

Town of Lovettsville

Town Council Minutes of the June 18, 2015 Special Meeting

Call to Order/Pledge of Allegiance

Mayor Robert Zoldos II called the Regular Meeting of the Lovettsville Town Council to order at 7:33 p.m. on June 18, 2015 at the Lovettsville Town Hall, 6 East Pennsylvania Avenue, Lovettsville, VA.

Council Members Present

- Mayor Robert Zoldos II
- Vice Mayor Michael Senate
- Council Member Kimberly Allar
- Council Member Tiffany Carder
- Council Member Rodney Gray
- Council Member Jennifer Jones
- Council Member James McIntyre

Staff Present

- Town Manager Laszlo Palko
- Town Clerk Harriet West

Pledge of Allegiance

Mayor Zoldos led those assembled in the Pledge of Allegiance.

Closed Session

Mayor Zoldos said the Council would meet in closed session at the end of the meeting to discuss the Town's waste water treatment plant.

Comments from the Public

Mayor Zoldos called for comments from the public. Vice Mayor Senate read the rules for public comment.

Jack Burden, 16 Harpers Mill Way, read his written statement regarding Lovettsville Budget for FY 2016 (Attachment 1). He strongly urged the Council to enact Budget Option 1.

Chris Hornbaker, 15 Black Forest Lane, thanked the Council for the opportunity to speak tonight. He said he had talked to some of the Council Members about what kind of rates they would be looking at down the road if water and sewer rates increase by 16% this year, rather than 12%. He wanted to know if residents pay a higher percentage now, will they pay a lower percentage in future years. He said he was pretty much told there is a magic number and it's 30%. Mr. Hornbaker discussed several rate increase scenarios over the next two or three years. He said he thinks what everyone in Lovettsville is thinking is that Options 1 and 2 are about the same once they take in account the property tax deduction, but it's really not. Because all things being equal and what's being planned for you're not only paying a higher percentage in water and sewer rates three years from now by going with Option 2, but you're also paying a heck of a lot more in property taxes. Mr. Hornbaker said if that's what the Council is planning on doing three years from now, then they need to think about the differences when they are making their increases and how that compounds.

Mayor Zoldos called for additional public comments. There were none.

Additions/Deletions/Modifications to the Agenda

There were none.

Action/Discussion Items

A. FY 2016 Budget, Rates and Fees

Town Manager Palko presented this item. The Council is being asked to authorize the FY 2016 Budget. Manager Palko explained the two Ordinances in the Council packet for Budget Option 1 and 2.

Mayor Zoldos said that the Council has had the opportunity to review the budget information many times. He said the hard part of doing this is that they have to make a motion to do one or the other and theoretically neither option may pass tonight; however, the Council must pass the budget by June 25. He noted that now is the time to make any final changes. The Mayor said they have deliberated on this quite a while over the past several months and have heard from the public several times. The Mayor asked the Council Member for their thoughts, comments, or questions.

Councilwoman Jones said this is her first time going through the budget process and she is taking it very seriously. She thanked the Town Manager for taking the time to explain the budget and line items with her. She said she respected everyone's opinions and they are all just trying to do what is best for the staff and the Town. She felt that Option 2 addressed the Town's needs the best. She does not want to raise taxes, but it gets the Town to where they will have more options in the future.

Councilwoman Carder said they all want to support staff, but if they don't have the Events Coordinator, what are they going to cut to reduce the burden on staff? She would like to have a concrete discussion about how the events are going to get done. Manager Palko clarified that the events are not a burden, but it's the sacrificing of other things he was hired to do to professionalize the organization that they will not have the bandwidth to do. Councilwoman Carder thanked Mr. Palko for the clarification. She said the Council Members also struggle with how they can make things better, celebrate the Town and promote it, and make it what they envision.

Councilman McIntyre said one of the things they are seeing here is having a fresh set of eyes looking at what they are doing. They, as Council Members, get busy and don't stop to evaluate what they are doing and why.

Councilwoman Jones said that at the retreat the Council agreed that the Events Coordinator position was one of their main goals, but when it comes down to it, they are not willing to do it. If that's the case they will need to make sacrifices and figure it out.

Councilman Gray said they need to look at the goals of each event. They should not be doing an event and not know what the desired outcome is. He questioned the need to put time and effort into things that may never be successful. They need to assess what they are doing and why they are doing it.

