



**MIDDLEBURG TOWN COUNCIL  
REGULAR WORK SESSION  
MINUTES  
March 28, 2013**

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**PRESENT:** Mayor Betsy A. Davis  
Vice Mayor C. Darlene Kirk  
Councilmember Kevin Hazard  
Councilmember Trowbridge Littleton  
Councilmember Catherine "Bundles" Murdock  
Councilmember Kathy Jo Shea  
Councilmember Mark T. Snyder  
Councilmember David B. Stewart

**STAFF:** Martha Mason Semmes, Town Administrator  
Rhonda S. North, MMC, Town Clerk  
David M. Beniamino, Town Planner  
Cindy C. Pearson, Economic Development Coordinator

The Town Council of the Town of Middleburg, Virginia held their regular monthly work session on Thursday, March 28, 2013 in the Town Hall Council Chambers, located at 10 W. Marshall Street. Mayor Davis called the meeting to order at 6:00 p.m.

**Council Approval** – Waiver of Site Plan Amendment fee – Middleburg Library

*Councilmember Snyder moved, seconded by Councilmember Murdock, that the Council approve a request from the Middleburg Library Advisory Board to waive the \$500 site plan amendment fee associated with the expansion project.*

Vote: Yes – Councilmembers Kirk, Hazard, Littleton, Murdock, Shea, Snyder and Stewart  
No – N/A  
Abstain: N/A  
Absent: N/A  
(Mayor Davis only votes in the case of a tie)

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**Council Discussion** – Economic development options for bringing in new businesses

Councilmember Hazard reminded Council that the Middleburg Business & Professional Association (MBPA) held a meeting with landlords to develop ideas to fill some of the empty tenant spaces that existed in the town. He suggested the Council should become involved. Mr. Hazard noted that Middleburg would have money coming in that it could use to help fill the empty spaces. Mr. Hazard suggested the Council empower the Economic Development Coordinator to go after businesses. He noted that they could develop a list of businesses they would like to target and go after them.

Vice Mayor Kirk agreed it would be good to target businesses; however, she did not know whether the Town should spend money it did not have yet.

Councilmember Hazard noted that he was talking about post Salamander money.

Councilmember Snyder noted that if Councilmember Hazard was looking at using increased revenue from the transient occupancy tax, he would be in favor of this.

Mayor Davis noted the plan to conduct a survey of the residents to determine what they would like to see. She reminded Council that the point was the Town could then use the results to approach the building owners and say “this is what would work well here” and ask them to bring in a business of that type.

Councilmember Snyder suggested the help the Town could provide this coming fiscal year would be to determine the kinds of businesses the community wanted and to market Middleburg to those types of businesses.

Councilmember Hazard opined that this was something that would take a couple of years to accomplish. He noted that there were other communities that have experienced this kind of situation; and, suggested the staff ask them what they would have done differently if they knew their town would “explode”.

Town Administrator Semmes reported on a tourism study done in Cambridge, MD in 2009. She noted that Middleburg would not want to do a study that incorporated all of the components of that study; however, she suggested it would want to evaluate the market, evaluate the kind of businesses that would be successful here, determine what the town already had and what it did not. Ms. Semmes suggested there be a separate program to help develop those businesses; and, noted that the County could help. She opined that it would be the Economic Development Coordinator’s job to help individuals find resources.

Councilmember Hazard noted that there were consultants that did this type of work. He opined that there was no money in the proposed budget for such a study. Town Administrator Semmes confirmed there was money in the budget.

Councilmember Shea reminded Council that they have talked about holding a retreat; and, recommended this be a part of those discussions. She advised that she would be willing to follow up with the George Mason Enterprise Center and Source Link to determine what was available. Ms. Shea reiterated her recommendation to make this discussion a part of the Council’s goal setting.

Councilmember Hazard agreed. He suggested the Council determine what other jurisdictions did. Mr. Hazard expressed a desire to develop data and/or contacts.

Town Administrator Semmes recommended the Economic Development Coordinator make this information available for the retreat. She noted that Purcellville had a tourism zone; and, advised that the Council could consider one here that would allow it to offer special incentives. Ms. Semmes suggested the study be done first, as the Council may find it did not need to offer incentives. She suggested the Town give information to the businesses so they could be more successful. Ms. Semmes reminded Council that there were firms that did this type of work.

Town Planner Beniamino agreed a study was a great idea. He reminded Council that the Town had preliminary data from the surveys conducted as a part of the Virginia Tech Federal Street Project and the Planning Commission’s Visioning Project. Mr. Beniamino advised that the citizens’ responses talked about their needs and what businesses they wanted the Town to target. He suggested he provide the preliminary data to the Council for use during their retreat. Mr. Beniamino noted that both surveys received over one hundred responses.

Economic Development Coordinator Pearson reported that Visit Loudoun used a consultant; and, noted that this consultant was familiar with the Middleburg area.

Councilmember Littleton suggested the need to profile Salamander's customers in order to determine their general interests.

Town Planner Beniamino noted that J2 Engineering contacted localities that had resorts as a part of their work on the Comprehensive Plan update. He advised that they already had some contacts; and, suggested he could get them.

Councilmember Littleton noted the shopping center in Lansdowne that was structured for visitors as opposed to the residents.

Councilmember Shea recommended the Council set up an ad-hoc committee to pull together data. She further recommended the Economic Development Coordinator head up the committee. Ms. Shea advised that she would like to be on it; and, suggested Councilmember Hazard and Mayor Davis also serve on it. Ms. Shea suggested they pull together data so everyone would be on an equal basis regarding information during the retreat.

Councilmember Hazard reminded Council that Middleburg was about to experience an enormous change that would bring in more money and an influx of people. He opined that they have not planned for it.

Town Administrator Semmes reminded Council that when she presented the draft FY '14 General Fund Budget, she recommended the Council not put all of the new money into people, etc. She further reminded them that she suggested the Town take the opportunity to study and plan for what was coming. Ms. Semmes opined that the good news was that it sounded like the businesses were on the same page. She suggested the Council get them involved. Ms. Semmes recommended the Town start by developing an RFP; and, noted that the committee could help with that. She further recommended the staff research what other jurisdictions did and get sample studies from other communities.

Councilmember Shea reported that she has contacted the Mason Enterprise Center to ask for information on how they might interface with this project.

Councilmember Murdock inquired as to the number of people who attended the MBPA meeting. Councilmember Hazard reported there were twenty.

Councilmember Murdock questioned the main focus of the meeting. Councilmember Hazard noted that he could only attend ten minutes as he had to come to the Council meeting that night. Mayor Davis advised that the Council was supposed to get a briefing on the meeting.

Councilmember Murdock reported that an individual who owned three buildings in town did not get invited to the meeting. She asked who prepared the invitation list. Councilmember Hazard advised that the MBPA prepared the list. He reminded Council that Jeannie Ford attended a Council meeting months ago to report that they planned to start a dialogue with the landlords so they could work together to fill the empty store fronts.

Councilmember Murdock noted that the person she previously cited was a landlord, not a store owner. She opined that the MBPA membership was made up more of store owners.

Economic Development Coordinator Pearson reported that it contained more professionals. She reported that the MBPA obtain a list of property owners from the County.

Councilmember Murdock reiterated that the individual she mentioned owned three buildings, but was not invited to the meeting.

Mayor Davis suggested the invitation may have been sent to the wrong address. She noted that her invitation was sent to an old post office box; therefore, she did not receive it until the day of the event.

Councilmember Shea opined that the message that went out was not clear. She noted that she knew of individuals who heard about the meeting and attended even though they were not land owners. Ms. Shea suggested the Council ask the MBPA to look at the message and how it was delivered.

Town Administrator Semmes reported that Dan Caseman stopped by the office to ask about the meeting.

Economic Development Coordinator Pearson suggested the landowner cited by Councilmember Murdock was a fairly recent property owner. She suggested the County's land records may not have been updated yet to reflect that change.

Councilmember Murdock noted that she really cared about the landlords. She recommended they be told that they needed to bring their rental rates down. Ms. Murdock suggested the landlords needed to be sent a message about the empty buildings.

Councilmember Shea agreed; however, she suggested that everything could not be put on them. She reminded Council that if the landowner had a mortgage, he must pay it. Ms. Shea opined that this needed to be addressed in the form of creative ways to bring in businesses with the cooperation of the landlords.

