

COMMITTEE: FINANCE
DATE: MONDAY, MARCH 1, 2010
TIME: 7:15 P.M.

In attendance: Council Members Le Vine (Chair), and Committee Members Ritenour, Terndrup, and Vena; Council Members Baker and Redmon, Mayor Taylor, Town Manager Fauber, Director of Finance Mullins, Town Clerk Keller, and numerous visitors, many representing organizations requesting funds.

Chairperson Le Vine reviewed the agenda for the meeting and explained each group will be given five minutes to present their proposal. He added Council has already decided the cap of all donations will be kept the same as last year --- \$159,500. The total amount being requested this year is \$346,000 so not all will be given their full donation request. He stated that Council Member Mauck would like to take tourism out of the "mix" and make tourism a line item and use a certain percentage of the amount collected from the lodging tax and have it go directly to the Tourism Committee.

The minutes of the February 1, 2010 meeting were approved as presented.

Director of Finance Mullins said she has been tracking revenue. Business licenses are due on March 1, but it appears there are fewer being applied for, but she will know more after tomorrow. There are also fewer tap fees than were anticipated so both of these mean there is a shortfall in revenue. She will be meeting with Department Heads on March 2 to see how they can "cut" their expenses.

Council Member Terndrup presented an idea of how to allocate the donations to make the process more formal. (Ideas attached here-to). His suggestion was to incorporate these suggestions for the next budget cycle.

Presentation by Organizations:

- Hometown Strasburg --- Hank Dean and Dora Buck
- Habitat for Humanity --- Larry Baker
- Strasburg Community Baseball --- Jay Neal
- Strasburg Museum --- Gloria Stickley
- Strasburg Youth in Arts --- Julie Overturf
- Strasburg Volunteer Rescue Squad --- Doug Mowery
- Tourism Committee --- Doug Miller
- Strasburg Chamber of Commerce --- Rich Orndorff
- Shenandoah County Free Medical Clinic and Dental Clinic --- Pam Murphy
- Strasburg Library --- Raymond Willis

Chairperson Le Vine said the issue the Council is faced with is that all the organizations are good organizations and do much for our Town; it is not a contest as to which is the best because all are worthy. A handout was given showing the history of donations over the past years. To start discussion, Chairperson Le Vine distributed a list showing how he felt the money should be divided so as to be equitable and fair. He said this list was just to generate discussion and amounts could be changed.

In discussing Strasburg Community Baseball, Council Member Baker said a cash contribution is being asked for, but he thought it might be better to give a loan that the group would repay once they become profitable; he felt a greater amount could be given if it were handled in this manner. Council Member Redmon agreed with this. Council Member Baker feels the baseball team is somewhat unique because they hope to have extra money at some point in the future and the other organizations will never generate extra money. He thinks leverage can be gained because of the

money that is hoped to be brought in. Council Member Le Vine said there are some issues as this would take this out of the donation realm. Some of the negatives to this idea were:

- The money/loan would still need to be allocated from some source
- Council has already decided not to raise fees and taxes, only raise user fees
- Conflict-of-Interest in Town Attorney Neal writing the contract papers for the loan
- Other organizations might want to follow this lead, which could create the “Bank of Strasburg”
- Is this legal?

From discussion, it was thought Council would like to explore the idea of loans further or find creative ways to fund not-for-profit organizations. Chairperson Le Vine said all groups need to be treated fair and money is not the only thing that matters.

Council Member Terndrup feels Council needs to manipulate the funds available. Tourism is one way the funding can be altered. He feels the way the Tourism money is spent will impact the entire budget. Chairperson Le Vine said this is “muddying the water” as we need to look at donations and this is separate from line item funds. It has already been decided to donate \$159,500 which can then be supplemented by line item money which he thinks would be a discussion for the Work Session.

Discussion turned to the Strasburg Volunteer Fire Department and Strasburg Volunteer Rescue Squad. After much talk, the consensus of the attending Council Members and Mayor Taylor was to give both organizations \$45,000.

Much discussion took place on the other organizations requesting funds. Council Member Terndrup disclosed his wife, Eunice, is employed by the Shenandoah County Free Medical Clinic and Dental Clinic so he could not participate in discussions on this organization. It was the consensus of the group to not give any donation to Habitat for Humanity at this time as the group will not be starting construction in Strasburg until after the next fiscal year. Also, it was decided to defer any decision on a donation to Strasburg Youth in Arts until January, 2011, when it is hoped the financial status of the Town will be better. It was also decided to give the Free Clinic \$1,000 in the new budget cycle with the hopes of re-visiting and giving additional funds in January.

The idea of using funds from the “reserve” accounts was discussed, but most Members did not support this. It was suggested to appropriate the “minimum” amount at this time and then “re-visit” in January, 2011.

After much debate and discussion, the final consensus of the attending Council Members and Mayor Taylor were to allocate the donation funds in the following way:

Strasburg Volunteer Fire Department	\$45,000
Strasburg Volunteer Rescue Squad	\$45,000
Tourism Committee	\$19,500
Strasburg Community Library	\$16,000
Strasburg Museum	\$11,000
Hometown Strasburg, Inc.	\$10,000
Strasburg Chamber of Commerce	\$ 8,000
Strasburg Community Baseball	\$ 4,000
Shenandoah County Free Medical Clinic and Dental Clinic	\$ 1,000
Strasburg Youth in Arts	-0-
Habitat for Humanity	-0-
Total amount of donations	\$159,500

Chairperson Le Vine said all donations will be looked at again in January, 2011 and innovative ways of funding will be explored.

Being no further business, the meeting adjourned at 9:59 p.m.