MINUTES REGULAR MEETING DECEMBER 14, 2021

The regular meeting of the Council for the City of Covington was held on Tuesday, December 14, 2021, at 6:30 p.m. at Council Chambers in City Hall, 333 W. Locust Street, Covington, Virginia.

The meeting was called to order by Mayor Thomas H. Sibold, Jr. The invocation was given by Pastor Pete Moore, followed by the Pledge of Allegiance.

Roll call of Council showed all members present as follows: Mayor Sibold, Vice Mayor David S. Crosier, Councilman William E. (Lance) Carson, Jr., Councilman Raymond C. Hunter, and Councilman S. Allan Tucker.

City Manager: Krystal Onaitis

City Attorney: Mark Popovich

APPROVAL OF AGENDA

Vice Mayor Crosier made a motion to add to the agenda Appropriations Resolution R-21-62 for Utility Relief Assistance from ARPA funds, and Mr. Hunter seconded. Mr. Crosier then made a motion to approve the agenda, Mr. Tucker added a second, and members agreed by consent to both.

CITIZEN COMMENTS

There were no Citizen Comments.

CORRECTION AND APPROVAL OF MINUTES

On a motion by Vice Mayor Crosier, seconded by Mr. Tucker, Council consented to approve the following minutes as presented: Work Session on November 2, 2021; Regular Meeting on November 9, 2021; and a Called Meeting on November 22, 2021.

APPOINTMENTS

Vice Mayor Crosier made a motion, seconded by Mr. Hunter, to appoint Kathy Lamb Carson to the Social Services Board, and Council agreed with an "aye" vote. Her term will expire on December 31, 2025.

SPECIAL PRESENTATIONS

Council heard a presentation from Bryan Cichocki, Project Manager from the Timmons Group for an update on the site-ready pad at the Alleghany Commerce Park. Although Lee Downey of Hunton, Andrews, and Kurth was not on the agenda, he joined Mr. Cichocki and spoke about the Alleghany Highlands Economic Development Corporation's new business plan. Mr. Downey reviewed the goals the AHEDC had accomplished in the past year, which included the following:

- --Review of existing economic development programs, resources, sites, and initiatives
- --Review of competitors for existing and future sites in the Alleghany Highlands
- --Review of target industries suitable for existing and future Highlands' sites
- --Marketing and rebranding the AHEDC
- --Industrial site review and recommendations.

Mr. Downey said the first step involved extensive photography for portfolio development for websites, social media, and print ads that would be available for future needs in tourism, recreation, business and industry. The new AHEDC logo and a portion of their website was shown, as was a bar graph detailing interest from increased prospects in the Alleghany Highlands for Virginia Economic Development Partnership projects for existing structures at Bacova, Low Moor, Rail Over River, and the Williams Building and future potential at the site-ready pad. His follow-up presentation involved analysis completed through modeling software JobsEQ based on two projects in rural Virginia that had similarities to potential companies that could conceivably locate in the Alleghany Commerce Center. Both showed an increase in direct, indirect, and induced jobs and earning potential.

Mr. Cichocki reviewed progress made in the last four months at the pad-ready site. In four months, Timmons' employees have compiled the boundary plat; completed phase one of the environmental studies with an Endangered Species Review and Wetlands Delineation; and a geotechnical evaluation by November 30. He said sixty percent of the grading has been completed. Work is currently progressing on addressing plan comments; internal quality control review, the bid process for early tree clearing, phases 1-3 for environmental permitting, easement platting, and full project bids. He believes the plan resubmission for the second review will occur in January 2022, with the project being bid out in January and February and construction slated to begin in April. Mayor Sibold asked what work must happen before grading, and Mr. Cichocki said tree removal would be bid first and would be completed prior to April 1.

REPORT OF THE CITY MANAGER

1. Economic Development: The Historical Main Street Revitalization Project option agreement for Project Sparkle has been completed by City Attorney Popovich and will be presented to the IDA on Jan. 10. Once the memo of understanding is executed, she will discuss specifics after the document becomes public. Assistant City Attorney Mike Lockaby is currently researching how ARPA funds can be implemented for the small business grants and Main Street coordinator position.

