

**MINUTES
WORK SESSION
JUNE 07, 2022**

A work session of the Council for the City of Covington was held on Tuesday, June 07, 2022, at 6:30 p.m. in the Council Chambers of City Hall located at 333 W. Locust Street, Covington, Virginia.

The meeting was called to order by Mayor Thomas Sibold, Jr., with the following members present: Mayor Sibold, Vice Mayor David S. Crosier, Councilman William E. (Lance) Carson, Jr., Councilman Raymond C. Hunter, and Councilman S. Allan Tucker. Also present were City Manager, Krystal Onaitis and City Attorney, Mark Popovich.

APPROVAL OF AGENDA

Vice Mayor Crosier made a motion to approve the agenda with additions for the June 7, 2022, meeting. The additions were as follows: Ordinance O-22-02 regarding personal property and machinery and tools tax; Ordinance O-22-03 regarding real estate taxes, and Resolution R-22-19 regarding \$13,306.50 proceeds from a settlement granted by the Attorney General related to water treatment chemicals. Councilman Tucker seconded the motion and members agreed by consensus.

PUBLIC HEARING-CITIZEN COMMENTS

Mr. Harold Hostetter, 3120 Pitzer Ridge Rd, started off by saying thank you to the Treasurer's office, Commissioner of Revenue, and Public Works, stating that nothing he has ever asked for has not been done. With that being said, Mr. Hostetter stated that he did have some questions. He inquired about the tinted windows at City Hall, wanting to know where they come from and was there anything better we could have spent the money on, such as the terrible roads in Covington.

Mayor Sibold advised that the windows were tinted with the idea of helping to reduce the amount of heat in the building from the sun shining through the windows. This has helped with the air conditioning costs. When Mr. Hostetter inquired about the cost of the tinted windows, Mayor Sibold advised him that they would discuss it later.

Ms. Wanda Martin, 3073 Wildwood Drive, implored Council to try and reduce the tax rate on the second half of the personal property taxes. She explained that her reassessment for her 2019 vehicle went up to \$41,900. She said that she did not even pay that much for the vehicle when it was bought in 2019 and that it was going on four years old due to new vehicles coming out in the fall of 2022. She said the assessment was astronomical, and if council thought about all of the older, retired people such as herself, with having to buy prescription drugs and other necessities, how were they going to continue being able to pay taxes? She said she could understand reassessing some, but she thought it was an awfully large amount and implored Council to take it into consideration.

Mrs. Eunice D.W. Clark, no address given, spoke about the budget in regards to the population of the city of Covington. She stated that the 2010 census showed that Covington lost 8.79 percent of its population. She said that the census that

was conducted in 2020 showed Covington's population at 5,717 people. She went on to say that our population is shrinking every year, and if Council continues to raise taxes, whether personal property or real estate, it's going to create a real problem with the like possibility of more people moving out. She expressed her sadness that there are no stores on Main Street and advised Council that more jobs and venues were needed in Covington. She advised that her personal property taxes for the year are \$2,800. She advised that her neighbor's personal property taxes had jumped to \$3,300 for the year, which is not counting the new reassessment, which according to the Commissioner of Revenue, could be 30-40 percent. She advised Council that their taxpayers could not afford that kind of increase and she hopes that they will look at the budget and see what they can cut and/or reduce. Mrs. Wright stated that in 1974, when President Carter was in office, Covington had the same issue with gas tax and car values continually rising. She said, at the time, Marie Carter Via, then Commissioner of the Revenue, froze the value of vehicles. Mrs. Wright exclaimed that a lot of people want to know what Council is planning to do with the extra money received from the increase in personal property taxes. She added that she is very pleased to hear that the city manager received \$1.7 million from the federal government to put on Covington's sewer plant. She thanked Congress for sending money to localities to get these projects going. Mrs. Clark confirmed with City Manager, Krystal Onaitis, that the city had 25 years to pay back \$6,000,000. Mrs. Clark reiterated that Covington was going to lose more population if Council continued to raise taxes. She said she would like for Council to revisit their budget and see if adjustments can be made. She also stated that our governor had just passed his budget last week and to have empathy for the elderly, sick, and widowed citizens of Covington. She thanked Council for hearing her concerns. Council thanked her for speaking.

