City of Grafton

Municipal Home Rule Pilot Program Phase III
Application

First Reading Ordinance 832 – July 21, 2015
Second Reading and Public Hearing – August 11, 2015
Submitted to the WV Municipal Home Rule Board September 1, 2015
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# Municipal Home Rule Pilot Program Phase III

## APPLICATION CHECKLIST

### SECTION I: APPLICANT INFORMATION

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</tr>
<tr>
<td>Pg. 5-20</td>
<td>Issue(s) Category: Tax/Organization/Administrative/Personnel/Other</td>
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### SECTION II: NARRATIVE (written plan, including the following) See Attachments

<table>
<thead>
<tr>
<th>Page No.</th>
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<tr>
<td>Pg. 5-20</td>
<td>Specific state laws, policies, acts, resolutions, rules or regulations that are preventing the municipality to carry out duties in the most cost effective, efficient, and timely manner.</td>
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<tr>
<td>Pg. 5-20</td>
<td>Specific problem(s) created by the laws, policies, acts, resolutions, rules or regulations.</td>
</tr>
</tbody>
</table>
| Pg. 5-20 | Proposed solution(s) to the perceived problem(s), including all proposed changes to law, policies, acts, resolutions, rules or regulations. Categorize and include:  
1) Proposed solution(s) in one of the five areas (tax/administrative/organization/personnel/other)  
2) If revenue related, estimate(s) for proposed solution(s) and how the fiscal impact was determined. Example: Estimated reduction of administrative time and costs = X. Please attach the worksheet or formula used to determine "X" amount. |

### SECTION III: AFFIDAVITS – See Attachments

<table>
<thead>
<tr>
<th>Page No.</th>
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<tbody>
<tr>
<td>32</td>
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<td>33</td>
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<tr>
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<tr>
<td>47</td>
<td>Fiscal Impact Worksheets/Formulas (if revenue related)</td>
</tr>
<tr>
<td>48</td>
<td>Attorney Opinion (application complies with statutory requirements)</td>
</tr>
<tr>
<td>49</td>
<td>State of West Virginia Fees Statement (none outstanding)</td>
</tr>
</tbody>
</table>
Municipal Home Rule Pilot Program Phase III

APPLICATION

SECTION I: APPLICANT INFORMATION

A. General Information

Name of Municipality: City of Grafton
Certifying Official: G. Thomas Bartlett III  Title: Mayor
Contact Person: Kevin M. Stead  Title: City Manager
Address: 1 West Main Street
City, State, Zip: Grafton, West Virginia 26354
Telephone Number: 304-265-1412 Ext. 16  Fax Number: 304-265-0119
E-Mail Address: cityofgraffton@hotmail.com
2010 Census Population: 5164

B. Municipal Classification

☐ Class I  ☐ Class II  X Class III  ☐ Class IV

C. Category of Issues to be Addressed (please attach descriptions for applicable categories)

X Tax  ☐ Organization  X Administration  X Personnel  ☐ Other

SECTION II: NARRATIVE (written plan, including the following) See Attachments

Specific state laws, policies, acts, resolutions, rules or regulations that are preventing the municipality to carry out duties in the most cost effective, efficient, and timely manner.

Specific problem(s) created by the laws, policies, acts, resolutions, rules or regulations.

Proposed solution(s) to the perceived problem(s), including all proposed changes to law, policies, acts, resolutions, rules or regulations. Categorize and include:

1) Proposed solution(s) in one of the five areas (tax/administrative/organization/personnel/other)

2) If revenue related, estimate(s) for proposed solution(s) and how the fiscal impact was determined. Example: Estimated reduction of administrative time and costs = X. Please attach the worksheet or formula used to determine "X" amount.

SECTION III: AFFIDAVITS See Attachments

Hearing Mandate Verification
Publication Mandate Verification
Ordinance Authorizing Submission of Plan
Fiscal Impact Worksheets/Formulas (if revenue related)
Feasibility Study (if taxes are proposed)
Attorney Opinion (application complies with statutory requirements)
State of West Virginia Fees Statement (none outstanding)
Executive Summary

The City of Grafton is located in the center of North Central West Virginia just 25 miles from Interstate 79 along U.S. Routes 50 and 119. Our community offers the simplicity of a small town lifestyle with the benefit of various shopping amenities. Home to our state's only national cemeteries and the birthplace of the International Mother’s Day Shrine where this international holiday originated. Grafton’s Main Street is a registered Historic District and hosts numerous community events throughout the year including the Memorial Day Parade, which is the longest ongoing Memorial Day observance in the country, the Spirit of Grafton Celebration, Relay for Life, First Friday’s, and Hometown Holidays.

The City of Grafton is facing many of the common problems that are facing similar cities across West Virginia. Declining revenues associated with the loss of good manufacturing jobs, major infrastructure costs, capital investment needs, and burdens of blight causing an escalation of crime, substandard housing, lower performing schools, decrease in business retention and development and a poor public image for residents and visitors. As with all cities in the state, the City of Grafton and its elected representatives are committed to providing the best service possible to our residents and visitors in a cost effective manner. New home rule powers could help cities save taxpayer money, create better and more fair revenue streams that support business growth, expand services, improve the quality of life, provide enhanced police protection, market the city with the potential of positive growth development and provide opportunities for innovative ideas for better methods to effectively provide the most efficient services for our community. The city desires in investing in community development, maintaining clean neighborhoods, marketing our community and providing a safe community while broadening our ability to increase revenues.

Contained within Grafton’s home rule application, the West Virginia Home Rule Board will observe seven (7) proposals that at the core exemplify the meaning and desire of home rule in West Virginia. The following proposals focus on five (5) central themes:

1. Nuisance Property and Abatement Solutions
2. Allocation and Enhancement of Public Safety Resources.
3. Economic and Community Development and Tax Incentives.
4. Equipment and Real Estate Property.
5. Marketing and Advertising the City of Grafton.
Specific Problems and Solutions to be addressed by Grafton's Home Rule Plan:

1. Grant of authority to Grafton City Code Enforcement Officials to immediately issue citations for external sanitation violations and common nuisances ("on-the-spot") citations. (Administrative)

Specific Legal Barrier
§8-12-16, Ordinances regulating the repair, closing, demolition, etc., of dwellings or buildings unfit for human habitation; procedures.

(i) All orders issued by the enforcement agency shall be served in accordance with the law of this state concerning the service of process in civil actions, and, be posted in a conspicuous place on the premises affected by the complaint or order: Provided, That no ordinance may be adopted without providing for the right to apply to the circuit court for a temporary injunction restraining the enforcement agency pending final disposition of the cause.

Specific Problem Caused by Barrier

Building and zoning inspectors are enforcement agents, and thus must go through the onerous process under Code Section 8-12-16 of posting public notice 10 days prior (warnings) and then applying for and receiving approval from the municipal courts before a citation is issued. This process is inefficient, costly, and leads to an extended delay between the identification of a public nuisance (sanitation issues, garbage buildup, graffiti, un-maintained lawns, unsafe or broken sidewalks) and compliance from the property owner.

Presently, City code enforcement officials are unable to issue citations "on the spot" for external sanitation violations and common nuisances, but rather are required to send preliminary notices and provide an opportunity to respond. This requires additional manpower and the lack of immediate citation power results in decreased compliance by property owners.

Authority

W.Va. Code § 8-12-16 allows municipalities to adopt ordinances regulating the repair, closing, demolition, etc. of dwellings or buildings unfit for human habitation. Additionally, municipalities may adopt ordinances requiring the owner of any such dwelling or building to
pay for the costs of repairs, alterations, improvements, demolition, etc. The municipality then may file a lien against the real property for the costs incurred by the municipality, and file a civil action for such costs and reasonable attorneys' fees. Additionally, W.Va. Code § 8-12-5(23) vests municipalities with the authority to, by ordinance or resolution, provide for the elimination of hazards to public health and safety and abate or cause to be abated anything which a majority of the governing body finds to be a public nuisance, but does not provide authority for granting citation powers to code enforcement officials.

**Proposed Solution**

The City will enact an ordinance providing its code enforcement officers the authority to issue "on the spot" citations for certain violations. This citation power will extend to sanitation, drainage, sidewalks in disrepair, high weeds, grass, or both, graffiti, exterior garbage accumulation, open storage in residential districts, and vehicles without proper registration. These citations may be issued to the owner, lessee, sublessee, tenant, occupant, or agent or manager thereof, presently having control over the property in question, and an opportunity to respond will be afforded to the cited party by contesting the citation in municipal court.

Other Notes: H.B. 4461, H.D., 2012 Reg. Sess. (W.Va. 2012) was intended to provide a citation process for municipalities to address certain external sanitation and common nuisance violations but never came to a vote. Numerous cities have been approved through the West Virginia Home Rule Program to allow "on-the-spot" citations to its code enforcement officers and reports faster compliance with external sanitation violations and common nuisances.

