



## TOWN COUNCIL

### Special Meeting

Town Hall  
June 3, 2013  
6:00 p.m.

At 6:00 p.m., Vice Mayor Chris Bannon, having established a quorum, called to order the Special Meeting of Town Council. In addition to Vice Mayor Bannon, present were Councilmen Bennett, Sullivan and Wendell, and Councilwoman Natali. Councilman Godwin arrived at 6:02 p.m. Mayor Sullivan was not in attendance. Also present were Town Manager Heather Arcos, Assistant Town Manager Bob Panek, Treasurer Kim Coates and Town Clerk Libby Hume. There were 5 members of the public in attendance.

Vice Mayor Bannon stated that the order of business for this evening was i) to approve the FY 2013-2014 Tax Rate; ii) have a final overview of the FY 2013-2014 proposed budget; and iii) review Change Order #4 for the Brittingham contract for the decommissioning of the old wastewater treatment plant.

#### A. *FY 2013-2014 Tax Rate:*

Town Manager Heather Arcos began by stating that a public hearing regarding the proposed tax rate was held on May 30, 2013 and six comments were heard, all in opposition to a tax rate increase. The equalized tax rate would be \$0.2674 per \$100 and an effective tax rate increase of up to 2¢ was advertised. The current proposed budget shortfall was \$33,146 and a tax rate of \$0.2769 was needed to balance the budget.

Vice Mayor Bannon asked for a motion regarding the equalized tax rate.

**Motion made by Councilman Sullivan, seconded by Councilman Bennett, to approve the equalized tax rate of \$0.2674 per \$100 of assessed value. The motion was approved by unanimous vote.**

Councilman Bennett commented on the public hearing comments and stated that he listened to each comment made at any meeting and considered them carefully adding that every decision he made as an elected official was made with the best interests of the Town and all residents. Council and staff performed a comprehensive review of the proposed budget and had reduced the deficit to what he thought was the least amount possible to continue on the positive path of the past eight years or so. Councilman Bennett noted a number of non-budget related complaints brought up at the public hearing and addressed them as follows: i) The huge influx of Federal and State funds received during the past few years was because of hard work by the Town staff and had primarily gone to support infrastructure improvements that made our Town a better place to live and visit; ii) The increase in wastewater service area was something that had been proposed by the Public Service Authority and was not part of this year's budget; iii) He was not aware of any money borrowed last year to balance the budget – just a lot of hard work by staff and Council; iv) Uncollected taxes were an issue the Council was aware of and one that would be a priority in the coming year; v) The increase in the wastewater rate was associated with the debt service for the \$5M in debt for the wastewater treatment plant and added that all should be happy that the Town did not assume debt service for the full \$19M; vi) The Annexation Agreement was clear that when the Town's water and sewer needs were expanded beyond their current capacity, those responsible for that expansion, i.e., Bay Creek, would fund that expansion. Bay Creek was and had always been a part of the Town and paid their fair share; vii) Taxes were not being raised to pay for beach sand or bathrooms; and viii)

The property value decrease during the last reassessment averaged 35% in Town. Some properties naturally declined more than that and some less.

Vice Mayor Bannon asked for a motion regarding the effective tax rate increase.

**Motion made by Councilman Bennett, seconded by Councilman Godwin, to set the tax rate at \$0.2759 which equated to an increase of \$0.0085 per \$100.**

Vice Mayor Bannon stated that he would like to see an increase of 2¢ so the Town could build a reserve since the Town currently did not have a contingency fund. Councilman Bennett stated that the issue of a contingency fund needed to be addressed but he was not prepared to address it this year.

Heather Arcos stated that in the future, Northampton County would be assessing real estate values every two years so fluctuations in values would be seen more regularly, hopefully, not with such drastic changes.

Councilman Bennett added that he did not feel that the citizens understood that the equalized rate did not bring in additional revenue but was to maintain the current level of revenue to the Town.

