



CITY COUNCIL

MINUTES

Monday, February 9, 2026, at 6:30 PM

Work Session, 5:30 PM

Council Chambers Conference Room, City Hall, 114 North Broad Street, Salem,
Virginia 24153

Regular Session, 6:30 PM, City Hall, 114 North Broad Street, Salem, Virginia 24153

WORK SESSION

1. Call to Order

A work session of the Council of the City of Salem, Virginia, was held in the Council Chambers Conference Room, City Hall, 114 N. Broad Street, Salem, Virginia, on February 9, 2026, at 5:30 p.m., there being present the following members of said Council to wit: Renée Ferris Turk, Mayor; Anne Marie Green, Vice-Mayor; Council members; Byron Randolph Foley, H. Hunter Holliday, and John Saunders; with Renée Ferris Turk, Mayor, presiding; together with Chris Dorsey, City Manager; Rob Light, Assistant City Manager and Clerk of Council; Rosie Jordan, Director of Finance; Larado Robinson, Director of Water/Sewer Department; Kevin Divers, Acting Director of Electric Department; Crystal Williams, Assistant to the City Manager; and Laura Lea Harris, Deputy Clerk of Council; and the following business was transacted;

2. New Business

A. Discussion Items

Review of City Water and Sewer Projects - Larado Robinson, Director of Water/Sewer Department

Larado Robinson, Director of the Water/Sewer Department, introduced the new Assistant of the Water/Sewer Department, Nathan Carroll, who was in attendance with him this evening. Mr. Carroll will begin with the City on February 16th. Mr. Robinson presented an update on ongoing and future Water/Sewer projects. Council asked questions and received responses from Mr. Robinson. Discussion was held on some of the projects.

An amended Council Report was shared by Mr. Light for Item 6K on this evening's Regular Meeting agenda. Ms. Jordan reviewed the details of this Council report with Council. Council will be asked to authorize the City Manager, in a form acceptable to the City Attorney, to execute an agreement with AEP Energy Partners to handle the City's market participation services and energy management services.

Staff requested feedback from Council on potential dates to hold the annual Budget Work Session Meetings.

3. Adjournment

There being no further business, Mayor Turk adjourned the meeting at 6:28 p.m.

REGULAR SESSION

1. Call to Order

A regular meeting of the Council of the City of Salem, Virginia, was called to order at 6:30 p.m., there being present the following members to wit: Renée Ferris Turk, Mayor; Anne Marie Green, Vice-Mayor; Councilmembers: Byron Randolph Foley, Hunter Holliday, and John Saunders; with Renée Ferris Turk, Mayor, presiding together with Chris Dorsey, City Manager; Rob Light, Assistant City Manager and Clerk of Council; Rosie Jordan, Director of Finance; Chuck Van Allman, Director of Community Development; Mary Ellen Wines, Planning and Zoning Administrator; Mike Stevens, Director of Communications; and Jim Guynn, City Attorney.

2. Pledge of Allegiance

3. Awards and Recognitions

There were none this evening.

4. Consent Agenda

A. Citizen Comments

Comments from the public, limited to five minutes, on matters not already having a public hearing at the same meeting.

Stella Reinhard, 213 N. Broad Street, spoke in opposition to the potential demolition of the house at 102 North Market Street by Roanoke College. She stated that the 1900 date in City records may be a placeholder. She noted the property is surrounded by three National Register Historic Districts and argued the structure should be preserved in place, with relocation considered only as a last resort. Ms. Reinhard urged Council to delay the demolition permit to allow further review of the property's historic significance. She also suggested establishing an Architectural Review Board and considering expansion of the Downtown Historic District.

John Breen, 142 Bogey Lane, expressed appreciation to the City crews for snow removal work. He urged Council to pursue several initiatives to strengthen the City,

including establishment of an Architectural Review Board (ARB) pursuant to Virginia Code, creation of a Citizen's Academy to improve public understanding of local government, and implementation of a professionally conducted community survey prior to adoption of the upcoming budget. Mr. Breen requested that Council review ARB models from other Virginia localities and authorize a Request for Proposal (RFP) within 30 business days to solicit proposals for a community survey to better assess citizen priorities.