Approval of this application proposal is of utmost importance to the city to enhance our ability to clean up the City of Grafton. Decades of poor enforcement, attitudes of its citizens, and the inability to have a place to dispose of their trash has led to a situation where many residents simply just "throw" their large bulky items in their yards.
2. Authority under the property registration procedures of Section 8-12-16a to allow the City of Grafton to require lenders/trustees to register foreclosed properties at the beginning of the foreclosure process, to retain a property maintenance company, to maintain the property, and to provide contact information for the maintenance company to the municipality at registration (Administrative).

**Specific Legal Barrier**

§8-12-16a

**Registration of uninhabitable property.**

(a) The governing body of a municipality may, by ordinance, establish a property registration for any real property improved by a structure that is uninhabitable and violates the applicable building code adopted by the municipality. An owner of real property subject to the registration shall be assessed a fee as provided by the ordinance.

**Specific Problem Caused by Barrier**

Although new state law (SB 600 2014 passed in 2014 as cited above) clarifies that banks/lenders/trustees can be considered "owners" who are required to register vacant properties, and be subject to vacant property enforcement after code violations emerge, there are continuing problems in cities like Grafton with some irresponsible parties that foreclose on properties but fail to maintain them. Some lenders/trustees fail to enter their ownership on the title of a foreclosed property until just prior to resale, fail to maintain the properties during the period of foreclosure and vacancy, and seek to avoid the payment of fees for action taken by the municipality to correct code violations. In these situations, foreclosed and vacant houses deteriorate and cause damage to the neighborhood, yet code enforcement officials can have a difficult time contacting the mortgage trustee, let alone get them to maintain these foreclosed properties. The impact is that the lender/trustee can ignore property maintenance for long periods of time, and also can extinguish City maintenance fees when they eventually enter ownership on the property title just prior to resale.
Proposed Solution

Used in states with high foreclosure rates and blighted property challenges, this proposed home rule authority would empower Grafton to pass an ordinance under code Section 8-12-16a to require lenders/trustees that are in the process of foreclosing on a residence to register as an owner of the property at the time that the foreclosure is initiated (such as the time that the lender sends a foreclosure letter to the homeowner, or at the time that the lender registers as an alternate trustee on the property), for the purpose of code and property maintenance. At the time that the lender/trustee registers as an owner, it must retain a party to conduct property maintenance, provide the contact information for that maintenance company to the City, and be responsible for ensuring that this property maintenance company keeps the property up to code and maintained.

3. A shortened time period under Section 8-12-16a for forfeiture of structures when owners refuse to address code violations at uninhabitable properties, to a period of 12 months. (Administrative)

Specific Legal Barrier

§8-12-16a (n), Registration of uninhabitable property (under newly-passed SB600)

(n) If a registration fee remains delinquent for two years from the date it was placed on record in the clerk of the county commission in which the property is located and assessed, the municipality may take action to receive the subject property by means of forfeiture. Should the municipality take the steps necessary to receive the subject property, the municipality then becomes the owner of record and takes the property subject to all liens and real and personal property taxes.

Specific Problem Caused by Barrier

Code Section 8-12-16a provides cities like Grafton a tool for addressing "uninhabitable" structures that violate building codes and are a serious threat and problem for neighborhoods. This process allows a City to investigate and inspect uninhabitable properties with code violations, notify an owner with detailed information that the property will be registered as noncompliant by both posting on the property and sending certified mail, and provide the owner 45 days to fix the code violations or make a plan for fixing them in a reasonable time.
The owner has the right to appeal for 90 days after the receipt of notice about the code violations. Only after this intensive process takes place, may the municipality register the fee for code noncompliance with the county clerk. That fee assessment can be appealed within 30 days by the property owner, before it becomes finalized as a lien on the property. If that fee for the uninhabitable property violations remains unpaid, the city can take the structure in forfeiture — but only after 2 years of waiting. With this, a city does not have authority under West Virginia law to deal with an uninhabitable property with code violations where the owner completely refuses to fix the violations or work with the city, for a period of at least 28 months. Such a period is simply too long to leave the worst-of-the-worst properties uninhabitable in the midst of neighborhoods.

**Proposed Solution**

Without changing any of the protections for owners of uninhabitable properties to fix the code problems, work with municipal code officers, appeal the determination of code officials, appeal the placement of fees for un-addressed code violations, or other property owner protections — the City of Grafton seeks a shortened period between the time that the owner completely refuses to address the problem, and the time that the municipality can take the structure by forfeiture and finally start to remediate the problems with the city’s own resources. Currently, the property owner enjoys a period of 120 days to address code problems at uninhabitable properties (90 days to appeal notice of violations, and 30 days to appeal assessment of fee). After that time has passed with no action by the property owner, the current law starts a slow clock of two years before anything else can be done. This home rule request seeks to shorten that period of waiting after noncompliance from two years to twelve (12) months. Together with the initial 120 days of property owner protections, this home rule change will allow Grafton to address the worst-of-the-worst properties in a total of 16 months (120 days plus the twelve month waiting period), rather than the current span of 28 months (120 days plus two years waiting).

| 4. | Police Civil Service Employment - Expanding Applicants’ Maximum Age. (Personnel) |

**Specific Legal Barrier**

- West Virginia Code §6-3-1a
- West Virginia Code §7-14-8(5)
- West Virginia Code §8-14-12
Specific Problem Caused by Barrier

The City of Grafton has, like many cities witnessed an increase in crime primarily due to drug related problems and would greatly benefit from increasing the number of its police officers. For small towns, it is becoming increasing difficult to hire and maintain full-time police officers due to budgetary constraints and competing careers. By expanding the Police Civil Service provisions, the City would be able to hire half-time police officers under the age of 45 who are already State Police Academy trained officers such as Sherriff Deputies to fill voids in scheduling, security for events, festivals, etc. and special police investigation. This benefits the city and its residents with adequate police protection.

Proposed Solution

Grafton’s City Council adopted an ordinance establishing Police Civil Service on March 30, 1914. The City proposes the hiring of half-time police officers under the age of 45 to assist its full-time paid department consisting of a police chief and five officers. Additionally, the City proposes to increase the maximum age of hire of its full-time officers to 45 years of age.

The proposed Grafton model will not affect civil service protection for current or future fulltime paid officers of the Grafton Police Department. Grafton will continue to fully adhere to all requirements of the West Virginia Code applicable to Police Civil Service protections. The authorization would expand West Virginia Code §8-14-16 and provide for half-time certified and trained officers to serve longer than the three month provisional, but not to exceed 1040 hours during a calendar year.

The City of Grafton would adopt an ordinance under Home Rule allowing half-time certified and trained officers to be hired by the Grafton Police Department up to and including the age of 45 who would serve a maximum of 1040 hours annually.

The approved model under Home Rule would permit the City of Grafton to increase the maximum hiring age of full time police officers limit from 40 years of age to 45. Deputy Sheriffs pursuant to Civil Service under West Virginia Code §7-14-8(5) already are permitted to be 45 at time of hire. During the past two police civil service examinations more than five applicants were between the ages of 40 and 45.

Class III and Class IV municipalities continue to struggle in their search for qualified applicants regardless of maximum age limitations, but these limitations do have a profound impact on re-advertising and the rejection of highly qualified officers.
There are other provisions of the State Code that would seem to support a model such as that being proposed by the City of Grafton. First, Sheriff Departments already have the authority to establish a “Sheriff’s Reserve” as set forth pursuant to WV Code §6-3-1a. Additionally, pursuant to WV Code §8-14-12, police officers returning to their former department within a two year period, may be older than 40 years of age. Also, §8-14-16 permits three month provisional appointments without any age limitation. There are a number of recognized special needs in our existing State statues.

**Fiscal and Economic Benefit of Proposed Solutions:**

A full-time police officer in Grafton currently results in an average annual cost of $45,534 which includes base salary, overtime, and benefits. The hiring of three additional, full-time paid officers would cost the City $130,170 annually exclusive of additional cruiser costs. The hiring of three half-time (20 hours per week), certified and trained officers, i.e., the half-time officers must have completed the State Police Academy training and pass the Police Civil Service Examination, would result in a combined cost incurrence to the City of $59,302 annually. Upon approval, this model will result in more officers assisting in criminal investigations and lessening the caseload burden within the City of Grafton and the Grafton Police Department.

| 5. | Authority to impose a sales tax of up to 1%, when coupled with reductions in B&O sales taxes for retailers, and B&O eliminations for small businesses with less than $25,000.00 gross sales per quarter and the elimination of B&O Taxes on all Manufacturing. (Tax) |

**Specific Legal Barrier**

§8-13C-4, Municipal sales and service taxes.

