

**MINUTES OF THE STRASBURG TOWN COUNCIL WORK SESSION HELD ON MONDAY, MAY 1, 2017 AT 7:00 P.M. IN THE COUNCIL CHAMBERS OF THE STRASBURG TOWN HALL.**

PRESENT: Mayor Orndorff and Vice Mayor Terndrup and Council Members Bishop, Le Vine, Maddox, Newman, Plitt, and Vena. Absent: Council Member Hall

STAFF PRESENT: Town Manager Spitzer, Asst. Town Manager McKinley, Director of Finance Mullins, Chief of Police Sutherly, Economic Development & Marketing Manager Bixler, Planning & Zoning Administrator Pearson, and Clerk of Council Keller.

**Mayor Orndorff** called the Work Session to order and reviewed the agenda.

**Citizen Comments on Non-Agenda Items:**

**John Massoud, 1313 Mockingbird Lane:** Read a statement from citizens of Strasburg and Strasburg Junction that was posted on Facebook: The Strasburg Residents Water and Sewer Bill of Rights.

“We the undersigned residents of the Town of Strasburg and the area called Strasburg Junction, who have been paying water and sewer bills which are notoriously higher than the rest of the State of Virginia, are asking you as our elected officials to please explain and act on the following:

We believe we need a reasonable explanation as to why our bills are so much higher than the rest of the state, and the nearby townships.

We have the right to know why, since we are paying so much extra for water, to know why our drinking water is foul tasting.

We have the right to hear why our bills often spike month to month (*with that being said, he thanked Mayor Orndorff for meeting with him to explain the cycling issue very well, but he thinks he would mess it up if he tried to explain it to others*).

We have the right to know why when we complain to Council about how high our water bills are, we are told that the bills are no higher than other towns, in Virginia, something which is obviously false.

We would like to know why we are being asked to pay an increased rate on both our water and sewer taxes when we are already paying among the highest water and sewer bills in Virginia.

We as the taxpayers of Strasburg and Strasburg Junction who pay the fees which keep this government going, would like to know why we are being asked to pay more, when we just received an increase in the meals and lodging tax the previous year.”

**Cheryl Funkhouser, 367 Stonewall Street, Strasburg, VA:** When she saw Ms. Bishop’s post on Facebook, it said the average household income for Strasburg and Shenandoah County was \$46,954. She said these are Council’s constituents. From this amount, \$9,100 goes to federal and state, Medicare, and social security taxes; if they rent, it would be another 10,000. Two children would bring with in daycare, clothes, insurance, etc. This does not include a car. If you look at all of this it is a negative family income. She wants all to think of this every time a fee or tax is raised. This is the silent majority. They do not speak up or come forward. They work hard, take care of their kids, and say nothing.

Someone needs to stand up for them and that is what Council is here for. She urges them to do the right thing and not the easy thing. Look at where you can cut the budget and start cutting. The world changed in 2008. She was overseeing a trust and it lost much money. Businesses changed, but government did not learn that lesson. Learn the lesson that every private business learned. Be good stewards of the citizen's money. Represent the silent majority.

**Randall Hammon, 265 Breckinridge Court, Strasburg, VA:** Said he was in attendance for the same reason as last year. He thinks it is time to stop increases on water and sewer rates. He thinks he read there is \$8 million in the bank so use that and give the citizens a break. He struggles. He asked that Council take it into consideration to use the money. He is not the enemy. He wants to get along with everyone. He isn't out to get anyone, but he feels like Council is out to get them. The town has the money, but will not give people a break. People are leaving town and businesses are closing. Housing plummeted and burst because financial institutions were cutting bad loans. That is what Council is doing and they are pushing people out of the town. He will probably be the next one out as if he can find a place with a lower tax rate, he's moving and he thinks a lot of other citizens would, too. They need relief now and he hopes Council will do the right thing.

