

Minutes of a Work Session of the Council of the Town of Blackstone, Virginia, held in the Council Chambers located at 100 W. Elm Street, Blackstone, Virginia, on Wednesday, January 7, 2009 at 7:00 p.m.

There Were Present:

Mayor: William D. Coleburn

Council Members: L. Benjamin Green, John W. Hill, Jr., C. Duncan Quicke, Barbara Thompson, J. A. Wilson, Jr., Constance T. Wynn

Town Attorney: Kennon C. Walden, Jr.

Town Staff: Jennifer H. Beck, Administrative Assistant; David Dunn, Assistant Town Manager; David Ostrander, Director of Public Works; J. Larry Palmore, Town Manager; Joan R. Palmore, Town Clerk; Charles C. Wells, Finance Director

Those Absent:

Council Member: Alfred V. Tucker

Mayor Coleburn called the meeting to order and opened the Public Hearing. He asked the Town Clerk to read the Public Hearing Notice as follows:

PUBLIC NOTICE

The public is hereby notified that the Town Council of the Town of Blackstone, Virginia will hold a public hearing on the 7th day of January, 2009, at 7:00 p.m., at Town Hall, 100 W. Elm Street, Blackstone, Virginia, to consider transferring approximately 29 feet of real property fronting on South Main Street, being the former location of Mitchell's Restaurant before it was burned down, in exchange for the transfer of approximately 29 feet of land also South Main Street from RS Developments, LLC, Sheryl A. Reitz and Angela F. Sklute being part of the tract owned by Johnny McNabb. The improvements on this land also being consumed by fire. The transfer is hereby made in consideration of several easements being granted to the Town by the RS Developments owners. Members of the public are invited to attend and express their view.

It is the intention of the Town Council to comply with the Americans with Disabilities Act. Should you need special accommodations, please contact the Town Manager's Office prior to 5:00 p.m., on Wednesday, December 31, 2008.

Mayor Coleburn stated that Council agreed in August or September to swap the above mentioned land. He then asked for any comments from the public.

No members of the public came to the podium to speak.

Manager Palmore explained to those present what is being transferred. He showed the public a map of what is being proposed.

Mayor Coleburn closed the public hearing.

Councilman Green asked the Town Manager to ask the County to waive the taxes on this property because it will be used for Public and Open Space.

Manager Palmore answered that he will do that.

After further discussion, Councilman Green made a motion to authorize Mayor Coleburn, Town Attorney Walden and Town Clerk Palmore to sign the Lease Agreement, the Deed and the Block Grant Agreement. The motion was seconded by Councilman Hill and approved as follows. Vote:

Councilman Quicke	-	Aye
Councilwoman Wynn	-	Aye
Councilman Green	-	Aye
Councilman Wilson	-	Aye
Councilman Hill	-	Aye
Councilwoman Thompson	-	Aye

WORK SESSION

Mayor Coleburn thanked everyone for coming out tonight and he stated that there are disagreements between good men and women from time to time. He then turned this over to the Town Manager to explain the Downtown Revitalization project.

Manager Palmore thanked everyone for being here tonight. He also thanked Matt Fitzgerald with DHCD who is a great friend to Blackstone and he recognized Mac Bugg and David Boaz with B & B Consultants and thanked them for being here. He stated that after the last meeting, he thought he was going to walk into a hornets nest when he went to meet with the property owners, but this could not have been further from the truth. Everyone has been great. He then reviewed a map with Council showing all the properties included in the facade improvement program and spoke to them about each individual piece of property. He listed the properties that have signed contracts to be included in the project as follows:

**Epes Supply Building
Doswell Properties
Coca-Cola Buildings
Schewel's Furniture Building
Warehouse
American General Financial Services
Blackstone Emporium
Cole's Ladies Shop
Spencer's Drug
Winn Furniture Buildings
Watkins Jewelers Buildings
Old Dominion Carpet Outlet
Gibbs & Associates
Decorize
All About Hair
Gilmore Environmental**

He stated that the property owners who have not yet signed are Teefey and Teefey, Joe Allman, Sissy's Treasure Chest, Winn's Saw Shop and Blackstone Herb Cottage. He added that we expect Teefey and Teefey and the Blackstone Herb Cottage to sign within the next few days. We are continuing to work with Joe Allman, who is currently negotiating with the contractors and we are still working with Sissy's Treasure Chest and Winn's Saw Shop. We are not giving up on these properties.

Councilman Wilson asked who owns the Winn Saw Service building.

Francis Gilmore answered Mark and Odette Thomas from Floyd County.