Councilman Wendell stated that he preferred no net tax increase. The Town could save money by spending less and more wisely and added that he was concerned about exceeding the equalized rate.

Vice Mayor Bannon asked for a roll call vote on the motion on the table.

**The motion was approved by majority vote. Roll call vote: Bannon, no; Bennett, yes; Godwin, yes; Natali, yes; Sullivan, yes; Wendell, no.**

*B. Final Overview of FY 2013-2014 Budget:*

Heather Arcos stated the draft notice of public hearing for June 20, 2013 was distributed earlier. A special meeting would be held on June 27<sup>th</sup> to adopt the budget. Heather Arcos went on to review the capital projects included in the FY 2013-2014 budget by fund as follows:

The General Fund included: i) The Cape Charles Multi-Use Trail Phase 2 in the amount of \$750K. \$600K would be paid with grant proceeds and the Town match of \$150K was budgeted as an expenditure; ii) \$40K was budgeted as an expenditure for handicap access for the old library building; iii) The replacement of the old section of the fishing pier was included in the amount of \$310K. \$288K would be paid with funding from FEMA and the Town match of \$21,700 was budgeted as an expenditure; and iv) \$10K was budgeted as an expenditure for the sidewalk connection from Heritage Acres.

The Water/Wastewater Fund included: i) Under Waterworks, \$60K was budgeted for the engineering of the Keck wells connection and \$45K was budgeted to replace the generator at the water plant; and ii) Under Wastewater, \$30K was budgeted for the engineering for the Plum Street pump station.

The Harbor Fund included: i) \$1M for the wave attenuators and would be paid with grant funding from the Virginia Port Authority (VPA); ii) \$100K was budgeted for the next floating slip section. Another \$75K grant from the VPA had been approved and the Town match would be \$25K for this project; and iii) \$12K was budgeted for a new gator.

The total capital project expenditures for FY 2013-2014 was \$393,700.

Heather Arcos went on to review the utility rates as a result of changes made at the May 23, 2013 meeting. The water rate would decrease to \$34.50 per month. The wastewater rate would increase to \$60.85 per month, and the trash collection fee would decrease to \$12.57 per month.

Heather Arcos asked Council for a motion to set the public hearing for the proposed FY 2013-2014 budget for June 20, 2013 preceding the Town Council regular meeting.

**Motion made by Councilman Bennett, seconded by Councilwoman Natali, to set the public hearing for June 20, 2013, at 6:00 p.m. at St. Charles Parish Hall. The motion was approved by unanimous consent.**

C. *WWTP – Brittingham Contract Change Order #4:*

Heather Arcos stated that on March 21, 2013, Council approved Change Order #4 for Brittingham Bulldozing & Excavating pending an engineered site plan and written proposal from Brittingham. The site plan and written proposal were included in the agenda packet which was emailed to Council last week. The cost for grading and seeding of the stock pile was \$35K. Additional costs would be required for additional silt fencing and hydro-seeding of the sloped areas estimated at \$2,250. Heather Arcos requested approval of Change Order #4 in an amount not to exceed \$37,250.

Councilwoman Natali asked whether this work would complete the project. Heather Arcos responded that this was the last portion of work to decommission the old wastewater plant.

**Motion made by Councilwoman Natali, seconded by Vice Mayor Bannon, to approve the amendment of the Brittingham contract for the additional work described in Change Order #4 in the amount not to exceed \$37,250. The motion was approved by unanimous consent.**

Vice Mayor Bannon informed Council that Mr. Jeff Keever, Senior Deputy Executive Director of the Virginia Port Authority, had left the VPA, and the Town Manager of Onancock was gone as well. The Town Council opted not to renew his contract.

**Motion made by Councilman Sullivan, seconded by Councilwoman Natali to adjourn the Town Council Special Meeting. The motion was approved by unanimous consent.**

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Vice Mayor Bannon

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Town Clerk