



**MIDDLEBURG TOWN COUNCIL**  
**Regular Monthly Meeting Minutes**



**April 10, 2014**

**PRESENT:** Mayor Betsy A. Davis  
Vice Mayor C. Darlene Kirk  
Councilmember Kevin Hazard  
Councilmember Trowbridge Littleton  
Councilmember Catherine "Bundles" Murdock (arrived late)  
Councilmember Kathy Jo Shea  
Councilmember Mark T. Snyder

**STAFF:** Martha Mason Semmes, Town Administrator  
Angela K. Plowman, Town Attorney  
Rhonda S. North, MMC, Town Clerk  
David M. Beniamino, AICP, Town Planner  
Cindy C. Pearson, Economic Development Coordinator  
Debbie J. Wheeler, Town Treasurer  
A.J. Panebianco, Chief of Police

**ABSENT:** Councilmember David B. Stewart

The Town Council of the Town of Middleburg, Virginia held their regular monthly meeting, beginning at 6:00 p.m. on Thursday, April 10, 2014 in the Town Hall Council Chambers, located at 10 W. Marshall Street. Mayor Davis led Council and those attending in the Pledge of Allegiance to the flag.

**Public Comment**

Erik Scheps announced that he would be a write-in candidate for the Town Council. He noted that he and his wife, Amanda, have lived in Middleburg for four years. Mr. Scheps reported that he served on the Health Center Advisory Board and was the Treasurer of the Middleburg Volunteer Fire Department.

Tom Dionne announced that he would be a write-in candidate for the Town Council. He noted that he has lived in Middleburg for ten years. He reported that his husband, Peter Wood, chaired the Middleburg Arts Council. Mr. Dionne noted that he was a Friend of the Arts Council.

Mayor Davis thanked Messrs. Scheps and Dionne for running for the Council. She noted that public service was challenging but had its rewards. Ms. Davis wished both gentleman good luck.

**Public Presentations**

Dave Quanbeck and Martha Cotter, of the Middleburg Charter School Committee, appeared before Council to present a status report. Mr. Quanbeck reported that they have held information sessions around the County and had one more scheduled next week. He advised Council that they were seeing a lot of interest in the school, with one hundred thirty-one children having been registered. Mr.

Quanbeck reported that fifty were kindergarten students; therefore, they would not be able to accept all of them. He advised that forty were upper grade students and thirty were returning students. Mr. Quanbeck reported that they were currently recruiting for a principal. He advised Council that they have completed the first iteration of the contract with the School Board and hoped to have it completed by the end of the month.

Mr. Quanbeck noted that every spring, the Middleburg Elementary School has held a country dance. He announced that this year's dance would be held May 30<sup>th</sup> and would be the kick off for the new school. Mr. Quanbeck noted that enrollment would be completed by that time and the new families would be invited to attend. He further noted that it would be open to the public. Mr. Quanbeck reminded Council that the school would open on August 4.

Ms. Cotter reported that there was a gap in funding over what the School Board requested from the Board of Supervisors; therefore, four of the small schools in western Loudoun could be closed. (Councilmember Murdock arrived at the meeting at 6:07 pm.) She opined that it was important for the small schools to support each other; and, asked the members of Council to voice their opinions regarding the schools. Ms. Cotter opined that the problem was that the School Board constructed two large schools that should not have been constructed. She advised that in order to fill them, the School Board had to drain the small schools, which made them look inefficient. Ms. Cotter noted that the schools under consideration for closure were in Aldie, Hamilton, Lincoln and Hillsboro. She advised that Hillsboro was seeking charter status, Aldie was making a pitch to expand their school and Lincoln was at capacity.

Councilmember Shea questioned whether one of the Supervisors said that the cost per student in the small schools prohibited them from staying open. Ms. Cotter confirmed this was correct; however, she noted that the schools that were operating at capacity were doing so at a cost that was below the average per pupil cost in Loudoun County. She noted that Hillsboro was drained of students through the opening of the Culvert and Mountain View schools. Ms. Cotter reiterated that Hamilton was also under consideration for closure.

