

**TOWN OF ELKTON**  
**TOWN COUNCIL WORK SESSION**  
**February 5, 2024**  
**5:30 p.m.**

The Elkton Town Council Work Session was held on February 5, 2024 at 5:30 p.m. in the Council Chambers of the Elkton Area Community Center, located at 20593 Blue and Gold Drive, Elkton, Virginia, with Mayor Joshua J. Gooden presiding.

**Present:** Mayor Joshua J. Gooden, Vice-Mayor Rick Workman, Council Member Jan Hensley, Council Member Virginia Fulginiti, Council Member Louis Heidel, Council Member Rachel Michael, and Council Aaron Napotnik.

**Also Present:** Town Manager Greg Lunsford, Public Works Director Gaither Hurt, Community Development Director Delores Hammer, Treasurer Donna Curry, and Clerk of Council Denise Monger.

**COUNCIL WORK SESSION**

Mayor Gooden called the meeting to order and the Clerk was asked to call the roll.

**ADOPTION OF AGENDA**

**Vice-Mayor Workman moved, seconded by Council member Napotnik, and carried to adopt the agenda as presented.**

**YEAS: R. Workman, J. Hensley, V. Fulginiti, R. Michael, A. Napotnik, and L. Heidel**

**NAYS: None**

**VOTE: (6 – 0 voice vote) Motion carried**

**PRESENTATION**

Financial advisors Davenport & Company, LLC

Davenport & Company, LLC, prepared a Comprehensive Financial Review of the Town's General Fund. Their observations, recommendations, and key takeaways were:

- 1) Town Council & staff have positioned the Town to achieve structural balance in FY 2024 and beyond;
- 2) Incorporating the \$1,000,000 owed to the Town from DEQ, the Town was approaching the recommended fund balance policy of the greater of \$2,000,000 or 50% of General Fund Revenues;
- 3) The Town should consider adopting prudent debt management policies to ensure continued compliance with industry best practices;
- 4) By acquiring a line(s) of credit and establishing a Capital Reserve Fund the Town might be able to sustainably fund its currently outlined Capital Projects generally within the existing dollars earmarked for debt service.
- 5) Dependent upon FY 2024 results, the Town should consider exploring revenue enhancement options, if needed, to further solidify the General Fund, as well as the Enterprise Funds.

Davenport was currently working on a financial review of the Town's enterprise accounts and would present their findings at a future meeting.

**TOWN MANAGER'S REPORT**

Update on infrastructure projects (Town Manager and Public Works Director)

Mr. Lunsford presented Council with a capital projects list. He briefly discussed the following:

**Sewer plant:** The majority of the construction of the plant was completed. There was approximately \$2.5 million remaining from that project. The plan was to replace many of the

Town's sanitary sewer lines and renovate the lab and office space at the plant. The funds must be spent on sewer expenses.

Water: In 2010, Town Council approved WW Associates to prepare a preliminary engineering report (PER) on the Town's water system. No work was done at that time after the report was prepared. In 2021, WW Associates revised the PER from 2010, however there was no action taken at that time either. In 2022, Council approved WW Associates to again update the PER. The packet contained a proposal to design the 1 million gallon water tank for \$165,000 and a proposal for engineering services for the well development for \$75,000.

Next steps for drinking water project: A copy of a checklist was included in the packet that was required to be completed which consisted of eighty-five requirements/steps. This provided a good overview for Council to see the amount of administrative work involved with the project. He noted that some steps took 30 – 120 days to be completed and there was no good way to speed up the processes when working with Federal agencies. WW Associates would provide proposals to design the wells to be drilled and for the drinking water pipe system.

Storm water project on Spotswood Avenue: The project was needed due to flooding in the downtown area. WW Associates had prepared the PER and a rendering. A proposal for the design would be prepared when Council moved forward on the project.

Police Station: Council authorized staff to move forward with Lineage Architecture to design the new police station on Terrace Avenue. The initial design was almost complete. A cost estimate was being prepared by Lineage and should be ready by the end of next week. Once the cost estimates were reviewed, a decision would need to be made as to when to start the project.

Elkton Downtown Marketplace: Lantz Construction had started the project. The project should be completed by mid to late summer. There were many aspects of the project to be discussed such as a farmer's market, schedules, who would manage it, hiring bands, etc...

There could be a need for separate finance meetings to discuss funding for projects. The drinking water project would cost approximately \$8 – 9 million. The Town was pre-approved for \$8.3 million in loans. The Town was informed by the USDA that there were no grants available from them for the project. A search for other grants would continue. Council would need to decide on which options to pay for the project. Several Federal agencies would be involved with the project and a study of current water rates would be a requirement for loan approval. A brief discussion took place if the project could be separated into three phases and bid separately. It was noted that each phase would require the same Federal agency approval. If handled separately, the project completion date would be delayed due to the additional paperwork and wait time for responses. It was recommended that the project be bid as a whole and reviewed to try and make reductions in costs as the project moved forward. The project was estimated to take two years to complete once funding was approved.

## **UNFINISHED BUSINESS**

Engineering services fee proposal – water storage tank design phase services

**Council member Hensley moved, seconded by Council member Michael, and carried that Council approve the two contracts from Herb White, WW Associates, for the water storage and water well and authorize the Town Manager to negotiate and proceed with the contract with whatever he negotiates.**

**YEAS: R. Workman, J. Hensley, V. Fulginiti, R. Michael, A. Napotnik, and L. Heidel**

**NAYS: None**

**VOTE: (6 – 0 roll call) Motion carried**

Fee Proposal for new well development

Refer to the above motion.

Rules for Elkton Downtown Marketplace – discussion

The Town of Broadway and City of Harrisonburg provided copies of their current rules and policies for Council to review. A special projects committee could be formed to provide oversight.

**NEW BUSINESS**

Bear Lithia water hauler operation – discussion

Council member Napotnik stated that a person was filling a commercial tank at Bear Lithia and transferred a chemical onto the line at the spring. When he filled his tank for the brewery at the spring the chemical contaminated his tank. He was concerned and noted a sign was needed at the spring. Mr. Hurt stated that it was a boring company that used the spring and transferred a polymer onto the line. A polymer was basically a water resistant lubricant for their drill heads. The company stated they would not use the spring in the future.

A suggestion was made to erect a sign with a fine if there was a contamination; however, it was unclear if there would be cameras installed or how the fines would be levied since the spring was unmonitored. Council was in agreement a sign was needed. The Town Attorney would be contacted regarding what verbiage to be used for the sign.

**MOTION TO ADJOURN**

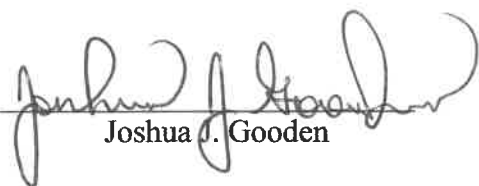
**Council member Fulginiti moved, seconded by Council member Napotnik, and carried to adjourn the meeting.**

**YEAS: J. Hensley, V. Fulginiti, R. Workman, R. Michael, A. Napotnik, and L. Heidel**

**NAYS: None**

**VOTE: (6 – 0 voice vote) Motion carried**

Mayor:

  
Joshua J. Gooden

Recorder:

  
Denise R. Monger, Clerk