



**MIDDLEBURG TOWN COUNCIL  
REGULAR WORK SESSION  
MINUTES**



**Thursday, October 26, 2017**

**PRESENT:** Vice Mayor Darlene Kirk  
Councilmember Kevin Hazard  
Councilmember Trowbridge "Bridge" Littleton  
Councilmember Philip Miller  
Councilmember Mark T. Snyder

**STAFF:** Martha Mason Semmes, Town Administrator  
Rhonda S. North, MMC, Town Clerk  
Ashley M. Bott, Town Treasurer  
Jamie Gaucher, Business & Economic Development Director

**ABSENT:** Mayor Betsy A. Davis  
Councilmember J. Kevin Daly  
Councilmember Peter Leonard-Morgan

The Town Council of the Town of Middleburg, Virginia held their regular monthly work session on Thursday, October 26, 2017 in the Town Hall Council Chambers, located at 10 W. Marshall Street. Vice Mayor Kirk called the meeting to order at 6:00 p.m.

**Report - Christmas in Middleburg**

Jim Herbert, Chair of the Christmas in Middleburg Committee, opined that they were in good shape for the 2017 event to be held on December 2<sup>nd</sup>. He reported that all of the public safety plans had been coordinated with Chief Panebianco regarding traffic routes, detour routes and barricades. Mr. Herbert advised that the barricades would arrive at 5:00 a.m. and would be removed at 5:00 p.m. He reported that traffic management outside of the town would be handled by the Loudoun County Sheriff's Department, including at the ingress/egress for the parking areas. Mr. Herbert opined that the sponsorship development was in good condition and reported that they were within \$2,000 of where they were at this time last year.

Mr. Herbert reported that they were receiving parking reservations earlier and noted that their website activity was gaining in popularity due to its convenience. He advised that the parade staging site work was done and opined that they would have room to do what they needed to and still keep the passage open to traffic. Mr. Herbert reported that arrangements have been made to use the Noble House as the parade porch and noted that they would have the same announcer as last year.

Mr. Herbert reported that they had rolled out their initial marketing. He advised that after Halloween, they would distribute the Christmas in Middleburg posters throughout the town so visitors would see them. Mr. Herbert noted that once up, there would be website activity from people asking for copies.

Mr. Herbert reported that their insurances were in place and noted that the Town was named as a co-insured. He further reported that VDOT approved their land use application earlier in the day and advised that the Town staff had a copy of the approved permit.

Mr. Herbert reported that all of the volunteers for the parade staging and parking management were mobilized. He noted that Candy Payne would need additional volunteers at the Exxon station, where passengers on the main shuttle would embark and disembark. Mr. Herbert advised that he would be open to any suggestions for volunteers/greeters.

Mr. Herbert reported that they had forty-two float entries to date and noted that they were managing the participants so they would not discharge anything from the floats. He explained that if they wanted to distribute anything, they must walk it to the crowd and not throw it. Mr. Herbert reminded Council that each float would be monitored for size so it would not be too big or spread out. He noted that the difference between eighty small and eighty large floats could add to the length of the parade. Mr. Herbert reiterated that they were managing the size of all of the elements, from the automobiles to the walking ones.

Mr. Herbert noted that the Community Center had taken on the Craft Fair and opined that it would be full. He announced that there would be a small food court behind the BB&T Bank. Mr. Herbert noted that the restaurants said “they were full and did not like turning away people without an alternative” so the food court would be the alternative. He reported that the trash management was confirmed and noted that Robinsons would make an hourly sweep and would dispose of the trash.

Mr. Herbert opined that they were in very good shape. He reminded Council that the event was weather dependent. Mr. Herbert opined that they would have the money necessary to handle the hard costs and noted that the parking revenue would handle those things that were related to size. He reported that the parking pass prices would remain the same.

Councilmember Littleton inquired as to the percentage of parking that was purchased in advance, as opposed to on the day, last year. Mr. Herbert reported that it was one hundred percent and advised that only four parking passes were sold on the day of the event. He noted that there was a lot of pass purchase activity the two days prior to the event. Mr. Herbert opined that the question was how much cash was received from parkers who did not use the website and reported that this represented fifteen percent of the cars parked. He opined that some people waited to the last minute and, therefore, paid in cash. Mr. Herbert reminded Council that last year was the first time a visitor could go online to pay for parking early and reiterated that eighty-five percent did so. He opined that a lot of people paid attention to the website, with many returning to it multiple times. Mr. Herbert reported that they had 82,000 visitors to the website last year between September and November.

Councilmember Snyder inquired as to when the website first went live. Mr. Herbert reported that it was in 2011.

Vice Mayor Kirk inquired as to the estimated audience for this year’s event. Mr. Herbert advised that he was using social media, email and combined synergies with sponsors; however, they were not trying to get to 25,000 participants. He noted that he heard from some retailers that they would like to see more than 13,000; therefore, his target was 17,500 with good weather. Mr. Herbert reminded the Council that in 2009, there was snow and in 2011, it rained; however, the sidewalks were still full. He opined that they knew what they could do with good mild weather, like was experienced in 2015. Mr. Herbert estimated the crowds at eight to ten thousand people in 2009, even though the event should have been cancelled. He advised that people came even in bad weather.

Councilmember Miller inquired as to the number of cars that Christmas in Middleburg parked in total last year. Mr. Herbert estimated it was 1,500.

Councilmember Miller questioned whether they were projecting 5,000 cars if they were projecting a higher number of attendees. Mr. Herbert confirmed they were not. He opined that with a higher gross audience, some people would travel and suggested that if it was a nice day, people would come in. Mr. Herbert advised that they looked at County stickers and license plates. He opined that most people who paid cash were local and suggested that people who had already made a commitment to come, purchased a parking pass in advance. Mr. Herbert advised that, if they got more people, he was not sure they would be from Alexandria and suggested they would be local/regional. He noted that they may not even use the online parking system.

Town Administrator Semmes opined that Council was asking how it was possible to get 17,500 people into town at four people per car. She acknowledged that some visitors stayed at the resort.

Chief Panebianco noted that there were a lot of people who looked for any spot that was free. He reported that they were limiting this now by eliminating parking on one side of the street in the residential sections; however, the Police Department was limited to enforcement in the town limits. Chief Panebianco noted that people would park on both sides of Route 50.

Councilmember Littleton encouraged Mr. Herbert to be careful and noted that if he was trying to get 17,500 people that would equate to four thousand cars at four people per car. He suggested that if only 1,400 people purchase parking passes, that would leave an additional 2,500-3,000 cars that were not going through the system that were stuffing themselves elsewhere. Mr. Littleton questioned whether this was a safety issue. He further questioned whether a fire truck could get through the streets if needed. Mr. Littleton questioned how this was policed.

Mr. Herbert questioned where the figure of four people per car came from. He reported that their attendance figure of 13,400 from last year was based on a density analysis that was performed.

Chief Panebianco noted that the number was up for grabs but that was what the density analysis showed. He reiterated that they have limiting parking on the streets in town to one side of the road in order to address safety issues. Chief Panebianco reminded Council that in the past, cars were parking all jammed up and, in some cases, double parked. He explained that this was how they were policing this to make sure cars could get into the residential sections. Chief Panebianco reiterated that they were limited to enforcement in the Town limits and opined that people walked a good distance to get here. He advised that while he did not like that, he could not stop it. Chief Panebianco opined that they have done what they could in town to make things safe. He reported that they would have thirty officers in town on that day.

Mr. Herbert reported that they had 1,300 cars last year and 13,000 people. He advised that this equated to ten people per car parked. Mr. Herbert opined that some people walked to the event, lived in town or drove and parked in town. He opined that if there were 2,000-3,000 more people, it would only involve a couple hundred more cars.

Vice Mayor Kirk noted that the number of attendees depended on how the event was advertised. She reminded Council that the year there was a huge crowd, the event was advertised everywhere. Ms. Kirk questioned whether the advertising was going to be that big this year.

Mr. Herbert reported that that was all earned press and noted that they did not even spend \$2,000 on paid print advertising and did no radio advertising. He explained that he and Bendure Communications sent out a photo and press release, which received earned press from multiple sources. Mr. Herbert advised that the year the Washington Post picked up the story, Matt Lauer mentioned it on NBC. He reiterated that this was not paid advertising and was just earned press, which he could not throttle back as he had little control over it.

Vice Mayor Kirk suggested that if Mr. Herbert saw a lot of hits on the website that he give the Council a heads up so they would know the numbers could go up and the Town could be better prepared. She thanked him for his hard work.

**Report – FY '17 Audit – Mitchell & Co.**

Sandy Tondreau, of Mitchell & Co., noted that the Council had copies of her presentation, as well as the draft report. She advised that she would not go through the full report but rather would concentrate on the presentation. Ms. Tondreau reminded the members of Council that they could email or call her if they had any questions later.