Ms. Ruth Fleming, no address given, spoke regarding Casey Field, the sports complex at Covington High School. She stated that Casey Field had always been an award winning feature of our city and, at one point, was a national award winner. She expressed concern that maintenance of Casey Field would be taken over by Alleghany County once Covington City and Alleghany County merged school systems. City Manager Onaitis and Mayor Sibold assured Ms. Fleming that ownership and maintenance of Casey Field, along with its facilities, would be retained by the city of Covington. Mayor Sibold advised that there was an agreement between the city and the county that Covington will maintain ownership of the facility and the county will lease the use of Casey Field, maybe for one dollar. Ms. Onaitis advised that they have been studying how to improve the locker rooms and restrooms, as well as the field conditions, because there will be larger groups with the combined school system. She will be meeting with Covington City Schools' Superintendent, Melinda Snead-Johnson and Alleghany County Schools' Superintendent, Kim Halterman, tomorrow to discuss how to ensure there are adequate locker rooms for the children in the new school system. She stated that what we have now is not adequate even though it meets the needs for the number of students. Ms. Onaitis advised that they have been working with the Alleghany Foundation for funding of this project. She said the state had passed a very large school construction bill recently (around \$63,000,000) to assist localities with making improvements to school systems. They are looking at how to use and apply for those funds to go forward. Ms. Onaitis reconfirmed that Casey Field will remain city property and that the city and Allen Dressler, Director of Parks and Recreation for Covington, will continue maintaining the field and facilities. Ms. Fleming thanked Council and Ms. Onaitis for answering her questions. Council thanked her for speaking.

Eunice D.W. Clark, no address given, inquired about Council imposing a road tax for multiple use commercial trucks to help offset the cost of repairing the curbing along sidewalks. She feels like the large trucks are causing most of the damage to the roads in Covington, not the smaller vehicles. She stated that she'd recently seen an 18 wheeler crush a curb by the Covington Hardee's. She also inquired about the bridge near AET, formerly Hercules, and whether or not it was going to be repaired or rebuilt. She stated that the citizens are very interested in what is going on in their city and want to see where their money is going. Mayor Sibold asked Mrs. Clark if she'd looked at the budget. She stated that she had not had a chance to see it and that she was under the impression that she has to come to City Hall and make an appointment, and that she would not be allowed upstairs. Mayor Sibold advised her to make an appointment and someone would take her upstairs. He advised that the asphalt budget this year is \$750,000, about three times what it's been since he's been on Council, so Council is attempting to improve and maintain roads in Covington. Mrs. Wright said she expected service for paying high taxes.

Mayor Sibold closed the Public Hearing

CITY MANAGER'S REPORT

Ms. Onaitis read over highlights of the original budget, dated May 24, 2022, for fiscal year 2023, per city charter, Chapter 4, Section 2. The reason for reference is the city and its staff is required to present to Council for review and consideration of a balanced budget. Then, Council can make any changes to move funds as they see fit. Her report is summarized as follows:

It is my hope that City Council does as it has previously. It is important to all that careful review occurs by Council of the proposed fiscal year 2023 budget.

I know the past two years both budget development and adoption presented uncharted territory for us all, not just in our city, but in all localities as the Covid-19 pandemic impacted all facets of government services and normalcy.

Now, it seems we are also entering into waters that present the unknown, and we have worked carefully and considerably to project state numbers, as the state budget is not finalized. At that point in time, the state had not adopted their budget.

There is also economic uncertainty arising due to a variety of factors outside of our control on the national and international levels of government. I would be remiss if I did not state the obvious, that inflation has begun to impact the cost of acquiring materials for other aspects of city operational areas as well as the minimum wage increases that are mandated. This is covered and costs associated with this are projected in the proposed budget.

