

TOWN COUNCIL
SPECIAL MEETING
JUNE 19, 2013
7:00 PM

Acting Mayor Greer-Present
Councilman Ward-Present
Councilman Massey-Present
Councilman Doughty-Present
Councilman Metz-Present
Councilman Lewis-Present

STAFF PRESENT: Zeke Jackson, Ethel Parks, Chief DiMartino, Captain Doughty, Officer Randall, Officer Zieger, Buster Spady, Brandon Evans.

CALL TO ORDER:

The meeting was called to order at 7:00 pm by Acting Mayor Greer. Acting Mayor Greer established a quorum with all members present.

PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited by all present.

INVOCATION:

The invocation was given by Acting Mayor Greer.

CITIZEN COMMENT (3 MINUTE LIMIT PER SPEAKER):

Acting Mayor Greer stated that this is a special called meeting and they will stay on topic and follow the agenda.

Donald E. Kellam, Jr. noted that after looking over the financial report from the previous meeting, he saw that the police fines are extremely high and the water sales are extremely low. He asked if the system may have crossed numbers somehow.

Buster Spady stated that every time they want to have a closed session about their grievances it gets pushed aside. He said he could tell him why later. Mr. Spady told Acting Mayor Greer that he viewed his actions at the last meeting as unprofessional and he “acted like a child who had gotten his hand caught in a cookie jar, swinging his hammer around like he was crazy.” He told him he had no business sitting in either chair, that he should be in the audience or at home. Mr. Spady asked Acting Mayor Greer for his response. Acting Greer told Mr. Spady he had not intentions of responding at all.

David Scanlan distributed to the Council a copy of the Sewer User Agreement that states “The Applicant grants to the Town of Exmore and its authorized agents permission and authority to enter upon the Applicant’s property as necessary to install the sewage facilities and to repair and maintain same. In the event Applicant at any time refuses such entry to the Town or its agents, Applicant’s property shall be disconnected from the sewer system.” And that “Applicant shall be assessed a penalty of ten percent (10%) for any payments made hereunder more than ten (10) days past due. In the event that Applicant is thirty (30) days or more delinquent in the payment of sums due hereunder, Applicant shall be disconnected from the sewer system and shall be required to pay such reconnection fee as is then applicable under the Town’s applicable ordinances or rate schedules.”

Mr. Scanlan stated that he stopped paying for the sewer connections on Lot B2 and 3450 Main Street in July 2012. He said that he has the properties for sale and has paid over \$3,000 per connection over the years, has never used the connections and feels that he should not have to pay any more. Mr. Scanlan said that the Council as let numerous people disconnect from the system and then pay to get their connection back. He noted that others have been forgiven fees that they have owed to the Town. Mr. Scanlan is asking to be treated only as the Council has treated others. He said that he does not want the connections and if he sells the properties and the new owners want the connections then they can pay to hook up to the system.

Eileen Kirkwood stated that she originally asked for 20 sewer connections for her building on Main Street to open a restaurant. She said that the Town would allow her only 7 connections and she lost

opening the restaurant. Ms. Kirkwood said that she has never used the sewer connections because they have never actually been hooked up. She said that she asked to be “disconnected” and she stopped paying her bill in December of last year. She noted that she has paid over \$18,000 in fees and she wants the billing to stop. Ms. Kirkwood discussed the streetscape saying that the Town needs to follow through with it. She said that she has spent over \$400,000 in improvements to the building on Main Street and has gotten nothing in return from the Town. Ms. Kirkwood said that she is only asking the Town to follow through with what they said they were going to do.

Officer Barry Randall spoke to the Council with concerns about his grievance. He said that he is concerned about the fact that only a few of the Council members were aware of the grievance. He said that the policy states that during the grievance process the Town Council is suppose to give him a response but his response came from the Town Manager and he wants to know why. He asked the Council how many of them have seen the grievance letter and the response letter from the Town Manager. There was no reply from the Council. Officer Randall told the Council that if they have not seen the grievance letter or the response letter then there is a serious problem, because they are the ones that were suppose to respond, not the Town Manager. He said he feels his character is being tampered with and his ability to do his job as a police officer has become an issue. He urged the Council to listen to the grievances, stating that they are serious concerns. Officer Randall stated that after tonight, he hopes no one takes any kind of action that causes him to lose his job, kick back the time that he is allowed to put in or is put on leave without pay because he will take that as an act of retaliation and additional charges will be filed with the EEOC. He asked the Council if they had any questions. There were none.

APPOINTMENT:

Acting Mayor Greer asked the Council for any nominations to fill the seat for Mayor. Councilman Lewis nominated Acting Mayor Greer for the position of Mayor. Councilman Massey seconded the nomination.

Brenda Bailey nominated Mr. Taylor for the position of Mayor. Councilman Lewis stated by resolution to nominate Doug Greer for the position of Mayor. Councilman Massey seconded the nomination. Councilman Massey seconded the resolution. The resolution was accepted by the roll call vote of:

Councilman Charles G. Ward-Aye; Councilman Charles Massey-Aye; Councilman Bradley Doughty-Aye; Councilman John Metz-Aye; Councilman Tommy Lewis-Aye.