Comparative Balance Sheet: Ms. Tondreau explained that this was a look at where the Town was compared to last year. She reported that the General Fund cash was up, which was good, and noted that the Town had approximately \$1 million in certificates of deposit. Ms. Tondreau advised that she had talked with the staff about looking for more areas to invest money, particularly if it would be sitting for a while. She reported that on the receivables side, the revenues were down a little this year and advised that it was not due to a lot of “big stuff”. Ms. Tondreau reminded Council that the Town was in the process of receiving money from the Meandering Trail and Transportation Enhance grants and noted that the Town spent the money on these projects two years ago; however, it was refundable. She reported that while it had since been received, it had not as of the end of June; therefore, it was shown as a receivable. Ms. Tondreau advised that this was the biggest chunk of the receivables.

Ms. Tondreau advised Council that the Interfund Advances were mostly money between the water and sewer funds that were related to the General Fund debt. She reported that as to the Fixed Assets on the General Fund side, the changes were related to the Police Department vehicles, some of which were written off due to their loss (hail storm damage) and others added as the replacements were purchased. Ms. Tondreau noted that this also included the new streetlights and the Southern Software and server that were acquired to accommodate it. She reported that as to Other Assets, the majority was related to the pension. Ms. Tondreau explained that this was something that was booked for the audit report and was not in the financial data that the Town Treasurer tracked. She further explained that this was a deferred amount as the pension was a year behind in reporting. Ms. Tondreau noted that this was mostly what the Town paid in during FY '17 that was not accounted for in the calculations.

Ms. Tondreau reported that on the liability side, the payables were normal items that were paid in July but were for the last fiscal year. She advised that the biggest one this year was an invoice to Belfor that was related to the hail damage. Ms. Tondreau noted that it was received later and was put into last year.

Ms. Tondreau reported that the Accrued Expenses were mostly for the payroll at the end of the year. She advised that while most of the Town's debt was in the Water/Sewer Fund, there was a small amount in the General Fund related to the 2013 bond. Ms. Tondreau reminded Council that the Town paid \$173,000 in principal and \$149,000 in interest for its debt payments.

Ms. Tondreau advised that as to the Other Obligations, the biggest chunk was the unfunded pension liability. She noted that they also booked an entry for the refund on the personal property taxes that the Town was going to do. Ms. Tondreau reminded Council that this involved three years' worth of refunds, plus ten percent interest. She advised that this category also included the accrued liability for vacation and sick leave.

Councilmember Littleton inquired as to the amount of the unfunded pension liability. Ms. Tondreau reported that it was \$637,000, which was up slightly from last year.

Councilmember Littleton questioned how it went up and noted that interest rates were up. Ms. Tondreau advised Council that this was not a number that she audited, but rather it came from a report from the State's audit. She noted that they did an actuary process. Ms. Tondreau advised that although interest rates had some effect, the State must also estimate who would retire. She explained that it was one of those up and down things. Ms. Tondreau opined that the State may decide to raise the Town's rate one year if they thought it was more likely that xxx number of employees would use it or because people were living longer. She confirmed the unfunded liability had been increasing over the last couple of years; however, she stressed that the Town had paid the amount it was told it was supposed to pay. Ms. Tondreau opined that the likelihood that all of the Town's employees would retire at once was slim and noted that some of the people who the State was estimating as using the money may not as they may leave the Town's employ before retirement age. She opined that while the number was one to be concerned about, it was not terrifying.

Councilmember Littleton noted that there was a direct correlation between the unfunded pension liability and interest rates and opined that the staff make-up should not change it. He noted that interest rates were up; however, the pension liability was still going up. Mr. Littleton expressed concern that if the interest rates went down, the number would be really big. He asked for a copy of the State's pension report. Ms. Tondreau confirmed she would send him a copy.

Councilmember Littleton opined that if the unfunded liability was \$630,000 now and should be going the other way, this was something to explore.

Ms. Tondreau reiterated that the State was a couple of years behind in evaluating what it told towns to pay. She advised that she was not sure whether the Town could expect to see an increase in its rates coming up.

Councilmember Littleton volunteered to get into the calculations. He suggested the need to be more thoughtful on how the Town budgeted reserves for its unfunded pension liabilities.

Town Administrator Semmes reminded Council that Middleburg was not the only town affected. She reported that VRS changed its expected return; however, she did not know if that had an impact. Ms. Semmes reminded Council that they were required to follow the GASB standards for computing liabilities. She opined that VRS felt they were using too high an interest rate projected return.

Councilmember Miller questioned whether the staff had any indication of what was occurring with other jurisdictions across the State. Ms. Tondreau reported that the information was available on the VRS website. She noted that it had reports for all of the municipalities in the State, including their net position. Ms. Tondreau advised that it did not show the liabilities.

Town Administrator Semmes reported that VML Insurance knew this as well as they held workshops on it. She noted that the inclusion of this information just started three or four years ago. Ms. Tondreau advised that it was a nightmare from an accounting standpoint. She noted that pages thirty-five through fifty of the Town's audit report were all pension disclosures.

Ms. Tondreau reported that the Town's Equity and Fund Balances were broken out on the schedule. She reminded Council that part of it was invested in fixed assets and part was unrestricted for general government use. Ms. Tondreau reported that the balance went up from \$5 million to \$5.7 million.

Ms. Tondreau noted that not much going on with the Health Center Fund and reported that the cash was down due to expenses, including a lot of repairs. She advised that it had no fixed asset additions.

Ms. Tondreau reported that the cash in the Water/Sewer Fund was down a little. She advised that the largest part of the Water/Sewer Fund receivables was the utility billing receivables. Ms. Tondreau reminded Council that the Town did not bill for May and June until July. She opined that it would receive most of that money. Ms. Tondreau reported that the Town had some left over receivables from the water tower leases, some of which were old and needed to be addressed. She noted that there were some current ones that the Town Treasurer was resolving.

Ms. Tondreau reported that the Fixed Assets were up, mostly due to payments for the Route 50 Project and finishing the payments on the east end water line and new pump station project. She advised that the liabilities were up a little on payables due to timing, as there were some late payments for Belfor and the east end water lines and pumping station. Ms. Tondreau reported that the accrued expenses were the accrued interest. She advised that the equity side was even, with most of the Town's equity being tied up in assets on the water and sewer side.

Profit and Loss Summaries: Ms. Tondreau reported that the General Fund operated at a profit of \$720,000, which was down from last year when it was \$1 million. She advised that a big chunk of the change was related to the \$260,000 adjustment for the personal property tax refunds. Ms. Tondreau reported that revenues were up from \$3.1 million to \$3.3 million, the biggest chunk of which was the insurance reimbursement for the hail damage. She noted that this was a revenue and an expense and advised that while it would not affect the Town's bottom line, it made the revenues look higher. Ms. Tondreau reported that as a trend, the meals and occupancy tax revenues were up. She advised that on the expense side, the expenses were up from \$2.1 million to \$2.5 million, a big chunk of which was for the personal property tax refund, the vehicles that were purchased for the Police Department and the repairs related to the insurance claim. Ms. Tondreau noted that the Health Center Fund sustained a loss of \$62,000. She advised that while the revenues were up due to the insurance money that was received, the regular rental revenue was flat. Ms. Tondreau reported that the biggest expense was for the hail damage repairs and the mold remediation. She advised that as to the Water/Sewer Fund, the revenues were up from \$1.3 million to \$1.5 million this year, which included the insurance money and availability fees of \$83,000. Ms. Tondreau reported that expenses were up from \$1.3 million to \$1.4 million, mostly due to the insurance repairs and other routine repairs in the system. She advised that the fund operated at a profit of almost \$53,000, which was good as this fund did not always have a profit.

Operating Revenue: Ms. Tondreau reminded Council that this was for all three funds and advised that the insurance money and availability fees were removed, as they were not standard operating revenues. She noted that in looking over the past ten years, one could see where the Salamander Resort opened in 2013, as there was a bump in revenues in the General Fund and the Water/Sewer Fund. Ms. Tondreau reported that the Health Center Fund operating revenues were flat.

General Fund – Other Revenues: Ms. Tondreau reminded Council that the biggest revenues in the General Fund were the bank franchise tax revenues, the meals tax revenues, the occupancy tax revenues and the business license tax revenues. She reported that the meals, occupancy and business license revenues have been high since 2014. Ms. Tondreau noted that it was a question as to whether they would keep going up or level out at some point.

Water & Sewer Fund Revenues: Ms. Tondreau reminded Council that the Water/Sewer Fund revenues increased between 2013 and 2014 due to the Salamander Resort's opening; however, they have been level since then. She noted that the tower rental revenues tended to go up and down, but were fairly even. Ms. Tondreau advised that the "Other" category was the insurance proceeds that were received this year.

General Fund - Budget to Actual: Ms. Tondreau opined that the Town did a good job of tracking its revenues and expenses to the budget and advised that this was not usually a concern. She reported that the revenues were above what was budgeted, some of which was related to the insurance, and the expenditures were below what was budgeted; therefore, the Town was not over spending. Ms. Tondreau noted that the expenditures were over in the Police Department Budget due to the new vehicles; however, it was not by a huge amount. She reported that public works expenditures were way down as the Town did not spend money on wayfinding signs or parking meters and there was no snow.