**Christie Boyce, 105 Hailey Lane, Strasburg, VA:** Stated she sent an email to Council. She said it was asked why people don't start paying attention when the budget is first started. The budget on the website was for November. If there had been a notice in the paper that you wanted people to pay attention, people might have paid more attention. The Town of Berryville and the Town of Bristol put their meetings on YouTube and she suggested doing this. Commuters could watch the meeting so they could see what is happening. She would volunteer to do the video tape for all meetings.

**Mayor Orndorff** said it has been said that Council doesn't hear citizens or listen to them, but they do. Just because Council doesn't vote the way some citizens want them to, doesn't mean they don't listen. He has asked **Council Member Le Vine**, chairperson of the Finance Committee, and **Director of Finance Mullins** to help explain the budget.

**Director of Finance Mullins** explained what she thought the \$8 million was that **Mr. Hamman** was speaking of. She said there are fund balances for each account and there is about \$2 million in each, but some of the money is committed in the next budget year.

**Council Member Le Vine** said he does listen and he encourages new ideas. He gave a brief description of the funds. Water and sewer funds need to be self-supporting. All the money has to come out of fees or hook-up fees. You cannot co-mingle taxes with this money. The town knew for several years that they would need a new water and sewer plant, but the town did not set aside money for this. When the state and EPA said we had to build these plants, we had no money in the bank. The water plant was \$13 million with about one half being in grant. He gave the cost of the Wastewater Treatment Plant and said we received \$5.7 million in grant money. The Public Works Facility cost only \$5 million. The town gets a loan which basically comes from the federal government. The town looked back at the increases. In 2014-15, rates did not go up and sewer actually went down. In 2016, Council decided to raise rates two percent per year so citizens wouldn't

have a huge rate increase. Some have suggested not having this increase this year and hope for development. How many houses would it take for us to not have to raise the rates? There are no real plans on the books to start building houses now. He doesn't know of any plans for development that would use an appreciable amount of water. This is a judgement call. He thinks it is prudent to do this incrementally. Accountants put a value on the water plant, but it isn't always liquid. He went through the various balances. The town is trying to look to the future as the future is economic development. We are trying to get businesses to come to town and buy products. This is a risk. We have spruced up the downtown area; if we don't invest, we have no future. Money is set aside yearly to help with this. We are setting aside money for increases that will come. It is basically a savings account.

General Fund: \$2 million, but \$800,000 has already been committed to the Downtown Streetscape Project and the Gateway Trail Project

Water Fund: \$2 million, but part of this is committed to a water tower

Sewer Fund: \$1.5 million is already committed to paying off the loan, but we are still short on the loan money.

Budgets are not easy to read and there might be ways to make it easier to read and **Council Member Le Vine** is always looking for ideas on how to make it clearer. He said in October, the Finance Committee will begin discussing whether to have a tax increase. **Director of Finance Mullins** will have a schedule of when meetings will be held. This will be on the website and all are invited. He isn't saying there will be an increase, but it will be discussed. This is where citizens can come to make suggestions. When you cut someplace, you have to compensate somewhere else. The town's budget has basically been flat for many years. Healthcare isn't cheap and there has been discussions on how this should be handled. Salaries make up a lot of the budget. He is glad people are in attendance, but they need to come earlier to give suggestions. Not all suggestions will be used, but Council will listen. The utility bills are going up to pay for the new plants or upgrades to plants.

**Mr. Hamman** said the audit is saying that you have this much money and you really don't. The audit says there was a profit in water and sewer and you are saying it is self-sustaining. Salaries shouldn't come out of this.

**Council Member Le Vine** said the Town Manager provides a service for administration, but also for the water and sewer personnel. Police is not spread over the three funds. The Town Manager is ultimately responsible for all town employees. He has to manage all the employees. You have the choice of spreading it over three funds or you can raise taxes. It will be the same amount of money either way. Water or sewer rates might be lowered, but people only care about what comes out of their pocket so it is the same.

