

**MINUTES OF THE REGULAR MEETING OF THE WYTHEVILLE TOWN COUNCIL  
HELD IN THE COUNCIL CHAMBERS ON MONDAY, JANUARY 25, 2010, AT 7:00 P.M.**

Members present: Trenton G. Crewe, Jr., Jacqueline K. King, John W. Jones, Jr., William B. Weisiger, H. Judson Lambert

Members absent: None

Others present: Town Manager C. Wayne Sutherland, Jr., Deputy Clerk Marilyn E. Jackson, Town Attorney Robert P. Kaase, Town Treasurer Michael G. Stephens, Wayne Quesenberry with *Wytheville Enterprise*, Deanna Cox, Gordon Jones

**RE: CALL TO ORDER, QUORUM, PLEDGE**

Mayor Crewe called the meeting to order and established that a quorum of Council members was present. The Pledge of Allegiance was led by Councilman Weisiger.

**RE: CONSENT AGENDA**

Mayor Crewe presented the consent agenda consisting of the minutes of the regular meeting of January 11, 2010, the request of the Wytheville Lions Club for waiver of business license fees and inspections fees for the annual charity carnival to be held July 12 through July 17, 2010, and the request of the Bland High School Project Graduation for approval of a special exception facility use permit for their Project Graduation program. A motion was made by Vice-Mayor King and seconded by Councilman Jones to approve the consent agenda consisting of the minutes of the regular meeting of January 11, 2010, the request of the Wytheville Lions Club for waiver of business license fees and inspections fees for the annual charity carnival to be held July 12 through July 17, 2010, and the request of the Bland High School Project Graduation for approval of a special exception facility use permit for their Project Graduation program. Town Manager Sutherland inquired if this includes the provision regarding the Bland County High School obtaining liability insurance. Mayor Crewe stated the Council will notice that the Recreation Commission has recommended that the Bland County High School obtain a liability policy. He inquired of Vice-Mayor King if her motion was to approve the request as presented so that they have a liability policy. Mayor Crewe inquired if Councilman Weisiger's second also included this stipulation. Vice-Mayor King and Councilman Weisiger stated that is correct. Mayor Crewe noted the motion is to approve the consent agenda consisting of the minutes of the regular meeting of January 11, 2010, the request of the Wytheville Lions Club for waiver of business license fees and inspections fees for the annual charity carnival to be held July 12 through July 17, 2010, and the request of the Bland High School Project Graduation for approval of a special exception facility use permit for their Project Graduation program with the stipulation that they obtain a liability policy. Mayor Crewe inquired if there is any discussion on the motion to approve these three items. Vice-Mayor King remarked that she has one more thing. She stated that Crystal Hylton will need to have a copy on record down at the Recreation Center and inquired of Town Manager Sutherland if that is correct. Town Manager Sutherland answered that the insurance company should provide Ms. Hylton with a certificate of insurance. Vice-Mayor King advised that Ms. Hylton will need to ensure that she has a copy of the certificate of insurance. Town Manager Sutherland remarked that is correct. Mayor Crewe inquired if there is any other discussion on the motion. There being none, the motion was approved with the following voting in favor and there being no opposition: For: Trenton G. Crewe, Jr., Jacqueline K. King, John W. Jones, Jr., William B. Weisiger, H. Judson Lambert. Against: None. Councilman Jones advised that he is abstaining on voting on the request of the Wytheville Lions Club.

**RE: CITIZENS' PERIOD**

Mayor Crewe stated the next agenda item is Citizens' Period. Mayor Crewe stated the Council is glad to have representatives from Robinson, Farmer, and Cox at the meeting to present and discuss the fiscal year 2008-09 audit. He noted he appreciates their hard work on the Council's behalf. Mayor Crewe advised that the Council will be glad to hear from the representatives at this time.