Diane Ribble, 2446 Tyler Way, expressed concern that Council may be prioritizing Roanoke College's interests over those of taxpayers. She requested information regarding the College's tax status and financial contributions to the City. She also urged reconsideration of the proposed demolition of a house on Clay Street by Roanoke College and supported establishing an Architectural Review Board or similar collaborative body to improve communication among the City, residents, and the College, and to enhance transparency and citizen input.

Whitney Leeson, 212 N. Broad Street, expressed opposition to the proposed demolition of 102 North Market Street. She challenged the validity of the 1900 construction date listed in City records, describing it as a clerical placeholder, and cited expert research supporting an earlier date. Concerns were also raised about relocating the structure and the justification for demolition. Ms. Leeson urged Council to take steps to preserve the building and encourage Roanoke College to maintain the property rather than proceed with demolition. She also requested that Council adopt the practice of entering the year 1776 when uncertain of what the construction date is for a building.

B. Minutes

Consider acceptance of the January 12, 2026, Work Session and Regular Meeting minutes.

The minutes were approved as written.

Mr. Dorsey requested the personal privilege of a few moments to provide comments on current events in the City of Salem. He expressed appreciation to City staff for their efforts in recent snow removal operations, noting that primary streets were cleared promptly and that garbage collection resumed quickly following the storm. Crews have also been working to clear parking spaces along Main Street. Mr. Dorsey reported that he, the Mayor, and the Vice-Mayor attended Local Government Day in Richmond and met with members of the local legislative delegation to discuss matters important to Salem and the region, including citizen concerns regarding pending legislation.

Mr. Dorsey shared an update on Civic Center activity, noting strong attendance and recently sold-out events. He also reported that budget preparations are underway, with meetings occurring across departments. A significant budget consideration this year will be the anticipated loss of approximately \$1.5 million in General Fund

revenue due to the closure of Yokohama. Mr. Dorsey concluded by highlighting recent and ongoing economic development activity, including the opening of First Watch and Cook Out, progress on Panda Express and Wawa, and continued commercial activity on the west side of the City.

Mayor Turk thanked Mr. Dorsey for the update and noted that Council would like to begin including this in the regular Council meetings.

5. Old Business

A. Amendment to the City Code

Consider adoption of ordinance on first reading amending Chapter 66 Signs of the CODE OF THE CITY OF SALEM, VIRGINIA (Advertised in the December 25, 2025, and January 1, 2026, editions of *The Salem Times-Register*). (Planning Commission recommended approval.)

The public hearing was held at the January 12, 2026, meeting and the first reading of the ordinance was continued to the February 9, 2026, meeting.

Mayor Turk asked Ms. Wines to come forward to speak on this item. She noted that the public hearing was held at the January 12, 2026, meeting and the first reading of the ordinance was continued to this meeting.

Ms. Wines provided an update regarding increased use of accent and string lighting in commercial districts, noting potential impacts on the character of downtown and West Main Street. To address this, proposed amendments to the sign ordinance include:

- Defining strip lighting as lights added to architectural features, permitted in Business Commerce and Highway Business districts only, and limited to clear white, static, non-moving lights.
- Multicolored lights to be treated as holiday decor, restricted to November 15 to January 15.
- Incorporation into signage allowance, counting strip lighting toward allowable square footage.
- Regulation of gas pump signs, defining video boards and limiting their size to two square feet, ensuring they serve only the pump and are not visible as general advertising from the road.

Ms. Wines requested Council, at a minimum, limit and define lighting downtown to preserve streetscape character, noting flexibility for potential further restrictions in other areas.

Anne Marie Green motioned approval of the ordinance on first reading amending Chapter 66, Signs, of the Code of the City of Salem, Virginia. Randy Foley seconded the motion.

Councilman Foley stated that, while he had some reservations, he viewed the proposed item as a reasonable starting point, and potentially a "living document" that could be adjusted over time. He noted that highlighting specific properties could help raise awareness of issues. He also expressed concern that the proposal could be a "solution in search of a problem." Overall, he acknowledged an understanding of the intent behind the proposal.

