

Council Chambers, 25 West Market Street, 7:30 p.m. Mayor David S. Butler presiding.

Council Members Present: Kelly Burk, Thomas Dunn, Suzanne Fox, Katie Sheldon Hammler, and Mayor Butler.

Council Members Absent: Marty Martinez.

Staff Present: Town Manager Kaj Dentler, Deputy Town Manager Keith Markel, Town Attorney Barbara Notar, Assistant Town Manager Tom Mason, Assistant Town Manager Scott Parker, Director of Plan Review Bill Ackman, Director of Parks and Recreation Rich Williams, Director of Utilities Amy Wyks, Director of Planning and Zoning Susan Berry Hill, Interim Chief of Police Vanessa Grigsby, Director of Economic Development Marantha Edwards, Director of Capital Projects and Public Works Renee Lafollette, Deputy Director of Parks and Recreation Kate Trask, Deputy Director of Finance and Administrative Services Lisa Haley, Deputy Director of Utilities Robert Etris, Library Manager Alexandra Gressitt, Information Technology Manager Annie Carlson, Airport Manager Scott Coffman, Deputy Director of Capital Projects Tom Brandon, Deputy Director of Public Works Charlie Mumaw, Senior Management Analyst Jason Cournoyer, Senior Management Analyst Cole Fazenbaker, Business Development Manager Kindra Jackson, Human Resources Manager Mark Hauer, Public Information Officer Betsy Fields, Lieutenant Jeff Dube, and Clerk of Council Lee Ann Green.

AGENDA

ITEMS

1. **CALL TO ORDER**

2. **ROLL CALL:** Showing Council Member Martinez absent.

3. **BUDGET WORK SESSION**

Mayor Butler discussed the tax rate and comparisons with other localities. He noted that Leesburg's taxes per capita are significantly lower than Purcellville, Herndon, or Vienna.

Council Comments/Questions:

- Fox: Stated that assessments have gone down but taxes have gone up for the county. She questioned whether that is reflected in this year's budget.
- Burk: Stated she would like to add the \$50,000 for the EAC's utility monitoring recommendation because this would save money over the long term.
- Hammler: Questioned whether there is an opportunity to remove the annual contribution to the Rescue Squad in exchange for the land where the skate park presently sits. She stated she would like to add that to her "wish" list. She stated in order to get the tax rate down, capping the pay for performance at 3% would save \$180,000 and get the tax rate down to an equalized rate or below. She noted that the federal government is only giving a 1.3% increase. She stated the town also has a robust Virginia Retirement System plan. She stated she is concerned over depletion over time of the Capital Asset Replacement Fund.

- Gemmill: Stated he could support a 3% cap on performance increases.
- Fox: Questioned the food and beverage line item for the Economic Development Department. She stated there is a huge difference between actuals and budgeted. She stated she is curious to see how many line items have that much “padding”.
- Butler: Stated he would resist capping the raises because it sends a message to staff that it doesn’t matter if you do superior work – you won’t be rewarded for it. He stated this is a significant disincentive to employees. Further, he stated he does not like to use the federal government as an example because keeping the raises low, it costs the federal government millions of dollars per year when the best employees leave and the worst employees stay.

4. **ADJOURNMENT**

On a motion by Council Member Gemmill, seconded by Council Member Dunn, the meeting was adjourned at 7:48 p.m.

David S. Butler, Mayor
Town of Leesburg

ATTEST:

Clerk of Council
2016_tcm0331 Budget WK

Council Chambers, 25 West Market Street, 7:30 p.m. Mayor David S. Butler presiding.

Council Members Present: David Butler, Thomas Dunn, Suzanne Fox, Katie Sheldon Hammler, Marty Martinez and Vice Mayor Burk

Council Members Absent: None.