Vice Mayor Senate said they are not just paying for an Events Coordinator. They should be looking ahead and not looking back. He agrees they have a lot of volunteers who do things very effectively. If they say no to the Events Coordinator now, will they be able to do all of the things they want to do? The priorities are providing water and sewer and making sure they have enough money set aside for the unexpected. He said the Town Manager has done a great job of putting together the budget options.

Councilwoman Allar said the Events Coordinator position is a small line item in the budget. It's not about the amount of money but what they can do with it because it doesn't take a lot of money to run the events but it does take a lot of staff time. The 16% increase in water and sewer rates can only be used for water and sewer; whereas, if they raise the property taxes a little bit and take less for water and sewer by lowering that to a 12% increase, then she feels like the funding can be spread out in multiple different places. Councilwoman Allar said she understands the Council has a responsibility to run the utility system like a business and fully fund it, but they haven't been doing that, ever. To get there a little slower and also be responsible about the rest of the things they have to do in Town makes more sense to her.

Councilman McIntyre said the 16% increase in Option 1 can only go to water and sewer because that is where the problem is. They are subsidizing \$100,000 from the General Fund to the Utility Fund because the water and sewer rates are not high enough. Councilwoman Allar said she understood that. She reiterated they would still get there with Option 2, but just a little bit slower to do some of the things they

would otherwise not be able to do. Councilman McIntyre stressed that as soon as they get the water and sewer system self-sufficient, the sooner they can free up that \$100,000 for capital improvements.

In response to a question from Councilwoman Jones, Manager Palko explained that when the Utility Fund is balanced, there will be \$76,000 from Option 1 available and \$96,000 from Option 2. He added that next year, his focus will be on how to fund capital projects. If they have a higher property tax rate, there will be more funding for these projects. Councilwoman Jones stated their responsibility is providing water and sewer and other services and, in her opinion, sidewalks should be a top priority. Once they get the water and sewer fund balanced, any extra funds from a tax increase should help provide those services they should already have. She said it's not about the Events Coordinator, it's about funding the projects and paying off debt.

The Council continued discussing the budget options, with Councilman McIntyre and Councilman Gray favoring Option 1 which balances the Utility Fund sooner. The Council also discussed the other management reforms the Town Manager wants to implement and staff support for events. Manager Palko said he wanted to reiterate that staff will continue to support the events but he is trying to move the organization in a more professional direction. These efforts will be inhibited by the need for staff to support events. The Council discussed the importance of utilizing volunteers to minimize the impact on staff.

Mayor Zoldos stated these are both very good options for the Town. He said they are really talking about degrees of difference between the two options. He said they are in a transitional year and he thinks they will be in a completely different place next year because of economic development. He believes they need to move aggressively on solving the utility system – both options do that, but one to a lesser extent. He believes that the water and sewer system is one of the primary services they provide. They are following what the consultant said to do, but the path forward is pretty clear that they need to move even more aggressively. He said he did not want to raise taxes when they show a surplus this year. He said the Town Center coming up next spring will supply not just services, goods, and jobs, but also a new commercial tax base. Economic development isn't theoretical anymore, but it will pay for a lot of the items they are talking about right now. He knows they need more staff to provide the services the citizens they deserve. Both options provide them with additional staff in some way. The part-time receptionist is funded year round in either plan and this position creates focus time for the Town Clerk. Last spring, they all agreed that the Events Coordinator position was necessary to help the Town Manager improve the professionalism of the organization. Mayor Zoldos noted the following:

- The cost of sidewalk projects is extremely high (millions of dollars) and will have to be done in increments.
- Approximately \$20,000 will be left over from the FY 2015 surplus. Because the Town will have a surplus going into FY 2016, he cannot support raising taxes.
- There will also be a higher surplus in the Utility Fund, resulting in less financial dependence on the General Fund.
- If they move a little of the surplus over to pay for an Events Coordinator, then they will get the ability to do the things that keep the things Town vibrant and bring businesses in, as well as keeping the taxes where they need to keep them.