**Mr. Hamman** said last year the lodging and meals tax and also utility tax went up and now we are saying we need more money. **Council Member Le Vine** said if we don't get economic development the town will die. He would like to have suggestions on what to do better. **Mr. Hamman** said they are only asking for a break.

**Mayor Orndorff** said the salaries have been split for many years and **Director of Finance Mullins** said it has been done this way for at least 29 years.

**Mr. Massoud** said it sounds like we might be looking at raising taxes in October and water

and sewer rates now. **Council Member Le Vine** said he has been asked by Council to look at raising taxes for the next year in October. He said the chance of influencing the budget is earlier in the process. He said the citizens will need to come for all the meetings. **Mr. Massoud** said it sounds like a done deal.

**Mayor Orndorff** said the increases were discussed starting about 3 years ago. This has been discussed for several years. Staff and Council will work harder on getting the notices out to all. Finance meetings and budget meetings are usually posted on the website.

**Linda Carter** thanked **Council Member Le Vine** for the explanation. She no longer lives in town, but her concern is for the folks that are having a hard time. She isn't sure where these people will go or what they will do. It is a huge deal, but a lot of folks can't afford this. She thinks many people will be leaving town and businesses are leaving because they can't afford to stay here. We need to be positive about this. All of this gives the town an image.

**Cindy Avvenire:** She looked at the minutes and all the conversations are the same as was done last year and nothing has been done differently. She said we needed to change the process and it didn't change. She asked that if we have \$2 million in the general fund, when will the \$800,000 come out of the fund so it doesn't look like we have that money.

**Council Member Le Vine** said we have been waiting on VDOT to approve the Gateway Trail, but we can't spend the money until we get the approval. This is the same with the streetscape. This is why the budget can be very deceptive. He can't second guess when the other agencies will get the approvals. We are trying to have the money in our savings account so we are ready for the projects.

**Mayor Orndorff** said we didn't put money aside last year for the reservoir cover, but will be voted on next week.

**Council Member Le Vine** said part of the problem is inefficiencies with Council. The water tower is one such thing as we know we need it, but we don't know where. We are trying to set aside money now to help pay for this.

**Cathy Pelfry** asked if we sell water to any other communities. **Council Member Le Vine** said we sell to the Junction. Middletown did approach us, but it didn't work out.

**Ms. Pelfry** said they moved here in 2002 and they were talking about new water and sewer plants and it never happened. If it was known then, the money should have been put aside in 2004. **Council Member Le Vine** said no matter what is decided, the taxes or fees have to go up.

**Ms. Pelfry** said raising taxes and rates, the taxes only go to the homeowners and water and sewer rates go to all. **Council Member Le Vine** said there are several types of taxes.

**Council Member Le Vine** said there are about 2,700 residents and businesses that use water and sewer. **Ms. Pelfry** said the rates are spread over a larger number of citizens.

**Council Member Le Vine** said if we built 3,200 more houses, we probably wouldn't have to raise the rates. We can increase the amount of water made and it would then lower the rates.

**Gerrard Avvenire** asked if there could be a line item in the budget telling where the money

is. **Council Member Le Vine** said there could be an appendix as the budget has to conform to a certain form.

**Mr. Massoud** asked if it were fair for people to say that our water rates are higher than northern Virginia and **Council Member Le Vine** doesn't know the answer. He said you would have to go through the budgets of each of the localities to see how things are labeled.

**Mr. Hamman** said the \$8 million is fictitious. **Council Member Le Vine** said if you liquidate the town, we would have it. We aren't making profit off of water and sewer.

**Mr. Hamman** said we need a break on the water and sewer rates. He asked what the audit would say next year, that we have \$12 million.

**Council Member Le Vine** said we could make a budget with an appendix that would be understandable. It could explain how much money we actually have.

**Ms. Carter** said they used to pay a huge amount of taxes and paid lower water and sewer rates. She asked if there might be an increase now on the rates and then decide to raise taxes in October. **Council Member Le Vine** said we will have to put money into the business park before anybody will come so it is a question of how much money is a prudent amount to spend to get businesses to come. **Ms. Carter** said the citizens need to realize this is a possibility.