Acting Mayor Greer stated that Ernest Washington and Robert Duer have submitted applications to fill the vacant Council seat. He asked if there was anyone present interested in the Council seat. There was no response. Councilman Ward made the Motion to appoint Robert Duer as Councilman. The Motion was seconded by Councilman Metz. The Motion was passed by the roll call vote of:

Councilman Charles G. Ward-Aye; Councilman Charles Massey-Aye; Councilman Bradley Doughty-Aye; Councilman John Metz-Aye; Councilman Tommy Lewis-Aye.

DISCUSSION (VOTE IF NECESSARY) OF SEWER DISCONNECT FOR LOTS BELONGNG TO DAVE SCANLAN, (LOT B2, FRONT ST. AND 3450 MAIN ST.):

David Scanlan stated that he would like the right to reconnect Lot B2 to the sewer at no charge. Mr. Jackson recommended to the Council that any action taken on an agenda item apply to any and all citizens in one uniform policy. He noted that they do not need to take action on this item tonight and would like the opportunity to confer with the Town attorney. After brief discussion Councilman Lewis made the Motion to stop billing for sewer for all who wish to disconnect from the sewer until a policy can be enacted through legal counsel. The Motion was seconded by Councilman Massey. Discussion-None further. The Motion was passed unanimously.

BUDGET DISCUSSION:

Mr. Jackson noted that there has been a massive increase in police fines and have under collected on water, sewer and sanitation services. He said that we sent surveys to customers about the Town and the services the customers receive and that only approximately 30 have come back.

Mr. Jackson explained that all we are talking about tonight is revenue. He said that a previous year comparison shows a 5.5% drop in Meals tax collections, 6.19% drop in Real Estate tax, 15.56% drop in Personal Property tax, and 22.88% drop in Business License tax collections. Mr. Jackson noted that the decrease revenue in Business License tax is due to being down a staff member and our focus has been on utility collection. He said that there is a 66.47% drop in trash sales. 62.66% drop in water sales and 64.87% drop in wastewater. Mr. Jackson explained that he has found some mispostings in the 2011-2012 accounting but believes all the revenue is captured. The previous year comparison increases are a 7.7% increase in Transient Occupancy tax, Police Fines increased by 51%, delinquent Personal Property tax collections are up by 181%, interest collected for back Personal Property and Real Estate taxes up by 286%, delinquent Real Estate tax collections increased by 601% and Zoning is up by 779.1%.

Mr. Jackson explained that he has listed a number of challenges to consider for the upcoming fiscal year. He named the consent order that the wastewater plant is under, stating that we could be facing fines for non-compliance. He said that the Department of Health is working with him and he will submit a plan to move forward. Mr. Jackson noted that the wells are also priority and that we definitely need new wells. He said the sanitation service is out of date. He said that we are still manually picking up cans, bags and every piece of trash. We have record keeping and data management issues along with billing system and tax systems issues that we desperately need to get a handle on. We have Police staffing and equipment issues. Public Works needs equipment and a new facility. Town Hall needs a new roof. He said that we hold a 2000A Series Bond @5.6% interest that we should retire.

Mr. Jackson explained that 27% of our revenue comes from police fines, 20% from Meals tax, 10% from Transient Occupancy tax and 10% from Business License tax. He said that we have under collected the Enterprise funds by hundreds of thousands of dollars largely due to software migration. He noted that Southern Software does not have the capability to bill multifamily dwellings, for example, instead of billing 108 minimum users it billed only one \$15.00 minimum and it does not have the capability to bill in 100 gallon increments over 1,000 and therefore is operating in a deficit. He said that we are now billing in Quickbooks.

Mr. Jackson stated that the County reassessment resulted in an 11.77% drop in valuation. He explained that the gross valuation taxes went from \$138,000,000 down to \$122,000,000 in gross valuation.

Mr. Jackson said that outside funding sources such as grants are not available anymore like they use to be. He said that low interest loans are the way to go now. The Virginia Resource Authority may provide funding for our wastewater project. The USDA has a grant/loan combination that may still be available to us this fall for a vehicle. The T-21 funds are still allocated but we have a 20% match as well as a readjustment of the scope of the project.

Mr. Jackson spoke to the Council about public policy and goal setting, creating a vision for the Town, build a Comp Plan for the Town and move the Town in a positive direction. He asked the Council to take some time and think about what conditions do we want for our community, what goals do we want to pursue, what fiscal path should we take? Do we want to raise or reduce taxes, do we want to raise or reduce user fees? These are some things they need to think about in order to achieve their goals and move forward.

Mr. Jackson explained that there is such a large swing in revenue that it is hard to budget for that. He said that there is a 5.5% decline in Meals tax revenue and does not feel comfortable about the economy to make this any better. He noted that with the County's reassessment of the real estate, if the tax rate and the collection rate remains the same as last year we will have a large drop in real estate tax revenue. Mr. Jackson said that we had a one-time exception with the Transient Occupancy tax because of a lot of people from state agencies staying and we should not look for that again this year. He said that he used an average for Business License tax because all the data is not in yet. The Utilities tax collection is down by 3.7%. The Bank Franchise tax is at an average as well is Personal Property tax. He said that we will go heavily for back tax collections unless he is instructed otherwise.