Councilmember Littleton opined that the landlords wanted tenants worse than anyone. He noted that, otherwise, the mortgage payments must come out of their pockets.

Councilmember Shea noted that she was familiar with a landlord who said he would wait to fill an empty space until he received the price he wanted. She suggested this was a matter of looking at the entire picture and the health of the town.

Town Planner Beniamino advised Council that both the Federal Street and the Planning Commission's survey results mentioned rents. He opined that the easiest way to decrease rents was to increase the supply. Mr. Beniamino noted that the Wellhead Protection Plan looked at potential sources of contaminants to the Town's wellheads; and, advised that the C-3 District was zoned for heavy commercial and industrial uses, which could cause ground water impacts if an incident occurred. He reminded Council that the Town has been talking about whether the C-3 District was still needed. Mr. Beniamino noted that the C-2 District, which did not have parking requirements, was located three blocks away from the public parking lots; however, the C-3 District, which was adjacent to the parking lots, could not be developed as it should because of the Town's parking requirements. He reminded Council that a small land use plan was prepared by the Virginia Tech students. Mr. Beniamino opined that a lot of the land in the Federal Street area was under-utilized because of the Town's parking requirements.

Councilmember Snyder suggested the Town look at and update what was allowed in the C-3 District. He further suggested the Town look at whether the C-3 District should be rezoned to C-2 or whether the restrictions should be changed to more closely align with the C-2 restrictions.

Mr. Snyder noted that if the uses were similar, this could probably be done. He advised that he was not sure the C-3 District was needed.

Town Planner Beniamino reminded Council that some of the existing uses were C-3 types of uses. He noted that he was not proposing to affect the current uses. Mr. Beniamino suggested the need for a long-term plan for what the Town would like to see happen in this area. He noted that a lot of the uses that fronted the street were similar to what was located across the street. Mr. Beniamino suggested it may make sense to do what Councilmember Snyder suggested.

Councilmember Snyder opined that the opportunity was coming up to open up this whole area.

Councilmember Shea noted that this was something on which the Planning Commission was working.

Town Planner Beniamino reminded Council that while the Planning Commission was working on the Comprehensive Plan Update, the follow-up was a long way off as they were updating the entire plan. He noted that they were not talking about changing the zoning now. Mr. Beniamino suggested he draft a text amendment for the C-3 District; and, noted that this could be done quickly with limited impacts. He suggested the Town allow certain uses in existing structures in the C-3 District without requiring them to meet the parking requirements. Mr. Beniamino suggested he put this item on the Planning Commission's agenda for discussion.

Councilmember Shea advised Council that there was a discussion during a Source Link meeting about how different entities could impact business development; and, noted that the first item on the list was that the government must have a system that was easy to use. She opined that one of the aspects of getting business development in Middleburg was that it must be easy to use or at least clear. Ms. Shea recommended the ad-hoc committee do some work on this; and, that the Council then use part of its planning session for this issue.

Councilmember Hazard noted that the Council gave the Planning Commission some priorities to work on; and, asked whether they wanted to prioritize the C-3 District as well.

Councilmember Snyder agreed the timing was good.

Councilmember Hazard opined that this was something that could easily be done. He noted, however, that caution needed to be exercised in how the changes were written so there were no unintended consequences.

Town Administrator Semmes recommended the market analysis be done first so the Commission would know what was needed.

Councilmember Snyder opined that this was a simple text amendment that was easy if it was modeled after the C-2 District, which did not require parking for certain uses. He advised that he did not want additional office space in the C-3 District; however, he wanted additional retail.

Councilmember Hazard suggested the Planning Commission discuss this issue. He noted that there were some large buildings on Federal Street; and, advised that he did not want to create a situation in which no parking was required for a large building that turned into another use.

Town Planner Beniamino suggested the regulations include a maximum lot size.

Councilmember Snyder expressed confidence that the Planning Commission could handle the development of the ordinance.

Councilmember Shea asked that the Economic Development Coordinator set up the ad-hoc committee.

Town Clerk North reminded Ms. Pearson that if three members of Council attended the meeting, she needed to notify the press of it.

Councilmember Shea suggested the Council invite Jeannie Ford to join the ad-hoc committee. Councilmember Hazard agreed.

Town Administrator Semmes opined that it would be good to have Ms. Ford brief the Council on what the MBPA was doing. She noted that the ad-hoc committee would develop information on economic development to support the Council during the retreat. Ms. Semmes suggested Ms. Ford help the staff and committee develop an RFP; however, she opined that she did not need to be involved in developing the Council's retreat. She suggested that once the consultant was hired, the Council could appoint a task force to help get the study done.

Councilmember Shea noted that Ms. Ford was currently the Chair of Visit Loudoun; therefore, she had information regarding resources.

Town Administrator Semmes suggested she be invited to the meetings. She opined that she did not need to be a member. Ms. Semmes reminded Council that this would be a Council ad-hoc committee.

Councilmember Hazard asked whether it had to be a Council ad-hoc committee.

Mayor Davis opined that the committee that was putting together issues for the retreat should be a Council committee.

Town Administrator Semmes suggested there be a distinction between this committee and the advisory group that would help with the market analysis.

Councilmember Hazard advised that if this was a Council committee, it would be fine. He opined, however, that the more inclusive the committee, the stronger it would be.

Mayor Davis suggested the need for a retail group; and, recommended Ms. Ford be a member of that group. She suggested there be a separate group to work on the Council retreat.

Councilmember Shea suggested there be pre- and post- retreat groups. She suggested that if the Council decided in the retreat that this needed to be a focus, then the other committee could work on it. Ms. Shea opined that this needed to be a decision from the retreat.

Councilmember Snyder opined that if it was a Council retreat, it must be a Council committee. He suggested the Town must also be in charge of the committee that developed the RFP as it would involve the expenditure of Town funds.

Mayor Davis reiterated the need for a retail committee.

Town Administrator Semmes recommended the study be an "economic positioning" one. She advised that she hated to say "retail" as the mix of uses desired for a successful downtown may include retail, restaurants, cultural, etc. Ms. Semmes noted that Kennedy Smith, who used to run the Virginia Main Street Program, has said that the nation was fifty percent over built in retail; and, had not recovered from that. She suggested the vacancies in Middleburg may be natural

vacancies that have occurred as a result of this over building. Ms. Semmes opined that the study would help the Town and the businesses to figure out where the truth lies. She noted that it would help the Town to develop a list of businesses that it could target with the assistance of Visit Loudoun and the Loudoun County Economic Development Department. Ms. Semmes advised that there were consultants that would target specific types of business.

Councilmember Shea suggested this could involve a business that was not retail, but that could help build retail business.

Town Planner Beniamino cited A Place To Be as such a business. He noted that a lot of people did not like that they were not retail; however, he noted that their cultural events brought people to town on the weekends.

Councilmember Shea suggested the Arts Council be given a store front. She further suggested the need to be creative. Ms. Shea reported that she was gathering information on the retreat; and, advised that she would come back to the Council when she had it.

**Council Discussion** – Appointment of Town Administrator as Acting Zoning Administrator during his absence

Town Administrator Semmes advised Council that when talking about streamlining some of the Town's zoning processes, one of the problems was that no one was available to help the citizens when the Town Planner was out of the office for vacations, etc.

Councilmember Snyder noted that the first thing that the Town Administrator impressed upon him when she came to Middleburg as the Zoning Administrator was her experience and expertise.

Town Planner Beniamino advised that the question was whether the Council wanted a policy that the Town Administrator would handle the Zoning Administrator duties or whether they wanted to specify that Ms. Semmes would do so.

Councilmember Shea recommended that Ms. Semmes be identified as handling the duties.

Councilmember Snyder noted that another person could hold the Town Administrator's position that the Council may not want to serve as the Zoning Administrator. He advised that this appointment was appropriate since Ms. Semmes had experience in planning and zoning administration.

Councilmember Hazard opined that Ms. Semmes was set up for this; however, another Town Administrator may not be.

