

Town of Lovettsville

Town Council Minutes of the January 31, 2015 Special Meeting

Call to Order/Pledge of Allegiance

Mayor Robert Zoldos II called the Special Meeting of the Lovettsville Town Council to order at 8:30 a.m. on January 31, 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
- Samuel Finz, Consultant

The Mayor and Council met with the Town Manager and Consultant Sam Finz to discuss short-term and long-term priorities for the Town in FY 2015 and the Town Manager's Work Plan. Mr. Finz facilitated the discussion and began by reviewing the agenda, rules, and key challenges facing the Town. He discussed the following priorities and presented a framework for addressing Priority 1: Fiscal Impact.

1. Fiscal/Budget Outlook
2. Accounting Procedures
3. Organizational Structure/Staffing
4. Management Strategy
5. Planning and Zoning/Comprehensive Plan Update and Change
6. Capital Facilities Planning and Implementation
7. Economic and Business Development
8. Commercial Verses Residential Development
9. Annexation
10. Special Events and Activities
11. Mayor and Town Council Procedures
12. Revisions to Employee Manual and Employee Benefits
13. Employee Performance Evaluation and Review System

Staff discussed each of the proposed priorities with the Mayor and Council and identified a final list of 10 priorities for FY 2015 (Attachment 1) which will form the basis for the Town Manager's Work Plan.

Adjournment

There being no further business before the Council, the meeting was adjourned at 2:08 p.m.

Respectfully submitted,



Harriet West, Town Clerk

Date Approved: November 12, 2015

Attachments:

1. FY 2015 Retreat Priorities

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Priority 1 - Fiscal Impact

Problem/Need to take Action:

The Town currently has more than \$7 million dollars of outstanding debt with debt payment obligations of more than 650,000 annually from the GF and UF. To meet debt service, capital and operating fund obligations, almost 650,000 is taken from “reserves” annually. It is estimated that this trend will result in the Town facing financial shortfalls as early as 2023. The Town does not expect to sustain the current level of development activity that heretofore has generated significant additional funds to meet these obligations. At the same time the Town is obligated to provide services to Town residents.

Solutions:

Make adjustments to revenue and expenses to increase the amount available to meet obligations. Seek additional sources of revenue in both the short and long run. Actions to be taken are as follows:

- Review RE Tax rate in FY16
- In FY16 maintain or reduce FY15 GF and UF expenses
- Eliminate or replace cost inefficient programs from annual budget
- Review Water and Sewer rates, make adjustments
- Review Availability fees, make adjustments
- Review Connection fees, make adjustments
- Evaluate construction in pipeline and review estimated revenue FY16 and FY17
- Perform Fiscal Impact Analysis on all future developments and weigh affect
- Evaluate Annexation alternatives and weigh fiscal impact of annexation
- Evaluate the use of Impact Fees for development

- Evaluate additional sources of grant funding

Players:

Town Manager with help of town staff; Mayor and Town Council commitment to approving an implementation plan and a FY budget that reflects changes. In addition the Town Manager shall include Fiscal Impact as part of the Town Manager's Work Plan

Timing:

Ongoing (looking for grant opportunities). Immediately (initiate Water and Sewer Rate Study to determine rates, connection fees, and availability fees). Short Run (evaluate new revenues and areas to cut in the budget). Medium Run (Evaluate construction revenue FY16 and FY17, Perform Fiscal Impact Analysis on all future developments and weigh affect, consider Impact fees), Long Term (eliminating wasteful or inefficient programs for the budget- each budget year the next three years)

Estimated Cost of Implementation:

Staff Time, as well as possibly outside financial consulting services (only to the extent that staff is unable to perform analyses)

Existing Funding:

Funding available within existing FY15 budget to perform analyses

Commitment:

Requires Town Manager to include in Town Manager's Work Plan as well as Town Council to commit to approve Town Manager's Work Plan and commit to making decisions recommended by Town Manager that will improve fiscal situation in both the short and long run

FY15 Budget Programs that can Be Postponed or Eliminated:

A review of the FY15 Budget should identify programs and activities that require extensive staff time that leads to additional staff or staff hours to complete. Programs that are labor intensive, as well as those which require expenditures that do not yield tangible results should be considered for elimination or postponement.