Mayor Davis questioned the reasoning for closing the schools that were at capacity. Mr. Quanbeck opined that this did not make sense. He noted that the argument was that overcrowded schools in eastern Loudoun justified closing the small schools in western Loudoun. Mr. Quanbeck advised Council that the School Board would hold a public hearing on the closings on April 21 and would vote the following night.

Councilmember Hazard questioned whether there would be an added cost for transportation if the schools were closed. Mr. Quanbeck confirmed there would. He opined that there would be more growth in Purcellville. Mr. Quanbeck noted that the School Board was talking about eliminating seven hundred seats in western Loudoun and opined that they would have to construct a new school early.

Councilmember Snyder expressed concern about what the taxpayers in western Loudoun were paying to the County versus what services they were receiving.

Mr. Quanbeck reported that the County was saying that eastern Loudoun had all of the commercial businesses and was subsidizing western Loudoun. He opined that it would be nice to have the numbers.

Ms. Cotter opined that the projected \$2 million in savings by closing the schools was a suspect number.

Mr. Quanbeck opined that Middleburg's elementary school would not have survived if they had not converted it to a charter school. He suggested the Committee no longer needed to make a monthly report to the Council and asked that it be removed from the agenda.

Mayor Davis asked Mr. Quanbeck to contact the Town Clerk if they needed to be placed on an agenda in the future.

Councilmember Shea noted that there would be a Town representative serving on the Charter School Committee; therefore, that representative could provide the Council with information.

Genie Ford, of *Shakespeare in the Burg*, appeared before Council to provide a status report on the event. She thanked the Council for their support. Ms. Ford reported that the festival received an enormous amount of publicity, as did Middleburg, in the month leading up to the event. She advised that approximately fifty local residents attended the movie night. Ms. Ford expressed hope to increase the participation in the Saturday workshops next year. She reminded Council of the one-act play performance and noted that there was room for change to make it more effective. Ms. Ford reported that one hundred twenty-nine people attended the performance of the *Merry Wives of Windsor* and seventy people attended the performance of *Henry IV*. She noted that the actors said the latter play did not usually get good attendance; therefore, they thought this was a good house.

Ms. Ford reported that she has booked the performers again for next year, with the plays being *Hamlet* and *Much Ado about Nothing*. She advised that she planned to push sponsorships earlier and noted that she felt better asking for money now that the event had a track record. Ms. Ford opined that the workshops could grow. She noted that while The Hill School could hold more people, she liked the intimacy of the night; therefore, she did not want it to get too much bigger. Ms. Ford reported that the Community Center was a joy to work with. She advised that there were some small things that could be done to make things easier for the actors. Ms. Ford reported that they were enthusiastic and loved Middleburg and the Middleburg Country Inn.

Ms. Ford noted the flags and thanked the Middleburg Arts Council for handling the design contest.

Ms. Ford advised that she did not have the final numbers; however, she knew the event did not lose money. She further advised that she did not know how much seed money would be available for next year's event. Ms. Ford noted that they had some challenges to address, including the need to fix the merchant services.

JoAnn Hazard advised Council that after the event, one person told her they were in awe of Ms. Ford and her vision.

Mayor Davis thanked the Committee for doing a good job organizing the festival.

### **Approval of Minutes**

*Councilmember Snyder moved, seconded by Councilmember Shea, that Council approve the March 13, 2014 Regular Meeting and March 27, 2014 Work Session meeting minutes as amended.*

Vote: Yes – Councilmembers Kirk, Hazard, Littleton, Murdock, Shea and Snyder

No – N/A

Abstain: N/A

Absent: Councilmember Stewart

(Mayor Davis did not vote as there was no tie to require her vote)

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## Staff Reports

**Town Administrator Semmes** reported that she attended the Virginia Downtown Development Association meeting earlier in the day in Fredericksburg. She advised that she received some ideas for street trees and noted that they had some beautiful street lights.

Vice Mayor Kirk asked that the staff try harder to get their monthly reports in the agenda packets. She noted that it was difficult when the Council received them via e-mail after the agenda was distributed.

**Economic Development Coordinator Pearson** opined that *Shakespeare in the Burg* was a great weekend.

Councilmember Murdock noted that there were a lot of events coming up. She further noted the great article in *Southern Living Magazine*.

