

The regularly scheduled meeting of the Norton City Council was held Tuesday, June 2, 2020, at 6:00 p.m., in the Municipal Council Chambers with Mayor Joseph Fawbush presiding.

Present: William Mays, Robert Fultz, Jr., Joseph Fawbush, Mark Caruso, and Delores Belcher

Also Present: Fred L. Ramey, Jr., City Manager, and Jeffery Shupe, Finance Director

The invocation was given by Councilman Robert Fultz and was followed by the Pledge of Allegiance led by Norton City School Board Chairman Cody McElroy.

Upon a motion by Councilman Mays, seconded by Councilwoman Belcher, and passed by the following unanimous vote: YES – Mays, Fultz, Caruso, Belcher, Fawbush NO – None, ABSENT – None, council moved to adopt the minutes of the May 19, 2020, meeting as presented.

There was no response to the Mayor's Call for Visitors.

A public hearing was held to consider a supplemental appropriation to Norton City Schools FY20 budget in the amount of \$156,000.

Mr. Ramey said that at the May 19<sup>th</sup> meeting City School Board Chairman Cody McElroy presented the school board's request for a portion of the FY19 audited surplus to be returned to the school system. Mr. Ramey noted that the public hearing had been duly advertised.

Mayor Fawbush opened the public hearing.

There being no public comments, Mayor Fawbush closed the public hearing.

Upon a motion by Councilman Mays, seconded by Councilwoman Belcher, and passed by the following unanimous roll call vote: YES – Mays, Fultz, Caruso, Belcher, Fawbush, NO – None, ABSENT – None, council moved to approve the supplemental appropriation to the Norton City Schools' FY20 fiscal budget in the amount of \$156,000, which represents a portion of the audited surplus of local funding from the FY19 budget.

A public hearing was held to receive input on the proposed 2020-2021 Budget for Norton City Schools in the amount of \$10,398,592, which includes local funds totaling \$2,569,017.

The city manager stated that school board chairman presented council with the school board's proposed budget at the May 21<sup>st</sup> meeting and the FY21 budget includes Operational Funding of \$9,025,998, Textbook Funding in the amount of \$293,726, funding of the Early Retirement Plan in the amount of \$138,900, Food Services Funding in the amount of \$842,437, and funding of Capital Projects in the amount of \$97,531. The city manager said a line item budget is included in council packets and that Mr. McElroy was in attendance to address questions from council.

Council did not have any questions, Mayor Fawbush opened the public hearing.

There being no public input, Mayor Fawbush closed the public hearing.

Councilman Mays commented that the school board presented a good budget and he commended council and the school board for working well together.

Upon a motion by Councilman Caruso, seconded by Councilwomen Belcher, and passed by unanimous roll call vote, council moved to adopt the 2020-2021 budget for Norton City Schools in the amount of \$10,398,592, which will provide: Operational Funding in the

amount of \$9,025,998, of which, \$2,569,017 is locally appropriated funds; the Textbook Fund in the amount of \$293,726, of which \$22,571 is locally appropriated funds; the Early Retirement Plan Fund in the amount of \$138,900; the Food Services Fund of \$842,437; and the Capital Project Fund of \$97,531.

The next agenda item was an update and request from Norton Community Hospital Chief Executive Officer and Vice President Mark Leonard regarding a Local Hospital Provided Fee Assessment that would allow reimbursement from the Medicaid Supplemental Payment Program through the Virginia Department of Medical Assistance Services (DMAS).

Prior to providing an update on the Local Hospital Provider Assessment, Mr. Leonard updated council on various items including the hospital's response to the COVID-19 pandemic, the continued merger of computer systems between Wellmont Health System and Mountain States Health Alliance, and delayed capital purchases of medical equipment and building upgrades due to COVID-19.

