

AT A CONTINUED MEETING OF THE DUMFRIES TOWN COUNCIL, HELD ON MAY 13, 2014, AT 7:00 P.M., IN COUNCIL CHAMBERS, 17755 MAIN STREET, DUMFRIES, VIRGINIA:

THERE WERE PRESENT: Mayor Gerald Foreman
Vice Mayor Willie Toney
Charles Brewer
Kristin Forrester
Helen Reynolds
Gwen Washington
Derrick Wood
Daniel Taber, Town Manager
Olaun Simmons, Town Attorney

THERE WERE ABSENT: None

IN RE: CALL TO ORDER AND ROLL CALL

Mayor Foreman called the meeting to order. Dawn Hobgood, Town Clerk, took roll call.

IN RE: ACTION ITEMS

A. DISCUSSION CONCERNING CHANGES COUNCIL HAS REQUESTED TO THE PROPOSED FY15 BUDGET – DAN TABER

Mr. Taber explained this is a continuation of the budget discussion from the May 7 meeting. The budget has been updated with the following changes.

- A special election is not needed so the \$2,500 that was budgeted has become available for use in the budget.
- Mayor Foreman waived his salary so \$8,040 has become available to use in the budget as well.

The budget includes a proposed two, three and four-cent reduction in real estate taxes and a recommended two-cent reduction in the Business Professional/Occupational License (BPOL) in all categories that equates to a reduction of \$57,000 in revenues, which is a 16 percent decrease in the BPOL tax from the previous year. He recommends that Council look seriously at the three-cent proposal along with the BPOL reduction. There is also a four-cent proposal, but this would require delaying the hiring of the two Police Officer positions for six months that are currently vacant.

Mayor Foreman suggested to Council that the discussion start with the two, three, and four-cent proposals. Then Council can discuss the budget department by department. He mentioned the Town Manager neglected to tell Council that the FY13 unaudited actual column was added too.

REVENUE

Ms. Reynolds stated the actual budget is more in line with the two-cent reduction as far as the impact on the budget. The three and four-cent proposals create a big gap that will need to be made up somewhere.

Mr. Taber clarified that for every penny the budget is reduced, on the real estate tax rate, is equal to approximately \$36,000 in revenue, which means that the expenditures were also decreased by the same amount.

Ms. Reynolds questioned the Town Manager mentioning the three, four-cent reduction, and not the two-cent reduction.

Mr. Taber explained that the two-cent reduction was given to Council at the last meeting and the direction he was given was to analyze the three and four-cent reduction. He believes the three-cent reduction is more realistic than four-cent reduction.

Mr. Brewer pointed out the tax rate was increased, under a previous administration, from .18 cents to .35 cents, which coincided with the housing collapse. Prince William County (PWC) assessments are going up, so taxes will increase. He believed it would be wise to lower the Town's real estate tax rate as much as possible. The citizens are burdened with additional taxes from PWC. It is time to tighten the belt and make sure the Town is not living above its means. He is in favor of the four-cent reduction; however, if Council wants to go with the three or two-cent reduction Council should reduce BPOL an additional amount. The relief needs to be given to one or the other, or both. He pointed out that 16 percent on the BPOL is not much and the more BPOL is reduced the more businesses the Town will attract. Council needs to lessen the burden on the taxpaying citizens in the Town. When the Town increased the tax rate to .35 cents it was supposed to last for only two years. Council should do its due diligence to get the tax rate back down to that rate as quickly as possible.

Ms. Forrester supports the four-cent reduction even though it would delay the hiring of the two Police Officers. She believes it would take at least six months to fill those positions anyway. The Town's assessments have gone up and the revenue will reflect this.

Ms. Washington was leaning toward the three-cent reduction. She thought the Town Manager did an excellent job showing the impacts of the various decreases. She felt there could be another reduction next year.

Mr. Toney indicated the Town Manager researched this at each level. He was part of the group that felt it was appropriate to raise taxes when the housing crisis hit. It is now time to start reducing taxes incrementally. He asked if the budget was based on the new assessment numbers.

Mr. Taber noted it was. He mentioned the two-cent reduction in the budget keeps the budget the same and the three-cent reduction starts to drop the overall budget.