The actual review to be undertaken by the Town Manager should identify such programs. The Town Manager shall also look at more effective ways of providing services and recommend appropriate actions to be taken by Town Council.

In addition, additional programs should not be approved in FY16, unless staff impact is realistically considered and the additional yields a positive fiscal impact. (Note: This

does not suggest that programs that provide general Town support to its residents or programs that improve the Town's image be postponed or eliminated just because it does not appear to yield a positive fiscal impact. Rather these type programs or activities need to be looked at along with all other programs and the demands on staff time and budget and their relative priority in the overall scheme of things.

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Priority 2 – Accounting Procedures

Problem/Need to take Action:

Currently the Town Council does not receive actionable financial data to understand: what the constraints are for the organization, when the TC must be concerned with the budget situation, and where the organization is in the budget (health). The Town Council wants to avoid surprises at the end of the fiscal year. They also need more useful information in treasury report including better description of the so what.

Solutions:

Actions:

- Reforming the Treasury report to include better analysis versus reporting data. We need to show accounts receivables and payable and past of the analysis.
- External part-time financial capability to help develop financial statements.
- Look at maximizing digital uses.
- Implementing Auditor's recommendations.
- Improving business processes of financial management.
- IT investments to improve financial business processes.

Players:

Town Manager and Town Treasurer.

Timing:

Starting immediately (treasurer report reform). Short run (implementing Auditor Report recommendations). Medium term (Evaluating outside support- FY 16 Budget; look at

maximizing digital payments;). Long term (examining IT investments to improve financial business processes).

Estimated Cost of Implementation (TBD)

Staff Time, Hiring external support, IT investment.

Existing Funding: (TBD)

TBD

Commitment: (TBD)

TBD

FY15 Budget Programs that can Be Postponed or Eliminated to help fund this/ or new revenue sources: (TBD)

TBD

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Priority 3 – Organizational Structure/Staffing

Problem/Need to take Action:

Existing staff is overwhelmed with growing requirements placed on them due to town growth resulting in increased levels of service requirements. The Town's continuing growth (including with new commercial developments) will necessitate the hiring of additional staff and evaluating current organizational structures.

Solutions:

- Hiring an Events Coordinator (A high priority for council).
- Analyzing the budget/hours forecasted for Henry to determine if he needs to be a full-time employee or if we need to hire extra part-time support (events, parks, maintenance support). In conjunction with this analysis (during budget planning) we need to evaluate if we want to create a full-time DPW position/s to manage sanitation, landscaping, maintenance work, and labor to support events.
- Hiring a secretary permanently to free up more time for the Town Clerk (to take on Assistant Town Manager functions- especially in the fields of HR management). Consider making the secretary full-time in order to be the chief customer service representative for town. Consider raising sticker prices or other service prices to help pay for this.
- Source vendors for part-time contracting support (IT, Financial Management, Asset Management). Include local businesses in this search.
- Evaluate the need for greater Police coverage (over next few years for 2020). Look at contracting police from County versus hiring our own. Examine police coverage over next few years (look at fiscal tipping point and crime tipping point).
- Improving Council Access to Town's resources (wireless, printing, barn, etc.).

Players:

Town Manager

Timing:

Immediate evaluation for all new positions (except for police) as part of 2016 budget. Potentially phased hiring. In the next few years will evaluate Police need.

