



**MIDDLEBURG TOWN COUNCIL
REGULAR WORK SESSION
MINUTES
April 25, 2013**



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

The Town Council of the Town of Middleburg, Virginia held their regular monthly work session on Thursday, April 25, 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.

Annual Report – Historic District Review Committee

Mayor Davis welcomed the Historic District Review Committee and thanked the members for their service.

Chairman Turnure advised Council that the HDRC’s year has been fairly quiet as far as new construction was concerned. He noted that the last large projects they worked on were the Chinn’s Crossing and National Sporting Library projects that were approved a couple of years ago. Mr. Turnure reported that they have not worked on any “impact” projects this year; and, have only worked on smaller projects and signs. He noted that the one project that was of note was Jim Treptow’s project on the corner of Federal and Jay Streets, which was currently an empty lot. Mr. Turnure reminded Council that there have been a number of applications for this property over the years; however, this was the most serious.

Chairman Turnure advised Council that while the Treptow plans complied with the zoning ordinance, the HDRC was concerned the building was too massive. He reported that as a result of this project, the Committee realized the zoning ordinance requirements regarding square footage and building height, made buildings too massive. Mr. Turnure suggested the HDRC needed to work with the Planning Commission to look at the height restrictions in order to make them more accommodating for some projects. He advised that, in the end, the Treptow Project ended up in everyone’s favor. Mr. Turnure noted that while not everyone was happy with every application that was presented and voted upon, the HDRC came to agreements that they felt were acceptable and appropriate. He reported that he was not aware of any project in which the Committee did not have a unanimous decision. Mr. Turnure advised that they talked and listened to each other’s thoughts and respected people’s comments; and, tried to massage applications to everyone’s satisfaction. He further advised that they tried to work with the applicants. Mr. Turnure opined that they were great in how they approached things. He advised that some architectural review boards in this area tended to take on their historic district as a “museum piece” that they wanted left as is; however, the HDRC was flexible. Mr. Turnure explained that while they did not want something to distract or take away from the town, they recognized this was a vibrant, living town.

Chairman Turnure reported that the Committee's main objective this year was to update the Historic District Guidelines. He reminded Council that they were prepared years ago; and, noted that they were done by an employee in his office under the guidance of the HDRC. Mr. Turnure advised that the guidelines have been massaged some over the years; however, they needed to be clearer and not as vague. He noted that they needed to be updated to take into consideration items such as satellite dishes and solar panels; and, so they would back up the HDRC when they made a decision. Mr. Turnure expressed hope that the guideline update would be completed this year; however, he noted that this was a funding issue. He reported that the Committee would work with the Council to complete the update.

Committee Member Albers asked whether the Committee needed to formally ask the Council for funding to update the guidelines. Town Administrator Semmes reported that funding to hire a consultant was already in the proposed budget.

Mayor Davis advised the Committee that if they were ever working on something and needed help, they could ask the Council. She noted that the Council could amend the budget if needed.

Vice Mayor Kirk agreed; and, noted that the Council wanted the Committee to have the tools it needed.

Councilmember Snyder noted that the Council was considering the budget at this time; and, would review it again in mid-year.

Councilmember Shea advised that one of the reasons the HDRC was asked to come to the Council meeting was that the Council wanted them to get into the habit of checking with the Council and saying "this was coming up" so the Council could see what the HDRC needed. She advised that the Council would rather plan than react to items.

Chairman Turnure noted that he has lived in Middleburg since he got out of school and loved the town. He opined that people cared about it. Mr. Turnure noted, however, that it was not a "sacred cow" and was a living, breathing organism. He advised that the HDRC wanted to leave its mark on the town; and, opined that everyone made contributions and wanted to feel they could continue to do so. Mr. Turnure explained that this was their approach to major applications.

Chairman Turnure advised Council that the Joint Architectural Review Board's (JARB) awards were coming up soon. He explained that the JARB gave out awards each year for exemplary projects. Mr. Turnure advised that Middleburg continually had projects that the Board felt were better; however, they wanted to extend awards to other communities. He opined that the town had lots of good things happening and that people appreciated it. Mr. Turnure advised that he took his position seriously, as did the other Committee members.

Committee Member Albers reported that she presented a large number of sign applications for the JARB's consideration as Middleburg had great signs. She further reported that the Emmanuel Episcopal Church addition received an award, as did the French Hound and Fire Fox signs. Ms. Albers noted that the Council would receive invitations to the awards ceremony.

Town Administrator Semmes reported that she served on the Loudoun County Design Cabinet; and, noted that they also looked at signs. She suggested that she work with the HDRC to submit an application; and, opined that the Design Cabinet would love to give a "town award" to Middleburg for its signs. Ms. Semmes noted that signage made such a difference in the quality of a visitor's experience to a community.

Councilmember Hazard advised the HDRC that the Planning Commission has already changed the height restrictions in the C-2 District. He suggested that a meeting be set up with the Planning Commission. Mr. Hazard reiterated that the height restrictions were just changed in the C-2 District; and, noted that they were dropped by five feet. He questioned how something could be set up so there was communication between the two groups so the Commission would have their input before they moved forward with the Comprehensive Plan update.