Councilman Holliday expressed opposition to the proposed lighting regulation. He stated that he did not believe there is currently a lighting problem in the City of Salem and raised the concern that the regulation would count against existing business signage. He characterized the proposal as unnecessary government overreach and indicated that it would impose an additional burden on local businesses. Councilman Holliday also commented that increased lighting would be indicative of active and fully occupied businesses, which they view as a positive condition not currently present. He concluded by stating that he saw no justification for adopting additional lighting regulations at this time.

Councilman Saunders stated that he did not believe a current issue exists that warrants action and expressed reluctance to respond to a perceived problem that has not been clearly established. He suggested that downtown merchants be given the opportunity to review the proposed policy and provide input before any action is taken. Councilman Saunders indicated concern about reacting to isolated situations involving a small number of businesses and stated that he is not in favor of the proposal at this time.

Mayor Turk expressed appreciation for the work of the Community Development Department in revising and refining the proposed document to provide guidelines. However, she stated she did not support including certain lighting elements as part of business signage unless the lighting spelled out the name of the business. Speaking from a business perspective, Mayor Turk commented that perimeter lighting can enhance the appearance of the downtown area by making it look bright and well-lit. She indicated a desire for further review and adjustments to the proposal before adoption, stating a preference to address concerns before passage rather than making revisions afterward.

Vice-Mayor Green stated that she motioned to approve the ordinance in order to address the issue proactively rather than reactively. She expressed concern that delaying action could result in nonconforming lighting being grandfathered. Vice-Mayor Green asserted that a problem already exists, citing examples of illuminated architectural features and lighting that she believed contributed to light pollution and was unnecessary during late-night hours. She noted that the City already regulates lighting and signage and characterized the proposal as an effort to ensure lighting

remains tasteful, attractive, and consistent. She also stated that applying uniform standards would create a level playing field for businesses. She concluded that adopting the ordinance now would help avoid more significant issues in the future.

Mayor Turk stated that the proposed ordinance requires additional work and revisions over the next few months. She indicated that Council should determine specific regulatory standards and ensure those provisions are clearly written into the ordinance. Mayor Turk noted discussion regarding limitations on flashing lights and color usage, emphasizing the need for clarity in the language. She expressed the opinion that the ordinance should be refined to reflect Council's preferences as closely as possible before adoption.

There was no further discussion, and Mayor Turk called for a vote.

Ayes: Randy Foley, Anne Marie Green

Nays: John Saunders, Hunter Holliday, Renée Turk

Abstaining: None

The motion failed. Council thanked Community Development for their work on this item.

B. Amendment to the Zoning Ordinance

Consider adoption of ordinance on second reading for the request of Khalili LLC, property owner, and Jay Patel or Assigns, contract purchaser, to rezone the property located at 1000 Electric Road (Tax Map #221-2-1) from RB Residential Business District to HBD Highway Business District to allow the installation of fuel tanks and a canopy for operation of a gasoline station (Approved on first reading at the January 12, 2026, meeting.)

Mayor Turk requested that Mr. Van Allman provide a brief overview of this item.

Mr. Van Allman provided an overview of the property, noting that it is currently zoned Residential Business and was previously operated as a gas station and convenience store. He stated that the prior fuel tanks had been removed, which allowed for other uses. The current proposal involves new ownership seeking to reopen the property as a gas station and convenience store. Plans include the installation of new, modern fiber double-wall fuel tanks and a request to rezone the property to Highway Business, which is required for the operation of a gas station along Electric Road. Mr. Van Allman explained that the intent is to upgrade the site and resume operations similar to its previous use.

Randy Foley motioned to adopt the ordinance on second reading, rezoning this property as specified in the Council agenda. Hunter Holliday seconded the motion.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk

Nays: None

Abstaining: None

6. New Business

A. Amendment to the Zoning Ordinance

Hold a public hearing and consider adoption of an ordinance on first reading for the request of McDonald's Corporation, property owner, to rezone the property located at 101 Electric Road (Tax Map # 80 – 4 – 1) from HBD Highway Business District with condition to HBD Highway Business District. (Advertised in the January 22 and 29, 2026, issues of *The Salem Times-Register*.) (Planning Commission recommended approval.)