Town Planner Beniamino suggested that he and Ms. Semmes handle the logistics of how the system would work. He noted that if he found another job, Ms. Semmes may have to take over all of the Zoning Administrator's responsibilities. Mr. Beniamino suggested that for now, she simply sign permits. He advised that he did not want her to write zoning determinations.

Town Administrator Semmes advised that she could write them; however, she did not want to unless it was absolutely necessary. She explained that if she wrote a zoning determination, it would become law if it was not appealed within sixty days. Ms. Semmes advised that she was not as familiar with the zoning ordinance as Mr. Beniamino; although, she would familiarize herself with it.

Town Planner Beniamino advised Council that the staff would bring them a resolution next month that would specifically name Ms. Semmes as the Acting Zoning Administrator in his absence. He advised that he would work with her to determine what duties she would handle. The Council agreed to this.

Councilmember Snyder suggested the resolution be drafted so any staff member with the appropriate zoning experience could serve as the Acting Zoning Administrator.

Town Planner Beniamino reminded Council that by State Code, the Town needed a Zoning Administrator.

Town Administrator Semmes noted that larger jurisdictions had deputy zoning administrators.

**Council Approval** – Resolution Adopting Wellhead Protection Plan Update

Councilmember Snyder reminded Council that during the last meeting, he asked them to review the plan's action items. He asked whether they had any questions or issues with the proposed plan update.

Councilmember Shea recommended there be an index of the acronyms. Councilmember Snyder reported that he would bring that to the Wellhead Protection Advisory Committee during their next meeting.

Councilmember Shea noted that one of the action items stated that the Committee would approach the gas station. She opined that this was not the Committee's responsibility. Ms. Shea suggested it needed to be clear that the Committee was to make recommendations to the Council and/or staff. Councilmember Murdock agreed.

Councilmember Snyder opined that it was not realistic to take the plan back to the consultant for changes. He noted that the Wellhead Protection Committee was an on-going committee. Mr. Snyder further noted that they would look at a new plan; and, suggested they could keep notes for the next plan update.

Councilmember Shea opined that the Town did not need to go to the consultant to make the changes.

Councilmember Snyder opined that the plan had to go to the State for approval. Town Clerk North confirmed the plan did not – only the brochure. She noted that the brochure had to have State approval because it was funded through a State grant. Ms. North reported that she had the plan on disk; and, could make changes to it. She advised that she did not believe the recommendations were written to have the Committee approach businesses; and, opined, that they were written so the staff would do so.

Councilmember Snyder noted that this was his impression as well. He advised that the Town Clerk could make those changes.

Councilmember Shea advised Council that she would write up her questions and send them to the Town Clerk.

Councilmember Snyder suggested the Council send any recommended changes to the Town Clerk.

Councilmember Shea noted that the recommendation related to gas stations stated that the Committee would gather information. She reiterated that such an action needed to come through the Town.

Town Administrator Semmes opined that this may be redundant of something the Town was already required to do by DEQ.

Councilmember Shea noted that the plan also stated that the Committee would finalize the plans with Salamander Resort regarding the abandonment of existing wells; and, advised that this was not their responsibility. She suggested the Committee needed to come to the Town and let the Council direct the action to be taken. Ms. Shea suggested the wording be such that the Committee was an advisory committee to the Council, with the Council determining the actions to be taken.

Town Administrator Semmes noted that the abandonment of wells was the responsibility of the Health Department. She advised that she was not sure the Town could require property owners to abandon them. Ms. Semmes noted that she and Councilmember Snyder have discussed encouraging Salamander to abandon the wells that they said they would abandon on the site plan.

Councilmember Snyder noted that they should be encouraged to abandon a couple of wells that needed to be reserved for the Town's water supply. He expressed an understanding of the concerns. Mr. Snyder agreed the Committee needed to identify issues and work with the staff so the staff could take the appropriate actions. He recommended the Council identify as many issues as possible so he and the Town Clerk could work to update the draft plan.

Councilmember Shea reiterated that the Committee was an advisory body to the Council. She advised that she would like for the Committee to come to the Council, not just the staff. Ms. Shea suggested it was up to the Council to determine whether they had issues with items identified by the Committee.

Mayor Davis asked whether the Council wanted to wait to adopt the plan.

Councilmember Snyder advised that he would like to adopt the plan before the Wellhead Protection Advisory Committee met again in May.

Councilmember Shea noted that the plan's highest priorities did not include car washing. She reported that there was a car washing business in town that was not located in a commercial space that should be investigated.

Councilmember Littleton noted that the gentleman did car washing in his back yard.

Mayor Davis noted that the business in question was not licensed; however, the property was zoned commercial.

Councilmember Shea noted that this was not picked up in the study; however, car washes could affect the water table. She advised that this car wash business was not located far from the Town's wells. Ms. Shea noted that this was not an actual car wash facility, but rather was someone doing the work in their yard. She advised that she would be happy to write up and send her comments. Ms. Shea noted that herbicides were not included in the report; and, suggested they should be.

Councilmember Snyder advised that if he needed to run the changes back through the Advisory Committee, he could do so.

Town Administrator Semmes opined that the Advisory Committee made their recommendation; and, suggested this was now the Council's plan. She recommended the Committee be advised of the changes. Ms. Semmes noted that it was still the same plan; and, advised that the Council was only changing the policy on how it would be implemented. She opined that this was the Council's prerogative.

Councilmember Snyder reminded Council that the Wellhead Protection Advisory Committee was a committee that added value to the Town. He advised that he would like to extend them courtesy whenever possible.

Councilmember Shea noted that the plan indicated they would meet frequently at the beginning to implement the recommendations; however, the Committee already decided to meet quarterly. She advised that she would like to see the plan implemented and for the Committee to instruct the Council.

Councilmember Snyder explained that the Council would implement the plan. He opined that the Committee believed they would implement it; however, he noted that the language that would have allowed them to do so was just removed.

Councilmember Shea noted that part of what was outlined in the plan was gathering information; and, noted that the Council would not do so.

Councilmember Snyder advised that he would like for the Wellhead Protection Committee to gather the information; and, opined that they would do a great job.

Town Administrator Semmes suggested the action items be listed and the Committee identify who was responsible for each.

Town Clerk North advised Council that the plan included a chart identifying each action item, with a column identifying who would be responsible for that item and the proposed timeline for completion. She noted that working on this chart was the second step in the process; and, advised that the Committee could not do it until they knew whether the Council would adopt the recommendations.

Councilmember Snyder suggested the Council approve the plan once it was revised by himself and the Town Clerk. The remainder of Council agreed.

Councilmember Shea recommended the plan be made available to the Planning Commission.

Councilmember Snyder noted that the Council needed to adopt it before sending it to the Commission.

Councilmember Shea reminded Council that during a previous meeting, they talked about using the Planning Commission to review items and to come to the Council if they saw a problem.

Councilmember Snyder advised that he did not want one committee reviewing the plans of another. He suggested the Wellhead Protection Advisory Committee would not be an appropriate group to review plans from the Planning Commission. Mr. Snyder noted that having the Commission make suggestions would be fine.

Councilmember Shea reminded Council that they talked two meetings ago about having the Planning Commission act as an advisory group on some issues and allowing them to make recommendations on other issues. She asked whether the Council wanted them to look at this document as an advisory group.

Mayor Davis opined that it was not necessary.

Councilmember Snyder suggested the plan be used as a resource for the Commission. He advised that he was not looking for another body's recommendations regarding the plan.

Mayor Davis opined that the Wellhead Protection Advisory Committee was a highly competent group. She further opined that the plan did not need to be revisited.

Councilmember Hazard reported that the Planning Commission had a full plate. He noted that they may be able to find some things like Councilmember Shea found; however, he opined that the Wellhead Protection Advisory Committee did a fine job of putting the document together. Mr. Hazard recommended the Planning Commission spend its time on other things, such as the Comprehensive Plan update.

Councilmember Snyder advised Council that the report would be made available to the Town's committees as a resource; however, he was not looking for them to recommend changes to it. He explained that by presenting the report to the committees, he was saying "here are the action items, can the committee take on and help address some of them". Mr. Snyder suggested that as they went through the report, if the committees had suggestions, they should share them with the Wellhead Protection Advisory Committee. He reiterated that he was not looking to get the Planning Commission's input on the plan before the Council adopted it.