Requests for proposals for project-based vouchers have been advertised for the Rivermont Redevelopment Project, and the project will be submitted to Virginia Housing, formerly VHDA, in March. One developer has already expressed an interest.

- 2. Rayon Bridge: Survey work will be finished by December 31, with more activity to occur in January. This is a VDOT-led and managed project with Volkert as the primary contractor. Timmons will be a subcontractor.
- 3. Maple Avenue Phase II: Project is "nearly 99 percent" complete with project documentation and invoicing being finalized by December 31. Phase III received a "solid verbal" commitment from a VDOT senior management engineer for implementation, with the project being pared down from \$1 million to \$600,000. Mr. Carson asked who would be overseeing the project, and she stated that Public Works Director Patrick Madigan and Parks & Recreation Director Allan Dressler would be collaborating on it.
- 4. Route 220 Transportation Alternatives Grant Proposal: Proposal is still in the running and labeled "highly competitive," with rankings to be released in March.
- 5. EQ Basin: Project is moving forward even though costs are increasing and construction materials are difficult to obtain.
- 6. Nettleton Property: Advertisement for bid will go out by the end of this week.
- 7. Joint Services: Inmate housing continues to be discussed with officials from Alleghany and Bath counties to find a collaborative effort to address regional needs and cost management. A joint request for proposals with Alleghany, Bath and Rockbridge counties will be complete by December 31 for a feasibility study and long-term solutions for housing and per diem costs.

The Consolidated School Committee continued to work with AECOM this week for the facilities study. Mr. Popovich, the City's municipal financial advisers, and Ms. Onaitis are meeting to set the framework to determine rates for leasing by the consolidated school system from the City. They plan to determine what events will be used to track expenses the first year in order to adopt long-term rates.

UNFINISHED/OLD BUSINESS

Ms. Onaitis presented information on the need to recruit and retain employees, stating that while the City can't compete with private employers in the area, Covington does need to raise wages to become competitive with other localities for skilled workers. She examined at the impacts of a 3.5 percent cost-of-living adjustment (COLA) and found that for employees making less than \$15 per hour, a four percent COLA is needed and will not financially strap the FY 2021 budget. She said in the next 1-3 years, many "seasoned" employees will be eligible for retirement, and the problem is in recruiting and retaining entry level employees.

The federal minimum wage climbs to \$15 per hour in 2025, and the inflation rate for the last 12 months is an unprecedented 6.8 percent. The City has 95 full-time employees, and 37 of them (38.9 percent) make less than \$15 per hour. Eight of eleven part-time employees make less than \$13.50 per hour. Many of these are considered living below poverty level if they have children and a non-working spouse. Traditionally longevity raises have been used, but they tend to cost more and do not significantly impact the starting wage or in attracting employees. Mr. Carson stated that employees are "the heart of the City," and longevity raises don't help them in building retirement. Mayor Sibold said the City's benefits make the difference in employee costs and asked how much it costs per employee for benefits. Ms. Onaitis said she didn't know but stated that benefits tend not to attract younger job-seekers. Vice Mayor Crosier asked how quickly a raise could be completed and if healthcare costs could be targeted mid-year. She said that employee raises could begin within the next month without impacting the budget. Finance Director David Bryant stated that healthcare costs could not be changed at this point. Mayor Sibold reminded all that employee raises could and potentially will lead to tax increases, and real estate and personal property taxes were raised in July to complete projects. Vice Mayor Crosier said he was willing to raise taxes if it meant helping employees and made a motion to give employees a cost-of-living adjustment of 4.5 percent beginning on January 1, 2022. Mr. Carson seconded, and a roll call showed a unanimous decision: Mayor Sibold: For; Vice Mayor Crosier: For; Mr. Carson: For; Mr. Hunter: For; and Mr. Tucker: For.