Mayor Turk requested that Mr. Van Allman present information on this request, followed by a representative from McDonald's.

Mr. Van Allman explained that the original McDonald's at the site was rezoned under a master plan that included specific conditions governing the building's design, placement, and overall appearance. Council approved that master plan, and any subsequent deviations from it require Council approval. He stated that the property owner now proposes to demolish the existing building and construct a new one, which may differ architecturally from the original approved design. Rather than submitting revisions to the existing master plan for approval, the applicant is requesting to rezone the property to Highway Business without conditions, thereby removing the previously approved design restrictions.

Mayor Turk called forward Kim Lacy, agent for McDonald's Corporation, to present on behalf of McDonald's.

Kim Lacy, 1519 Summit Avenue, Richmond, Virginia, representing the applicant, introduced herself and project engineer Pilar Martin of Bohler Engineering and stated they were available to answer questions. She explained that the request is to rezone the property from Highway Business with conditions to Highway Business without conditions in order to remove a 1986 condition that required development in accordance with the original site plan. She noted that removal of the condition would allow demolition of the existing McDonald's building and construction of a new facility without being bound to the 1986 plan. Ms. Lacy stated that the proposed use will remain the same and is consistent with the Highway Business District and the City's Comprehensive Plan designation for commercial use. She described planned site improvements, including a safer layout with improved pedestrian and vehicular access, additional stop and directional signage, and the addition of a second drive-through lane to improve traffic circulation. She further stated it has been confirmed that the project will not interfere with the future Greenway along Electric Road and that construction plans are currently under review and nearing approval, contingent upon rezoning approval. She indicated that construction would require approximately six months of closure. Ms. Lacy noted that the Planning Commission and staff recommended approval and respectfully requested Council's approval of the rezoning request.

Councilman Foley asked when they anticipate discontinuing use and razing the building.

Ms. Martin, 9100 Arboretum Parkway, Richmond, responded that the current timeline is that McDonald's is planning on starting this construction in early 2027.

Councilman Foley asked to clarify when they would discontinue use and raze the building once this was approved.

Ms. Martin responded that currently this is planned for early 2027.

Councilman Foley asked if it would likely be the end of this year when they begin the demolition process.

Ms. Martin confirmed that this was correct.

Councilman Foley questioned whether staff would be unemployed during this time or if they would be temporarily reassigned.

Ms. Martin responded she felt that they would be temporarily reassigned but that this had to do more with the Operations of the business and that she was not certain of this information.

City Manager Dorsey inquired whether signage would be posted during demolition and construction to inform the public that the restaurant will be rebuilding and offering a timeline for reopening. He expressed concern that signage stating only "closed for remodeling" could create confusion and generate public inquiries to the City.

Ms., Martin assured him that they would work with the City on that.

Mayor Turk opened the public hearing.

No one came forward to speak.

Mayor Turk closed the public hearing.

Randy Foley motioned to adopt the ordinance on first reading for the request of McDonald's Corporation, property owner, to rezone the property located at 101 Electric Road (Tax Map # 80 – 4 – 1) from HBD Highway Business District with condition to HBD Highway Business District. John Saunders seconded the motion.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk

Nays: None

Abstaining: None

B. Resolution 1517 - Opposing Virginia General Assembly House Bill 804

Consider adoption of Resolution 1517 opposing Virginia General Assembly House Bill 804 and related legislation.

Hunter Holliday motioned to adopt Resolution 1517 opposing Virginia General Assembly House Bill 804 and related legislation. John Saunders seconded the motion.

Councilman Foley stated he was strongly opposed to the proposed bill and expressed concern about the process being used, noting that in his experience, the City Council has rarely, if ever, taken formal votes or passed resolutions on state or federal legislation. He emphasized that there are other ways for Council to communicate concerns, such as contacting representatives directly. Councilman Foley described the action as a potential “slippery slope,” cautioning that taking a formal position on one bill could lead to repeated requests to support or oppose future legislation. He concluded by reiterating his opposition to both the bill and the approach, citing concern over setting a precedent for frequent Council involvement in legislative matters.