General Fund – Surplus Fund Balance: Ms. Tondreau advised Council that the surplus fund balance had grown since 2008, when it was only \$814,000. She reported that it was now \$4.4 million. Ms. Tondreau reminded Council of the need to keep an eye on how it was using this money as it wanted to have some surplus as a rainy day fund.

Revenue/Expense Summary: Ms. Tondreau advised Council that they pulled the non-operating items out of the Water/Sewer Fund in order to give the Council a true sense of the operating income. She reiterated that it operated at a surplus. Ms. Tondreau advised that even if the availability fees, tower rental revenue and depreciation was removed, and the figures adjusted for the debt to operate the system, the Water/Sewer Fund would still have an operating profit of \$116,000. She opined that based on this analysis, it appeared the water and sewer system was operating profitably.

Percentage of Gallons Billed to Pumped: Ms. Tondreau reported that the good news was that over the long term, the number was up. She reminded Council that when she started doing the Town's audit in 2002, it was only at 48% of gallons billed-to-pumped and was now at 72%. Ms. Tondreau opined that the staff had refined the numbers it was getting and identified weaknesses in the system. She noted that this number was down from last year and advised that the Town Administrator was working with IES to determine why. Ms. Tondreau advised that they were not sure they were getting apples-to-apples numbers. She noted that they were sure the billing numbers were good; however, because they had not audited the numbers on the pumped side, it would be good to look at those. Ms. Tondreau reminded Council that the Town wanted to bill as much as it could.

Councilmember Snyder noted that the Town was accounting for its water use more accurately and knew how much a flushing cycle consumed. He noted that the Middleburg Charter School received free water; however, it was measured. Mr. Snyder opined that the Town knew more than it did in this area ten years ago.

Vice Mayor Kirk questioned why the percentage was different. Town Administrator Semmes noted that different people from IES were providing the numbers from year-to-year. She reported that she was going to meet with them to determine if they were accounting for everything. Ms. Semmes reminded Council that the Town had made progress with regard to leak management and the billing and opined that this was a matter of knowing what it was being included in the pumped numbers.

Councilmember Littleton questioned whether Salamander was being billed for everything it used. He noted the numbers from 2014-2015. Mr. Littleton further noted that the percentage increased to 80% in 2015. He questioned the percentage of gallons used by Salamander. Town Administrator Semmes reported that Salamander accounted for 30% of the water usage.

Councilmember Littleton questioned what made the percentage increase from 60% to 80% in one year if Salamander's usage was being tracked 100%. He further questioned whether Salamander drove the change or whether the Town found people who were not paying. Councilmember Snyder advised that this was something the Town had been addressing for ten years to try to make it more accurate. Town Administrator Semmes noted that the Town did a lot of large meter replacements in 2014-2015, including Safeway's meter. She further noted that it also corrected billing errors in 2014, as the large meters were only being read at 10%.

Councilmember Snyder noted that the Town was driving into the numbers when it worked on the rate model each year.

Town Issues: Ms. Tondreau advised Council that they would issue the Town a clean opinion on its financials. She reminded the members that Mitchell & Co. worked for them and advised that if they had encountered problems, she would come to the Council. Ms. Tondreau confirmed they did not. She reported that there were no disagreements with management and advised that they were easy to work with, provided all the information she needed and were open to suggestions and adjustments.

Ms. Tondreau noted that before meeting with the Council, she met with the staff to go over the adjustments and other things and advised that they talked about the fund balance reporting. She noted that pages twenty-six and twenty-seven of the report explained the different balances. Ms. Tondreau reminded Council that the General Fund had totally unrestricted funds, as well as non-spendable funds, which tended to be prepaid items. She noted that the General Fund included funding that was committed to parking, which was the result of the payment of the fee-in-lieu-of charge for new construction. Ms. Tondreau explained that this was separated out as the revenues from this fee must be used for parking. She reminded Council that if they had other things that they wanted to commit money to, they could do so by action so it could be tracked and separated on the report. Ms. Tondreau advised that the Council could do things that were less committed, which was called "assigned", where it would have an assigned amount, which could be tracked separately. She noted that there were restricted things, such as grant monies. Ms. Tondreau noted that the Health Center Fund monies were also restricted and explained that the money that was not tied up in the fixed asset of the building must be used for that purpose. She reiterated that if the Council wanted to set aside a certain amount of money, she could help them do so.

Councilmember Littleton questioned what "bucket" the money would be put in if it had a contract with someone for a year for \$150,000. Ms. Tondreau noted that this would depend on what the contract was for and explained that this usually related to revenues that were paid to the Town. She noted that if it was paying money out, it became a liability that was booked as a payable or some other type of liability. Ms. Tondreau explained that what she was referring to was more for restricting a revenue item or money coming in.

Councilmember Littleton explained that one of the things he was thinking about was if the Town expected to bring in \$1.1 million in revenue, with \$800,000 being spoken for, leaving \$300,000 that was discretionary. Town Administrator Semmes explained that this would be the contingency in the budget. Councilmember Miller suggested it could be set aside to build a new Town Office. Ms. Tondreau confirmed the Council could restrict money for that purpose only. She explained that monies could be restricted to that purpose if the Town had a capital project for which it wanted to build a capital project fund.

Councilmember Snyder noted that the Town was doing that and explained that the water/sewer rates included money that was going toward capital improvements in the utility system. He advised that he did not know whether the Council would want to call it out; however, he suggested it may in the future. Mr. Snyder noted that the Town had been trying to “get out of the shadow of yesterday” and was trying to do forward planning. He suggested that as it built the capital improvement reserves, it may want to pull some money out.

Councilmember Littleton inquired as to the remainder of the audit process. Ms. Tondreau reported that she would have a final review with the managing partner and would issue the final report.

Ms. Tondreau noted that the Town had some delinquent receivables, including a couple of old ones. She advised that they have talked about how the Council may want to write them off and noted that they must approve it. Ms. Tondreau noted that a couple of them were for old water bills. She reiterated that this was a matter for the Council to decide if it was worth pursuing.

Town Administrator Semmes noted that these bills pre-dated all of the staff. She advised Council that she had asked the Town Attorney to give her a memorandum on how to work on that. Ms. Tondreau noted that once he had done so, the Council may have to approve the write offs.

Vice Mayor Kirk questioned when the staff expected this to come forward. Town Administrator Semmes estimated it would be ready in November.

Councilmember Littleton advised that in the future, it would be helpful to have the report a couple of days prior to the meeting so the members could look at and read it. He suggested that if that meant changing the timing of the audit report to the Council to the next meeting, this would be fine. Mr. Littleton reiterated that he would like to look the report through before Ms. Tondreau gave her report so he could ask questions. Ms. Tondreau confirmed she would provide it in advance in the future.

## **Discussion – Goals**

### **Develop a Middleburg Brand**

Business & Economic Development Director Gaucher reminded Council that the agenda packet included a short ten point plan on the art of branding a community, as well as a brief memo from him. He opined that it was appropriate for him to own this item and reported that he had drafted a request for proposals, which the Town Administrator reviewed. Mr. Gaucher advised that he shared it with Councilmember Miller, as the Council’s representative on EDAC, and discussed it during the EDAC meeting held earlier in the week. He explained that when building a brand, especially one for a community, it was important to remember that it was about the emotional connections and helping people to understand the experience that the visitor could expect. Mr. Gaucher advised Council that he told EDAC that the only thing he was concerned about was whether the community could deliver on the brand. He noted that it must be incorporated as part of the work of the Middleburg Business & Professional Association. Mr. Gaucher reported that he and Councilmember Littleton have talked to the MBPA Board about this and reiterated that it had been discussed by EDAC. He suggested the need to bridge the gap between EDAC and the MBPA. Mr. Gaucher reiterated that he was working on a draft RFP, which he hoped to square away soon, possibly as early as next week, at which point it would be advertised and the process would begin.

Councilmember Hazard questioned whether the draft RFP would come to the Council before it was advertised. Business & Economic Development Director Gaucher confirmed it could. He opined that the Council had already approved the drafting of an RFP; however, he would provide it if the members would like to see it in advance.

Councilmember Littleton suggested this would only slow the process down. Councilmember Miller advised that most of it was boiler plate language. Councilmember Snyder opined that it would be good for the members to see it in passing and not in a decision making mode.

Business & Economic Development Director Gaucher reported that the draft consisted of three components, including a scope of work and boiler plate RFP language. He suggested the second most important thing was to incorporate the data from the Middleburg Futures' Group survey, to which over 1,000 people responded. Mr. Gaucher reminded Council of the document he produced two months ago that talked about how once the Town had a brand, it must decide what it would do with it and what its purpose would be.