Estimated Cost of Implementation (TBD):

TBD

Existing Funding (TBD):

TBD

Commitment: (TBD)

TBD

FY15 Budget Programs that can Be Postponed or Eliminated to help fund this/ or new revenue sources: (TBD)

TBD

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Priority 4 – Management Strategy

Problem/Need to take Action:

The Town Government does not currently employ professional management practices in the fields of budgeting (operational and capital), financial management, resource management, managing business processes and performance, and personnel management. There is a lack of ownership for managing the budget and the town's resources, and for developing standards and steps for how to perform specific activities. Without focusing on streamlining management practices, the town will always be reactionary, will not identify budget savings, and will not understand how it is performing and if it is improving performance every year.

Solutions:

- Weekly Activity Report (WAR) for Council (high level importance information from the TM to Council- short paragraph or bulleted email. Potentially weekly meetings with individual members). HIGH PRIORITY
- Developing SOP's for important processes (Example SOP we need is how we operational respond to water repairs (who is guiding traffic, etc.). HIGH PRIORITY
- Budget Execution (monthly budget meetings to monitor budget performance based on forecasts. Also will examine specific cost items to determine potential savings via different vendors or improved processes).
- Complete Capital Improvement Program (30-Year Financing Plan, 10-Year Project Plan with funding schedule, and Annual Appropriation request based on 10-Year Project Plan).
- Asset Management (will keep it simple due to small staff size- develop a spreadsheet with all Town assets and their life-cycle for maintenance, upgrading, replacing, and eliminating).
- IT Architecture and Strategy (part of the Asset Management strategy but also focused on how to use technology to improve performance and potentially save costs).

- Costing and tracking hours/performance by activity/program (to determine the full costs of specific programs and how the town is performing in each program in terms of effectiveness and efficiency. Will use timesheets for costing, will use WAR for performance).
- Performance Management (the development of performance targets, measuring and monitoring performance, adjusting strategies as needed, and publishing performance results via dashboards for the Council and Public to see).
- Updated Employee Manual that includes Pay for Performance.
- Cross-training/responsibilities (to ensure adequate coverage during vacations/sick leave or turnover).
- Services tracking sheet (a spreadsheet that lists all vendors that the town utilities, their contact information, their prices/cost, and their performance history).
- Leave forecasting/tracking sheet (to ensure coverage during vacations and planned sick leave).

Players:

Town Manager with help of town staff; Mayor and Town Council commitment to support the Town Manager in spending his time on designing and implementing management solutions.

Timing:

Immediately (WARs, begin developing SOPs, services tracking sheet development); Short Run (In the next 6 months- Complete CIP, leave forecasting/tracking sheet, Costing and tracking hours/performance by activity/program), Medium Run (FY 16- Budget Execution, Updated Employee Manual and Pay for Performance Plan, Asset Management, IT Architecture and Strategy), Long Run (in the next 2 years- full Performance Management program and cross-training).

Estimated Cost of Implementation: TBD

Staff Time, Outside contractor services (only to the extent that staff is unable to perform work), and investments in Assets/Systems. TBD

Existing Funding: TBD

Funding available within existing FY15 budget to design and implement some of the solutions at a basic level and those that only require time and effort. TBD

Commitment:

Requires Town Manager to include in Town Manager's Work Plan as well as Town Council to commit to approve Town Manager's Work Plan and commit to making decisions recommended by Town Manager that will improve management practices in the short, medium, and long run. TBD

FY15 Budget Programs that can Be Postponed or Eliminated to help fund this/ or new revenue sources: (TBD)

TBD

FY16 Budget and Beyond:

Identifying budget resources for FY16, or in the next three years, to support the hiring of contractors to develop an Asset Management plan/spreadsheet, an IT Architecture/ Strategy, performance dashboards, and potentially a new time sheet/leave forecasting tracking system. The town will also need to identify revenue to support updating the Town's IT and Communications Systems.

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Priority 5 – WWTP/Water Operations

Problem/Need to take Action:

Our Utility infrastructure is facing breakdowns in the system. We need to ensure that we have procedures and staff to address these issues along with the strict regulations that we have to meet to avoid penalties from the Commonwealth.