(b) Alternative municipal sales tax. -- On and after the first day of July, two thousand five, notwithstanding subsection (a) of this section, and in addition thereto in the case of a qualifying municipality, any municipality that does not impose, or ceases to impose, the business and occupation or privilege tax authorized by section five, article thirteen of this chapter has the plenary power and authority to impose, by ordinance, an alternative municipal sales and service tax at a rate not to exceed one percent, subject to the provisions of this article: Provided, That:
(1) The tax does not apply to any purchase of tangible personal property, custom software or the results of taxable services in a transaction completed within the corporate limits of the municipality before the first day of July, two thousand eight, or before such later date specified in the ordinance of the municipality imposing the tax; and (2) the effective date of the tax, or of a change in the rate of the tax, shall be no earlier than the first day of a calendar quarter that at a minimum begins one hundred eighty days after notice of the tax, or of a change in the rate of tax, is provided to the Tax Commissioner as provided in section six of this article.

**Specific Problem Caused by Barrier**

Grafton faces fiscal challenges resulting from the economic recession, capital investment and infrastructure needs, blight conditions, and other challenges that could only become more daunting if revenues continue to be stagnant and increases in expenses continue as expected. These revenue shortfalls are exacerbated by Grafton’s inability to utilize a sales tax unless the City eliminates its Business and Occupancy taxes. Grafton cannot eliminate its B&O taxes in order to impose sales taxes, because the city would lose substantial revenue from B&O taxes on certain entities that would not pay a sales tax, including construction, utility operations, professional services, groceries, gas and other items exempt from sale taxes.

**Proposed Solution**

This authority would allow for Grafton to generate the needed revenue by utilizing a municipal sales and use tax of up to 1% while still maintaining some of its irreplaceable B&O tax revenue. Grafton would couple a 1% municipal sale and use tax with a 20% reduction of B&O tax rates on all retailers, together with B&O tax elimination for any retail business that has less than $25,000.00 gross sales per quarter and the elimination of B&O Tax on manufacturing business.

**Fiscal and Economic Benefit of Proposed Solutions:**

The City of Grafton expects a net fiscal benefit of up to $352,816.98 annually from this important home rule authority. Beyond the fiscal benefit, Grafton projects that the B&O tax reductions and incentives in our plan will attract and grow small businesses, and help make Grafton more vibrant.
Fiscal Analysis

Illustration I

3 Year B&O Tax Analysis (Year Ending)

<table>
<thead>
<tr>
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<tr>
<td>Natural Gas Production</td>
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<td><strong>Total</strong></td>
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Illustration II

B&O Tax Rates

<table>
<thead>
<tr>
<th></th>
<th>Maximum Rate</th>
<th>Grafton Current Rate</th>
<th>Grafton Proposed Rate</th>
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<tbody>
<tr>
<td>Manufacturers</td>
<td>.30%</td>
<td>.22%</td>
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<tr>
<td>Retailers</td>
<td>.50%</td>
<td>.37%</td>
<td>.30% above $25,000.00 gross sales per quarter. 0% for less than $25,000.00 gross sales per quarter.</td>
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<tr>
<td>Wholesalers</td>
<td>.15%</td>
<td>.105%</td>
<td>.105%</td>
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<tr>
<td>Utilities</td>
<td>3%</td>
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<tr>
<td>Coal</td>
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<tr>
<td>Natural Gas Production</td>
<td>6%</td>
<td>3%</td>
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Note: The Maximum rates allowed by State law are the primary State business and occupation tax rates in effect on January 1, 1959. W.V.a Code 8-13-5.
Illustration III

**Exempt Service Sales from 1% Sales Tax:**

Advertising
Entertainment facilities
Child Care
Electronic Date Processing
Health and Fitness Organizations
Music Instructional
Newspaper Circulation
Other (in accordance with WV State Tax Department Publication TSD-300)

Professional Services: Dr., Esq., Eng., CPA, Auctioneer, Architect
Real Property
Prescriptions
Personal Services: hair, nails, massage
Nursing Homes

The Average Total Service Sales during the year ending 2012, 2013, and 2014: $14,450,513.95.

After reviewing the Sales Tax exemptions per W.Va. Code on exemption of sales tax explained previously, the city is estimating that 5% of the total Service Sales would be taxable.

<table>
<thead>
<tr>
<th>Estimate 5% of Service Sales are taxable:</th>
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<tbody>
<tr>
<td>3 Year Average Total Service Sales:</td>
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<tr>
<td>Estimate of 5% would be subject to Sales Tax:</td>
</tr>
<tr>
<td>Estimated Service Sales Tax @ 1%</td>
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</tbody>
</table>

**Exempt Retail Sales from 1% Sales Tax:**

Food
Motor Vehicles
Motor Fuel (gasoline)
Real Property
Utilities (gas, electric, water, etc.)
Other (in accordance with WV State Tax Department Publication TSD-300)

The Average Total Retail Sales during the year ending 2012, 2013, and 2014: $86,261,475.62.

The city is estimating that 50% of the Total Retail Sales is tax exempt per the W.Va. Code on exemption of sales tax explained previously.

<table>
<thead>
<tr>
<th>Estimate 50% of Retail Sales are taxable:</th>
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<tbody>
<tr>
<td>3 Year Average Total Retail Sales:</td>
</tr>
<tr>
<td>Total Retail Sales at 50%:</td>
</tr>
<tr>
<td>Estimated Retail Sales Tax @ 1%</td>
</tr>
</tbody>
</table>
By eliminating the taxable amount of Manufacturing B&O, and reducing Retail B&O with gross sales above $25,000.00 per quarter, and elimination of B&O Taxes collected on retail businesses that have gross sales less than $25,000.00 per quarter the City of Grafton estimates this will reduce the B&O Taxes collected by an estimated $63,789.03 per year. By eliminating the B&O Taxes for businesses that have gross sales less than $25,000.00 per quarter, it is estimated by looking at tax returns it will eliminate B&O Taxes for over 50 small businesses in the City of Grafton. These businesses pay less than $400.00 each year to the city. This proposal will save money and time for employees in the Grafton Finance Department by eliminating the process of completing and mailing B&O Tax forms to these small businesses.

| Total Sales Tax Generated –                          | $438,532.64 |
| Less: 5% Tax Commission Administration Fee -        | $21,926.63  |
| Less B&O Tax Elimination and/or Reduction –         | $63,789.03  |
| Net Available for new Projects (outlined in Attachment 1) | $352,816.98 |

Illustration IV

Proposed Sales and Use Taxes

The municipal sales and use taxes would be administered, collected and enforced by the Tax Commissioner, at the same time and in the same manner as the State consumers sales and service tax and use taxes are administered, collected and enforced by the Tax Commissioner.

1) Large vendors remit tax monthly to the Commissioner by the 20th day of the month in which the tax is collected, except for taxes collected in December each year that are due at the end of January of the next calendar year.

2) Very small vendors remit tax annually to the Commissioner by the end of January following the calendar year in which the tax was collected.

3) All other vendors remit tax to the Commissioner on a quarterly basis, by the 20th day of the month following the close of the calendar quarter, except for the fourth quarter which is due at the end of January.

4) Purchase use taxes are remitted at the same time as sales taxes are remitted to the Commissioner.

Quarterly, the State Treasurer will remit to the City the amount of tax in the City’s subaccount established in the State treasury pursuant to W.Va Code 8-13C-7.

The City of Grafton recognizes that when B&O taxes are reduced in order to impose a sales tax, the effective date of the B&O tax reduction and the date when the city will begin to receive sales tax collections need to be coordinated in order to avoid a budget shortfall.
The Tax Commissioner will likely charge an annual fee for their service, which may not exceed 5% of net collections per fiscal year. The City of Grafton assumes that the fee will be 5% of net collections.

Boundary Database

A municipality imposing a sales tax will need to provide the Tax Commissioner with a rate and boundary database. To build the database, the municipality will need to know (1) the location of its boundaries, (2) the five-digit zip codes located in whole or in part in the municipality, and (3) the nine-digit zip codes located in whole or in part in the municipality imposing the sales tax.

Grafton recognizes that imposing a sales tax will need to provide the Tax Commissioner with a rate and boundary database. To build the database, Grafton anticipates utilizing the five-digit zip code located in whole within the municipality, and the nine-digit zip codes located in whole within the municipality imposing the sales tax. Consequently once the rate and boundary database is built it must be maintained by the municipality and the Tax Commissioner must be advised when the zip code boundaries are changed. The City of Grafton uses CSSI to develop the software system the city uses for our utility billing and other applications. They have the nine-digit zip code already developed for this use. They can provide an updated zip code database on an as needed basis to provide the State Tax Department to keep all records current.

The City of Grafton has one five-digit zip code located in whole or in part within the City – 26354.

Vendor Compliance Learning Curve

State and municipal sales and use taxes are collected employing what are known as destination sourcing rules, which are set forth in W.Va Code §11-15B-14, 11-15B-14a and 11-15B-15.

In general, if the customer takes delivery of the tangible personal property, custom software or results of the taxable service at the business location of the vendor, e.g., the storefront, the State and local sales/use taxes applicable to that location apply.