Councilmember Snyder opined that the Town already had a brand. He further opined that it may not return what the Council would like it to; however, he suggested that most people would say "Middleburg does have a brand". Mr. Snyder noted that he was not talking about business people but rather was talking about the community at large. He opined that to some extent, the Town would be rebranding as far as the public, and possibly the businesses, were concerned. Vice Mayor Kirk opined that this would be an enhancement.

Business & Economic Development Director Gaucher agreed there was a brand and noted that it must be articulated. He advised that once those decisions were made, consistency was the most important piece. Mr. Gaucher explained that it must be rolled out on a consistent basis and used in the proper way.

Councilmember Snyder noted that this was what he meant by the current brand not doing what the Town hoped it would do. He suggested this was why the Town wanted to look at branding.

Councilmember Miller noted that this was not about changing Middleburg. He agreed a brand existed and noted that this was about changing the identity of it, what it looked like and how it was executed.

Councilmember Hazard noted that the Middleburg Film Festival used the Town's "logo" to identify it as one of the event's sponsors. He advised that one could tell who each sponsor was, with the exception of the Town. Mr. Hazard opined that the Town seal looked like a dot and got lost. He advised that he was not in favor of making big changes; however, he understood the need for a change.

Town Administrator Semmes reminded Council that what was used was the Town's seal.

Business & Economic Development Director Gaucher confirmed the Town seal would not change on official memos and government correspondence. He stressed that he was not talking about changing the Town seal. Mr. Gaucher reiterated that he was working on an RFP and expressed hope to have it wrapped up over the next couple of weeks.

Councilmember Littleton noted that the Council asked the staff to start work on a MOU with Visit Loudoun in March. He questioned whether it was done. Business & Economic Development Director Gaucher reported that he and the Town Administrator were meeting next week to review the latest rendition. He advised that Visit Loudoun had seen the document and was on board with it.

Town Administrator Semmes noted that Business & Economic Development Director Gaucher and Councilmember Miller have talked about it. She suggested the need to make sure it included good, reasonable expectations so there would be measurements.

Councilmember Littleton expressed concern that the year was almost half over and nothing extra had been done by Visit Loudoun.

Town Administrator Semmes advised that the MOU did not contain a lot of extra things and explained that it included what Visit Loudoun was already doing with some additional things, such as including Mr. Gaucher when Visit Loudoun went on missions.

Business & Economic Development Director Gaucher suggested the Council think of it as hard numbers in a document.

Councilmember Miller noted that he wanted to see a return-on-investment and opined that this was the only thing that mattered. He reiterated that he wanted to see what the Town was getting for its \$35,000.

Town Administrator Semmes advised that she heard that the Council was not happy with the heads-in-the-bed number.

Councilmember Miller noted that this was only one piece. He advised that he wanted to know how many times Visit Loudoun talked of Middleburg in every one of its marketing pieces. Mr. Miller noted that the Town wanted people to shop and dine and advised that it was not all about staying at Salamander.

Councilmember Littleton reminded Council that they wanted a training session(s) for local businesses in order to help them get better at social media. Town Administrator Semmes confirmed this was in the MOU.

Councilmember Littleton advised that he had an expectation that two sessions would be held before the end of this fiscal year. He noted that they only had eight months left to do so. Mr. Littleton expressed concern that it would be the first of the year before the MOU was executed.

#### Adopt updated CIP

Town Treasurer Bott reminded Council that her memo explained the CIP and noted that they hoped to bring it to the Council in December. She reported that the Planning Commission would discuss it next week and advised that she and the Town Administrator just finished the final draft.

Town Administrator Semmes explained that they were looking at the Town's capital needs for the next five years, including the projects that the Town had already committed to doing. She noted that they were looking at the Utility Fund, as well as the General Fund.

Councilmember Snyder questioned whether the General Fund and Utility Fund were being separated. Town Treasurer Bott confirmed they were. Town Administrator Semmes explained that while it was one CIP, it included totals for each fund. Town Treasurer Bott noted that it was also separated by year.

Councilmember Snyder questioned whether the Planning Commission should only review the General Fund CIP and opined that this would be where they would bring a lot to the table. He further opined that the Utility Fund needed to be driven by its own business logic.

Town Administrator Semmes explained that the Planning Commission's review would focus on how projects in the CIP related to the Comprehensive Plan. She further explained that they would not look at the numbers, as the Council would do that. Ms. Semmes reiterated that they would look at the conformance of the projects to the Comp Plan and noted that they may recommend the addition of items that may have been missed.

Councilmember Snyder asked that he be assigned as the Council representative for this goal.

#### Assignment of Councilmembers to be responsible for each goal

The Council agreed that the following members would be responsible for the following goals:

Councilmember Miller – Develop a Middleburg “brand”

Councilmember Miller – Craft/adopt a business/economic development strategy for Middleburg

Councilmember Snyder – Adopt an updated CIP with a capital maintenance component

Councilmember Snyder – Post the Vision-Mission-Initiatives on the Website

Mayor Davis – Place a Mayor's message on the Town's website and in the newspaper quarterly

Councilmember Littleton – Create a land use planning partnership with Loudoun County

Councilmember Leonard-Morgan – Implement the wayfinding program

Councilmember Daly – Perform a downtown parking study

Councilmember Hazard – Conduct a town staff office needs assessment

Vice Mayor Kirk – Host an annual reception for Council's appointed boards and commissions

#### **Discussion - Draft Employee Handbook – Chapters 4-6**

##### Chapter 4 – Leave

Councilmember Snyder questioned whether increases were proposed to the paid vacation. Town Clerk North reported that the only change proposed was to the category that was currently identified as the fourth through the tenth year (15 days). She advised that based upon the poll that was done of other jurisdictions, the Review Committee recommended it be the fourth through the ninth year. Ms. North explained that as such, an employee who reached their tenth year would get fifteen days' vacation as opposed to waiting until their eleventh year.

Councilmember Snyder advised that he was continuously amazed at the level of benefits, particularly paid leave, compared to the private industry.

Vice Mayor Kirk noted that Middleburg was close to what the other towns offered in Loudoun County.

Councilmember Littleton questioned whether Councilmember Snyder was surprised in that the benefits were more or less. Councilmember Snyder opined that the private sector was much less.

Councilmember Littleton noted that he did not know whether the Town could do so legally; however, businesses have gone away from having paid vacation and sick leave as it was “a nightmare”. He advised that they were instead offering paid time off. Mr. Littleton questioned whether the Town had the ability to offer that instead. Town Administrator Semmes confirmed it did.

Councilmember Snyder noted that in the private industry, an employee did not get paid when they retired if they were not sick. He further noted that there was a cap on what an employee could accrue.

Town Administrator Semmes confirmed there was a cap in Middleburg. Town Clerk North explained that if an employee retired from the Town, he/she was paid for twenty-five percent (25%) of their unused sick leave. She confirmed there was no cap on the twenty-five percent.

Councilmember Snyder suggested the two be combined and noted that the employees received twelve days of sick leave per year.

Councilmember Littleton advised that he hated the monitoring of it. He opined that the employees had to provide doctor's notes and there were questions as to whether they were really sick. Town Administrator Semmes advised Council that the Town did not have issues with that. Vice Mayor Kirk noted that there had only been one instance in which there was a problem and explained that it was an instance in which that person was abusive of their sick leave. She advised that the Town did not have a problem with this. Councilmember Snyder confirmed it had not historically been an issue.

Councilmember Littleton advised that he had never worked at a place where they had sick leave and explained that it was always paid time off.

Town Administrator Semmes confirmed that if an employee missed three days, they had to have a doctor's note to return to work.

Vice Mayor Kirk noted that the Town Administrator was in contact with the employees and knew why they were out if they were out for a period of time.

Councilmember Littleton advised that as to Councilmember Snyder's point about the number of days being lower, where he had worked, the employees did not get days based on years of service and simply received twenty days. He noted that they did not have sick leave. Mr. Littleton reiterated that they received twenty days of leave, which the employee could use as they wanted without the need for a note. He advised that the employee could carry over a little bit of leave if they did not use it all.

Vice Mayor Kirk noted that Town employees could carry over some leave. She suggested the Council focus on what the Town did.

Town Clerk North reported, based on what she had learned from other localities that offered paid time off, that those jurisdictions also offered short-term disability. She noted that Middleburg did not. Ms. North opined that most of the employees knew that they needed to value their sick leave as they never knew when they would need it. She reiterated that the employees did not have short-term disability to fall back on. Councilmember Littleton noted that he did have short-term disability with his employers.

Vice Mayor Kirk opined that the employees were happy with the system that was in place. The members of the staff confirmed they had not heard a single complaint about it.

Councilmember Littleton questioned whether the staff found managing two pools of days off to be confusing or difficult. Chief Panebianco advised that he preferred it. He noted that the Police Department worked around the clock and advised that if vacation days were added that would normally be sick days, it would be difficult for him to staff the schedule. Chief Panebianco explained that he had some employees who used every day of vacation they earned and opined that if they were given more, they would take more time off. He noted that sick days were only available if the employee was sick. Chief Panebianco advised that he preferred the current system as a management tool. Councilmember Littleton expressed an understanding of this.