Councilmember Shea asked whether the Planning Commission received the HDRC's meeting minutes. Chairman Turnure confirmed that both groups received the other's meeting minutes.

Councilmember Shea suggested that at the end of each meeting, each committee should note whatever item(s) they would like the other board to consider.

Councilmember Hazard reiterated the need to have the HDRC's information as the Commission was working on the Comprehensive Plan update.

Mayor Davis suggested that Councilmember Hazard attend the HDRC meeting as the representative for the Planning Commission.

Chairman Turnure noted that Councilmember Littleton was the Council representative for the HDRC. He suggested the two members of Council could share information.

Councilmember Hazard advised that he liked the idea of holding a joint meeting. He suggested this be scheduled so the two groups could identify what they needed to work on together.

Vice Chair Lee opined that this would be a good thing to do. She suggested the need for both committees to operate parallel to each other. Ms. Lee advised that when the HDRC saw an application and started asking questions, it needed a better understanding of what the Planning Commission was considering and vice versa.

Councilmember Shea advised the HDRC that the Council was planning to hold a retreat. She noted that one thing that came up for the retreat agenda was how to help get businesses into town. Ms. Shea advised that she would like the HDRC's perspective. She further advised that she would like for the HDRC to provide feedback on how to help people move through the system faster. Ms. Shea opined that it was overwhelming for business owners when they wanted to open a business. She reiterated that she would like to expedite the system; and, would like to hear the HDRC's ideas.

Vice Chair Lee opined that this started with the landlord. She noted that landlords had the business owners sign leases but did not tell them what they needed to do through the Town to start their business. Ms. Lee advised that often, a business was ready to open its doors and came to the Town with a sign request for a sign that was already made.

Mayor Davis suggested the landlords should know when working with a business owner to tell them they needed to go to the Town Office. She noted that sometimes the Town Office did not know about a business until it was ready to open.

Councilmember Shea suggested the staff work with the realtors to improve the process. Vice Chair Lee agreed; and, noted that many of them had listings for rental properties. Chairman Turnure suggested this was information the owner should provide to the agents.

Councilmember Murdock advised that a good agent would do a feasibility study; however, some did not always do so.

Chairman Turnure noted that the HDRC encouraged people to come before them for a pre-application review so they could get feedback. He advised that this would avoid having an applicant come with a full set of construction documents only to find he could not do what he wanted. Mr. Turnure noted that the applicants also needed to work with the Planning Commission. He advised that the HDRC needed to know what was coming from the Planning Commission and how that could impact what was presented to the HDRC.

Councilmember Hazard noted that when the Planning Commission received a site plan, they always told the applicant they must go to the HDRC. He advised that the Commission also asked for a preliminary review and did not want an applicant to go too far down the road only to find they could not build what they wanted. Mr. Hazard confirmed the Planning Commission tried to make sure the applicant also saw the HDRC. Chairman Turnure noted the same was true of the HDRC with the Planning Commission.

Councilmember Murdock asked the HDRC whether there was anything they needed help with from the Council. She further asked whether the Council was not doing something that would be helpful to the HDRC. Ms. Murdock opined that the relationship between the two bodies was good. She noted that “teams” changed; however, she suggested that as long as a system was in place to allow for the flow of information, this would not matter.

Chairman Turnure expressed his feelings that the Council was behind the HDRC 100%. He advised that they felt that if they denied an application and it was appealed to the Council, the Council would respect what they were doing. Councilmember Murdock noted that the HDRC consisted of professionals who knew what they were doing.

Chairman Turnure asked that the Council let the Committee know if they had questions or received feedback regarding what the HDRC was doing.

Councilmember Murdock asked that the HDRC let the Council know of anything that was “sticky” before they denied it.

Vice Chair Lee noted that the HDRC worked on some things for over a year before making a decision.

Councilmember Littleton noted that he has mentioned to applicants that the Council supported the HDRC and did not usually overturn their decisions. He advised that he could only remember one time in thirty years in which a decision was overturned. Chairman Turnure advised that that particular building came back to haunt the town.

Councilmember Murdock opined that the Council would still back the HDRC; however, she noted that it would be good to understand the reasons why something did not make sense.

Chairman Turnure reiterated that he had a discussion with Councilmember Murdock prior to the meeting. He advised that the HDRC members kept issues in mind; however, the cost and economics of what people were asking was only a small part of their decision. Mr. Turnure explained that the Committee tried to work with people; however, they would not allow the beauty of the town to be affected in order to save someone money. He advised that the Committee did try to offer options and to be flexible.

Councilmember Shea asked whether the HDRC’s agenda allowed for an exchange if the Go Green Committee wanted to attend a meeting to talk about issues. Chairman Turnure confirmed it would. He reminded Council of the lighting and dark sky issues that were recently

experienced. Mr. Turnure advised Council that the Committee was on board with regard to dark sky issues; however, they also needed to consider the availability of historical light fixtures. He explained that some fixtures may be more contemporary than the Committee wanted; and, advised that they did not want to be forced to use them just to address dark sky issues. Mr. Turnure noted that manufacturers were developing more fixtures that were night sky compliant and historical in nature. He advised that the HDRC would love to have Go Green attend a meeting; and, suggested a discussion item could be added at the end of the meeting.

