



**TOWN OF BOWLING GREEN
TOWN COUNCIL MEETING
MINUTES**

June 4, 2024

7:00 p.m.

Town Hall

117 Butler Street, Bowling Green, VA 22427

ROLL CALL AND QUORUM ESTABLISHED:

Mayor Gaines called the meeting to order and noted that a quorum was present. The Pledge of Allegiance was recited.

MEMBERS PRESENT:

Mayor Mark Gaines
Vice-Mayor Valarie Coyle
Council Member John Chinault
Council Member Jean Davis
Council Member Randy Hageman
Council Member David Storke
Council Member Jeff Voit
Council Member Dan Webb

STAFF PRESENT:

India Adams-Jacobs, MPA, Town Manager/Clerk
Tina Staples, MGT, Finance Director/Treasurer
J.C. LaRiviere, J.D., Director of Community Development & Partnerships

AGENDA ADOPTION & CONSENT AGENDA:

- Agenda Adoption- The Town Council adopted the agenda as amended to add item 12a. Davenport Co. for financial advising.
On the motion of Council Member Voit, seconded by Council Member Hageman, which carried a vote of 7-0, the Town Council approved adopting the agenda as amended.
- Clerk appointment- Mayor Gaines read the resolution appointing Town Manager India Adams-Jacobs as Town Clerk effective June 4, 2024.

On the motion of Council Member Voit, seconded by Council Member Coyle, which carried a vote of 7-0, the Town Council approved the resolution to appoint India Adams-Jacobs as Clerk to Council.

PUBLIC COMMENTS:

There were no public comments. The public comments period opened at 7:12 and closed at 7:13 p.m.

MEMBER COMMENTS:

- Council Member Voit provided an update on recent town events—Clean Sweep and Music on The Green. He shared that both events were well attended and a lot of fun for our community. He extended his appreciation to everybody who participated in the event. He shared that there were some concerns regarding the date of the Clean Sweep occurring the weekend of Mother's Day, and consideration should be given for another date so there is no conflict. But overall, it was quite successful.
- Mayor Gaines commented on starting Music on the Green earlier in the fall. Town Manager Adams-Jacobs indicated that prior staff has already booked fall bands. However, staff will do all we can to accommodate this request and or/ensure proper lighting is provided.
- Vice Mayor Coyle shared that she and Councilmember Jean Davis attended the Caroline County Business Appreciate dinner on behalf of the Town.
- Mayor Gaines led a conversation on canceling the July 11th Town Council work session and regular meeting at the request of the Town Manager due to forthcoming deadlines and high-priority projects—FY22 Audit, USDA project, and other regulatory compliance matters.

On the motion of Council Member Webb, seconded by Council Member Hageman, which carried a vote of 7-0, the Town Council motioned to approve the cancellation of the July 11th meeting.

STAFF REPORTS & PRESENTATIONS:

- The Town Manager shared the enclosed reports from the Town Manager, Public Works, Finance, Police, and Community Development. Considering our audit presentation tonight, the staff did not provide oral reports on those. However, they are available for review in the agenda packet.

FY 21 Audit Presentation, India Adams-Jacobs, and Andrew Grossnickle

- The Town Manager led an introduction on the presentation of the FY21 audit by the Robinson, Farmer, Cox & Associates audit firm. Town Manager Adams-Jacobs thanked everyone for their patience and everything you have done as a town council to help us get to this point. She indicated that her top priority was to complete these past-due audits, which is a large part of why she was hired as the Town Manager based on her experience with audit management. She indicated that as part of the strategic planning retreat, the Council identified a goal of July 1 to complete this audit, which was completed approximately a month ahead. She thanked the team who was a part of making this happen- Ms. Bobbie Tassinari and Mr. Craig Meadows of the Berkley Group, Ms. Tina Staples with the Town of Bowling Green, and Ms. Tomeka Morgan and Ms. Jennifer Earnest from Caroline County, who assisted with institutional knowledge that we did not have.