He noted there is no easy way to evaluate the metrics for the events but they need to aggressively recruit more volunteers to take the work load off of Town staff. He said the people in Town love what we do and the events have evolved and expanded over time. Mayor Zoldos said he would like the Council to consider Budget Option 1 with a budget amendment that will move \$15,000 from FY 2015 surplus that would go to fund the Events Coordinator position. Manager Palko cautioned that they will need to close the books on FY 2015 before they know the actual amount of surplus that will be available.

Councilwoman Carder reinforced the role the events have on supporting local businesses. She stressed the purpose of the Events Coordinator position is to professionalize the way the events are managed, not to take away from the good work the volunteers do.

Councilman McIntyre said he still has concerns about the Events Coordinator position. He felt it would hurt his ability to get volunteers. He specifically mentioned the Oktoberfest Treasurer and Vendor

Coordinator who put in a lot of time and effort and he questioned if they would continue to do this if someone else was getting paid to do part of their job. Mayor Zoldos acknowledged Councilman McIntyre's concerns but stated the role of the Events Coordinator is to provide staff support and to handle things Town staff is already doing.

Vice Mayor Senate said there is enough work involved that the Events Coordinator could handle many of the things that need to get done, such as obtaining the permits. He said they should be discussing whether or not they want sidewalks and other projects, rather than spending so much time discussing this one job. He said they should be able to fill this position without infringing on the events committees and volunteers; therefore, he supports Budget Option 1, plus the Events Coordinator.

Councilman Gray said the Council Members should create a common database so they can share information, resources, and processes. Mayor Zoldos said this position would help the Town develop these types of efficiencies.

Following further discussion, the Mayor recessed the meeting at 8:47 p.m. and resumed the meeting at 8:56 p.m. Mayor Zoldos called for further discussion.

Councilwoman Allar said that the Events Coordinator position helps from a staffing perspective, but inevitable they are still missing out on so many of the things the Town wants to do. She is hopeful that the commercial development comes through with Town Center; otherwise, they may still be in the position of having to raise taxes. She emphasized that this is about more than just the Events Coordinator position.

Hearing no further discussion, Mayor Zoldos called for a motion.

Motion: I move that the Town authorize the Fiscal Year 2016 Budget by adopting Budget Option 1 and approving its associated budget and water and sewer rate ordinances to be numbered Ordinance 2015-06-001 (Attachment 2) and Ordinance 2015-06-002 (Attachment 3). I further move that the Town use its expected surpluses from the FY 2015 Budget to hire an Events Coordinator.

By: Council Member Carder

Second: Council Member McIntyre

Mayor Zoldos called for discussion.

Councilwoman Jones said she agreed that they are kicking the can down the road on capital projects. She said they can be very hopeful that the retail center will bring in that extra money, but they cannot always depend on development and hopes. That is why Option 1 does not cover everything for her.

Mayor Zoldos said the commercial development is not theoretical and they will see stores in there. The Town Manager has provided them with some estimates and it will be positive for the Town.

Councilman Gray said before they agree to hire an Events Coordinator they need to take a hard look at what they are doing. He agreed that this is a transitional year and said it would be better to apply the surplus to the reserve funds.

Councilman McIntyre said he hopes that some of the other events can contribute towards the cost of the Events Coordinator. He said the concerts were fantastic and he would like to see this expand next year.

Mayor Zoldos said that not all of the events make money but they should break even.

Vice Mayor Senate said this was a tough discussion with a lot of personal feelings involved but it was also a good example of good Town management.

Hearing no further discussion, Mayor Zoldos called for the vote.

Aye: Council Members Allar, Carder, McIntyre, and Senate
Nay: Council Member Gray and Jones
Abstain: None
Absent: None

Information Items

Vice Mayor Senate said there is Parks Committee meeting on June 19 to discuss the glockenspiel.

Comments from the Mayor and Council

Councilman McIntyre gave updates on the Lovettsville Dolphins, the Western Loudoun Artists Studio Tour, and plans to put up American flags on East Broad Way in preparation for the July 3rd celebration.

Councilman Gray thanked the Town Manager for doing a great job on the budget.

Councilwoman Carder said she is looking forward to the Game Club carnival and this is just one example of the many great organizations they have in Town.