Mayor Davis thanked the HDRC; and, noted that they have left their footprint on the community. She opined that the town looked beautiful; and, noted that the Committee respected that Middleburg was a working town.

Chairman Turnure opined that it was nice when people who have not been to Middleburg for twenty years came back and said “it has not changed much”. He noted that even though a lot happened, it was integrated into the streetscape so it fit into the fabric of the town.

Mayor Davis noted that the HDRC did a lot of work and did it quietly. She agreed the Council supported the HDRC; and, advised that on the rare occasion it did not, it was because there was a reason. Ms. Davis acknowledged the work the members put into the reviews; and, advised that the Council respected their reasons for making decisions. She noted that when the Council made a decision, it must look at the broader picture, whereas the HDRC has been asked to look at historical appearances.

Chairman Turnure expressed an understanding of this; and, advised that the Committee would give its opinion on how it looked at something so the Council could have that as a part of its decision making process.

Mayor Davis asked the Committee to come to the Council if they needed anything.

Public Input

Michael Pappas, 3701 Chain Bridge Road, Fairfax, Virginia, appeared before the Council regarding the Town’s policy on water line breaks. He advised that he and his wife owned a number of historic houses throughout Virginia, all of which dated before 1860. Mr. Pappas opined that Middleburg was a great fit for them; and, advised that they found a home to restore at 5/7 Jay Street. He noted that this home was originally part of the Middleburg Academy. Mr. Pappas advised that all of the rent collected from this property went into maintaining it.

Mr. Pappas advised Council that two weeks ago, he and his tenant found an underground leak in the water line serving the property, which was caused by a rusted galvanized pipe that has probably been in the ground since water was first provided to the residence. He noted that the leak was undiscoverable. Mr. Pappas reported that his tenant was not in a position to absorb the water bill, which came to \$10,000. He advised that the staff has relieved the sewer portion of the bill; however, a balance remained of \$5,800. Mr. Pappas assured Council he would assume responsibility for this bill.

Mr. Pappas advised that a similar issue occurred a couple of years ago when there was a break on the other side of the meter and it was the Town’s pipes that were rusted. He noted that it took a considerable amount of time and lost water before that leak was discovered.

Mr. Pappas opined that most jurisdictions when faced with an undiscovered problem would provide the customer with a one-time only adjustment to the bill. He noted that he understood that Middleburg may have had such a policy a few years ago. Mr. Pappas asked for compassion,

not for himself as he could defer maintenance on the house, but rather for others who may find themselves in a similar situation. He noted that he had a child in college and a daughter that liked horses. Mr. Pappas reiterated that he did not want his tenant to face the bill; therefore, he would absorb it. He reiterated that he was thinking of people in the future. Mr. Pappas noted that the town had seven hundred residents; and, suggested there were others who faced this same problem. He opined that the ordinance did not allow for consideration of equity. Mr. Pappas asked, even if it was not retroactive, that the Council reconsider its approach to an undiscoverable leak. He noted that he was not talking about the cost to repair it.

Mayor Davis advised Mr. Pappas that this matter would be placed on a future agenda for discussion. She expressed appreciation for his raising this issue.

Councilmember Littleton expressed sympathy; and, noted that he experienced the same problem two weeks ago.

Continued Budget Discussions – FY '14

Town Administrator Semmes advised Council that she tweaked the budget; and, noted that they were provided only those pages which have changed. She reported that even with the changes discussed, there was still a contingency reserve of over \$158,000, which was more than the Town has ever had in the past. Ms. Semmes noted that she had no clue as to what the revenues would look like in six months; however, she felt good that the Town had a cushion. She advised that she included the Mayor and Council's compensation for six months; and, noted that the Town Clerk had set up a tickler to place this item on Council's agenda in December. Ms. Semmes advised that she also included a Town Committee Support line item in the proposed budget.

Councilmember Murdock noted the funding that the HDRC requested. Town Administrator Semmes reported that there was already a line item in the budget for these consulting services. She reminded Council that the Town Planner indicated that these were volunteers who were each supposed to be working on a chapter; however, the work was not getting done. Ms. Semmes opined that it was not fair to ask volunteers to do this work.

Councilmember Littleton opined that the HDRC had done a nice job on the Historic District Guideline updates. He noted, however, that each member had simply taken information from different places; and, advised that it did not all originate from one location.

Town Administrator Semmes explained that the idea was to hire a consultant to finish the job. She further explained that the consultant would bring the text together and work with the HDRC on those sections that they have not finished. Ms. Semmes expressed hope that there would be enough money to also update the photographs in the guidelines.

Councilmember Murdock questioned how the \$5,000 would be spent for committee support. Town Administrator Semmes suggested that if Go Green wanted to produce a brochure, they could ask for some money.

Councilmember Shea suggested the need to define how it would be used. She recommended that in future budgets, the Council consider whether things needed to be shifted.