Ms. Deanna Cox advised that she has Mr. Gordon Jones with her this year, and he will have the pleasure of presenting this report next year. She presented a handout to the Council and noted she will discuss this in a moment. She advised that she is with Robinson, Farmer, and Cox and stated she has been the partner in charge of the Town's audit for the past number of years. Ms. Cox explained that Mr. Gordon Jones has been the audit manager for two years, and effective January 1, Mr. Jones was promoted with their firm as a partner. She reiterated that she is

hopeful that Mr. Jones will come and make this presentation to the Council next year. Ms. Cox remarked that Mr. Gordon gets to just sit and listen at this meeting or answer any questions the Council may have about the technicalities of the audit. Ms. Cox remarked that she wanted to give the Council a brief summary of the audit process this year and review it with the Council. She noted that Mr. Jones had prepared a trend analysis for the Council just to give them some information about where the Town's finances were in a very simplified form five years as compared to this year. She noted she will go over some new developments and then go over some adjustments they made this year to the Town's report. Ms. Cox noted that first of all, in summary, the audit is complete. She stated she hopes the Council has a copy in front of them. She stated they submitted the Town's comparative cost transmittal to the APA by their statutory deadline of November 30. Ms. Cox indicated that she thinks all of the filings that are required have been made to this point. She stated the trend analysis the Council has in front of them and the main thing to note about this is that in a period of time when they have seen such a downturn in the economy, the Town has really done a good job of not just maintaining a fund balance during this period, but actually growing it a little bit. Ms. Cox advised that the Town has weathered the downturn in the economy a lot better than a lot of the localities that they work with, especially in the southwest part of the state. She reiterated that the Council is doing some things right as far as financial management goes. Ms. Cox noted that one thing they also presented was some of the debt trend analysis that shows the debt per capita for the same five year period. She stated that the debt per capita at the 2009 period is about \$1,700. Ms. Cox indicated the state debt per capita is a little over \$2,000 for towns. She indicated that \$1,700 might be a little high for a Town this size, but it is certainly below the State average, and the Council, certainly, has the fund balance to take care of that over time. Ms. Cox noted that overall, she would state the financial condition of the Town is in good shape and looks good for the future from an auditing standpoint. She remarked that one of the new developments the Council will see is that there are a few different things in this year's report that were not part of the report last year. Ms. Cox indicated that she thinks she may have talked briefly last year about GASB 45, which is the new auditing standard which requires the Town to report a liability for other post employment benefits, and advised that there are things other than retirement. She explained that the Town of Wytheville offers retirees the option to stay on the Town's health insurance. Ms. Cox commented that the Town now has to report a liability for this other post employment benefit that the Town is offering, so the Council can see that there is a separate internal services fund that accounts for this now. She stated the Town did fund the annual cost, which is a good thing, so there is the cost offsetting the liability, but that is one change the Council will note in this year's report that they did not see in last year's report. Ms. Cox indicated that one other thing is the Town early implemented this standard, and it was required in a phase in for the largest localities last year, moderately sized localities this year, and then the smallest localities next year. She reiterated that the Town got on the right track, hired an actuary, and got their valuations, so they were able to early implement that standard this year, which is rather impressive for a small locality. Ms. Cox stated there are a couple of things she wanted to talk to the Council about. She noted she does not know if Town Treasurer Stephens shared this with the Council, but they sent him the management comment letter, a letter they call "Those Charged with Governance" that they have to give to the Council in writing every year. Ms. Cox remarked that the letter should also have been accompanied by a list of material adjustments. She stated she does not always talk about their adjustments with the Council because most of them do not make any difference, but they had some that were very sizeable this year, so she wanted to explain these to the Council and make sure they did not have any questions, and if the Council received any questions about the adjustments, they would be able to explain them. Ms. Cox indicated that probably the most sizeable adjustment that was made was an adjustment of about \$5.4 million to the Water and Sewer Fund balance. She stated it was a beginning, or a prior period adjustment, that they made. She pointed out that the beginning of this adjustment goes back either 10 or 11 years. Ms. Cox advised that what they discovered this year is that when the audit was turned over to them from a prior auditor, there was an error in the depreciation calculation of the Town's assets. She stated that each year, they have been puzzled as to why the Water and Sewer Fund retained earnings keep going down so fast when everything else kind of remained constant, and they could not figure it out. Ms. Cox explained that finally, Mr. Jones, this year, in doing some extensive research was able to figure out that this calculation that had been carried from the prior auditors' work papers for all these years was incorrect. She noted that, in effect, it was accelerating the depreciation of the Town's assets. Ms. Cox advised that the adjustment is a non-cash adjustment, and so it is basically a correction to get the retained earnings back to where it should have been if they had depreciated assets correctly for the past 10 years. She noted the accumulated depreciation has been corrected, and the beginning fund balance, or retained earnings, has been corrected. Ms. Cox noted that this was the biggest adjustment. She inquired if anyone has any questions about this adjustment before she proceeds because she thinks it is important to understand. There being none, she proceeded. Ms. Cox advised that there was also a large adjustment that was made to record an amount that they were considering due from the County of Wythe, and it relates to the New River Regional Water Authority. She explained that it is for the construction that the County