**Ms. Funkhouser** said the Council needs to think about Automotive (IAC) as they have cut employees and also plants. If this goes down, the town is in trouble. If the Press goes down due to the internet, we are then really in trouble. **Council Member Le Vine** said this is making an argument for the diversity of the business park.

**Vice Mayor Terndrup** said **Ms. Pelfry** brought up the crux of this. The more people that share the cost, the less it cost each of us. Local government is at the bottom of the barrel. The federal government shoves increases to the state and then the state shoves it onto the local governments. The town was forced to build the new water plant. The federal government said we had to do it, but they weren't going to pay for it. Loans are now being cut to local government. We send letters, but we never get responses. Property taxes are called a regressive tax as they discriminate against a certain class of people -- homeowners. Income tax is a progressive tax as it is for all. Local government only has property tax. If we only had one tax to pay for everything like an income tax, it would be shared by all. He thinks Council is frustrated as well as the citizens. They pay the same as everybody else. He thinks it would be good to have an easy way to explain the budget.

**Council Member Bishop** said she is probably the only Council Member who dares to go on the "What's Happening Strasburg" Facebook page. She tried to give the best answers she could and what she didn't know, she referred them to **Council Member Le Vine** or **Director of Finance Mullins**. She answered every email sent to her. She has questioned her bills in the past. She also learned about the Chesapeake Bay Act. She asked what would happen if they didn't build the sewer plant and nobody knew. She looked into the EPA or the DEQ. She did much research on the projects at the time they were being proposed. Many places use well water and that costs a lot less than cleaning surface water. She would have put this online, but people say she is trying to get them. She is trying to

communicate and she tries to answer all questions asked of her. She isn't on the What's Happening Strasburg page now as it does make Strasburg look bad. People say don't take the easy route and if people think it is easy to raise rates when she has fought this all of her life, it isn't easy. When you are on the other side of the table, it is a whole different ball game.

**Mr. Massoud** asked if **Council Member Bishop** said the water and sewer rates are expensive and she said she sent out a report and yes, we are high. **Council Member Bishop** said she did put that on there and she did agree with the answer **Vice Mayor Terndrup** put on there. When she put the link out, most people thanked her. **Mr. Massoud** had said we are the third highest and we are not. Her point was to give information to the citizens that we are not the third highest in the state. She hopes she did not offend **Mr. Massoud** as she was just trying to put information out there.

**Mayor Orndorff** said social media is a wonderful tool, but just because he stops posting late at night doesn't mean he is blowing people off.

**Ms. Avvenire** said a positive spin is that there are other towns in Virginia that have been in worse shape than what we are now. Clarksville, VA had two factories and both shut down. The town is thriving even though people said they would die. Her challenge is to go and talk to others that have been through the same thing and see what they have done.

**Moe Ritenour, 338 Royal Avenue:** He keeps listening and being a small business owner for 30 some years, we have to get people to support Strasburg business and not Winchester.

**Ms. Pelfry** thanked **Council Member Le Vine** for explaining all of this. We might not like it, but citizens have a better understanding of what we have and she takes fault with 13 or 14 years ago.

**Public Hearing:**

**To receive public input to consider the adoption of a resolution to allow for the commencement of condemnation actions, as necessary, of a portion of Tax Map #25A2-A-009A, generally situated northeast of the corner of Stonewall Street and Pleasant View Drive. The Town proposed use of the property is for streets and sidewalks.**

**Town Manager Spitzer** said in the packet this was shown as property owned by **Mr. Ritenour's** family. The sidewalk was put in and not dedicated correctly.

