrial Park****Mayor Rabil opened the Public Hearing at 7:22 p.m.**

Mrs. Amanda Jarratt, Executive Director and President, Franklin/Southampton Economic Development, Inc. addressed Council in favor of the sale of the property. Mrs. Jarratt spoke to the advantage of selling a piece of property that is in disrepair to a local business owner in need of expansion. The business owner will repurpose the building and stay in the Franklin community.

Mr. Kevin Roughton, owner of Quality Aire Heating and Air Conditioning, spoke of his need to expand his company and repurposing a building that holds history for the City of Franklin. Mr. Roughton has worked in HVAC in this area since the 90's and has owned his business since 2014.

Ms. Lauren Harper of Farmer's Bank spoke in favor of the sale to Mr. Roughton. She stated that she has worked with Mr. Roughton as his banker and seen him grow in his business. Ms. Harper stated that Mr. Roughton continues to work hard to achieve his business goals.

Mr. Anthony Goodman spoke in favor of Mr. Roughton. Mr. Goodman stated that Mr. Roughton is a man of integrity and provides quality service to his customers.

Mr. Jim Hart also spoke in favor of the sale of the property. Mr. Hart reiterated that the sale of this property will help retain a local business in our area and prevent the building from further deteriorating and likely being demolished in the future.

The Public Hearing was closed at 7:27 p.m.

Attorney Williams gave a brief history of the land and owners. Mr. Williams commented that the property is in the Isle of Wight County revenue sharing zone so the City of Franklin will benefit because of that location. He also stated that the information on the offer to purchase from Mr. Roughton and the actual

sale will be on a future agenda for direction from City Council as to their desired action. The City Attorney advised that a public hearing is required before Council can consider the sale of public property owned by the City.

Mayor Rabil asked if there were any questions or comments on the sale of City property located in the Airport Industrial Park.

Councilman McLemore commented that he offered his best wishes to Mr. Roughton on his endeavor but that he would be remiss if he didn't say that he hoped the city will work diligently to provide a skating rink or some activity for the youth. Councilman McLemore stated that he was sorry that the skating rink is no more. Councilman McLemore added that the city needs to find more things for the youth of the city to do.

Attorney Williams commented that Manager Martin reminded him to share that the former lease with Isle of Wight County concerning this building was voluntarily terminated by the County Board of Supervisors recently and the city now is in full control of the building located on City land.

Mayor Rabil echoed some of the comments shared in the Public Hearing. He stated that it is commendable that a local business wants to expand while remaining in the community and keep people employed. Mayor Rabil commented that he looked forward to the discussion concerning next steps on the sale of the property and wished Mr. Roughton good luck with the sale.

FINANCE

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

Financial Report: February, 2018

General Fund

Interim Finance Director Tracy Gregory presented highlights of the February, 2018 Financial Report. Interim Director Gregory stated that this financial report reflects eight months of revenue and expenditure in most cases.

Revenue Highlights

Overall General Property Taxes collected in the amount of \$4.54 million for the period is up from the \$4.46 million collected in FY 2017. The breakdown is as follows:

- **Current Real Estate taxes** of \$2.67 million (49.4% of budget) is 1.4% higher than the prior year of \$2.64 million.
- **Delinquent RE taxes** of \$206,000 (93.7% of budget) are 12.53% higher than the prior year period collections of \$183,000.
- **Current Personal Property taxes** at \$1.45 million (93.2% of budget) are .34% higher than prior period collections of \$1.44 million.
- **Delinquent Personal Property taxes** – at \$36,000 (81.0% of budget) are 51.4% higher than prior year period collections of \$24,100.

- **Penalty and Interest** at \$76,800 (59.1% of budget) are 4.8% lower than prior year period collections of \$80,700.
- **Public Service Corporation taxes** of \$75,000 are 108.9% of budget.

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

- Local Sales & Use taxes collected are \$1,200,189.
- Cigarette Taxes collected are \$188,029.
- Meals Taxes collected are \$993,606
- Lodging Taxes collected are \$107,197.

Revenue Summary

Overall, total current general fund revenue reported at \$12.68 million (59.83% of budget) is a net of \$61,000 less when compared to the \$12.74 million realized at 2/28/17.

General Fund Expenditure Highlights

General Fund expenditures at the end of the period total \$9.49 million and represents 56.49% of the total budget; when compared to the prior year period of \$9.99 million, this is a \$502,000 decrease.

Enterprise Funds

Airport Fund

- Fuel sales and airport rental fees are above target with 73% of the budget realized.
- Expenditures in the fund are below target with 58% of the budget expended (net of capital outlay and transfers).
- Cash balance in the Airport Fund is \$315,727.

Water & Sewer Fund

Revenue Analysis

- Revenue from the sale of water and sewer service charges of \$2.34 million at the end of the period is slightly above target at 69% of budget. Sale of water is up but remains comparable to the prior year and sewer service charges are lower than the prior year by \$20,000.

Expenditure Analysis

- Expenses in the fund are \$1.1 million and tracking \$63,000 higher than the prior year (net of capital outlay, debt service and transfers); expenses in the current year for the sewer division are higher than the prior year while expenses associated with the water division and waste water treatment plant are comparable to the prior year.

Cash Balance

- The cash balance in the fund at the end of the month is \$1.42 million down from the \$1.66 million, reported last month and 9.03% less than the \$1.56 million reported in the prior year period.

Solid Waste Fund**Revenue Analysis**

- Revenue for the Solid Waste Fund is slightly below target with revenue at \$877k or 65.6% of budget but is slightly higher than the prior year period collections of \$864k.

Expenditure Analysis

- Expenses in the fund at \$491k are below target with 55.3% of budget expended (net of capital outlay, debt service and transfers).

Cash Balance

- The cash balance in the Fund at the end of the month is \$132,974. Cash in the fund decreased from the prior month and is down for the year due to the planned purchase of a garbage truck replacement.

Electric Fund**Revenue Analysis**

- **Revenue** from energy sales at \$10.9 million is above target at 71.95% of budget.
- With an accrual of \$956k, expenses associated with the sale of energy for 8 months of the fiscal year will be \$7.7 mil and will be below budget (net of capital outlay, debt service and transfers). This is lower than the prior year period of \$7.9 mil primarily due to the VMEA Transmission Peak Shaving True-Up credit in September 2017 of \$544k which benefitted the fund's Cash Balance
- Cash in the Electric Fund at \$1,712,725 decreased by \$32,762 from the prior month period but remained in compliance with the City's Cash Balance policy.

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

Councilman Burgess asked Ms. Gregory about the accounts receivable and whether this is on the accrual basis.

Ms. Gregory stated that she did not have that information available at this meeting.

Councilman McLemore asked for an explanation of the table on the Electric Fund Revenue Analysis slide.

Councilman Burgess explained that the prior revenue and the year-to-date columns are the same because they are based on the current eight months as an actual. The anticipated column is based on the projected amount for the FY 17 – 18 balanced budget.

Councilman McLemore asked Ms. Gregory if the City is making more money on electric at this time than last year.

Ms. Gregory answered yes we are.

Mayor Rabil asked if there were any further questions or comments; hearing none they moved forward with City Budget Amendment # 2018 – 11.

FY 2017 – 2018 City Budget Amendment # 2018 – 11

Manager Martin presented the FY 2017 – 2018 City Budget Amendment # 2018 – 11 to Council and stated that Ms. Gregory would be available to answer any questions.

Manager Martin summarized that the FY 2017 – 2018 City Budget Amendment # 2018 – 11 would:

1. Recognize revenues from the Commission for the Arts and to appropriate such revenue for new uses;
2. Reduce appropriations in the EMS department and transfer to the Foundation Grant for equipment;
3. Carry forward FY 17 unspent appropriation for Obici Healthcare Grant in the Social Services Fund; and
4. Recognize an additional State appropriation to the Department of Social Services for Child Welfare Substance Abuse & Supplemental Services which required a local match.

Mayor Rabil asked if there were any questions about the FY 2017 – 2018 City Budget Amendment # 2018 – 11.

Councilman McLemore asked if anyone could explain what the Arts Grant – Matching Funds were used for.

Manager Martin stated per the Council's previous discussion, the City appropriated \$5,000 for this Fiscal Year, in which the City is the pass through agent for the grant that is given by the state for which the City is required to match. These funds are for the educational and other public services that are provided by the Rawls Museum. This state grant and match is something that has been requested by the Rawls Museum for a number of years and approved by Council.

Councilman McLemore asked if any other member on Council knew how the funds were being used.

Mayor Rabil gave a brief synopsis that the City applies for the grant, the money is received from the state and the City matches the funds. He stated that they use the funds to assist the schools with supplemental education programs for the cultural arts. Mayor Rabil noted the City could invite if desired the Rawls Museum to send a representative to a meeting to present what they are doing and how it benefits the citizens.

Councilman McLemore stated that he would appreciate the Rawls Museum coming to a future meeting with a presentation for Council before any additional funds are given to them.

Manager Martin stated that tonight's work session was for agencies to come and present their requests for next year. The Rawls Museum had the opportunity to come. Manager Martin reminded Council that the funds were already approved for the FY 2017 – 2018 budget year. He stated that management could extend an invitation for them to come and he offered to request and present documentation to Council concerning their services and programs. This has been discussed during a previous budget work session by Council he advised.