is doing for the Water Authority on behalf of the Town. Ms. Cox noted that at this time, the conclusion is that the Town owns the constructed assets and owes the County for the cost of those assets. She advised that she thinks, in discussing it with Mr. Jones, who discussed it with Town Treasurer Stephens and maybe Town Manager Sutherland, probably what will happen once the Water Authority gets up and going is that this will really be an amount due to the Water Authority, and the assets will be turned over to them. She advised that in this interim process, it is an amount that they are putting on the Town's books. Ms. Cox indicated that this was another large adjustment. She stated they had another adjustment for about \$200,000 that was a cash adjustment that was also affected by the New River Regional Water Authority, but the Town maintains the books. Ms. Cox advised that it was an amount that in total, the Town's cash, if they included the Water Authority, was correct, and it is not like there was any money missing. She stated that on the Town's side, the cash was overstated because it included the Water Authority's cash and it should not have, so they had to adjust that back out. Ms. Cox remarked that the reason she is going over the adjustments is because Post SAS 112, Statement Audit Standard 112, they have to report these and any material adjustments in the financial statement as a significant deficiency. She stated if the Council looks at the very last of the report, the last two pages, they will find a schedule of findings and responses. Ms. Cox advised that the very first one of those on Page 60 talks about SAS 112 and the requirement of the Town to have the proficiency to prepare a trial balance that is materially correct for the audit. She noted that obviously, the \$6 million, or \$5.4 million, audit adjustment that they made was something the Town had no control over. Ms. Cox pointed out that the \$2.4 million adjustment was something that kind of occurred post the time the consultants were here preparing the information. She advised that they probably would not have known about it anyway. Ms. Cox indicated that a lot of these things are part of the process, but she did want to make it clear that this is not anything the Town finance or Town management did that was wrong, but it was just that they had to adjust the trial balance they were given by material amounts so that is why it is important and they have to report on it. She remarked that she just wanted the Council to know that in case they have to explain to the constituents or anybody else for that matter why there were findings in the financial report. Ms. Cox indicated that she will pause here and see if anybody has any questions, or if she has completely confused the Council she will explain more. Mayor Crewe advised that if he is understanding what Ms. Cox is telling him, there were numbers that needed to be changed but because of the amounts and the degree of the change, they qualify as material, and because they qualify as material, they have to be recorded separately under the account standards. Ms. Cox stated that is correct. Mayor Crewe indicated the fact that they are reported separately, someone could pick it up and state there was a \$2 million mistake, but it really is not a mistake, and it is not an improper activity or any bad behavior or anything like this that is being pointed out. Ms. Cox noted that is correct. Mayor Crewe inquired if he got the gist of it. Ms. Cox stated that is correct. Mayor Crewe indicated that Ms. Cox may cover this under her other remarks, but inquired if she could comment on this. He stated that with the new standards, his editorial comments are that the Town had to have an audit before the Town could do the audit because there have to be verified figures. Mayor Crewe noted that Robinson, Farmer, and Cox does more governmental accounting than anyone else anywhere near Wytheville. He stated they do dozens of audits and probably more than dozens. Ms. Cox noted that they work rather much statewide. She advised that this is a little bit of a misnomer that there is an audit before an audit, and that is really part of the confusion with localities that hire a consultant and then end up with deficiencies because they are kind of relying on that consultant to make it all good so that they do not have these problems. Ms. Cox stated the problem is the consultant is not doing an audit, but they are compiling information from what the locality gives them to create this adjusted trial balance for the auditor's. She advised that it is the auditor's job to find the problems, if there are any, or find the oversights or the things that were missed. Ms. Cox reiterated that the consultants are just relying on the information they are given to a great extent. She indicated that the consultants can make a mistake, too. Ms. Cox pointed out that unfortunately, the standard states that management is still responsible for the financial statements. She advised that if the locality's consultant makes a mistake and the locality gets written up for it, it is still the locality's fault because the standard is stating the locality needs to have the proficiency to be able to find these mistakes before they are audited. Ms. Cox indicated that in two of the cases, the Town would never have found them, such as the case with the prior audit adjustment. She explained that the \$2.4 million was something that kind of evolved during the audit process, and she does not think it could have been avoided, and it was something that they were apprised of that existed because they audit Wythe County, so Mr. Corbin Stone knew that it existed on Wythe County's side, and no one else would have known that unless they worked with both localities. Ms. Cox commented that to some extent, she thinks it is an area of confusion that people think they get one audit and then they get another audit, but the first one is just compiling information, and they do the best they can with the information they are given. She advised that she thinks, generally, the consultants do a good job. Ms. Cox noted that a lot of their consultants have missed things that have resulted in significant deficiencies, and unless they are consistently wrong, she guesses her thought on that is that there are a whole lot of numbers and pieces of information that make up these reports. She