Mr. Toney is not in favor of eliminating the BPOL tax if there will be a drop in service, but believes that some incremental relief is duly warranted. He is for the three-cent reduction. He is of a frame of mind that for whom much is given, much is asked.

Ms. Reynolds pointed out the Director of Economic Development and Community Development is listed with no salary and asked if the Town is planning to fill the positions.

Mr. Taber responded that those positions are not planned to be filled in this budget cycle. In the original budget proposal, he recommended some money go toward an economic development consultant; however, due to the feedback from Council to cut taxes it was eliminated from the budget. In a future budget, these positions can be reinstated.

Ms. Reynolds stated that if the Town wants to be business friendly they need someone in a position to help the businesses. She feels that the two-cent reduction would leave some money for the position or a consultant.

Mayor Foreman favors the four-cent reduction. The reason is that there are businesses in Town that have not been paying their BPOL. His position is that whether there is an economic developer or not is to be aggressive in pursuing these businesses. He noted there are some businesses that have been operating five and six years without paying BPOL. A system needs to be put in place where there are checks and balances. PWC requires a property owner who rents space out to provide a letter that lists the businesses and the Town should have a similar program. The property owner would be reporting what businesses there are on the property and in addition, the Town can go out and visit them as a checks and balances. He felt the money could be made up by aggressively pursuing the businesses. He knows from looking through the budget that there are items that can be cut. He has questions about dues and subscriptions. There is always money in training at the end of the year that is not spent. There is one low hanging fruit in the BPOL and that is the elimination of the category, wholesale, other. This is only \$7,667, which is decimal in a \$4M budget. In addition, Council can discuss everything in the Community Services budget, such as the scoping of the parade, events, and Parks and Recreation programs. PWC has an Economic Developer that could potentially provide some services to the Town. The Town is also a member of the PWC Chamber of Commerce.

Mr. Brewer asked if the overall reduction of the budget included the reduction in the cigarette tax rate and vehicle decal.

Mr. Taber stated it did.

Mr. Brewer pointed out that the FY13 actuals versus the FY13 budget has a difference of \$500,000. Even though the Council is budgeting under the current four-cent reduction, Council is looking at \$4.3M. By the time midyear budget comes around there is always a large sum of money left over. He thinks there

are additional cuts that Council could make. He knows that many of these things are estimates. He is comfortable with a four-cent reduction with the possibility of further cuts being made during the midyear budget review.

Mr. Wood was in favor of a three-cent reduction.

**EXPENDITURES
GOVERNING BODY**

Mayor Foreman was not taking a salary so that will increase the budget by \$8,040. He asked if the Boys & Girls Club should be put under dues and subscriptions even though Council elected to pay for it, the option is always there to go the other route.

Mr. Taber explained that Council appoints a member to the Boys & Girls Club Board of Directors and the expenditure is appropriate in the Governing Body category. It is an expense related to Council's decision and the option was available for the Council Member appointed to raise the \$2,500.

Mayor Foreman felt it should go under dues/subscription instead of creating a new line item.

Mr. Taber noted it was an easy fix.

Mayor Foreman was unable to determine what service the Virginia Institute of Government was providing for the \$500. He noted that not all of the other department dues and subscriptions are itemized with an amount of what is being paid for each.

Mr. Taber stated those could be broken down.

ADMINISTRATION

Mayor Foreman noted the dues and subscriptions need to have the cost associated with each added. He was not sure what the LGA Membership was.

Mr. Simmons explained it is the Local Government Attorneys.

INFORMATION TECHNOLOGY

Mayor Foreman pointed out that there was \$71,000 budgeted for maintenance contracts with the two-cent reduction and \$69,000 with the four-cent reduction. He stated that with the four-cent decrease, other than the two vacant positions not being filled, there was not a large impact on the budget. He believed that line item could potentially be reduced by another \$10,000 since the FY12 budget was \$40,000.

Ms. Johnson explained that in the FY12 budget each department had a separate maintenance line item for software and hardware contracts. All of those contracts have been consolidated into her budget. Maintenance was increased for Southern Software due to having to purchase a new module based on the audit.

Mayor Foreman asked about the \$20,000 that was not spent in the current budget.