Mr. Jackson stated that he talked to a timber buyer today about the wooded lot on the drain fields in Belle Haven. He told Mr. Jackson that there is approximately \$30,000 in saleable timber on the lot if the Council is interested.

Mr. Jackson noted that the revenue figure for water sales is based on an average number of connections with an average usage of 5,000 gallons at a 97% collection rate collecting \$254,999. He said that we may be talking about a new rate structure for wastewater to pay for the insolvent system. He said that if we can collect 97% of all Enterprise funds the total collected should be approximately \$500,493.

Ms. Kirkwood said that the \$165,000 loan at 5.6% interest should be refinanced at a lower interest rate and the money saved put in a reserve.

Mr. Scott stated that he feels there needs to be more open and better communication with the public and that the public needs to be more involved.

Ms. Hart noted that she is out at all hours of the night walking when she cannot sleep and she always sees the police. She said this makes her feel safe knowing they are making rounds. She also asked the Council to do something about the tall grass in the lot beside the Sage Diner.

Councilman Metz asked if we advertise our meeting dates on the radio. Mr. Jackson said that we do not advertise on the radio but we do have notices on both doors of the building and the two 4'x4' signs have just been put up on both ends of the building and we advertise on those. Mrs. Bailey stated that some people cannot read and she feels like we need to advertise on the radio as well. Mr. Jackson said that he plans on sending out a monthly newsletter with a Mayor's message, Council message, Manager's message, as well as any community organizations that wish to contribute to the newsletter.

Melissa Taylor noted that the crime rate in Exmore is down from when she was a dispatcher at the Sheriff's Office.

Acting Mayor Greer reminded everyone that there is a citizen comment time after the budget discussion and asked everyone to hold their comments until that time.

Carroll Taylor asked if the building that was purchased for public works was checked out for asbestos before it was purchased. Mr. Jackson stated that there is a provision in the contract that says the contract can be renegotiated if asbestos is found.

Connie Taylor asked if the Council was aware of the purchase of the building and a tractor.

Acting Mayor Greer stated that we are here for the budget and after we are finished with the budget discussion then there is a citizen comment for everyone to speak.

Mr. Jackson said that he would be interested to know how the purchase of the building and the asbestos got out to the general public.

Acting Mayor Greer said that they have sent out the surveys to find out how the citizens feel and the citizens need to send them back. He said that his goal is to get the water and wastewater system where it needs to be. He stated that he is will now turn the budget over to the Council.

Councilman Lewis noted that they need to give Mr. Jackson direction on rates and priority.

Mr. Jackson said that he is looking for a general direction of what fiscal policy the Council wants to make. He asked if they wanted to keep rates the same, raise them or reduce them. He said the primary goal of the survey is that it will tell us what the people want. He asked if they wanted to entertain any special tax districts to address drainage issues.

Councilman Ward noted that we need a plan on pulling ditches. He suggested that they do this when the ditches are dry.

Mr. Jackson noted that the VRA does not require mandatory water/sewer rates if we get a loan to upgrade our systems. He said that we have an intern doing some GIS mapping for us now so we will know where our lines are. The Council asked Mr. Jackson to give them a comparison of water and sewer rates to meet the federal minimum guidelines for grant applications.

He asked the Council for direction with the T-21 grant funds. Acting Mayor Greer asked the Council to think about the money that has to be spent on the water and wastewater systems before they make a decision on the T-21. The Council asked Mr. Jackson to add the T-21 expense to the budget so they will have an idea where they are going.

Mr. Jackson informed all present that the next regular Council meeting will be held on Monday, July 15, 2013 at 7:00pm.

CITIZEN COMMENT (3 MINUTE LIMIT PER SPEAKER):

Brandon Evans suggested that information regarding trash pickup be added to the monthly newsletter.

Dawn Parks suggested that the Town staff turn over the delinquent taxes to a collections attorney. Mr. Jackson told her that we have sent some to our attorney for collection. He said that we will also be utilizing the DMV STOP program and the Debt Set-Off program for tax collections as well. Mrs. Parks stated that she is thankful for the Police Department that we have and feels that the department needs to be fully staffed.

David Scanlan said that when Mr. Jackson made the remark to the Council “We can make your dreams come true” he realizes Mr. Jackson did not mean it the way he said it. Mr. Scanlan said that the citizens want to see their dreams and visions come true; for the Council to take their visions and implement them. The Comp Plan has not been updated since 1998.

Melissa Potter stated that we need the officers that we have. She said that if a robbery occurred and we did not have an officer on duty, we would have to wait for a deputy to come from Capeville or Cape Charles. We should be thankful we have the officers that we have. Acting Mayor Greer stated that he has no intentions of doing anything but improving it.

ADJOURNMENT:

Councilman Massey made the Motion to adjourn the meeting. The Motion was seconded by Councilman Metz. Discussion-None. The Motion was passed unanimously. The Meeting was adjourned.

Douglas Greer, Acting Mayor

Ethel Parks, Town Clerk