Councilman Burgess stated that he was aware of an art exhibition that is presented by the Rawls Museum in the spring featuring artwork by local middle and high school students. They also bring in artists to display their works for showing at times as well.

Councilwoman Hilliard made the motion to approve the City Budget Amendment # 2018 – 11 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, NAY; Councilman Burgess, AYE; and Mayor Rabil, AYE.

OLD/NEW BUSINESS

Electric Billing Update

Mayor Rabil recognized Manager Martin who provided Council with an update on the electric service summary billing report for the most recent billing period shown as February, 2018 with totals for the fiscal year to date. The total February billing to electric customers was \$1.413 million compared to the January billing of \$2.102 million. This reflects a decrease in the bills of \$689,383.99 or a 32.8% reduction.

The average residential only electric bill for February, 2018 reflected a usage of 1,566 kWh and totaled \$191.58. By comparison, the previous month's elevated bills reflected a usage of 2,661 kWh and an average bill of \$319.88 for residential electric service only. This is an average reduction of \$128.30 per residential customer or 40.1%.

The VMEA bill for wholesale power purchases for February, 2018 totaled \$955,966.00 as compared to the January, 2018 bill of \$1,410,574.00. This reflects a 32.3% reduction between the billing periods.

For information, staff contacted the State Corporation Commission (SCC) to inquire about statewide "high bill" contact data the agency has received this year compared to the prior year for all regulated electric utilities under SCC review. Even though the city is not subject to SCC oversight, the SCC data provides similar examples of the "high bill" concerns in Franklin compared to other utilities that experienced the same weather related impacts. The SCC "high bill" calls or complaints were reported as follows:

- December, 2017 contacts were down from December, 2016 by 27%
- January, 2018 contacts were up 173% over January, 2017
- February, 2018 contacts were up 152% over February, 2017.

Manager Martin stated that this data confirms that electric utility providers throughout the state and their customers were impacted in like manner to Franklin utility customers by the extremely cold temperatures and severe weather events this winter and the resulting higher bills sent for services received in the December and January timeframe. Manager Martin conveyed in his report that contacts and complaints rose dramatically when these bills were received in the months that followed.

As for the analysis of electric meter reading and billing authorized by Council, Manager Martin shared that he had previously reported that Director Bly, as well as himself, had been in contact with at least one firm with expertise in doing such analysis. Since that report, the Manager and Director Bly contacted three additional firms, one of which withdrew their interest in doing the work. Manager Martin expects to finalize an agreement with a provider very soon after receiving these additional responses so that the effort can get underway. Based upon discussions to date, Manager Martin anticipates the assessment to be completed within 60 – 90 days after an agreement is reached with a provider.

Mayor Rabil asked if there were any questions or comments on the electric billing update.

Councilman McLemore asked what specifics will be addressed in the energy audit.

Manager Martin recognized Power & Light Director Mark Bly to answer the question.

Director Bly stated that he did not have the scope of work with him but from memory he noted that:

1. The company would read the same meters at the same time as the City Power & Light employees and then they would compare for accuracy.
2. The company would make sure meters are working properly.
3. The company will pick 823 random customers in various locations of the city to compare readings. This represents 15% of the total customer base.
4. The company would also make sure the equipment is in the right place and in good working order for the readings.
5. They will check for multipliers.
6. They will collect GPS coordinates.
7. They will also verify the meter vs. the billing records with the city billing software.

Director Bly stated that he can provide to Council a copy of the scope of work that was sent to the companies if the Council desires.

Councilman Burgess asked about the even applications of rates throughout the city.

Director Bly commented that they are going to do a compare the rates that are in our system. He stated that there will be a rate study done separately from the audit. He noted that the city has different rate categories: 1) residential rate; 2) small commercial rate; 3) medium commercial rate, 4) large commercial rate; 5) church & synagogue rate.

Manager Martin added that there will be an even distribution of customers audited from all categories all over the city as well as areas served outside the city. The customers to be audited will be picked by the company doing the audit independently.

Councilman McLemore stated that he wanted all the equipment audited because if you are only worried about the final numbers, something could be missed.

Councilman Cutchins asked how we could cut down on the losses of electricity.

Manager Martin stated that some of the loss is industry standard loss. Director Bly stated that it would be impossible to cut out losses entirely. He explained the technical aspects of electric loss on the City's system.

Councilman Johnson commended Manager Martin and Director Bly on their work in preparing and obtaining companies interested for the energy audit. Once everything is complete, we will be able to have the information and insight into what is going on.

Councilman McLemore asked Councilman Cutchins wasn't it previously stated that an RFP would be sent out for the audit.

Councilman Cutchins stated that it was said that it may have been a possibility. Manager Martin added that according to the city procurement guidelines it was not necessary in this case for this type of professional service based upon the estimated cost anticipated.

USDA Grant Resolution # 2018 – 01 Police Vehicle Replacement

Mayor Rabil recognized Manager Martin who commented that the USDA has awarded a grant for \$25,000 toward the purchase of one replacement Police vehicle. The Council; had previously authorized a grant application for the purchase of two vehicles, but unfortunately we only received one. The City has previously received USDA grants to assist with vehicle replacements. Manager Martin congratulated the Police Department for once again being successful in their efforts to apply and pursue receiving this grant. Manager Martin stated the recommended action by Council is to approve City Resolution # 2018 – 01.

Mayor Rabil asked Councilman Burgess to read City Resolution # 2018 – 01 aloud.

After reading it aloud, Councilman Burgess made the motion to approve USDA Grant Resolution # 2018 - 01. Councilman Johnson seconded the motion.

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.

City Manager's Report

Manager Martin reminded Council to take a look at the entire upcoming events calendar in the agenda. He specifically informed Council that the date for the joint meeting with the School Board is tentatively set for April 10, 2018 at 6:00 p.m. for receiving their FY 2018 – 2019 budget request. He also informed Council of the rescheduled FSEDI Partners in Progress State of the City & County meeting on March 29, 2018 at the Main Event at 7:30 a.m.

Mayor Rabil asked if there were any comments or questions.

Vice-Mayor Cheatham asked if the joint meeting with the schools could be moved to 7:00 p.m. and Councilman Burgess echoed his sentiment. Manager Martin stated that he would contact the school board and confirm that the change in time is acceptable. A notice will be sent to confirm the time and location once finalized.

COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS

Vice-Mayor Cheatham reported on the WTRJ Authority meeting and advised Council that there is going to be an increase request in the FY 2018 – 2019 budget. He also commented that the interest on the bonds for the jail will also increase to remain attractive for financial purposes.

Councilman Johnson reported that the WTRJ may again be looking at selling a piece of property they own.

There being no further reports and before the Council entered Closed Session, Mayor Rabil read the following statement of conflict of interest:

“I am making this statement of a personal interest in a transaction pursuant to Virginia Code Section 2.2 - 3112(A) and Virginia Code Section 2.2 - 3115 (F). The transaction is related to property or a business that is to be part of a closed session discussion by City Council tonight under proper motions to go into closed session. I will not vote or in any manner act on behalf of the property or business and I will not attend any portion of a closed session discussion and I will not engage in any discussion with any member of City Council while my personal interest in this transaction continues to exist. During any discussion of the property or business during any time City Council is in open session. I will ask the Vice Chairman to take over the meeting for me and excuse myself from City Council Chambers until all discussion of the property or business is completed.”

Closed Session

Councilwoman Hilliard 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) & (5). Vice-Mayor Cheatham seconded the motion.

The Council entered into closed session at 8:37 p.m.

Mayor Rabil entered the Closed Session until the topic related to his personal conflict of interest statement was up for discussion at which time he exited. He did not return until discussions on the topic were concluded.

Mayor Rabil reconvened the open session at 9:08 p.m. and asked for a motion certifying the closed session.

Vice-Mayor Cheatham 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 Councilman Johnson.

The motion was approved by a 7 – 0 vote.

Adjournment

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

The motion was approved by a 7 – 0 vote.

Mayor Rabil declared the meeting adjourned at 9:09 p.m.

These Minutes for the March 26, 2017 City Council Regular Meeting were adopted on the 9th day of April, 2017.

Mayor

Clerk to City Council

FINANCE

A. FY 2018 – 2018 City Budget Request Update



FY 2018-2019 BUDGET REQUESTS

GENERAL FUND

FY2018-2019 Preliminary General Fund Budget Requests

Total GF Revenue Projections	Total GF Expenditure Requests
\$23,406,480*	\$26,669,195**
<p>Variance – Expenditure Requests Over Projected Revenue (\$3,262,715)</p>	



*Excludes any Use of Prior Year Unrestricted Carryover

** Excludes any increase in School Division funding. The School Division reviewed with Council & Management a \$1.4 million increase in their requested Local funding. Since that time, this amount has been decreased to \$514,601 but the School Board presentation to Council on 4/10/18 may further change the official request.