Town Administrator Semmes suggested that in the future, the committees may want to submit a budget request as the Middleburg Arts Council did.

Councilmember Shea suggested that when the Council met with the committees each month, they should ask them to think about what they would like to include in the budget.

Councilmember Murdock noted that the Police Department budget included \$1,700 for subscriptions and publications, which was an increase of 240%. She questioned what cost so much.

Chief Panebianco reported that \$300 was for the Police Department's website and \$165 was for hosting it. He advised that it also included the Rosetta Stone training materials, the purchase of Norton Antivirus software and his membership to the Police Chiefs Association.

Mayor Davis suggested there be a line item for IT related items. She further suggested these items should not be located in the subscription line item. Councilmember Murdock agreed.

Town Administrator Semmes expressed concern about setting up a separate line item for this given that the amount was small. Police Chief Panebianco reported that the total website costs were \$465.

Mayor Davis suggested that another option was to add "IT" to the title for this line item.

Chief Panebianco reported that the multi-user Rosetta Stone subscription would be secured through an outright purchase as opposing to a recurring subscription; therefore, the budget would go down next year. He advised that the Norton Antivirus software was a two year subscription; and, noted that this cost would reoccur every two years.

Town Administrator Semmes recommended the website costs be placed under the maintenance contracts line item.

Councilmember Shea suggested that if it was placed under that line item, it should be noted that this was for program maintenance. She suggested that if the cost was placed under the Equipment Maintenance line item, the title should be expanded to Equipment and Software Maintenance.

Councilmember Murdock inquired as to what the \$500 would be used for under the Office Rental line item. Town Administrator Semmes advised that it was for the Department's water cooler.

Councilmember Murdock noted the 900% increase in the Pink Box line item for Supplies. She asked how this money would be used. Town Administrator Semmes reported that the Pink Box wanted to purchase some new display cabinets. She noted that the staff was also talking about purchasing some new furniture.

Councilmember Stewart noted the cracks in the walls that needed to be repaired.

Councilmember Shea reported that she and Councilmember Stewart met with the Pink Box Advisory Committee last week to talk about what was needed to make the building look more receptive to the community. She suggested this line item would increase.

Councilmember Murdock inquired as to the amount of rent being paid for the Pink Box. She further asked whether the Town had a lease. Town Administrator Semmes reported that the Town was on a month-to-month tenancy. She advised that in addition to rent, the Town paid the real estate taxes on this property.

Councilmember Murdock expressed concern about spending Town money on a building it rented on a month-to-month basis. Councilmember Littleton opined that the Ohrstroms would not take the building back for another use.

Town Administrator Semmes noted that it was owned by the National Sporting Library. She asked whether the Council wanted to offer input before she talked to the Library about a lease. Ms. Semmes reminded Council that the Loudoun County Tax Assessor decided whether real estate taxes should be paid on property that was owned by a non-profit. She advised that she was thinking about talking to the Commissioner of Revenue about whether there was a way to reclassify this property so commercial taxes were not required to be paid on it.

Councilmember Shea reminded Council that part of the Pink Box funding was donated; therefore, it was not money that was coming out of the Town's budget.

Vice Mayor Kirk questioned to how much Pink Box money had been spent. Town Administrator Semmes reported that after the next fiscal year, a \$150,000 surplus would remain.

Councilmember Shea reiterated that this was money that was raised for the Pink Box, not money from the Town.

Councilmember Murdock asked that the staff do nothing regarding this item for now.

Councilmember Shea noted the line item for Council Travel and Expenses. She questioned whether it was still needed for travel if the Council was increasing its salaries.

Councilmember Snyder noted that the Council incurred travel expenses, such as when a new member attended training. Mayor Davis noted that there was also training for mayors that she would like to attend at some time.

Councilmember Shea recommended the title be changed to Council Expenses so it would appear to be for reimbursement. The remainder of Council agreed. Town Administrator Semmes reported that she would change the title.

Councilmember Shea noted that the proposed budget included fine and fee revenue of \$79,000. She advised that she found it amusing that the Town was already anticipating receiving fines and fees.

Town Clerk North reported that it was from the tickets issued by the Police Department. Police Chief Panebianco assured Council that when writing tickets, the Police Department did not consider the budget; and, explained that their mission was to keep the community safe. He reiterated that there was no drive on their part to create revenue; and, explained that they strove to make the roads safe.

Councilmember Snyder noted that he had gone to previous Police Chiefs to ask for additional traffic patrols. He advised that he would rather Middleburg have a reputation for being a place where a motorist could get a ticket if they stepped out of line. Mr. Snyder noted that this was a safety issue, not a revenue one.

Councilmember Murdock asked why the revenue was included in the budget. Town Administrator Semmes advised that it was based upon the revenues received in the past. She advised that it must be included in the budget.

Mayor Davis noted that people would say the Town was "trying to make money" with the parking meters; however, they were a tool used to keep cars moving and so shop owners would not park in the spaces all day. She advised that people who used to make comments about the lack of parking now say they could find parking spaces.

Town Clerk North reported that she had sold two parking permits for the Liberty Street Parking Lot. She further reported that she had heard from one individual who stated that they would come in to purchase one.

