

TOWN COUNCIL WORK SESSION
March 15, 2010

In Attendance: Mayor Taylor, Vice Mayor Whittle, Council Members Baker, Le Vine, Mauck, Redmon, Ritenour, Terndrup and Vena. Staff: Town Manager Fauber, Director of Finance Mullins, Town Planner Rex, Chief of Police Sutherly, and Town Clerk Keller.

The minutes of the February 16, 2010 meeting were approved as presented.

Public Comments:

Presentation:

Randy Vaughn, Wiley and Wilson – Brill Property and Public Safety Addition: Mr. Vaughn gave a PowerPoint presentation on plans for these projects (slides of presentation attached here-to). Questions were asked throughout the presentation by Council Members.

Public Comments on Presentation:

Barbara Adamson, Strasburg Heritage Association, stated she did not like Option 3 as it shows a parking lot up to the street which she feels is unattractive.

Discussion Items

Proposal for 2010-11 Budget--- Town Manager Fauber said the Department Heads had reviewed their line items and cuts were made. Before Council tonight is a budget that could be balanced. Issues that Staff would like to address for guidance are:

1. Visitor Center --- possible ½% increase in lodging tax

Mayor Taylor said one of the things that got lost in the mix of donations was a Visitor Center. Council Members had been impressed with the presentation given several months ago by the Tourism Committee. It is thought that what would generate the most interest/revenue for the area would be a “State Certified Visitor Center.” Mayor Taylor feels this is an opportunity that could generate some dollars for the Town and that it is the time to act on this as the 250th anniversary of the Town is upon us and this could help with visitors to this. Also, this would also be an Economic Development opportunity for the Town.

It was asked what the idea of this would be. Mr. Miller, representing the Tourism Committee, said you are trying to get a greater share of 50,000 cars that go by exit 298 daily. He explained what the funding of the Town would be used for, saying it would be strictly operational funding. This would be a matching program with the County and would benefit the entire County. It was asked who would own the building and Mayor Taylor said it would depend on the scenario decided on. It would be a regional visitor center and the other towns in the County would benefit from this. Other discussion was centered on:

- If Frederick and Warren Counties would be “showcased”, too, and if the rest of the County would be, as well. It was said Strasburg does

not have any clear “thing” that would draw people to the Town so it will work with the other areas.

- Would other towns in the County be asked to give \$30,000 each to the project as it was not felt Strasburg could carry the weight for the entire area. Why couldn't others be asked for the same contribution?
- If the amount to be paid by the County and the Town was a one-time only payment. It was felt this would probably be given for perpetuity. Currently this is proposed as a one year capital cost for the County; could it possibly become a partnership in future years?
- The \$30,000 that is being budgeted for this could have been a 1% pay increase for employees. What is the value system as people are important, too? It was said raises come from revenue and tourism dollars could help to generate revenue which could lead to increases
- The idea that this could bring more jobs to the community
- The need to promote tourist dollars
- Could the cost of this be divided between the three “funds” in the Town budget?
- National Park Visitor Center --- eventually, the Park will have its own center, but would like to “piggyback” with some other entity for now.
- Director of Finance Mullins was able to allocate \$25,000 toward this in the proposed budget; would it be hard to “find” the other \$5,000? Director of Finance Mullins thought it was doable as some of the rates proposed are very much estimates
- Has anybody asked other towns with visitor centers if they actually see increases due to this?
- Who would have control of the employees and how many employees would be needed? Town Manager Fauber said the employees would be part-time employees of the Town of Strasburg. The hours of operation required by the State were explained by Mr. Miller.

Several Council Members felt this was a good idea and that tourism is a “moneymaker” and would be a good investment for the Town. They would like to see an agreement from the County before actually moving forward with this. It is desired that this would eventually become at least partially self-sustaining. Mr. Miller stated there are some grant monies that could be available.

Opinion of Staff: Town Manager Fauber said in theory, this is supposed to increase the amount paid in lodging and meals taxes, but the Town does not have any “proof” it will.