Councilman Saunders stated strong support for opposing the bill, noting that he believed it is clearly harmful and that citizens should know the Council stands against it. He acknowledged that Council members have other means of communicating with delegates but emphasized that this particular bill is especially objectionable because it seeks to dictate how local land may be used. Councilman Saunders expressed personal conviction in favor of formally opposing the bill.

Councilman Holliday emphasized the importance of citizens staying informed about state legislation, noting that many bills being considered could result in tax increases and affect affordability. He expressed support for the City formally voicing opposition to certain legislation, stating that while such resolutions may not have direct legal effect, they communicate the City’s position that localities should retain control over certain matters. Councilman Holliday encouraged public engagement with pending bills and stated support for the resolution as a demonstration of solidarity, noting that other localities in the area are likely to take similar actions.

Vice-Mayor Green noted that during a recent visit to Richmond, they were encouraged to communicate concerns not only to the General Assembly but also to the Governor. She stated that the resolution provides the City of Salem an opportunity to formally convey its position to the Governor and emphasized that if multiple localities take similar action, it could influence her consideration of the legislation. Vice-Mayor Green recommended that, if the resolution is approved, staff be authorized to forward the signed resolution to the Governor.

Councilman Foley reiterated his opposition to the resolution, expressing concern that

taking a formal position on a single piece of legislation could set a precedent for future involvement in numerous bills. He noted that in his nearly 20 years on Council, the City has not previously taken such actions and cautioned that doing so could politicize both the Council and its processes.

Councilman Saunders acknowledged understanding and agreement with previous comments but expressed concern that the resolution is particularly important due to ongoing development pressures and repeated public opposition. He noted a fear that state mandates could limit local control over housing and development decisions. Councilman Saunders emphasized that, while he respected and understood the opposing viewpoint, this issue has raised significant local concerns.

Ayes: John Saunders, Hunter Holliday, Anne Marie Green, Renée Turk

Nays: Randy Foley (Noting that his vote was made on principle only)

Abstaining: None

C. Resolution 1518 - Roanoke Valley-Alleghany Regional Hazard Mitigation Plan - 2025 Update

Consider adoption of Resolution 1518 accepting the Roanoke Valley– Alleghany Regional Hazard Mitigation Plan - 2025 Update.

Mayor Turk asked that Amanda McGee, AICP, Director of Community Development for the Roanoke Valley-Alleghany Regional Commission, come forward to present this item to Council.

Amanda McGee provided an overview of the Hazard Mitigation Plan, noting that it is a federally required document enabling access to funding from the Federal Emergency Management Agency (FEMA) and the Virginia Department of Emergency Management (VDEM). The plan covers the entire region, including the City of Salem and surrounding localities, and was developed with input from a 49-member steering committee and regional stakeholders. She explained that the original grant was awarded in 2023, but staffing delays postponed the start of the project until September 2024, coinciding with the expiration of the previous plan. FEMA and the Roanoke Valley-Alleghany Regional Commission officially approved the plan in January 2026, making it effective under federal standards.

The plan includes: an overview of the region and process, hazard identification, a regional risk assessment, mitigation goals and strategies, a capabilities assessment for each locality, and extensive data appendices. Hazards assessed include earthquakes, flooding, extreme temperatures, geologic hazards, wildfire, wind events, and winter storms. Hurricanes and tropical storms were included in historical context under flooding and wind.

Public engagement included stakeholder outreach and a survey that received 251 responses, with strong representation from Salem residents. Survey results and data analyses highlighted flooding as the highest risk for Salem, with extreme

temperatures, wind events, and winter storms as medium risks, and earthquake, geologic hazards, and wildfire as low risks.

Ms. McGee reviewed mitigation goals and strategies, noting risks specific to Salem, particularly those related to flood mitigation. Salem's lower percentage of federally funded revenue and the City's management of infrastructure were discussed in the context of disaster planning.