noted she would like to state that they have every number to the dollar exactly right, but it is so much that she can see how the consultants can miss something, not to make excuses. Ms. Cox remarked that it has been a confusing process, she thinks, for the localities to make this transition with SAS 112 and have a consultant come in and then the auditors come in. She stated they are really doing two different things. Mayor Crewe stated he is belaboring the point deliberately, but there may have been some numbers that showed up on the Town's books when they should have been on the County's books or should have been on the Water Authority books, or are temporarily on the Town's books to be transferred to the Water Authority books, but there is nothing incorrect, wrong, or dishonest about anything the Town is doing. Ms. Cox noted that is correct, and advised that they would be having a whole different conversation if there was anything improper, illegal, anything fraudulent, or anything like that. She remarked that these were basically bookkeeping errors or adjustments that they were making, but nothing of a nature that was improper at all. Mayor Crewe stated where he is headed with all of this is that, obviously, Town Treasurer Stephens and his staff have tremendous capabilities and do a really good job. He noted he does not want anything to come back and state that there were material statements required and adjustments required, therefore, the Town is making mistakes and, therefore, the Town Treasurer and his staff are making mistakes, because that is just plain not true. Ms. Cox stated absolutely not, and noted that like she said, at least two of the errors she knows of Town Treasurer Stephens or his staff would never have had an option to find anything out about. She noted the fortunate thing is that these findings are not a reflection on the job the Town Treasurer or his staff do at all, and they do a great job. Mayor Crewe advised that anyone used to the old system would see this and they would think that something is wrong, and this is why he is stating that under these new rules, it is just a whole different process. Ms. Cox remarked that is correct. Mr. Lambert advised that he has a question about the \$2.4 million adjustment. He inquired if this represents a hard liability on the part of the Town due to the County or is it just a transition. Ms. Cox stated that she thinks it is a transition and an understanding. She remarked that as far as she understands it, there are no firm repayment terms, and Mr. Jones and Town Treasurer Stephens can correct her if she is wrong, but she does not think there is hard, fast agreement for repayment terms. Mayor Crewe indicated that there is an agreement to agree, but the County and Town have not agreed. Ms. Cox noted that is correct. Mayor Crewe inquired if there are any other questions or comments. There being none, he inquired if Ms. Cox would care to venture an opinion because the Council is starting into the budget, and this always comes up and has practically every year for the 20 years that he has been doing it. Mayor Crewe inquired if there is any kind of a guideline, comment, recommendation, standard, or usual rule of thumb that states a locality, such as Wytheville, should keep somewhere in the neighborhood of 10 percent in reserves for unexpected expenditures. Ms. Cox remarked that this is what their firm states, but she does not know that this is a rule of thumb or an official guideline. She noted that what they usually recommend is that a locality maintain a 10 percent fund balance, 10 percent of recurring expenditures for a locality. She advised that the Town of Wytheville is well over that at this point, but advised that she thinks it is not a bad idea to adopt some kind of a formal fund balance policy to state the Town is going to maintain a fund balance at this level and try to make sure it is constant for years to come. Ms. Cox remarked that just because the Town does not have a problem with that this year does not mean that in the future the Town will not have a problem. She stated that their firm typically recommends 10 percent of recurring expenditures. Councilman Lambert inquired if those expenditures include debt service. Ms. Cox advised that is correct. She noted that the Council already knows this, and they have a great staff, especially for a small locality. Ms. Cox advised that the Town's staff makes their job a lot easier. She reiterated that the Council knows the Town's staff does a good job, but sometimes it is nice to hear it from a third party. Ms. Cox advised that the Town Treasurer and his staff deserve some congratulations for the job they do. Mayor Crewe noted that the Council appreciates this, and he requested Town Treasurer Stephens to pass this along, on behalf of Council, to his office staff and noted the Council's appreciation to Town Treasurer Stephens. He stated he would also like to congratulate Ms. Cox and Robinson, Farmer, and Cox. Mayor Crewe pointed out that lots of organizations do not have nearly as good a working relationship as the Town does with Robinson, Farmer, and Cox. He stated that over the years, their firm does not disrupt the entire operation when they come in to ask for the purchase orders for six years, etc. Ms. Cox advised that Town Treasurer Stephens may disagree. Mayor Crewe indicated that this comes from Town Treasurer Stephens and his staff that Robinson, Farmer, and Cox are very unobtrusive, and the Council appreciates that. Mayor Crewe inquired if there are any other questions or comments. Councilman Jones stated that every year they have to go through changing negative figures, when overall, everything is fine. He inquired as to why the Council has to do that. Mayor Crewe indicated that he is referring to line item adjustments within a category. Ms. Cox advised that it all depends and inquired if the Council budgets on a line item basis or do they budget on a department basis. Councilman Lambert answered that they budget on a line item basis. Councilman Jones stated it is by line item, but it is by department. Ms. Cox stated she would guess that from their standpoint, they have to make sure the Council makes those adjustments on the basis that the Council budgets. She explained that they are just looking for department

