TOWN COUNCIL WORK SESSION
Monday, April 3, 2017 @ 7:00pm
Town Hall Conference Room

1. **<u>Request from Shenandoah National Park for In-Town Water Rates</u>** – *Interim Town Manager*
This item was postponed.

2. **<u>Urban Agriculture Ordinance</u>** – *Director of Planning/Zoning*
Summary: The purpose of this discussion item is to determine if the Urban Agriculture Ordinance (175-110.5) should be continued, amended or removed from the Town Code. When Town Council adopted the ordinance it would be discussed that it would be evaluated in the future to determine if any changes are needed.
The ordinance requires persons interested in keeping fowl, rabbits or bees to obtain a permit and follow a management plan approved by the Agriculture Extension Office for the keeping of such animals. Persons with an acre or more of land are not required to obtain a permit. Prior to the adoption of this ordinance, keeping of fowl, rabbits and bees for agricultural use was not permitted in the Town on smaller residential lots.

Staff Evaluation: Since the ordinance was adopted, seven (7) permits have been issued. Other than one reported incident of fowl escaping their enclosure, there have not been any complaints received.

Council Discussion: Councilman Connolly noted that he would like to remove the sunset clause. Councilmen Meza and Egger voiced their support of Mr. Connolly. Mr. Camp noted that the matter did not need to go before Council for vote.

3. **<u>Budget Presentation</u>** – *Interim Town Manager/Director of Finance*
Mr. Wilson presented the following to Council:

<u>BUDGET HIGHLIGHTS</u>

-FY18 Proposed Budget increased 0.5% when compared to FY17
-Effective July 1, 2017 the Town will no longer offer Key Advantage Expanded Health Insurance to employees, results in a savings of $138,185 to the Town
-Salaries & Fringe Benefits include a 2% raise for all employees that would be effective January 1st, 2018
-Page 8 shows a breakdown of all personnel changes, machinery & equipment, vehicles, buildings/structures, and other projects funded & not funded for the Proposed FY18 Budget

GENERAL STREET FUND

Revenues included in proposed budget are based on projections provided to council and have been updated accordingly based on best information available
-Real estate tax increase of $0.005 per $100 has been allocated to the construction/debt service for the new police department under special project revenue
-Personal property tax relief has been equalized

-Town will receive two payments from Warren County relating to the businesses in the corridor & PILOT
-Transfers to general fund from enterprise funds are $267,000 lower when compared to FY17
-Revenue sharing was not received from V-DOT in FY17, so no revenue sharing funds have been included for FY18. Staff will returned to council when additional information is available regarding revenue sharing
-Overall General Fund Revenue Proposed Budget increase is $82,580 and street fund $147,940

ELECTRIC FUND REVENUE

-Electric revenue is based on the electric rate increase & power cost adjustment increase proposed by Hawksley Consulting's rate analysis
-Residential Facility charges changing from $6.24 to $7.00
-Commercial & Demand Facility Charge changing from $6.40 to $7.16
-Power Cost Adjust changing from $0.00428 per kwh to $0.01091 per kwh
-Electric fund balance is currently around $6.4 million
-The proposed FY18 budget for electric totals $19.7 million
    -which puts 3 month reserve at $4.9 million
    -after deducting the carryover encumbrances & 3 month reserve the electric fund balance would be about $580,000
-Hawksley Consulting recommendation would equalize electric rates over a few years to avoid a drastic impact to our citizens

WATER/SEWER REVENUE

-Total revenues for water & sewer are less when compared to the FY17 Budget due to sales of water & sewer
    -Water – FY18 revenue is $639,585 less than budgeted for FY17
    -Sewer – FY18 revenue is $634,105 less than budgeted for FY17
-Water/Sewer connection revenue is expected to increase
-Funding has been included in FY18 for a water/sewer rate analysis to ensure that rates are adequate for water/sewer consumed by customers & to fund capital projects
-Sewer revenue of $63,250 has been budgeted to receive money from Warren County to help cover the costs of the new septic haul station