Mr. Leonard shared with council that the Local Provider Assessment would allow Norton Community Hospital to be compensated for unreimbursed costs of treating Medicaid patients from 2011 through 2017. He explained that in 2011 Ballad Health began the approval process for the Supplemental Medicaid Payment Program, and in 2020 the Virginia General Assembly adopted budget language allowing the supplemental payment program to proceed. Mr. Leonard, with the assistance of Ballad's Chief Financial Officer Stephen Sawyer, told council how the assessment and payment process will work. Mr. Leonard said the program will allow Norton Community Hospital to recoup some of the cost for treating Medicaid patients from 2011 through 2017 by the city assessing a fee each year for the next seven years. Mr. Leonard and Mr. Sawyer explained that the hospital would provide the city with an annual Cost Report each year to assess the provider fee and that the city will not be obligated to verify the Cost Report.

Mr. Ramey then provided council with a draft ordinance and told members that city administration had discussed the request with the city's auditor, Tamara Greear. Ms. Greear said she had reviewed the request with the state's Auditors of Public Accounts. It was determined this assessment fee would not have an impact on the city obtaining grants through United States Department of Agriculture, Rural Development (USDA Rural Development) and she advised city administration to set up a special revenue account for the in/out funds. Mr. Ramey said the hospital would like this request to be done by June 30<sup>th</sup> to be included in this year's budget.

Mayor Fawbush then shared he recently attended a meeting with Chairman, President and Chief Executive Officer Alan Levine at Ballad Health on May 21st and that Mr. Levine provided some interesting financial statistics about the health industry and Ballad's financial commitment related to the merger. Mayor Fawbush thanked Mr. Leonard and Mr. Sawyer for the update and presentation.

Councilman Caruso then asked Mr. Leonard for an update on COVID-19 cases in Wise County and the City of Norton. Mr. Leonard stated that there have been no positive cases of COVID-19 in the city for two weeks and that a person from Wise County is currently being tested and a positive result for COVID-19 is expected. Councilman Caruso and members thanked Mr. Leonard and Mr. Sawyer for the COVID-19 update.

After a lengthy discussion with Mr. Leonard and Mr. Sawyer regarding imposing a Local Provider Assessment Fee to Norton Community Hospital, it was the consensus of council for city administration to continue working with hospital staff on the language of the ordinance and the advertisement so a public hearing can be advertised as quickly as possible.

The city manager provided an update on COVID-19 and said the city received the \$347,327 allocation from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. He then provided council members with several handouts from the governor relating to COVID-19 and one document regarding implementation of Phase II guidelines. The city manager updated council on city payment drop box usage, Norton Strong Business Loans, and said that Flag Rock Camping opened May 29<sup>th</sup> for campers with self-contained facilities.

The city manager noted that council adopted an Emergency Ordinance on April 7<sup>th</sup> that would provide 60-days of penalty and interest relief on water billing and real estate taxes. He explained that the ordinance expires June 7<sup>th</sup> and it does not meet council's intention to provide 60 days without penalty and interest for real estate taxes that are due May 15<sup>th</sup>. The city attorney has advised that council can extend the penalty and interest relief period portion of the ordinance without a public hearing since the city is currently in the emergency. The city manager provided council with a revised ordinance for their consideration that had two changes from the original Emergency Ordinance adopted on April 7<sup>th</sup>. He noted wording on Page 5 would indicate the penalty and interest grace period would end July 16<sup>th</sup>, and Page 8 would be changed to read adopted June 2<sup>nd</sup>.

Upon a motion by Councilwoman Belcher, seconded by Councilman Fultz, and passed by unanimous roll call vote, council moved to extend the Emergency Ordinance and the penalty and interest grace period to July 16<sup>th</sup>.

The city manager said the city's water department repaired several water leaks at Flag Rock Recreation Area and the water plant is in the process of testing the water. Once the required water testing is complete, Flag Rock Recreation Area will be fully open for camping. He said the municipal building will reopen to the public on Monday, June 8<sup>th</sup>, and the Norton Friends and Farmers Market is planning a phased opening with other activities starting back with group numbers limited as per the governor's guidelines. The city manager advised Chamber of Commerce Executive Director Rick Colley hopes to have more information about Best Friend Festival activities and vendors for the fireworks display at the next meeting on June 16<sup>th</sup>. He said that upcoming fall events, the High Knob Music Festival and the Woodbooger Geocache have been cancelled for this year, and the High Knob Outdoor Festival has scaled back due to the COVID-19 pandemic.