Councilwoman Allar suggested that the Council schedule a work session to evaluate all of the events. She said she will need help with planning Wild on the Green and she stated that half of the Council Members have not attended this event the past two years. She said if it's not important to the Council then she is not sure why she is doing it. The original goal was to have an event where residents could meet the Council Members and Planning Commissioners. Vice Mayor Senate said he would help. Mayor Zoldos said they need to solicit for volunteers and that the Council Members may not be able to attend all of the events.

Councilwoman Jones thanked everyone for productive meeting and she thanked staff for their hard work.

Mayor Zoldos reported on the following:

- There will be eight events in Loudoun County for the World Police Fire Games but they will have little impact on the Town.
- National Night Out will be held at the Community Center this year; however, based on discussions with Deputy LoPreto and Community Center staff, the Town will probably not support this event next year. Instead, the Town may rent the pool for teen nights.
- He thanked Council Member McIntyre for doing a nice job with the recent Movie on the Green.
- He thanked the Scouts for coming out for the flag retirement ceremony.
- He thanked the Town Manager for setting up the street sweeping.

Closed Session

Pursuant to Virginia Code Section 2.2-3711A7, the Mayor and Town Council went into closed session at 9:15 p.m. to discuss performance by English Construction Company of the contract for expansion of the Town waste water treatment plant (Attachment 4).

The Mayor and Council reconvened in open session at 9:50 p.m. All Council Members present certified that only public business matters lawfully exempt from the open meeting requirements under the Virginia Freedom of Information Act were discussed and that only such public business matters as were identified in the motion were heard, discussed, or considered in the meeting by the Lovettsville Town Council. Mayor Zoldos asked if there were any other matters to come before the Town Council.

Motion: I approve the Town Manager's negotiated agreement with English Construction Company and Arcadis U.S. Inc. that includes the Town paying for the sludge pump modifications to the Lovettsville Waste Water Treatment plant as designed by Arcadis U.S. Inc. at a cost not to exceed \$120,000 to the Town.
By: Council Member Jones
Second: Council Member Carder

Aye: Council Members Allar, Carder, Gray, Jones, McIntyre, and Senate
Nay: None
Abstain: None
Absent: None

Vice Mayor Senate asked if he needed to make arrangements for a fire truck for the July 3rd parade. Following discussion, the Council agreed that the vehicle would not be needed this year.

Adjournment

There being no further business before the Council, the meeting was adjourned at 9:54 p.m.

Respectfully submitted,



Harriet West, Town Clerk

Date Approved: April 14, 2016

Attachments:

1. Written Comments from Jack Burden, 16 Harpers Mill Way
2. Ordinance 2015-06-001: Approve Budget and CIP, Adopt Tax Rates and Make Appropriations for Fiscal Year Ending June 30, 2016 Budget Option 1
3. Ordinance 2015-06-002: Amend Town of Lovettsville Schedule of Fees to Revise Water and Sewer User Charges Budget Option 1
4. Closed Session Motion

clerk

From: johnrichardburden@gmail.com on behalf of Jack Burden [jack@burdens.org]
Sent: Thursday, June 18, 2015 4:19 PM
To: Lovettsville Town Clerk
Cc: Jack Burden
Subject: Lovettsville Budget for FY 2016 - Comments

Mayor and Town Council Members,

I would like to remind you that the Town of Lovettsville is responsible for clean water and proper sewage disposal as a 24/7 duty. It is the Town function arguably most important to the residents. While the Town has an excellent record in this regard, there are many challenges in doing so. In particular, financing the long term needs of the system and making sure the funding is sustainable. I was a strong voice in support of the water & sewer system as a Council Member and still have that strong interest.

I believe that Option 1 is the more responsible option in that it leads to sufficient resources, over time, to run the system and pay back the funds borrowed from the operating account. It will lead to no additional need to borrow from the operating account. It also puts the requirement to fund the system on the water users, where it should be, and residents may be able to reduce the effects of the rate increase by reducing water usage. Option 1 has the additional benefit, by not having to support the water/sewer system account, the operating account will have the funds to function without a property tax increase.

Option 2 has none of these advantages and, if accepted, would break the excellent record of these last few years of not increasing the property tax rate.

I strongly urge the Council to enact Lovettsville Budget Option 1 for the FY 2016 Budget.

