

**MINUTES
PURCELLVILLE TOWN COUNCIL
SPECIAL MEETING/BUDGET WORK SESSION
MARCH 31, 2016
TOWN HALL COUNCIL CHAMBERS**

The Town Council Special Meeting/Budget Work Session was convened at 7:00 PM in Council Chambers with the following in attendance:

PRESENT: Kwasi Fraser, Mayor
Joan Lehr, Council member
Karen Jimmerson, Council member
Patrick McConville, Council member
Doug McCollum, Council member
John Nave, Council member
Melanie Fuller, Council member

ABSENT: None

STAFF: Robert Lohr, Jr., Town Manager
Danny Davis, Assistant Town Manager
Elizabeth Krens, Director of Finance
Joe Schroeck, Police Dept.
Paula Hicks, Staff Accountant
Debbie Capitan, Budget Specialist
Diana Hays, Town Clerk

CALL TO ORDER OF REGULAR MEETING:

Mayor Fraser called the special meeting/budget work session to order at 7:00 PM. The Pledge of Allegiance followed.

FY 2017 BUDGET WORK SESSION:

Danny Davis provided a brief introduction and noted an error in the compensation worksheet resulting in a thirty thousand dollar deficit in one of the departments. In order to make up that deficit, staff recommended that the Public Works Engineering vehicle upgrade for the same amount be eliminated.

Danny Davis referenced two handouts; a packet of organizational charts for the Public Works Department and a memo referencing a comparison of health insurance options for employees which were both requested at the previous meeting. Danny Davis noted that the next plan down includes some changes in benefits to employees however the coverages and services provided are the same. The change would result in about a ten percent savings on the premium which is shared by the Town and employee resulting in a \$92,000 savings to the Town and a 10% savings

to employees. Council member Nave asked if changes to providers would be required with the lower level and Rob Lohr confirmed that providers stay the same and no referral would be required for specialists.

Council member Lehr noted that years ago decisions were made that the employees would pay twenty percent for the individual coverage and asked if that happened. Council member Lehr talked about coverage outside of government and noted the employee is responsible for paying for the whole family or the family is partially covered and asked how surrounding jurisdictions handle their health insurance. Rob Lohr noted that it was looked at to scale the program each year until the recession hit and staff took no pay increases for multiple years then Council decided to leave it at the 85/15. Since then the increases have been minimal and staff has been seeing the increase as their portion of the fifteen percent. Rob Lohr stated that the Town looked at offering multi-tier programs however had limitations due to the personnel and payroll system. Mr. Lohr added he would work with staff to obtain summaries of benefits from neighboring Towns. Further discussions took place about riding another contract in order to lower the numbers. Vice Mayor McConville asked about the prescription plan and Danny Davis confirmed it would remain the same. Council member Jimmerson talked about the increase in the amount employees pay amounts to a pay decrease and keeping the Town as an attractive place to work and remain competitive.

a. Discussion of General Fund

Council had no questions.

b. Discussion of Special Parks and Recreation Fund

Vice Mayor McConville stated he would like to move the Parks and Recreation Advisory Board budget back into the General Fund so that all of the committees, commissions and boards are together. Rob Lohr confirmed that the Music and Arts Festival, Loudoun Grown Expo, Community Garden, Wine and Food Festival, High School After Prom, High School Graduation, Emancipation Day, Winter Holiday Program, and July 4th would all stay in the Parks and Recreation Fund. Vice Mayor McConville clarified that the Music and Arts Festival would go to the General Fund. Council member Lehr agreed that the committee itself should go to the General Fund and asked if the Parks and Rec Fund would be just a fund for managing facilities, maintenance and debt service and the rest goes back into the General Fund for events. Council member Jimmerson added that the events are general parks and recreation items. Liz Krens talked about the special tax district. Mayor Fraser asked that staff come back to Council with a recommendation. Rob Lohr clarified that Council wants to carry the committee and its general expenses and operations over or carry over all of the \$54,000 to include the Music and Arts Festival, Community Garden, Winter Holiday Program, Community Projects and the Youth Sports Program and Development as well the General Expenses-PRAB.

Mayor Fraser asked about the sale of Mary's House of Hope and where the revenue would go. Rob Lohr noted that this is currently set up to go into the Reserves and is not currently budgeted for.

c. Discussion of Water Fund

Mayor Fraser asked about the value of the consultant. Liz Krens talked about the specialization in this area and the expertise that we receive and feels it is valuable to the Town.

Mayor Fraser asked about no line item for bulk water sales. Liz Krens noted that when the budget was being put together there was no revenue to show however will work with Alex Vanegas to add that line item to show future revenue.

d. Discussion of Wastewater Fund

Danny Davis talked about the surpluses in both the water and wastewater funds for the proposed fiscal year because of the availability funds coming in from Mayfair which are one time funds. Rob Lohr added he would have the estimate of the number of these availabilities that will convert to water users at the next meeting.

e. Discussion of Capital Improvement Programs

Danny Davis noted that most of the capital improvement programs for 2017 are using VDOT, NVTa or Country Gas Tax and other grant funds.

f. Tax Rates, Utility Rates, Other Taxes/Rates

Rob Lohr noted that the proposed increases are a 2% tax increase in the general fund and a recommended increase of 3% in the water fund and 5% in the wastewater fund.

AMENDMENT/REVIEW OF UPCOMING BUDGET SCHEDULE:

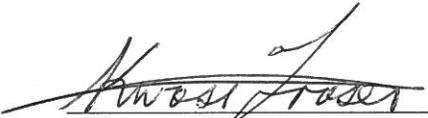
Danny Davis reminded Council that the next budget work session is scheduled for Tuesday, April 5. Rob Lohr added that on April 12 Council will need to set the real estate tax rate and the personal property tax rate and noted that the budget has to be adopted before June 30.

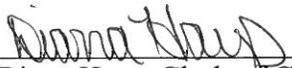
Vice Mayor McConville asked what one percent on the meals tax would be and Danny Davis stated it would be just over \$364,000 per percent and just over \$1.8 million for the 5% meals tax.

Council member Lehr talked about making cuts and if Council makes them or if Council asks staff where they could save \$240,000 in order to maintain a stable tax rate or raise taxes, etc. Rob Lohr talked about the ways cuts have been made in the past and noted he has made cuts with staff and departments and to make an additional \$240,000 in cuts would have impacts to the organization, projects and programs, and added staff would look at options and alternatives. Council member Lehr requested again a spreadsheet of the savings a paralegal would provide. Council member McCollum requested that it be factored in that the paralegal would expedite turnaround time compared to outside counsel working around their schedule.

ADJOURNMENT:

With no further business to discuss, Council member McCollum made a motion to adjourn at 8:20 PM. The motion was seconded by Vice Chairman McConville and approved unanimously.


Kwasi A. Fraser, Mayor


Diana Hays, Clerk of Council