Manager Palmore stated that the Thomas' have been working on their building and hopefully they will reconsider and sign the documents.

Mayor Coleburn stated that at the December meeting some Downtown business owners mentioned some of their concerns. He asked the Town Manager, how is that going.

Manager Palmore answered that we have met with all of the business owners in the project area and if they have requested more information, we have gotten that to them. He explained that this project started back in 2004 with LMW Consultants who came in and helped us. After it didn't work out with LMW Consultants, we re-advertised for another RFP and B 7 B Consultants was chosen as the consultant for the project. He stated that the scope of work changed back at the beginning with B & B Consultants and the mistake that we made was we should have changed the first document to reflect the scope of work that we laid out to B & B Consultants. He stated that these changes were made in order to cut prices. He explained that he gets focused on getting the project done and he is probably the worst when it comes to dotting the

“I’s” and crossing the “T’s”. He added that he does have some strengths though when it comes to getting things done. We just got in too much of a such a hurry to get the documents to DHR and get to work so we would get the project out to bid.

Councilman Green asked who reviewed the contracts.

Manager Palmore answered that the original team that was set up when we first interviewed was Lynn Shekleton, Michael Borum, Dale Duffy, Al Ellington, Jennifer Beck, and himself.

Mayor Coleburn stated that his understanding is that the Town Manager has not had any problems with the Downtown business owners as he had been led to believe he was going to encounter at our last Council Meeting. He welcomed Matt Fitzgerald with DHCD.

Councilman Quicke asked has construction begun.

Manager Palmore answered, not yet but he has signed the notice of award to the construction company (W. E. Bowman, Contractors) and they are scheduled to begin in two weeks. He feels this contractor is an excellent choice. He has been doing this type work since the 1980's.

Mayor Coleburn asked has Francis Gilmore received the documents that he asked for.

Manager Palmore stated that he spoke with Francis Gilmore a few days ago, and he said that he has received what he needed.

Mayor Coleburn asked Francis Gilmore if he is happy with what he has received from the Town.

Mr. Gilmore answered that this may be something for discussion at another time.

Manager Palmore stated that B & B Consultants was chosen as the engineer mainly because they have worked with DHCD on other projects and none of the other companies had worked with DHCD. Also, they can be here on a moments notice. He added that they have been outstanding to work with. There are some things we plan to do different on the next go round.

Councilman Green asked about the open ended agreement with B & B Consultants. Is that the document that he gave to Francis Gilmore.

Manager Palmore answered yes sir.

Councilman Green asked is this document out of date.

Manager Palmore answered, no sir, the document was up for renewal last year which Council renewed last summer.

Councilman Green asked where is that document.

Manager Palmore answered that he would have to get that document for Councilman Green, he does not have it here tonight. He wasn't aware that document was in question.

Councilman Green stated that Mr. Gilmore asked for this document.

Manager Palmore answered, no sir he did not. He asked for the facade improvement scope of work and as he has stated numerous times before, he does not have a scope of work on the facade improvement program.

Councilman Green stated that he is not asking for that, he is asking what validates this agreement and he is curious why we did not give this document to Mr. Gilmore.

Manager Palmore answered, because he did not ask for it.

Councilman Green stated that he is extremely delighted that the Town Manager has done such a great job going out in the community and getting everyone to sign up. He then addressed Jennifer Beck and stated that he remembers that when we first started this project we didn't have much participation but it is obvious now that we have great participation. He stated that he has a problem with the disconnect between the Town and the Downtown business owners. He then asked the Town Manager if we are in compliance with this document that we signed.

Manager Palmore asked Councilman Green is he on trial.

Councilman Green answered no, he is just trying to figure out what is going on. He then asked the Town Manager if we are in compliance with this document that we signed.

Manager Palmore answered, yes sir he then referred Councilman Green to the Town Attorney.

Councilman Green asked Dr. Mac Bugg with B & B Consultants what is the task order.

Mac Bugg stated that Scope of Work is the same as the Task Order.

Councilman Green asked Matt Fitzgerald if this is acceptable to the State.

Matt Fitzgerald answered that this is all handled locally.

Councilman Green asked are we in compliance with everything we need to have done with a verbal task order. He stated that Manager Palmore authorize B & B Consultants to do \$50,000 worth of work last month.

Manager Palmore stated that this work was done over many months.

Councilman Green stated that it is his error that he has not been coming to the Management Team meetings but he finds it odd that it says that a Council Member must be on this Board and he hasn't been contacted about any of the meetings. He stated that he didn't know until December 15th that he was even on the Management Team.