level adjustments, so anything the Council does beyond that level is a management decision within the locality, and it is probably not bad financial management to do that. Ms. Cox indicated that a lot of localities do not even do it at the department level, and they do not end up with the fund balance that the Town of Wytheville does, but that is probably the reason for it. She advised that Town Manager Sutherland can answer that. Town Manager Sutherland remarked that to take it one step further because it may be taking funds from one department to another, so at the department level, the adjustments have to be made. Ms. Cox stated that is correct, and the Council would have to do this. Mayor Crewe indicated that what they have been doing, as Ms. Cox has seen, is that the department has 10 line items, and the total does not change, but something on line 8 needs to be subtracted and added to line 4. He stated they have done this with a reason and an explanation, and basically leaving a paper trail so that Mr. Jones or Ms. Cox comes in and looks, and there is some idea what was done and why. Mayor Crewe noted that there are occasions when an expense in one department comes out and is charged to another, so it is an interdepartmental change, but he thinks what he has heard Ms. Cox state is that it is a good idea to do the sub-department level, but it is required to do a department level. Ms. Cox stated that is correct, and noted if a locality does not do it at the level they budget at, then they could be in danger of over expending appropriations, and a locality does not want to get into that. She indicated that it provides for better accountability to do it the way the Council is doing. Ms. Cox advised that a lot of localities do not do it just because of the effort and time that it takes, but she thinks it does provide for better accountability despite the headache. Mayor Crewe stated it also makes the department heads aware of where things are changing as the year goes, too. He inquired if there are any other questions, comments, or discussion. There being none, Mayor Crewe thanked Ms. Cox and Mr. Jones for attending the meeting. Ms. Cox stated that they are happy to be here. Mayor Crewe indicated that he guesses the Council will be working with Mr. Jones next and inquired if that is correct. Ms. Cox noted that is correct, and he is going to be the one presenting the report next year, and advised that Mr. Jones does not like public speaking, but he will get used to it. She remarked that Mr. Jones does a great job, and noted he is probably one of the best accountants that she has worked with. Ms. Cox advised that they are really happy to have him on board with them as a partner and look forward to him working with the Town further. She noted if the Council has any further questions later after they leave about the audit, they can feel free to call either her or Mr. Jones. Ms. Cox thanked the Council and advised that they did bring some caps, and she does not think they have enough for everyone because they were just about out, but if anyone wants a cap, they can certainly get more. She thanked the Council and wished everyone a good evening. Mayor Crewe thanked Ms. Cox and Mr. Jones for attending the meeting. He advised that the Town looks forward to working with Mr. Jones.

Mayor Crewe inquired if there are others who wished to address the Council during Citizens' Period. There being none, he proceeded with the agenda.

### **RE: OLD BUSINESS**

Under Old Business, Town Manager Sutherland reported the following:

1. Both Council Committees will meet on their regular day and time this week and next week.
2. Mayor Crewe advised Town Treasurer Stephens that the Council congratulates him on what he has done to get through the audits over all these years. He noted the Council wants to make sure that Town Treasurer Stephens passes this along to his staff. Mayor Crewe stated it is a joint effort, and the Council appreciates what they do.