Sincerely,

Jack Burden, Town Resident
16 Harpers Mill Way
Lovettsville, VA 20180

Town of Lovettsville

Ordinance 2015-06-001: AMEND TOWN OF LOVETTSVILLE SCHEDULE OF FEES TO REVISE WATER AND SEWER USER CHARGES BUDGET OPTION 1

MOTION: Carder

SECOND: McIntyre

WHEREAS, the Town Council periodically reviews its schedule of charges and fees to establish practicable and equitable fees and charges for users of the public water supply and sewage disposal systems; and

WHEREAS, the Town contracted with Municipal and Financial Services Group to conduct a thorough evaluation of the Town's utility finances and expenses to develop a multi-year rate plan to ensure the Town's utility system is fiscally strong and able to provide its users with high quality water and sanitary sewer service; and

WHEREAS, the Town Council has determined it is fair and reasonable to increase the user rates 16 percent for water service and 16 percent for sewer service for fiscal year 2016.

WHEREAS, notice of the proposed changes has been given in accordance with the requirements of Virginia Code Section 15.2-107.

NOW, THEREFORE, BE IT ORDAINED that the Town's Schedule of Fees, be amended as set forth in the schedule attached hereto. This ordinance shall be effective after the 30th day of June, 2015.

VOTE:

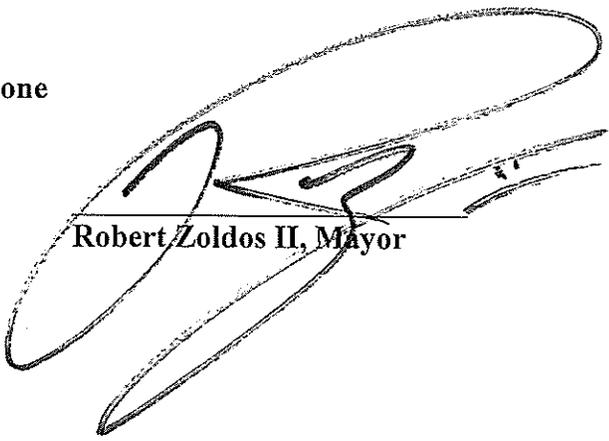
AYES: Allar, Carder, McIntyre, and Senate

NAYS: Gray, Jones

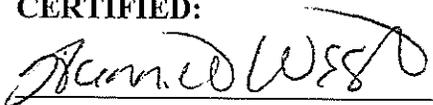
ABSTENTIONS: None

ABSENT FOR VOTE: None

APPROVED: June 18, 2015


Robert Zoldos II, Mayor

CERTIFIED:


Harriet West, Town Clerk

The German Settlement

UTILITY FUND:

All rates reflect quarterly charges

Minimum Water/Sewer Bill: \$120.70 (16% increase) (FY 15: \$104.05) for up to 6,000 gallons

Water User Rate: \$7.77 (16% increase) (FY 15: \$6.70) per thousand gallons

Sewer User Rate: \$12.34 (16% increase) (FY 15: \$10.64) per thousand gallons

Sewer Only Customers: Fixed Rate of \$102.81 (16% increase) (FY 15: \$88.63)

Town of Lovettsville

**Ordinance 2015-06-002: APPROVE BUDGET AND CIP, ADOPT TAX RATES AND MAKE
APPROPRIATIONS FOR FISCAL YEAR ENDING JUNE 30, 2016
BUDGET OPTION 1**

MOTION: Carder
SECOND: McIntyre

WHEREAS, the budget, capital improvement plan (CIP), and tax rates for the fiscal year ending June 30, 2016, have been prepared and reviewed by the Town Council; and

WHEREAS, a brief synopsis of the proposed budget and CIP and notice of a public hearing to be held in the Town office on June 4, 2015 at 7:30p.m. were published in the public notices section of the Purcellville Gazette on May 21, 2015; and

WHEREAS, a public hearing was in fact held at the time and place advertised at which citizens had the right to attend and state their views on the budget and tax rates.