Finally, she noted that adoption of the resolution is required by FEMA for the plan to take effect and for the City to become eligible for Hazard Mitigation Grant Program (HMGP) funding.

Randy Foley motioned to adopt Resolution 1518 accepting the Roanoke Valley-Alleghany Regional Hazard Mitigation Plan - 2025 Update. Hunter Holliday seconded the motion.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk

Nays: None

Abstaining: None

D. Resolution 1519- Temporary Main Street Closure for Olde Salem Days 2026

Consider adoption of Resolution 1519 requesting the Virginia Department of Transportation (VDOT) approve City Council's request for the temporary closure of Main Street on September 12, 2026, for the Olde Salem Days event.

Hunter Holliday motioned to adopt Resolution 1519 requesting the Virginia Department of Transportation (VDOT) approve City Council's request for the temporary closure of Main Street on September 12, 2026, for the Olde Salem Days event. Randy Foley seconded the motion.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk

Nays: None

Abstaining: None

E. Taxicabs- Setting of Public Hearing Date

Consider setting the date for a public hearing in accordance with Section 98-94 of THE CODE OF THE CITY OF SALEM, VIRGINIA, for the issuance of Certificates of Public Convenience and Necessity for the next twelve (12) months related to taxicabs operating in the City. (Suggest March 23, 2026).

Randy Foley motioned to set the date of March 23, 2026, for a public hearing in accordance with Section 98-94 of THE CODE OF THE CITY OF SALEM, VIRGINIA, for the issuance of Certificates of Public Convenience and Necessity for the next twelve (12) months related to taxicabs operating in the City. Hunter Holliday seconded the motion.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk
Nays: None
Abstaining: None

F. Salem Band Boosters Donation

Consider a request from the Salem Band Boosters for a donation of \$715.05, equal to the amount of admissions tax paid in connection with the annual Blue Ridge Regional High School Band Competition, held September 20, 2025, at Salem Stadium.

Randy Foley motioned to approve a donation of \$715.05, equal to the amount of admissions tax paid in connection with the annual Blue Ridge Regional High School Band Competition, held September 20, 2025, at Salem Stadium. Hunter Holliday seconded the motion.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk
Nays: None
Abstaining: None

G. Appropriation of Funds- Gateway Signage

Request to re-appropriate grant funds awarded by the Community Foundation and funding provided by Roanoke County for gateway signage. **Audit - Finance Committee**

Councilman Foley shared that in a prior fiscal year, the City received \$50,000 from the Community Foundation for a consistent gateway signage plan throughout the region on major corridors. Funding was also previously received from the County of Roanoke for their portion of the gateway signage. The unexpended balance of these funds needs to be re-appropriated to fiscal year 2026 for project completion.

Randy Foley motioned to appropriate \$31,735 to the Designation of Beginning Fund Balance revenue account, \$38,175 to the Grants - Other revenue account for the deferred County of Roanoke portion, and \$69,910 to the Tourism Grants expenditure account. Anne Marie Green seconded the motion.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk
Nays: None
Abstaining: None

H. Appropriation of Funds- Capital Reserve Policy

Request to appropriate and transfer capital reserve. **Audit - Finance Committee**

Councilman Foley explained that the Capital Planning and Reserve Policy was adopted on March 25, 2024. This policy was developed as a plan to provide funding for mid-level capital expenditures for the general fund. The funds are intended for expenditures between \$200,000 and \$3,000,000. The policy calls for an annual

contribution from the general fund to the capital reserve fund upon completion of the audit. For fiscal year 2025, a calculation was completed using amounts from the Annual Comprehensive Financial Report to determine the annual contribution to the capital reserve.

Randy Foley motioned to appropriate \$6,816,568 to General Fund revenue account, Designation of Beginning Fund Balance, and General Fund expenditure account, Transfer to Capital Reserve. Also, to appropriate \$6,816,568 to Capital Reserve Fund revenue account, Transfer from General Fund -Capital Reserve, and Capital Reserve Fund expenditure account, Capital Reserve. John Saunders seconded the motion.