When delivery does not occur at the vendor’s business location, the State and local sales taxes applicable to the transactions are generally those applicable to the location where the purchaser or the purchaser’s takes delivery of the goods or results of the taxable service.

Applying the destination sourcing rules will likely be a new experience for many vendors currently selling goods and furnishing services within the City of Grafton. Our revenue projections take this learning curve into consideration.
CONCLUSION

As the preceding discussion demonstrates, it is economically feasible for the City of Grafton to reduce and also eliminate its B&O Tax on retail, and manufacturing with a net decrease in revenue of approximately $64,000.00 per year and impose a sales and use tax at a rate of 1% that is expected to generate net revenue in excess of $352,000.00 per year. The net additional revenue will be used primarily for demolition of condemned structures, sidewalk replacements, storm water improvements, park/recreation/cultural improvements, equipment purchases, pay raises for critically staffed employees in the City of Grafton, improvements to Bluemont Cemetery, beautification projects throughout the city and other improvements to the services the City of Grafton provides to our residents and visitors. An overview of these planned expenditures is explained in Attachment 1 beginning on page 22.

The City of Grafton will lower the current B&O Tax Rate for Retailers from .37 cents per $100.00 of gross sales per quarter to .30 cents per $100.00 of gross sales per quarter. In an effort to encourage new start up small businesses Grafton will also eliminate all B&O Taxes for Retailers whose gross sales are less than $25,000.00 per quarter. Grafton will also eliminate the B&O Tax Rate on Manufacturers to try to encourage manufacturing jobs to consider Grafton as a place for manufacturing jobs. These measures will not only lower the B&O Tax collected but will also assist many small businesses that struggle throughout the City of Grafton, and finally it will lower administrative costs by reducing the number of B&O Tax forms that are sent to many small businesses throughout the City of Grafton. The amount of revenue generated from B&O Tax from businesses that have less than $25,000.00 gross sales per quarter does justify the cost of producing the B&O Tax Forms and mailing the forms.

Authority: W.Va. Code § 8-13C-1 et seq contemplates the imposition of a sales tax by municipalities either for pension relief or as an "alternative municipal sales tax" at a rate not to exceed one percent. However, a municipality may only impose such a sales tax if it completely eliminates its B&O tax. W.Va. Code § 8-13C-4(b). Under W.Va. Code § 8-1-5a(k)(6), municipalities participating in the Municipal Home Rule Pilot Program do not have the authority to pass an ordinance under Home Rule pertaining to taxation, except that a participating municipality may enact a municipal sales tax up to one percent if it reduces or eliminates its municipal B&O tax.
Specific Legal Barrier

§8-12-18 Sale, lease or disposition of other municipal property.

(b) In all other cases involving a sale, any municipality is hereby empowered and authorized to sell any of its real or personal property or any interest therein or any part thereof for a fair and adequate consideration, the property to be sold at public auction at a place designated by the governing body, but before making any sale, notice of the time, terms and place of sale, together with a brief description of the property to be sold, shall be published as a Class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code and the publication area for the publication shall be the municipality. The requirements of notice and public auction shall not apply to the sale of any one item or piece of property of less value than one thousand dollars and under no circumstances shall the provisions of this section be construed as being applicable to any transaction involving the trading in of municipally owned property on the purchase of new or other property for the municipality and every municipality shall have plenary power and authority to enter into and consummate any trade-in transaction.

Specific Problem Caused by Barrier

Current law is silent regarding the use of competitive and public online auctions, which are now commonplace in many municipalities and at the federal level. This limits the overall resale market for municipal property to a much localized area and inhibits Grafton from receiving the best price for its property.

Presently, the City may only sell property by auction for fair and adequate consideration, and only lease property for fair and adequate consideration. The inability to sell property without auction or to lease property with less than "fair and adequate consideration" prevents the City from entering into transactions that could fill vacant buildings, attract businesses, provide revenue, and encourage the use of City properties, whether it be by private sale to an interested party, by lease for less than fair market value to a private entity attempting to develop business in the area, or by lease to a nonprofit providing a service for the public good.
Proposed Solution

The City will pass an ordinance: 1) allowing the sale of real and personal property by the City at fair market value by utilizing an online auction service in such a manner that promotes economic development or disposes of vehicles or equipment or provides a service for the public good.

This Home Rule power has been granted to other municipalities in the West Virginia Home Rule Pilot Program.

7. Appropriate Adequate Funding For Advertising the City. (Administrative)

Specific Legal Barrier

§ 8-12-5 (52), in addition to the powers and authority granted by: (i) The Constitution of this state; (ii) other provisions of this chapter; (iii) other general law; and (iv) any charter, and to the extent not inconsistent or in conflict with any of the foregoing except special legislative charters, every municipality and the governing body thereof shall have plenary power and authority therein by ordinance or resolution, as the case may require, and by appropriate action based thereon;

(52) To appropriate and expend not exceeding twenty-five cents per capita per annum for advertising the municipality and the entertainment of visitors;

Specific Problem Caused by Barrier

Present state law restricts the City from providing adequate funds to advertise and promote the City of Grafton. This law restricts the City from providing adequate funding to events that promote the City.

Proposed Solution

The City proposes to appropriate and expend not exceeding one dollar per capita per annum for advertising the municipality and the entertainment of visitors. This proposal will enable the City to adequately promote its image and improve awareness for City events. The City has a
rich history with the birthplace of Mother's Day, home to the only 2 National Cemeteries in West Virginia and the distinguished honor of holding the longest ongoing Memorial Day observance in the United States. These events bring thousands of visitors to Grafton each year. Businesses in Grafton benefit from these events as a means of raising revenue. City residents also benefit from these events because it community involvement and participation. These events maximize the quality of life of our residents by promoting arts, entertainment, and cultural values. The City also benefits from increase revenue by receiving more taxes from businesses.

Conclusion

In the United States, some states legislatively grant home rule to cities and counties within the state. These “Home Rule States” allow local control to develop and implement ideas tailored to each community's individual uniqueness of problems as long as they do not violate state or federal law. In other states, such as West Virginia, local governments have only the authority expressly granted to them by state legislatures, typically in accordance with the legal principle known as Dillon's Rule.

The City of Grafton, with the ability of Home Rule anticipates an opportunity to have the assets and abilities to truly “Turn This Town Around”. Currently we have an engaged community desiring to see visible improvements to our economic climate. The above list of proposals contain the first set of ideas that if given the opportunity to be implemented allow for a community to make great strides in redeveloping its physical image to its residents and visitors. The new established autonomy of Home Rule affords communities the ability to reinvent itself by developing our own list of solutions to problems that face many rural communities. The Grafton City Council and its administration look forward to an exciting opportunity to the futures of Grafton, the Birthplace of Mother's Day.
Attachments to Home Rule Application

Page 21-24 – Home Rule Projects to Be Accomplished By Use of a 1% Municipal Sales Tax.
Page 25-27 – Pictures depicting some of the dilapidated structures plaguing the city.
Page 28-31 – Pictures of some of the sidewalk conditions throughout the city.
Page 32 – Hearing Mandate Verification.
Page 33 – Publication Mandate Verification.
Page 34 – Publication for Public Hearing and Comment Period.
Page 35 – Purchase Order for Public Mandate.
Page 36 – City of Grafton Council Agenda for Public Hearing.
Page 44 – City Clerk Verification on Ordinance Authorizing Submission of Plan
Page 45-46 – Ordinance Authorizing Submission of Plan
Page 47 – Municipal Sales Tax Feasibility Study.
Page 48 – Attorney Opinion.
Page 49 – State of West Virginia Fees Statement.
ATTACHMENT I

CITY OF GRAFTON
MUNICIPAL HOME RULE
PILOT PROGRAM PHASE III
APPLICATION

Home Rule Projects to Be Accomplished By Use of a
1% Municipal Sales Tax

1. Demolish condemned residential structures throughout the City of
Grafton.

The City of Grafton recently completed an inventory of residential structures that need
to be razed within the corporate limits of the city. This inventory evaluated the
structures in accordance with current 2012 version of the International Code Council,
Property Maintenance Code that are passed and approved by the Grafton City Council.
As of January 2015, the city has over 175 structures located throughout the municipal
limits that are either condemned or uninhabitable. Over the past 3 years the city has
budgeted funds to remove between 15-20 structures per year. The sales tax would give
the city a dedicated funding source that would enable the city to remove even more
structures each year. The average cost of demolition is between $3,500.00 to
$15,000.00 depending upon the size and amount of asbestos in the structure. This
would be a total cost between $612,500.00 and $2,625,000.00 to remove all 175
structures. These run down properties lower property values, increase crime, disease
and creates numerous other social problems that affect the city, county and the school
system. The city utilizes its own employees and equipment when possible to demolish
the structures and contracts the asbestos testing and abatement.