Business & Economic Development Director Gaucher advised that he has worked, especially on the state level, where employees got to the point where they must use it or lose it; therefore, there was a cap.

Town Clerk North confirmed that the Town had a cap of two hundred forty hours (240) of vacation time, after which the employees were paid for any excess hours. She opined that this was an extremely generous benefit.

Councilmember Snyder noted that he used to get paid for unused vacation leave; however, that ended five or ten years ago.

Town Clerk North advised that one of the proposals in the draft employee handbook was to strongly encourage an employee who had worked for the Town for four or more years to take a minimum of two weeks of vacation per year. She explained that this was being proposed so that an employee would not use unused vacation time as a way to increase their salary.

Councilmember Littleton questioned whether it would be encouraged or mandated. Town Clerk North confirmed that it was drafted as “encouraged”; however, the Council could change it to “mandate”. Vice Mayor Kirk encouraged that they not make that change.

Councilmember Littleton advised that he worked for a company that allowed its employees to accrue up to three times their annual allotment; therefore, they had long-term employees who banked four hundred hours. He further advised that they never took vacations and would cash it out years later at a higher rate of pay than it was earned. Mr. Littleton opined that it was not healthy for employees to work so much and noted that vacation time was not intended to serve as a bonus program but rather was intended to allow an employee to get away from work and to relax and recharge.

Vice Mayor Kirk questioned whether the Police Department had trouble with people not using their vacation time. Chief Panebianco confirmed he had a couple of people who were close to the two hundred forty hour maximum; however, they had vacation scheduled. He advised that he was not aware of an employee under his supervisor that was paid because they went over the limit. Chief Panebianco noted that they tended to use vacation toward the end of the year.

Town Clerk North advised Council that this had occurred during her tenure with the Town. She opined that it was also up to the supervisor to encourage an employee to take vacation time when they were getting close to the limit.

Vice Mayor Kirk noted that the Town had a cap on the amount that could be accrued. Town Clerk North confirmed it did; however, she noted that an employee did not lose time once they reached the cap – they were simply paid for the excess.

Councilmember Littleton suggested the Town stop paying for leave beyond the cap. Councilmember Snyder agreed and noted that he lost leave because he was at the cap.

Vice Mayor Kirk noted that the federal government had a use or lose it policy. She suggested that if the Council wanted to encourage the employees to use their vacation time, they should adopt a policy like that one.

Town Administrator Semmes suggested the employee be paid for the two hundred forty hours if they left but nothing beyond that amount.

Councilmember Littleton opined that Vice Mayor Kirk was suggesting that once the employee reached two hundred forty hours, they not get paid for and not accrue anything beyond that amount.

Town Administrator Semmes advised Council that she was an employee who had this issue and noted that she did not receive comp time. She advised that it was hard for her to get away for the amount of time that she accrued.

Chief Panebianco advised that he worked for a locality whose policy was that once the employee reached the limit, he/she did not lose the vacation time but rather it transferred over to sick leave. He noted that they continued to earn their time per pay period, it simply went into sick leave. Chief Panebianco reminded Council that an employee could not take sick leave any time they wanted. He suggested that if an employee retired, they would receive twenty-five percent of the value if they never used their vacation time.

Vice Mayor Kirk asked whether the Council liked that option. Councilmembers Kirk, Littleton and Hazard agreed they did. Councilmember Snyder suggested that once an employee reached the cap, he/she stop accruing vacation time and stop getting paid for unpaid leave after xxx months. He noted that this would give the employee warning that they were expected to take leave. Mr. Snyder suggested they be given a certain number of months to stay at their cap before losing leave.

Town Administrator Semmes opined that this would be an accounting problem. Councilmember Littleton noted that this would be hard to manage. Vice Mayor Kirk noted that it would create more work for the staff and opined that the Council did not want to do that.

Town Administrator Semmes expressed a preference for the option suggested by Chief Panebianco. Councilmember Littleton noted that it would still include a penalty as there would be a seventy-five percent discount if an employee did not use his/her time.

Councilmember Littleton suggested that if the Town Administrator was being caught in this policy, the Council had a staffing policy issue it needed to solve and noted that it was not right that she could not take her vacation time. He opined that she should be able to take the vacation she earned and suggested that if she could not because there was too much work to do, that was a different problem. Vice Mayor Kirk suggested that be discussed at another time.

Council agreed to go with the policy suggested by the Chief. Town Clerk North confirmed she would prepare revised language that would allow vacation time to convert over to sick leave once the employee reached the two hundred forty hour cap.

Councilmember Littleton noted that the handbook allowed employees to receive floating holidays as designated by the Loudoun County and questioned what that entailed. Town Clerk North explained that the County used to give their employees Lee-Jackson Day and Martin Luther King Day; however, a few years ago, they decided to change Lee-Jackson Day to a floating holiday. She advised that the staff took this matter to the then-Council, who agreed to follow their lead and offer the employees a floating holiday. Ms. North noted that she contacted the County to make sure they were still offering this as a floating holiday and marked this accordingly on the Town meeting calendar in January.

Councilmember Snyder noted that the Council tried to follow the County's lead on holidays, as it did with inclement weather.

## Chapter 5 – Employee Benefits

Town Clerk North advised Council that the biggest question with regard to this chapter was the benefit for retiree health insurance and noted that this was a policy decision for the Council. She reminded them that currently, the Town paid a retiree \$100/month toward the cost of the health insurance premium if they stayed on the Town's health insurance policy. Ms. North explained that the issue was raised as to whether the Town should keep that policy or go with something that was based upon an employee's number of years of service, with longer term employees getting a better benefit. She advised that from the standpoint of the audit, this would create a bigger liability for the Town and noted that the \$100/month benefit was a fixed liability, whereas going with a percentage would change the Town's liability depending on the rates. Ms. North advised that sample language was included in the draft handbook should Council wish to pursue a percentage based system and noted that they had a memorandum outlining the results of a poll of other jurisdictions regarding this issue. She reported that some jurisdictions paid nothing toward a retiree's health insurance, some paid \$100/month and some paid a percentage of the premium costs. Ms. North reiterated that this was a policy decision of the Council; therefore, the staff needed some guidance.

Councilmember Miller suggested the need to know the cost of the options. Vice Mayor Kirk advised that this would depend on the option desired by the Council.

Councilmember Littleton noted that an option was already proposed. He questioned the cost of a percentage based system. Town Treasurer Bott advised Council that the premium cost for the retiree only was \$750/month.

Councilmember Littleton reiterated that the staff had proposed an option that included 25%, 50% and 75%. He questioned the cost based on what was proposed. Councilmember Snyder agreed it would be nice to see a cost comparison.

Town Treasurer Bott advised Council that currently, the Town had three retirees on its health insurance.

Town Clerk North reminded Council that the proposal only covered the retiree. She noted that if they had family coverage, they would be responsible for anything beyond the cost of the single-coverage, which was \$750/month. Ms. North advised that depending on the number of years of service, it would be 25%, 50% or 75% of \$750/month. She noted that the problem was that the \$750 cost could increase, which was why going with a percentage based system could create a higher liability for the Town.

Councilmember Littleton opined that the Town may have five retirees on its health insurance at any given time and noted that it would never have a large pool.

Vice Mayor Kirk noted that this would create more work for the Town Treasurer, which she did not want to do. She suggested it was good to have a fixed amount.

Town Clerk North reminded Council that the more money the Town spent on retirees' benefits, the less money it would have available for current employees' benefits.

Councilmember Littleton advised that the Council was being asked to make a financial decision without knowing the financial impact. Vice Mayor Kirk opined that the Council did not need to know the specific financial impact and noted that they knew it would cost more. She questioned whether the Council wanted to stay with the current policy or whether it wanted to be nicer to the retirees.

Councilmember Miller inquired as to the number of years of service of the existing retirees. Town Clerk North reported that one retired with eleven years of service and opined that another retired with twenty plus years of service. Town Administrator Semmes opined that the third served the Town for decades.

Vice Mayor Kirk opined that most of them would fall in the 50% range. Councilmember Littleton noted that at \$750/month, the Town would pay \$375/month for retirees in the 50% range, which was triple the amount it was currently paying. He opined that it was not “a headache number”.

Councilmember Hazard noted that the policy also referenced coverage for the spouse and questioned whether they would be included. Town Clerk North advised that, as proposed, the spouse would be responsible for 100% of the premium costs for their portion of the policy.

Town Administrator Semmes reminded Council that the retiree was only responsible for the Medicare gap.

Councilmember Hazard opined that the retiree only stayed on the Town’s plan until the age of sixty-five. Town Administrator Semmes explained that after age sixty-five, the retiree was only eligible for the Medicare gap coverage.