Ms. Johnson explained there are some maintenance agreements that come due closer to the end of the fiscal year. She noted that Granicus is a new maintenance contract.

Mr. Taber noted staff would project out the maintenance contracts expected to be due by the end of this FY for Council.

Ms. Reynolds inquired about the replacement cycle on the equipment.

Ms. Johnson stated the Town is on a five-year cycle.

BUILDING AND GROUNDS

Mayor Foreman asked what the increase in the professional contracts was for.

Mr. West clarified the amount is based on estimates for work to be done listed in the narrative. He noted that mold and mildew remediation at the Lockett House and painting for items at Merchant Park are included in that line item.

PUBLIC SAFETY

Mayor Foreman asked about the request for \$3,000 in dues and subscriptions since in FY12, \$545 was spent, in FY13, \$274 was spent, and in FY14, \$760 was requested and only \$400 has been spent.

Chief Edwards stated the increase is for the information sharing systems called LINKS. Currently most of the funding for that comes from the Department of the Navy; however, in the upcoming fiscal year a decision was made to start sharing the cost. The cost is expected to be around \$2,500.

Mayor Foreman asked that the reason be included in the narrative. He asked if not hiring the two Police Officers would change the night differential.

Mr. Taber explained that this is estimated. He pointed out that the officers that are currently working are making up those hours.

Mr. Toney asked why the funds for the Crime Prevention Program have not been spent.

Chief Edwards indicated those funds are used for the Kids Academy and National Night Out and all but approximately \$50 of the budget will be spent by the end of the fiscal year.

STREET MAINTENANCE

There were no questions or comments.

COMMUNITY DEVELOPMENT

Mayor Foreman asked about the blighted property line item. Last year \$2,500 was budgeted and nothing was spent.

Mr. Taber explained that with blighted property, the Town tries to get the property owner to pay for the necessary repairs, but sometimes the Town has to step in to immediately fix an emergency repair.

Mr. Toney asked how the Property Maintenance Official is going to be addressed.

Mr. Taber noted there was money in the budget for an individual to take on those duties who had to be a conservator of the peace with certain certifications. There was an attempt early on to bring a part-time person into that position. This is something the Town needs to do at some point. It is not included in his recommendation this year.

PUBLIC WORKS

Ms. Reynolds asked where the sidewalks were in the budget.

Mr. West noted the funding is under line item 10-443-9300, Highway HB2313 Funding, which has \$80,000 for sidewalks.

Mayor Foreman stated that a list of projects needs to be submitted to Council for approval and then sent to PWC.

STORM WATER MANAGEMENT

Mr. Brewer asked if the Town anticipates any unfunded mandates coming for stormwater management.

Mr. West noted that Council recently adopted amendments to the stormwater management ordinance that have some items in there and there is a matching grant to help the Town for the first year with getting some software and to hire a part-time person to assist with some of the required inspections.

COMMUNITY SERVICES

Mayor Foreman asked if the Parks and Recreation Commission submitted their budget.

Mr. Taber stated the Parks and Recreation Commission met earlier today and he believes that they voted on their budget request.

Mr. Wood stated the Commission voted on the budget that will be submitted to Council; however, the \$25,000 budgeted was broken down as follows:

- \$3,000 per concert - totaling \$12,000
- \$2,500 for the Commonwealth and Family Fun Day
- \$2,500 Community Garden
- \$1,500 Walk for Education
- \$2,500 Basketball Tournament
- \$4,000 Conference training fees, dues and subscriptions

Mayor Foreman asked if Council votes on the budget tonight whether Council can discuss the Parks and Recreation Commission's budget next Tuesday.

Mr. Taber explained that if Council approves the \$25,000, the Parks and Recreation Commission would have to get approval from Council prior to spending any of the money. If the budgeted amount is increased or decreased the same process would occur.

Mayor Foreman suggested having a discussion at the next meeting on the Parks and Recreation Commission's budget.

Ms. Reynolds stated there were no funds allocated for travel and education.

Mr. Taber noted that a couple Council Members, during the last meeting, felt that travel for this department was not a priority. In finding the money for the three-cent and four-cent reduction, he took the money out of that line item.