This has been especially challenging for our water and wastewater plants, which operate off of funds from service charges. The city administration, based on the need to ensure financial sustainability of the operational maintenance costs of our water and wastewater operations, has proposed a nominal increase of one dollar to the base rate of each of these services. This increase is also recommended by our municipal financial advisor, given that these funds for water and wastewater must be supported by rates from service charges, not local taxpayer dollars per law. The proposed fiscal year 2023 budget is balanced and represents several focuses that are worthwhile to note:

This budget prioritizes mandated services that our city provides with a general fund total of 23.3 million dollars. Roughly, without our programming of federal relief dollars, we had a \$20 million budget of local taxpayer dollars stemming from machinery and tools, real estate, personal property, and other state and federal funds. We programmed ARPA dollars. All federal relief dollars used are consistent with guidelines originally issued of one time needs of equipment, infrastructure, and projects, which is reflected in the budget.

Government administration budget requests were met for the largest part. All constitutional officers received their budget requests as they submitted them.

Sidewalks are funded at \$100,000, which is double what they are normally funded at (\$50,000).

There will be funding for camera technology improvements in the police department as well as a canine officer.

There is funding for the fire department. We're funding improvements to our E911 workstations and software which is needed for proper emergency call response. There is an additional \$220,000 proposed for SCBA breathing equipment. The fire department has already received \$550,000 for the replacement of the utility vehicle that was wrecked on Interstate 64. This came from federal relief dollars.

Using federal relief funds, we're providing \$130,000 in match for rescue funds for EMS and our rescue squad to purchase a new ambulance, also a vital need.

There is \$500,000 included in the budget for capital paving needs on our VDOT maintained roads. There is a total of \$175,000 for our non-VDOT roads such as Lincoln Avenue and Hillcrest Drive, etc. Normally, we fund \$175,000 in an average year for paving. For perspective, \$675,000 worth of paving has the ability to address roughly 40 percent of our roadways with various applications.

VDOT has a program called Revenue Sharing, which is a one for one match, so we have the potential to take the \$500,000 and double it to put \$1,000,000 towards paving.

Fifty thousand dollars has been programmed for bridge repairs, which is separate from our mandated inspection funds. This can be used for joint repairs on the bridge near Whitey's or other things it may need.

We have proposed funds for a brine spreader (winter storm fund) which will help reduce long term costs, such as, less materials, less man hours, less salt. The roads can be pretreated up to 48/72 hours in advance as long as there is no rain.

Parks and Recreation will receive \$23,000 for a new pool cover and other park improvements downtown.

ARPA relief dollars will be put towards Maple Phase III, as VDOT only covers certain portions of the project.

The Jeter Watson Center will continue to receive park improvement funding currently over \$20,000 for drainage and parking area needs as well as fencing needs.

Cedar Hill Cemetery is receiving \$30,000 for the replacement of a utility vehicle to ensure we continue to have respectful burials.

There is \$500,000 earmarked in the utility fund for water and wastewater plant projects, which is outside of our consent order requirement and outside what the Department of Health and DEQ requires.

This is us working to identify needed things to ensure we can continue to have the ability to operate at capacity and continue to grow our system.

Focus is placed on continuing regionalism with funding joint services to the best of our ability with the current projected general fund revenues. Those services include the sheriff's office, Community Services Board, Social Services, and the judicial and court systems, all of which we share with Allegheny County.

We are continuing efforts to promote economic development and tackle blight in a methodic manner.

The Demolition Fund now has \$40,000 proposed in this budget along with \$24,000 for overgrown lots, which is double what it was last year (\$12,000).

The final local match of \$111,000.00 for Rayon Bridge's replacement is included in this budget involving a previous discussion and agreement we had with VDOT. We're paying \$400,000 for the replacement, and the bridge is slated to cost upwards of \$14,000,000.