Town Administrator Semmes reminded Council that she provided a summary of the water rates for near-by small towns, including sample bills. She reported that the Town of Lovettsville would receive a presentation from MFSG this evening; and, advised that their rates would probably increase by 5% and 10% over what was shown in the summary.

Councilmember Hazard asked whether the sample bills were all based on bi-monthly billing. Town Administrator Semmes confirmed they were.

Councilmember Murdock noted that Middleburg averaged the second and third highest rates on the chart. Mayor Davis opined that this was good as Middleburg had a small population as compared to the others.

Councilmember Murdock inquired as to Round Hill's population. Town Administrator Semmes reported that Round Hill had 1,470 customers, most of which were out of the town limits.

Councilmember Hazard asked whether the staff weighted Round Hill's out-of-town customers when preparing the samples. Town Administrator Semmes advised that the sample bills were based upon their in-town rates. She advised that the bills for the out-of-town customers would be 150% higher than what was shown.

Mayor Davis noted that Purcellville's rates were higher even though they had a larger customer base. Town Administrator Semmes explained that they had a huge amount of debt as the result of the expansion of their treatment plants and the drilling of wells.

Mayor Davis noted that Marshall's bills were also huge. Town Administrator Semmes explained that Marshall's customers paid the regular Fauquier County fee plus a water surcharge.

Councilmember Snyder noted that Middleburg was now in a position where it could start managing its system maintenance and planning for improvements. He suggested the Town could take care of things a little at a time instead of increasing the rates when it encountered a large expense. Mr. Snyder advised that this was the benefit of the new rate structure.

Councilmember Shea noted that the Council had talked about dropping the utility rates; however, she was not sure that would ever happen. She suggested it was important for the customers to know that while the changes that were anticipated would come at an increased cost, the Council was hoping it would not have to increase the amount paid by the consumer.

Councilmember Snyder explained that the Council was trying to get to level, sustainable rates. Councilmember Littleton noted that this was difficult given the number of customers. Councilmember Snyder noted that people said the Town needed more customers; however, they could not get them given the Town's infrastructure.

Mayor Davis reminded Council that if the Town had built the water and wastewater treatment plants, the rates would be higher. She suggested the Council remember that the bills would be double or more if the Town had built the treatment plants itself.

Councilmember Snyder noted that he talked to MFSG about building a replacement fund so when a capital item was needed, the Town would have the money. He advised that the Town would build that fund slowly. Mr. Snyder noted that the Town wanted the rates to be stable and sustainable.

Councilmember Hazard questioned who used 125,000 gallons of water. Town Administrator Semmes confirmed it was the larger restaurants; and, noted that this was based upon their winter usage. Councilmember Littleton noted that water stayed on continuously in restaurant kitchens.

Town Administrator Semmes asked whether the Council was ready to advertise the budget for public hearing, with the changes as suggested.

Town Clerk North reported that, based upon Council's previous direction, the public hearing on the sewer rate changes had already been advertised for May 9th. She noted that there were several other zoning related public hearings scheduled for this same meeting.

Councilmember Snyder questioned what was proposed with regard to the availability fees. Town Administrator Semmes confirmed no increase was proposed as those rates were already high. She advised that the staff had no basis on which to raise them. Ms. Semmes suggested she could get a consultant to analyze the fees. She reminded Council that availability fees used to be calculated based upon a town's capital projects. Ms. Semmes advised that because no one was experiencing growth, communities could no longer rely upon it to support capital expenditures; therefore, they were starting to build capital costs into the user rates. She noted that this was the problem Purcellville had; and, advised that they had projected their growth would pay for their infrastructure improvements.

Mayor Davis noted that the budget has already been advertised. Town Clerk North advised that the budget has not been advertised. She reiterated the utility rates and three zoning related items have been advertised for public hearing on May 9th.

Councilmember Snyder agreed the Town could not rely on availability fees to meet the budget needs. He further agreed the current availability fees were fair.

Town Administrator Semmes advised that she had no idea of the relationship of the fees to the capital needs; and, suggested that a goal would be to figure this out. She advised that she would work on that. Ms. Semmes noted that Middleburg's availability fees were not the highest in the area.

Councilmember Snyder reported that he helped develop those fees; and, advised that he looked at a lot of things to come up with a rough formula.

Town Administrator Semmes noted that the fees have increased by 30% over the past five years. Councilmember Snyder suggested the annual 6% increases were probably excessive as the Town had not seen that large an increase in its costs. He reiterated that he was okay leaving the rates as they stood for this year and looking at them next year.

Vice Mayor Kirk opined that a professional looked at the availability fees. Town Clerk North reminded Council that Davenport recommended the annual 6% fee increases.

Mayor Davis asked whether the Council was ready to advertise the budget for public hearing, with the changes as requested. The Council agreed it was.

Council Approval - Wellhead Protection Plan Update

Councilmember Snyder advised Council that the Town Clerk incorporated the comments she received, including his own. He opined that this addressed everyone's concerns. Mr. Snyder expressed hope that those members who submitted comments have looked through the document. He advised that he would like to adopt it so it could be made available to other committees.