Unassigned General Fund Balance History

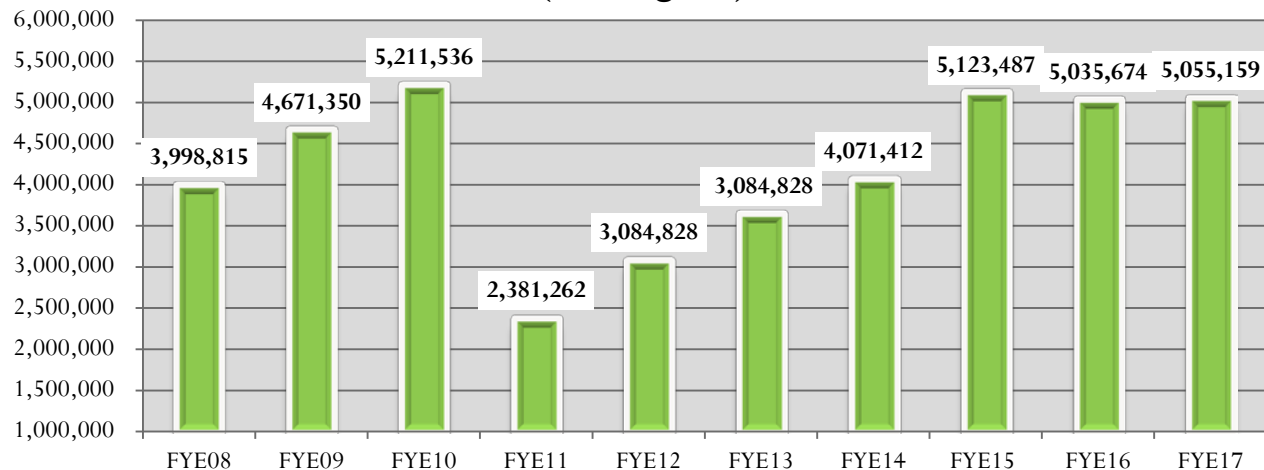
Unassigned General Fund Balance @ 6/30/17 - \$5,055,159

General Fund Balance Policy Evaluation

FY 16-17 Adopted Budget	\$	23,209,056
Percentage of General Fund Balance		21.78%

FY 16-17 Revised Budget	\$	23,324,065
Percentage of General Fund Balance		21.67%

**Fund Balance of the General Fund
(Unassigned)**



Unassigned General Fund Balance @ 6/30/17

Fund Policy Evaluation

Unassigned General Fund Balance, 6/30/17 \$5,055,159

General Fund Balance Policy Evaluation

FY 16-17 Adopted Budget	\$	23,209,056
Percentage of General Fund Balance		21.78%

FY 16-17 Revised Budget	\$	23,324,065
Percentage of General Fund Balance		21.67%

Minimum Balance Needed for 15% Policy Compliance	\$	3,498,610
Amount In Excess of Policy Minimum	\$	1,556,549

Minimum Unassigned Fund Balance Policy

In order to avoid service disruptions that otherwise could arise from revenue shortfalls or unanticipated expenditures, the following range for unassigned fund balances (or unrestricted net assets) should be maintained.

General Fund – 15% to 25% of budgeted annual expenses

BASIS OF FY2018-2019 REQUESTS PERSONNEL

- Includes higher City costs for a 1.1% increase in VRS contributions.
- Includes higher City costs for a 30% Increase in health insurance.
- Includes requested funding for 3.0 new positions in multiple departments.
- Includes full year funding of all vacant positions:
 - Police, EMS, Fire & Rescue, Community Development, Finance, Public Works; and Parks & Recreation
 - Current year budget included vacancy savings.

Estimated Budgetary Impact - \$1,398,067



FY 2018-2019 BUDGET REQUESTS

ENTERPRISE FUNDS

6

CITY MANAGER OVERVIEW
APRIL 9, 2018

SOLID WASTE FUND



- Maintains minimum cash balance going into FY18-19
 - Cash at 2/28/18 was \$132,974 and below policy guidelines .

- Maintains current user fee for solid waste collection services - \$38 for residential customers. (Staff recommendation until reserve funds meet policy minimum.)

- Includes requested purchase of a new replacement garbage truck ("Pay As You Go" using cash reserve funds).
 - Replacement for a 11-year-old collection truck per the 5 year Capital Improvement Program schedule.

WATER & SEWER FUND



- Maintains stable cash balance going into FY 18-19.
 - Cash Balance at 2/28/18 was \$1.42 million and within policy guidelines.

- No proposed changes in Water & Sewer rates.

- Includes additional funding to replace aged dump truck.

- Continues funding for planned water line and sewer system improvements (e.g. wastewater collection system rehabilitation).



AIRPORT FUND

- Excluding reduction in FAA project funding & related costs, there are no significant changes in revenue projections or operating costs.
- No new capital projects proposed for FY18-19.
- Request as submitted would decrease the local general fund transfer to support operations to \$130,840.



ELECTRIC FUND

- ❑ No City increase in the retail rate is proposed based upon the expectation that Dominion does not plan a wholesale rate increase effective July 1, 2018.
- ❑ The Cash balance in the fund at 2/28/18 was \$1,712,725 which exceeds the minimum policy guideline by \$218,000. FY 2017 – 2018 saw the cash balance achieve compliance with minimum reserve policy guidelines for the first time since 2010.



FY 2018-2019 BUDGET REQUESTS

SCHOOL FUND

11

CITY MANAGER OVERVIEW
APRIL 9, 2018

SCHOOL FUND



School Fund FY 2018 – 2019 Budget Request

- ❑ As explained earlier, The City budget request reflects the funding for School Division operations as being level with FY17 at \$5,037,395.
- ❑ School Board is expected to formally adopt the Division's final budget request in April 2018. The School Board & Council are scheduled to meet on April 10th to discuss budget.
- ❑ City's tentative budget calendar reflects the City Council considering action on the School's budget on May 21, 2018.



DEBT SERVICE SUMMARY

FY 2018-2019
Budget

FY18-19 DEBT SERVICE OBLIGATION COMPARED TO FY 17-18 BUDGET

Fund	FY18-19	FY 17-18	Budget Variance FY 18- 19 over FY 17-18
General Debt	\$ 404,707	\$452,164	\$ (47,457)
School Debt	\$ 730,084	\$681,734	\$ 48,350
Tax Supported Debt	\$1,134,791	\$1,133,898	\$ 893

Net budgetary impact for tax supported debt = \$893 additional cost

FY18-19 DEBT SERVICE OBLIGATION COMPARED TO FY 17-18 BUDGET

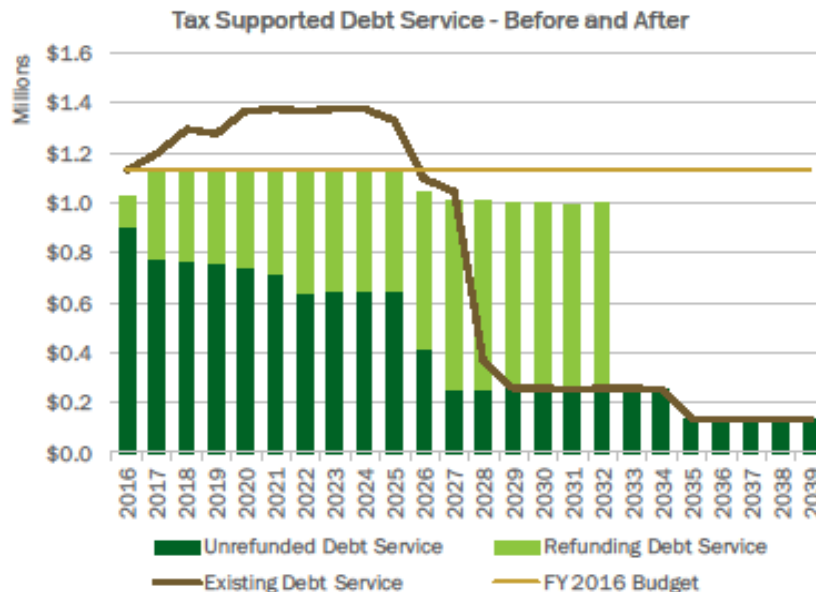
Fund	FY18-19	FY 17-18	Budget Variance FY 18 - 19 over FY 17 - 18
Water & Sewer	\$ 366,053	\$ 366,234	\$ (181)
Electric	\$ 329,797	\$ 276,699	\$ 53,098
Solid Waste	\$ 6,448	\$ 6,448	\$ 0
Total	\$702,298	\$649,381	\$ 52,917

Net budgetary impact for enterprise fund supported debt = \$52,917 additional cost

Fall 2015 VRA Pool – Estimated Refunding/Restructuring Results



- A transaction through the Fall 2015 VRA Pool could allow the City to achieve the following objectives of the Refunding/Restructuring:
 - Free approximately \$2.01 million in cash flow from FY 2016–FY 2027, including approximately \$105,000 of savings in FY 2016. As a result, the City can minimize potential future Real Estate Tax Rate increases of up to 4.4 pennies;
 - Maintain a 10-Year Payout Ratio above 50% after the Refunding/Restructuring transaction is completed; and
 - Avoid extending any obligation’s final maturity by more than 4 years or beyond 30 years from its original issuance.

