

DAYTON TOWN COUNCIL MINUTES
May 13, 2019

COUNCIL MEMBERS PRESENT: Mayor Sam Lee, Todd Collier, Jeff Daly, Zachary Fletchall, Cary Jackson, Robert Ohgren, and Tara Worthy.

COUNCIL MEMBERS AYE: None.

ALSO PRESENT: Jason Ham Town Attorney; Joseph S. Paxton, Interim Town Superintendent; Daniel Hanlon, Chief of Police; and Kimberley Clark, Recorder.

CALL TO ORDER: Mayor Lee called the meeting to order at 7:41 p.m. Mayor Lee welcomed everyone.

APPROVAL OF MINUTES FOR REGULAR MEETING OF APRIL 8, 2019 AND SPECIAL MEETING OF APRIL 24, 2019

Interim Town Superintendent Paxton offered one correction on page 6 of the April 8, 2019 minutes: It reads, "Interim Town Superintendent that...", it should read Interim Town Superintendent thanked...".

Councilman Fletchall offered the following correction on page 5 of the April 9, 2019: Councilman Fletchall did not recall expressing interest, nor did he turn in a form; it should have read Councilman Daly. With no further corrections, a motion by Councilman Fletchall was seconded by Councilman Ohgren and carried by a roll call vote of 6 to 0, with one councilman abstaining, the voting recorded as follows: LEE – AYE; DALY – AYE; COLLIER – ABSTAIN; FLETCHALL – AYE; JACKSON – AYE; OHGREN – AYE; WORTHY – AYE; the Council approved the corrected minutes for the Regular Meeting of April 8 11, 2019 and Special Meeting of April 24, 2019.

PRESENTATION – FY 17-18 FINANCIAL AUDIT

Interim Town Superintendent introduced Ms. Megan Argenbright, Manager, Brown Edwards & Company, LLP to give a report on the audit. He also noted that a copy of the FY 2017-2018 audit had been posted on line. Ms. Argenbright gave presentation pertaining to the audit. She stated that the firm and the Town took their time and had third party accounting assistance to help make sure the Town's financial statements were prepared properly. Ms. Argenbright offered the following highlights: the firm issued an unmodified opinion; there is a new GASB (Government Accounting Standards Board) standard that was implemented in this report that is different than prior years other post employment benefits (OPEB); there will be new statements coming out, one of which is a lease standard to prepare for in the next two years; the management letter refers to a need to increase the segregation of duties, because of the limited staff; there was one audit adjustment for inventory in the Water & Sewer Fund.

Councilman Ohgren asked for a recommendation in the order of importance to read the financial report. Ms. Argenbright suggested the exhibit on page 6, then Note 1 (policies and procedures), in order for statements to make more sense.

Councilman Jackson asked if this audit reflected the new budget format. Interim Town Superintendent Paxton answered yes, however, the audit was used as a crosswalk to create the new budget.

Interim Town Superintendent Paxton referred to the bottom of page 10 of the report, as the basis for his concern for the Town's reliance on the Water & Sewer Fund to pay for general government operations: in the General Fund, there is a negative Unrestricted Net Position of over \$1 million. That means, technically, that the Town should take another \$1 million out of the Water & Sewer Fund to balance out the General Fund. If this transition is made, it would bring the Town perilously close to the \$2.4 million, which has been set as the reserve balance.

SUPERINTENDENT'S REPORT

Report attached to minutes.

- Approval of Accounts Payable.
 - In discussion with the Finance Committee, Council takes an action each meeting to “approve the bills” for the prior month; and, as these “accounts payable have already been paid, this action is superfluous. There are a number of checks and balances in the system to safeguard the payment process. Each invoice is reviewed before payment by both the Treasurer and Town Superintendent. The Mayor reviews and signs all “warrants”, which include copies of the invoice and where it is to be charged; although this review normally occurs after the invoice is paid. The warrant form requires two signatures, normally the Mayor and Superintendent.
 - Action is requested to direct the Town Superintendent and Treasurer to make payment of all bills presented for payment in a timely manner, provided that the payment is within the approved budget. Timely payment is important to avoid late penalty charges and to obtain the best price for service for the Town. Any payment that will exceed the budget requires specific approval of Council and a budget adjustment. These actions should occur prior to the approval of the purchase order to prevent the Town from incurring a financial liability. Unauthorized purchases are the responsibility of the person making the purchase. A motion by Councilman Daly was seconded by Councilman Collier and carried by a roll call vote of 7 to 0, voting recorded as follows: LEE – AYE; DALY – AYE; COLLIER – AYE; FLETCHALL – AYE; JACKSON – AYE; OHGREN – AYE; WORTHY – AYE; the Council approved the approval of the revised set of rules and regulations for payment of bills effective May 15, 2019.
- Use of Facilities

