

The regular meeting of the Norton City Council was held on Tuesday, February 16, 1999 at 7:30 p.m. at the Municipal Council Chambers with Vice Mayor William Mays presiding.

Present: Joseph Hunnicutt, Jack Wallace, William Mays, and Joseph Fawbush

Absent: Robert Raines

Also Present: E. W. Ward, City Manager and Bill Bradshaw, City Attorney

The invocation was given by Rev. Jim Goddard which was followed by the pledge of allegiance led by the Director of Social Services, Bill Stokes.

Vice Mayor Mays advised that Mayor Raines was absent tonight due to the flu and wished him a speedy recovery. He further advised that Item 7-D Executive Session under New Business will be tabled until the next meeting.

19253

Upon a motion by Joseph Hunnicutt, seconded by Joseph Fawbush, and passed by unanimous vote, Council moved to adopt the minutes of the February 2, 1999 meeting as presented.

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There was no response to the Vice Mayor's call for visitors.

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A public hearing was held to consider a budget amendment in the amount of \$60,000 to the 1998-99 General Fund Budget.

Mr. Ward advised that at the last meeting Council discussed a grant for the Norton Redevelopment and Housing Authority in the amount of \$65,400 to provide additional police services on their properties. Of this amount, \$60,000 will be the contract amount with the City and \$5,400 will go the housing authority for administration of this grant. To accept this grant, the City needs to amend the General Fund Budget in the amount of \$60,000.

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The grant is 100% federally funded, will run from January to December, and is renewable for up to four years.

There were no comments from Council prior to the public hearing. Vice Mayor Mays opened the public hearing.

There being no public comment, the Vice Mayor closed the public hearing.

Upon a motion by Joseph Hunnicutt, seconded by Joseph Fawbush, and passed by unanimous roll call vote, Council moved to amend the 1998-99 General Fund Budget in the amount of \$60,000 for the Norton Redevelopment and Housing Authority Grant.

Council had a request from the City Manager to authorize him to execute a contract with the Norton Redevelopment and Housing Authority for the grant considered in tonight's public hearing.

The City Attorney advised the contract document is in order.

19257

Upon a motion by Joseph Fawbush, seconded by Joseph Hunnicutt, and passed by unanimous roll call vote, Council authorized the City Manager to execute the contract with the Norton Redevelopment and Housing Authority for the grant discussed in the public hearing held earlier during this meeting.

Council had their annual request from Mrs. Daisy Portuondo of the Pro-Art Association for the City to apply for a Local Government Challenge Grant. This grant is a matching grant and for the past two years, it has been \$4000 from the State and \$4000 matching funds from the City. Mrs. Portuondo is requesting that Council apply for the maximum amount of this grant, \$5000, for this year.

19258

Present at tonight's meeting representing the Pro-Art Association was Mrs. Joyce Winston who briefly spoke to Council.

Following a brief discussion and upon a motion by Joseph Hunnicutt, seconded by Jack Wallace, and passed by unanimous roll call vote, Council authorized the City Manager to apply for a Local Government Challenge Grant in the amount of \$5000 for the Pro-Art Association.

In their packets, Council had a copy of A Memorandum of Understanding Between the City and the Norton Industrial Development Authority that was entered into in January of 1994. Also, there is a copy of a letter to Mayor Raines from Mr. William Sturgill, Chairman of the Norton Industrial Development Authority. In this letter, there are a couple of items that he would like to bring to the City's attention for guidance and consideration.

The first of these is that on March 15, 1994 NIDA borrowed money from the Powell Valley National Bank in the amount of \$800,000 by signing a five year note which was to balloon in five years. This will be in March of this year. The funds were used to make necessary renovations to the old Hotel Norton to make the building structurally sound and stable in order to make it a marketable piece of property. Since that time, NIDA and the City has been able to pay down some of the principal jointly through our budget process. Currently the outstanding balance on this note is \$575,000 with \$225,000 of the principal being paid plus the interest. Since this note balloons in March, they seek Council's guidance as to what Council chooses to do.

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The second item is the fact that the Memorandum of Understanding sets out that the Industrial Authority has five years to successfully market the hotel to a prospective developer or tenant and should they fail to do that satisfactorily by June 30, 1999, the Authority agrees to convey the Norton Hotel Property to the City upon 30 day written notice to the Authority from the City.

NIDA has primarily relied on the marketing efforts of Southwest Virginia Promise and the Coalfield Economic Development Authority.

Following a discussion, it was the consensus of Council to bring this item back at the next meeting for discussion by a full Council.

In comments from the City Manager, Mr. Ward advised that the Capital Improvement Meeting will be held on February 26, 1999 at the Holiday Inn at 12:00 Noon.


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In comments from the City Attorney, he advised that the City Manager had given him the deed to the property for the new pump station. He will record this deed this week and this transaction will be complete.

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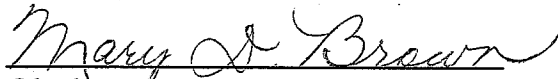
There being no further business to come before the City Council, the meeting was adjourned.

CITY OF NORTON, VIRGINIA



William J. Mays, Vice Mayor

ATTEST:



Clerk