On a motion from Mr. Crosier, seconded by Mr. Tucker, Council voted unanimously to approve R-21-58, an Appropriations Resolution for an Engineering Study for Consolidated Sports Facilities from the Alleghany Foundation, \$134,314.00 (no local match). The vote showed Mayor Sibold: For; Vice Mayor Crosier: For; Mr. Carson: For; Mr. Hunter: For; and Mr. Tucker: For.

Vice Mayor Crosier made a motion to approve Appropriations Resolution R-21-59 for Covington City Schools, School and Cafeteria funds from the American Rescue Plan Act Elementary and Secondary Emergency (ESSER) Fund, \$1,790,868.00 and \$6,762.00. Mr. Tucker added the second, and the unanimous vote showed Mayor Sibold: For; Vice Mayor Crosier: For; Mr. Carson: For; Mr. Hunter: For; and Mr. Tucker: For.

Concerning R-21-60, an Appropriations Resolution from the General Fund for Ingevity Tax Refund for 2017-2020 in the amount of \$263,232.93, Vice Mayor Crosier made a motion to approve. Mr. Tucker seconded, and Council approved; Mayor Sibold: For; Vice Mayor Crosier: For; Mr. Carson: For; Mr. Hunter: For; and Mr. Tucker: For.

Vice Mayor Crosier made a motion to approve Resolution R-21-61, a Resolution Urging the General Assembly to Require and Fund Timely Transfers of Inmates and Fully Reimburse Local Housing Costs, and Mr. Tucker seconded. The vote showed a unanimous decision with Mayor Sibold: For; Vice Mayor Crosier: For; Mr. Carson: For; Mr. Hunter: For; and Mr. Tucker: For.

For the resolution added at the beginning of the meeting, Appropriations Resolution R-21-62 from ARPA (state) funds for Utility Relief for Water and Sewer, Vice Mayor Crosier made a motion to accept, and Mr. Tucker seconded. The vote was 5-0 with Mayor Sibold: For; Vice Mayor Crosier: For; Mr. Carson: For; Mr. Hunter: For; and Mr. Tucker: For.

NEW BUSINESS

Vice Mayor Crosier said in light of the recent tornado tragedies that occurred in Kentucky, he thought it would be in the best interest to review and possibly revise the Emergency Operations Plan. The regional committee used to meet in May and November of each year, but the Covid pandemic stopped those meetings. Mr. Carson said he had served as a representative for Social Services on a committee that met every three months to identify needs for mental health issues. Public Safety Director Chris Smith said former Zoning Official Eric Tyree had developed the new plan 2-3 years ago. Organizations in the area sent information on hazardous materials locations, which Chief Smith has compiled and kept centrally located. He will meet with Alleghany County Emergency Coordinator Ryan Muterspaugh. He also plans to contact the Virginia Department of Emergency Management for help. Chief Smith stated all incidents are "situational" depending on the crisis and needs, especially since the City will be competing with other localities for supplies and equipment. Ms. Onaitis said that while several organizations have emergency plans, most have no continuity plan, but the City does. Regionally a shared

emergency operations center in a safe location is vital for key people to meet and assess each situation.

CLOSED SESSION

Vice Mayor Crosier made a motion to enter Closed Session pursuant to the Freedom of Information Act Section 2.2.-3711(A)(1) of the Code of Virginia the purpose of discussing specific council-appointed personnel. Mr. Tucker seconded, and members consented with an "aye" vote.

After returning from Closed Session, Council voted by consensus to certify that only the matter stated was discussed on a motion by Vice Mayor Crosier, seconded by Mr. Tucker,.

With no further business to come before Council, the meeting was adjourned on a motion from Vice Mayor Crosier and seconded by Mr. Tucker.

> THOMAS H. SIBOLD, JR., MAYOR PRESIDENT OF THE CITY COUNCIL AND, AS SUCH, EX-OFFICIO OFFICER OF THE CITY OF COVINGTON, VIRGINIA

ATTEST:

CITY CLERK