- Action is requested to approve a revised set of rules and regulations for the use of the Assembly Room to address some of the issues that have arisen over the years with the use by outside persons or groups. It sets the fee at \$25 per hour (currently it is \$25 per day) with an additional flat \$25 to use the kitchen. This fee is intended to cover the Town's cost to maintain the facility without having to use general tax dollars. There is an optional \$50 cleaning fee. In addition, each user will be required to provide a \$100 security deposit, which will be held (not deposited) until after the event and the post-event inspection is completed. This is intended to protect the Town from damages that occur during an event. A motion by Councilman Daly was seconded by Councilman Ohgren and carried by a roll call vote of 7 to 0, voting recorded as follows: LEE – AYE; DALY – AYE; COLLIER – AYE; FLETCHALL – AYE; JACKSON – AYE; OHGREN – AYE; WORTHY – AYE; the Council authorized the revised set of rules, and regulations, including fees effective May 15, 2019.

TREASURER'S REPORT

Report attached to minutes.

POLICE REPORT

Chief Hanlon gave the monthly activity report.

- Thanked Susan Smith for all her hard work on assisting with grant writing.
- Thanked Russell Bailey and his staff for being on location to help with traffic, during a recent bicycle accident.

Interim Town Superintendent Paxton thanked Danny for his outstanding service to the Town. Chief Hanlon's last day is June 15, 2019. The Town will have a reception for Chief Hanlon with light refreshments in the assembly room on Friday, June 14. Lt. Trout will take interim position on June 15, 2019.

PUBLIC WORKS

Russell Bailey provided a written report.

- Councilman Collier commended Russell Bailey for great job at Redbud.

ZONING

Susan Smith provided a written report.

EVENTS AND MARKETING

Mike Betts provided a written report.

ANNEXATION

None.

ECONOMIC DEVELOPMENT

- Thanked Public Works for great job at Redbud.

FINANCE

None.

INFRASTRUCTURE

- The Infrastructure Committee did not meet since last Council Meeting.
- Well #1 is back up running at 100%.
- Russell Bailey reported that the rig to work on well #2 was not available today.
- Interim Town Superintendent Paxton reported that the bridge project is scheduled to start when school lets out; to be completed by Dayton Days. (This work will not interfere with the Muddler.)

PARKS & COMMUNITY DEVELOPMENT

- Easement has been executed from the pathway from the fruit stand over to the mill; should be done with paperwork shortly; at that point we need to get our engineer out there to get safety railing up. Estimating \$25,000-30,000.
- The dedication of Dove Park (the park on College Street) will take place this Saturday, at 6:00 p.m. A new sign will be put up this week. Jim Dove is planning to attend the dedication. Hot dogs will be served by the Town, as a celebration for the Drive-In that was a fixture in our Town for generations. At 7:00 p.m., the Town will have the first movie night for the summer.
- A dog park is in the preliminary phase. If the project is to proceed, it will have to be a citizen initiative.
- New playground equipment has been installed at Cooks Creek Park; mats have been ordered; equipment warning signs up.
- Greenway warning signs have been installed.

PERSONNEL

- Interviews for the new Town Superintendent will take place Thursday, May 16th.

MAYOR AND COUNCIL

- Councilman Collier commended the Public Works, Police Department, and Town Administration, for keeping the Town pretty, safe, and running. He also recognized Mike Betts for his work on community events.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