Town Clerk North reminded Council that one of the action items was to annually review and update the plan. She suggested the Advisory Committee keep a list of recommendations for consideration in the next iteration of the plan.

**Council Discussion** – Amendment to Employee Handbook pertaining to Health Insurance

Town Administrator Semmes advised Council that the Town received notification from the State Local Choice Health Insurance Program that raised the need to amend the Employee Handbook; and, noted that it also raised a policy question. She reminded Council that the Employee Handbook stated that elected and appointed officials may receive health insurance. Ms. Semmes advised Council that the Town was not allowed to offer appointed officials this benefit under the State Program.

Vice Mayor Kirk asked whether this applied to the Health Center Advisory Board; and, noted that one of its members had insurance coverage through the Town. Town Clerk North opined that the cited individual had coverage as a retiree. Vice Mayor Kirk confirmed she was not a retiree of the Town.

Town Administrator Semmes advised that this section needed to be changed. She explained that if the Town provided insurance coverage for elected officials, members must drop off the plan when they became eligible for Medicare. Ms. Semmes noted that elected officials were not eligible to participate in the retiree classification. She reported that if the members of Council wanted insurance coverage through the Town, the State required that the Town pay the same amount toward the premium as would be paid for an employee. Ms. Semmes noted that this was a cost the Town had never paid; and, reiterated that it was required to do so.

Councilmember Littleton reported that it was cheaper for him to go with an individual insurance plan than to go through the Town's plan.

Vice Mayor Kirk noted that, in the past, the Town required the individual to pay the entire premium cost.

Councilmember Snyder opined that there must have been a change in the law since the Town first allowed members of the Council to purchase insurance.

Councilmember Hazard asked what would happen if the Town did not cover a portion of the health insurance premium for a member of the Council. Town Administrator Semmes confirmed they could not obtain coverage through the Town.

Councilmember Shea reported that she has been trying to get insurance for some time and just found out she was qualified for the Town's program.

Town Administrator Semmes advised Council that the staff could calculate how much it would cost the Town if everyone on the Council obtained the maximum coverage.

Mayor Davis questioned whether the members of Council, if they wanted to seek this benefit, would only be purchasing coverage for themselves.

Town Administrator Semmes read the existing language in the Employee Handbook. She advised that, as she understood it, it did not apply to dependents.

Mayor Davis questioned whether the Town must pay 80% of the premium costs in the event she wanted to purchase family coverage and wanted to pay the entire premium. Town Administrator Semmes opined that this would be against the law.

Councilmember Hazard suggested the member could make a donation to the Town in the amount of the insurance premium.

Mayor Davis questioned whether the Town could require that the individual purchase coverage only for themselves. Town Administrator Semmes opined that they could do that. She noted, however, that they must provide the same coverage as provided other employees.

Town Clerk North read the language in State Code Section 15.2-1414.7 related to this item, which stated that "In addition to salary, each member of the council and the mayor of any town may be compensated with such benefits as are provided town employees by the town." She opined that because the Town offered employees the option of family coverage, the Council would receive this option as well if they elected to provide health insurance benefits to elected officials.

Town Administrator Semmes noted that the Council did not have to allow such coverage; however, if it did, it must offer the elected officials the same coverage as was offered to the employees. She reiterated that the Council was not required to offer it; and, noted that there was a cost associated with doing so. Ms. Semmes advised Council that she could let them know what that cost would be for the worst case scenario.

Mayor Davis asked the staff to provide the cost for providing family coverage and for individual coverage.

Councilmember Snyder noted that some members of the Council would not be starting a family at this stage in their lives.

Town Clerk North reminded Council that the individual members would not serve in that capacity forever. She explained that the policies needed to be written to address future Council's as well; and, noted that they needed to assume that future members may be young people who had families.

Councilmember Littleton suggested the members of Council be required to pay for the coverage. Vice Mayor Kirk explained that the Town could not require this.

Councilmember Hazard noted that this did not make sense and asked that this information be verified.

Councilmember Snyder opined that, years ago, a lot of towns had private insurance policies; and, the State did not care what councils did. He suggested this was when the Town policy was adopted.

Town Administrator Semmes read from an e-mail the Town received from the Town's Local Choice representative. She reiterated that the members of Council could not be treated differently than the employees.

Mayor Davis asked that the staff provide the Council with the potential cost of providing health insurance to elected officials.

Town Administrator Semmes reminded Council that they have discussed the compensation of the Mayor and Council; and, opined that the Council did not really compensate its members. Ms. Semmes expressed her belief that they should for the job they did. She noted that health insurance coverage was not as visible a benefit.

Councilmember Shea noted that, in the meantime, the Council needed to delete the language regarding appointed officials from the Employee Handbook. Town Administrator Semmes confirmed they did; however, it did not have to be done during this meeting.

Town Clerk North reminded Council that the Employee Handbook also included language regarding COBRA coverage; and, advised that until the staff knew whether the Council was going to make health insurance coverage available to its members, they did not know whether this language needed to be removed as well. She explained that given the proposal to hire new employees, if elected officials were offered health insurance, the language regarding COBRA needed to remain in the Employee Handbook. Ms. North further explained that if the Council did not offer elected officials health insurance coverage, this language needed to be removed as the Town would not be eligible to offer this coverage.

Councilmember Hazard questioned how much COBRA coverage would cost the Town. Town Clerk North confirmed it would not cost the Town anything other than the Town Treasurer's time. She explained that under COBRA, when an employee left the Town's employ, the Treasurer needed to notify the employee and any dependents that they were eligible to continue coverage through the Town's plan for eighteen months, provided they pay 100% of the premium. Ms. North confirmed that in the case of COBRA, the Town could require the member to pay the entire cost. She reiterated that the only cost to the Town was the time used by the Treasurer to send out the letters.

Vice Mayor Kirk opined that part-time employees did not received health insurance coverage. Town Clerk North confirmed that under COBRA, part-time employees counted toward the number of employees. She explained that two twenty-hour employees would be considered one employee for the purposes of COBRA; and, advised, that it was based upon a proportion of the part-time employee's hours.

Councilmember Murdock inquired as to the number of employees currently employed by the Town. Town Clerk North confirmed there would be thirteen employees effective July 1 as proposed in the budget.

Mayor Davis asked whether the number counted would only be those who actually took advantage of the coverage. Town Clerk North explained that the count would include anyone who was eligible. She reminded Council that the language needed to be written for the future.

After some discussion, the Council agreed to remove the language related to COBRA from the Employee Handbook and to add it back when needed.

Town Administrator Semmes advised that the reference to health insurance coverage for appointed officials needed be removed. She noted that the Council has requested additional information regarding elected officials. Ms. Semmes suggested this item be scheduled for consideration during the April agenda.

**Presentation** – Draft Utility Fund Budget for FY '14

Town Administrator Semmes advised Council that she felt comfortable with the budget as proposed. She reminded them that the water rates did not need to be increased; however, the sewer rates needed to be increased by 10% based upon the rate study. Ms. Semmes reported that the overall utility rate increase was proposed to be 4.4%. Ms. Semmes reminded Council that they have been approving a 6% rate increase for water and for sewer for several years. She opined that the Town could reduce the amount of the increase that the customers have been experiencing.

Councilmember Murdock reminded Council that the County's real estate assessors just came through town; and, opined that the property owners could expect an increase in their assessments. She noted that this should not affect the water and sewer rates; however, she opined that it did for the average person.

Town Administrator Semmes advised Council that they could consider reducing the real estate tax rate next year if they wanted. She noted, however, that the Utility Fund was not in as good a shape. Ms. Semmes reiterated that the Council could provide relief on the property side; however, they could not on the utility side.

Councilmember Littleton noted that the overall rate increase was only 4.5%. He advised that everything else was going up by more. Mr. Littleton opined that people realized the Town had a problem; and, noted that it still had utility lines in the ground from the 1940's.

Vice Mayor Kirk reminded Council that a lot of residents brought in water as they could not use the Town's, especially in her area.

Councilmember Snyder suggested the need to address the Town's most critical problems and to pay for the operation of the system. He explained that this was the reason the rates have been increasing; and, noted that the Town was just getting to the point of including capital improvements in the budget.

Councilmember Murdock expressed concerned that there were consumers who did not understand why the Town was increasing their rates when the water was still brown.