Manager Palmore stated that Councilman Green has been notified of all the meetings that the Management Team has had. He then handed him copies of email notifications of the meetings showing Councilman Green's email address and the date and time of the notification.

After further discussion, Mayor Coleburn asked if anyone in the audience would like to have a chance to speak. He hopes that after we leave tonight we can move forward and get this project done.

Francis Gilmore addressed Council and stated that he feels that some of the comments that he has made resulted in this meeting. He stated that originally when we got further along in the facade improvement program he was not comfortable with what the design firm was providing to the merchants Downtown. He stated that he has great respect for B & B Consultants and he has a great working relationship with them but having been involved in facade improvement projects in the past, he was expecting to get detailed cost estimates and details on the budgetary requirements of the project. After talking to other business owners Downtown, he got the same impression from them. He stated that the next thing that happened was the facades were put out to bid and a construction contractor provided a lump sum cost estimate to each property owner. This was the first cost estimate any of the merchants Downtown had seen and he did not feel this was appropriate. It did not have sufficient detail in order for him to make the decisions he had to make. He stated that he is on the DBI Board, he is a merchant and he is a citizen of Blackstone so he felt like he should be given the information he asked for. He stated that he did not receive the information he wanted so he then asked the Town for the Scope of Work. He added that he did request quite a bit of information from the Town and he received a lot of help from Mr. Palmore. There was some disconnect between what he wanted and what the Town had. He stated that his main concern is that we get maximum participation from the merchants downtown. He added that he has seen the Town and B & B Consultants work really hard over the last three weeks in order to get the merchants on board and he greatly appreciates this. He feels the reason all the merchants have signed on and all this work has been done is because he and Joe Allman raised the concerns that they did at the last Council Meeting. He added that Mr. Green asked some valid questions as to the way we have handled the contracts on the Downtown Revitalization project. He does not feel that we are following the Federal laws like we should be but ultimately he stands here tonight happy because the majority of people who

have signed up. We do have what appears to be a very good construction contractor on board and he is looking forward to moving forward and he hopes we can resolve some of these other issues as well.

Mayor Coleburn thanked Mr. Gilmore for all he has done. He added that apparently some good things do come out of conflict.

Tom Daniel, Brunswick Avenue, stated that he has been in the construction and engineering business for about 45 years and he knows about verbal contracts and he knows about mistakes. He states that although B & B Consultants was not properly documented they deserve to get paid. Having been involved with them closely before, he is certain that they would not send the Town a bogus bill and he hopes that Councilman Green will see fit to pay B & B Consultants.

Mayor Coleburn stated that just to set the record straight, B & B Consultants has been paid. They were paid last month. It wasn't by a unanimous vote, but they were paid.

Manager Palmore answered, that is correct.

Dr. Mac Bugg, B & B Consultants, addressed Council and stated that he appreciates the opportunity to be invited here tonight and for the opportunity to work with the Town on this project. He stated that he hesitates to even bring this up but they worked very closely with Jennifer Beck and she had to go on maternity leave in the middle of the project. He stated that initially she requested and they prepared a 50 plus page document on the Downtown Revitalization. This document included the market analysis, nine residential units, a development project for the "Hole", a development project for the Epes Building. He did not feel that he could execute that document (while she was out) because there were too many unknowns. They did not know what they were being asked to design on the Jackson and Epes Building so he didn't feel they could execute it. He stated that when the Town asked them to begin the facade, he sent the Town a letter with the Scope of Work showing the charges for the Design, the bid phase and the contract administration phase. He wants it to be made clear that there is something in writing.

Mayor Coleburn asked when was that done.

Manager Palmore answered, March 4, 2008.

Councilman Green reminded Dr. Bugg that his words ask for a task order.

Dr. Bugg agreed and said he should have done that but again the letter spells out what would have been in the task order. He agreed that he should have prepared a task order and sometimes things slip through the cracks. For example, we were in a big hurry to get everything done to get the paperwork to DHCD. He agrees that they have been working hard for the last three weeks, but the reason is they finally had the firm prices from the contractors which meant they could then go into the negotiation stage with the property owners.

Councilman Green stated he is not challenging Dr. Bugg's integrity but what he is calling to light is that he feels that the Town is in violation of State and Federal requirements. He stated as a Councilman it is his duty to expose these violations, scrutinize them and to try and come up with some way that we can move forward.

Mac Bugg stated that he would take full responsibility for anything that has not been done because he feels it is his job to make the administration of the projects easy for the locality and he failed to do that.