2. Equalization of real estate tax:

Recently, Town Manager Fauber and Director of Finance Mullins attended a round table discussion with representatives of other localities and the discussion centered on how to “weather” the economic problems all are faced with. One of the topics was the equalization of the tax rate. In Strasburg, the real estate tax assessment will be dropping, overall, ~\$5,000,000 which is a loss of ~\$9,000 in real estate tax; this is the first time the Town has had a decrease in tax assessment. It was explained that when assessments go up, then the rate is

decreased so should it be “reversed” when the assessments go down? A 1¢ increase would generate ~\$54,000 and as a whole town, equalize the taxes.

Pros and cons:

- What is the lowest amount that the tax rate can be raised? 1/2¢
This would generate \$27,000 and only \$9,000 is needed to make up the difference
- Commitments have been made to not raise taxes
- This should be considered for a few more months
- If this is not done, still need to find \$9,000 that will be lost due to the decrease.

Director of Finance Mullins said the budget can be balanced without this equalization, but this would be a way to fund the tourism request. The tourism could probably be spread between the three funds, but she would rather not burden the funds so much.

It was suggested to increase the lodging tax by 1% to help fund tourism, but Mr. Miller said this would put Strasburg at the high end of the spectrum as far as the tax.

Consensus of Council --- do no equalize taxes.

3. Availability Fees:

Staff: In studying the prepayment option it was found, to make this beneficial to the Town, 35 hook-ups would need to be paid for and there is not enough interest from developers to make this beneficial. The recommendation of Staff is that this is not in the best interest of the Town to pursue this. Staff has decided to look into raising the fees on larger sized lines.

It was asked stated that water and sewer rates were raised 8 – 10% last budget year and the availability fees were not raised at all and the same is proposed this year and Council Member Le Vine does not think this is fair. Only two availability fees have been paid to-date for the current budget year. Up-dated availability fee schedules of other localities were distributed. It was decided to move forward with the proposed higher rates for larger lines. This will be part of the budget and advertised at the same time as the budget for a Public Hearing.

4. Increase in trash fees:

Staff reported it is currently costing the Town \$8.91 per household and so the trash collection fee should be raised to \$9 just to break even. This is a fee that can be changed throughout the year, but if not done as a part of the budget process, a separate Public Hearing would need to be advertised and held. The recommendation of Staff would be to increase this fee starting July 1. Town Manager Fauber said the tonnage fluctuates monthly as far as the tipping fees are concerned. He has talked to Long Enterprises who is interested in starting a recycling program. The Town of Woodstock is putting recycling before their Streets Committee and Toms Brook might be interested in this program, too.

In discussion, Council Member Terndrup presented his views on the Town doing its own trash and recycling programs. He feels the companies doing the collecting now are making a profit and so the Town could also by purchasing a

truck and doing this. Recycling could be sorted, instead of co-mingled, which would make it easier on the collection process.

Council Member Mauck does not think the Town of Strasburg wants to get into trash pick-up. It has been stated Woodstock is trying to get out of doing collection themselves. Town Planner Rex said the companies are making a profit because of the number of households/localities they collect from.

Town Manager Fauber said he has not yet received a new contract from Long Enterprises, but knows ADS is interested in the trash, too. This will need to go out to bid and if the contract comes in low, then the fee can be lowered. It was thought there might be a savings if one vendor would do both trash pick-up and recycling.

Consensus of Council: Move forward with trash fee increase.

In additional business, Council Member Mauck would like for the public safety vehicle leases to be looked at.

Synopsis of the meeting:

- Options for the Brill Property and Public Safety Building will be discussed at the April Work Session
- Budget can be balanced with input given
- Water and sewer rates will increase 10%
- Trash fee will increase to \$9.00
- Lodging Tax: Will wait on additional information from the County, but \$30,000 will be added to the budget, pending County approval of their portion.
- Move forward with the increase of larger size pipes in availability fees.

Being no further business, the meeting adjourned at 9:35 p.m.