IT IS ACCORDINGLY ORDAINED by the Town Council of the Town of Lovettsville as follows:

1. The proposed budget and CIP are approved as presented.
2. Appropriations are hereby made for the fiscal year ending June 30, 2016, in the amounts shown to the categories and accounts therein for the general and utility funds and Frye Court Service District fund.
3. All outstanding operating encumbrances at June 30, 2015 are hereby reappropriated for the 2016 fiscal year to the same department and account for which they are encumbered in the previous year.
4. At the close of the fiscal year, all unencumbered appropriations lapse for budget items other than any capital projects and grants.
5. The tax rates and license fees for FY 2016 are hereby fixed at the levels shown in the attached schedule.
6. Water and Sewer rates shall be set as provided in the Town's Schedule of Fees, as amended by ordinance approved immediately prior hereto.
7. The tax rate for FY 2016 shall remain fixed at \$0.21 per one hundred dollars (\$100.00) of assessed value for taxable real estate.
8. The tax rate for FY 2016 for the Frye Court Service District shall remain fixed at \$0.275 per one hundred dollars (\$100.00) of assessed value for taxable real estate (exclusive of improvements).
9. Land use charges imposed as provided in the schedule of fees hereto attached, adopted by ordinance.

VOTE:

AYES: Allar, Carder, McIntyre, and Senate

NAYS: Gray, Jones

ABSTENTIONS: None

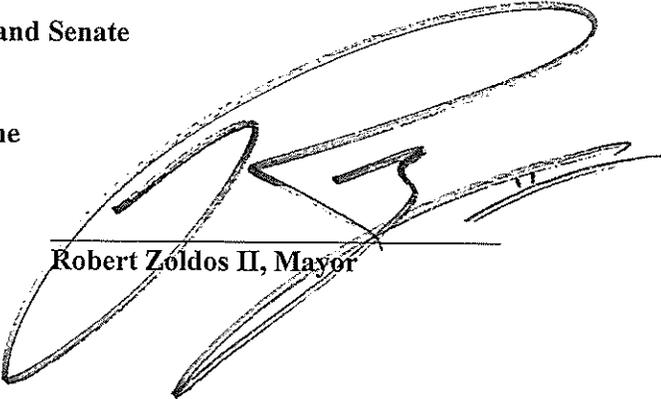
ABSENT FOR VOTE: None

APPROVED: June 18, 2015

CERTIFIED:



Harriet West, Town Clerk



Robert Zoldos II, Mayor

The German Settlement

Town of Lovettsville

VIRGINIA FREEDOM OF INFORMATION ACT Resolution: AUTHORIZE CLOSED SESSION

Date: 6/18/15

Time: 21:15

MOTION BY: Michael Senate

I move that the Lovettsville Town Council convene in closed session pursuant to Va. Code section 2.2-3711 A 7

~~1. Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals,~~

~~3. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body,~~

~~4. The protection of the privacy of individuals in personal matters not related to public business,~~

~~5. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community,~~

~~6. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected,~~

Briefing
7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; ~~or consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel [For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter];~~

~~19. Discussion of plans to protect public safety as it relates to terrorist activity and briefings by staff members, legal counsel, or law-enforcement or emergency service officials concerning actions taken to respond to such activity or a related threat to public safety; or discussion of reports or plans related to the security of any governmental facility, building or structure, or the safety of persons using such facility, building or structure,~~

Town of Lovettsville

29. Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body,

33. Discussion or consideration of confidential proprietary records and trade secrets excluded from this chapter pursuant to subdivision 18 of § 2.2-3705.6,

40. Discussion or consideration of records excluded from this chapter pursuant to subdivision 3 of § 2.2-3705.6 [Confidential proprietary records, voluntarily provided by private business pursuant to a promise of confidentiality from a public body, used by the public body for business, trade and tourism development or retention; and memoranda, working papers or other records related to businesses that are considering locating or expanding in Virginia, prepared by a public body, where competition or bargaining is involved and where, if such records are made public, the financial interest of the public body would be adversely affected],

with regard to ~~[person, issue or property subject of discussion]~~ performance by English Construction Company of the contract for expansion of the

And thereafter reconvene in open session for action as appropriate. Town wastewater treatment plant,

SECOND: Jones

VOTE:

Ayes: McIntyre, Gray, Senate, Clendson, Allan, Jones

Nays: NONE

Abstentions: NONE

Absent for vote: NONE

Roll-call poll by presiding official:

"Do you certify to the best of your knowledge that (i) only public business matters lawfully exempted from open meeting requirements under this chapter and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the Lovettsville Town Council?"

When polled as to whether (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting, the following members stated "Aye:"

6/18, 2015 at 21:50 PM
2014

Certified:

Annex W880
Town Clerk