Mayor Fawbush added that he had several concerns regarding the Woodbooger Festival. He said there is a possibility that students will not be back in school this fall due to COVID-19 and they are the actors for the festival. Additional concerns are transportation of attendees on school buses to the event, local businesses ability to fund the event after the downturn in the economy due to the pandemic, and the uncertainty of receiving an AmeriCorps team this fall to assist with the event. Mayor Fawbush said after consideration of these items the Woodbooger Festival scheduled for Saturday, October 3<sup>rd</sup> has been cancelled, but he looks forward to next year's festival.

Mr. Ramey provided council with an update on the Ridge Avenue Wall.

Mr. Ramey said council last discussed the wall on July 16, 2019, and at that time council decided to open Craig Street to see what impact vehicle traffic would have on movement of the wall. He said the wall has been monitored from August 2019 to May 2020 and no movement has been detected in the wall.

Following discussions and upon a motion by Councilman Caruso, seconded by Councilwoman Belcher, and passed by unanimous vote, council moved to open Ridge Avenue and monitor the wall quarterly for movement.

In council's packet for discussion was a copy of Norton City Code Chapter 12 – Mining and Control of Explosives.

Mr. Ramey said this ordinance was adopted in 1977 and a great deal has changed with blasting since that time. He said city administration has worked with the state fire marshal on this process and the city has two options: 1) the city can hire someone to handle the blasting process; 2) the city can handle the blasting process. Mr. Ramey advised that the city attorney said the ordinance could be updated by striking portions of the ordinance as nothing else has changed. He said the city attorney is recommending removing: Article I, Section 12-2 - Chapter does not create liability on part of the city or its agents; portions of Article II, Section 12-34 Items (b) and (c) – Grant or denial; conditions and restrictions; and in its entirety Article III, Section 12-51 through Section 12-58 – Blasting regulations.

After a brief discussion, it was the consensus of council to authorize the city manager to advertise a public hearing to receive public input on amending Chapter 12 – Mining and Control of Explosives.

The city manager presented the city's FY 2020-2021 Budget, via a PowerPoint presentation, presenting positive and negative revenue updates. Mr. Ramey said the recommended budget included no revenue enhancements and the use of \$125,000 in surplus funds to balance the budget. There are no proposed rate increases and no changes to the Water Improvement Fee structure or sewer percentages in the Enterprise Fund. The Norton Social Services Fund has a local appropriation decrease of \$50,000. The city's proposed General Operating Fund Budget is \$10,045,524, which is a decrease of \$235,276. The budget includes an increase in salaries and fringe benefits, two percent cost of living increase (COLA) for non-state supported positions, and a 4.8 percent rate increase for the city's health insurance plan. The proposed Enterprise Fund totals \$3,340,482, which reflects an increase of \$78,126. The budget does not include a water rate increase and the city is seeing a reduction in commercial water usage due to the impact of COVID-19. Norton Social Services FY21 Budget totals \$1,430,550, which is an increase in state funding of \$127,333. Mr. Ramey reviewed the budget schedule for the month of June and requested council's permission to advertise a public hearing on the proposed FY21 city budget.

It was the consensus of council to authorize the city manager to advertise a public hearing to receive input on the proposed Fiscal 2020-2021 Budget.

Included in packets for council consideration was a check to Anthem Health Plans of Virginia, Inc., dated March 20, 2020, in the amount of \$103,324.00 for payment of the monthly health insurance plan.

Upon a motion by Councilman Caruso, seconded by Councilwoman Belcher, and passed by unanimous roll call vote, council moved to confirm the check to Anthem Health Plans of Virginia, Inc., as stated above.