Mr. Andrew Grossnickle introduced himself and his firm [RFCA]. Mr. Grossnickle gave the following highlights from the FY21 audit:

- The main byproducts of our audit process are our auditor reports or our opinions. That's the one thing I like to say about the numbers itself, whereas the other report is compliance. Please report that for the year-end of June 30, 2021, we were able to issue an unmodified opinion. We had to develop many journal entries to adjust the trial balance to have accurate financial statements. As you're probably aware, it is expected that there are things that don't rise to the level of significant deficiency or material weakness but are still reported to management, and those are what we refer to as management letter comments and that are available in your packet.
- We had a few things noted there, such as checks that were written to cash. Setting up petty cash for events and things like that. We like to see that written to a person rather than to cash- this is relatively common. It's the kind of thing that folks that need to be made aware of is the best practice. We'll write it to check whether it's to pay cash startup change funds or replenish petty cash, those kinds of things. And so that was one of our comments. As I said, we had 941s that were not on file and some sales tax being paid on some purchases. We want to ensure that the Town takes advantage of the tax exemption as much as possible. Then, there were a couple of general ledger accounts that we'd like to see staff work on reconciling and bringing up to date.
- And then we also always issued what we call our governance letter. That's the one that's about three pages in total, including title communication and chart of governance. And in that letter, this is kind of just the things that we communicate at the end of the audit process relative to, you know, some of the significant accounting estimates that the local government has, for example, pension and OPEB liabilities and what associated deferred inflows and outflows are.
- But they are estimates, some of the things we point out, things of that nature. Whether there are any significant accounting policies that were implemented during fiscal year 21, there were no significant GASB pronouncements or governmental accounting standards for pronouncements in 21. 22 23, they have some that may or may not significantly impact the Town. GASB 87, which deals with leases, is out of the standard accounting legal language in the governance letter and is under the corrected and uncorrected misstatements. I know you've just gotten them, and I want to highlight a couple of financial highlights for the year-end of June 30, 2021.
- On that basis, all the long-term assets, capital assets, buildings, things of that nature, and all the long-term liabilities, loans, and so forth, as well as general operating funds and capital projects funds. Those, respectively, were a decrease in the case of governmental activities of \$218,000 and an increase in business-type activities. The other basis of accounting that the government supports is a modified accrual basis of accounting. And that's what some refer to as the budgetary basis of accounting- things within one year and things of that nature are measured, and it does not include your long-term assistant liabilities. The general fund reported a total fund balance of \$280,602. Capital Projects Fund had a total fund balance. The general fund balance was \$130,370; the Capital Projects Fund went down. You may say, well, we went down \$130,370. There's an exhibit, exhibit 10; you have a chance to look at that. It's a high-level budget for an actual exhibit. It goes over your revenues by category and your expenditures by function, and you can essentially call for potentially using up to \$299,000 of fund balance on the June 30, 2021, fiscal year; you actually only use the because revenue came in over budget by about 129,798. He invited you to look through the rest of the report, particularly the middle of the report. It's what we call the notes to the financial statements. In those notes, you'll get a lot more detail on some of the numbers in the basic financial statements. You'll see a breakdown

of your long-term obligations, your loans, and things of that nature.

That concluded the audit report.

- There were a few clarifying questions from Mayor Gaines and Councilmember Storke as a follow-up to Mr. Grossnickle's presentation.

Town Manager's Monthly Report for May 2024

- No questions/comments

Town Treasurer/Finance Department Monthly Report for May 2024

- No questions/comments

Police Department Monthly Report for May 2024

- No questions/comments

Public Works/Utilities Monthly Report for May 2024

- No questions/comments

PUBLIC HEARING:

- No public hearings

UNFINISHED BUSINESS:

8. FY2025 Budget Adoption & Appropriation, India Adams-Jacobs, Town Manager

- Town Staff, Town Manager India Adams-Jacobs, and Finance Director Tina Staples gave a recap of the budget process going back to February 2024, the public hearing in May 2024, and now the adoption and appropriation process.
- Ms. Tina Staples covered the two ordinances for budget adoption: 2024-205 and 2024-505. One is for the budget, which, the way I like to put it, is for your tax and utility rates. The other one is 2024-505, which is the appropriations, which means that you're going to have to fund them. You've got your plans, you've got your money, and then we need both of those for the FY25 budget to be formally adopted.
- Mayor Gaines asked about the police department budget and whether there was a reduction and voiced an opinion regarding a full-time officer based on hiring challenges. The town manager explained the purpose of the two part-time officers due to the current exploration of additional benefits for the police department, which would impact all full-time positions. She indicated that the study would occur this fiscal year and be reported to the Council. Town Manager Adams-Jacobs also shared that the consensus of the rest of the Council from the strategic planning retreat in January was to prioritize financial sustainability and the Town's infrastructure/utilities, which was the basis for this budget cycle. She indicated that future budgets could look to address public safety if this is the majority direction of the Council.

On the motion of Council Member Storke, seconded by Councilmember Coyle, which carried

a roll call vote of 7-0, the Town Council motioned to approve ordinance 2025-504.

Roll Call Vote:

Vice-Mayor Valarie Coyle = Aye
John Chinault = Aye
Jean Davis = Aye
Randy Hageman = Aye
David Storke = Aye Jeff
Voit = Aye
Dan Webb = Aye

On the motion of Council Member Voit, seconded by Councilmember Hageman, which carried a vote of 7-0, the Town Council motioned to approve ordinance 2025-505.

Roll Call Vote:

Vice-Mayor Valarie Coyle = Aye
John Chinault = Aye
Jean Davis = Aye
Randy Hageman = Aye
David Storke = Aye Jeff
Voit = Aye
Dan Webb = Aye

9. Intergovernmental Support Agreement with U.S. Army at Fort Walker, India Adams-Jacobs, Town Manager.

- Ms. Adams-Jacobs shared what was before the Town Council for consideration with the Intergovernmental Support Agreement transaction document in your packet for approval. We bought this item in March and discussed it as part of our upcoming budget process. The memo includes the specifics that we discussed and provided, as you all provided directions at the previous meeting to bring back the document. We've worked very closely with our partners at Fort Walker, Ms. Dianne Smith, their attorneys at Fort Walker, and Mr. Jeff Gore. After several iterations, we have a transaction document for your consideration for approval. Commander Duffy will be leaving in July, so we would like to get this executed before his departure so we can host a joint signing ceremony and then have this in place for the new fiscal year.
- IGSA with Fort Walker/U.S. Army – The purpose of the IGSA is to reduce U.S. Army costs related to compliance with federal procurement requirements and provide a new stream of revenue to the Town. The Town would be paid a 10% administrative fee for each procurement. Diane Smith with Fort Walker was present to answer any questions from the Council. Fort Walker would like to move forward with an agreement with the Town. Vice Mayor Coyle asked if the Town is guaranteed the 10%, to which Ms. Smith stated yes. Ms. Smith also advised that the Town would be paid within 30 days.
- Mayor Gaines shared that he had been attempting to implement this item for a year and was

excited to see it finally completed.

- Councilmember Storke asked if all the questions from the last time this was presented had been rectified. Ms. Adams Jacobs confirmed that they had been addressed through the attorneys.
- Councilmember Voit asked the Town Manager if she was comfortable with the agreement. Ms. Adams-Jacobs confirmed that she was comfortable with the final version.

On the motion of Council Member Webb, seconded by Councilmember Voit, which carried a vote of 7-0, the Town Council granted the Mayor authority to execute the agreement.

NEW BUSINESS:**10. Pre-Audit Firm Engagement Approval & Authorization, India Adams-Jacobs, Town Manager and Tina Staples, Finance Director/Treasurer**

Town Council discussed the following matters:

- Ms. Adams-Jacobs shared that earlier in the Town had been working with the Berkeley Group to help us with our pre-audit services. They have many other clients and items they prioritize as part of their business model, so I had to search for another pre-audit firm. So, what you have before you are retaining the services of Rodefer Moss so that we can prioritize our FY22 process and get that moving now that we've completed FY21. I'll be working with myself and Ms. Staples if you all approve of the engagement this afternoon.
- The council and staff briefly discussed the cost and who conducted this work for the FY21 audit. The Town Manager shared the Berkley Group, consultants, Town Manager, and Finance Director/Treasurer.
- Staff shared that this agreement was FY22-24. Staff indicated that by FY25/26, this should be able to be conducted by staff in the future.