Ms. Reynolds thought that travel was one thing and education was another. She asked why the volunteer program was cut by two thirds.

Mr. Taber explained the line item was for recognition of volunteers and usually consists of an award ceremony with finger foods.

Ms. Reynolds asked what happened to the Quantico Creek Clean Up.

Mr. Taber noted that event was transferred to the Stormwater Management budget.

BOARDS AND COMMISSIONS

Mr. Brewer asked if the \$1,650 budgeted for the Board of Zoning Appeals (BZA) was to pay the members for meeting or was it for legal fees.

Mr. Taber responded this is for the salary when the BZA convenes. It is hard to predict how often they will meet.

Ms. Reynolds wanted to know if Council approved a two-cent reduction whether there would be funding for legal services, if needed, for the Boards and Commissions noting that with the three-cent and four-cent reduction there is no funding available.

Mr. Taber stated that was correct. He explained the Planning Commission (PC) felt that at times, the Town Attorney would be representing the best interests of the Town and not necessarily the PC and requested funding be available to hire outside legal services if needed.

Mayor Foreman stated that to date no money was spent.

Mr. Brewer stated there was an appeal to the BZA where the Town Attorney had represented the appellant previously, which required outside legal counsel be hired.

Mr. Taber noted that in the administration budget there is \$4,000 for outside legal services.

Mr. Toney was on the BZA when the Town Attorney had a conflict of interest and the BZA had to hire an outside attorney. He thought some funding should be in the budget in case the BZA needs it.

There being no further items to discuss Council was asked to provide direction.

Mr. Foreman moved, seconded by Mr. Brewer, to proceed with the four-cent reduction in real estate taxes, the reduction as proposed in BPOL taxes, and include the elimination of the Wholesale, Other category for \$7,000.

Mr. Toney asked what the total reduction in BPOL would be.

Mr. Taber stated it was a \$57,000 out of roughly \$380,000. A 16 percent reduction.

Mr. Toney was not sure all of Council was in favor of that reduction and wanted to discuss this further.

There was a discussion about whether or not the BPOL discussion could be held at the work session and still provide enough time to advertise the ordinance changes. It was then asked whether the two could be incorporated into one. It was clarified that BPOL is a completely separate tax in the Town's Code than the real estate tax and cannot be incorporated into one. It was decided the BPOL discussion would continue at the work session.

Mr. Foreman amended his motion to proceed with just the four-cent reduction in real estate taxes and continue the discussion on the BPOL at the next meeting.

Mr. Taber reiterated that Council does not have the luxury of waiting to discuss the BPOL.

Mr. Foreman further amended his motion to accept the four-cent reduction in real estate taxes only.

Mr. Brewer agreed to the amended motion.

The motion carried by the following roll call vote: Mr. Brewer, yes; Mr. Foreman, yes; Ms. Forrester, yes; Ms. Reynolds, no; Mr. Toney, no; Ms. Washington, yes; Mr. Wood, yes.

Mayor Foreman asked how much the BPOL reduction is under the two-cent, three-cent, and four-cent reduction.

Mr. Taber stated the BPOL was the same across all three options, which is 16 percent, or just under \$57,000.

Mr. Toney asked how much BPOL was reduced last year.

Mayor Foreman noted that two years ago, two BPOL categories were eliminated and none was eliminated last year. Council has been eliminating BPOL by category and not across all the categories. This year the Town Manager reduced BPOL across all the categories. He used the example of removing two categories for \$30,000 versus the reduction across the categories.

Mr. Taber explained the proposal would reduce BPOL by \$57,000, which is represented by a two-cent reduction across the categories. Another option is for Council to do the two-cent and ask that BPOL be reduced by an additional \$7,667, which would eliminate the wholesale, other category, or Council can ask that categories be eliminated that add up to the \$57,000.

Mayor Foreman explained that Council is keeping with the philosophy of incrementally decreasing BPOL with income staying the same. He was in favor of going down the road of eliminating whole categories that way Council can see solid numbers next year.

Mr. Taber stated that Council could eliminate two categories: contractors and wholesale, other. That would leave three BPOL categories. This would free up some additional money in this budget that could be used to reduce the transfer from the general fund or to reinstate some of the items that were cut.