2. Replacement of sidewalks throughout the city.

Many of the public sidewalks throughout the city are made of brick/concrete and were
constructed during the WPA era of the 1930s. These sidewalks desperately need
replaced. Due to their hazardous condition they are difficult for patrons to use. Most
are not handicap assessable and many of the streets have been paved and the streets
are higher than the sidewalks which create a storm/rain water control problem as the
curbs no longer exist. This also would give a dedicated funding source to permit the city to dedicate a certain level of funding each year for the replacement of sidewalks.

3. **Purchase of playground equipment and establishment of a Parks/Recreation and Cultural Resource Department within the City of Grafton.**

The sales tax would allow the city to purchase and upgrade the current playground equipment throughout the city’s 5 neighborhood parks/playgrounds and provide modern facilities that are safe for the youth of this community. Most of the playgrounds do not meet current playground safety standards and with this funding the city can become a community that is known for its safe and vibrant parks/playgrounds. The city would also like to purchase an outdoor movie theatre system that can be set up at various parks throughout the summer months to allow the neighborhood kids a safe place to watch their favorite movie under the stars. The city would also like to construct a new pavilion and bathrooms at one of its more popular parks that is used for fishing along the Tygart River and other community activities.

Additionally, with this funding the city would like to develop a permanent venue for our community farmer’s market. An addition of a permanent facility would allow the city to have an opportunity to have an indoor and outdoor market that could accommodate vendors throughout the year similar to other vibrant markets in other communities. This creates a wonderful opportunity for small businesses to have a place to market their products. With a permanent venue and the elimination of B&O Tax on small businesses, the opportunity for the creation of new small businesses could be a huge economic opportunity for Grafton and Taylor County.

Finally, the city would like to develop a Cultural Resource Center in a vacant building that can be used for various community functions throughout the year. This center will offer various classes currently not available in the community to expand the cultural scene. The building would also provide a place for conventions, meetings, dances, class reunions, receptions and other community gathering events that currently have to travel out of town because no facility currently exists.

4. **Resetting of stones at Bluemont Cemetery.**

Bluemont Cemetery is a municipal owned cemetery since 1866. This 80+ acre cemetery sits at the highest point in the city and has over 16,000 burials of many of Grafton and Taylor County’s earliest settlers. Many of the older stones need reset due to the age of the stones and the condition of the footers beneath the stones. Many of the stones that are needing to be reset have no local family members to assist with the cost of the work needed which ultimately leaves the city to budget funds when available to make the needed repairs or allow the stones to fall over which promotes a poor impression of
the cemetery. This tax would allow the city to dedicate a funding source each year to reset a certain amount of stones until this maintenance issue can be fully addressed.

5. **Dedicate funding for festivals throughout the year.**

Currently the city relies on the state and the Grafton Area CVB to fund 2 festivals during the year (Spirit of Grafton and Hometown Holidays). The city would like to expand these two festivals and create at least one or two additional festivals. Communities that have multiple cultural events have viable downtowns, engaged community residents, better public image of their local government, and increases business development interest.

6. **Establish a savings fund for equipment needs.**

This tax would allow the city to set aside each year a dedicated amount for the purchase of new equipment. Police cruisers, plow/dump trucks, fire apparatus, backhoes and excavators, safety equipment and more are purchased every few years on an as needed basis. Most of these purchases have increased in costs substantially over the past 10 years. Revenues have been unable to keep up with these increased expenses for these equipment purchases. Scheduling equipment replacement on a routine basis lowers maintenance costs and increases the value of the equipment when sold and ensures the equipment is safe for the employees to use. This funding would allow the city to provide necessary equipment to provide for adequate service needs for its residents and visitors.

7. **Beautification of the City.**

This funding would provide the opportunity to make substantial beautification improvements that are needed to create a more welcome community to its visitors and would encourage many of its residents to make beautification improvements to their homes and businesses. This would create a more positive physical appearance and an improved public perception of the City of Grafton.

8. **Provide pay raises for employees in positions that are difficult to retain.**

It is becoming increasingly difficult to hire and retain Police Officers and employees with Commercial Driver’s License (CDL). The city, at this present time finds it difficult to compete with other cities and private businesses who are needing these trained employees. This leaves the city in a difficult position. Police protection and employees with CDL’s are extremely important for any community that provides basic services that are vital to the well-being of a community. With this tax the city can ensure the ability to hire and retain qualified individuals to fill these positions and the general public can be assured their tax dollars provide services critical to the safety of our community.
Attachment II

Pictures enclosed are show some of 175-200 houses that need demolished, sidewalks and playground equipment that need replaced.
Attachment III

Some of the many sidewalks that need replaced around town causing a hazard to pedestrians walking.
HEARING MANDATE VERIFICATION

I, the undersigned Clerk of the City of Grafton, West Virginia, do hereby certify that on July 21, 2015, at 6:30 p.m., a Public Hearing was held during the Regular Council Meeting of the City of Grafton, the subject of said hearing being An Ordinance Authorizing the mayor of the City of Grafton to submit a Written Home Rule Plan Proposal to the West Virginia Municipal Home Rule Board in accordance with West Virginia Code 8-1-5a. A quorum of the Grafton City Council was present for this hearing and the hearing was in compliance with West Virginia Code §8-1-5a.

The attached are true, correct, and complete copies of the Regular Session the Grafton City Council Agenda, July 21, 2015, evidencing the Public Hearing. No written comments pertaining to the City of Grafton's proposed Home Rule plan and application were submitted to the City Clerk between the advertised dates of June 17, 2015 through July 21, 2015. The public hearing was opened for public comments; no citizens appeared to speak either in favor of, or against, an ordinance authorizing the Mayor of the City of Grafton to submit a Home Rule Proposal to the West Virginia Municipal Home Rule Board in accordance with West Virginia Code §8-1-5a.

Witness the signature of the undersigned City Clerk of the City of Grafton, West Virginia, and the seal of the City of Grafton, this 11th day of August, 2015.

[Signature]
Larry M. Richman
City Clerk
Publication Mandate Verification  
(Affidavit of Publication)

THE MOUNTAIN STATESMAN  
PO BOX 218  
GRAFTON, WV 26354  
(304) 265-3333  
FEIN NO. 363572215

CITY OF GRAFTON  
1 W MAIN ST  
GRAFTON WV 26354

LEGAL ADVERTISEMENT INVOICE

ACCT# 802  LEGAL# 2712

DESCRIPTION: Public Hearing Notice Home Rule Program PO 06-15-46

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Legal Rate: .11 1/5 cents per word space for the first publication  
75% of the first cost for each additional publication

AFFIDAVIT

STATE OF WEST VIRGINIA, COUNTY OF TAYLOR,  
TAMMY A LYONS, PUBLISHER of the MOUNTAIN STATESMAN  
a Newspaper Published in Grafton in said county,  
do hereby certify that the annexed

Was published once a week for two  
weeks in said Mountain Statesman a Newspaper as aforesaid,  
commencing on the 17th day of June 2015

Publisher: ___________________________

WEST VIRGINIA, TAYLOR COUNTY, TO WIT:  
Subscribed and sworn before me this  
day of 29th day of June 2015

Notary Public: ___________________________

My commission expires: ___________________________

OFFICIAL SEAL  
Notary Public, State of West Virginia  
Monica G Robinson  
19 Rogers Street  
Grafton, WV 26354  
My commission expires May 22, 2024
Publication for Public Hearing

LEGAL
PUBLIC HEARING NOTICE
CITY OF GRAFTON, WEST VIRGINIA
HOME RULE PROGRAM

Notice is hereby given by the City of Grafton, West Virginia, that it will hold a public hearing on July 21, 2015, at the Grafton Municipal Building, Council Chambers, 1 West Main Street, Grafton, West Virginia.

The purpose of this public hearing is to discuss the City of Grafton's proposed Home Rule written plan and application. This information will be utilized by the City of Grafton in its application to the West Virginia Home Rule Program, Phase III, which was established by Senate Bill 323.

The City of Grafton's proposed Home Rule Program and application is available for public inspection in the Office of the City Clerk, as well as the Office of the City Manager, Grafton Municipal Building, Grafton, West Virginia, beginning on Wednesday, June 17, 2015, Monday through Friday, between the hours of 8:00 a.m. and 4:30 p.m.

All interested citizens are invited to attend the public hearing scheduled on Tuesday, July 21, 2015, at 6:30 p.m., and to present oral or written comments concerning Grafton's proposed Home Rule plan and application. Written comments may be addressed to Larry M. Richman, City Clerk, City of Grafton, 1 West Main Street, Grafton, West Virginia. The first reading of the ordinance approving the City of Grafton's Home Rule plan application July 21, 2015 at 6:30 p.m., at the Grafton Municipal Building, Council Chambers, 1 West Main Street, Grafton, West Virginia.