Dedicated funds for employee relations and adjustments to cover benefit increases and changes are included in this budget.

The cost of living adjustment, approved by Council in January, was 4.5 percent.

We've made sure we have funds for retirement payouts.

The minimum wage increased to \$11.00 an hour and is expected to eventually move to \$15.00 an hour.

We also covered a 9.5 percent health insurance increase for our employees rather than passing it on to them.

Ms. Onaitis stated she trusted Council to consider the proposed budget and its core recommendations for fiscal year 2023 favorably.

Vice Mayor Crosier requested an update on the pad ready site.

Ms. Onaitis stated that the pad ready site at the Allegheny Regional Commerce Center is a joint economic development split 50/50 between Covington City and Allegheny County. She stated that they are starting to see some schedule slips due to delays in the plan review phase. Part of that is due to concerns and questions of adjacent property owners. Hopefully, we can continue to work through the issues and meet projected deadlines. She went on to say that they are starting to lose ground where construction may be delayed and making construction commencement difficult. It's going to be hard to start the first groundbreaking. Concerns are rising that the contractors capable of doing the work will likely take other jobs the longer we wait, which will create a delay. The city and county are moving forward.

Ms. Onaitis said she is very pleased to say is the Virginia Economic Development Partnership is making its second site visit on Friday, June 10th, 2022. They will also be visiting Rail Over River. She stated she and Mr. Reed Walter, the new county administrator, will be showing them both of the sites. Ms. Onaitis said this was exciting because VEDP did not venture out here often and to have them here twice in one year to look at these sites is amazing. They are bringing 6 project managers. At the state level, they are becoming familiar with what we have to offer, which is a great opportunity for us.

Mayor Sibold thanked Ms. Onaitis for the update and report.

Public Comment

Mayor Sibold called Harold (Ozzie) Hostetter to the podium for public comment. Mr. Hostetter inquired about the cost of the tinted windows at City Hall. Ms. Onaitis advised that funds for the tinted windows came from the buildings and grounds fund, meaning that they can only be used for city buildings or the grounds they are on. This includes mowing a city facility and repairs to a city facility. The money comes from a different source than funds used for potholes and sidewalks and cannot be readily moved. Ms. Onaitis advised that as the end of the year drew closer, they had to decide how best to use the leftover building and grounds funds. City Hall had been having ongoing issues with its air conditioning system, which is around 20 years old. She advised that the system had gone out for three weeks last year. She said that per OSHA, office environments cannot rise above 75 degrees, or other arrangements have to be made. She said they attempted to allow employees to work in the mornings, but the employees ended up having to go home once it became too hot. The tinted windows help keep our system from being as strained, reduce energy consumption by around 40-60 percent, and may make the city eligible for energy credits, further lowering our bill.

Mr. Hostetter said he understood. He inquired as to who takes care of zoning in the city. Ms. Onaitis advised that she did on an interim basis and that Officer Butch Brown is handling property maintenance and code enforcement. She told Mr. Hostetter to call 540-965-6300, extension 7, for Ms. Nuckols to set up an appointment for him to get on her calendar.

Mr. Hostetter went on to inquire about an event that was held for city employees, where not everyone who worked at City Hall was invited.

Ms. Onaitis explained two weeks ago, on a whim, she contacted the man who owned a barbecue restaurant, also thinking of setting up a new location on our Main Street, to see if he could get a certain number of orders ready for the next day. She advised that she wanted to do something nice for the frontline staff and public safety folks, who have had a rough year. She said it truly was on a whim and was not intended to slight any one person. She went on to say that holidays and special events were open to everyone and gave details about the employee appreciation event coming up on June 24, 2022, at the Main Street Park/City Pool.

Vice Mayor Crosier thanked Mr. Hostetter for coming to the meeting to inquire about the issue.