SOLID WASTE REVENUE

-Solid waste rates were increased for FY17
    -The rate increase did equalize the Warren County Tipping Fee
    -Allowed for purchase of a new refuse truck
-Solid waste revenue budgeted to increase $13,310 when compared to FY17 budget
-Solid waste department hopes to implement new processes upon delivery of the new refuse truck to improve efficiency

PERSONNEL HIGHLIGHTS

-New Town Engineer Position funded 75%/year ($70,875)
-New Full-time & Part-time Property Enforcement 50%/year ($58,000)
-New Community Development Position 100%/year ($56,444)

-New Assistant Purchasing Agent 75%/year ($48,750)
-Transition Clerk of Council from part-time to full time ($21,780)
-Mandated K-9 Handler Salary ($12,500)
-Reallocation for a portion of Office Assistant Salary from Legal Office to Police Department

MISC
-The FY17 Budget included funds that were set aside in each department for salaries that were to help fund compensation study results. These funds have been removed from the graphs & overall increases/decreases to show a better comparison of budgeted salaries & fringe benefits
-The budget amendment/transfer that was approved on March 27th removed the salary adjustment line items from the FY17 budget
-Overall Decrease of $2,140
-Decrease of $2,500 in FICA budgeted line item
-Increase of $360 in government access channel line item, allows additional $15 per videotaping of meeting for vendor

CLERK OF COUNCIL
-Overall increase of $21,280
-Includes $21,780 funding to allow clerk to transition from part-time to full time
-FY17 Salary adjustment & VRS lines removed for comparison purposes

TOWN MANAGER
-Overall Increase of $72,650
-Includes $70,875 for a Town Engineer Position for ¾ of FY18
-Includes $6,700 for Gazebo Flicks that should be offset by donations in revenue

HUMAN RESOURCES & RISK MANAGEMENT
-Overall decrease of $8,830
-Increase $3,200 in part time salaries
-Increase $4,000 in advertising for job vacancies
-Increase $3,400 for travel & education to maintain certification & attend OHSA class
-Increase $1,000 in dues for Hazcom Compliance SDS Management Membership
-FY17 included $24,000 for compensation study
-FY17 Salary adjustment line remove for comparison

BENEFITS & INSURANCE
-Overall decrease of $17,700
-Unemployment Insurance Expense is decreased by $19,000 due to efforts of Human Resources to reduce unemployment claims
-Health Insurance for Retirees increased $3,500 due to the addition of a few more retirees

INFORMATION TECHNOLOGY
-Overall decrease of $66,095
-Decrease of $29,200 in Telecommunications
-Decrease of $20,000 in Fiber Changes for Police Dept
-Decrease of $18,700 in Web Maintenance
-FY17 Salary adjustment line removed for comparison

Capital Items Include:

- -$35,000 Desktop Computers
- -$3,500 Additional MDT
- -$5,000 Printer Replacements
- -$28,000 Replacement of BAI Server
- -$18,000 Network Switches

TOURISM
-Overall Increase of $59,955
-Includes $56,444 for addition of full time position for Community Development
-Increase of $4,000 for printing & binding, reprint of visitor guide & possible walking tour guide

TOWN ATTORNEY
-Overall increase of $2,265
-Reallocated $6,028 from Town Attorney to Police to Police Investigations for Legal Assistant
-Reduced $5,000 for professional services

FINANCE ADMINISTRATION
-Overall increase of $19,895
-FY17 Budget did not include a full-time Director of Finance, only included a part-time position
- FY17 Salary adjustment line removed for comparison

FINANCE BILLING & CUSTOMER SERVICE
-Overall increase of $142
-Includes $8,655 payment to Warren County for creation of tax books
-Includes $2,500 for purchase of currency counter
- FY17 Salary adjustment line removed for comparison