Mayor Foley asked if he needed to clarify any of the information.

Mayor Turk explained that any remaining funds at the end of the fiscal year are placed into a capital reserve account established to address emergency repairs and unexpected expenses, thereby reducing the need to borrow funds.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk

Nays: None

Abstaining: None

I. Appropriation of Funds- Water Advanced Metering Infrastructure (AMI)

Request to appropriate Water Fund reserves for Advanced Metering infrastructure (AMI). **Audit - Finance Committee**

Councilman Foley explained that the City is transitioning to Advanced Metering Infrastructure (AMI) for both electric and water utilities. AMI meters are equipped with communication modules that automatically send usage data back to the utility. Instead of a meter reader visiting each location, readings are collected electronically, to provide accurate data. The two-way communication also allows the utilities to quickly detect unusual consumption or water leaks and respond efficiently. Residents and businesses can access data and tools online to allow them to better track and manage their utility consumption.

Installation on the multi-year project commenced in 2020. The electric metering system installation has been completed. The City experienced issues with the original vendor contracted to install AMI water meters and approximately 1,200 meters remain to be installed for completion of the project.

The City has completed the procurement process with two vendors selected to complete the installation of the AMI water meters. The cost of materials, installation and contingency for the project is estimated not to exceed \$1,200,000.

Randy Foley motioned to appropriate \$1,200,000 to the Appropriated From Net Position revenue account and to the Automated Metering Infrastructure (AMI) System expenditure account. He also motioned that any funds budgeted but not spent in the current fiscal year be administratively appropriated in the subsequent fiscal year to be

used only for this project, and to authorize staff to administratively transfer any unspent funds upon project closeout back to the Water Fund Reserve account. John Saunders seconded the motion.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk

Nays: None

Abstaining: None

J. Appropriation of Funds- Downtown Plan Improvements

Request to appropriate Revenue Sharing and local match for Downtown Improvements on Roanoke Boulevard. **Audit - Finance Committee**

Councilman Foley explained that Phase 7 of Salem's Downtown Plan improvements will be completed on Roanoke Boulevard from the intersection of Market Street and East Main Street to the intersection of Roanoke Boulevard and College Avenue. VDOT awarded \$1,491,803 in Revenue Sharing funds for the completion of the downtown improvements on Roanoke Boulevard. The local match of \$1,491,803 needs to be appropriated by Council.

Randy Foley motioned to appropriate \$1,491,803 to the Capital Projects state grants account and to the Downtown Improvement-Boulevard account. He motioned to transfer \$443,090 from the Capital Projects Downtown Improvements Reserve account to the Downtown Improvement-Boulevard Boulevard account and to transfer \$798,713 from the Capital Projects Reserve account to the Downtown Improvement-Boulevard account. Anne Marie Green seconded the motion.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk

Nays: None

Abstaining: None

K. Approval of Contract with AEP Energy Partners (Amended Item)

Request to approve and execute a contract with AEP Energy Partners **Audit-Finance Committee**

Mayor Turk noted that this item was going to be amended this evening and requested that City Manager Dorsey explain the necessary changes.

City Manager Dorsey reported that, as discussed during the work session, the City has been preparing to join Pennsylvania-Jersey-Maryland (PJM), the regional transmission operator (RTO) for this area. The process involves extensive documentation and review, including a 90-day review period by PJM that began in December and is expected to conclude in March. Mr. Dorsey explained that an upcoming March 1 auction, with a registration deadline of February 18, involves auction revenue rights and financial transmission rights related to transmission line usage, which could result in significant revenue to the City. Due to the timing of PJM's review, the City may not be fully approved to participate by the deadline. As a result, staff has been evaluating a contingency plan in consultation with GDS Associates

and AEP Energy Partners, one of the firms that previously submitted a proposal to assist with management of the process.