Councilman Green stated that he disagrees with Dr. Bugg. He feels that B & B Consultants provided every normal courtesy that a consulting firm should have. He feels that they provided all the documents and that they have gone out of their way for the Town. He stated that the thing that bothers him is the Freedom of Information Act. Councilman Green then read a section of the contract that Mayor Coleburn signed and that Council approved under special conditions, page 7 with regards to the accounting system. It reads-- *the Town (grantee) shall maintain existing accounts or set up independent accounts in conformity with Federal regulations CFR part 85, the DHCD Manual and any written notices from DHCD and the grantee shall record in its accounting system, all grant payments received pursuant to this grant and any other funds provided for, accruing to and otherwise received on account of this grant. All costs including paid services contributed by this grant or other charged to the grantee shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers evidencing in the proper detail the nature and propriety of the charges. All contracts, invoices, vouchers, and any other county documents pertained in whole or in part, shall be clearly identified, readily accessible and separate and distinct from any other such documents. Such documents shall reside at the office of the grantee locally.* He added that these documents are supposed to be available to State and Federal agencies as well as the public for a period of five years after the completion of this project. Councilman Green stated that what he is trying to say is that this Freedom of Information Act request was a mute point. We signed a contract with DHCD saying that these documents would be readily accessible and when Mr. Gilmore asked for the scope of work that when he started wondering why can't we get the documents that are being asked for. He knows that an engineer is going to make sure that all these documents are being done to the letter and he is wondering what else is not being done correctly. He then asked Dr. Bugg, and stated a man who is as educated as he is in his field and is an expert in his field, how can he allow these documents not to be executed, not to be here for the Town, readily available and why have we had all this run around when this man asked for something that he is certainly entitled to, based on the contract that the we signed.

Manager Palmore stated that Mr. Gilmore has been provided with all the information that he has requested.

Mayor Coleburn asked Matt Fitzgerald are we okay with DHCD.

Mr. Fitzgerald answered yes, the Town is in compliance with the State.

Manager Palmore stated again that back in the original document when B & B Consultants was selected, we negotiated with B & B Consultants on the scope of work in order to cut down on costs.

Councilman Green stated that apparently you all have back dated the open ended agreement.

Manager Palmore stated that he has not back dated any document and does not appreciate Councilman Green's accusation.

Councilman Green stated that he was asking a question. He was not accusing the Town Manager of anything.

Manager Palmore stated that the Town, last summer, renewed the contract that Councilman Green is referring to with B & B Consultants. We renewed a contract with Volkert & Associates at the same time.

Councilman Green stated that maybe his term was not satisfactory to the Town Manager. He asked was the open ended agreement with B & B Consultants renewed.

Manager Palmore answered again that last summer Town Council renewed the open ended agreement with B & B Consultants.

Joe Allman stated that he appreciates all the work in the last couple of weeks. People appear to be getting all the information they need. He and his wife Alice have gotten what they need and they had a good meeting with the contractor. He stated that he wants to move forward. He then recapped what he feels has happened and what has been done wrong. He stated that he didn't understand why they couldn't get on the same page and they finally figured out that B & B Consultants was playing under a different play book than what DBI was working under. This has been resolved and we have all agreed that next time we can do things differently. That leaves us here, the project is not done, we are in the construction phase. He doesn't know what to read from these documents. He asked how are we going to move forward. Are we going to continue forward under the same verbal agreement or is Council going to draw up a new document and shred the old document. He added that he does not see that DBI even needs to meet anymore right now because they don't know what the plan is.

Mayor Coleburn asked is DBI still involved.

Manager Palmore answered yes. He stated that the only time DBI has not been involved is with the contract negotiations with the different property owners. Now we will go back to DBI to work with the contractors and Lafayette and the business owners. He stated that his involvement was not steered on in the last few weeks because someone came down here and raised all these issues. It was contract document time. He added that DBI has done a tremendous job and he intends to go back and use them just like we did before.

Mayor Coleburn asked do we need to change this document again.

Manager Palmore stated that this document is constantly changing. Council just voted to change it last month. He added that DBI has been wonderful to work with and we will continue to utilize the Board for picking out paint colors, signage, etc. He feels that the disconnect may have come about at the last Council meeting because he said that DBI would not be involved in the contract phase.