Councilmember Hazard questioned whether the Town paid 100% of that or a percentage. Town Administrator Semmes advised that the Town was now paying \$100 of that amount.

Councilmember Littleton questioned how often the Town reviewed the \$100/month amount. He questioned whether there had been any cost-of-living adjustments to it. Town Clerk North reported that it had been \$100/month during her entire tenure. Vice Mayor Kirk advised that when the Council talked about it, it decided on that amount. She confirmed it had never looked at a cost-of-living adjustment.

Councilmember Littleton suggested the Council needed to do what was right and competitive for retirement benefits based on what was common in the market place so it could hire the right employees who would stay for a long time. He opined that if this was part of the marketplace, the Council should consider it and not leave it at the amount that was set fifteen years ago. Mr. Littleton advised that he did not understand what this meant. He opined that what was written in the draft handbook was what the Review Committee recommended.

Town Clerk North explained that the Review Committee could not reach a consensus on this item and suggested it be presented to the Council for their discussion. Vice Mayor Kirk noted that there was not disagreement on the Review Committee. She advised that she was happy with the \$100 as it currently stood.

Councilmember Snyder advised that he would be happy recasting the number so it reflected 25% of \$750, which would reflect the current cost. He suggested this be a hard number. Mr. Snyder noted that the Council could look at this every year or every two or three years.

Vice Mayor Kirk asked the members to make a decision and noted that this had been under review for years.

Chief Panebianco asked that the policy grandfather him as he would like to have the benefit that he had when he was recruited. He noted that he would not be with the Town for ten years. Town Clerk North confirmed the proposed language grandfathered employees who had served less than ten years at the \$100/month benefit.

Chief Panebianco noted that as retirees got older, they affected the Town's insurance if they stayed on it. He suggested the Council consider giving a retiree \$100 or \$200/month toward insurance so they could pick what they wanted. Chief Panebianco noted that this would not affect the then employees' insurance rates. He reminded Council that retirees were now forced to stay on the Town's insurance plan in order to get this benefit, which affected the Town's insurance.

Vice Mayor Kirk opined that the retiree did not have to stay on the Town's insurance in order to get this benefit. Town Administrator Semmes noted that the handbook did not require that in the past; however, the Council went back and forth and eventually agreed it wanted them to be on the Town's insurance to qualify for this benefit. She agreed with Chief Panebianco and noted that retirees did affect the Town's insurance pool if older people were in it.

Councilmember Littleton questioned whether the premiums were based on the Town pool or the State pool. Town Administrator Semmes confirmed it was both.

Councilmember Littleton opined that as written, the policy would require the retirees to participate in the Town's health insurance. Vice Mayor Kirk opined that the retirees only had to be eligible to participate in the Town's health insurance in order to get the benefit and did not have to actually be on the Town's health insurance.

Councilmember Littleton suggested the reference to the Town's health insurance be removed, making a retiree eligible for the Town's contribution toward health insurance costs regardless of who they had their policy through. Vice Mayor Kirk agreed.

Town Administrator Semmes suggested the language include a phrase that "this could include the Town's health insurance" and opined that the Town needed to let the retiree know that they were eligible to stay on the Town's plan should they chose. Vice Mayor Kirk and Councilmember Littleton suggested it be addressed separately.

Town Clerk North summarized that the Council wished the language to read that a retiree was eligible for a \$100/month contribution toward the health insurance cost and that the retiree may elect to continue their existing coverage in the Town's health insurance. She confirmed she would revise the wording.

Councilmember Hazard questioned whether the policy should be written so a retiree would be ineligible to participate in the Town's health insurance once they were eligible for Medicare.

Town Administrator Semmes reminded Council that the Medi-gap premium was only \$200/month.

Councilmember Hazard reiterated his suggestion that retirees only be eligible to participate in the Town's insurance coverage until they were eligible for Medicare. He noted that this would limit the Town's liability by quite a bit. Mr. Hazard suggested the Town could still give them the \$100/month contribution toward health insurance costs. He advised that the private sector did this, otherwise there was an enormous liability for having retirees on the Town's policy. Vice Mayor Kirk agreed.

Councilmember Littleton asked for Chief Panebianco's thoughts on the matter. Chief Panebianco advised that he did not know what the standard was for gap insurance.

Councilmember Littleton questioned whether Councilmember Hazard was suggesting that once the retiree was eligible for Medicare that they could not continue on the Town's health insurance plan; however, they would still receive the \$200 on gap insurance or any other insurance. He opined that this made sense.

Town Clerk North questioned whether the Council wished to grandfather the retirees who were already on the Town's health insurance. Vice Mayor Kirk opined that they must. Councilmember Littleton agreed.

Town Administrator Semmes questioned how this would affect the current employees who were hired expecting that they could stay on the Town's health insurance upon retirement. Councilmember Littleton noted that things could change.

Vice Mayor Kirk inquired as to the number of employees that would be affected. Town Administrator Semmes opined that it would be herself and Chief Panebianco. Town Clerk North advised that it would affect every current employee who could retire from the Town, which were fourteen people.

Chief Panebianco advised that it would affect him and Town Administrator Semmes if the policy said that the employee must have worked for the Town for ten years to qualify. He noted that when he interviewed with the Council, he told them that he was only looking at eight years. Chief Panebianco advised that he was approaching that eight year mark; however, he could possibly be convinced to stay longer. He noted that his life plans had him leaving at the eight year mark and advised that he would still like to have the retirement benefit that was promised to him.

Town Clerk North reiterated that the language was already written to allow for that. She suggested that in order to address the concern about current employees, the language could include an effective date for the new policy so it would apply to any employee hired after the date of adoption. Ms. North explained that this would allow the current employees to be eligible for the Medicare gap but would not allow future ones to be. She advised that it would take a while to get rid of the old policy completely; however, once the current employees were off the Town's insurance, the old policy could be removed from the handbook.

Town Administrator Semmes advised that for her personally, this was a worry as she had a pre-existing condition. She suggested that if she could stay on the Town's plan, she would not have to go out into the market place to purchase affordable supplemental insurance, particularly if the regulations changed at the federal level. Ms. Semmes explained that if she could stay on the Town's plan, this concern would not come into play.

Councilmember Hazard opined that the Town Administrator was only talking about staying on the Town's insurance until she was eligible for Medicare. Town Administrator Semmes confirmed she was not and explained that she was talking about staying on the Town's plan for the Medicare gap. She confirmed her primary insurance would be Medicare.

Councilmember Littleton explained that the Town Administrator was saying that, given the current climate, she may not be able to get Medicare gap coverage elsewhere given her pre-existing condition. He further explained that she would have Medicare insurance; however, she would be denied the Medicare gap or it would be so expensive that she could not afford it.

Town Administrator Semmes reminded Council that any employee who retired from the Town must go on Medicare after the age of sixty-five as the insurance plan would only provide Medicare gap coverage at that time. She advised that it would be much less expensive as a retiree could not have full insurance coverage.

Town Clerk North noted that a friend of hers just went through this and was turned down for Medicare gap insurance due to a pre-existing condition. She advised that regardless of the Affordable Care Act, pre-existing conditions for Medicare aged individuals were still a basis to turn an individual down for supplemental coverage.

Councilmember Littleton explained that the pre-existing condition coverage only applied to primary insurance coverage, not to supplemental coverage.

Vice Mayor Kirk suggested the policy be written to allow current employees the opportunity to stay on the Town's health insurance coverage (Medicare gap) even after they were eligible for Medicare; however, any employee hired after the date of the approval of the employee handbook revisions would not be eligible. Councilmember Miller opined that this was the right thing to do and noted that they were hired under that condition.

Vice Mayor Kirk questioned whether the Council wished to keep the benefit at \$100/month. Councilmember Littleton suggested it be \$200/month.

Councilmember Miller inquired as to the premium for the Medicare gap insurance. Town Treasurer Bott reported that it was \$202/month.

Councilmember Littleton suggested the Council should review the amount annually. Councilmember Snyder suggested it be reviewed every three or four years.

Councilmember Littleton questioned when the \$100/month limit was set. Town Clerk North advised that it was prior to her hiring; therefore, it was more than ten years ago. She opined that it was not that much before she was hired and suggested it was twelve years ago. Vice Mayor Kirk noted that she was on the Council when it was set at \$100. Councilmember Miller noted the value of \$100 twelve years ago.

Vice Mayor Kirk summarized that the Council agreed to increase the benefit amount to \$200/month.

Chief Panebianco questioned whether that would apply to the current employees. Vice Mayor Kirk confirmed it would.

Vice Mayor Kirk questioned whether the Town Treasurer should increase the checks to retirees to \$200/month starting November 1. Town Administrator Semmes reminded Council that they have not yet adopted the amendments. She opined that it would not be retro-active.

Town Clerk North opined that once the amendments were approved by the Council, the checks would increase to \$200/month. Town Administrator Semmes opined that they would not necessarily. Vice Mayor Kirk opined that they would.

