TOWN COUNCIL WORK SESSION MINUTES

Monday, September 30, 2013 @ 7:00pm
Front Royal Administration Building Conference Room

1. FY 2014-2015 Budget Retreat

FY 2014-2015 Revenue
Anticipated Minimal General Fund
Revenue Increases

- Real Estate Tax Rate - $0.11 per $100
- Personal Property Tax Rate - $0.64 per $100
- Meals Tax Rate - $0.04 per $1
- Lodging Tax Rate $0.06 per $1
- Vehicle Decal - $25.00
- VDOT Road Maintenance - $1,500,000
- State "599" Fund (Police) - $338,350

Possible Revenue Issues

- Real Estate Reassessment
- Meals & Lodging - End of Dominion & Jail Construction
- Meals & Lodging - South Fork Bridge Construction
- VDOT Funding
- State "599" Fund (Police) Funding

Debt Service

- 1998 Public Improvement Bond - $2,275,000 ($93,043)
- 2002 General Obligation Bond - $5,655,523 ($502,674)
- 2005 EDA Revenue Bond (Town 20%) - $1,540,000 ($308,000)
- 2006 WTP General Obligation Bond - $10,315,000 ($8,530,000)
- 2010 WWTP Recovery Act Bond - $2,735,000 ($2,735,000)
- Success Farm - $11,675
- Baugh Drive Extension - $6,895
- Happy Creek & HLI - $15,285
- Stephens Industrial Park - $11,725
- Leach Run Parkway - $65,060
- Administration Building - $150,000
- Wastewater Treatment - $465,350
- Water Treatment - $1,118,905

Major Projects - New Debt

- Leach Run Parkway - $12,000,000 (33% Share)
- Police Headquarters - $7,000,000
- Finance Software - $400,000
- Criser Road Trail - $500,000
- Water Treatment Plant - $2,500,000 (Utility Rates)

- Wastewater Treatment Plant - $40,000,000 (Utility Rates)
- Energy Services Bldg - $700,000 (Utility Rates)

  ***For General Fund Debt - 1 cent Real Estate Tax generates approximately $100,000, which equates to about $1,000,000 of debt*

<u>FY 2014-2015 CIP</u>

Environmental Services

- Main Street Trees - $16,250
- Flower Gardens - $10,000
- Alley Reconstruction - $15,000
- Facility Security - $25,000
- HVAC - $45,000
- Median Beautification - $35,000
- Sidewalk Construction - $50,000
- Machinery & Equipment - $50,000
- Vehicles - $150,000
- Street Maintenance - $350,000

Information Technology

- Mobile Data Terminals - $9,000
- Server Upgrades - $15,000
- Computer Upgrades - $35,000
- Police Dispatch Software - $120,000
- Finance Software Annual Maintenance - $75,000
- Planning Software Annual Maintenance - $20,000

Police Department

- Vehicles - $90,000

Planning & Zoning

- GIS Software & Aerials - $10,000

Solid Waste

- Vehicles - $225,000

Water & Sewer Maintenance

- Waterline Upgrades - $450,000
- Waterline Maintenance - $200,000
- Sewer I&I - $300,000
- Sewer Maintenance - $25,000
- Automatic Meter Reading - $250,000
- Vehicles - $100,000

Water Treatment

- Tank Maintenance - $100,000

Wastewater Treatment

- Nutrient Credits - $200,000

Energy Services

- Capital Inventory - $225,000
- Line Construction - $150,000
- Manassas Sub Replace HS Fuse w/ Breakers - $125,000
- Manassas Sub Control House - $120,000
- Work Plan Study - $45,000
- Rate Study Analysis - $30,000

<u>FY 2014-2015 Council Goals</u>

- ❖ Budget/Project Priorities
- ❖ Budget/Project Funding Options
- ❖ Commercial Incentives
- ❖ Economic Vitality
- ❖ Additional Goals

Council Discussion:

- General Fund infrastructure transfer related to the water fund
- EDA Fairground Water Tank remaining amount is about $135,000 annually
- Interval ten-year loan for Administrative Building
- Happy Creek is not currently in the budget; speaking with VDOT to see if funding is available in Urban Project monies
- $35,000 for medians and flower gardens ($10,000) are similar to the current amounts in the budget; to answer Council's questions. Mr. Parker asked why the Town couldn't plant something that did not have to dig up certain areas and then replant; Mr. Tharpe explained what he had learned about replanting in certain sections around Town. Mr. Burke explained the seasonal plantings around the Gazebo. Mr. Parker suggested a greenhouse on the Town farm.
- Mrs. Breeden explained that some of the vehicle requests includes a pick-up truck, a dump truck, some saws, and miscellaneous shop equipment.
- Dispatch Software is ongoing replacement and this is the last of the payment on the software for the program.
- Automatic Meter Reading program includes $30,000 this upcoming budget, and about $250,000 for the next three years; and eventually it will realign the Town Staff.
- Lawn Crawler specifications are being worked on and the Town is looking into the specifications to determine what the Staff needs.
- The $750,000 charge is a one-time cost for the Finance Software charge as shown.
- The deficit is anticipated for debt service as we sit today, it is too early to tell what State funding will be and Staff will hope to narrow it and arrive at a balanced budget presentation in April. We expect to know a construction estimate within the next month regarding the Police Headquarters.
- Mrs. Breeden stated that to make the revenue projections, they will review VRS matters, gas prices, the hybrid program, insurance company information (which will not arrive until February at the earliest), etc. She noted that the Staff is presenting as close to hard numbers as possible without those projections in place.

- Councilman Tewalt reminded Staff that reductions should be removed at the Director's level, not at Council level.
- Councilman Hrbek noted that the incentive program was important to him to be developed, as well as whatever revenue sources that could be used from the Corridor. Mr. Hrbek added that the trail program could probably be cut extensively if we fundraised through with the corporations in the community. Mr. Burke stated that the Tree Stewards have indicated that they are actively pursuing fundraising opportunities.
- Vice Mayor Parker asked about consulting on our refuse program. He noted that perhaps we need someone that understands the refuse program. Councilman Tharpe stated that the Town should not make a profit on the system, Mr. Parker noted that they should not make a profit, but it should at least pay its own way.

2. ~~CLOSED MEETING – Consultation with Legal Counsel~~

Council discussed whether to hold the meeting in Closed Session. They chose to change it to open session for the two cents discussion regarding the County.

Council noted they were not willing to accept the MOU as written. They stated that the County seemed to have a typo on their proposal on the "percent" comment and the Council was unsure if it could be a legal binding document without it going to the Commission on Local Government. Councilman Parker Council stated that it should be an addendum to the original agreement OR a brand new agreement. He added that the two bodies needed to sit down and discuss both the pros and cons to begin shaping the conversation, rather than just the Chairman and the Mayor only.

Mr. Tharpe noted that even though the MOU was tilted to one side or the other, perhaps Council could move forward with the revenue sharing as it was presented and avoid annexation if possible. Mr. Tewalt stated that if the Town could obtain the two cents then fine, however; the additional strings were not something the Town should be interested in. Mr. Sayre suggesting keeping the MOU simple, by sharing the two cents. Mr. Hrbek asked if it goes to Commission on Local Government would it make it binding; Mr. Napier stated that it would.

Mr. Parker stated that the Commission on Local Government makes it fair and balanced and fair for the community as a whole. He noted that the Town should not take the first offer the County suggests, noting that the Town should rework the original agreement.

Council noted that they were not interested in the document as written by the County, though they would like to discuss it in more detail. Mr. Funk noted that four of the Councilmen agree on the important terms of the memorandum. Mr. Parker stated that he would like to re-discuss all matters.

Present: Mayor Timothy W. Darr, Vice Mayor N. Shae Parker**,** Councilman Thomas H. Sayre, Councilman Eugene R. Tewalt, Councilman Bret W. Hrbek, Councilman Daryl L. Funk, Councilman Hollis L. Tharpe, Town Manager Steven M. Burke, PE, Town Attorney Douglas Napier, Director of Planning & Zoning Jeremy Camp, Chief of Police Norman Shiflett, Director of Finance Kim Gilkey-Breeden, Tourism Director Tim Smith, Director of Energy Resources Joe Waltz, Clerk of Council Jennifer E. Berry, CMC, members of the media and members of the public.