Larry M. Richman
City Clerk

Legal 2712
6/17, 6/24/15

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PUBLIC HEARING NOTICE
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HOME RULE PROGRAM

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Larry M. Richman
City Clerk

Legal 2712
6/17, 6/24/15
**Purchase Order for Publication Mandate**

**CITY OF GRAFTON**  
1 WEST MAIN STREET  
GRAFTON, WV 26354-1350  
PHONE: (304) 265-1412  
FAX: (304) 265-0119

TO:  
MOUNTAIN STATESMAN

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**PURCHASE ORDER**

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WE CANNOT APPROVE YOUR INVOICE FOR PAYMENT UNLESS IT INDICATES OUR PURCHASE ORDER AS LISTED ABOVE.

[ checkboxes for various categories: CEMETARY, COAL/SEVERANCE, GENERAL, RECREATION, SEWER, WATER, OTHER ]

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**GRAND TOTAL**  
99.51

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IMPORTANT: READ THESE CONDITIONS

1. This order is subject to the terms and conditions appearing hereon, and by acceptance of this order, seller agrees to be bound thereby.
2. Material on this order is exempted from the Sales and Federal Excise Taxes.
3. All material furnished hereunder must be as specified herein and will be subject to inspection and approval by us after delivery. We reserve the right to reject and return at your risk and expense each portion of any shipment as may be defective or fail to comply with specifications, without invalidating the remainder of the order.
4. Purchase order number must appear on all invoices, packing slips, and correspondence.
5. Submit invoice in duplicate.

[ Authorized Signature ]

OFFICE COPY
City of Grafton Council Agenda for Public Hearing

CITY OF GRAFTON
Grafton City Council – Grafton, West Virginia
Grafton Municipal Building Council Chambers
Tuesday, July 21, 2015 – 6:30 p.m.

AGENDA

1. Call to Order
2. Invocation
3. Pledge of Allegiance
4. Roll Call
5. Set Council Agenda
6. Approval of Minutes
   A. Regular Council Meeting July 7, 2015
7. Citizens Voice
8. City Manager’s Report
9. Communications, Board, Project and Conference Reports
   A. Grafton-Taylor Board of Health Report/Update
   C. Taylor County Public Service District Minutes 6/2/2015
   E. Thank You Letter American Legion Mountaineer Boys State
10. Appointments
    A. City of Grafton Planning Commission
11. Proclamations and Resolutions
12. Unfinished Business
    A. Continuance Turn This Town Around Program
       Community Grant Funding Application Requests
       Approval Consideration
    B. Petition Requesting Approval For Jayla Drive
       To Be An Authorized Grafton City Street
    C. Public Hearing Grafton Home Rule Program
       Application Consideration
    D. First Reading Ordinance 832
       Home Rule Program Application Authorization
13. New Business
    A. Payment of the Bills
       1. Regular Budgetary Bills July 21, 2015
    B. Revision 2015-2016 General Fund Budget
    C. Consideration Purchase Central Playground
       Play Set - New Equipment
    D. Consideration Purchase Central Garage
       New/Used Service Truck/Sell Current Garage Truck
       1999 Dodge Dakota Truck
14. Council Member’s Hearing
15. Adjournment

City Clerk
July 16, 2015
Minutes of July 21, 2015 Regular City Council Meeting – Public Hearing for 30 Day Comment Period

CITY OF GRAFTON
Grafton City Council – Grafton, West Virginia
Grafton Municipal Building Council Chambers
Tuesday, July 21, 2015 – 6:30 p.m.

AGENDA

1. Call to Order
2. Invocation
3. Pledge of Allegiance
4. Roll Call
5. Set Council Agenda
6. Approval of Minutes
   A. Regular Council Meeting July 7, 2015
7. Citizens Voice
8. City Manager's Report
9. Communications, Board, Project and Conference Reports
   A. Grafton-Taylor Board of Health Report/Update
   C. Taylor County Public Service District Minutes 6/2/2015
   E. Thank You Letter American Legion Mountaineer Boys State
10. Appointments
    A. City of Grafton Planning Commission
11. Proclamations and Resolutions
12. Unfinished Business
    A. Continuance Turn This Town Around Program
       Community Grant Funding Application Requests
       Approval Consideration
    B. Petition Requesting Approval For Jayla Drive
       To Be An Authorized Grafton City Street
    C. Public Hearing Grafton Home Rule Program
       Application Consideration
    D. First Reading Ordinance 832
       Home Rule Program Application Authorization
13. New Business
    A. Payment of the Bills
       1. Regular Budgetary Bills July 21, 2015
    B. Revision 2015-2016 General Fund Budget
    C. Consideration Purchase Central Playground
       Play Set - New Equipment
    D. Consideration Purchase Central Garage
       New/Used Service Truck/Sell Current Garage Truck
       1999 Dodge Dakota Truck
14. Council Member’s Hearing
15. Adjournment

[Signature]
City Clerk
July 16/2015
Grafton City Council  
2015-2016 Year: Regular Meeting Number 2  
Tuesday, July 21, 2015  
Grafton Municipal Building Council Chambers

1. CALL TO ORDER  
   Mayor Bartlett called the meeting to order at 6:30 p.m.

2. INVOCATION  
The invocation was given by Vice Mayor Barney.

3. PLEDGE OF ALLEGIANCE  
The Pledge of Allegiance, led by Mayor Bartlett, was recited by all in attendance.

4. ROLL CALL  
The roll call was taken, answering: Mayor G. Thomas Bartlett, III, Vice Mayor Peggy Knotts Barney, Councilman Jerold P. Isner, and Councilman Earl C. Bartlett. Administrative staff present: City Manager Kevin M. Stead and City Clerk/Finance Director Larry M. Richman. Prior to the meeting Councilwoman Brenda K. Thompson requested to be excused from the July 21, 2015.  
   Motion was made by Vice Mayor Barney, second by Councilman Isner, to excuse Councilwoman Thompson from the July 21, 2015 council meeting. Roll call vote: E. Bartlett: Yes; Isner: Yes; Barney: Yes; and Bartlett: Yes. Motion carried.

5. SET COUNCIL AGENDA  
   Motion was made by Councilman Isner, second by Vice Mayor Barney, to approve the July 21, 2015 meeting agenda as submitted. Roll call vote: E. Bartlett: Yes; Isner: Yes; Barney: Yes; and Bartlett: Yes. Motion carried.

6. MINUTES OF REGULAR COUNCIL MEETING JULY 7, 2015  
   Motion was made by Vice Mayor Barney, second by Councilman E. Bartlett, to approve the July 7, 2015 Regular Council Meeting minutes. Roll call vote: E. Bartlett: Yes; Isner: Yes; Barney: Yes; and Bartlett: Yes. Motion carried.

7. CITIZENS VOICE  
   No one registered to speak.

8. CITY MANAGER’S REPORT  
   No written report submitted.

9. COMMUNICATIONS/COMMISSION, COMMITTEE, BOARD, REPORTS  
   A. Grafton-Taylor Board of Health Report/Update:  
      Grafton-Taylor Board of Health member and City of Grafton appointed representative, Wilda B. Swisher, presented information regarding the status of the Grafton-Taylor Health Department; submitted audit reports for the year ending June 30, 2013 and year ending June 30, 2014; and discussed the plans regarding the construction for a new health department building which will be constructed adjacent to the current structure on West Main Street. Mrs. Swisher also stated that persons who wish to serve on the health department board should have loyalties and concerns for Taylor County and a commitment for good health in the county.

Municipality of Grafton, WV - Regular Council Meeting July 21, 2015 - Page: 2
B. Financial Report:

C. Taylor County Public Service District Minutes:
June 2, 2015 minutes submitted.

D. 2014-15 Grafton Firemen’s Civil Service Commission Yearly Report:
July 1, 2014-June 30, 2015 (year) Grafton Firemen’s Civil Service Commission year report was submitted by the City of Grafton Fire Civil Service members Donald J. Sapp, Sheryl F. Isner, and Wayne F. McDivitt.

E. Thank You Letter American Legion Boys State Mountaineer:
Letter of Thanks, no date, from Jim Davis, Director of The American Legion Mountaineer Boys State – the 78” anniversary – “A Week That Shapes A Lifetime” – held June 7-13, 2015 at Jackson’s Mill, offering thanks to the City of Grafton for the financial support in sending students from Grafton/Taylor County to the annual program.

10. APPOINTMENTS

A. City of Grafton Planning Commission:
1. John F. McDaniel – First Ward
   204 Latrobe Street, Grafton, WV 26354
   Three (3) year term – July 1, 2015-June 30, 2018

2. Carole F. Klepfer – Second Ward
   101 East Washington Street, Grafton, WV 26354
   Three (3) year term – July 1, 2015-June 30, 2018

3. Kermit B. Bias, Jr., – Fourth Ward
   309 Walnut Street, Grafton, WV 26354
   Two (2) year term – July 1, 2015-June 30, 2017

4. Emily S. Bolliger – At Large
   303 Thayer Street, Grafton, WV 26354
   Three (3) year term – July 1, 2014-June 30, 2017

Motion was made by Vice Mayor Barney, second by Councilman E. Bartlett, to reappoint John F. McDaniel for a three year term, July 1, 2015-June 30, 2018; reappoint Carole F. Klepfer for a three year term, July 1, 2015-June 30, 2018; reappoint Emily S. Bolliger, for a three year term, July 1, 2014-June 30, 2017, and appoint Kermit B. Bias, Jr., for a two year term, July 1, 2015-June 30, 2017. Roll call vote: E. Bartlett: Yes; Isner: Yes; Barney: Yes; and Bartlett: Yes. Motion carried.