Councilmember Murdock inquired as to what kind of business “Big Ass Cans” was. **Town Planner Beniamino** explained that they were a dumpster company, whose office was located in Middleburg. He noted that they would not house dumpsters on the office site. Mr. Beniamino reported that they were located in the C-1 Commercial District. He advised that they recently received sign approval from the HDRC.

Town Planner Beniamino reported that the staff has advertised a public hearing next month on the active/inactive application zoning ordinance amendment.

Councilmember Snyder reported that he had a question for the **Town Treasurer** related to utilities; however, he told her not to try to answer it during this meeting.

**Police Chief Panebianco** reported that he completed a policy manual for the department that was in line with the standards of policing across the State. He noted that the manual has increased from forty pages to four hundred fifty pages. Chief Panebianco suggested that if the members had any questions related to it, they meet with him in person rather than going over that large a document in a Council meeting. He noted that his monthly report included a list of “hot topics” of items that were updated. Chief Panebianco further noted that he also added a lot of sections as there was no previous policy.

Chief Panebianco announced that the Drug Take Back Program would be held on April 26<sup>th</sup> from 10:00 a.m. to 2:00 p.m., in conjunction with the State agencies that are participating, through the DEA. He noted that the members of Go Green would help distribute the flyers that have been created. Chief Panebianco expressed hope to make this an annual event so people could dispose of their unused drugs. He explained that there would be a drop box for the drugs. Chief Panebianco noted that while they were asking that people not bring sharps, they would have a sharps container in the event they did. He reminded Council that this event was being held in order to protect the Town’s water system.

Councilmember Murdock questioned whether only prescription drugs would be accepted. Chief Panebianco confirmed they would accept anything, including illegal drugs. He thanked the *Middleburg Eccentric* for running an ad for the event at no cost to the Town.

Vice Mayor Kirk announced that she received two phone calls in which the caller stated “this is not a sales call” and talked about the recent surge in criminal activity in the area. Chief Panebianco confirmed this was a scam. He noted that another scam involved phone calls in which the caller stated that the individual did not show up for jury duty and must make a payment. Chief Panebianco noted that this area was being targeted and advised that the law enforcement community was aware of it.

Councilmember Snyder noted that he received a call regarding the new health care law and offering to put him in touch with his insurance agent. He noted that this was also a scam. Chief Panebianco reminded the audience that if a call sounded too good to be true, it probably was.

Councilmember Murdock inquired as to the status of her noise complaint. Chief Panebianco reported that it was a street sweeper that had been contracted by VDOT. He further reported that the Maintenance Supervisor had already contacted VDOT to complain. Chief Panebianco advised Council that he would instruct his officers that if they saw this in the future, they should tell the driver to leave as he was violating the noise ordinance. He noted that VDOT could probably override this instruction.

Chief Panebianco reported that the policies he developed would be effective May 1. He noted that he would meet with the officers on April 23 and would give them an electronic copy. Chief Panebianco reported that a hard copy would be available in the Police Department and in the Town Clerk's Office. He noted that he would give the officers time to read the manual before it became effective.

Vice Mayor Kirk asked whether the officers would have to sign something confirming they received and read the manual. Chief Panebianco confirmed they would.

Councilmember Murdock opined that the Chief did a good job preparing the document.

Vice Mayor Kirk inquired as to the number of vendors who have signed up for the Middleburg Community Farmers Market. Economic Development Coordinator Pearson reported that seven have thus far. She noted that one vendor would not be ready when the market opened; however, she was encouraging him to be present to distribute information. Ms. Pearson reported that they would have a baker from Warrenton who would offer all types of baked goods.

Vice Mayor Kirk expressed disappointment that the Community Center would not hold an Easter Egg Hunt this year. Councilmember Murdock explained that they had no volunteers to work the event and only a small number of children participated last year. She noted that the Salamander Resort was also holding a huge event. Ms. Murdock further noted that the Community Center staff was in transition.

Vice Mayor Kirk opined that it would be nice to have an event on Saturday for the children. She asked that the Center come to the Council next year before cancelling the event.

Terry Inboden, of IES, noted that the Council received his **utility** report for March. He asked that the members let him know if they wanted something different included in it.

Councilmember Snyder opined that this was the first professional level utility report the Town has received. He further opined that IES was off to a good start.