Town Administrator Semmes advised Council that she could provide them with some talking points. She noted that the Town was still digging itself out of a big hole.

Councilmember Murdock opined that the customers did not care about that. She advised that they only cared about the bill and the brown water.

Councilmember Shea suggested the Town could simply say that “instead of the projected 6% increase, it only needed to have a 4.5% increase and in addition, this budget included setting money aside for capital improvements to replace lines”. She recommended the Council talk about the plans for improving the water delivery.

Councilmember Hazard suggested they also include information on how the rates compared to neighboring jurisdictions.

Mayor Davis noted that people said the Town had the highest rates; however, this was not true.

Councilmember Littleton opined that customers would complain when they had to write a check; however, they would not once they understood the facts.

Town Administrator Semmes reminded Council that it would be easier for people to budget once the Town moved to bi-monthly billing.

Mayor Davis noted that the Council repeatedly heard about its rates. She suggested they must respond that “our rates are not that high”.

Councilmember Shea noted that there were two issues – the first, from the consumer’s perspective, was that it was getting harder to get by on a fixed income. She suggested the Council needed to acknowledge that and explain that they knew this “looked like an increase but here is the good news....”

Councilmember Littleton suggested they express hope that when Salamander was operating, the Town could put money into capital improvements.

Councilmember Snyder suggested the brown water was not as bad as it was ten years ago. Vice Mayor Kirk noted that it was still bad in some places.

Councilmember Littleton cited an example of one resident who, at times, had no water. Vice Mayor Kirk noted that there were times when she had no water pressure.

Councilmember Littleton noted that in the case of the individual he cited, there were too many people on a small line, with this individual being on the end. He explained that when everyone was using it, there was no water left for her. Mr. Littleton noted the need to loop the system. He reported that he was renovating a house in this area; and, advised that one of the neighbors showed him a water hose that barely had water trickling out of it despite being fully open.

Councilmember Snyder noted the need to develop a Capital Improvement Program (CIP) that identified the most critical issues in town. He suggested the need to identify the worst issues so the Town could start to address them. Mr. Snyder noted that the Town had engineering data and recommendations; and, opined there was no reason the Town could not start to attack these problems.

Town Administrator Semmes reminded Council that she proposed funding in the FY '14 budget to update the Town's Master Water & Sewer Plan. She noted that this plan was prepared in 2003; and, simply needed to be updated. Ms. Semmes suggested the target problems and priorities be identified during this update.

Councilmember Shea noted that the Council received information in many forms; however, the public did not hear it. She further noted that they have talked about what they were proposing on Washington Street. Ms. Shea suggested the need to let people know about the projects the Town was working on to improve its water.

Councilmember Snyder suggested the Town communicate to the consultant who updated the plan that the Town had serious flow and brown water issues. He further suggested the Town should identify those areas upon which the consultant should concentrate.

Town Administrator Semmes reminded Council that the budget drove the revenue needed in order to calculate the rates. She reported that the revenue sources were the same as usual.

Vice Mayor Kirk asked whether the tower lease rates were up to date. Town Administrator Semmes reported that there was only one tenant that was still on a month-to-month tenancy. She advised that all of the tenants were paying at least \$25,000 per year. Ms. Semmes opined that the rents were very competitive.

Town Administrator Semmes advised Council that the water and sewer revenues were proposed to increase by 27% in FY '14, in part due to the new user fees and in part due to Salamander's use of the system. She noted that it was important to acknowledge that the budget assumed Salamander would use 31,500 gallons of water per day based upon the information their engineers provided. Ms. Semmes reminded Council that the Town would not know the true usage until Salamander was in operation; and, noted that the Town would not get the water revenues until November if it switched to bi-monthly billing in July. She opined that it would be awhile before the Town knew how much money it would get from Salamander in the coming year.

Town Administrator Semmes reported that money was included in the proposed budget for capital improvements and replacement meters. She noted that funds were also included for the Washington Street utility work, which must be done. Ms. Semmes advised that the other items, such as the sewer relining, could wait until the end of the fiscal year so the Town could make sure it had the money to do so. She reported that she proposed the expenditures for Loudoun Water to remain the same; and, noted that she did not know if they would continue to be the Town's operator. Ms. Semmes suggested money could be saved by renegotiating or bidding the contract.

Councilmember Hazard asked whether the Nextel lease was guaranteed for 2014. He noted that Sprint has been telling its Nextel customers that it would no longer honor their leases. Mr. Hazard opined that the Town may lose this lease. Town Administrator Semmes confirmed that Sprint wanted to keep both leases.

Town Administrator Semmes reminded Council of the tower maintenance contract, which the Town has been hanging onto until the towers were painted. She reported that the contractor agreed to repaint them this year. Ms. Semmes noted that the last time the Town repainted one tank, the cost was \$85,000. She opined that the contractor would be spending a lot of money on the Town after having collected \$18,000 per year.

Councilmember Snyder reported that the contract cost was higher at the beginning of the contract, as the costs were front loaded. He advised that the costs have been decreasing over the years.

Town Administrator Semmes advised that this would be the last year this contract was included in the budget. She recommended that, after that, the staff put the contract out to bid.

Councilmember Snyder noted that the Town needed a maintenance contract. He suggested it made sense to put it out to bid.

Town Administrator Semmes asked whether the Council wanted to add the 15% of her salary and 25% of the Town Treasurer's salary back into the General Fund; and, noted that this was a policy decision. She advised that the transfer of this expense did not occur until the end of the fiscal year. Ms. Semmes suggested it could be budgeted for in the Utility Fund; and, if the Fund looked bad, the charges could not be put into it.

Councilmember Snyder suggested the General Fund pay the Utility Fund for the Town buildings that received water service. He noted that the Utility Fund budget was the tightest.

Councilmember Shea suggested this was a way to allow the General Fund to support the Utility Fund.

Town Administrator Semmes noted that she could include an estimate. She reminded Council that the meter was read at the Town Office; and, suggested it was the only building that was affected.

Town Clerk North questioned whether the Pink Box paid for its utilities. Town Administrator Semmes opined that they did. She noted that she would double check this; and, would put funds in the budget for whatever buildings for which the Town was not paying.

Councilmember Murdock asked whether the Middleburg Elementary School had a water meter. She noted that they did not pay for water service.

Councilmember Snyder confirmed there was a meter. He noted that if the school was closed, the Town would no longer provide free water.

Town Administrator Semmes reminded Council that the Town's debt service costs were going down due to the bond refunding. She reported that after the first year, the Town would save about \$10,000 per year. Ms. Semmes advised that the refunding closed earlier in the day. She reminded Council that under the new bond payment schedule, the Town would pay \$75,000 per year for the three years after the first year. Ms. Semmes noted that it would start to pay principal later in the schedule. She suggested the Town would refinance the bond again before it reached that point.

Councilmember Littleton suggested the Town pay it off before the bond needed to be refunded again.

Town Administrator Semmes advised Council that the proposed budget included \$10,000 for water meter replacements. She reported that the Town was currently replacing those meters that were not touch read, as well as some of the larger meters. Ms. Semmes noted that the Town only had a handful of one-inch and one and a half-inch meters and did not have many two-inch meters. She opined that there were less than ten large meters. Ms. Semmes reported that after that, the Town would be down to replacing residential meters.

Vice Mayor Kirk asked whether the Maintenance Supervisor could read the meters. Town Administrator Semmes noted that this required two people.

Vice Mayor Kirk suggested this could be another way to save money.

Town Administrator Semmes noted that the Town was only paying \$550 per quarter to the other individual to read the meters. She reminded Council that there would be two more readings per year under the bi-monthly billing system, which would result in an extra \$1,100 per year for meter reading.

Vice Mayor Kirk advised that she would rather give the overtime to the staff.

Councilmember Shea noted that the Town did not pay benefits for a contractor. She opined that the cost for paying the Town staff was not the same.

Town Administrator Semmes suggested the cost was reasonable.

Vice Mayor Kirk opined that Loudoun Water should have read the meters. Town Clerk North noted that they did once; however, the Town changed to the current system due to the cost.

Mayor Davis noted that the Maintenance Supervisor had the ability to read the meters. She suggested an “assistant” drive the truck while he read the meters in order to save money.