11. PROCLAMATIONS, RESOLUTIONS, CERTIFICATES

None.

12. UNFINISHED BUSINESS

A. Continuance Turn This Town Around Program
   Community Grant Funding Application Requests
   Approval Consideration:
   Two (2) applications submitted for funding consideration under the City of Grafton Continuance Turn This Town Around Program, approved by council January 20, 2015, Minute Book No. 24, Page 4, were presented for approval as follows:

   Municipality of Grafton, WV - Regular Council Meeting July 21, 2015 - Page: 3
1. Taylor County Take Down
Total Project Cost $2,500.00
Community Youth Wrestling Program-Building/Utilities/Equipment
Application, originally submitted June 16, 2015, was reviewed and again discussed. Consideration for funding was tabled for the second time. Additional information will be requested and a representative from said committee will be asked to come to the next council meeting.

2. Grafton Downtown Mural Project
Total Project Cost $2,500.00
Painting Mural Exterior Side of the Taylor County Arts Council Building
Motion was made by Vice Mayor Barney, second by Councilman E. Bartlett, to approve funding of $1,000.00 (one thousand dollars) for the Grafton Downtown Mural Project for the painting of a mural on the exterior side of the Taylor County Arts Council Building, located on West Main Street. Roll call vote: E. Bartlett: Yes; Isner: Yes; Barney: Yes; and G. Bartlett: Yes. Motion carried.

B. Petition Requesting Approval For Jayla Drive
To Be An Authorized Grafton City Street:
Petition, containing thirteen (13) signatures, submitted to the Grafton City Council, July 7, 2015, (recorded as part of the minutes, Book 25-Page 82) action tabled until council members could visit said street to obtain a better assessment regarding the request for consideration to officially designate Jayla Drive, located in the Grafton Municipal Corporation, as a city street, was again reviewed and discussed. Council addressed the street acceptance consideration again and agreed not to make a commitment at this time to designate Jayla Drive as a Grafton City Street.

C. Public Hearing Grafton Home Rule Program:

PUBLIC HEARING NOTICE
CITY OF GRAFTON, WEST VIRGINIA
HOME RULE PROGRAM
Notice is hereby given by the City of Grafton, West Virginia, that it will hold a public hearing on July 21, 2015, at the Grafton Municipal Building, Council Chambers, 1 West Main Street, Grafton, West Virginia.

The purpose of this public hearing is to discuss the City of Grafton’s proposed Home Rule written plan and application. This information will be utilized by the City of Grafton in its application to the West Virginia Home Rule Program, Phase III, which was established by Senate Bill 323.

The City of Grafton’s proposed Home Rule Program and application is available for public inspection in the Office of the City Clerk, as well as the Office of the City Manager, Grafton Municipal Building, Grafton, West Virginia, beginning on Wednesday, June 17, 2015, Monday through Friday, between the hours of 8:00 a.m. and 4:00 p.m.

All interested citizens are invited to attend the public hearing scheduled on Tuesday, July 21, 2015, at 6:30 p.m., and to present oral or written comments concerning Grafton’s proposed Home Rule plan and application. Written comments may be addressed to Larry M. Richman, City Clerk, City of Grafton, 1 West Main Street, Grafton, West Virginia. The first reading of the ordinance approving the City of Grafton’s Home Rule plan application July 21, 2015, 6:30 p.m., at the Grafton Municipal Building, Council Chambers, 1 West Main Street, Grafton, West Virginia.
No written comments concerning the City of Grafton’s proposed Home Rule plan and application was submitted to the City Clerk between the advertised dates of June 17, 2015 through July 21, 2015.

Mayor Bartlett opened the public hearing for the City of Grafton Home Rule Program Application Authorization. No one spoke in favor or opposed the application consideration for the City of Grafton to submit a plan and application to the West Virginia Home Rule Pilot Program-Phase III, established by Senate Bill 323. The mayor closed the public hearing.

D. First Reading Ordinance No. 832
Home Rule Program Application Authorization:

ORDINANCE NO. 832
AN ORDINANCE OF THE COUNCIL OF THE CITY OF GRAFTON ADOPTED PURSUANT TO THE PROVISIONS OF WEST VIRGINIA CODE §8-1-5a AUTHORIZING THE CITY OF GRAFTON TO SUBMIT A WRITTEN HOME RULE PLAN TO THE MUNICIPAL HOME RULE BOARD IN ORDER TO PERMIT THE CITY OF GRAFTON’S PARTICIPATION IN THE MUNICIPAL HOME RULE PILOT PROGRAM.

Motion was made by Councilman E. Bartlett, second by Councilman Isner, to approve the first reading of Ordinance No. 832. Roll call vote: E. Bartlett: Yes; Isner: Yes; Barney: Yes; and G. Bartlett: Yes. Motion carried.

13. NEW BUSINESS
A. Payment of Bills:
   1. Regular 2015-2016 Budgetary Bills - Year Listing No. 2
      Bluemont Cemetery Fund $ 2,549.77
      General Fund $ 62,327.85
      Water Operations Fund $ 12,122.17
      Sewer Service Fund $ 18,091.45
      Total $ 95,091.24

      Motion was made by Councilman E. Bartlett, second by Councilman Isner, to pay the Regular Bills, July 21, 2015, in the amount of $95,091.24. Roll call vote: E. Bartlett: Yes; Isner: Yes; Barney: Yes; and Bartlett: Yes. Motion carried.

B. Revision 2015-2016 General Fund Budget:

   RESOLUTION
   Revision of the 2015-2016 General Fund Budget-No. 1
   Subject: The revision of the General Fund 2015-2016
   Levy Estimate (Budget) of the City of Grafton,
   the following order was made and entered.
   
   (Recorded in Proclamation/Resolution Book No. 3, Page 305)

Municipality of Grafton, WV - Regular Council Meeting July 21, 2015 - Page: 5
Request For Revision to Approved Budget  
**Municipality of Grafton**  
Grafton, West Virginia  
2015-2016 General Fund Budget  
Budget Revision No. 1

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(Recorded in Proclamation/Resolution Book No. 3, Page 360 and Page 361)

Motion was made by Vice Mayor Barney, second by Councilman E. Bartlett, to approve the General Fund Resolution/Budget Revision Number 1, revising the 2015-2016 General Fund Budget. Roll call vote: E. Bartlett: Yes; Isner: Yes; Barney: Yes; and G. Bartlett: Yes. Motion carried.

C. Consideration Purchase Central Playground  
Play Set – New Equipment:
City Manager discussed the replacement of the recreational equipment at the Central Playground. Recreational playground/park equipment catalogs were reviewed and discussed.

Motion was made by Councilman E. Bartlett, second by Vice Mayor Barney, to authorize spending between $10,000.00 and $14,000.00 to purchase a new Recreational/Play Set for the Central Playground. Roll call vote: E. Bartlett: Yes; Isner: Yes; Barney: Yes; and G. Bartlett: Yes. Motion carried.

D. Consideration Purchase Central Garage  
New/Used Service Truck  
Sell Current Garage Truck-1999 Dodge Dakota Truck:  
City Manager discussed the replacement of the Front Street Garage service truck with either a new truck or a used truck and to sell the existing 1999 Dodge
Dakota (#B7GG26X5S275584) Service Truck. Requested authorization to secure prices to replace said existing truck, with either a new truck or used truck—depending on the estimates received and funding available, and sell said 1999 Dodge Dakota Truck after a new truck was purchased.

Motion was made by Council E. Bartlett, second by Councilman Isner, to purchase a service truck for the Public Works Department and to sell the existing 1999 Dodge Dakota Service Truck. Roll call vote: E. Bartlett: Yes; Isner: Yes; Barney: Yes; and G. Bartlett: Yes. Motion carried.

14. COUNCIL MEMBER’S HEARING

Vice Mayor Barney:
Discussed the upcoming Thanks and Appreciation Dinner planned for Wednesday, August 5, 2015, beginning at 5:30 p.m., at the Taylor County Shrine Club, 880 Blueville Dr., Grafton, to honor those employees/staff from Leer Mining and other community citizens for the planning, labor, and construction of the park complex -- Leer Plaza Court Yard -- Toad Hall Deck -- located in the former 1895 Clark Building location, 30 West Main Street, downtown Grafton. By unanimous consensus of council approved $500.00 expenditure to cover the costs for the dinner.