### **RE: BUDGET AND FINANCE COMMITTEE REPORT**

Vice-Mayor King inquired if the Council wanted to read the Council reports or enter them into record. Mayor Crewe answered that he thinks everyone has a copy of them including Mr. Wayne Quesenberry, and Vice-Mayor King can do whatever she desires.

The Budget and Finance Committee Report was entered into record as follows:

It is time to begin the process of formulating information that will be used in the development of the budget for fiscal year 2010-2011. Similar to prior years, department heads will be instructed to tabulate their proposed budgets in three categorical areas. These categorical areas are Normal Operations, Capital Outlay, and Personnel Expenses. Over the next several months, the Council's Committees will be able to start reviewing the funding requested by the various department heads. We would note that we have seen certain declines in revenue from the State, though, fortunately, other local revenue sources have remained relatively constant. In this current fiscal year, our budget reflects numerous budget cuts to the departments, and we do not foresee that there could be any expansion of revenues during the upcoming fiscal year.

However, we do expect department heads to carefully review all of their proposed appropriations to assure that all proposed expenditures are efficient. We would suggest that there be a Council work session at the April 26 meeting of Council. The budget could then be considered on first reading at the May 10 meeting, with the second reading and public hearing scheduled for May 24. The final reading and adoption of the budget will be scheduled for June 14. In the event that there are questions or problems with the budget, there will be the opportunity for revisions at the meeting on June 28. Between now and the budget work session, both Committees of the Council will hear updates and review the various department budgets. If this timetable is acceptable to the Council, we will implement this schedule. Mayor Crewe inquired if anyone has any problems with adopting a schedule that calls for a budget work session April 26, for first reading May 10, for second reading May 24, and for the adoption at the June 14 meeting, which gives the Council one extra week in case they need to make a change. It was the consensus of the Council to adopt the budget schedule as presented.

Earlier this evening, we heard a report from the certified public accounting firm of Robinson, Farmer, Cox Associates who performed the audit on the Town's financial records for fiscal year 2008-2009. It would be the motion of the Budget and Finance Committee that we acknowledge and accept this report and authorize the Town Treasurer to distribute copies of the report to the appropriate agencies. We would note that the audit report has now been prepared both in printed form and electronic form and is a public document available for review by anyone. Also, we would note our continued satisfaction with the performance of the auditors and the thoroughness with which they review the Town's records. Mayor Crewe indicated that there are copies of the audit report available. A motion was made by Vice-Mayor King and seconded by Councilman Jones to acknowledge and accept the audit report and authorize the Town Treasurer to distribute copies of the report to the appropriate agencies. Mayor Crewe inquired if there is any discussion on the motion. There being none, the motion was approved with the following voting in favor and there being no opposition: For: Trenton G. Crewe, Jr., Jacqueline K. King, John W. Jones, Jr., William B. Weisiger, H. Judson Lambert. Against: None. A copy of the Budget and Finance Committee report is attached and made part of these minutes. [Click here to view the report](#)

#### **RE: PUBLIC WORKS COMMITTEE REPORT**

The Public Works Committee Report was entered into record as follows:

Over the past several months, our Committee has reviewed certain proposed amendments to the Town's Zoning Ordinance as it relates to regulations for outdoor signage. Last week, we met with Building Official Stan Massie who provided additional information regarding the proposed revisions. The proposed revisions were precipitated by an action of the Board of Zoning Appeals that approved installation of an outdoor advertising structure provided that it conformed to Virginia Department of Transportation regulations. The Virginia Department of Transportation sign regulations pertain to off premises advertising signs that are visible from interstates and other federally funded roadways. VDOT regulations do not pertain to on site advertising structures or any advertising not associated with federally funded highways. In the event the Town does not certify its sign regulations with the Department of Transportation, then, by default, the State's regulations will apply. We think it is worthwhile to be able to control our own regulations with regard to outdoor advertising structures, and, therefore, have pursued certification of our regulations with the Department of Transportation. This process has involved many communications with VDOT, and we believe that we have now suggested amendments that they have found acceptable. Generally speaking, most of these amendments that are proposed are housekeeping in nature and do not materially change our existing regulations. A copy of the proposed changes has been attached for your review. We think it is worthwhile to pursue these amendments and understand that this will necessarily require a review and a public hearing by the Planning Commission with their recommendation back to the Council. It would be the motion of the Public Works Committee that we forward these proposed amendments to the Planning Commission for their consideration. Councilman Lambert advised that there are several amendments to the Sign Ordinance and there is quite a bit of detail to this one. Mayor Crewe stated if he counted correctly, there are 32 pages. Mayor Crewe advised that both Council Committees have looked at this and have the summary. A motion was made by Councilman Lambert and seconded by Councilman Weisiger to send the proposed amendments to the Sign Ordinance to the Planning Commission so they can have their review and the public hearing. Mayor Crewe inquired if anyone has any problems with sending the amendments to the Sign Ordinance to the Planning Commission. There being none, the motion was approved with the following voting in favor and there being no opposition: For: Trenton G. Crewe, Jr., Jacqueline K. King, John W. Jones, Jr., William B. Weisiger, H. Judson Lambert. Against: None.

