

TOWN COUNCIL WORK SESSION
MARCH 9, 2009
6:30 P. M.

AMENDED

TOWN COUNCIL MEMBERS PRESENT:

Fletcher Fosque
Kathyanne Runniger
Travis Bradley

Maphis Oswald
George Miles
(ABSENT: Kris LaMontagne)

OTHERS PRESENT:

Bruce Paone, Mayor
Sandy Manter, Iterim Town Mgr.
Caleb & Lynne Fowler

Karen Simpson, Admin. Asst.
William Tweedie
Alan Silverman

- I. Mayor Paone called the meeting to order at 6:30 p.m.
- II. Discussion of FY2009-2010 Town Budget. As an overview, the Town Manager felt that **revenue from** the Town business taxes; i.e., sales tax, business license, meals taxes and building permits, would decrease.

Questions asked were, “Where does the water tower antenna rent show up on the preliminary budget?”, “What is the Town’s cash position vs. accrual?”, and “Where are we now compared to this time last year?”.

After some discussion, the line items under “Revenue” were discussed one at a time. Regarding *Real Property – Current Late*, we need to need to know the actual billing figure vs. the collection figure, as there is a current deficit of \$26,008.96. A County reassessment will affect our revenue significantly. Regarding *Personal Property – Current*, the \$8,774.10 gap will close as we near April 15th when auto decals are mandatory, as personal property tax has to be paid before receiving a decal. *Building/Zoning Permits* seems to have been budgeted way too high at \$10,000. *Late Fee-Meals Tax* is quite a bit larger than the \$15.03 shown. We have

some delinquencies here. No figure shows under FY 08-09 for *Interest On Accounts*. There is an issue with mistakes on this preliminary budget from our accountant, which will be corrected. *Interest on Certificates* is low because of poor interest rates. *Law Enforcement Funds* should be restored due to the stimulus funds. The Town Manager will try and come up with a percent reduction in anticipated overall revenue projection. Discussion followed regarding comparing last year's figures to this year's figures at this time of the year.

Expenditures - The Town Manager stated that in any event, some cuts will have to be made in the new budget. Councilman Fosque recommended that Council members take a ten percent (10%) pay cut. General consensus agreed. Cuts were not recommended for *salaries, over-time or travel*. The Town Manager will contact the billboard company to discuss lowering the contract price. *Main Street Program* should be cut. *Tourism Transient Occupancy Tax Transfer* was discussed. This figure partly pays for advertising Onancock in brochures, at the State Fair, etc. It was suggested to ask the Tourism Commission for more benefits from the money we give them. Councilwoman Oswald suggested that Town employees pay five percent (5%) of *Retirement, Hospitalization and Life Insurance*, so the Town would only be paying ninety-five percent (95%) rather than one hundred percent (100%). Mayor Paone opined that since the employees are probably not getting a raise this year, they should not have to pay the 5% toward benefits. Re *Audit Services* and *Bookkeeping Contract*, discussion followed. The Town Manager was instructed to look into whether \$14,250 was reasonable for audit services. *Training* should be reduced. Training needs to be lowered. All *Vehicle Maintenance* figures should be combined, except for the Police Department and proprietary maintenance. We are not spending nearly as much as is budgeted. Like line items need to be consolidated, such as *Travel* and *Property Insurance*. *Office Equipment Repair* needs looking into. A question arose about auto decals for year 2010. The Town Manager will check with the Accomack County Treasurer. *Dues and Memberships* may need lowering. A discussion ensued regarding possible sale of the town car used by the previous Town Manager and using an unmarked police car for any trips. The federal mileage rate per mile can be used for any usage. The line items *Software Upgrades, Consultants* and *Town Code Codification* can be deleted. As *Unemployment Insurance* is no longer being paid on the former Town Manager, can some of it be refunded? The Town Manager will follow up on this. *General Liability Insurance* needs to be checked out for a possible lower rate, as does *Workmens Compensation*. VML needs to be asked about upgrading *Public Officials Liability Insurance*.

Police Department - *Over-Time Compensation* should be adjusted for grant funding received. *Computer Maintenance* should be changed to Software Maintenance/Upgrade.

Fire Department and Rescue - *Electric Services* seems extraordinarily high, and needs checking into. *Travel* is questionable.

Public Works - It was questioned whether we have a signed contract for mosquito control. *Trash Cans/Liners* can be lowered. This should be go under the Litter Control Grant funding. The Town Manager thinks there is a considerable amount that can be saved under all of the *Vehicle Maintenance(s)* in the various categories. Re *Sidewalk Replacement*, it should be a capital cost. Discussion ensued regarding money left over being invested in Certificates of Deposits in the past – not authorized by Council. This procedure needs to be investigated. *Janitorial Supplies* needs to be adjusted down. Recycling needs to be touted in Town with an advertising campaign.

Wharf and Marina - *Vehicle Fuel* and *Other Operating Supplies* seem quite high.

Parks and Recreation - We need to look for ways to reduce *Cutting Grass Contract*, such as our guys taking over some of the work (gazebo). The Little League will take care of their fields and the Friends of Onancock School will take care of the school property. *Sign in Large Park* can be cut.

Debt Service - *Contingencies* was questioned, as well as the \$5,969.38 overage on *BB&T Loan*. It was suggested that the sale of the Town's lot by the movie theater be put in the hands of a realtor by Council.

Regarding creek dredging, test drilling was done this past weekend in the creek. We are still 12-15 months away from starting dredging, as there is still some permitting to do. Depending on where we are in the five-year time limit, we may have to extend the contract.

Jamestown Fund - Cynthia Walton needs to be asked about using the leftover fund dollars as seed money for Harborfest. Something needs to be budgeted for Harborfest for operating costs.

The *Water and Sewer Fund* needs to be discussed at a future work session.

Basic guidance given by Council to Town Manager:

1. Try not to raise real estate taxes.
2. Probably minimal/no employee raises.
3. 10% cut on all non-compensation items.

The Town has consistently under budgeted the revenue and over budgeted the expenditures creating an overage most years that has been dumped into CD's.

The work session was adjourned by Mayor Paone at 8:40 p.m.

Sandy Manter
Interim Town Manager

Bruce Paone
Mayor