Councilmember Shea thanked Mr. Inboden for putting the report in terms anyone could understand.

Councilmember Murdock questioned whether there were any overwhelming challenges. Mr. Inboden confirmed there were not. He expressed concern regarding the lift station. Mr. Inboden noted that he lived downtown above the antique store; however, he could not get to the lift station before it overflowed. He explained that the fall just did not exist. Mr. Inboden further explained that while the tank was tall, it overflowed at the manhole. He advised that the fix was a new lift station. Mr. Inboden opined that this one has served out its life and reported that it was time to replace it.

Town Administrator Semmes reported that Whitman Requardt estimated the cost at \$100,000 for a package plant lift station.

Councilmember Shea inquired as to the fine that could be imposed on the Town if the lift station failed. Mr. Inboden confirmed it could be as much as 1/10<sup>th</sup> of the cost to replace the lift station. He advised Council that the overflows would occur again and reiterated that he could not get to the station in time to prevent it even though he lived in town.

Mayor Davis questioned whether Mr. Inboden should develop a priority list. Mr. Inboden confirmed he already had a list. Councilmember Snyder noted that he and the Town Administrator were using the list as a part of the rate model calculations. Mr. Inboden noted that his report did not include all of the items on the list.

Town Administrator Semmes advised that it was difficult for Mr. Inboden to do what needed to be done to get the system up and running and also provide input on the budget. She further advised that they would do the best they could to develop a good utility budget; however, it may need to be amended.

Vice Mayor Kirk commended Mr. Inboden on doing a great job. Town Administrator Semmes noted that the Town was receiving positive feedback from the customers.

### **Reports of Town Committees/Council Liaisons**

Councilmember Shea reminded Council of Go Green's "How to Green Your Home/Barn" event held last Sunday. She expressed sorrow that more people did not attend. Ms. Shea opined that the event was successful for what was accomplished and explained that the speakers provided some good information. She suggested it would be nice for the Council to hear the presentations. Ms. Shea noted that at one time, every home had a clothes line; however, when dryers were invented, clothes lines were viewed as a sign of poverty so they were removed. She explained that the goal was to teach people that environmentally wise people had clothes lines.

Councilmember Shea advised that pictures of Middleburg in the 1930s and 1950s were displayed to show that power lines did not exist in the 1930s and to prove the point that people made room for technology in the 1950s. She noted that now was the time to make room for new technology and reported that the speaker spoke about solar power.

Councilmember Shea reported that Go Green gave a presentation to the Planning Commission on the effects of heat islands. She noted that they have offered to give this same presentation to the HDRC and Town Council. Ms. Shea advised that the Mayor suggested she ask the Council whether they would like to see it; however, she noted that the HDRC has since suggested it be done during the same work session when they would offer their annual report. She noted that the presentation would take approximately fifteen minutes. Ms. Shea suggested the Council hear the presentation so they would have the information when they reviewed the Planning Commission's proposal on heat islands.

After some discussion, the Council agreed to hear the presentation during the June 26<sup>th</sup> work session.

Councilmember Shea reported that Go Green held a roadside clean-up on April 5<sup>th</sup>, during which time they recruited people off the streets to participate.

### **Action Items** (non-public hearing related)

#### **Council Appointment** – Wellhead Protection Advisory Committee

*Councilmember Snyder moved, seconded by Councilmember Shea, that Council substitute the appointment of a representative from the Town's utility service provider to the Wellhead Protection Advisory Committee in place of the representative from Loudoun Water.*

Vote: Yes – Councilmembers Kirk, Hazard, Littleton, Murdock, Shea and Snyder  
No – N/A  
Abstain: N/A  
Absent: Councilmember Stewart  
(Mayor Davis did not vote as there was no tie to require her vote)

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Council Appointments – Go Green

*Councilmember Shea moved, seconded by Councilmember Snyder, that Council re-appoint Patti Zielinski and Nelina Loiselle to the Go Green Committee to two-year terms, said terms to expire May 12, 2016.*

Vote: Yes – Councilmembers Kirk, Hazard, Littleton, Murdock, Shea and Snyder  
No – N/A  
Abstain: N/A  
Absent: Councilmember Stewart  
(Mayor Davis did not vote as there was no tie to require her vote)

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Council Approval – Proclamation – Lyme Disease Awareness Month

Councilmember Shea asked whether there were any activities associated with Lyme Disease Awareness Month. Town Administrator Semmes advised Council that she would check on this and share the information with them.