Ms. Ladd clarified that the Town has never eliminated any of the BPOL categories.

Mr. Brewer stated the Town Manager is still pursuing businesses that have not paid their BPOL taxes and this will increase the overall budget.

Mr. Wood asked if businesses that have not paid their BPOL taxes were included in the budget.

Mr. Taber stated the budget is projected out with full compliance based on the information the Town has.

Ms. Washington did not understand where the \$57,000 reduction is coming from.

Mr. Taber explained that you would have to go back to the original budget that was proposed to see which line items were reduced. The majority of the money came from things such as office supplies, fuel, travel and education and overtime in the Police Department; those categories have some flexibility.

Mr. Toney thought this was like a bird in the hand versus a bird in the bush. He noted the reduction in the BPOL is like the bird in the hand and there may be enough businesses out there to compensate for the reduction, which would be the bird in the bush. He did not think that the previous or current administration was that derelict in duties to have that many businesses operating in the Town illegally.

Mr. Wood heard that this reduction would result in not being able to hire two Police Officers for six months.

Mr. Taber explained the two Police Officer positions are reflected in the four-cent reduction. He explained that not hiring two Police Officers at this time does not change the level of service to the citizens. In other words the \$57,000, if given back, Council would have to direct where that money would go.

Mr. Brewer pointed out that Council needs to decide at what point in time Council is going to provide relief to the businesses in the Town and not just the citizens. He noted the \$57,000 can be used anywhere in the budget; however, it probably would not cover the salary for one Police Officer.

Ms. Reynolds noted earlier that she was leaning toward the two-cent reduction for the citizens. If two-cents were given to both the citizens and the businesses, it would equal the four-cents. She indicated that the Town wants the services, the businesses, and the citizens yet the reduction is lopsided. She stated that Council cannot keep reducing and not bring money in.

Mayor Foreman stated Council turns to the businesses in the Town a lot. The Council has a Vision Statement that couples with the Towns' businesses. The businesses have donated supplies, machinery, time, and money to the Town. He is in favor of reducing BPOL by 16 percent across the board.

Mayor Foreman moved, seconded by Mr. Brewer, to proceed with the two-cent reduction in BPOL across the board.

Ms. Reynolds asked if the total reduction was six- cents, four-cents in real estate taxes and two-cents in BPOL.

Mr. Taber explained that these were two separate categories and every penny deducted from the real estate tax rate is a reduction of \$36,000 and every penny reduced to the BPOL taxes is approximately \$28,000.

Ms. Reynolds indicated a six-cent reduction is much more than what Council talked about. She felt Council was being misled because the proposal does not show a six-cent reduction. She noted a lot of services and activities are going to be cut.

Ms. Washington was in favor of giving breaks to businesses especially those businesses that have been very good to the Town. Council is talking about giving breaks to every business in the Town including those that have not paid. She has been looking at incentives to businesses that give to the Town and those that go above and beyond by keeping their businesses beautiful. She is not in favor of giving the tax break across the board. She wants to provide more training and education for staff, Council, and the Town's Boards and Commissions. She stated \$57,000 is too much.

Mr. Brewer stated that Council appears to be confused. The budget reduction is in terms of cents not percentages. Cents equate to dollars. The overall on the BPOL equates to a 16 percent reduction. It is not four or two percent, it is cents. An incentive program is good but that is something that needs to be done once the budget is over with. He originally wanted to slash BPOL in half. When Council goes to the mid-year budget review, there has been a bulk of money left. What this does is reduce that bulk of money at the mid-year budget review and in essence returns it to the citizens and businesses. He agrees there are some businesses that are not complying, but the Town Manager is going for full compliance.

Ms. Forrester clarified the two, three, and four-cent reduction was already factored into the Town's budget. It is not a matter of finding \$57,000 because the Town Manager has already factored that in. The budget shows where the cuts are being proposed.

The motion on the floor is to proceed with a two-cent reduction in BPOL. The motion failed by the following roll call vote: Mr. Brewer, yes; Mr. Foreman, yes; Ms. Forrester, yes; Ms. Reynolds, no; Mr. Toney, no; Ms. Washington, no; Mr. Wood, no.

Mr. Toney moved, seconded by Ms. Reynolds, to reduce the BPOL by one-cent.