Mayor Bartlett:
Discussed the former BPOE (Elks) building and the development of the building as a civil center. A two page report relating for projected usage and the dimensions of the building and dimensions rooms were submitted to council.

15. ADJOURNMENT

Mayor Bartlett adjourned the meeting at 9:17 p.m.

ATTEST:

G. Thomas Bartlett, III
Mayor

Larry M. Richman
City Clerk
ORDINANCE AUTHORIZING SUBMISSION OF PLAN

I, the undersigned Clerk of the City of Grafton, West Virginia, do hereby certify that the foregoing is a true, correct, and complete copy of An Ordinance Authorizing the Mayor of the City of Grafton to Submit a Home Rule Proposal to the West Virginia Municipal Home Rule Board in Accordance with West Virginia Code §8-1-5a, enacted by the Council of the City of Grafton on August 11, 2015.

Witness the signature of the undersigned City Clerk of the City of Grafton, West Virginia, and the seal of the City of Grafton, this 11th day of August, 2015.

[Signature]
Larry M. Richman
City Clerk
ORDINANCE NO. 832

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GRAFTON ADOPTED PURSUANT TO THE PROVISIONS OF WEST VIRGINIA CODE §8-1-5A AUTHORIZING THE CITY OF GRAFTON TO SUBMIT A WRITTEN HOME RULE PLAN TO THE MUNICIPAL HOME RULE BOARD IN ORDER TO PERMIT THE CITY OF GRAFTON’S PARTICIPATION IN THE MUNICIPAL HOME RULE PILOT PROGRAM.

WHEREAS, in 2015, the West Virginia Legislature expanded the Municipal Home Rule Pilot Program created pursuant to the provisions of West Virginia Code 8-1-5a to allow participation by additional municipalities; and

WHEREAS, the City of Grafton desires to participate in said program and has prepared a written home rule plan, which plan complies with the provisions of the aforementioned code section; and

WHEREAS, a public hearing on the said plan was scheduled for July 21, 2015, at 6:30 p.m., or as soon thereafter as the matter could be heard at 1 West Main Street, Grafton, West Virginia, and a notice of said public hearing was published as a Class II legal advertisement in the Mountain Statesman, a newspaper in general circulation in Grafton and Taylor County, West Virginia, on June 17, 2015, and June 24, 2015, all as required by the aforementioned code section; and

WHEREAS, all other general notice requirements relating to said public hearing were satisfied; and

NOW THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GRAFTON, WEST VIRGINIA, that the Mayor is hereby authorized and directed to submit a home rule proposal to the Municipal Home Rule Board in accordance with West Virginia Code §8-1-5a in order for the City of Grafton to be included in this pilot program. A copy of said proposal and application is attached hereto.

EFFECTIVE DATE: This Ordinance shall take effect immediately after adoption.

G. THOMAS BARTLETT, III
Mayor
First Reading: July 21, 2015
Second Reading: August 11, 2015
Public Hearing: August 11, 2015
Adopted: August 11, 2015
Publication: July 24, 2015
July 31, 2015

Ordinance Prepared By:
Shawn D. Nines, Esq.
Grafton City Attorney
222 West Main Street
Grafton, WV 26354
Municipal Sales Tax / B&O Feasibility Study
WV Home Rule Application - Sales Tax Study - Grafton, WV

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**Explanation of Grafton Sales Tax/B&O Reform Proposal**

As part of the feasibility study for

the proposed home rule authorities of the City of Grafton, WV with respect to the establishment of a 1% sales tax and reduction of certain B&O taxes, Grafton provides the following background and information.

1. **Reduction of Retailers B&O Rates:** As part of this home rule proposal, Grafton intends to further reduce the B&O rates for Retailers by over 15% of the current rate of 0.37, to a new rate of $0.30 per $100.00.

2. **Elimination of Small Business B&O Taxes:** Grafton further will eliminate B&O taxes on all retail businesses that have less than $25,000.00 gross sales per quarter.

3. **Elimination of Manufacturing B&O Taxes:** Finally, Grafton will eliminate all B&O taxes on manufacturing.

4. **Net Result:** Under the tax structure proposed in this application, Grafton expects to gain approximately $352,816.00 in annual additional net tax revenues, taking into account the expected increase in revenues from sales tax, decrease in B&O taxes, and West Virginia’s State Tax Department Administration Fee. This amount will help to address the problems and projects outlined in Attachment 1 in this application.
Attorney Opinion

Date: August 18, 2015
Applicant: City of Grafton
Re: Legal Opinion on City of Grafton's Municipal Home Rule Proposal

Ladies & Gentlemen of the WV Municipal Home Rule Board:

As an attorney licensed in the State of West Virginia, I have reviewed West Virginia Code Section 8-1-5a, the Municipal Home Rule Pilot Program Application Guidelines, the proposed City of Grafton Municipal Home Rule Plan, and other documents related thereto, as I deem necessary for the purposes of this opinion.

Based upon the examination of such documents and my understanding of the intent of the proposed provisions contained in the Plan, it is my opinion that the written plan does not violate but is in compliance with, the provisions of the WV Code Section 8-1-5a, including those requirements contained within Section 8-1-5a(j) regarding Powers and Duties of Municipalities, Section 8-1-5a(k) regarding Prohibited Acts, and all other such provisions.

The Municipal Home Rule Board may rely upon this opinion.

Sincerely,

Shawn D. Nines, Esq.
WV State Bar #9570
222 West Main Street
Grafton, WV 26354
CITY OF GRAFTON
1 West Main Street-Grafton, West Virginia 26354-Phone (304)265-1412-Fax (304) 265-0119

State of West Virginia Fees Statement

August 20, 2015

Municipal Home Rule Board
Building 1, Room W-314
State Capitol Complex
Charleston, West Virginia 25305

To Whom It May Concern:

Please let it be known that the City of Grafton has no outstanding fees due to the State of West Virginia.

Sincerely,

[Signature]
G. Thomas Bartlett III
Mayor

[Signature]
Kevin M. Stead
City Manager

[Signature]
Larry M. Richman
City Clerk/Finance Director

"Where Mother's Day Began" - Andrews Methodist Episcopal Church
First Mother's Day Service - May 10, 1908
CITY OF GRAFTON
1 West Main Street-Grafton, West Virginia 26354-Phone (304)265-1412-Fax (304) 265-0119

Statement Regarding WV Code §8-11-4

August 25, 2015

Municipal Home Rule Board
Building 1, Room W-314
State Capitol Complex
Charleston, West Virginia 25305

To Whom It May Concern:

Note that the requirements of West Virginia Code Section §8-11-4(2) concerning ordinances that pertain to the raising of revenue for the municipality are not applicable to the Home Rule process at this point.

If the City of Grafton is accepted into the Home Rule Program, we fully intend to follow all rules and regulations including Code §8-11-4(2).

Sincerely,

Kevin M. Stead
City Manager

"Where Mother's Day Began" - Andrews Methodist Episcopal Church
First Mother's Day Service - May 10, 1908
Letters of Support
August 30, 2015

City of Grafton
1 West Main Street
Grafton WV 26354

Re: Home Rule

To whom it may concern:

Recently I looked over a package of information outlining the proposed Home Rule application for the City of Grafton. As a downtown business owner for the past 26+ years (Frey’s Auto Supply) and the current President of the City of Grafton Police Civil Service Commission, I consider this to be a significant opportunity for the City of Grafton. Every project or improvement, staff increase or retention requires extra revenue. From a business standpoint, I believe the implementation of a sales or use tax at point of purchase is the fairest form of taxation we could have. The rate revisions of the current B&O tax system that will go along with it is also a step in the right direction. I believe this could be a deciding factor for startup or smaller businesses that in the past have not considered a city based business.

From the Civil Service standpoint, the City of Grafton, like many of its larger WV counterparts, has had its share of difficulty in hiring and retaining qualified Police Officers. I look forward to the independence and versatility that Home Rule will provide in the area of officer compensation and retention.

Finally as a longtime citizen of downtown Grafton, I have seen many improvements over the course of time, but sadly they have come slowly. Implementation of Home Rule may just be the added boost we need to become greater. Infrastructure, street paving, and blight removal come to mind.

Please forward this letter with your application along with my contact information should anyone desire to contact me directly.

Sincerely,

John Snyder
john@fixinyourcar.com
304-612-4969
August 31, 2015

West Virginia Home Rule Board  
Charleston, West Virginia

Application of City of Grafton for  
Home Rule Authority

Dear Sirs:

As a County Official who has a close working relationship with all the City Officials in all the City Departments, I firmly believe it would be in the best interest of the City of Grafton to be allowed to have Home Rule Authority.

Our Local Government in the City of Grafton is one of the best in terms of working with local citizens and working with County Government.

I believe this Home Rule Authority would allow our local government to become stronger and offer more services to the citizens of this Community.

It is without reservation that I request you grant the City of Grafton Home Rule Authority.

Sincerely,

John L. Bord

JLB/jab