Mr. Dorsey further explained that AEP Energy Partners is already a PJM member and could enable the City to participate in the upcoming auction process while the City's PJM membership is still under review. Under the proposed arrangement, AEP would manage participation in the auction and related transmission rights activities on the City's behalf, allowing the City to access potential revenue credits that could be significant. He stated that staff is requesting authorization to enter into a one-year contract with AEP Energy Partners, with an option to renew for an additional year. During that time, Council could evaluate the financial benefits and determine whether to continue pursuing independent PJM membership, including associated collateral requirements, or to maintain the arrangement with AEP.

Mr. Dorsey asked Ms. Jordan to address the financial implications of this request.

Ms. Jordan explained that the City's original plan was to join PJM in conjunction with the new electric purchase power contract, effective June 1. Due to delays in the PJM approval process, it is unlikely the City will be able to join in time. She noted that PJM membership would require the City to post collateral based on secured and unsecured credit calculations. The secured portion alone was estimated at approximately \$1.6 million, subject to reduction based on PJM's unsecured credit determination. As an alternative, the City is proposing to contract with AEP Energy Partners, which would charge an estimated annual fee of \$75,000 to \$115,000 for services including energy load analysis, market participation, and related management tasks. While this option involves an annual fee, it would avoid the immediate need to post up to \$1.6 million in collateral.

Ms. Jordan further explained that participation in PJM auctions for Auction Revenue Rights (ARRs) and Financial Transmission Rights (FTRs) could potentially generate estimated savings of \$360,000 to \$500,000 annually by purchasing credits against future cost increases. Because PJM membership or partnership with a PJM member is required to participate in these auctions, staff determined that contracting with AEP Energy Partners is the most feasible and time-sensitive option. The recommendation was made in consultation with GDS Associates, the City's energy consultant.

Randy Foley motioned to authorize the City Manager to finalize and execute a PJM Market Participation and Energy Management services agreement in a form acceptable to the City attorney with AEP Energy Partners. Hunter Holliday seconded the motion.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk

Nays: None

Abstaining: None

L. Appropriation of Funds- E911 State Grant

Request to appropriate E-911 state grant funds for 911 Communication Center telephone services.

Mayor Turk requested that Ms. Jordan provide information on this item.

Ms. Jordan reported that the City was previously awarded a grant from the Virginia Department of Emergency Management for implementation of the NG911 platform. The project was completed; however, upon activation, it was determined that additional software, costing approximately \$34,000, was required to finalize the transition.

She shared that grant funds remain available to cover the cost of the software, as well as additional telecommunications expenses through fiscal year 2026. After Fiscal Year 2026, those ongoing costs will revert to the City.

Ms. Jordan requested an appropriation of \$80,171 to the Police State Grant Revenue Account and the Police 911 Communications Center Telephone Services Expenditure Account to utilize the remaining grant funds and close out the project. She noted that the grant has been open for several years and that staff is working to complete and fully implement the system.

Randy Foley motioned to appropriate \$80,171 to the Police State Grants revenue account, \$45,724 to the Police 911 Communication Center Telephone Services expenditure account, and \$34,447 to the Police 911 Communication Center State Grants expenditure account. Hunter Holliday seconded the motion.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk

Nays: None

Abstaining: None

7. Closed Session

Hold a closed session in accordance with Section 2.2-3711 (A)(5) of the 1950 Code of Virginia, as amended, for discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

Anne Marie Green motioned to that, in accordance with Section 2.2-3711 (A)(5) of the 1950 Code of Virginia, as amended, Council hereby convenes to closed session at 7:54 p.m. for the purpose of discussing the following specific matter: Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community. Randy Foley seconded the motion.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk

Nays: None

Abstaining: None

Anne Marie Green motioned to reconvene at 8:24 p.m. in accordance with Section 2.2-3712 D. of the Code of Virginia, 1950 as amended to date. Council certifies that in closed session only items lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and only such items identified in the motion by which the closed session was convened were heard, discussed, or considered by the Council. Randy Foley seconded the motion.

Ayes: John Saunders, Hunter Holliday, Randy Foley, Anne Marie Green, Renée Turk

Nays: None

Abstaining: None

8. Adjournment

The meeting was adjourned at 8:24 p.m.

Submitted by:



H. Robert Light
Clerk of Council

Approved by:



Renée Ferris Turk
Mayor