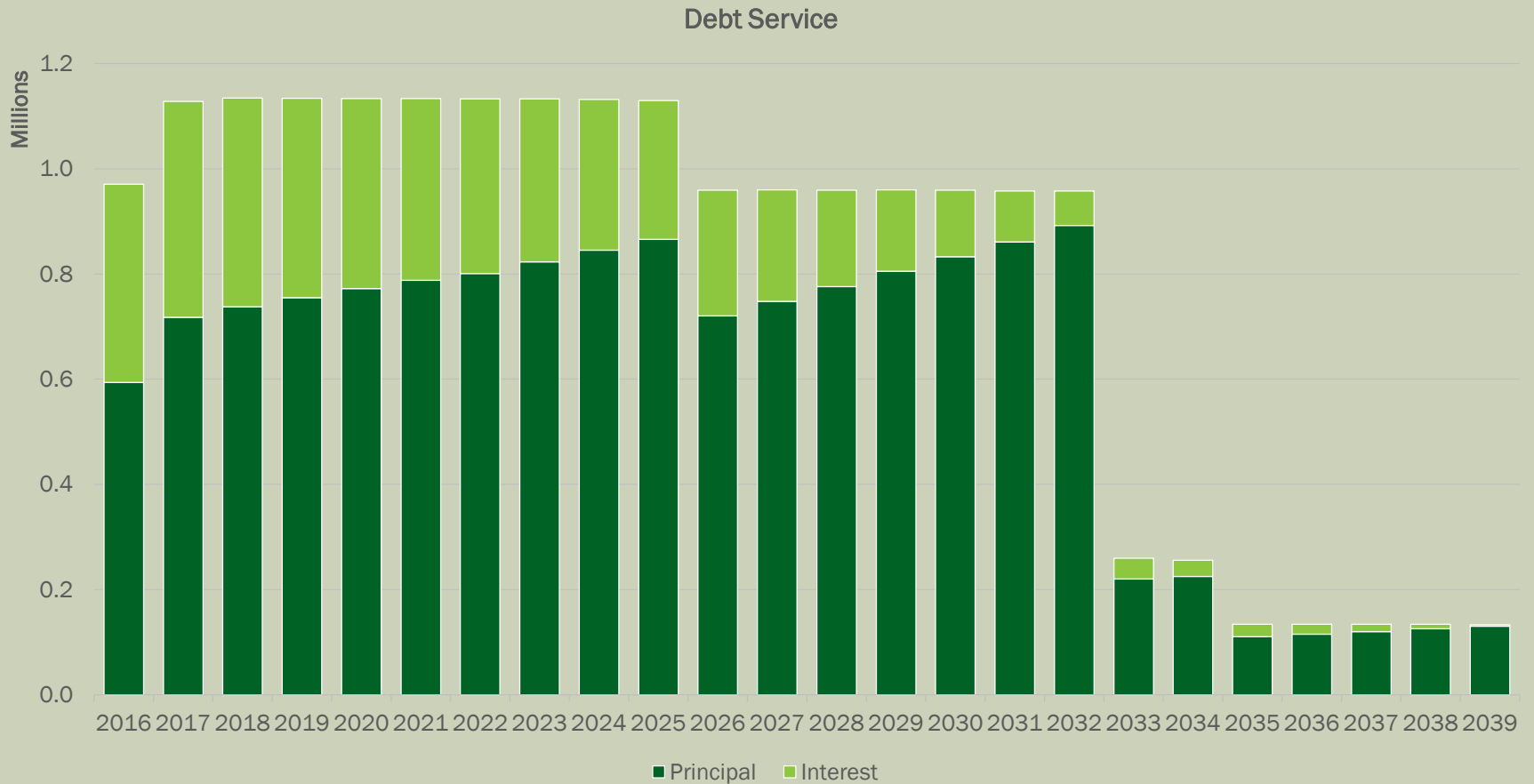


Fiscal Year	A Existing Debt Service	B Resulting Debt Service	C Debt Service Savings / (Cost)	D Present Value Savings / (Cost)	E Resulting 10-Year Payout Ratio
Total	\$17,833,822	\$19,441,616	(1,607,794)	(514,771)	
2016	1,134,542	1,029,170	105,371		51.4%
2017	1,196,183	1,127,573	70,609		54.9%
2018	1,294,947	1,126,576	168,371		58.4%
2019	1,277,265	1,133,217	144,048		62.5%
2020	1,373,284	1,128,063	245,221		67.4%
2021	1,377,821	1,128,465	249,355		73.2%
2022	1,372,182	1,127,673	244,489		80.1%
2023	1,375,377	1,131,587	243,790		86.7%
2024	1,378,107	1,129,515	248,592		90.2%
2025	1,328,648	1,131,331	197,317		92.2%
2026	1,096,364	1,042,613	53,751		92.8%
2027	1,043,695	1,007,465	36,230		93.8%
2028	365,108	1,008,644	(643,536)		95.2%
2029	261,473	1,003,366	(741,892)		97.1%
2030	258,861	1,002,179	(743,318)		100.0%
2031	256,245	999,021	(742,776)		100.0%
2032	257,995	1,001,425	(743,430)		100.0%
2033	259,331	259,331	-		100.0%
2034	255,538	255,538	-		100.0%
2035	133,843	133,843	-		100.0%
2036	134,068	134,068	-		100.0%
2037	134,069	134,069	-		100.0%
2038	133,828	133,828	-		100.0%
2039	133,069	133,069	-		100.0%

(1) Preliminary, subject to change. Based on estimated market rates as of 9/8/15. Assumes a Fall 2015 VRA pooled bond issuance. Actual results may vary significantly from these estimates.

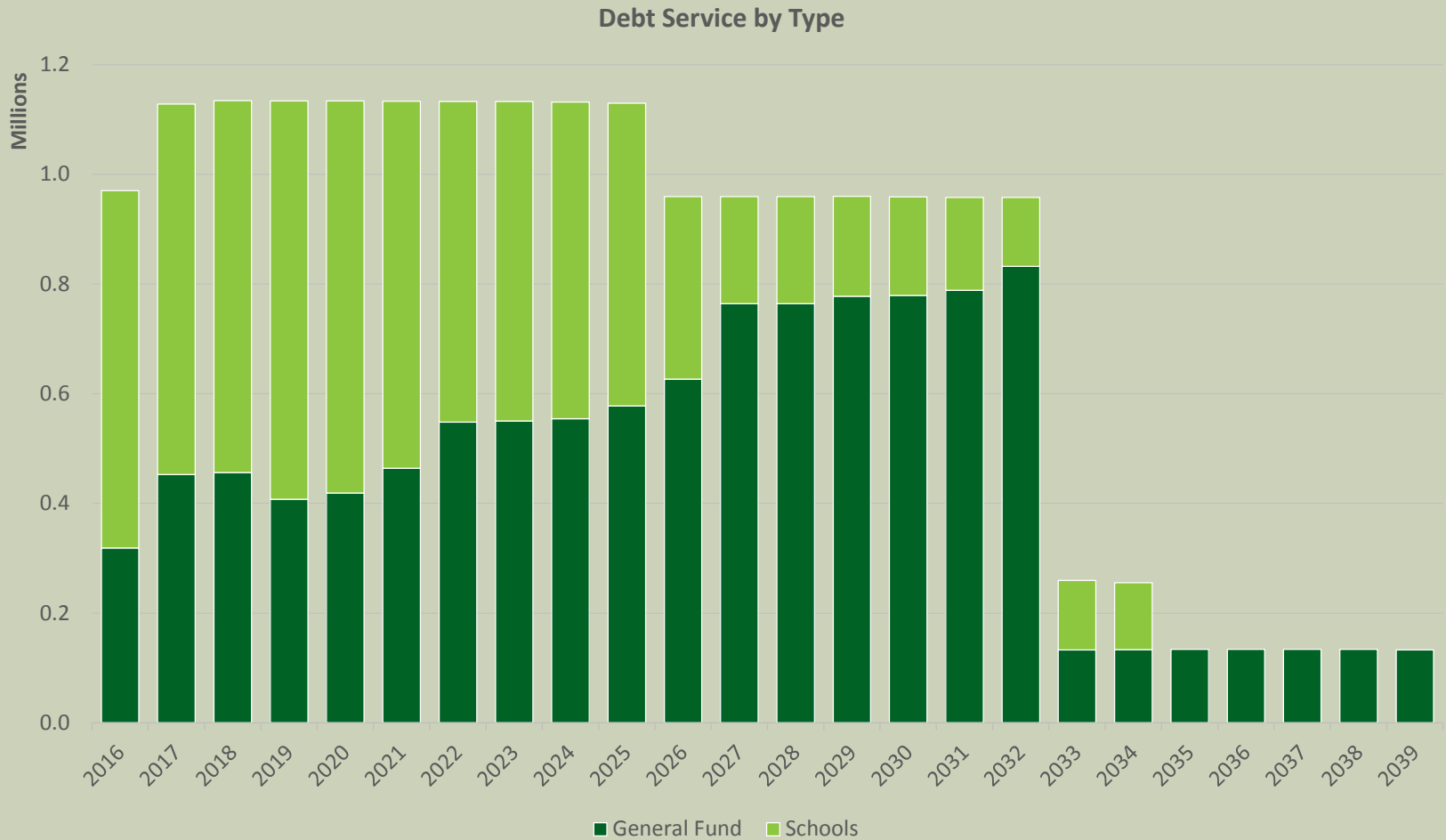
TAX SUPPORTED DEBT

PRINCIPAL & INTEREST BREAKDOWN



TAX SUPPORTED DEBT

GENERAL AND SCHOOL FUND BREAKDOWN



FY 2018-2019 BUDGET SCHEDULE

NEXT STEPS

Item	Date
Budget Work session #1- 6:00 PM (Monday)	April 16, 2018
Budget Work session #2 - 6:00 PM (Tuesday)	April 17, 2018
Budget Work session #3 - 6:00 PM (Thursday)	April 19, 2018
City Manager Updates Council on Recommended Budget	April 23, 2018 *
Budget Work Session with City Council	April 30, 2018
Release Advertisement of Budget Public Hearing Notice	May 6, 2018
Tentative Work session on Budget – 6:00 PM	May 14, 2018
Public Hearing on FY 18 -19 Proposed Budget – 7:00 PM	May 14, 2018 *
Council Considers Action on School Board Budget	May 21, 2018
City Council Considers Action on Budget, Set Rates and Adopt Resolutions (no earlier than 7 days after public hearing)	June 4, 2018