FINANCE - PURCHASING
Overall increase of $50,240
-Includes $48,750 for new assistant purchasing position for ¾ of FY18
-Includes $1,000 for purchase of furniture for new position
- FY17 Salary adjustment line removed for comparison

POLICE ADMINISTRATION
-Overall decrease of $9,980
-Decrease of $3,000 in auto maintenance
-Decrease of $4,000 for grant matching expense
- FY17 Salary adjustment line removed for comparison

POLICE PATROL
-Overall decrease of $19,335
-Includes $12,500 mandated compensation for K-9 Handler
-Reduction of $3,000 for laundry & dry cleaning
-Reduction of $25,000 for uniforms & wearing apparel, less costly
-Reduction of $9,600 under POL (Petroleum, Oil, & Lubricants)
-Includes $9,000 to replace retiring K-9 Unit & purchase of kennel enclosure & training aids
-Includes $108,000 to replace 3 vehicles

- FY17 Salary adjustment line removed for comparison

POLICE INVESTIGATIONS
-Overall increase of $955
-Re-allocated $6,028 salary/benefits for Legal Assistant, previously expensed under T/A
-Reduced $2,500 from Maintenance Service Contract
-Reduced $2,000 from POL (Petroleum Oil & Lubricants)
-Reduced $1,600 from dues & memberships
- FY17 Salary adjustment line removed for comparison

POLICE SERSVICES – DISPATCH
-Overall increase of $8,580
-Increase of $9,355 in personnel & fringe benefits mainly due to insurance changes elections
-Reduced $975 from professional services
- FY17 Salary adjustment line removed for comparison

POLICE – DRUG TASK FORCE/GANGS
-Overall increase $12,435
-Changes in insurance & tiers of MPO Program increase salary/benefits $15,435
-Reduced $5,000 for POL (Petroleum, Oil, & Lubricants)
-Increase $2,100 for special investigating supplies due to increase in billing from Northwest Virginia Regional Drug Task Force
-FY17 Salary adjustment line removed for comparison

PLANNING & ZONING
-Overall increase of $55,680
-Includes $58,000 for 1 ½ positions for property maintenance for half of FY18
-FY17 Salary adjustment line removed for comparison

ECONOMIC DEVELOPMENT – TRANSFER TO STREETS
-Transfer from General Fund to Street Fund increase for FY18 due to lack of V-Dot Revenue Sharing in FY17, to accommodate the primary paving plan & slurry sealing in FY18
-Repayment of internal loan for Town Hall Building remains consistent and will end in 2022

FLEET MANAGEMENT
-Overall decrease $100,745
-Increase in salaries & insurance due to new Tech position in FY17
-FY17 included funding for 6 months of new position
-Reallocating prior year capital improvement funds for HVAC to have facility study performed
-Reduced $142,725 in capital improvement items
-FY17 Salary adjustment line removed for comparison

GENERAL PROPERTIES
-Overall increase $12,130
-Includes $13,500 for replacement of roof on sign shop
- FY17 Salary adjustment line removed for comparison

STREETS – NON VDOT

-Overall increase of $104,150
-Includes $100,000 repayment of internal loan for Criser Road Trail
- FY17 Salary adjustment line removed for comparison

HIGHWAY MAINTENANCE
-Overall decrease of $51,805
-Includes $8,000 for skid steer broom
-Includes $3,500 for backhoe buckets
-Includes $63,000 for second payment to replace 1997 Ford F800
-Includes $27,000 for first payment of external loan for street sweeper
-Includes $541,985 funding of primary paving plan
-Includes $113,935 for slurry sealing
-Includes $125,800 concrete reconstruction to collate with paving plan
- FY17 Salary adjustment line removed for comparison
-Overall decrease of $9,980
-Decrease of $3,000 in auto maintenance
-Decrease of $4,000 for grant matching expense
- FY17 Salary adjustment line removed for comparison

Council Discussion/Staff explained:

- Town Engineer could be the Clerk of the Works possibility; Mr. Napier noted that some matters require the stamp of a Town Engineer; Some members noted their concern with putting personnel in the budget for many years to come; Some noted that the Property Maintenance individual would require a vehicle and an Administrative Assistant;
- Council noted that there were concerns with increases with no idea where funding would come from;
- Council expressed concern with a 2% across the board raise for employees when some employees are mediocre and may not deserve such an increase; They asked about annual evaluations for employees and encouraged that all Staff have their evaluations in a timely manner;
- Some members of Council voiced support of maintaining the 2% of COLA regardless of whether revenues are down or not;
- Council asked about how often the vehicles in the Police Department were replaced; Staff noted that they generally replace around 100,000 miles; Officer Nicewarner noted the issues when they previously attempted to stretch out the use of vehicles; Staff noted that they repurpose vehicles from the Police Department to other divisions for use;
- Council asked about the VRS Life Insurance expense; Staff noted that it was a mandatory requirement and was two times an employees salary;
- Council and Staff discussed how to care for the trees along Leach Run Parkway;
- Council reviewed a spreadsheet presented by Councilman Sealock; Mr. Connolly noted that the CIP roster was a fantasy list to manage what is coming forward in order to manage what may be doable; Council discussed the transfers from the enterprise fund transfers to general.

4. <u>Council Discussion/Goals</u>
Mayor Tharpe asked about the removal of trees on Westminster; Mr. Waltz stated that they were for the bat issue.

Mayor Tharpe asked about placing the Police Department building out to bid as the funding is now set with New Market set. Councilman Tewalt stated that when the matter when it was placed out for bid it could always be reduced and reshaped. Mr. Waltz stated that even if the New Market tax credit program did not pan out, the Town did would still have to move forward with the principal balance with the amount for the built structure for the Police Department.

Councilman Meza asked if PayPoint had moved forward with the pay study. Mr. Waltz stated that they had begun with the process with a due date by August of this year.

Councilman Meza also asked about the solid waste update and the efficiencies with the new truck/single stream truck later this month.

Councilman Meza asked where the list of advertisements for the Town Manager went.

Councilman Sealock noted that he was quite concerned where the pedestrians crossings were inadequate and he was impressed with the proposed improvements.

5. <u>CLOSED MEETING – Personnel Matter</u>

Motion to Go Into Closed Meeting

Councilman Connolly moved, seconded by Councilman Tewalt that Council convene and go into Closed Meeting for the assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of a public body, pursuant to Section 2.2 3711. A. 1., of the Code of Virginia.

Vote: Yes – Connolly, Egger, Meza, Morrison, Sealock and Tewalt
No – N/A
Abstain – N/A
Absent – N/A
(Mayor Tharpe did not vote as there was no tie to require his vote)
(By Roll Call)

Motion to Certify Closed Meeting at its Conclusion

Councilman Connolly moved, seconded by Councilman ======== that Council certify that to the best of each member's knowledge, as recognized by each Council member's affirmative vote, that only such public business matters lawfully exempted from Open Meeting requirements under the Virginia Freedom of Information Act as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the Closed Meeting by Council, and that the vote of each individual member of Council be taken by roll call and recorded and included in the minutes of the meeting of Town Council.

Vote: Yes – Connolly, Egger, Meza, Morrison, Sealock and Tewalt
No – N/A
Abstain – N/A
Absent – N/A
(Mayor Tharpe did not vote as there was no tie to require his vote)
(By Roll Call)

PRESENT: Mayor Tharpe, Councilman Connolly, Councilman Egger, Councilman Tewalt, Councilman Morrison, Councilman Meza, Councilman Sealock, Interim Town Manager Waltz, Town Attorney Napier, Clerk of Council Berry, Director of Planning Camp, Director of Finance Wilson, Police Captain Nicewarner, Director of Environmental Services Hannigan, Director of IT Jones, Risk Management Director Scholtz, Interim Energy Services Director Jenkins, members of the public and members of the press.