Town Administrator Semmes suggested that when the RFP was prepared for the overall system services, she could include an option for meter reading.

Councilmember Hazard asked whether all of the meters were touch read ones. Town Administrator Semmes confirmed the staff was working to change them over.

Town Administrator Semmes noted that the line item in the sewer O&M budget for the wastewater treatment plant looked a little high. She explained that, despite the Salamander punch list, a number of items needed to be replaced as they wear out, such as the UV lights that cleaned the water. Ms. Semmes reported that some of the items that were proposed were because OSHA required them.

Town Administrator Semmes advised that \$80,000 was proposed in the budget for capital, which included \$60,000 toward the Washington Street Water Line Replacement Project. Ms. Semmes reminded Council that the Washington Street Water Line Replacement Project was proposed to cost \$420,000 and advised that she would like to seek a loan for it. She noted that once the Town found out whether VDOT would pay any of the costs, it could seek the remaining money. Ms. Semmes advised that part of that project would address pressure problems on the east end of town; and, noted it would also help the wastewater treatment plant. She explained that the operators currently left the water off at the plant, which meant they could not flush the toilet.

Town Administrator Semmes advised that the proposed budget included \$20,000 for relining the sewer main on Federal Street. She explained that when this line was televised, the Town found that pieces of concrete have started to come off the pipe. Ms. Semmes advised that the easier solution was to reline the main. She suggested the Town piggy back on the existing contract from a neighboring jurisdiction rather than bid the project.

Mayor Davis reminded the Town Administrator that, at one time, the Council talked about putting money in the budget for the membrane replacements.

Town Administrator Semmes reported that this would fall under the replacement reserves. She reminded Council that during the rate study presentation, the consultants recommended the Town start saving money for this so it would be there when needed. Ms. Semmes noted that there were a lot of things other than the membranes for which the Town needed to save money.

Town Administrator Semmes reiterated that the proposed budget include revenue for three-quarters of a year from the Salamander resort. She advised that there was a question mark in terms of how much that would be.

Councilmember Snyder noted that the Town Administrator was constantly on the consultant (MSFG) to make sure the budget as proposed was built into the model.

Town Administrator Semmes advised Council that she would provide them with a rate comparison, would highlight the capital improvements in her budget message; and, would include funds in the General Fund to pay the Utility Fund for utility services. She suggested the Council talk more at the next meeting about both the General and Utility Fund Budgets.

### **Council Discussion** – Proposed Utility Rates for FY '14

Town Administrator Semmes thanked Councilmember Snyder for his help. She noted that he spent hours working with her and the consultant to get the rates to a point where they felt comfortable that they had simplified them for the Council. Ms. Semmes advised the Council that the consultants were accessible and responsive. She opined that they were a good choice to perform the study.

Town Administrator Semmes reminded Council that during their initial presentation, the consultants only provided the Council with quarterly rates, as it was easier to compare them with the current ones. She further reminded them that they have expressed a desire to go to bi-monthly billing. Ms. Semmes reported that the consultants have developed bi-monthly rates that would provide the same amount of revenue as the quarterly ones. She advised Council that, if they stayed with the existing rate structure, the water rates would not increase; however, the sewer rates would increase by 10%. Ms. Semmes advised that in fiscal years '15, '16 and '17, the increase would be 0% for water and 5% for sewer.

Councilmember Snyder noted that the overall increases would drop below 4.5% in the future. He reminded Council that the Town had the model and could extend the rates into the future with some level of confidence.

Town Administrator Semmes reminded Council that the consultants provided an alternative rate structure, identified as "Structure A". She noted that under this alternative, the customer would be charged a minimum charge and would pay on a per 1,000 gallon basis, with the amount of the rate increasing as the customer used more water. Ms. Semmes explained that a user of over 20,000 would pay more for those gallons than it would pay for the gallons below that amount.

Town Administrator Semmes reminded Council of the information presented during the last meeting on the number of gallons of water used by restaurants. She noted that the higher end restaurants used an average of 117,000 gallons of water on a monthly basis during the winter; and, advised that they would fall under the Tier 3 rates in the alternative schedule. Ms. Semmes reported that the sit down restaurants and lodging places would fall into the higher rates.

Town Administrator Semmes advised Council that, based upon consumption, only 1.4% of the customers consumed 2,000 gallons or less, 66% consumed less than 20,000 gallons and 32.5% consumed over 20,000 gallons. She reported that 17% of the Town's customers fell under the

2,000 gallon consumption range, 78% fell into the 2,000-20,000 gallon range and less than 5% used more than 20,000 gallons. Ms. Semmes advised that under the alternative rate structure, most customers would fall into the second tier.

Town Administrator Semmes noted that the last page of the rate structure handout compared existing rates with the proposals based upon levels of consumption. She reiterated that the water rates were not proposed to change; however, the sewer rates were proposed to increase by 10%.

Councilmember Snyder noted that he prepared an extensive spreadsheet to study the rate options. He advised that most of the customers who used between 2,000 and 8,000 gallons of water were residences; and, those who used 160,000 were larger businesses.

Town Administrator Semmes reported that if the Council stayed with the existing rate structure, the overall rate increase would be 4.6% for small users and 4.4% for all others.

Town Administrator Semmes reiterated that Alternate Structure A used a tiered structure system, meaning the customers would pay more if they used larger volumes of water. She reported that this would not change what customers paid for water. Ms. Semmes advised that the sewer structure would remain the same; however, the rates would increase by 10%.

Councilmember Snyder reported that he ran through the computer model several times to make sure the numbers were right. He advised that he would vouch for the numbers.

Town Administrator Semmes reported that under Alternative Structure A, instead of a 4.6% increase for a customer who used 22,000 gallons of water, he would see a 21.2% increase. She noted that those who used somewhere in the middle would see a decrease in their bills.

Councilmember Snyder noted that there was a lot of volatility in the tiers. He advised that initially, he believed there was some potential for Alternative A; however, he no longer believed it would work for the Town's customer base.

Town Administrator Semmes agreed. She noted that customers who used more water were harder on the system; therefore, the rate structure made sense. Ms. Semmes suggested, however, the Council needed to look at what was practical.

Mayor Davis reminded Council that they have been talking about promoting business. She opined that increased utility rates could send businesses packing.

Councilmember Snyder noted that Alternative A would provide the Town with the same revenue; however, it did not look at the difference in what the Town's customer base paid.

Town Administrator Semmes advised Council that there were two decisions that needed to be made; and, noted that the first was whether they wanted to increase the rates. She reminded them that everyone recommended they do so in order to provide the revenue needed to operate the system.

Councilmember Snyder advised Council that the budget expenditures were included in the rates. He reiterated that the rates would generate the revenue necessary to pay the expenditures. Mr. Snyder advised that the revenue side of the budget was also included in the model.

Town Administrator Semmes reiterated that it was the Council's decision as to whether they wanted to increase the rates.

Councilmember Snyder advised that he thought about the opportunities that existed with Alternative A; however, after looking at how it would affect the customers, he did not recommend it.

Town Administrator Semmes advised Council that the second decision they had to make was how to deliver it to the customers. She noted that the Council wanted to go to a bi-monthly system; however, she asked whether they wanted to stay with the existing rate structure or go with Alternative A.

Councilmember Littleton recommended the Town stay with the same structure. He noted that people were struggling, including the restaurants.

Councilmember Snyder noted that he ran a lot of numbers for both alternatives, did a lot of comparisons and looked at the differences in the bills. He advised that he worked with the consultant to rectify every discrepancy.

Town Administrator Semmes reminded Council that during their presentation, the consultant recommended the Town stay with the existing rate structure.

Town Administrator Semmes asked whether the Council could go one more meeting before it needed to advertise the rates. She noted the need to advertise the real estate tax rate. Town Clerk North reported that the real estate tax rate only needed to be advertised if the rate was going to increase. She reiterated that if the rate was remaining at twenty cents, it did not need to be advertised for public hearing. Ms. North noted that no matter which rate structure was selected, it sounded like the Council was talking about increasing the sewer rate by ten percent. She advised that this would require an advertisement for two weeks, with one week between the ad and the public hearing. Ms. North reported that the good news was, unlike the budget, the rates could be adopted on the same evening as the public hearing.