*Councilmember Murdock moved, seconded by Vice Mayor Kirk, that Council adopt a proclamation declaring the month of May 2014 as Lyme Disease Awareness Month in the Town of Middleburg.*

Vote: Yes – Councilmembers Kirk, Hazard, Littleton, Murdock, Shea and Snyder  
No – N/A  
Abstain: N/A  
Absent: Councilmember Stewart  
(Mayor Davis did not vote as there was no tie to require her vote)

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Council Approval – Proclamation – Foxcroft School Centennial

Councilmember Murdock advised the Mayor that during the recent Biz Buzz, a representative from the Foxcroft School asked that she attend their event on April 26<sup>th</sup> to read the proclamation and to present a signed copy to them. She noted that they offered to frame it if the Town did not.

*Councilmember Murdock moved, seconded by Councilmember Snyder, that Council adopt a proclamation declaring April 25-27, 2014 as “Foxcroft School Centennial Celebration Weekend” in the Town of Middleburg.*

Vote: Yes – Councilmembers Kirk, Hazard, Littleton, Murdock, Shea and Snyder  
No – N/A  
Abstain: N/A  
Absent: Councilmember Stewart  
(Mayor Davis did not vote as there was no tie to require her vote)

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## Discussion Items

### Draft FY '15 Budget

Town Administrator Semmes reminded Council that they needed to make some decisions so the staff could finish the General Fund budget. She noted that the Town has still not received the property and liability insurance rates. Ms. Semmes reported that the other unknown was the VDOT grant for the Washington Street streetscape improvements. She noted that the Town would receive money from the County to do the additional crosswalks and reported that the engineers were working on the design. Ms. Semmes reminded Council that the crosswalk project did not require a match; however, the VDOT grant would require a twenty percent (20%) match. She expressed hope that this match could be split over two years and advised that it would impact next year's budget by \$52,000.

Vic Mayor Kirk inquired as to the status of the refuse and recycling collection contract. Town Administrator Semmes reminded Council that the Town issued an RFP and hoped to accept the low bid. She reported that the Town received two proposals, which have been evaluated. Ms. Semmes reminded Council that the Town was allowed to negotiate for the services and advised that she has asked the second company if they could offer a better price. She noted that one company's proposal was better than the other; however, both could do a good job. Ms. Semmes expressed confidence that the \$78,000 proposed in the budget would be adequate. She advised Council that she hoped to present them with a contract in April or May.

Town Administrator Semmes reminded Council that they asked for revised information regarding the proposed salary adjustments and noted that the charts included in their agenda packets have been revised. She explained that the difference between the previous charts and the current ones was the \$11,500 in holiday pay that was never included in the budget in the past. Ms. Semmes reminded Council that the salary line items for some employees went over and explained that this was due to the holidays. She noted that the Town did not know who would cover the holidays; therefore, they could not include those funds in their salaries. Ms. Semmes advised Council that they now had an accurate reading of the cost for the different COLA increases.

After some discussion, the Council directed the Town Administrator to include funding in the proposed budget for a 3% COLA.

Town Administrator Semmes noted that the Council talked about the Town committees; however, they did not reach a consensus. She reminded them that the Middleburg Arts Council has requested \$6,000 and reported that she included \$5,000 in the proposed budget.

Councilmember Snyder agreed with their request for \$6,000; however, he advised that he wanted them to report quarterly on the expenditure of the funds.

Councilmember Shea advised that she had no trouble giving the Arts Council money to support the activities they provided; however, she expressed concern about the Town supporting an activity where people were selling their art if no fee or percentage was coming to the Town. She requested the Town Attorney's advice. Town Attorney Plowman confirmed she would research this issue.

Councilmember Shea explained that her question was whether the Town was "walking on thin ice" if individuals were benefitting from activities that were funded by the Town.

Town Administrator Semmes opined that Middleburg's arts festivals should be no different than festivals elsewhere. She noted that other festivals may require participants to pay a booth fee.