On the motion of Councilmember Storke, seconded by Councilmember Hageman, which carried a vote of 7-0, the Town Council motioned to authorize the Town Manager to authorize and enter the agreement with Rodefer Moss accounting firm.

11. Resolution of Support for Grant Application to Virginia Department of Health Planning & Design Fund, J.C. LaRiviere, Director of Community Development & Partnerships, Jeffrey Smith, Intern

- Town Manager Adams-Jacobs introduced the item and introduced the Town's new unpaid intern, Mr. Jeffrey Smith. Mr. Smith is a Caroline County native and Liberty University graduate who is assisting the Town on grant support and other matters.

Mr. Smith shared that the town manager tasked me with compiling information to prepare for the application process.

- Mr. LaRiviere, Director of Community Development & Partnerships, shared specific details on the program and the project. This project came to the attention of the town manager from the Virginia Department of Health during our discussions with them regarding potential mitigation options for gross alpha exceedances. They recommended that we look at this design fund. So, this is a state entity that advised us to look into this grant program. The town did so, and the town manager connected staff with Stantec. We are collaborating to prepare an application that is as competitive as possible. So, as Mr. Smith mentioned, this is the Department of Health Planning and Design fund. We are requesting the maximum award amount, which is \$45,000, in the grant application. There is no local match for the Bowling Green hydrogeologic source evaluation project. The goal of the project is to investigate and fully understand the natural conditions within which the Town must operate to mitigate the presence of gross alpha in the drinking water system. This may inform potential new well locations and advise us on treatment options for existing wells. So that's the project, that's the goal, and that's the dollar-required component of the application process.

- Ms. Adams-Jacobs also thanked Mr. Sean Fortune, who's been working behind the scenes with the team. As he mentioned, we've had several calls with VDH, our representative for VDH, and Stantec as we worked on this application. So, we do need the resolution of support to move forward with the grant process. So, thank you for your consideration.
- Councilmember Storke shared that this is wonderful and asked how we found out about this grant process.
- Ms. Adams-Jacobs shared that we received this from VDH after the notice of violation for the gross alpha exceedance in March.
- The council has a question regarding who will be doing the work if we receive the grant money.

Staff shared that they are going to continue to collaborate with Stantec, our engineering firm. We will finalize the application and make sure all of our experts are on board, so we have a really competitive application now; if we are to receive an award, staff will manage the grant management side of things. However, the money would be needed to hire a contractor, an engineering firm with hydrogeologic expertise, to conduct the groundwater testing with the various aquifers at various depths.

On the motion of Council Member Webb, seconded by Vice Mayor Coyle, which carried a vote of 7-0, the Town Council motioned to approve the resolution of support for the VDH grant application.

12. Resolution of Support (RES2024-002) for Private Acquisition of Real Property owned by the Virginia Department of Transportation, J.C. LaRiviere, Director of Community Development & Partnerships

Councilmember Webb acknowledged his personal interest in the Fairmont Commercial LLC, recused himself from the discussion and item, and sat in the audience for the discussion.

- Mr. LaRiviere introduced Town was approached by Mr. Torrey Williams on behalf of Fairmont Commercial LLC to request the Council adopt the attached resolution of support, which the Virginia Department of Transportation is requesting as a part of their disposition process. To keep it basic, the Town currently has no interest of any kind in the subject parcel. It is owned by the Commonwealth of Virginia Department of Transportation, so what that means is we cannot tax it, so it currently produces no revenue, nor can any of our residents or businesses utilize it and get any utility from this parcel itself, which is about 3.2 acres, that is not currently producing revenue or any utility for the Town or its residents. Furthermore, the Town is not a party at all to this transaction. Again, this is just a procedural component of VDOT's process in their right-of-way disposition. Essentially, hopefully, it will provide some utility for the residents of the Town of Bowling Green. I'm here to answer any other questions you have.
- Councilmember Storke stated that a business person here in Town, as a county seat, recently had a piece of property on Main Street, which was a florist that the county purchased. And so, we all realized that Caroline County owns a lot of real estate in our Town, and we receive no