* Denotes Regularly Scheduled City Council Meeting

OLD/NEW BUSINESS

- A. Former Skating Rink Property Agreement of Purchase & Sale - H. Taylor Williams, IV, City Attorney**
- B. City Manager's Report**



*Office Of The City Manager
R. Randy Martin*

April 4, 2018

To: Mayor & Council Members
From: R. Randy Martin
SUBJECT: Former Skating Rink Property Purchase & Sales Agreement

As reported by the City Attorney at the last meeting, the Council has satisfied the requirements prerequisite to consider the sale of City property located in the Airport Industrial Park in Isle of Wight County including the former skating rink site.

Before the City Attorney left for vacation, he finalized a sales contract for approximately 4 acres of the property which includes the site of the former skating rink facility. Enclosed is a copy of the agreement that has already been reviewed by the purchaser, Mr. Kevin E. Roughton and approved by his legal counsel as evidenced by Mr. Roughton's signature on the proposed agreement.

City Attorney Williams will be at Monday's meeting to review the terms of the agreement and answer questions. Be reminded, as referenced at the Public Hearing, Mr. Roughton plans to renovate the facility to locate Quality Aire HVAC on the premises.

Action Recommended: Approve the sale of the property subject to the terms of the purchase & sales agreement contract and authorize City officials to execute the required documents for the transaction to convey the property upon the satisfaction of all conditions of the agreement.

Enclosure

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE ("Agreement") is made and entered into this _____ day of April, 2018 (the "Effective Date") between the CITY OF FRANKLIN, VIRGINIA, a political subdivision of the Commonwealth of Virginia ("Seller") and KEVIN E. ROUGHTON, ("Purchaser").

WITNESSETH:

WHEREAS, Seller is the owner of a certain parcel of real property containing approximately 4.113 +/- acres, located in the Isle of Wight County, Virginia, with improvements thereon, in the general location as shown on the drawing attached hereto as Exhibit A (the "Property") and having the mailing address of 32510 Walters Hwy, Franklin, VA, 23851, located in Isle of Wight County, Virginia; and

WHEREAS, Seller desires to sell the Property to Purchaser, and Purchaser desires to purchase the Property from Seller subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein and for the escrow deposit sum of ONE THOUSAND DOLLARS (\$1,000) and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, do hereby agree as follows:

1. Purchase and Sale. Subject to the terms and conditions hereinafter set forth, Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller the Property. Seller acknowledges that Purchaser will have the opportunity to inspect the Property and determine its feasibility for Purchaser's intended development as manufacturing facility ("the "Project"), pursuant to Section 5 herein.
2. Purchase Price. In consideration of the capital investment and jobs to be created by Purchaser's development of the Project, Seller agrees to convey the Property at a discounted price, as an economic incentive to Purchaser to proceed with the Project. The purchase price ("Purchase Price") to be paid by Purchaser to Seller for the Property shall be EIGHTY-FIVE THOUSAND AND 00/100 DOLLARS (\$85,000.00), subject to prorations and adjustments as provided in this Agreement. At "Closing" (as hereinafter defined), the Purchase Price payable by Purchaser to Seller (subject to prorations and adjustments as provided in this Agreement) shall be paid in immediately available funds. At Closing, the "Deposit" (hereinafter defined) or so much thereof which has not been released to Seller shall be delivered by "Escrow Agent" (hereinafter defined) to Seller and shall be credited against the Purchase Price.
3. Deposit. To secure the performance by Purchaser of its obligations under this Agreement, within three (3) days after the Effective Date, Purchaser shall deliver

to Randall/Page Law Group, Suffolk, Virginia (the Escrow Agent), the sum of ONE THOUSAND AND 00/100 DOLLARS (\$1,000.00) (the Deposit”) to be held and disbursed pursuant to the provisions of this Agreement.

4. Title and Survey.

(a) Prior to the Inspection Completion Date (as hereinafter defined), Purchaser shall obtain the following (“Title Evidence”): (i) a title report issued by a title insurance company acceptable to Purchaser (“Title Company”) enabling a title agent selected by Purchaser to issue a title insurance commitment (“Commitment”) covering the Property, whereby the Title Company agrees to issue an owner’s policy of title insurance (“Title Policy”) in the amount of the Purchase Price at Closing, subject to customary and usual exceptions but free from monetary liens (“Acceptable Exceptions”) and Purchaser shall obtain such other due diligence, including a survey, as Purchaser deems desirable.

(b) Purchaser shall review the Title Evidence and due diligence and shall, prior to the Inspection Completion Date (as hereinafter defined), notify Seller in writing (“Title Objection Notice”) of any matters in the Title Evidence adversely affecting the marketability of title to the Property or affecting the ability of Purchaser to utilize the Property and develop the Proposed Improvements (as defined below) thereon (“Title Defects”). Upon receipt of the Title Objection Notice, Seller shall use its good faith efforts to cure such Title Defects. In the event that Seller is unable to cure the Title Defects within thirty (30) days of the Title Objection Notice (“Title Cure Period”) after good faith efforts to do so, Seller shall notify Purchaser in writing as to which Title Defects remain uncured on or before the end of the Title Cure Period and Purchaser, at Purchaser's option, may: (i) elect to accept title to the Property subject to the Title Defects without any adjustment to the Purchase Price (in which event the remaining Title Defects shall be deemed Acceptable Exceptions); (ii) terminate this Agreement by written notice thereof to Seller, whereupon this Agreement shall be terminated, the Deposit shall be returned to Purchaser and both parties shall thereafter be released from all further obligations hereunder; or (iii) elect to extend the Title Cure Period for a reasonable period of time and if upon the expiration of such period Seller shall not have cured the Title Defects, Purchaser shall have the options set forth in (i) or (ii) above. Notwithstanding the foregoing, Seller shall be unconditionally obligated, at its sole cost and expense, to satisfy at or prior to Closing all monetary encumbrances evidenced by deeds of trust, tax liens, judgments, mechanic's liens or other liens or charges in a fixed sum or capable of computation as a fixed sum (“Liquidated Liens”) and Seller authorizes the use of the Purchase Price otherwise payable to Seller at Closing to pay and discharge any Liquidated Liens.

5. Inspections. Purchaser acknowledges that the property and improvements being purchased from Seller is sold “As is, where is”, and without any representation by Seller of the fitness of the property or improvements thereon for any particular

purpose. Seller will not be responsible for the cost of any repairs discovered in an appraisal, repairs or damage discovered due to any termite or wood destroying insect infestation report, repairs needed due to moisture damage or repairs discovered in any inspection by Purchaser or any agent on behalf of Purchaser. Purchaser accepts the improvements on the property in its present condition. Seller and Purchaser hereby acknowledge that as of the date of the execution of this Agreement, Purchaser has not yet had an opportunity to complete its required due diligence and fully review and evaluate this transaction. If on or before 5:00 p.m. on a date which is thirty (30) days following the Effective Date ("Inspection Completion Date"), Purchaser determines, in its sole and absolute discretion, that Purchaser does not desire to purchase the Property, then Purchaser shall have the right to give written notice to Seller electing to terminate this Agreement, provided such notice is delivered to Seller prior to 5:00 p.m. Eastern Standard time on the Inspection Completion Date. In the event such notice of termination is delivered on or before 5:00 p.m. Eastern Standard Time on the Inspection Completion Date, then, Escrow Agent will deliver to Purchaser the Deposit, and the parties shall be released from all further obligations each to the other under this Agreement. In the event that the Purchaser does not terminate this Agreement as set forth in this Section 5, then such right to terminate shall be deemed waived by Purchaser.