Councilmember Shea noted that the revisions have not gone back to the Wellhead Protection Advisory Committee. Councilmember Snyder suggested they not go back; and, noted that this was the Council's decision. He advised that the Committee made its recommendation; and, opined that they would get what the Council adopted. Mr. Snyder noted that there were not a lot of changes proposed.

Vice Mayor Kirk suggested the changes be sent to the Committee as a courtesy.

Councilmember Snyder noted that when the Planning Commission sent ordinances to the Council, they did not send changes back to the Commission.

Councilmember Shea suggested the Council should not make it look like a committee could work on something, only to have the Council rewrite and pass it.

Councilmember Snyder noted that the changes did not involve rewrites but were mostly word smith related.

After some discussion, the Council agreed to send the changes back to the Committee for their review. It was noted that the Committee was scheduled to meet again on May 21st. The Council asked the Town Clerk to send the changes to the Committee electronically in advance of the meeting.

Councilmember Shea asked whether a test well that was referenced by Town Administrator Semmes was added to the plan. She noted that it was not shown on the map. Town Administrator Semmes reported that she could not find the test well on the site plan.

Mayor Davis asked that the changes be sent to the Committee for their review; and, that it be scheduled for adoption during the next work session.

Council Approval – Employee Handbook Amendment pertaining to Benefits

Town Administrator Semmes advised Council that the staff had provided answers to their questions. She reminded them that their first question was whether the Town could limit coverage for an elected official to single coverage only. Ms. Semmes reported that the Program Manager for Local Choice said it could be limited; however, he would not recommend it as it would create a class of people that were treated differently. She opined that the concern was that as staff changed, this special class could cause some problems.

Councilmember Hazard noted that elected officials were already a special class. Town Clerk North confirmed that elected officials were a special class. She opined that the concern was that by limiting elected officials in Middleburg to single-coverage only, this would create a special class within a special class.

Councilmember Hazard advised that he did not see that as a problem. He opined that if it was in writing for people to see, it would not be a huge item. Town Administrator Semmes agreed. She advised that she thought the issue would be one of equity; however, the insurance company did not raise that as a problem.

Town Administrator Semmes reported that the Council's second issue was whether insurance could be offered in lieu of a salary. She opined that this was the more troublesome of the two questions. Ms. Semmes reported that the staff did not recommend this; and, advised that it would be a headache to administer. She noted that the staff was also not sure what the auditors would think of such a proposal.

Town Administrator Semmes suggested the Council needed to make a decision on whether they wanted to offer insurance coverage to elected officials; and, advised that if they did, Option A of the proposed amendments would be appropriate. She noted that it would need to be amended to specify single coverage only. Ms. Semmes advised that if the Council did not want to offer this benefit to elected officials, they would need to approve Option B of the proposed amendments.

Mayor Davis opined that this would involve a lot of money. She noted that the Council was mulling over increasing their salary to \$200/month and was now talking about \$20,000 for benefits. Councilmember Hazard noted that it would only be that much if the entire Council signed up for this benefit.

Mayor Davis noted that while all of the members of this Council may not take it, a future one could.

Councilmember Shea suggested that at that point, the Council could make a different decision. She reported that she would not vote on this item as it affected her directly; however, she would like to be a part of the discussion. Ms. Shea opined that with the requirement for insurance more programs would become available in a couple of years. She advised that if she was still on the Council, she would want to look at whether the Council wanted to continue to offer this benefit as new insurance programs became available. She noted that she usually said the Council "needed to think about the future"; however, in this case, some members could not get health insurance at the rates the Town received.

Councilmember Murdock noted that before she became eligible for Medicare, her insurance costs were \$900/month. She noted that the Town's rate was only \$500/month.

Town Administrator Semmes noted that if Councilmember Murdock was on Medicare, she would not be eligible for coverage under the Town's policy.

Vice Mayor Kirk reminded Council that they were not talking about themselves, but were talking about elected officials in general.

Councilmember Murdock noted that for some individuals, it was important to have this benefit. She advised that she donated her Council salary back to the Town; and, suggested the members who elected to take this benefit could do so as well to offset the cost to the Town.

Mayor Davis noted that the Council member's salary would not cover all of the costs. She suggested this would mean the Councilmember's salaries would have to be \$300/month, with the members then donating back their salary.

Councilmember Shea reminded Council that they could not require the member to donate their salary to the Town.

Councilmember Murdock suggested they would do so if health insurance was more important than receiving a check. She agreed health insurance was important. Ms. Murdock noted that in years, some people would be older and would not need the coverage, while others may be covered by a spouse's plan. She opined that the Council was only talking about half of its membership.

Vice Mayor Kirk reminded Council that in the future, it could be everyone or no one serving on the Council. She noted that the Council needed to decide whether to offer this benefit; and, whether it wanted to put money in the budget for it.

Councilmember Shea suggested the decision that needed to be made was whether the Council discontinued what it currently offered.