PUBLIC COMMENT

- Cheryl Lyons said that she could not find the agenda on the Town website. Deputy Clerk/Recorder Clark explained how to find the agenda: www.daytonva.us; scroll down the home page just a little to the Events & Meetings ribbon; click on Town Council Meeting and there, each agenda item is listed.
- Rhonda Johnson was unaware of the 6:00 public hearing. Interim Town Superintendent Paxton reported that the budget public hearing portion was moved to 6:00 p.m., so that the regular meeting would not run so long and was advertised on the Town website, the Town's FaceBook page and in the Daily News Record.
- Rhonda Johnson asked for more clarification regarding "Tell Me Something Good" not being part of the agenda. Interim Town Superintendent Paxton stated that it is rules of procedure for a meeting. As the new Interim Town Superintendent Paxton presented new format, and with Council's approval, rolled "Tell Me Something Good" into the Mayor and Council comments.
- Rhonda Johnson asked for budget clarification regarding the legality to private funding/fundraising. Interim Town Superintendent Paxton said that the budget cannot be voted until at least seven days after the budget hearing. Attorney Ham noted that Town employees needed to be funded by the Town, however, donations could be given earmarked to fund position. Interim Town Superintendent Paxton said if the position was not included in the budget, and citizens wanted to try and raise the money privately, it would then be up to Council whether they wanted to accept the donations to fund the position. Interim Town Superintendent Paxton stated that it is a dangerous precedent to set by funding an on-going position with donated funds. It is not a good financial practice, due to an uncertain future of funding, the fact that direction and priorities of the Town are now being dictated by outside sources, and persons may believe they have "purchased" that position with their donation.
- Rhonda Johnson expressed concern over a dog park, due to the process of knowing how to access, and whether or not these animals have had their rabies vaccination. Councilman Collier said that the dog park is in the infant stage of planning.
- Rhonda Johnson stated she should like to donate \$100 to Chief Hanlon's reception.
- Linda Wine inquired about beautification and the possible outsourcing mowing and flower beds. She said that she noticed that the lettering on the sign at Sunset Park in need of repair,

due to fading. Interim Town Superintendent Paxton said the Town was aware of the issues and are getting to them as quickly as possible.

- Mayor Lee reported that he had a car accident in Town recently and thanked Chief Hanlon for his assistance.
- Councilman Jackson thanked the Dayton Police Department for the timely call when his son's car was recently broken into.
- Councilman Ohgren asked if arrests/follow-up responses are available to the Dayton PD. Chief Hanlon said that he had checked into this, but data is not available at this time. New software is expected to be available in November that will provide this data. Lt. Trout explained that the new CAD (Computer Aided Dispatch) equipment will track all crime within the county, in real time. Officers will be able to be pull up incidents with matching descriptions, using key words.
- Councilman Daly suggested contacting other towns that feed children into Pence Middle School, to assist with funding for the SRO position. He also suggested speaking with the Sheriff.

CLOSED SESSION

On behalf of Interim Town Superintendent Paxton, a motion by Councilman Collier was seconded by Councilman Ohgren and carried by a roll call vote of 7 to 0, voting recorded as follows: LEE – AYE; DALY – AYE; FLETCHALL – AYE; JACKSON – AYE; OHGREN – AYE; WORTHY – AYE; the Council recessed the meeting at 8:53 p.m. to 9:08 p.m., for a closed meeting in accordance with Section 2.2-3711(A)(1)- Discuss the hiring or appointment of specific public officers, appointees, or employees; the subject matter is the hiring of a specific employee (the Treasurer and Town Superintendent); and the subject matter is the appointment of a specific public official.

Return to open session 9:08 p.m.

CERTIFICATION RESOLUTION

WHEREAS, the Dayton Town Council has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Dayton Town Council that such Closed Meeting was conducted in conformity with Virginia law:

On motion by Councilman Daly, seconded by Councilman Fletchall and carried by a roll call vote of 7 to 0, voting recorded as follows: LEE – AYE; DALY – AYE; FLETCHALL – AYE; JACKSON – AYE; OHGREN – AYE; WORTHY – AYE; Council returned to regular session and certified that with respect to the just-concluded closed session, and to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under The Virginia Freedom of Information Act and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the Council.

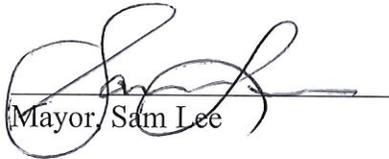
- Councilman Ohgren made the following motion: “Mr. Mayor, in accordance with Section 4.2 of the Dayton Town Charter, and on behalf of Mr. Daly, I move that the Council appoint Mr. Timothy V. Arrington to be the Treasurer for the Town of Dayton effective May 21, 2019. The Treasurer will report to the Town Superintendent in accordance with the Town’s personnel policies,” seconded by Councilman Daly and carried by a roll call vote of 7 to 0, voting recorded as follows: LEE – AYE; DALY – AYE; COLLIER – AYE; FLETCHALL – AYE; JACKSON – AYE; OHGREN – AYE; WORTHY – AYE; the Council approved the appointment of Tim Arrington as Treasurer.

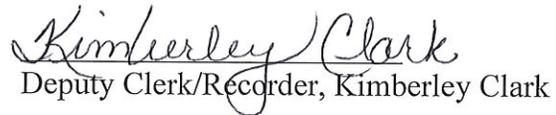
ADJOURNMENT

With there being no further business to come before the Council, Councilman Collier made a motion to adjourn, and seconded by Councilman Daly and the motion passed unanimously.