Purchaser, its agents, employees and representatives shall have access to the Property at all reasonable times subsequent to the Effective Date and prior to the Closing or earlier termination of this Agreement with full right to inspect the Property and to conduct reasonable tests thereon and to make such other examinations with respect thereto as Purchaser, its counsel, licensed engineers, surveyors or other representative may deem reasonably necessary. Any test, examinations or inspections of the Property by Purchaser and all costs and expenses in connection with Purchaser's inspection of the Property shall be at the sole cost of Purchaser and shall be performed in a manner not to unreasonably interfere with the Seller's ownership of the Property. Upon completion of any such inspection, examination, or test, Purchaser shall restore any damage to the Property caused by Purchaser's inspection. Purchaser hereby indemnifies and holds Seller harmless from all loss, cost or expense, including, but not limited to, attorneys' fees and court costs resulting from Purchaser's inspections in connection with the Property. The provisions of this Paragraph shall survive any termination of this Agreement.

Additionally, Seller shall provide Purchaser such other documentation as Purchaser may reasonably request with respect to the Property.

6. Conditions Precedent to Closing. The obligations of Purchaser under this Agreement are specifically made conditional and contingent upon the satisfaction of the following conditions precedent on or before the date of Closing, all of which conditions precedent are for the sole benefit and reliance of Purchaser, and may be waived in writing by Purchaser in its sole discretion:
 - (a) Within thirty (30) days after the Effective Date of this Agreement, Purchaser shall be responsible for preparation of a subdivision plat showing the Property as a single tax parcel, which subdivision plat shall be reasonably acceptable to

Seller (the "Subdivision Plat"). Seller and Purchaser shall mutually agree on the final form of the Subdivision Plat, which shall be recorded with the "Deed "(as defined below).

- (b) Purchaser intends to operate a heating/ventilation/air conditioning business (HVAC) on the Property (the "Proposed Improvements"). Purchaser shall diligently pursue all governmental approvals required for the development of the Proposed Improvements at the sole expense of Purchaser. Seller agrees to cooperate with Purchaser in obtaining the Approvals, at no cost to Seller.

In the event any condition precedent set forth in this Section 6 is not satisfied on or before the Closing Date and Purchaser as a result elects not to consummate the purchase of the Property pursuant to this Agreement, this Agreement shall terminate upon written notice from Purchaser to Seller and neither party hereto shall have any further obligations hereunder.

- 7. Seller's Representations. Seller represents, warrants and covenants unto Purchaser and agrees with Purchaser that the following statements are true as of the date hereof and shall continue to be true on the Closing Date (as hereinafter defined):
 - a. Seller is the owner of the Property and has fee simple record and marketable title to the Property, free and clear of all liens and encumbrances, except as may appear on any title commitment or survey obtained by Purchaser.
 - b. The Property is not subject to any leases, tenancies, or other occupancy rights, recorded or unrecorded, or rights of first refusal or options to purchase.
 - c. Seller has no notice or knowledge of any pending lawsuits or any pending condemnation or eminent domain proceedings with respect to the Property.
 - d. Seller is not a "foreign person" within the meaning of the United States tax laws, to which reference is made in Internal Revenue Code Section 1445(b)(2).
 - e. Seller will execute such affidavits and undertakings reasonably required by the Title Company to issue an owner's policy of title insurance at Closing to Purchaser in the amount of the Purchase Price, subject only to the Acceptable Exceptions.
 - f. In the event of a default by Seller under this Agreement, which default is not cured by Seller within five (5) days after written notice thereof to Seller, Purchaser, at its option and subject to Purchaser's options under Section 4 hereof, may: (i) terminate this Agreement, whereupon Escrow Agent shall return to Purchaser the Deposit, and upon receipt, the parties shall be relieved of all further obligations hereunder; and/or (ii) seek specific performance of Seller's obligations hereunder.

8. **Default.** In the event of a default by Purchaser hereunder not cured by Purchaser within five (5) days after written notice thereof to Purchaser, Escrow Agent shall deliver to Seller the Deposit, as agreed-upon liquidated damages for such breach as the sole and exclusive remedy for default of Purchaser, whereupon the parties shall be relieved of all further obligations hereunder.

In the event of a default by Seller under this Agreement, which default is not cured by Seller within five (5) days after written notice thereof to Seller, Purchaser, at its option and subject to Purchaser's options under Section 4 hereof, may: (i) terminate this Agreement, whereupon Escrow Agent shall return to Purchaser the Deposit, and upon receipt, the parties shall be relieved of all further obligations hereunder, and/or (ii) seek specific performance of Seller's obligations hereunder.

9. **Prorations.** Real estate taxes shall be prorated as of the date of Closing; provided, however, that assessment lien(s) which have been certified as of the date of Closing shall be satisfied by Seller at Closing.

10. **Closing Costs.** The parties shall bear the following costs:

- (a) Purchaser shall be responsible for payment of the (i) recording taxes in connection with recording the "Deed" (hereinafter defined"), except for the grantor's tax, and (ii) costs to obtain the Title Policy issued to Purchaser pursuant to the Commitment.
- (b) Seller shall be responsible for payment of the costs of curing any Title Defects and the recording costs in connection with any curative instruments relating to same. Seller represents that the Deed shall be exempt from grantor's tax pursuant to Virginia Code Section 58.1 – 811 (C)(4).
- (c) Each party shall be responsible for payment of its own legal fees, except as provided in Section 16(c) hereof.

11. **Closing.** The "Closing" shall be held at the offices of the Purchaser's attorney, Randall/Page Law Group, or such other location as may be mutually agreed to by the parties, ("Closing Date") within fourteen (14) days following receipt by Purchaser of all Approvals. The Closing shall be held in escrow and neither party shall be required to be physically present in the offices of Randall/Page Law Group on the Closing Date. At Closing, the following shall occur:

- (a) Seller shall execute and deliver to Purchaser the following documents with respect to the property:
 - (i) A special warranty deed ("Deed") subject only to the Acceptable Exceptions;
 - (ii) An appropriate mechanic's lien and possession affidavit in a form reasonably satisfactory to the Title Company;

- (iii) A non-foreign affidavit in a form reasonably acceptable to Purchaser;
 - (iv) Such other documents that the Title Company may reasonably require in connection with the issuance of the owner's policy to Purchaser and the delivery of good and marketable title to the Property from Seller to Purchaser as provided in this Agreement.
- (b) Purchaser shall deliver the Purchase Price (subject to prorations and adjustments provided for herein, including, but not limited to, a credit for the Deposit).
- (c) Both parties shall pay their respective costs by wire transfer, or by cashier's check drawn on a bank reasonably acceptable to Escrow Agent.

12. Brokers. Seller and Purchaser each hereby represent to the other that neither of them has contacted, contracted with or entered into any agreement with any real estate broker or agent in connection with the purchase and sale of the Premises, and that neither has taken any action which might result in any real estate broker's, finder's or other fee or commission being due or payable in connection with this transaction.

13. Assignability. Purchaser may assign its rights hereunder to any affiliate of Purchaser, including a special purpose entity under common control with the Purchaser created to take title to the Property, without the consent of Seller, provided, however, that upon any such assignment, the Purchaser shall not be released of its obligations, if any, under this Agreement and any such assignee shall agree to be bound by the terms and conditions set forth in this Agreement. Purchaser shall not assign to any non-affiliate third party without the prior consent of Seller.

14. Notices. Any notices required or permitted to be given under this Agreement shall be in writing and shall be deemed given if delivered by hand, sent by recognized overnight courier (such as Federal Express), transmitted via facsimile transmission or mailed by certified or registered mail, return receipt requested, in a postage pre-paid envelope, and addressed as follows:

If to Seller at:	City of Franklin R. Randy Martin 207 W. Second Avenue Franklin, VA 23851 Email: rmartin@franklinva.com
With a copy to:	H. Taylor Williams, IV City Attorney 207 W. Second Avenue Franklin, VA 23851 Email: twilliams@franklinva.com
If to Purchaser:	Kevin E. Roughton 22465 Harvest Drive Franklin, VA 23851

With a copy to:

Randall/Page Law Group
143 N. Main Street
Suffolk, VA 23434

Notices personally delivered or sent by overnight courier shall be deemed given on the date of receipt, notices via facsimile transmission shall be deemed given upon transmission and notices sent via certified mail in accordance with the foregoing shall be deemed given when deposited in the U. S. Mails.

15. Risk of Loss. If, prior to Closing, the Property or any material portion thereof is destroyed or damaged or taken by eminent domain, Seller shall promptly notify Purchaser and Purchaser shall have the option of either: (i) canceling this Agreement by delivery of written notice to Seller, whereupon Escrow Agent shall return to Purchaser the Deposit if any is then held, and both parties shall be relieved of all further obligations under this Agreement ; or (ii) Purchaser may proceed with the Closing, whereupon Purchaser shall be entitled to (and Seller shall assign to Purchaser all of Seller's interest in) all insurance and/or condemnation payments, awards and settlements applicable to the Property other than the personal property or improvements located thereon .