**The Public Hearing opened at 8:25 p.m.; being no speakers, the public hearing closed immediately.**

**Action Items:**

**1. Approval of Minutes: The minutes of the April 17, 2017, Town Council Work Session were approved as presented.**

## **2. Appointment of Town Manager**

**Mayor Orndorff** said **Town Manager Spitzer** will be leaving on May 3. A committee was appointed and they put out a request for current employees who were interested in the position to submit a letter of intent. Three letters of intent were received and Council interviewed all three. Council could then appoint an interim manager or hire from within or advertise for other candidates.

**Vice Mayor Terndrup** thanked Council for the hard work that took place today.

**Vice Mayor Terndrup** said it is his honor to move to appoint **Wyatt Pearson** as the new **Strasburg Town Manager, effective May 4, 2017; second by Council Member Le Vine.**

Discussion:

**Mayor Orndorff** said this is the year Council re-appoints so this term will be until June 30.

**Council Member Le Vine** thanked the other two that applied. We have good employees and the other two said they would still all work together.

**Mayor Orndorff** said he is pleased and gratified that Council chose to hire from within.

**On a roll call vote, the motion passed with the following results:**

<b>Council Member Bishop</b>	<b>Yay</b>
<b>Council Member Hall</b>	<b>Absent</b>
<b>Council Member Le Vine</b>	<b>Yay</b>
<b>Council Member Maddox</b>	<b>Yay</b>
<b>Council Member Newman</b>	<b>Yay</b>
<b>Council Member Plitt</b>	<b>Yay</b>
<b>Vice Mayor Terndrup</b>	<b>Yay</b>
<b>Council Member Vena</b>	<b>Yay</b>

### **Discussion Items:**

#### ***1. Parking Tickets***

**Mayor Orndorff** said the previous parking tickets used by the Town were out of date with the wrong fee attached. The Ordinance Committee met and decided to put forth a revised ticket with the right amount per Town Code and with a penalty attached if one does not pay in a specific amount of time.

**Town Manager Spitzer** said at the last work session, an old ticket had been presented and they were told a new ticket would be supplied. The parking ticket cost of \$10 was approved several years ago, but the ticket was never changed. Other changes were noted.

**Council Member Le Vine** asked about the 10 days and thought it should be 10 days from the date of the ticket. Also, a double asterisk should be added at the bottom. He also thinks there should be an appeal process and **Chief Sutherly** said it is on the back of the ticket.

**Council Member Maddox** said she thought it was going to be changed to 10 working

days. **Chief Sutherly** said he thinks 10 days is standard due to holidays, etc. **Consensus was to leave it at 10 days.**

**Debbie Ritenour** asked if the issuing of tickets had stopped on weekends. Due to staffing, weekends are not enforced as much unless there are complaints.

**Christine Lucas** asked about an RV parked downtown taking up 3 spaces. How would that work? **Chief Sutherly** said if they are parked within the line, it is okay. The ticket is per vehicle.

**This will be added to the regular Council agenda as an action item.**

**P&Z Administrator Pearson** asked if people would be interested in visiting an asphalt plant.

**Council Member Newman** said he would like to go to an exact same type of plant or as close to the plant being proposed as possible. **P&Z Administrator Pearson** said that is what is being proposed. He said they are going to piece together a plant, but this is how all plants are done. He will make plans for this trip.

**Debbie Pitcock** said they already have a business and are opening another plant, so shouldn't this plant be visited, but it was said they are not producing currently.

#### **New Business:**

In following up with the Grilled Cheese and Tomato Soup Festival, **Vice Mayor Terndrup** proposed sponsoring a free dance during Mayfest weekend. The town would sponsor this event and the money would be coming from project funds.

**Council Member Le Vine** said the town would pay \$2,000 directly to the band and a sign would be placed saying the town is sponsoring it and **Vice Mayor Terndrup** said that was correct.

This will be accessible to everyone as it is FREE.

**This will be voted on at the next Council meeting.**

**Mayor Orndorff** wished **Town Manager Spitzer** well and said he had lead the town well. A picture of the town was given to him as a going away gift.

Being no further business, the meeting adjourned at 8:42 p.m. A farewell reception was given for **Town Manager Spitzer**.