Town Clerk North opined that based on the Council's current discussions, once the amendments were adopted, the current retirees' checks for this benefit would increase to \$200/month. She questioned whether this was the Council's intent. Council agreed it was.

Chief Panebianco questioned whether this change would apply to retirees who did not elect to stay on the Town's health insurance and cited the example for the former Police Lieutenant who just retired. He advised that if it was retroactive, he would start receiving \$200/month. Councilmembers Kirk, Hazard and Littleton confirmed it would not be retroactive. Councilmember Miller opined that it would be retroactive to all retirees.

Councilmember Hazard opined that Chief Panebianco was asking whether the \$200/month amount was retroactive back to the date of retirement. Chief Panebianco explained that in the case he cited the retiree did not stay on the Town's health insurance; therefore, he was not receiving a check for \$100/month. He questioned whether he would start receiving a check if a policy was adopted that did not require retirees to stay on the Town's health insurance. Chief Panebianco further questioned whether this individual would start getting a check effective with the date of passage. Vice Mayor Kirk confirmed he would not.

Chief Panebianco questioned whether the current retirees who were getting checks for \$100 would continue to get checks for \$100. Councilmember Miller suggested the question was whether the Town was changing the policy to allow anyone who retired from the Town to receive \$200, whereas currently, they only received a contribution if they stayed on the Town's insurance plan. Vice Mayor Kirk noted that there were other individuals who retired from the Town who did not stay on the Town's insurance plan and thus were not getting money from the Town. Chief Panebianco questioned whether the Council wished to make the policy retroactive.

Councilmember Littleton opined that there was hypocrisy to what was being discussed. He explained that the hypocrisy was that it cost the Town more money if the individual stayed on the insurance plan and the Council was discussing giving them more money toward their premium; whereas, if the individual did not stay on the Town's plan, and thus did not cost the Town more, they were getting nothing even though they served xxx number of years.

Councilmember Miller questioned whether there were any other retirees who would be affected by a change in the policy. Vice Mayor Kirk confirmed there were and opined that the Council needed this information. Councilmember Littleton questioned whether there were any retirees who did not stay on the Town's insurance. Town Administrator Semmes confirmed there were.

Vice Mayor Kirk suggested the need for a list of retirees who were not on the Town's health insurance. She further suggested the Council hold off on further discussion of this until their next work session. Councilmember Snyder noted that that would not occur until January 2018.

Town Administrator Semmes questioned whether there was any additional information the Council needed for their consideration of this item. Councilmember Littleton opined that the staff needed to determine how many people who were currently retired were getting a \$100/month benefit; how many were retired that received nothing because they did not take the Town's health insurance; what the amount would be for everyone to receive a \$200/month benefit; and, what the cost delta to the Town was. He noted that the Council could then determine the budget impact. Mr. Littleton opined that the figure would not grow.

Town Administrator Semmes opined that the Council had agreed to stay with the fixed amount, which she agreed with as the Town would know what its fixed liability would be.

Vice Mayor Kirk noted that the draft policy would allow the dependents of retirees to continue their insurance coverage through the Town's group health insurance program until they were twenty-six. Town Administrator Semmes opined that the Council did not need to make that change. Town Treasurer Bott reported that one retiree's dependents were on the Town's health insurance, although one was going off later in the year.

Vice Mayor Kirk expressed concern about allowing them to stay on the plan until they were twenty-six. Councilmember Snyder noted that most insurances allowed that now. Councilmember Littleton reported that it was the law and could not be changed. Town Clerk North advised that it was part of the Affordable Care Act. She reminded Council that the retiree/dependent would be responsible for the entire cost of the premium.

Councilmember Snyder advised that he was fine with the rest of the chapter.

Vice Mayor Kirk advised Council that the changes would not return until January. Town Clerk North explained that she was keeping a list of the changes/questions raised by Council and that they would all return as one discussion item in January.

#### Chapter VI – Evaluations

Vice Mayor Kirk questioned whether anyone had any issues with the draft chapter on evaluations. Councilmember Littleton confirmed he did and suggested was too vague. He opined that it just said that the Town would do evaluations. He suggested the need for a standard rating system, a process of when and how they were to be done and a standard evaluation form that everyone would use. Mr. Littleton questioned what would occur if different supervisors used different forms. He reiterated his suggestions for amendments. Mr. Littleton noted that the standard evaluation form did not need to be included in the handbook; however, there needed to be one.

Town Administrator Semmes advised Council that the Town had a standard evaluation form that was used for the staff, with the exception of the Chief of Police. Councilmember Littleton opined that the Town did not have a standard form.

Chief Panebianco noted that he had an issue with this and explained that he evaluated differently. He advised that he had a form and would be happy to share it with the Council. Chief Panebianco noted that it included an explanation of what each value was and why they received the value. He advised Council that he quit doing evaluations when the Town started talking about getting a new form. Chief Panebianco noted that he was waiting to see if this was going to happen. He advised that he was not aware of any locality that used a standard evaluation form, as they looked for something completely different.

Councilmember Littleton disagreed and opined that there were certain things on which all employees should be evaluated. He noted that the standard form could always be supplemented. Mr. Littleton suggested the Chief would set a goal for an employee, which he/she would either meet or not meet, and suggested that the criteria for the scale on whether an employee was good or exemplary should be the same for everyone.

Chief Panebianco agreed; however, he reiterated that the items he looked at were completely different. Councilmember Littleton concurred they would be; however, he opined that the form should be a blank. He noted that one employee would be evaluated on something like the trash pick-up, whereas the police officers would be evaluated on another item. Mr. Littleton reiterated that the form would be the same.

Councilmember Miller acknowledged that the Police Chief would need a supplementary form that was specific to the needs of his department. He suggested that career growth planning should be included in the evaluation form. Mr. Miller further suggested that all of the evaluations be done at the same time. He noted that this would allow the employees to know they were coming up.

Town Clerk North noted that a lot of localities did the evaluations on the anniversary of the employee's date of hire. She explained that this would mean a supervisor was not doing fourteen evaluations at one time. Councilmember Littleton disagreed and suggested they should be done all at once.

Vice Mayor Kirk questioned whether they should be done at the end of the calendar or the fiscal year. Councilmember Littleton suggested that they be done prior to the end of the fiscal year and noted that this would set up the promotions, raises and bonuses for the coming fiscal year.

Councilmember Miller suggested they be done at the end of the calendar year. Councilmember Hazard disagreed and opined that too much was going on at that time.

Councilmember Littleton suggested they be done in March. Chief Panebianco advised that he did his in March-April. He explained that if the Town went to a pay-for-performance system, this would allow the staff to plug the numbers into the next budget.

Town Clerk North advised Council that the budget cycle would change with the new consolidated tax program. Councilmember Hazard questioned when the Town Treasurer would need this information for budget purposes. Town Treasurer Bott opined that the budget would need to be done by January or February.

Vice Mayor Kirk questioned who would like to work with the Town Clerk on this chapter. Councilmember Littleton volunteered to do so. Town Administrator Semmes asked that he work with her and the Chief. Vice Mayor Kirk asked that they have something ready for the Council in January. Councilmember Littleton confirmed they would.

### **Town Council Reports**

Vice Mayor Kirk reported that the Ad Hoc Property Committee met twice in one week and was progressing nicely. She advised that they would give the Council a report of their thoughts, with the Council making the decisions.

### **Discussion**

Vice Mayor Kirk reminded Council of the letters that were received from the Federal Street property owners. She noted that the police were basically handling this issue.

Chief Panebianco reported that he responded to the Town Administrator, not to the individuals, as he believed the Town should be documenting the issues. He noted that he and the Town Administrator talked about this when the noise issues first arose. Chief Panebianco reported that this occurred two months or so ago and advised that the police officers have been keeping an eye on it. He reported that since the first letter came, they have been going to this section three times a day, every day, including weekends, to see if there were any problems. Chief Panebianco noted that the Craig's letter stated that "the Town's response was signage and policing, which was unsympathetic". He disagreed and advised that it was necessary. Chief Panebianco noted the need to document whether there was or was not an issue and advised that if there was a violation, an officer could give the party a ticket.

Councilmember Miller opined that unless someone was parked in the road, the officers could not write a ticket. Chief Panebianco suggested that if this was the issue, the Town could install "no parking signs" at the cidery's exit and mid-way down, on both sides of the street, which could then be enforced.

Councilmember Hazard noted that Mr. Chretien owned property on the other side of the road and questioned what would happen if they parked on the side of the road. Chief Panebianco confirmed they could park on the side of the road, just not in the road.

Councilmember Littleton inquired as to the width of the right-of-way. Town Administrator Semmes reported that it was forty feet. Councilmember Littleton noted that it was much wider than the width of the road.