Councilmember Shea opined that the Committee needed to clarify and the Town Attorney needed to check any legal issues.

Economic Development Coordinator Pearson reminded Council that the Farmers Market charged its vendors a yearly fee. She noted that they were responsible for paying their own sales tax to the County. Ms. Pearson advised Council that the Arts Council had not imposed a vendor fee because they have only held a few events; however, they were discussing imposing one.

Town Administrator Semmes opined that the Town wanted the vendors to pay something for the privilege of participating in the event. She noted that this would also help offset the cost of the event.

Vice Mayor Kirk advised that she had no problem including \$6,000 in the proposed budget for the Arts Council. She agreed with Councilmember Shea on the need to address her question.

Town Administrator Semmes noted that the Fredericksburg Main Street Initiative was given seed money by their Economic Development Authority for a three year period in order to allow them to get on their feet. She advised that the difference here was that the Arts Council was a Town committee. Ms. Semmes noted that sometimes Town committees would spin off into non-profit organizations. She opined that there was no reason why the Arts Council could not try to break even on its events.

Vice Mayor Kirk inquired as to what the Council wanted to do with Go Green's budget request.

Councilmember Snyder advised that the comments he made regarding the reporting of expenditures for the Arts Council applied to any Town committee that wanted money. He reiterated that he wanted a reporting from the committees.

Councilmember Shea reminded Council that this was part of what the Council requested as a part of the annual reports.

Councilmember Snyder noted that the Committee has been asked to outline their budget requests. He reiterated that once they receive funds, he would like to receive a report on their expenditures. Mr. Snyder suggested that these reports be given periodically throughout the year, depending on the committee.

Vice Mayor Kirk suggested that \$1,200 be included in the budget for Go Green. Councilmember Snyder agreed.

Councilmember Shea advised that while she did not care where the funds were included, she would like to make sure that when the Council looked at the budget, it could see which expenditures were for the committees.

Vice Mayor Kirk questioned whether the funding for all of the committee should be kept together.

Town Administrator Semmes suggested that now that the Council has agreed to include Go Green in the budget, there was no reason why a line item could not be developed for them. She suggested Go Green's funding be included under Administration. Ms. Semmes reminded Council that last year, they included a lump sum in the budget for Town committees. She suggested that if the budget requests were a regular occurrence, the committee should be included in the budget as a line item. Ms. Semmes suggested that if it was not, the money should be taken out of the Town Committee line item.

Town Administrator Semmes advised Council that when the Town received a donation for something, such as National Night Out, the money was placed in a general donation account and was not earmarked within the General Fund. She reiterated that the Town did not have revenue and expense categories for individual committees or departments.

Councilmember Shea noted that the Pink Box received donations, which were earmarked for that purpose. She further noted that when the Town had a museum committee, donations were earmarked for it. Ms. Shea opined that the policy for donations needed to be apparent.

Town Administrator Semmes explained that the two situations described by Councilmember Shea were different. She reminded Council that the Pink Box donations were given to the Town for a specific purpose and the Council wanted to track those funds. Ms. Semmes reported that they were tracked so the staff could tell anyone who asked how much money was left.

Councilmember Snyder reminded Council that those funds were originally raised as part of an acquisition fund; however, when the Town could not make the acquisition, the purpose of the fund changed. He noted that the Council decided to track those funds at that time.

Town Administrator Semmes noted that those funds were not in a separate fund, such as the Health Center Fund or Utility Fund.

Vice Mayor Kirk asked whether it was correct that if an individual donated money to the Town for the Police Department, the Department may not get to use it.

Chief Panebianco reminded Council that his National Night Out line item was in the red. He explained that he spent more than he was allotted because of the donations he received. Chief Panebianco reported that he could show where he received money and noted that what was received equaled what he spent, even though it was not in his budget.

Councilmember Snyder noted that there were very few things in the State Code that could tie a person's donation to a municipal government to its intended purpose. He advised that if an individual made a donation for the construction of sidewalk but it was not built, the individual would have no recourse.

Vice Mayor Kirk opined that if the Town received a gift for a specific purpose, the money should go for that purpose.

Town Administrator Semmes reiterated that the money was not earmarked.