Councilmember Hazard asked whether money would have to be put in the budget for this; and, noted that one-third of the Council was not eligible for the coverage. Councilmember Snyder noted that the budget amount would be determined each budget year based upon the Town's anticipated liability. Town Clerk North confirmed that if this benefit was offered, each year the Council would need to determine what it reasonably expected the costs would be for the Town and budget for that expense.

Mayor Davis asked whether this would decide the Town's rates in general. Town Administrator Semmes confirmed that the Town's rates could go up if more people were added to the policy.

Vice Mayor Kirk noted that the health of the individual could affect the rates; and, reminded Council that the rates increased substantially because of a former employee who experienced a lot of health problems.

Town Administrator Semmes explained that because the work force was small, the rates were sensitive.

Councilmember Shea noted that the same was true of a member of the staff. She cited the example of a current employee who has had two surgeries.

Councilmember Murdock inquired as to the number of Councilmembers who would not qualify for the Town's health insurance. Town Administrator Semmes confirmed there were currently three members who were covered by Medicare.

Councilmember Murdock suggested there were other members who would not accept the insurance. Mayor Davis and Councilmembers Snyder and Kirk confirmed they were not even considering it.

Councilmember Murdock questioned the amount of money the Council would be talking about for the coming fiscal year.

Councilmember Shea noted that she would turn sixty-five in four years; therefore, she would not be on the Town's policy for the long term.

Town Administrator Semmes asked whether Councilmember Shea was the only member interested in the insurance coverage. She noted that Councilmember Stewart was not eligible. Ms. Semmes asked whether Councilmember Hazard was interested in it. Councilmember Hazard confirmed he did not currently have coverage through his employer.

Councilmember Littleton asked whether the member could be required to pay the entire cost. Town Administrator Semmes confirmed they could not. Councilmember Murdock suggested they could donate their salary back to the Town.

Town Administrator Semmes noted that the Council has discussed limiting this benefit to single coverage only. She advised that if Councilmember Hazard was also interested in covering his wife, he would not be interested in this plan.

Town Clerk North reminded Council that there would be nothing to donate back from the Councilmember's salary. She reminded Council that the cost to the Town was \$288/month and the cost to the Councilmember would be \$288/month. Ms. North noted that at a salary of \$200/month, the Councilmember would still owe the Town for a portion of their share of the premium.

Councilmembers Murdock and Hazard noted that they could make a donation to the Town.

Mayor Davis noted that this was a slippery slope that the Town Attorney did not like.

Vice Mayor Kirk advised that she was having a hard time spending money on the Council when the Town needed to correct so much. She further advised that she would like to offer this benefit as her mother participated in the Town's health insurance program for years; however, she wrote a check to cover the costs. Ms. Kirk noted that the members could no longer do that as the Town must pay half of the premium. She suggested it was not fair to ask the citizens to do that.

Councilmember Shea suggested the Council did not want people to be in the same position she was in in that they could not go to the doctor because they could not afford the associated medical tests. Vice Mayor Kirk noted that she did not always agree to the tests the doctor ordered because of the costs.

Councilmember Murdock noted that the Town's share would be \$3,450/person/year. Town Clerk North reminded Council that the individual would also be required to pay an equal amount.

Councilmember Littleton suggested the Town offer this benefit for a year and review it again at that time. Vice Mayor Kirk agreed. She asked the Town Clerk to set up a tickler on this item.

Councilmember Hazard asked whether the Town could re-evaluate this yearly. Town Clerk North opined that members who were on the Town's policy at the time of a policy change may be grandfathered on the Town's policy. Vice Mayor Kirk disagreed.

The Council agreed to offer this benefit for a year. They further agreed coverage would be limited to the elected official only.

Town Administrator Semmes noted that this would require an amendment to the policy language proposed in Option A to clarify that only single coverage was available to the elected official.

Councilmember Snyder noted the need to estimate the Town's liability and to include it in the budget. Councilmember Littleton recommended the budget be amended when someone signed up for coverage. Town Administrator Semmes noted the need to include a line item now as the staff was advertising the budget for public hearing. Vice Mayor Kirk agreed; and, suggested that \$7,000 be included in the budget.

Town Clerk North suggested the need to add the phrase “for single coverage only” to the second sentence on Page 3 of Option A. Council asked that it be clarified that single coverage applied to the elected official only.

Councilmember Littleton moved, seconded by Councilmember Murdock, to approve Option A of the Employee Handbook Amendment, with the amendment as proposed.

Town Administrator Semmes reported that she would add a line item under Administration titled “Health Insurance – Council”. Vice Mayor Kirk asked that it be in the amount of \$7,000.

Vote: Yes – Councilmembers Kirk, Littleton, Murdock, Snyder and Stewart

No – N/A

Abstain: Councilmembers Hazard and Shea

Absent: N/A

(Mayor Davis only votes in the case of a tie)

Town Council Reports

Councilmember Stewart reported that the Pink Box Advisory Board met last week. He further reported that it was their consensus that they wanted to be part of what the Town did; however, they also wanted to do what they wanted to do. Mr. Stewart advised that they came to an agreement that some beautification work did need to be done on the building.

Town Administrator Semmes asked whether the Board discussed the proposal to use Visit Loudoun personnel to supplement the staffing of the Pink Box. She noted that the Economic Development Coordinator told her the Board was willing to extend their hours so the Town did not have to bring in Visit Loudoun.