Solutions:

- Staying up to date with regulations and reporting.
- Utility report (highlights- part of staff report to Council).
- Need to prep for potential turnover. Provide performance pay incentives.
- Resolving English issue.
- Examine selling water outside of system (selling excess water) to earn extra revenue.
- Compare Loudoun Water vs Internal Operations (the problem with Loudoun Water was their increased annual costs. We need to analyze the service quality gains.)

Players:

Utility Team, Town Manager (chain of command- Utility Supervisor reports to TM), Utilities Committee (oversight over expansion and major decisions), Litigation team.

Timing:

Ongoing (Stay up to date with regulatory requirements). Immediately (Utility report to Council; report on comparison of Loudoun Water vs Internal Operations). Short Run (Resolving English issue by May). Medium Term (FY 16- developing pay for performance program to incentivize retention; evaluating selling water);

Estimated Cost of Implementation (TBD):

TBD

Existing Funding (TBD):

TBD

Commitment: (TBD)

TBD

FY15 Budget Programs that can Be Postponed or Eliminated to help fund this/ or new revenue sources: (TBD)

TBD

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Priority 6 – Planning and Zoning/ Comprehensive Plan Update and Change

Problem/Need to take Action:

The Town may have changed in perspective since 2011, requiring a review of the entire comprehensive plan beginning in June of 2015. The Town also needs to ensure that the zoning ordinance, which is the tool for implementing the comprehensive plan, is aligned with the new comprehensive plan. Finally, the town needs to ensure that future development meets architectural designs in line with the town's culture.

Solutions:

- Reviewing the Comprehensive Plan. (We need to determine which chapters to revisit briefly and which we want to review thoroughly, how to address input from out of town residents, and how to ensure the plan is not vague). Make this a "Discussion Item" in an upcoming TC meeting to discuss how we will develop the plan (need to notify PC about this).
- Focus on Zoning Ordinance after Comprehensive Plan is developed to ensure they are aligned.
- Develop Annexation Policy for the Town (Policy for annexing undeveloped areas and developed areas. Evaluate what criteria to employ.) HIGH PRIORITY.
- Examine incorporating Architectural Design Standards in Zoning Ordinance.

Players:

TC, PC, Citizens, TM, Planning/Zoning Administrator

Timing:

The Comprehensive plan will be developed over 2 Years, but starting after the budget season. Thoroughly review the Zoning Ordinance after the Comprehensive Plan is

approved. Within the next 6 month develop draft Annexation policy for TC review. Within the next year evaluate incorporating Architectural Design Standards in the Zoning Ordinance.

Estimated Cost of Implementation (TBD):

TBD

Existing Funding (TBD):

TBD

Commitment: (TBD)

TBD

FY15 Budget Programs that can Be Postponed or Eliminated to help fund this/ or new revenue sources: (TBD)

TBD

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Priority 7 – Capital Facilities Planning and Implementation

Problem/Need to take Action:

The town needs a better understanding of what are the capital needs and the timing for which capital development can occur.

Solutions:

The Town needs a 10-Year CIP (see Management Strategy Section) that includes:

- Sidewalks- Continue Phase 1 (Broadway). Look at Phase 2 (completing Broadway) and Phase 3 (Loudoun Street)
- Continue progress with Bikepath
- Drainage Ditch (7-11)- need to evaluate in the future what amenities (e.g. bike station) to put there.
- Outfitting the Barn.
- Information Sign.
- Landscaping around "Welcome to Lovettsville" sign. Add "Wilkomen" sign (we have the sign in the barn potentially).
- Examine new trailer or modular building (with a lower entrance or ramp, and a bathroom).
- Examine Town Hall (medium-term solution until commercial development increases town revenues maybe larger modular building- see above).
- Fencing around Town Hall property.
- County Park (no future cost- we spent \$200K).
- Quarterbranch park.

- Town Green improvements (pathways, bathrooms).
- Community Garden (no cost).
- Town Center- Clocktower, removing fence, adding entrance feature/sign. Should determine what NV Retail able/willing to do.