Chief Panebianco opined that even though the money was not earmarked, the Town Administrator knew that he would go over the appropriations in his account when he received a donation. He noted that the donation could not be shown as income in an expenditure account, which was why the expenditure line item was in the red.

Councilmember Shea advised Council that she would like to see consistency with the committees. She suggested that the committees/departments should let the Council know if they had a certain budget for something and went over it by a certain amount because they received donations to cover that amount.

Councilmember Hazard suggested the donations be tracked off the books. Mayor Davis suggested it be shown on a separate page. Town Administrator Semmes suggested this be handled by the committee organizing the event.

Town Clerk North advised Council that this could be handled through a simple budget amendment every six months that included the additional revenues due to the donations and an equivalent increase in the expenditure line item related to the purpose of the donation. She noted that this would balance the budget and prevent accounts from being in the red, such as the National Night Out line item. Ms. North noted that as long as the donations did not exceed 1% of the budget, the Council did not need to hold a public hearing on the budget amendment.

Town Administrator Semmes opined that the Council only needed to amend the budget when the amount was over 1%. Town Clerk North advised that the Council only needed to hold a public hearing if the amount was over 1%; however, it could amend the budget for lessor amounts simply by voting to do so.

Councilmember Shea noted that she became concerned when a line item was over budget.

Town Administrator Semmes questioned whether the Council would like to do regular budget amendments. She suggested that accounting for events would be a good amendment.

Mayor Davis noted the need to have a record of each event that showed expenses and income, including donations.

Councilmember Snyder reiterated that he wanted committees to do their own reporting. He advised that he would not be looking to do more than one or two budget amendments a year. Councilmember Murdock agreed.

Councilmember Shea noted that the proposed revenues and expenditures for the Pink Box did not match on the General Fund summary page. Town Administrator Semmes noted that they should match and advised that she reduced the revenues and expenditures to \$21,200. She reminded Council that the difference between what they collected and their expenditures would come from the surplus Pink Box funds. Ms. Semmes noted that she would correct this error.

Vice Mayor Kirk noted that the Health Center Fund in FY '14 was projected at \$94,000; however, it was only projected to be \$83,500 in FY '15. She noted that the Center was full and questioned the reduced amount.

Town Administrator Semmes reminded Council that last year, they used some of the Health Center Fund's surplus to make major improvements to the building. She confirmed the lease revenue was projected to be the same; however, the amount of surplus funds to be used was reduced. Ms. Semmes explained that building improvements were not expected this year; therefore, the amount of surplus funds to be used was down.

Councilmember Hazard noted that the revenues from the occupancy tax were currently at 42% of the estimate; however, the budget included a 20% increase. He further noted that to get to those numbers, the Town must receive \$40,000/month. Mr. Hazard questioned whether the Town would be close to this year's revenue projections by the end of the year. He noted that when he asked about this due to the negative number, the Town Treasurer told him this was a month when it was paid out.

Town Treasurer Wheeler explained that the Council did not normally see this as the money would come in and go out during the same month. She further explained that the negative number was due to State issues. Ms. Wheeler reported that the year-to-date figures were correct.

Councilmember Hazard inquired as to what the Town was receiving quarterly in occupancy tax revenues. He opined that it should be receiving \$100,000 quarterly to get \$400,000 annually.

Town Treasurer Wheeler reminded Council that the Town had two more quarters' worth of revenue to receive. She noted that the auditors would adjust the funds received for the last quarter back into the budget even though it would not be received until July.

Councilmember Hazard advised Council that he spoke with someone from the Salamander Resort who indicated that their business was "starting to ramp up". Vice Mayor Kirk confirmed they had a lot of dates that were already blocked out.

Councilmember Hazard questioned when the third quarter numbers would be available. Town Treasurer Wheeler reported that they would be received this month; therefore, they would be in the next report.

Councilmember Hazard opined that the Town would have a good idea as to this number by the end of April.

Councilmember Littleton noted that the Town was using "pre-start up" numbers. He opined that they should be higher going forward.

Town Administrator Semmes reminded Council that she was trying to be conservative in her estimates. She further reminded them that she cut what Salamander projected in half.