Staff Present: Town Manager Kaj Dentler, Deputy Town Manager Keith Markel, Town Attorney Barbara Notar, Director of Finance and Administrative Services Clark Case, Director of Capital Projects and Public Works Renee Lafollette, Director of Utilities Amy Wyks, Director of Parks and Recreation Rich Williams, Director of Planning and Zoning Susan Berry Hill, Director of Economic Development Marantha Edwards, Chief of Police Vanessa Grigsby, Director of Plan Review Bill Ackman, Information Technology Manager Annie Carlson, Assistant Town Manager Scott Parker, Network Administrator John Callahan, Deputy Director of Public Works Charlie Mumaw, Senior Management Analyst Jason Cournoyer, Senior Management Analyst Cole Fazenbaker, Business Development Manager Kindra Harvey, Deputy Director of Finance and Administrative Services Lisa Haley, and Paralegal Carmen Smith

AGENDA

ITEMS

1. **CALL TO ORDER**

2. **ROLL CALL:** Showing all members present

3. **PUBLIC HEARING**

a. Tax Rate

The public hearing was opened at 7:30 p.m.

Clark Case gave a brief presentation regarding the tax and fee rates for the Town for Fiscal Year 2017.

Key Points:

- Proposed rate is \$0.1872 per 100 of assessed value.
- Includes inflation.
- Personal property tax remains at the 2016 level of \$0.48 of 100 of assessed value up to \$20,000.
- Water and sewer utility rates were adopted by Council in a long term schedule in FY2014.
- Average residential tax bill is based on the weighted average assessment of property of \$344,396 and a tax rate of \$0.1872.
- Increase of \$2.76 for the average weighted tax bill.
- Services in Leesburg are higher than in neighboring communities, but the average tax rate is below.

- Town is financially sound – Triple AAA rated community by all three rating agencies based upon the adherence to the long term sustainability plan and increase of the unassigned fund balance to 20%.
- Proposed budget and tax rate addresses the “fiscal cliff” in FY 2017 without the expected property tax increases.

Council Comments/Questions:

- Fox: Stated she would like to look at specific line items for savings such as office supplies, postal services, advertising services, food and beverage, as well as forestry services, recreational supplies and printing services.
- Burk: Questioned what will happen if the budget is changed after the tax rate is approved.
Case: Stated that either savings or revenues would have to be identified to balance the budget according to whatever tax rate is approved.
- Dunn: Stated that the policy set by Council is presented by staff. He stated setting the undesignated fund balance level at 20% is high because taxpayers want to know that the money is being used and not just set aside.

Jim Sisley, stated he has read all of Council’s questions and staff’s answers. He stated the 30% of tax revenues that are provided by the commercial tax base have a positive impact on the residential tax rate cannot be ignored. He asked that Council keep in mind that the commercial tax base is profitable to the town and only two staff members take care of that department. He stated the Business Awards create pride and dedication. He suggested that since the Economic Development Department is such a small part of the budget compared to their impact, that they be given raises and more staff hired.

Kevin Wright, 109 Pershing Avenue, N.W., stated he supports the adoption of an equalized tax rate. He stated after reviewing the budget, he is not convinced that a tax increase is warranted and does not accept the theory that the tax bill need to be adjusted for inflation as citizen incomes have not risen with inflation. He recommended that Council identify efficiencies in trash and recycling pick up and review of the contributions to the Rescue Squad given that they may be given land valued at over \$1 million.

Ron Campbell, 812 Fort MacLeod Terrace, N.E. stated that as a taxpayer, it would be nice to know what the county decided not to fund.

On a motion by Council Member Hammler, seconded by Council Member Fox, the following was proposed with an \$0.186 tax rate (the equalized rate):

ORDINANCE 2016-O-009

Ordaining Chapter 20 (Licenses, Taxation and Miscellaneous Regulations), Article II (Taxation Generally), Section 20-22 (Annual Levy and Rate of Taxes), and Appendix B (Fee Schedule) Setting Tax Rates on Real Estate, Vehicles used as Mobile Homes or Offices, Tangible Personal Property, Real Estate and Tangible

Personal Property of Public Service Corporations, and Setting Utility Water and Sewer Rates for Tax Year 2017

Council Comments/Questions:

- Burk: Questioned how this will affect the proposed budget.
Dentler: Stated the equalized tax rate will require reductions of \$82,000 from the proposed budget.
- Gemmill: Stated he intends to go with the equalized rate.
- Dunn: Stated he cannot support the equalized rate. He stated there is a lot of fluff in the budget. He stated that voting for the equalized rate is a vote for waste in government as there is a lot of wasteful spending and unaccounted for spending that is built into the budget. He stated there would be no reduction in services at \$0.165.

