

Special Council Meeting

Municipal Building
April 1, 2009

The Council of the Town of Culpeper convened in special session at 5:04 p.m. with Mayor Pranas A. Rimeikis presiding. Present: F. Steve Jenkins, Michael T. Olinger (arrived at 5:47 p.m.), James C. Risner, Robert M. Ryan, Christopher H. Snider, and William M. Yowell Council Members; Jeffrey B. Muzzy, Town Manager; Robert W. Bendall, Town Attorney; Chuck Stephenson, Town Engineer; Kimberly D. Allen, Town Clerk. Council Members Calvin L. Coleman and Duke M. duFrane were absent.

AGENDA APPROVAL

The agenda was approved by general consensus.

SPECIAL ITEMS & PRESENTATIONS

Council Member Snider moved, Council Member Risner seconded, to approve a resolution of appreciation to be presented to Chuck Stephenson at a later date.

FY2010 BUDGET

Town Manager Muzzy gave an overview of future FY10 Budget work sessions and reviewed the following key provisions:

- Carry over budget with funding levels generally at the FY08/09 fiscal plan actual expenditures
- Budget as presented would result in no significant decrease in existing services
- Budget as presented would result in improved:
 - Planning for future capital needs in the solid waste collection function and street improvements
 - Key staffing to assist managing of the work load
- Budget revenues based on the town real estate tax rate being equalized from 09 cents per \$100 of assessed value to 10 cents >01 cents from a possible 1.6 cents

Town Manager Muzzy touched on the following FY10 Budget Highlights:

- No employee layoffs or reductions in salaries
- Health insurance remains fully funded for town employees
- No employee COLA/Merit raises
- Fund balances remain at council directed levels (except Light and Power)
- Combined Planning Director and Town Engineer functions would be separated and two different positions funded:
 - Town Engineer
 - Planning Director (with extended responsibilities for Managers office)
- Solid Waste fees introduced and dedicated to capital replacement fund for purchase of trash trucks and carts:
 - \$.50/month/customer
 - \$2.00/for extra cart pickup
- Additional funds appropriated in Town Attorney's budget to cover pending/potential legal action(s)
- GIS Program continues and is brought in-house
- Employees banquet funding removed from all departments: \$10,000 added to Town Manager's Budget for special events/incentives for employees
- Outside Agency Funding remains at FY09 levels:
 - Bluemont Concert funding and Museum of Culpeper History funding removed from Parks & Recreation budget and placed in Outside Agency funding status
- Continued level of PILOT transfers from enterprise funds
- Funds budgeted for outside consulting assistance:
 - Town Manager's office
 - Treasurer's office
- Health insurance rates budgeted at a 6% increase over current year costs

Ron Mabry, Financial Consultant, stated the proposed budget presented this evening was based on an equalized rate of an additional penny and expenditures and revenues were continuously being monitored. Real Estate assessment hearings held by the County Commissioner of the Revenue had been completed and Board of Equalization hearings would run through mid-May. He will monitor the outcome of the hearings for any adjustments necessary.

Mr. Mabry indicated this proposed budget benefited from the aggressive action that was taken in the current fiscal year to control spending where possible. At the next work session, departmental details will be reviewed, and he would be implementing all changes as the committee moves forward. Revenue forecasting for next year is a challenge due to the current recession and its effect for FY10. The biggest challenge for next year is aggressively watching and controlling spending until reality in revenue is seen.

Town Manager Muzzy noted the following:

- The FY09 budget was created with significant reductions and is the launching point for the FY10 proposed budget.
- Current service levels are achievable for the near term at current resource levels but cautioned that continued budgeting at the current level would have a negative impact on the Town's abilities to reach expectations and will eventually require a refocus of council priorities and services.
- Capital needs would accelerate and establishing capital replacement policies, plans and funding would be crucial to address future needs.
- Current staffing levels provide for little back-up and redundancy, and a situation of limited resources to address ongoing activities as well as unanticipated issues and events exists.
- Introduction of a five year paving plan for the streets of Culpeper would allow for enhanced planning and a base for future budgets.
- Short term impact of a zero salary adjustment is acceptable but longer term would result in productivity issues. Need to begin exploring the creation of a classification and pay plan to prepare for future of the organization.

Mayor Rimeikis asked when council would get the detailed budget, and Mr. Mabry responded it would be available next week.

Mayor Rimeikis stated that council needed time to review the document thoroughly before the next Committee of the Whole meeting. He also asked how outside agency requests would be handled.

Town Manager Muzzy replied that he would notify the outside agencies that their presentations had been scheduled for April 29.

A general discussion ensued regarding outside agency funding and the need for an additional meeting to hear the outside agencies requests. Mr. Muzzy stated his recommendation in the FY10 budget was to level fund outside agencies.

It was the consensus of Council to schedule April 22, 2009 at 5:30 p.m. for outside agencies to present their budget requests.

Vice Mayor Yowell asked how much revenue the additional solid waste fees would generate for capital replacement and if the funds would be escrowed. Town Manager Muzzy replied that the fund would be escrowed and it was anticipated to generate \$41,000.

Vice Mayor Yowell stated that during this budget process, council should consider the fact that equalizing the real estate tax rate was necessary, which would put the tax rate at approximately 11 cents per \$100.

Council Member Jenkins asked if staff be prepared to discuss the current motorpool of vehicles at the April 29th meeting. Town Manager Muzzy replied staff would be prepared for the discussion.

Discussion ensued regarding items that could be potential problems in the future if not addressed during this fiscal year, and Council Member Risner indicated he felt building maintenance would be one. Mayor Rimeikis stated he did not know how long the Town Manager could continue to function at the current pace without an assistant.

CLOSED SESSION

Vice Mayor Yowell moved, Councilmember Snider seconded, council enter closed session to discuss or consult with staff and/or legal counsel regarding actual litigation with the County of Culpeper pursuant to Code of Virginia Section 2.2-3711(A)(7).

The motion carried by voice vote: Ayes:- Jenkins, Olinger, Rimeikis, Risner, Ryan, Snider, Yowell (7); Nays: (0); Absent: Coleman, duFrane (2). Council entered closed session at 6:15 p.m.

Council entered open session at 6:50 p.m.

Certificate of Closed Session: Pursuant to Code of Virginia Section 2.2-3712, Mayor Rimeikis polled the members for approval of the certificate of closed session that to the best of each member's knowledge only business matters lawfully exempted from open meeting requirements under Code of Virginia Section 2.2-3711 and 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 meeting by the public body.

The following roll call was taken: Ayes: Jenkins, Olinger, Rimeikis, Risner, Ryan, Snider, Yowell (7); Nays: None (0); Absent: Coleman, duFrane (2).

Vice Mayor Yowell moved, Council Member Snider seconded, to engage the law firms of Smith and Davenport and Troutman Sanders, specifically Robert W. Bendall and Carter Glass IV, to defend the Town in the lawsuit brought forth by the County of Culpeper relating to water and sewer issues.

The motion carried with the following roll call vote: Ayes: Olinger, Rimeikis, Risner, Ryan, Snider, Yowell (6); Nays: Jenkins (1); Absent: Coleman, duFrane (2).

ADJOURNMENT: Council adjourned at 6:52 p.m.

Clerk

Mayor