

Town of Lovettsville

Town Council Minutes of the April 25, 2017 Special Meeting

Call to Order/Pledge of Allegiance

Mayor Zoldos called the meeting to order at 7:30 p.m. The meeting was held at the Lovettsville Town Hall, 6 East Pennsylvania Avenue, Lovettsville, VA.

Council Members Present

- Mayor Robert Zoldos II
- Council Member Rob Gentile
- Council Member Mike Senate
- Vice Mayor Tiffany Carder
- Council Member Kimberly Allar
- Council Member Jennifer Jones

Council Member Absent

- Council Member Jim McIntyre

Staff Present

- Town Manager Laszlo Palko
- Town Clerk Harriet West

Planning Commission Chairman Frank McDonough was in the audience.

Pledge of Allegiance

Mayor Zoldos led those assembled in the Pledge of Allegiance.

Comments from the Public

There were none.

Action/Discussion Items:

A. Audit Report

David Black and Ashlea Hevener with Young, Nicholas, Branner & Phillips, LLP reviewed highlights of the Town's FY 2016 financial and compliance report. Mr. Black said they were able to issue an unqualified audit opinion, with one caveat. He noted that Oktoberfest and MayFest have never been reported in the audit prior to this fiscal year. After discussions with the Town Manager, they were included as a fiduciary fund; however, since they were not engaged to actually audit these funds, they do not have an opinion on those financial numbers. Mr. Black read from page 2 of the audit report regarding the review of these fiduciary funds. Mr. Black then reviewed the Management's Discussion and Analysis, cash analysis, reserve funds, and the Town's net position. Based on the review of the MayFest and Oktoberfest accounts, Mr. Black said he recommend implementing monthly reconciliations for both accounts to ensure a higher level of accuracy with deposits and expenditures. Ms. Hevener then reported on the Town's actual to budget and the main variances, expenditures for capital assets, and debt. She recommended that the Town develop a capitalization policy.

B. FY 18 Budget Work Session

Mr. Palko presented this item. He presented information on two options including a 1 cent decrease in the real estate tax with no trash fee, and a new revenue neutral proposal. He explained that the 50% trash fee impact on residents would be \$99 per year and would generate about \$75,000. The real estate property tax is 21 cents for residential and each 1 cent generates approximately \$25,790. Tax proposal number 2 decreases the tax burden on residents, while diversifying revenue, by implementing the 50% trash fee and reducing the real estate tax rate to 17.5 cents. This would result in a loss of \$95,000 in

FY 18. Mr. Palko recommended increasing the meals tax rate from 3 percent to 3.5 percent to offset this loss. He said this approach would make the Town's real estate tax the second lowest rate in the County (Middleburg being the lowest) and would start the diversification of revenue. However, it would increase the tax burden on commercial businesses. He discussed the next steps including receiving the credit analysis report from VML and advertising the budget and schedule of fees.

Councilwoman Jones asked about the cost for maintaining the bike path. Following discussion, Mr. Palko said he would get a quote from Epling about mowing the right-of-way, and then follow up with VDOT.

Information Items

There were none.

Comments from the Mayor and Town Council

Mayor Zoldos said he visited Mayor Walker yesterday and he would be happy to provide an update on her condition.

Adjournment

There being no further business before the Council, the meeting was adjourned at 8:53 p.m.

Respectfully submitted,



Harriet West, Town Clerk

Date Approved: November 2, 2017

Attachments:
None