Councilmember Snyder recommended the rates be advertised for public hearing. He asked whether the Council needed to advertise the change to bi-monthly billing.

Councilmember Shea opined that the Council had already told the residents it was changing to bi-monthly billing.

Town Clerk North advised that the staff has told customers that the Council was considering the change. She further advised that when the water ordinance was amended, the language was changed to delete the reference to quarterly billings. Ms. North recommended that, if nothing else, the customers needed to know for budgeting purposes that instead of having a bill due in October, it would be due in September.

Councilmember Snyder noted that the Town was not required to bill starting in July. He opined that it may be an advantage to start the bi-monthly billing cycle in June. Mr. Snyder noted that the Town would then be billing for June and July, followed by August and September.

Town Administrator Semmes noted that this would move the billing cycle across the fiscal year.

Town Clerk North noted that the next meter reading would occur the end of this month. She advised that if it was done as Councilmember Snyder recommended, the following reading would have to occur the end of May. Councilmember Snyder agreed this would not work.

Town Clerk North reported that this would result in an additional billing cycle in the current fiscal year for which the Town had not budgeted.

Councilmember Snyder noted that the reason he suggested it was the Town would not receive its first payment from Salamander until November if the bi-monthly billing cycle took effect starting July 1.

Vice Mayor Kirk suggested the staff read Salamander's meter each month for informational purposes so the Town would have an idea of their usage.

Mayor Davis recommended the citizens be advised that the system would be going to a bi-monthly system.

Town Clerk North reiterated the need to alert citizens that they would need to budget to pay their bills on a bi-monthly basis.

Vice Mayor Kirk recommended this notice be included in the next billing statement.

Councilmember Shea suggested the staff notify the citizens of the payment schedule for the coming year.

### **Town Council Reports**

Councilmember Shea reported that Go Green did not meet this month due to the weather.

Mayor Davis reported that the Route 50 Traffic Calming Committee was on board with regard to the crosswalks in Middleburg.

Councilmember Snyder reported that he would work with the Town Clerk to address the edits suggested by Councilmember Shea and any other member of Council to the Wellhead Protection Plan; and, would bring a revised document back to the Council. He noted that he would update the Wellhead Protection Advisory Board on the revisions when they next met. Mr. Snyder reminded Council that a lot of committees did not understand how the Town government structure worked; and, thought they could just do things. He noted that some members of the Committee wanted to make zoning changes. Mr. Snyder opined that this was a learning process. He noted that the Committee members knew a lot about wellhead protection and water sources, which the Town needed.

### **Discussion**

Vice Mayor Kirk reminded Council of their previous discussion related to the salaries for the Mayor and Council. She offered an alternate proposal, which was to double the Mayor's salary next year and to look at how the towns came up with their salary amounts. Ms. Kirk recommended the staff check with more towns. She encouraged the members to submit for reimbursement for mileage if they travelled to a meeting. Ms. Kirk advised that she was having a hard time giving the Councilmembers that much money; although, she was not saying they did not deserve it. She reminded Council that they were considering a 4.5% utility rate increase and hiring more employees.

Town Administrator Semmes advised Council that she would probably remove the request to hire an administrative assistant for the Town Office.

Vice Mayor Kirk reiterated that she would like to find out how others jurisdictions handled their salaries.

Councilmember Snyder opined that mayor and council salaries were a political decision. He noted that the Town could compare itself to other communities; however, he suggested the increase was way overdue.

Vice Mayor Kirk noted that she did not disagree; however, she suggested this was not the year to do so. She recommended it be done after Salamander had been open for a while.

Councilmember Snyder opined that there would be extra revenue as the budget estimates were conservative. He suggested it was time for an increase; and, noted that the salaries had been ignored for decades.

Councilmember Shea noted that she was not present during the previous discussion. She advised that she thought about this issue; and, believed the Mayor's position was completely separate from the Council. Ms. Shea noted the demand on the Mayor's time and the position's responsibilities. She suggested this was not a Council issue. Ms. Shea opined that the Council needed to look at philosophically who it wanted on the Council; and, suggested they wanted people who wanted to serve the community. She advised that a salary was not something she wanted to get.

Mayor Davis opined that it was not considered a "salary". She agreed with Councilmember Snyder that the elected officials' pay has been overlooked since the 1970s. Ms. Davis noted that the Council was talking about a total increase of less than \$20,000. She reiterated her opinion that this was not "compensation". Ms. Davis noted that the Council was talking about \$2,400 each for its members. She opined that if she put in for mileage, the Town would pay her more than that. Ms. Davis advised that she did not believe that \$2,400 would bring "odd characters" out to run for Council.

Councilmember Snyder advised that when he ran for Council, it was not for pay. He suggested, however, that an increase was fair as the issue had been ignored for a long time. Mr. Snyder reminded Council they put time into the position. He suggested the Town had the revenue to support an increase.

Councilmember Shea noted that the Town did not have the revenue; although, it could project it was coming. She opined that the Council should not take an increase until the revenue was received.

Councilmember Hazard agreed. He noted that this was being proposed after increasing the sewer rates. Mr. Hazard suggested this was a political decision; and, questioned the appearance for the town resident. He opined that they would think about Congress who gave itself a raise even though the country had a deficit.

Councilmember Murdock noted that the Council had put off the raise every year because it was not in good shape financially.

Vice Mayor Kirk opined that the Town was not yet "out of the woods". She suggested it would have expenses that were not included in the budget.

Councilmember Murdock questioned the difference in what was proposed and what was budgeted. Town Administrator Semmes advised that it was in the range of \$20,000.

Vice Mayor Kirk suggested the Council delay the increase for one year.

Town Administrator Semmes noted that someone suggested waiting until mid-year to see if the revenues would support it.

Councilmember Snyder inquired as to the contingency reserve that was included in the General Fund. Vice Mayor Kirk noted that it was currently proposed at \$195,000. She reminded Council of the need to use the contingency for things that were not budgeted.

Mayor Davis reminded Council that the budget was based on a conservative view of the revenues.

Vice Mayor Kirk opined that the General Fund may have to bail out the Utility Fund.

Councilmember Littleton agreed with Councilmember Shea that the Mayor should be given an increase; and, noted that she spent much time on her duties.

Mayor Davis advised that she would not accept an increase unless the Council did.

Town Administrator Semmes noted that this was a common problem for communities. She reminded the Council that the Town's budget represented the community paying for its government. Ms. Semmes opined that the citizens should respect the work of its elected officials. She suggested the need to recognize the members' contributions like other communities did. Ms. Semmes opined that the salaries should be based upon a level of respect.

Councilmember Murdock reminded Council that the next elections would be held in 2014. She suggested the increase was overdue. Ms. Murdock expressed a preference that this Council adopt the increase in salaries as of July so it would not put the decision on the new members. Councilmember Snyder agreed.

Vice Mayor Kirk reiterated her recommendation that the Council wait. She noted that they were very lucky to have a surplus. Ms. Kirk suggested the Council wait a year for an increase; however, she advised that she would like to see the Mayor's salary go up now.

Councilmembers Murdock and Hazard suggested the Council review this in six months.

Councilmember Littleton suggested the Mayor be given an immediate increase. Councilmember Shea agreed. She noted that it was up to the Mayor to decide whether she would accept it or not. Ms. Shea suggested the position of Mayor deserved an increase.

Councilmember Snyder suggested the Council should not place that pressure on the Mayor. He noted that she would be the only one to be criticized for the increase.

Mayor Davis opined that any increases should be across the board.

Councilmember Murdock noted that the Mayor was up for election in 2014. She recommended the increase occur this year so it would not occur in the year she was up for election.

Town Administrator Semmes recommended she put money in the budget for the increases to start in January. She noted that if the Council was not comfortable with the revenues, they could remove the increases.

Councilmembers Snyder and Shea agreed. Councilmember Shea recommended the Council allocate the money in the budget, but not activate the increases for six months. She further recommended they review the issue again in six months. Councilmember Murdock agreed.

Town Administrator Semmes advised Council that she would try to find out how other localities came up with their numbers.

Vice Mayor Kirk noted that some of the other jurisdictions' numbers were odd amounts. Town Clerk North advised Council that Front Royal's Town Council adopted a resolution to set the salaries for their Mayor and Councilmembers; and, noted that the resolution also included a clause that automatically increased the salaries annually based upon the consumer price index. She noted that this resulted in some odd salary figures.