The meeting adjourned at 9:10 p.m.

Respectfully Submitted,


Mayor, Sam Lee


Deputy Clerk/Recorder, Kimberley Clark

1. Approval of Accounts Payable.

In discussion with the Finance Committee, Council takes an action each meeting to "approve the bills" for the prior month; and, as these "accounts payable have already been paid, this action is superfluous. There are a number of checks and balances in the system to safeguard the payment process. Each invoice is reviewed before payment by both the Treasurer and Town Superintendent. The Mayor reviews and signs all "warrants", which include copies of the invoice and where it is to be charged; although this review normally occurs after the invoice is paid. The warrant form requires two signatures, normally the Mayor and Superintendent.

Action is requested to direct the Town Superintendent and Treasurer to make payment of all bills presented for payment in a timely manner provided that the payment is within the approved budget. Timely payment is important to avoid late penalty charges and to obtain the best price for service for the Town. Any payment that will exceed the budget requires specific approval of Council and a budget adjustment. These actions should occur prior to the approval of the purchase order to prevent the Town from incurring a financial liability. Unauthorized purchases are the responsibility of the person making the purchase.

2. Investment Broker Agreement.

Attached is a copy of the investment broker agreement with Loomis Wealth Management. It is a continuing agreement with either party able to cancel with 30-days' notice. The broker is compensated by the spread paid by the issuing bank, which may vary. The firm is required to disclose the spread on each transaction prior to the transaction being initiated. There is direct fee paid by the Town. No action is necessary by Council.

3. Banking Services

Ms. Smith and I met with Marie Biser and Jackie Burner with F&M Bank in April to discuss the Town's banking relationship and the multiple bank accounts that the Town currently uses. The Town has nine bank accounts and transfers money primarily between three. I talked to Justin Moyer and he said that the other accounts (related to park land, general savings and police grants) predated him and that he knew of no reason to keep them. The "checking" component of those have a token \$1,000 in each and there has been no activity in them since before Justin's time. He was going to propose closing them before he left but did not get time.

Attached is a copy of the F&M proposal. The proposal is very attractive and will be significantly less costly than the current arrangement. The first diagram depicts the Town's current nine accounts. The main checking account is set up with a target balance of \$247,000. All town income or revenue is deposited into this account. Anything over 247,000 is moved to the ICS (insured cash sweep account – explained in the proposal) each night. The ICS account earns .005 or .5%. There is a bill pay account used for the Town to "pay bills". Money is moved from the ICS account each day to "cover" the checks that clear. The park land, general savings and police accounts work in the same way, except that the target balance (which is the actual balance) is \$1,000 and anything over that would move to ICS and each earns the .5% if there is a balance in the ICS. Since there is no activity essentially the Town has had \$3,000 not invested for several years.

The proposal from F&M is for all income and revenue to be deposited into the operating account. The target balance is reduced to \$1.00 and any funds over that amount will move to a new ICS account with an enhanced investment rate of 1.01%. Funds will flow from the ICS account to the "bill pay" account as necessary to pay all claims presented for payment. The target balance will be \$1.00 in that account as well. This will increase the income by at least \$1,300 per year, and likely more since there will be more than \$247,000 in the ICS at any given time until the "excess idle funds" are invested by Loomis.

There are also several additional services for the Town to review including the enhanced check reconciliation, remote deposit capture, cash management debit services, and merchant services. These enhancements will be passed on to the new Treasurer.

The attached letter of agreement for banking services for the next three years was sent to F&M today. Under this proposal, F&M is basically "giving the service" to the Town as the compensating balances have been reduced to \$1.00 and all funds-on-hand over that amount will be invested. The payment to the bank is the amount earned on bank funds vs. the 1.01% that the Bank is paying the Town on the ICS account.

4. Use of Facilities

Attached is a revised set of rules and regulations for the use of the Assembly Room. These address some of the issues that have arisen over the years with the use of the room by outside persons or groups. It sets the fee at \$25 per hour (currently it is \$25 per day) with an additional flat \$25 to use the kitchen. This fee level is intended to cover the Town's cost to maintain the facility without having to use general tax dollars. There is an optional \$50 cleaning fee. In addition, each user will be required to provide a \$100 security deposit, which will be held (not deposited) until after the event and the post-event inspection is completed. This is intended to protect the Town from damages that occur during an event.

Action is requested to authorize the approval of the revised set of rules and regulations effective May 15, 2019.

Thank you for your consideration of these matters. Should you have questions or need additional information please call me.

Respectfully submitted

Joseph S. Paxton
Interim Town Superintendent