Town Administrator Semmes reminded Council of the need to determine the tax rate that would be advertised. She suggested that if Council was unsure about the numbers, they may want to advertise a one or two cent rate increase. Ms. Semmes noted that this did not mean they had to approve that amount; however, advertising the higher rate would give them the option if they found they needed it. She reminded Council that they could not approve a higher rate if they found they needed it but had not advertised it.

Town Administrator Semmes reported that the proposed budget included a \$120,000 contingency reserve, which was the equivalent of 5% of the budget less the \$1.2 million from the County for the crosswalks. She noted that this was based upon an equalized tax rate. Ms. Semmes reminded them that they may need \$52,000 for the VDOT grant match and \$30,000 for the salary increases, which would only leave a contingency reserve of \$40,000.

The Council held some discussion regarding what tax rate should be advertised for public hearing.

Councilmember Littleton noted that the Council must adopt the budget by the end of June. He further noted that they would be able to confirm the occupancy tax revenue by that time.

Economic Development Coordinator Pearson reminded Council that the receipts for the month of April would be based upon the slow months of January through March.

Town Administrator Semmes noted that based upon year-to-date income, the General Fund was currently operating with \$32,000 in net income. She opined that this was due to the increased meal tax receipts. Ms. Semmes advised that she anticipated expenditures would remain level.

Councilmember Snyder expressed concern regarding the Utility Fund. He noted that he asked the Town Administrator to hold off providing a proposed budget for the Utility Fund until the work session as he believed the numbers would be more accurate and more meaningful at that time.

After some discussion, the Council agreed to advertise a nineteen cent real estate tax rate, with the understanding that they could approve a lesser amount if it was not needed.

**Information Items**

Vice Mayor Kirk noted the Upperville Fire Department breakfast to be held April 13th.

Councilmember Murdock announced that the Community Center would hold “A Step Above” Art Auction on April 11<sup>th</sup>.

**Closed Session** – (1) Legal Advice by Counsel and (2) Personnel

*Vice Mayor Kirk moved, seconded by Councilmember Murdock, that Council go into closed session as allowed under the Virginia Freedom of Information Act Section 2.2-3711(A)(7) and 2.2-3711(A)(1) for (1) consultation with legal counsel employed or retained by the public body regarding specific legal matters requiring the provision of legal advice by such counsel and (2) pertaining to the discussion, consideration or interviews of prospective candidates for employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of the public body. Vice Mayor Kirk further moved, seconded by Councilmember Murdock, that this matter be limited to (1) the provision of legal advice by counsel regarding a utility billing issue and (2) the discussion of a personnel matter related to employee salaries. Vice Mayor Kirk further moved, seconded by Councilmember Murdock, that in addition to the Council, the following individuals be present during the first portion of the closed session: Angela K. Plowman, Martha Mason Semmes and Debbie Wheeler. Vice Mayor Kirk further moved, seconded by Councilmember Murdock, that in addition to the Council, the following individuals be present during the second portion of the closed session: Martha Mason Semmes. Vice Mayor Kirk further moved, seconded by Councilmember Murdock, that the Council thereafter reconvene in open session for action as appropriate.*

Vote: Yes – Councilmembers Kirk, Hazard, Littleton, Murdock, Shea and Snyder

No – N/A

Abstain: N/A

Absent: Councilmember Stewart

(Mayor Davis did not vote as there was no tie to require her vote)

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Mayor Davis asked that Council certify that to the best of each member’s knowledge (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting, which each member so did. She reminded those present for the closed session that any discussion that occurred within it should be treated as confidential.

*Vice Mayor Kirk moved, seconded by Councilmember Snyder, that Council promote Marvin Simms to the position of Facilities and Maintenance Supervisor with an increased salary of ten percent (10%), effective July 1, 2014.*

Vote: Yes – Councilmembers Kirk, Hazard, Littleton, Murdock, Shea and Snyder

No – N/A

Abstain: N/A

Absent: Councilmember Stewart

(Mayor Davis did not vote as there was no tie to require her vote)

There being no further business, a motion was made and approved to adjourn the meeting at 8:18 p.m.

APPROVED:

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Betsy A. Davis, MAYOR

ATTEST:

\_\_\_\_\_  
Rhonda S. North, MMC, Town Clerk