

**COMMITTEE: FINANCE**

**DATE: MONDAY, NOVEMBER 2, 2009**

**TIME: 7:15 P.M.**

**In attendance:** Council Members Le Vine (Chair), Baker, Ritenour, Terndrup, and Vena; Mayor Taylor, Town Manager Fauber, Director of Finance Mullins, Town Planner Rex, Town Clerk Keller, Michael Terndrup, Doug , Lana Le Vine, Doug Miller, and Sally Voth of the Northern Virginia Daily

During the next meeting, the committee will begin looking at the next fiscal year's budget using the current budget as the baseline and finding the major deviations from this. This will help to give the impact of the increases and give the Council a feel of what projects need to be tackled first.

- **Water/Sewer Fees Staff Study:** Town Manager Fauber, Director of Finance Mullins, and Town Planner Rex had prepared a PowerPoint presentation showing five different scenarios for the rates. Planner Rex explained the findings (slides of presentation attached here-to). The five scenarios presented were:

1. **Maintain Current Rate Structure**
2. **Flat Rate**
3. **Flat Rate with Minimum**
4. **Rate Based on Actual Use**
5. **Graduated Rate**

Staff recommendation was in the short term:

- Implement "Actual Use" scenario
- Move 32 actual residential uses to residential rates
- Move 69 actual commercial uses to commercial rates
- Options to make up approx. \$39,792 in revenue:
  - Adjust rates to balance
  - Use fund balance

Long-term:

- Implement a "Flat Rate" structure with a minimum charge

Committee members decided not to consider Scenario 1; liked Scenario 2 with a minimum and a flat rate so actually like Scenario 3; Scenario 4 was "dropped from the mix"; Scenario 5 will be explored more.

The two options to study further are:

- Flat Rate with Minimum
- Graduated Rate

A progress report will be given at the next Finance Committee meeting.

Availability Fees were also discussed. A spread sheet was handed out showing rates in other localities. Strasburg is significantly lower on the larger meters. Currently, there are only a few big meters in use within the Town – 4" (Strasburg High School). It was asked if there are other sources of income that other localities have and Staff thought there are not any other fees. But, Members attending were not in total agreement with this and instructed Staff to find out if there are other sources of income. Findings on this will be presented at the Finance Committee meeting on November 30.

- **Strasburg Rescue Squad:** Council Member Le Vine said the Squad is now running calls on weekends and he reviewed happenings since the Squad stopped running calls earlier in the year. The Town did not provide any donation to the Rescue Squad for this fiscal year

because the Squad was not operating within the County's Emergency Services. The Council placed \$25,000 in a contingency line item under donations so as to have funds if the status of the Squad changed and if the Town wished to provide funds. The other \$25,000, which would normally have been given to the Squad, was disbursed among other applicants. It was reported the County will evaluate the performance of the squad in 90 days and if it is performing adequately, the County will release 1/3 of its donation to the organization; other increments will be given based on performance.

**Doug Mowery, representing the Strasburg Rescue Squad**, said they asked the County to evaluate them on performance. The Squad is hoping the Town will follow the policy of the County.

It was decided the Town will adopt the County's policy of giving one-third of the donation when the County does and then the remainder of the donation when the County does so. Mr. Mowery was in agreement with this.

- Route 11 Sewer Study - Town Manager Fauber said the total cost is ~\$8 million. Staff will be evaluating this study further to see if the project can be phased. Currently, there is adequate capacity in the lines as far as the projects coming on now. Staff will give its position to Anderson & Associates by Thanksgiving. The Finance Committee needs to have some idea what the cost of the project will be. It was decided to use \$8 million as far as budget planning.
- Council Member Terndrup discussed the reassessments the County recently sent out. If the property values have gone down, is this a concern to the Town and should the current resources be conserved? Director of Finance Mullins presented preliminary figures from the County and explained the numbers. She feels the Town will be revenue "neutral" if all figures stay basically the same so this will mean the revenue will be basically "flat."

Minutes from the October 5, 2009 as presented.

Being no further business, the meeting adjourned at 8:57 p.m.