Councilman Lambert reported that last week, the Town received preliminary information from Builders Supermarket of Wytheville, Incorporated regarding twelve new residential dwellings on

a parcel of property bounded by Fourth, Sixth, Liberty and Lexington Streets. He noted the twelve residential units would consist of a ten unit apartment building with an adjacent duplex. Councilman Lambert advised that the developers are seeking funding through the Virginia Housing Development Authority who has requested that the Council consider designating this parcel of property as a revitalization area. He stated that in the Town's Comprehensive Plan, lands which are situated on the west side of South Fourth Street have been designated as a housing rehabilitation and renewal area. Councilman Lambert indicated that if the Council were agreeable, the Town could also designate this proposed building site area as a revitalization area. He noted, however, prior to recommending such an action, the Committee thinks it is worthwhile to meet with the developers and review in more detail their developmental plans. Councilman Lambert pointed out that, obviously, the creation of affordable housing is needed, though we want to determine the implications of creating this revitalization district. He advised that the Committee plans to meet with the developers in the near future and would, hopefully, have a recommendation concerning this matter sometime during the month of February. A copy of the Public Works Committee report is attached and made part of these minutes. [Crea@ ^} dE](#)

**RE: SUBDIVISION – CAUDILL & HAND, LLC**

Mayor Crewe stated the next agenda item is to consider the recommendation from the Planning Commission regarding the request of Caudill & Hand, LLC for the subdivision of property located at 675 Fairview Road, which is located on the west side of Fairview Road between Ager Drive and North Fourth Street, in an M-1 Industrial District. A motion was made by Councilman Jones and seconded by Vice-Mayor King to approve the recommendation from the Planning Commission regarding the request of Caudill & Hand, LLC for the subdivision of property located at 675 Fairview Road, which is located on the west side of Fairview Road between Ager Drive and North Fourth Street, in an M-1 Industrial District. Mayor Crewe inquired if there is any discussion on the motion. There being none, the motion was approved with the following voting in favor and there being no opposition: For: Trenton G. Crewe, Jr., Jacqueline K. King, John W. Jones, Jr., William B. Weisiger, H. Judson Lambert. Against: None.

**RE: ENTRANCE CORRIDOR OVERLAY DISTRICT – WEST LEE HIGHWAY**

Mayor Crewe stated the next agenda item is to consider the recommendation from the Planning Commission concerning the placement of the Entrance Corridor Overlay District on the West Lee Highway entrance corridor from the B-2 DT General Business District Downtown line approximately midblock between Monroe and North Streets to the corporate limit line on West Lee Highway (Route 11 West). He noted the Council needs to schedule a public hearing on this matter. Mayor Crewe advised that the Council can advertise and meet the compliance requirements and hold the public hearing at the February 22, 2010, meeting. He inquired if any Council member has any objections to holding the public hearing at the February 22, 2010, meeting. There being no concerns, it was the consensus of the Council to schedule the public hearing for the February 22, 2010, meeting to consider the placement of the Entrance Corridor Overlay District on the West Lee Highway entrance corridor from the B-2 DT General Business District Downtown line approximately midblock between Monroe and North Streets to the corporate limit line on West Lee Highway (Route 11 West).

**RE: ADJOURNMENT**

There being no further business to be discussed, a motion was duly made, seconded, and carried to adjourn the meeting (7:30 p.m.).