16. Miscellaneous.

- a. This Agreement shall be construed and governed in accordance with laws of the Commonwealth of Virginia and in the event of any litigation hereunder, the venue for any such litigation, shall be in Southampton County, Virginia. All of the parties to this Agreement have participated fully in the negotiation and preparation hereof and, accordingly, this Agreement shall not be more strictly construed against any one of the parties hereto.
- b. In the event any provision of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or reconstructed as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.
- c. In the event of any litigation between the parties under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and court costs through all trial and appellate levels. The provisions of this subparagraph shall survive the Closing and any termination or cancellation of this Agreement.
- d. In construing this Agreement, the singular shall be deemed to include the plural, the plural shall be deemed to include the singular and the use of any gender shall include every other gender and all captions and paragraph headings shall be discarded.
- e. All of the Exhibits to this Agreement are incorporated in and made a part of this Agreement.
- f. This Agreement constitutes the entire agreement between the parties for the sale and purchase of the Property, and supersedes any other agreement or understanding of the parties with respect to the matters herein contained. This Agreement may not

be changed, altered or modified except in writing signed by the party against whom enforcement of such a change would be sought. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

- g. The parties hereby agree that time is of the essence with respect to performance of each of the parties' obligations under this Agreement. The parties agree that in the event that any date on which performance is to occur falls on a Saturday, Sunday or state or national holiday, then the time for such performance shall be extended until the next business day thereafter occurring.
- h. This Agreement and any subsequent amendments hereto may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original and all of which shall be deemed to be one and the same instrument. Facsimile transmission signatures shall be deemed original signatures.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

SELLER:

CITY OF FRANKLIN, VIRGINIA

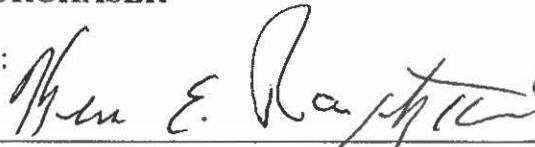
By:

Name: Frank M. Rabil

Title: Mayor

PURCHASER

By:



Name: Kevin E. Roughton

Title: Owner



Office Of The City Manager
R. Randy Martin

April 4, 2018

To: Mayor & Council Members
From: R. Randy Martin
SUBJECT: City Manager's Report

The following are items to be included in the City Manager's Report at the April 9th Council meeting:

- 1) I followed up with Mr. George Reid who spoke during citizens' time at the last meeting about his questions regarding sewer service and billing charges. He thanked me for the information and said he was satisfied with the responses.
- 2) I will present a recommendation on The Local Choice City Employee Health Insurance plan renewal at the next meeting for action to implement the plan renewal effective July 1, 2018.
- 3) At the next meeting, I expect to present Fire & Rescue Department recommendations discussed last fall with the Chief concerning EMS rate revisions and Paramedic level staffing concerns.
- 4) Also at the next meeting, annual utility billing and EMS billing charge offs will be presented for Council action.
- 5) Be reminded to update your calendars for each of the budget related meeting dates which remain from the previously approved tentative budget calendar. They are listed in the upcoming items section of the agenda beginning with tomorrow night's joint meeting with the School Board which was discussed at the last Council meeting.
- 6) In response to the Council Discussion at the last meeting, I have enclosed information from the Rawls Museum website (www.rawlsarts.com) describing their mission and programs. Also included is an excerpt of the Council approved minutes from April 13, 2015 on the same topic. This is the meeting I was referring to at the last Council meeting at which a representative of the agency attended the Council's budget work session and made a presentation.
- 7) In partnership with Franklin Parks & Rec, the Down the Middle Foundation is hosting a Family & Friends Day on April 14th, 2018. A flyer has been included herewith & distributed at your seat for this Little League day of activities at Armory Park. Also, on

the same day at the Armory Park big baseball field, Paul D. Camp Community College's baseball team, the Hurricane's, will have a double header beginning at 1:00 p.m. Between the games at 3:15 p.m., local ministers are planning a Franklin's Community Day of Prayer activity at the baseball field. Enclosed in the agenda is a copy of the article that was published in the Tidewater News.

- 8) I am pleased to report, Power & Light Director Mark Bly and I have concluded negotiations for the Electric meter reading & billing utility assessment discussed at the last Council meeting. Bellwether Management Solutions, a Charlotte, North Carolina based company has been selected to perform the scope of services also reviewed at the last meeting. As soon as the proposed contract is reviewed by the City Attorney, the Company will proceed to perform the following duties:
- Select 823 meter locations to be audited and surveyed across Franklin's service area which will equally represent the number of meters, and meter types, for each meter read route.
 - Collect a physical meter read at Franklin's customer service locations. Bellwether will compare their reads versus those of Franklin's meter reading technicians to confirm the meter reads for the 823 customer locations are the same. Any differences in meter reads will be documented by Bellwether.
 - Confirm proper meter form.
 - Confirm meter is operating properly.
 - Verify meter verses the billing record.
 - Verify serial number.
 - Visually check for multipliers.
 - Inspect the site location for potential safety hazards and record such if found.
 - Collect GPS data coordinates.
 - All information will be recorded using a handheld mobile computer and the collected data will be provided to Franklin in electronic format.
 - Bellwether employees shall immediately report to Franklin any observed unsafe conditions. Bellwether employees shall not leave site until the hazard is corrected or are authorized to leave by Franklin personnel.
 - Comply with all of Franklin's safety rules and procedures.

This list constitutes the scope of work for the project.

The meter reading aspects will be performed and timing coordinated with the City's meter reading staff during the month of May, 2018 and the results of the company's complete findings are expected to be available in June, 2018. The cost of the efforts is set by the terms of the contract based primarily upon a per unit charge of \$4.00 per site for approximately 15% of the City's customer base. The total estimated cost is expected to be less than \$4,000. Enclosed is a flyer which lists the company's portfolio of services including a highlighted section on the type of services the City is requesting.

Enclosures

1. MISSION AND PROGRAMS

MISSION STATEMENT

To promote, encourage and develop interest in, knowledge of, appreciation for and practice of the arts, to provide collective cultural enrichment for the people of the City of Franklin, and the counties of Isle of Wight, Southampton, Surry, and Sussex.

Rawls Museum Arts, (RMA), is a non-profit, tax-exempt organization with a history of involvement in the arts. RMA is committed to bringing the many facets of art into the lives of people in Isle of Wight, Southampton, Surry, Sussex counties and the City of Franklin. Rawls Museum Arts offers exposure to exhibitions of fine art, musical programs, and hands-on workshops in studio art techniques, and applied art as well as lectures in art history and art appreciation to a diversified audience. Among its programs are the following: Education Outreach with the area school systems, changing exhibitions, community outreach art classes, concerts, lectures, workshops sponsored by VMFA, visiting artists' workshops, Blackwater Artist League Workshops, Educators' Workshops, summer art camps. Since 1999 RMA has presented programs and exhibitions in its new facility consisting of 4500 square feet of which there are two expansive exhibition galleries and a gift shop. And RMA continues to host the VMFA Mini Summer Teacher's Institute.

2. COMMUNITY

RMA serves the City of Franklin and the counties of Isle of Wight, Southampton, Surry and Sussex. The area served is predominately rural. A diversified group of people has the opportunity to visit our nearby arts museum and take advantage of the many programs offered. The Education Outreach Program, through funding, buses in eleven different classes of students from Southampton County Schools, Southampton Academy, the Home School program and the City of Franklin School systems to spend time each month in intensive art instruction and art appreciation in our workshop.

3. ROLE IN THE COMMUNITY

Rawls Museum Arts is a partner with the Virginia Museum of Fine Arts. Professionals from VMFA present workshops and lectures, plus RMA is able to make use of the wide variety of its traveling exhibitions. For other exhibitions, RMA seeks judges, jurors and artists who will help raise the standards of artistic excellence for the Museum. Staff members stay connected to the changing trends and requirements for excellence through professional seminars and workshops. We continue to offer programs sponsored by the Cameron Foundation that include Artist in Residence positions and arts programs to Sussex County Schools as part of the Cameron Foundation's rural initiative focus.

4. LEADERSHIP ACTIVITIES

A. The Director served as juror to numerous shows including the upcoming ODU Student Exhibition and the Tidewater Community College Student Exhibition. The director was also asked to speak to seniors at ODU regarding professional practices. The gallery provides gallery tours to residents of the area and numerous student groups. Additionally the President of the Board,

Lynette Allston has served on the NEA panels recently and numerous times in the past.

B. The director has contacted representatives from the state to support arts programming and hosted Randy Forbes at RMA for a community meeting.

5. AUDIENCE DEVELOPMENT

RMA participates in a regional trade show presented at the Workforce Development Center in Franklin. We have sought our grants to serve our neighboring county of Sussex to bring arts experiences to the students as well as the opportunity to visit the gallery. For the past several years we have hosted the VMFA Teacher's Institute that has brought in many new faces from around the region. We have grown a new arts and crafts league to 200 online members. This year we are planning to begin programs where we offer parties for adults to seek out new members from our community.

6. ARTS EDUCATION

RMA does not exist primarily for people between the ages of 18 and younger, however the Museum focuses much of its attention on developing artistic skills and art appreciation in that arena. The Education Outreach program in collaboration with the school systems is considered one of the most important offerings RMA gives to the community, followed closely by providing state-of-the art instructors for the tuition-based art classes.