Players:

Town Manager, Project Manager, TC, Park committee, and Facilities committee.

Timing:

Immediately develop 10 Year CIP as part of budget development. Timing of projects to be determined by CIP/Debt Capacity/Increased Revenues/Outside Grants.

Estimated Cost of Implementation (TBD):

TBD

Existing Funding (TBD):

TBD

Commitment: (TBD)

TBD

FY15 Budget Programs that can Be Postponed or Eliminated to help fund this/ or new revenue sources: (TBD)

TBD

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Priority 8 – Economic and Business Development (Commercial vs Residential)

Problem/Need to take Action:

The town needs to be proactive in attracting increased commercial development, retaining businesses, attracting businesses, and helping existing businesses grow in order to increase town revenues and prosperity for residents. Currently the town does not have a good market analysis nor strategy for controlling its economic development future.

Solutions:

- Generate an Economic Development Plan that deals with potential commercial sites. (Work with County to gain resources to help us develop this or look at consultants/universities). (Include a basic plan for how to turn residential to commercial along Broadway without offending current residents living along Broadway). (Consider Economic Development Authority in the future).
- Develop Marketing packages of the town for attracting business investments.

Players:

Town Manager, Marketing Analyst (Events Coordinator if/when hired), Planning Director, TC.

Timing:

Short Run (Next 6 months- examine County resources to support plan development, have Town Planner collect economic data), Medium run (FY 16- examine University or consulting resources to support development of plan; include economic development plan in comprehensive plan; develop marketing packages);

Estimated Cost of Implementation (TBD):

TBD

Existing Funding (TBD):

TBD

Commitment: (TBD)

TBD

FY15 Budget Programs that can Be Postponed or Eliminated to help fund this/ or new revenue sources: (TBD)

TBD

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Priority 9 – Special Events and Activities

Problem/Need to take Action:

The town has reached its limits in terms of the number of events it is able to manage during the year and now needs to focus on maintaining, improving, and clearly defining its events instead of adding new ones.

Solutions:

- Business Plan for each Event- Mission Statement, Event Budgets (separate line-items), SOPs, plan for becoming financially independent if Council determines. (Each TC member responsible for their event will work with the TM to develop these, however the TM must develop templates for the TC members to fill-in).
- Hire Events Coordinator to support management of events and future expansion of events portfolio.

Players:

Town Manager, Town Clerk, TC, Volunteers, Town Staff when needed, and Events Coordinator

Timing:

Short Run (develop template by March 2015). Medium Run (hire events coordinator).

Estimated Cost of Implementation (TBD):

TBD

Existing Funding (TBD):

TBD

Commitment: (TBD)

TBD

FY15 Budget Programs that can Be Postponed or Eliminated to help fund this/ or new revenue sources: (TBD)

TBD

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Priority 10 – Information Flow

Problem/Need to take Action:

The Town Staff needs to provide information to Council in a more timely and clear manner. Also, the Town needs to provide information to residents in a more effective manner.

Solutions:

- Improve the time it is taking to finish Minutes and post updated events information on the website.
- Focus on making website timelier and user friendly. (Evaluate having a new website kickoff). Events should have a section on the homepage of the website.
- Finish installing the town sign.
- Evaluate how to use better use social media and develop a social media policy (code of ethics) for staff, TC, PC.
- Post TC/PC Agenda and Package on the website. Will need a file compressor.

Players:

Town Manager, Town Clerk, IT Contractor if/when hired, TC, Project Manager.

Timing:

Ongoing (Town Minutes). Immediately (posting TC/PC items on website; creating section for events on the homepage of the website and updating information). Short Run (Next 6 months- finish town sign) Medium Run (FY 16- Redesign Town Website and Develop Social Media policy/strategy).

Estimated Cost of Implementation (TBD):

TBD

Existing Funding (TBD):

TBD

Commitment: (TBD)

TBD

FY15 Budget Programs that can Be Postponed or Eliminated to help fund this/ or new revenue sources: (TBD)

TBD