Council Member Dunn proposed a friendly amendment for \$0.1775. The amendment was not accepted as friendly.

- Hammler: Questioned what the reductions need to be to get to \$0.1775.
- Dunn: Stated he does not have a list of the reductions, but would be happy to table the vote until after the detailed discussion on the budget.
- Butler: Questioned what staff would recommend in order to reduce the budget to meet the approved tax rate.
Dentler: Stated that the vacancies could be managed to reduce the budget by the appropriate amount.

The motion was approved by the following roll call vote:

Aye: Fox, Burk, Hammler, Gemmill and Mayor Butler

Nay: Dunn and Martinez

Vote: 5-2

5. ADJOURNMENT

On a motion by Council Member Martinez, seconded by Council Member Fox, the special meeting was adjourned at 8:13 p.m.

David S. Butler, Mayor
Town of Leesburg

ATTEST:

Clerk of Council
2016_tcm0411spec

Council Chambers, 25 West Market Street, 7:30 p.m. Mayor David Butler presiding.

Council Members Present: Kelly Burk, Thomas Dunn, II, Suzanne Fox, R. Bruce Gemmill, Marty Martinez and Mayor Butler.

Council Members Absent: Katie Sheldon Hammler

Staff Present: Town Manager Kaj Dentler, Deputy Town Manager Keith Markel, Town Attorney Barbara Notar, Assistant Town Manager Scott Parker, Director of Planning and Zoning Susan Berry Hill, Director of Finance and Administrative Services Clark Case, Director of Plan Review Bill Ackman, Director of Economic Development Marantha Edwards, Director of Parks and Recreation Rich Williams, Director of Capital Projects and Public Works Renee Lafollette, Director of Utilities Amy Wyks, Chief of Police Vanessa Grigsby, Library Manager Alexandra Gressitt, Airport Manager Scott Coffman, Information Technology Manager Annie Carlson, Human Resources Manager Mark Hauer, Deputy Director of Public Works Charles Mumaw, Deputy Director of Capital Projects Tom Brandon, Deputy Director of Parks and Recreation Kate Trask, Deputy Director of Finance and Administrative Services Lisa Haley, Senior Management Analyst Jason Cournoyer, Senior Management Analyst Cole Fazenbaker, Business Retention Manager, Recreation Superintendent Katey Jackson and Clerk of Council Lee Ann Green

AGENDA

ITEMS

1. **Items for Discussion**

a. **Budget Work Session**

Jason Cournoyer noted that the County’s contributions to the town remain at the expected levels.

Key Points:

- School resource officer contribution remains at the proposed rate of \$665,240.
- Gas tax appropriation of close to \$590,000 of which \$290,000 is used for local fixed route transit service (Safe-T-Ride and Saturday service).
- Landfill fee waiver which remains at the previous levels of \$122,100.
- Pushed out the Leesburg South rescue station to 2020.
- Approved \$1 million in NVTA funds to assist with the Rt. 15 to Greenway Capital Improvement Project.
- School Board will request cash proffer funds in the next few months for converting the CS Monroe facility into an alternate high school.
- Provided \$13.2 million for the interchange at Route 7 and Battlefield.
- Veteran’s Park is included in their CIP for \$4 million, which is the requested amount.

Council Comments/Questions:

- Martinez: Questioned the cash value of other county services that are used by the town, like IT services.