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Trenton G. Crewe, Jr., Mayor

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Marilyn E. Jackson, Deputy Clerk

## **BUDGET AND FINANCE COMMITTEE REPORT**

**JANUARY 25, 2010**

1. It is time to begin the process of formulating information that will be used in the development of the budget for fiscal year 2010-2011. Similar to prior years, department heads will be instructed to tabulate their proposed budgets in three categorical areas. These categorical areas are Normal Operations, Capital Outlay, and Personnel Expenses. Over the next several months, the Council's Committees will be able to start reviewing the funding requested by the various department heads. We would note that we have seen certain declines in revenue from the State, though, fortunately, other local revenue sources have remained relatively constant. In this current fiscal year, our budget reflects numerous budget cuts to the departments, and we do not foresee that there could be any expansion of revenues during the upcoming fiscal year. However, we do expect department heads to carefully review all of their proposed appropriations to assure that all proposed expenditures are efficient. We would suggest that there be a Council work session at the April 26 meeting of Council. The budget could then be considered on first reading at the May 10 meeting, with the second reading and public hearing scheduled for May 24. The final reading and adoption of the budget will be scheduled for June 14. In the event that there are questions or problems with the budget, there will be the opportunity for revisions at the meeting on June 28. Between now and the budget work session, both Committees of the Council will hear updates and review the various department budgets. If this timetable is acceptable to the Council, we will implement this schedule.

2. Earlier this evening, we heard a report from the certified public accounting firm of Robinson, Farmer, Cox Associates who performed the audit on the Town's financial records for fiscal year 2008-2009. It would be the motion of the Budget and Finance Committee that we acknowledge and accept this report and authorize the Town Treasurer to distribute copies of the report to the appropriate agencies. We would note that the audit report has now been prepared both in printed form and electronic form and is a public document available for review by anyone. Also, we would note our continued satisfaction with the performance of the auditors and the thoroughness with which they review the Town's records.

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Jacqueline K. King

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John W. Jones, Jr.

## **PUBLIC WORKS COMMITTEE REPORT**

**JANUARY 25, 2010**

1. Over the past several months, our Committee has reviewed certain proposed amendments to the Town's Zoning Ordinance as it relates to regulations for outdoor signage. Last week, we met with Building Official Stan Massie who provided additional information regarding the proposed revisions. The proposed revisions were precipitated by an action of the Board of Zoning Appeals that approved installation of an outdoor advertising structure provided that it conformed to Virginia Department of Transportation regulations. The Virginia Department of Transportation sign regulations pertain to off premises advertising signs that are visible from interstates and other federally funded roadways. VDOT regulations do not pertain to on site advertising structures or any advertising not associated with federally funded highways. In the event the Town does not certify its sign regulations with the Department of Transportation, then, by default, the State's regulations will apply. We think it is worthwhile to be able to control our own regulations with regard to outdoor advertising structures, and, therefore, have pursued certification of our regulations with the Department of Transportation. This process has involved many communications with VDOT, and we believe that we have now suggested amendments that they have found acceptable. Generally speaking, most of these amendments that are proposed are housekeeping in nature and do not materially change our existing regulations. A copy of the proposed changes has been attached for your

review. We think it is worthwhile to pursue these amendments and understand that this will necessarily require a review and a public hearing by the Planning Commission with their recommendation back to the Council. It would be the motion of the Public Works Committee that we forward these proposed amendments to the Planning Commission for their consideration.

2. Last week, we received preliminary information from Builders Supermarket of Wytheville, Incorporated regarding twelve new residential dwellings on a parcel of property bounded by Fourth, Sixth, Liberty and Lexington Streets. The twelve residential units would consist of a ten unit apartment building with an adjacent duplex. The developers are seeking funding through the Virginia Housing Development Authority who has requested that the Council consider designating this parcel of property as a revitalization area. In the Town's Comprehensive Plan, lands which are situated on the west side of South Fourth Street have been designated as a housing rehabilitation and renewal area. If the Council were agreeable, we could also designate this proposed building site area as a revitalization area. However, prior to recommending such an action, we think it is worthwhile to meet with the developers and review in more detail their developmental plans. Obviously, the creation of affordable housing is needed, though we want to determine the implications of creating this revitalization district. The Committee plans to meet with the developers in the near future and would, hopefully, have a recommendation concerning this matter sometime during the month of February.

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William B. Weisiger

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H. Judson Lambert

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