Councilmember Stewart confirmed the Board members wanted to staff the Pink Box themselves.

Councilmember Shea opined that Councilmember Stewart was going to meet with the Pink Box Advisory Board to finalize the details. She noted that they did not know the Advisory Board would be present for the meeting. Ms. Shea confirmed the Board wanted to increase their hours; and, advised that it was suggested that Visit Loudoun could help them by providing some training.

Town Administrator Semmes noted that the proposed budget included funds for Visit Loudoun personnel. She suggested it would not hurt to leave this money in the budget in case things did not work out.

Mayor Davis suggested that the biggest issue was the Pink Box was currently open for a limited number of hours. She advised that she heard from customers who said the Pink Box was not open. Ms. Davis noted that this could occur because of something like an illness. She reminded Council that the Economic Development Coordinator has talked about helping them out; and, suggested Ms. Pearson help out some days when needed.

Councilmember Shea suggested the Board be asked to provide a list of volunteers who were willing to serve as back-ups in the event the regular person could not be there. She noted that she would volunteer to do so.

Mayor Davis expressed appreciation for the volunteers; however, she noted that there were times when a volunteer was not available. She reminded Council that the Pink Box was becoming a much more necessary thing; and, advised that people relied upon it being open.

Councilmember Shea suggested the need to direct Councilmember Stewart to make sure the Board was clear on what was needed. She advised that the Board's input was that they did not need to be open earlier in the morning as people were not around.

Councilmember Stewart noted that they stated that the shops were not open.

Councilmember Murdock noted that people came to town for breakfast and needed to know where to go to eat.

Town Administrator Semmes noted that visitors may want to get materials early in the day so they could plan their day.

Councilmember Shea suggested it was not necessarily true that the shops were not open. She suggested the Pink Box needed to be asked to update their list of stores' hours.

Mayor Davis agreed there were projects that could be done, such as updating lists.

Town Clerk North reminded Councilmember Stewart of the need for the Pink Box Advisory Board to notify her in advance when they were meeting. She advised that the meeting they held last week was in violation of FOIA as it was not publicly announced. Councilmember Stewart confirmed they were now aware of this requirement.

Town Administrator Semmes asked the Town Clerk to contact Mary Kay Garwood to explain the State's meeting notification requirements.

Mayor Davis announced that the Middleburg Museum Foundation would hold a fundraiser on April 25th at the Community Center.

Discussion

Councilmember Murdock asked how the Town handled tax collections for businesses that operated on a cash only basis.

Mayor Davis noted that they must still track and report their income.

Town Administrator Semmes confirmed this did not change their tax liability. She advised Council that in terms of BPOL tax collections, the Town was authorized under the State Code to audit businesses.

Councilmember Murdock noted that the case in which she was referring involved meals tax collections. Town Administrator Semmes confirmed the Town was authorized to audit a business' books regarding meals taxes as well.

Vice Mayor Kirk suggested that if Councilmembers were aware of such a business, they should alert the staff.

Councilmember Shea encouraged Council to tread carefully. She advised that she would like to see this item on a future agenda to discuss how many business licenses have been issued by the Town and how many businesses were located in the Town.

Mayor Davis noted that the Council talked years ago about how the Town could audit a business. She further noted that a business' receipts upon which the BPOL tax was collected were based upon information given to the Town by the business owner.

Town Administrator Semmes advised that she has talked to other town treasurers about this and found they conducted spot checks.

Councilmember Shea advised that she was not talking about looking at a business' books to see what they were reporting. She further advised that she knew there were businesses in town that were not submitting an annual application.

Town Administrator Semmes advised Council that there were two issues – (1) businesses that were not getting a business license and (2) what they were paying.

Mayor Davis suggested that if the members had any specific businesses that they were concerned about, they should contact the Town Administrator.

Councilmember Murdock suggested the need to develop a system.

Town Administrator Semmes suggested the staff come to Council with a recommendation. She noted that the Town did not want to pick on people; however, it needed to let them know they must have/pay the proper license.

Mayor Davis suggested that when the Town looked at their books, it should also make sure they had a business license. She further suggested the staff go through the business licenses and identify those whose reported gross receipts seemed low.

Councilmember Snyder suggested the Town needed to let the businesses know it was paying attention.

Councilmember Murdock suggested the businesses be sent a letter alerting them that in order to be fiscally responsible, the Town was going to do audits. Councilmember Littleton suggested the letter say the Town would conduct spot audits.

Councilmember Shea asked whether this was something the Town's auditors, Mitchell & Co., looked at when they conducted the Town audit. Town Administrator Semmes confirmed they did not; and, explained that they only looked at the Town's records.

Mayor Davis suggested the Town look at the business licenses that the staff was concerned about first. Councilmember Snyder agreed the staff should look at the most obvious ones first.

There being no further business, a motion was made and voted upon to adjourn the meeting at 7:49 p.m.

APPROVED:

Betsy A. Davis, Mayor

ATTEST:

Rhonda S. North, MMC, Town Clerk