- Burk: Questioned whether the school resource officers are still Town officers.
Dentler: Confirmed that there has been no change in this.
- Burk: Questioned whether there is an agreement with the county regarding inspections.
Cournoyer: Stated that a list would be provided of all services received from the county.
- Fox: Questioned whether the GPS units for town vehicles are needed now.
Lafollette: Stated that the units are needed for tracking routes so that more efficient routes can be found for leaf/brush collection and snow plowing routes. She stated that they are also used for billing contractors.
- Fox: Stated she does not feel that the town should appropriate additional funds for the skate park.
- Martinez: Stated he has no additions or deletions. He reminded everyone that this is the second year of a two year budget where only the changes should be examined. He noted that the Council should trust the department heads to make decisions after the Council passes the tax rate and budget and focus on policy decisions.
- Burk: Stated she would like to end the lease for Izaak Walton Park as the town has already spent \$1.5 million into the property and there are some big ticket maintenance items that need to be done.
Dentler: Requested that budget staff get all the pertinent numbers for Izaak Walton Park, including revenue generated from classes held there for presentation to Council.
- Gemmill: Agreed that eliminating the Izaak Walton Park lease would be a good idea. Further, he stated it is appropriate for Council to look at the current economic conditions and make adjustments to the budget on a yearly basis. He noted that he has nine proposed cuts, but will give those at tomorrow night's public hearing.
- Butler: Stated that the cuts should be discussed this evening so that the public will not be surprised.
Dentler: Stated that he would encourage everyone to identify their desired cuts so that staff can prepare.
- Dunn: Stated that proposing cuts is not going to make a difference because the tax rate has been set and the additional money will go to the undesignated fund balance.
- Gemmill: Stated that he has identified savings of \$37,954 from the Economic Development department by moving them from the Mason Enterprise Center and back to Town Hall, reducing marketing materials, and entertainment. He stated cutting the advertising budget for Parks and Recreation, the landscaping budget for downtown, and cutting out the Boards and Commissions stipends would create savings.
- Dunn: Stated the amount the town spends on publications and organizational memberships is excessive. He questioned how many of them are necessary for the job. He went through various line items that he identified as wishing to be cut.

- Butler: Asked to add \$200,000 for milling and paving because of concern about the reductions from state maintenance funding.

Straw polling on the following items:

<u>Description</u>	<u>Add</u>	<u>Reduce</u>	<u>Motion</u>	<u>Poll</u>
Manage vacant positions to produce savings		(80,000)	KH/SF	5-2
Remove contracted GPS Units for PW/CP vehicles		(13,238)	SF/TD	2-4
End capital lease of Izaak Walton Park (\$111k lease, \$25k maint., \$155k revenue, \$35k in LoCo taxes)		(19,000)	KB	3-3
EAC metering/tracking system for TOL largest facilities	50,000		KB	4-2
\$120,414 in line item reductions			BG	
ED from MEC		(22,054)	BG	3-3
Contractual Services		(11,900)	BG	1-5
Entertainment Services		(4,000)	BG	2-4
Advertisement Outdoor Pool		(2,000)	BG	2-4
P&R holiday decorations- Downtown Initiative		(3,000)	BG	1-5
Eliminating stipend for all commissions (ex. BAR and Planning Commission)		(77,460)	BG	1-5
Reduce PIO to \$65,000.		(175,000)	TD	1-5
Schedule basis for brush/leaf collection to a reduction of 75%			TD	0-6
Monthly mowing to a reduction of 75%			TD	0-6
Printing for Clerk of Council		(6,000)	TD	0-6
HR Management Services		(15,000)	TD	0-6
\$200,000 for milling and paving to replace lost VDOT Revenue Sharing	-		DB	3-3
	50,000	(428,652)		
<u>Capital Improvement Program</u>				
Move to Ida Lee, small footprint, at the current budget			DB	1-5

Move to Ida Lee, at 12k sp ft. and \$50,000 additional funding	DB	2-4
Gravel Lot with \$150,000 additional funding	DB	4-2
No skatepark	DB	3-3
Move to keep Skate Park at \$545,000 total budget, with no additional Town funding		
Cap Water Feature at \$300,000		
IF Skate Park is moved, \$100,000 should be sought/ no local funding		
Reduce Water Feature by \$125,000	TD	1-5
Move Morven Park Road sidewalk to FY 2017	TD	1-5

2. Additions to Future Council Meetings

Vice Mayor Burk requested a report and discussion from Chief Grigsby on how the police department handles domestic abuse cases.

There was consensus to add this to a future agenda.

Council Member Fox requested the town ask NVTa to add Rt. 15 North to the TransAction 2040 list so it will be eligible for funding.

It was noted that Supervisor Higgins is working on this and will be reporting back on his efforts.

Mayor Butler requested extending the Personal Property tax deadline by a week to May 13 due to the fact that the County changed their financial system and it has taken an extra week to get the data from them.

There was consensus to add this to tomorrow night’s agenda.

On a motion by Council Member Gemmill, seconded by Council Member Fox, the meeting was adjourned at 9:48 p.m.

Clerk of Council
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