

MINUTES
TOWN COUNCIL
TOWN OF SHENANDOAH
SPECIAL MEETING

SEPTEMBER 21, 2010

CALL TO ORDER: The Shenandoah Town Council held a special meeting on Tuesday, September 21, 2010, at 7:00 p.m., with Mayor Clinton O. Lucas, Jr., presiding.

The meeting began with the Pledge of Allegiance.

ATTENDANCE: Council Members present were: Mayor Clinton O. Lucas, Jr.; Vice Mayor William L. Kite (arrived at 7:25 p.m.); Russell Comer, Jr.; Charles Jenkins; I. Michael Lowe; Richard Pierce; and Keith Sampson.

Council Members absent were: None.

Other Town Officials present were: Larry E. Dovel, Town Manager and Juanita F. Roudabush, Assistant Town Manager/MMC.

Citizens present were: Guy Monger, Jr.

Media Representatives: None.

SPECIAL MEETING

Mayor Lucas stated this special meeting was called for the purpose of discussing the Capital

Improvement Plan (CIP) and possible funding for the most important projects. He noted the Town's financial situation is fairly dismal.

Councilman Lowe stated he prepared a document showing the Town's debt service, which indicates the financial situation does not leave much room for large expenditures.

Town Manager Dovel noted in order to apply for the grant funding, the Town is required to do a request for proposal, hire an engineering firm to design the project needed, and then apply for the grants. In other words, he explained the Town has to spend money and apply to possibly obtain grant funding to cover a portion of the projects.

Councilman Pierce noted after paying for the engineering plans, the Town still would not be assured of receiving the grant funding.

It was then discussed if the Town was to apply and receive grants, the funding agency would set the water and sewer rates for the entire Town and the revenue would be pledged to repay any loan monies the Town receives, along with the grant funds. These rates would be set by not what the Council desired, but rather by what the funding agency required at the time.

Councilman Sampson noted the Town should begin raising water and sewer fees along with real estate tax rates a little each year so the citizens will not have everything raised at one time.

Councilman Comer suggested maybe the Town could find a way to replace some of the very old water and sewer lines. He noted this would allow the Town to get through this downturn in the economy, while still maintaining our current infrastructure.

Following a brief discussion, Mayor Lucas and the Council Members agreed the number one priority on the Capital Improvement Plan is to deal with the Town's aging water and sewer lines and add to areas currently being served by undersized lines.

Councilman Jenkins presented Council with an aerial view map and pointed out several options for replacing and/or extending water and sewer lines to the areas brought in by the boundary line adjustment. He noted some of the connections could partially pay for the installation of new water or sewer lines in the area brought into Town by the boundary line adjustment. He also pointed out some areas with small water lines, which need replacing as well.

Mayor Lucas and Council Members discussed the need for a survey of the citizens living in the area brought in by the boundary line adjustment to determine the number who are willing to pay the connection fees to run water and sewer to their properties. It was noted there are a few who would gladly connect as they are having septic tank problems now, but it was unclear on the number of residents actually willing to pay the connection fees.

Therefore, it was agreed the Town would conduct a survey of these residents to determine the number of residents who would be willing to connect to Town water or sewer if it were to be run past their properties.

Mayor Lucas and Council Members then reviewed the Town's current loans, along with their interest rates and payoff dates. It was noted the length of the loans vary from 40 years to eight (8) years.

Following this discussion, it was agreed the Town would survey the residents to determine their interest in paying for and being served by Town water and/or sewer. Also, Council agreed to request Treasurer Breeden research consolidating all the Town's loans for 15 to 25 years, borrowing an additional \$600,000, determine what the payments would be at a lower interest rate and for what terms, and determine what the bond counsel and closing costs would be if the loans were to be consolidated and the additional monies were borrowed. It was agreed if the Town found a way to borrow additional monies, they would be used for water and sewer line replacements and/or extensions.

ADJOURN

There being no further discussions, a Motion was made by Councilman Lowe, seconded by Councilman Pierce, to adjourn the meeting at 8:26 p.m.

Members Vote was as follows:

YEA: Vice Mayor Kite NAY: None.

Councilman Comer
Councilman Jenkins
Councilman Lowe
Councilman Pierce
Councilman Sampson

ABSTAIN: Mayor Lucas.

ABSENT: None.

VOTE: Unanimous in favor of motion.

APPROVED: ATTESTED:

Clinton O. Lucas, Jr., Mayor Juanita Roudabush, MMC