tax dollars. And so, every time they buy a piece of property, and not that I'm against that, it takes it off our revenue a nice piece of property that VDOT, I guess, acquired when they put it in a bypass for those of you all that lived around here a long time ago. It's one of the gateways to our community and a great piece of property that can be developed. And so, I moved the town council to adopt a task resolution to support and favor the proposed acquisition.

On the motion of Council Member Storke, seconded by Council member Voit, which carried a vote of 7-0, the Town Council motioned to approve the resolution 2024-002 by a roll call vote as follows:

Roll Call Vote:

Vice-Mayor Valarie Coyle = Aye

John Chinault = Aye

Jean Davis = Aye,

Randy Hageman = Aye,

David Storke = Aye

Jeff Voit = Aye

Dan Webb = Aye

12a. Davenport & Co- Financial Advisor Approval

Town Council discussed the following matters:

- Ms. Adams-Jacobs thanked the Council for amending the agenda to allow this item. She indicated the need for the Town to retain financial advisors to assist the Town with our financial management, given that the Town is facing a credit rating downgrade. She highlighted that this engagement aligns with the audit work and dovetails with the audit work. She added that Davenport would assist in evaluating the Town's overall fiscal health, addressing our credit rating, as I mentioned, evaluating our key debt ratios, evaluating existing or implementing some new financial policies, as well as assisting us with multi-year capital planning. Ms. Adams-Jacobs handed it over to R.T. Taylor for a high-level overview by Davenport.
- Councilmember Storke asked if we were at a place where our credit rating would be downgraded. The Town Manager confirmed that the Town Manager and Finance Director were notified of this in May.
- The Vice Mayor inquired about our current credit rating, and the Town Manager indicated that we are still waiting for an answer from Moody's.

On the motion of Council Member Webb, seconded by Vice Mayor Coyle, which carried a vote of 7-0, the Town Council motioned to approve and authorize the Town Manager to enter an agreement not to exceed \$20,000.

Roll Call Vote:

Vice-Mayor Valarie Coyle = Aye

John Chinault = Aye

Jean Davis = Aye,

Randy Hageman = Aye,

David Storke = Aye

Jeff Voit = Aye

Dan Webb = Aye

INFORMATIONAL ITEMS:

None

CLOSED SESSION:

Pursuant to Virginia Code Section 2.2-3711A (1), discuss the compensation of town employees, specifically those employees who work directly with the town's water and sewer system, and consult with the town attorney regarding town property and water service. On the motion of Council Member Storke, and seconded by Council Member Voit, which carried a vote of 7-0, the Town Council motioned to go into closed session pursuant to VA code sec 2.2- 3711A (1).

RECONVENE IN OPEN SESSION:

On the motion of Council Member Voit and seconded by Councilmember Webb, the Town Council reconvened in open session on a unanimous voice vote.

CERTIFICATION

On the motion of Council Member Storke, the Town Council certified in accordance with Section 22-3712 of the Code of Virginia that only public business matters are lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and that 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 public body.

Roll Call Vote:

John Chinault = Aye

Valarie Coyle = Aye

Jean Davis = Aye

Randy Hageman = Aye

David Storke = Aye

Jeff Voit = Aye

Dan Webb = Aye

Mayor Gaines read a motion to approve a one-time deviation from the personnel policy to pay staff in the water and sewer department the annual leave they have accumulated in excess of 240 hours as of June 30, 2024, and to pay all benefits for those employees separating from the town's employment in the water and sewer department. Councilmember Voit made the motion, which was seconded by Councilmember Hageman. The motion passed unanimously on a vote of 7-0.

ADJOURNMENT:

On the motion of Council Member Voit, seconded by Council Member Hageman, which carried a vote of 7-0, the Town Council motioned to adjourn the Town Council Meeting.