7. OPPORTUNITIES FOR YOUTH

RMA is responsive to the needs of the youth in the community and realizes the importance of fostering the young museum-goers. Included in its programs are the following: The Education Outreach program is held during the school year and provides half-day or full day classes for specific grades, fifteen days of the month. It is an intensive course in art appreciation and instruction for students in four school systems, often tying into the SOL requirements and the art instructors' syllabus. Also a variety of after school and Saturday classes are offered to children of all ages. Summer camps are held for teens, pre-teens and the younger students and high school interns are contacted to serve in volunteer and contract projects. RMA also holds a High School Art Show and provides monetary incentives as well as ribbons to aspiring young artists. Pre-school children from Franklin public school system periodically come to the gallery for an art lesson and hands-on project. Additionally the amount of classes being offered at RMA for pre-school students has increased, as has the demand.

8. ARTS FESTIVALS - RMA participates in festivals, however that is not the primary focus.

9. ORGANIZATIONAL SELF-EVALUATION

Qualified judges and jurors, participating artists and the regional arts league – Blackwater Artist League provide an excellent forum for dialogue. The working Board of Directors keeps apprised of the community's responses and reactions to the programs, exhibitions and workshops offered. The attendance at functions is also used as a barometer for ways to improve the quality of shows and increase the awareness of art programs in the area.

RMA provides evaluation forms at the end of each class offered. The Education Outreach students and the partnering teachers are given the opportunity from time to time to evaluate the programs and give feedback on how to improve the offerings.

10. PROFESSIONAL DEVELOPMENT

Staff members stay connected to the changing trends and requirements for excellence through professional seminars and workshops. The staff continues to take classes and attend workshops. The Education Outreach Coordinator attends the summer institutes each year at the VMFA. She also attends workshops throughout the year to learn new art and craft techniques. This year she has been taking stained glass classes.

The director received her MFA from the Vermont College of Fine Arts in February of 2010. She was also awarded a Building Excellence Grant from the Norfolk Foundation in 2004 to become certified in Arts Administration through a program at NYU. This past year she attended the feminist seminars and readings by former teacher Faith Wilding in Chicago during the CAA week there.

Ms. Gooch responded she did not know at this time.

Councilman Rabil asked about the cost per person for the program.

Ms. Gooch stated that once the facility is up and running the projected cost per person will be \$30 a day.

Councilman Rabil asked how long the stay will be for the each client in the proposed facility.

Ms. Gooch replied that this is a long term program; the average stay is nine months but it can be longer based on the needs of the individual to become self-sufficient.

Councilwoman Hilliard asked if they received any other subsidies like grants for the program.

Ms. Gooch stated that they were looking into grants, as well as, funding from healthcare sources.

Councilwoman Murphy asked whether the service was inpatient or outpatient.

Ms. Gooch replied that it was inpatient and the treatment is based on the individual needs of each person.

Councilman McLemore wanted to know what \$30 a day pays for: food, medication or room and board.

Ms. Gooch replied that pays for food, housing and basic necessities.

Councilman McLemore asked how many meals a day they provide for the program participants.

Ms. Gooch replied that they provide three meals a day.

Councilman McLemore asked who they were currently receiving funding from.

Ms. Gooch stated the facility is not constructed, however they have received some grants and funding from foundations for planning purposes.

Ms. Gooch thanked Council for allowing her to present the information on the Healing Place of Hampton Roads.

Mayor Johnson-Ashburn thanked Ms. Gooch for coming to the meeting and recognized the next presenter.

Ms. Leigh Anne Chambers of the Rawls Museum Arts of Courtland, VA came before Council to petition the City of Franklin to provide a match for a Local Government Challenge Grant. The purpose of the grant is to encourage local governments to support the arts. The Virginia Commission for the Arts will match, up to \$5,000 of committed tax monies given by independent town, city, and county governments to arts organizations. This is an excellent opportunity to increase the impact of City spending.

Mayor Johnson-Ashburn clarified that the organization is requesting \$5,000 in local funds to receive the state grant matching funds.

Ms. Chambers confirmed that was true and she stated that the application had already been submitted to the state.

Councilman Rabil asked what guarantee does the museum have as far as the state funds.

Ms. Chambers stated that as long as the city made application she has never known the grant funds not to be funded.

Councilman Rabil asked if the match was \$5,000 total or dollar for dollar.

Ms. Chambers explained that the match is dollar for dollar but the maximum amount is \$5,000. If the city were to give them \$2,000 then the match would be \$2,000 but if it were \$ 10,000 then they would only receive \$5,000.

Councilman McLemore asked what types of services the museum offers to students.

Ms. Chambers gave a brief overview of the organizations programs and how many students they have served versus how many teachers they have.

Mayor Johnson-Ashburn thanked Ms. Chambers for her presentation and then acknowledged the next person on the list.



Family

Friends & Day

Join DTMF for Family and Friends Day
April 14th, 2018

Game Schedule for the Day

- 10:00 am - 11:00 am Gators vs. Miami
- 11:00 am - 12:00 pm Tigers vs. Hurricanes
- 12:00 pm - 1:00 pm Mets vs. Royals
- 1:00 pm - 2:00 pm Nationals vs. Mets

** All games are held on Armory Field*



FREE

Hot Dogs and
Cracker Jacks
Will be Served
During the
Games



Community Day of Prayer intended to unite city

By Stephen Cowles

[Email the author](#)

Published 1:29 pm Wednesday, April 4, 2018

FRANKLIN

Although the National Day of Prayer is little less than a month away, pastors in Franklin are organizing a Community Day of Prayer on Saturday, April 14, at 3:15 p.m. But this service to lift up the city won't take place in a church sanctuary. Instead, as a way to attract more people it will be done on Armory Field. Further, this will take place between games of the PDC Hurricanes and Stratford University Cardinals. That first game of the double-header is scheduled to start at 1 p.m.

The Rev. Dr. Charles Qualls of Franklin Baptist Church and the Rev. Anthony M. Rawlings of Celebration Church said on Tuesday they anticipate the program to commence at 3:15 p.m., and last no more than 30 minutes, just in time for the second game, which is set to begin at 4 p.m. They added their gratitude to PDC Hurricanes Head Coach David Mitchell and PDCCC President Dr. Dan Lufkin for allowing the service to take place when and where desired.

In addition to Rawlings and Qualls, two other pastors are involved in setting up the service: Matt Kidd of Kingdom Life Ministries and the Rev. Nathan Decker of High Street United Methodist Church.

The service will focus on four needs for Franklin: Community, Education, Leadership and Peace. So far, Mayor Frank Rabil is scheduled to speak on the second topic. The pastors want a diverse mix of adults and teens, black and white as speakers.

The idea for this program began about a month ago, said Rawlings and Qualls. They said they found a need to call the community together.

Rawlings, who will serve as event emcee, said "My greatest hope is that people will see themselves coming together. As a city, we're better together."

"Differences are so easy to see," said Qualls. "People can be brought together in fellowship and have prayer in common."

Both men hope this service will be the first of many to come.

For more information, contact Rawlings at 304-5195 or Qualls at 562-5135.



Electric, Water & Gas

AMI / AMR Meter Installation

Attention to detail and accurate data collection is the key to a successful Automated Meter Infrastructure (AMI) / Automated Meter Reading (AMR) implementation. As a Meter Installation Company for Electric, Water, and Gas utilities, Bellwether's procedures and dedicated project management ensure quality care is given to all facets of the AMI / AMR implementation and meter installation processes. This includes tracking of inventory, on-site collection of the required meter information, removal of old meter, jaw tension testing, new AMI / AMR meter installation, updating meter information in the client's CIS / billing system, and if requested, retrofitting the old meter. Bellwether is the right Meter Installation Company for your utility!

Meter/Site Audit

Already have AMI/AMR? If so, it remains vital to regularly set eyes on your investment. Regular verification of your assets, and their performance in the field, is crucial to lightening up the "bottom line", and avoiding safety hazards! Bellwether will Verify Reads, Verify GIS Data, Verify Meters vs Billing Records, Verify Meter Serial Numbers, Check for Multipliers, Check for Hazards, Conduct Site Safety Audits and more!

Meter Field Services

As a Meter Field Services company, Bellwether's personnel are dedicated to delivering quality service that helps the utility improve field operations while reducing cost and minimizing customer complaints. Bellwether's goal is to provide a service that is adaptable and responsive to the client's needs in all areas of field activities including: Meter Audits Disconnection, Re-connection, Termination of Service, Meter Change Outs and Collections.

Contract Meter Reading

Since meter reading is considered the "cash register" of the utility industry, the accuracy and timeliness of reads is crucial to maintaining revenue flow. Bellwether provides professional, reliable personnel for contract meter reading services who deliver timely and accurate reads and represent your company with pride. By choosing Bellwether's contract meter reading service, a utility can reduce personnel costs and also create an opportunity for a seamless transition to AMI (Automated Meter Infrastructure) / AMR (Automated Meter Reading). Bellwether is the meter reading company you can trust to deliver quality service you depend on.

Focused On Safety and Reliability

When choosing a Contract Meter Reading, Meter Field Services, or Meter Installation Company, Safety and Reliability are two qualities that should be highly considered. While in the field, Bellwether is representing your company and while doing so, our goal is to meet or exceed your safety and reliability standards as we perform our duties. Our extensive training program ensures all of our employees will be equipped to handle situations in the field safely and accurately. Bellwether has built a reputation of quality service and reliability in everything we do.

Videos

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