Mayor Sibold called Mr. Fred Forbes to the podium for public comment. Mr. Forbes asked Council if they were looking at any recourse on fixing Alleghany Avenue correctly. He said it was really rough where Columbia Gas has been working on the gas lines. He stated there was a big steel plate that had slid up against the curb. Ms. Onaitis advised that every private utility company has a franchise agreement, which is basically a blanket permit, and the language is very loose. She said the city has gotten Dominion Virginia Power to agree to provide advance notice of work, having quarterly meetings, and to perform any restoration work meeting VDOT's standards. Ms. Onaitis said they are monitoring the work of Columbia Gas, and typically, they wait until they are finished with an entire area to do any repairs. They will then repave the entire road surface. She assured Mr. Forbes that the city was working to ensure Columbia Gas would repair Alleghany Avenue according to VDOT's standards.

Mrs. Eunice D.W. Wright expressed another concern regarding the Nettelton Property and the city's intended use for it. Council did not have an answer at this time.

Mayor Sibold announced ordinance and resolution considerations for next week's meeting to be held on June 14th, 2022.

Ordinances and Resolutions

- 1) O-22-01-Budget appropriation for 2022/2023 budget
Vice Mayor Crosier stated agenda
- 2) O-22-02-Personal property/Machine and tool tax (no change)
Vice Mayor Crosier stated agenda
- 3) O-22-03-Real estate tax (no change)
Vice Mayor Crosier stated agenda
- 4) Discuss city school properties (Memorandum of Understanding provided by Attorney Mark Popovich)
Vice Mayor Crosier stated agenda

Mayor Sibold announced upcoming appointments:

- 1) To appoint two representatives to the Board of Zoning Appeals
Vice Mayor Crosier stated agenda
- 2) To appoint a representative to the Social Services Board
Vice Mayor Crosier stated agenda
- 3) To appoint a representative to the Economic Development Corporation (rotating appointment between city and county)
Vice Mayor Crosier stated agenda
- 4) To appoint two representatives to the Planning Commission
Vice Mayor Crosier stated agenda

Mayor Sibold asked the audience if anyone would be interested in joining these boards. There was no response from the audience.

Mayor Sibold announced Ordinances and Resolutions

- 1) R-22-16-To amend city budget at fund level as opposed to function level
Vice Mayor Crosier stated agenda
- 2) R-22-17-Road diet and buffered bike lanes project
Vice Mayor Crosier stated agenda
- 3) R-22-18-Route 220 and Carpenter Drive intersection safety improvements
Vice Mayor Crosier stated agenda
- 4) O-22-13 and O-22-14-Comp plan as recommended by the Planning
Commission
Vice Mayor Crosier stated agenda
- 5) R-22-19-Proceeds from Attorney General's office in the amount of \$13, 205.60
Vice Mayor Crosier stated agenda

Ms. Onaitis explained to Council that there are tax laws and provisions that prevent private companies from price gouging public entities. It was found that the suppliers that provide the coagulant aluminum chlorine, one of the additives we use in our water purification process, they intentionally kept the price higher than it should have been. As a result, the Attorney General filed a suit against the company, and there was a \$1.1 million settlement. Based on the volume of our purchase, our share of the settlement was \$13, 305.60. Ms. Onaitis advised that we did not spend any legal fees. We received a letter yesterday with the settlement check included.

Mayor Sibold announced New Business.

- 1) Proclamation to make July Parks and Recreation Appreciation Month
Vice Mayor Crosier stated agenda
- 2) To discuss a corporate agreement between the city and Commissioner of Revenue's office with Cathy Kimberlin (Commissioner of Revenue)
Vice Mayor Crosier stated agenda


Councilman Hunter expressed concern about the number of cats on Monroe Avenue and Cherry Street. He was advised the city would keep an eye on the situation.

With no other business to come before Council the meeting was adjourned. Vice Mayor Crosier moved to adjourn, Councilman Carson seconded the motion, and all Councilmembers responded with an "aye" vote.



THOMAS H. SIBOLD, JR., MAYOR

ATTEST:



KYLA D. CROSIER, CITY CLERK