Mr. Allman stated that this is a new venture for everyone, and also for Manager Palmore. He added that it is significant that everyone met for a year and didn't realize we were working working off different documents and he is not pointing fingers at B & B Consultants or Manager Palmore. He feels that he was just as much at fault as anyone because he didn't get it either. He is trying to instill a sense of community Downtown and he knows that the Town Manager is driving hard to get this done and he utilizes the DBI Board but there still is not a sense that this is DBI's project. He really doesn't want a repeat of what has happened and he wants to put the past behind us and move forward. We are all working too hard and we all want the same thing. We all need to get along and get on the same page. He added that in spite of all this, we have been pretty successful.

Mayor Coleburn stated that from this meeting, he feels confident that we are going to be able to move forward and learn from these mistakes.

Manager Palmore stated that he has learned recently that it was brought up at a New Year's Eve party that his son Wilson Palmore works for B & B Consultants. He stated that B & B Consultants began doing work for the Town back in 1986 and Wilson was in grade school at that time. He stated that he has no contact with Wilson with regards to his job at B & B Consultants. He can only think of one time that Wilson called him about B & B Consultants business and that was when he (Manager Palmore) was on vacation and Larry Hartso, who works for B & B Consultants was looking for him so Wilson called him for Larry Hartso. That is the only time he has had any dealing with Wilson Palmore with regards to Town business. Manager Palmore stated that he works with Mac Bugg and David Boaz. He added that if there is ever a

chance that he would have to negotiate something with Wilson, he would remove himself. He would never do that. He doesn't have any control where his son works. He stated that this seems to be a hot topic because someone slipped this information under the Mayor's door and that is why he brought it up tonight.

Mayor Coleburn stated that he has the information that was given to him if the Town Manager wants to see it.

Manager Palmore answered that he does not need to see it.

Councilman Green asked the Town Attorney to look at a document, that he provided, with regards to Manager Palmore's son working with B & B Consultants. He stated that it is pretty clear to him that we have a real or apparent conflict and he just wants to make sure we are doing things the way we should.

Mayor Coleburn asked would there be a conflict if the Town Manager's son is employed by B & B Consultants.

Attorney Walden stated that he would like to take a look at the information that Councilman Green has but he does not feel that he will have an answer on this tonight.

Al Moore stated that he is confused on this project. He asked is it mandatory for the downtown property owners to be a part of the project.

Mayor Coleburn stated that this is totally a voluntary program.

Francis Gilmore stated that we live in a small community so conflict of interest is a real touchy subject and it is really hard for anyone to understand it all but the point he wanted to make was, when he asked for the scope of work, this made it even more important that our Town stick to the rules and to dot all the "I's" and cross all the "T's". One lesson we can learn going forward is to make sure this gets done.

Manager Palmore stated that it has never entered into his mind that anything improper had been done with the contract.

Councilman Hill thanked all the property owners that participated in this program. He reminded everyone that about eight years ago Manager Palmore first began talking about getting involved in the Main Street Program which helped to start this project and that is one reason why the DBI Board was formed. He added that the other thing that Manager Palmore did was after Mitchell's Restaurant burned and we had a lot of blight downtown, he contacted the State and found out that there was money available to do these downtown revitalization projects. He feels that some mistakes have been made along the way but to come here and try to discredit the Town Manager is not the way to make things happen.

Councilman Wilson stated that he agrees with Councilman Hill 100%.

Manager Palmore apologized to Councilman Green for anything he has done to offend him. He added, it feels that because it has been shown that the Downtown business owners are not upset and unhappy with the project but instead it is a success, now some have decided to go jump on Larry Palmore and accuse him of this, that and the other.

Councilman Green stated that he has made it abundantly clear that he was not accusing the Town Manager of anything, he was asking a question. He knows that he didn't word it to suit the Town Manager. He stated that these are the Town Manager's feelings and he is entitled to them. He added that this has not been his intention. He didn't know any other forum than to ask in public. He stated that there have been a lot of issues raised here and a lot of things need to be done. He stated that this has not been his attempt to pick on Manager Palmore and that Councilman Quicke will tell him that he is Manager Palmore's biggest fan.

Manager Palmore replied, in that case, he would hate to have him as an enemy.

Councilman Green stated that he has asked the Town Manager some direct questions.

Manager Palmore replied that he is going to lay it all out on the table. What happened at the New Year's Eve party was very uncalled for and we can go as far with that as Councilman Green wants him to.

Mayor Coleburn stated that we don't need to discuss that here. He adjourned the meeting at 8:27 p.m.

MAYOR
OF THE TOWN OF BLACKSTONE, VIRGINIA

_____ APPROVED AND ADOPTED

TOWN CLERK
OF THE TOWN OF BLACKSTONE, VIRGINIA