Ms. Reynolds asked how much would go back into the budget with the one- cent reduction.

Mr. Taber stated that would provide approximately \$28,000 to be allocated back to a line item or reduce the amount being transferred from the general fund.

Mayor Foreman advised the Town has a \$4.4M budget for this year and as of March 31; the Town has spent \$3,066,703. This means that \$1.25M will be spent in the last quarter of this year's budget. He believes there will be money left over. The ideal situation would be the Town Manager reporting there is under \$100,000 left at the end of the fiscal year.

The motion carried by the following roll call vote: Mr. Brewer, no; Mr. Foreman, yes; Ms. Forrester, absent; Ms. Reynolds, yes; Mr. Toney, yes; Ms. Washington, yes; Mr. Wood, yes.

Mayor Foreman reminded Council that at the next week there will be a discussion on the Parks and Recreation Commission's budget.

Mr. Taber asked if Council wanted to see where the \$28,000 would be placed in the updated budget.

Mayor Foreman confirmed that Council should see the budget with the reflected changes to review.

Ms. Ladd asked if she could make a statement. She stated that Council wants to help the citizens and the businesses, which Council should do; however, there is nothing in this budget for the employees in terms of a cost of living increase.

Mr. Toney wanted the \$28,000 to be applied to raises for staff.

Mayor Foreman stated the Town Manager has \$28,000 to work with and he should make the proposal in the updated budget.

Mr. Taber stated that originally, there was a cost of living increase but it was cut out during the reductions in the budget.

The Council thanked Ms. Ladd for bringing that to their attention.

IN RE: CLOSED SESSION

Mr. Wood moved, seconded by Mr. Foreman, to convene into closed session. The motion carried and the following resolution was adopted by the following roll call vote: Mr. Brewer, yes; Mr. Foreman yes; Ms. Forrester, absent; Ms. Reynolds, yes; Mr. Toney, absent; Ms. Washington, yes; Mr. Wood, yes.

WHEREAS, the Dumfries Town Council desires to discuss a particular subject in Closed Session during the course of its meeting of May 13, 2014; and

WHEREAS, the discussion, consideration, or interviews of prospective candidates for appointment to a board, committee, or commission and discussion of performance evaluation is expressly permitted by Section 2.2-3711(A)(1) of the Code of Virginia, 1950, as amended.

NOW, THEREFORE, BE IT RESOLVED that the Town Council of Dumfries does hereby convene in Closed Session for the purpose(s) herein expressed pursuant to the legal authorities herein recited.

Mr. Wood moved, seconded by Mr. Foreman, to reconvene into open session. The motion carried and the following resolution was adopted by the following roll call vote: Mr. Brewer, yes; Mr. Foreman yes; Ms. Forrester, absent; Ms. Reynolds, yes; Mr. Toney, yes; Ms. Washington, yes; Mr. Wood, yes.

WHEREAS, the Town Council of Dumfries has completed its discussion in Closed Session, and now desires to continue its meeting in Open Session; and

WHEREAS, each and every member of this said Council who votes affirmatively for the adoption of this Resolution does thereby certify that, to the best of his/her knowledge, only public business matters lawfully exempted from Open Session were heard, discussed, or considered during the Closed Session, and that the only subjects heard, discussed, or considered in said Closed Session were the matters identified in the Resolution by which it was convened.

NOW, THEREFORE, BE IT RESOLVED that the Town Council of Dumfries does hereby reconvene in Open Session at its meeting of May 13, 2014 and certifies the matters set forth in Section 2.2-3712(D) of the Code of Virginia, 1950, as amended.

Mr. Wood directed staff to proceed with the selection process for the appointment to the Parks and Recreation Commission.

IN RE: ADJOURNMENT

Mr. Foreman moved, seconded by Ms. Reynolds, to adjourn the meeting. The motion carried by the following roll call vote: Mr. Brewer, yes; Mr. Foreman yes; Ms. Forrester, absent; Ms. Reynolds, yes; Mr. Toney, yes; Ms. Washington, yes; Mr. Wood, yes.

Minutes submitted by

Approved by

Dawn Hobgood
Town Clerk

Gerald M. Foreman
Mayor