Upon a motion by Councilman Caruso, seconded by Councilman Mays, and passed by the following roll call vote: YES – Mays, Fultz, Fawbush, Caruso, and Belcher, NO – None, ABSENT – None, council moved to go into closed meeting for Personnel as per Section 2.2-3711 (A) (1) of the Code of Virginia, as amended.

Mayor Fawbush declared council in closed meeting.

Upon a motion by Councilman Mays, seconded by Councilman Fultz, and passed by unanimous vote, council moved to go back into open meeting.

Mayor Fawbush declared council back in open meeting.

The clerk polled each member of council as to the Certification of Closed Meeting with each answering yes. The clerk then read a Resolution of the Certification of Closed Meeting.

Upon a motion by Councilman Caruso, seconded by Councilwoman Belcher, and passed by unanimous vote, council moved to adopt A Resolution of the Certification of Closed Meeting. (Insert)

Mayor Fawbush opened the floor for nominations to the Board of Zoning Appeals for a five-year term to expire May 10, 2025.

Councilman Caruso nominated William Hutchinson to be reappointed to the Board of Zoning Appeals for a five-year term to expire May 10, 2025.

Upon a motion by Councilman Mays, seconded by Councilwoman Belcher, and passed by unanimous vote, council moved that the nominations cease.

Mayor Fawbush declared William Hutchinson reappointed to the Board of Zoning Appeals for a five-year term to expire May 10, 2025, pending court approval.

In comments from the city manager:

Mr. Ramey said the grant application for a school resource officer at Norton Elementary and Middle School has been approved for another year.

He said paving is almost complete for FY20.

Mr. Ramey said work has begun at various intersections on Park Avenue related to the Virginia Department of Transportation (VDOT) Pedestrian Safety Action Plan (PSAP).

Mr. Ramey told council that he provided members with copies of the latest traffic counts for High Knob and Flag Rock Recreation Area, and the latest monthly financials.

The following comments were made by council members:

Councilman Fultz commended city administration for the budget and said he visited the new city shop today.

Councilwoman Belcher echoed Councilman Fultz's comments on the budget and is hopeful for the new budget year. She also thanked the city's emergency services for their response to E911 calls and for the presence of city police officers at Norton Walmart during the recent civil protests. Councilwoman Belcher said she appreciated city administration for their work, and she hopes the school system reopens this fall.

Councilman Caruso thanked Mark Leonard for providing an update on COVID-19 cases in Wise County and the city. He said he is disappointed with the transparency of LENOWISCO Health District and with the leadership of the organization. Councilman Caruso advised that behind Gerald Lawson's house is a trailer court with a dumpster that bears are getting into regularly causing trash to be spread throughout the neighborhood. Mr. Ramey said the city encourages owners to purchase a bear proof lid for their dumpsters and it was decided Councilman Caruso should speak with trailer park owner Gene Estep.

Councilman Caruso said he is glad that city hall will be reopening on Monday and that council needs to get the city back to normal as soon as it is safe to do so.

Mayor Fawbush stated that Sugar Hill Cidery is nearly complete and he is very pleased with the outcome of this downtown project.

Councilman Caruso noted that he dined at Sugar Hill Cidery last week and a group of 12 individuals came from Gate City to eat at the downtown establishment.

Mayor Fawbush said the downtown project encourages other businesses downtown to renovate and he has noticed the building across the street has a new façade. He said G2K Games has moved into the old Dave's Department Store building and the downtown revitalization will help the downtown area thrive.

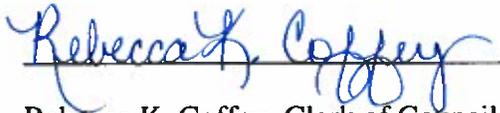
There being no further business to come before council, Mayor Fawbush declared the meeting adjourned.

CITY OF NORTON, VIRGINIA



Joseph Fawbush, Mayor

ATTEST:



Rebecca K. Coffey, Clerk of Council