Chief Panebianco advised that if the motorist stopped along the side of the road, they would be in the right-of-way. He questioned why Mr. Chretien would not construct a driveway so people could pull off the road if he was going to use his property. Chief Panebianco reminded Council that the street was already signed as “no outlet”. He suggested that if the issue was motorists turning around in the driveway that signage be installed that read “cidery entrance on Route 50” with an arrow so people would know not to go into the cidery via Federal Street. Chief Panebianco opined that this would resolve motorists’ knocking on the Craig’s door; although, he had not received a complaint so he could not say whether that was happening. He noted that he could also not say whether what Mr. Chretien said had occurred as he was not there. Chief Panebianco opined that signage was quick and easy and would prevent these problems. He suggested the Craig’s be encouraged to call the Police Department if a violation occurred.

Councilmember Hazard questioned whether the Police Department could enforce a noise violation at the cidery. Chief Panebianco advised that a noise violation would not apply as the County did not have the Town’s noise ordinance and opined that they were not breaking the law in the County. He noted that he met with Mr. Chretien on occasion and opined that he was reasonable to talk to. Chief Panebianco suggested that if he was told there was an issue and that he was violating the Town’s noise ordinance that he would help out. He advised that he was only aware of one noise complaint and noted that it occurred in Mr. Chretien’s yard when he had his daughter’s wedding there. Chief Panebianco opined that the first part of fixing this problem was to allow the Police Department to control what was being complained about by installing signs and policing.

Vice Mayor Kirk inquired as to how quickly the signs could be installed. Chief Panebianco encouraged a large enough sign so it would compete with the “No Outlet” one. He suggested it be obvious in a color so it would not blend with the trees. Town Administrator Semmes reminded Council that the sign must meet the MUCD standards and advised that the staff would figure it out.

Councilmember Miller opined that this would be fine for the short term. Chief Panebianco suggested the Town study this and if there were still big issues in six months that it address them in a different manner. He further suggested a camera could be installed if needed. Chief Panebianco advised that he was not challenging anyone’s credibility; however, he was only called once and that was after the incident was over. He advised that in cases such as that, what individual’s described were generally not what happened. Chief Panebianco reiterated that he had only received one complaint and noted that it was from a member of the Council.

Councilmember Miller noted that Melmore was vacant and that Vivian Warren lived in the house behind it. He questioned whether she had noticed anything. Chief Panebianco reported that there was nothing in the Police log books to indicate they had received a call from any of the parties that have written to the Town.

Councilmember Miller noted that the cidery had only been open since October 11<sup>th</sup>.

Chief Panebianco opined that signage would resolve the issue. He further opined that the Craig's may be offended by it; however, it would address their issues. Chief Panebianco reminded Council that the Town could not address the issues unless it governed them.

Vice Mayor Kirk noted the need to make both parties aware that they must make timely complaints to the Police Department and not ones that were after the fact.

Chief Panebianco advised Council that he was there before the meeting and noted that the chain was up. He advised that he would test it tomorrow to make sure it was locked. Chief Panebianco reminded Council that Mr. Chretien stated that he did occasionally go to the barn. He suggested that if people walked from the cidery into town, he would encourage them to walk down Federal Street as it would be the safest route. Chief Panebianco reminded Council that this was a public right-of-way. He reiterated that it was the safest and most logical way to walk; although, he did not see a lot of people walking that far when they would not park two stores down from where they wanted to go.

Councilmember Hazard inquired as to the size of the cidery's parking lot. Chief Panebianco opined that it would hold forty to fifty cars. He confirmed this was not an issue of overflow parking.

Councilmember Littleton opined that people would park at the cidery, drink and then walk into town to wander around. Chief Panebianco suggested that if someone saw loud boisterous people walking in this area, he would want to be called and would encourage the Craig's to do so. He suggested he could meet with them to explain why. Chief Panebianco explained that since the letters were written to the Council, he did not want to overstep; however, he wanted to make sure he responded so the Council had something in writing.

Councilmember Littleton opined that there were two things to think about, the first being that the road was not well maintained. He advised that it was not plowed in the winter. Mr. Littleton opined that this had never been an issue in the past. He suggested it was now a commercial thoroughfare and questioned whether there was any responsibility there. Mr. Littleton noted that it was a public road; however, the Town had never maintained it. He reminded Council that only two people ever lived there and they plowed it themselves.

Vice Mayor Kirk questioned whether the Council needed to respond in writing to the letters. Chief Panebianco opined that it did, especially to the Craig's. He noted that based on their letter, their opinion was that they were not getting service. Chief Panebianco suggested that if the Town responded in writing, it would clarify that it was addressing the issue, could identify what it was doing and explain why it would like the Craig's to call when a violation occur. He further suggested that if the Town sent a letter to the Craig's, they would not think it was being unsympathetic.

Councilmember Hazard suggested the Town Attorney review the letter. Vice Mayor Kirk suggested that Town Administrator Semmes and Chief Panebianco write and sign the letter.

Town Administrator Semmes noted that the letter was written to the Mayor and Council. Chief Panebianco suggested the response be written as "coming at the direction of the Council" and opined that this was a staff issue.

Councilmember Littleton suggested it was important that both the Town Administrator and Chief of Police sign the letter as that would indicate that everyone was on the same page and explain that this was the proper procedure. He noted the law enforcement part of this issue and advised that the Town could not do things "willy-nilly". Mr. Littleton suggested it must be progressive.

Chief Panebianco suggested the letter invite the Craigs to meet with the staff to discuss specifics. He reiterated that hearing about issues weeks or months later did not allow him to address the issue as he could not go back in time.

Councilmember Snyder questioned whether the staff would reply to one letter or both. Vice Mayor Kirk suggested they respond to both. Councilmember Littleton noted that it would be the same response in that the Town would be telling each what it was going to do.

Councilmember Miller questioned whether the Town should remind Mr. Chretien that when he came before the Council, he said that "he did not intend to use the road". Chief Panebianco suggested the wording in Mr. Chretien's letter be that it would not be used "except in these instances". He suggested that this would let Mr. Chretien know the Council was paying attention to what he said he would do and making sure he was not overstepping those boundaries. Chief Panebianco noted that Mr. Chretien said "he would not use this as his main entrance and exit". He advised that he was not aware of anyone leaving the cidery in droves. Chief Panebianco suggested this may have occurred on foot; however, he had not received any calls.

Vice Mayor Kirk questioned when the staff would prepare the letter. Chief Panebianco suggested it would be done by Monday or Tuesday of the next week. Vice Mayor Kirk asked that the members of Council be copied on it in the event they received a call.

Councilmember Snyder suggested with regard to plowing, that the Council look at all of the areas within the town that were not plowed if they looked at anything. Vice Mayor Kirk reminded Council that the Town only plowed the parking lots and parking spaces and that VDOT plowed the streets.

Councilmember Littleton noted that this was not a VDOT road. Town Administrator Semmes confirmed it was not a VDOT secondary system road as it did not meet their standards for maintenance.

Councilmember Snyder opined that if it was a platted public right-of-way, it was owned by the State, unless it was a private road. Town Administrator Semmes explained that platted public rights-of-way that were in the original town were owned by the Town. She reported that they were given to the Town by the General Assembly in 1787. Ms. Semmes confirmed this one was a public right-of-way; however, it was not a road.

Vice Mayor Kirk noted that there were other private roads in the town. Town Administrator Semmes advised Council that this was not a private road.

Councilmember Littleton questioned whether there were currently any other roads in the same situation. Town Administrator Semmes cited Pendleton Street as setting a precedent and noted that it was not plowed by the Town to the Poston's house before Salamander was developed.

Vice Mayor Kirk asked the staff to look into this and report back to the Council during its November meeting on whether there were any other streets in town that were in the same situation. Town Administrator Semmes confirmed she would. She noted that the Council could then decide if it wanted to use Town forces to plow them. Ms. Semmes reminded Council that Tilton Enterprises assisted the Town with plowing its parking lots and that the Town used Jesus Sandoval as well.

**Closed Session** – Lease of Town Property

*Councilmember Littleton moved, seconded by Councilmember Hazard, that Council go into closed session as allowed under the Virginia Freedom of Information Act Section 2.2-3711(A)(3) pertaining to the discussion or consideration of the acquisition of real property for a public purpose or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body. Councilmember Littleton further moved, seconded by Councilmember Hazard, that these matters be limited to the lease of the Health Center property. Councilmember Littleton further moved, seconded by Councilmember Hazard, that in addition to the Council, the following individuals be present during the closed session: Martha Mason Semmes and Jamie Gaucher. Councilmember Littleton further moved, seconded by Councilmember Hazard, that the Council thereafter reconvene in open session for action as appropriate.*

Vote: Yes – Councilmembers Kirk, Hazard, Littleton and Miller

No – N/A

Abstain: Councilmember Snyder

Absent: Mayor Davis and Councilmembers Daly and Leonard-Morgan

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Vice Mayor Kirk 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.

There being no further business, Vice Mayor Kirk declared the meeting adjourned at 8:39 p.m.

APPROVED:

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Darlene Kirk, VICE MAYOR

ATTEST:

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Rhonda S. North, MMC, Town Clerk