Councilmember Snyder suggested money be put in the budget for the increase, starting in December.

Town Clerk North noted that she would set up a tickler file to review this item again in December.

Vice Mayor Kirk noted that the Council was talking about a salary of \$2,400 per member. She asked how much was being proposed for the Mayor.

Town Administrator Semmes opined that it was \$6,000. She advised that she would return with that, as well as what other communities should do.

Vice Mayor Kirk reminded Council that Councilmember Snyder expressed concern about setting the Mayor's salary above the salary for Purcellville's Mayor.

Councilmember Snyder suggested the staff check on the salaries for the coming fiscal year.

Councilmember Shea asked that the Council not refer to this matter as "Betsy's" salary; and, noted that the discussion was related to the position, not the individual.

Vice Mayor Kirk noted that her point was that the Mayor's salary should be raised. She proposed that rather than granting the increase in December, it should occur in July.

Mayor Davis noted that she would be more comfortable if it occurred at the same time as the Council's increase.

Town Administrator Semmes apologized to the Council; and, noted that the proposed budget included an increase in her salary. She reminded them that she did not do that last year. Ms. Semmes reminded Council that last year, they determined the increase when they did her performance review. She advised that she would like to do this again this year. Ms. Semmes advised that she would remove the increase from the budget; and, noted the Council could put it back in. She asked that they do her performance review before the end of the fiscal year. Ms. Semmes explained that the Town Treasurer prepared the salary numbers; and, noted that she did not think to pull hers out.

Councilmember Shea proposed that once the library expansion was complete, the Town should recognize Mike Morency, Dennis Cotter and Jeff Baldwin for their hard work. Town Clerk North noted that she would make a tickler file for this recognition.

Councilmember Shea advised Council that she had some questions regarding location, time, etc. with regard to the retreat. She noted that she had already spoken with the Weldon Cooper Center and sent an email to Mike Chandler. Ms. Shea advised that after she spoke with him, she would come to the Council for dates. She noted that one of the questions was whether the Council wanted to hold the retreat on a weekend.

Councilmember Murdock asked whether it should be held in Middleburg. Councilmember Shea noted that this was a question. She suggested the Council go to The Hill School

Councilmember Hazard suggested the retreat not be held in the Town Office. Councilmember Littleton agreed; however, he recommended it be kept in Middleburg.

Councilmember Murdock suggested the use of the Community Center. Councilmember Shea noted that it was hard to hear in the Community Center if more than one person was talking. She advised that she would keep working on the questions and would get them out to the Council.

Councilmember Shea noted that, during the last meeting, Councilmember Hazard asked that the Council make a decision by April 1 regarding e-mails. Councilmember Hazard noted that he had already set his up. He reminded Council that he said his would be done by April 1.

Councilmember Murdock suggested the members do this individually and let the Town Clerk know when they had. She advised that this was an individual assignment.

Councilmember Snyder explained that his issue was that if he did not see it, he would not think about whether he had Town mail. He noted that when it came to his regular e-mail address, it was simply sitting there. Mr. Snyder advised that if there was a Town discussion going on that involved more than one member in the discussion, he would be happy to defer the conversation to his Middleburg account. He noted, however, that if the e-mail was between himself and the Town Clerk or Town Administrator, he would continue to use his regular e-mail account. Mr. Snyder opined that the highest risk with regard to FOIA was conversations between members of the Council.

Mayor Davis noted that if the Council could honestly say, it did not do any Town work unless on it was on the Town account, no one could take their home computers.

Councilmember Shea noted that she did not want to create a new email account. She further noted that the Town Planner indicated there was a way to channel into her existing account; and, advised that this was what she wanted to do.

Councilmember Murdock reported that this was what she did. She advised that she received Town e-mails that were channeled straight to her personal e-mail account. Ms. Murdock advised that she planned to “unchannel” it.

Vice Mayor Kirk noted that the Town Clerk was channeling the Town e-mails.

Town Clerk North reminded Council that currently their Town e-mails went into their Town e-mail accounts. She noted that if the members did not check their accounts, they never knew the e-mails were there. Ms. North reminded Council that copies of the e-mails were forwarded to her; and, she then forwarded any that were actual Town business to their personal accounts. She noted that the e-mails were still sitting in the members’ Town e-mail accounts; and, advised that they were getting the copies she forwarded to them.

Town Administrator Semmes advised that this raised an issue for her. She noted that if she sent a confidential e-mail to the Mayor, the Town Clerk did not need to see it. Ms. Semmes advised that she asked the Town Clerk to uncouple the e-mail so she did not have access to the Mayor and Councilmembers’ Town e-mails. She noted that this would mean the Council would get more junk mail; however, she opined that it was better.

Town Clerk North asked whether the Council was comfortable with the uncoupling. She noted that she was used to receiving the Council's e-mails as she was essentially the members' administrative assistant.

Councilmember Littleton reported that he wanted to leave the system as it was set up for him.

Councilmember Murdock suggested this was an individual decision.

Town Administrator Semmes reiterated that she wanted to be able to talk to the Council confidentially.

Councilmember Shea suggested this was not an individual decision. She advised that if she sent an e-mail to the Mayor, she wanted to know that the Mayor was the only individual that would see it.

Councilmember Murdock reported that she was approached by a neighbor who said the Middleburg Elementary School was at risk again. She noted that she sent the Town Clerk an email that she wanted sent to the Council. Ms. Murdock advised that the Board of Supervisors did not approve the School Board's funding request; and, was proposing that the School Board close all of the small schools. She noted that there was a belief that the vote would be taken very quickly.

Mayor Davis reported that she was told that nothing would occur until next year.

Town Administrator Semmes noted that the Board of Supervisors did not give the School Board all of the funding they needed even under the reduced budget. She further noted that they must cut \$16 million from the next fiscal year budget; and, advised that the School Board was trying to decide where to cut the funds.

Councilmember Murdock asked that the members read the e-mail and send something to the School Board asking that they not close the Middleburg Elementary School.

Mayor Davis reminded Council that money was being raised for an endowment fund so the school could not be closed. She advised that the endowment fund would pay the difference between the funding and the cost to operate the school.

Councilmember Shea asked whether the PTO had continued their discussion of what to do. She noted that she attended a meeting regarding charter schools.

Mayor Davis reported that this was a separate issue from the endowment.

Councilmember Shea asked whether discussion was still being held on the proposal to use the Middleburg and Aldie Schools so one would house lower and one would house upper classes. Councilmember Murdock confirmed it was being discussed.

Mayor Davis noted that there was also discussion regarding Middleburg and Banneker Elementary Schools; and, noted that Banneker was over crowded.

Councilmember Shea noted that the lines were redrawn to take students out of the Middleburg Elementary School.

Councilmember Hazard opined that this was done to justify closing the school. He questioned how the endowment was going.

Mayor Davis reported that the work had just started. She advised that they had minimal money; however, they were sending letters seeking donations.

Councilmember Littleton suggested the need to identify a number that was being sought. Mayor Davis reported that they were trying to raise \$1 million. She advised that it would only take \$50,000 a year to make up the difference. Ms. Davis noted that this could change; therefore, the endowment amount needed to be built up. She reported that the idea was to raise more than \$1 million so there was plenty of money available to fund whatever the difference would be.

Vice Mayor Kirk noted that the School Board owned the land in Maxville. She further noted that trees have been planted in front of it; and, asked why this money was wasted. Ms. Kirk suggested the property be sold.

Town Administrator Semmes noted that she and the Town Clerk were talking about how school boards were elected but had no power to raise money. She suggested it was almost better that they be appointed or they should be given taxing authority. Ms. Semmes noted that this hybrid model created tension between school boards and board of supervisors.

Mayor Davis distributed invitations to the Middleburg Film Festival press conference.

Mayor Davis announced that the Middleburg Museum Foundation would hold an auction on April 26<sup>th</sup> to raise money.

There being no further business, a motion was made to adjourn the meeting at 8:33 p.m.

APPROVED:

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Betsy A. Davis, Mayor

ATTEST:

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Rhonda S. North, MMC, Town Clerk