

**MINUTES OF THE STRASBURG TOWN COUNCIL WORK SESSION HELD ON MONDAY, MARCH 18, 2024 AT 7 P.M. IN THE COUNCIL CHAMBERS OF THE STRASBURG TOWN HALL.**

**COUNCIL MEMBERS PRESENT:** Mayor Boies, Vice Mayor McCornyn, and Council Members Carter, Hooser (remotely), Kimmons, Lowder, Monahan, and Stover.

**Call to Order – Mayor Brandy Boies**

**Mayor Boies** said that Council Member Hooser was unable to attend the meeting as he was out of town. He had requested to attend the meeting remotely.

**Council Member Stover moved to allow Council Member Hooser to attend the meeting remotely by electronic means. Council Member Hooser is on a family vacation; Vice Mayor McCornyn seconded the motion. With no discussion, the motion passed unanimously, and Council Member Hooser entered the meeting remotely.**

Discussion:

1.) FY2025 Proposed Budget

**Town Manager Coggsdale** thanked staff for all of their help in the budget preparation.

The budget covers the period of July 1, 2024 through June 30, 2025. The budget consists of the general, water, wastewater, trash, and ARPA funds. Slides of the PowerPoint are attached here-to. The Town is still waiting on the tax books from Shenandoah County. The numbers shown are estimates with hopes of the revenue projections going up when we receive the figures from Shenandoah County.

Highlights of increases were shown.

- 5% COLA for all F/T and P/T current employees
- Enhanced Multiplier for Hazardous Duty (police) positions
- Health Insurance Premiums Increase
- Insurance (WC, Liability, Vehicle, etc.) increase

Each department's expenditures were reviewed.

**Town Manager Coggsdale** said the donations to non-profits were added to the budget with being level with last year.

**Council Member Monahan** said when she and **Council Member Stover** met with **Town Manager Coggsdale**, the COLA increases were discussed. She reviewed the rates that the COLA had increased through the years. She stated the State of Virginia and Social Security are being raised 3% to 3.5%, so she proposed a 4% COLA.

**Council Member Hooser** said he was disappointed with the cut from COLA that went from 6% to 5%. We struggle to keep employees now. He doesn't think 4% is enough.

**Council Member Woodson** asked how this equates to COLA and merit. This is how he was paid in Vienna. Bonuses were also given.

**Town Manager Coggsdale** said we have been giving all COLA. The cut to 4% will save about \$50,000.

**Council Member Stover** thinks it is good to give an increase that is above the State of Virginia.

**Vice Mayor McCornyn** asked how the increases were calculated. She wanted to see if the information she shared about the increase to base pay was included.

**Town Manager Coggsdale** said an internal draft budget showed a 6% COLA,

**Vice Mayor McCornyn** said the revised budget sent yesterday showed different numbers.

**Mayor Boies** said we are at the low end of the spectrum in pay for the public safety department. She wonders if we are at the low end in all departments. **Council Member Monahan** said what was shared regarding Public Safety was only the entry level pay and not what we pay to all officers. **Council Member Hooser** said he feels the entry level for public works is low. They put their life on the line everyday just as the public safety people do. He feels they put their life on the line every day.

**Council Member Monahan** asked what tax **Council Member Hooser** felt should be raised and he said it was real estate. Every time we have a reassessment, we lower the rate so that people don't have to pay more. The only time we ever do anything is when a large amount of money such as grants or money when a pandemic hits. The only reason we are getting bathrooms in the park and a new police station is because of ARPA funds. We don't do anything for ourselves. He said if the average home price is \$250,000 it would only cost us \$25 per year or \$2 per month.

**Council Member Lowder** has no problem with the 5% but would rather do it through non-taxable things. **Council Member Monahan** said we have to make money to spend money. **Mayor Boies** said we are increasing our tax revenue with growth.

**Council Member Monahan** asked if Public Works entry level pay is where it should be.

**DP&PS Otis** said during the past two years we have lost about six employees to other local jurisdictions and the reason given was to make more money. He cannot speak to the entry level pay.

**Chief Sager** said absolutely the entry level needs to be raised. Everyday his officers are being recruited. They are paying attention. It is a tough decision. The starting pay issue and the compression is a big issue. He is about loyalty to the town and department, and he advocates highly to retain them.

**Director of Finance Fletcher** said she has not had turnover, but she has one who will be reaching retirement age and it will be hard to hire.

**Town Manager Coggsdale** said we are working on adjusting the grade scale. This helps us with the low number, but if that isn't enough, it is hard to recruit. That won't matter until you hire someone. When benefits are added, it is about \$13,000 more.

**Council Member Woodson** asked how much it costs to hire people when you add on the uniforms, etc. He would like to see a performance evaluation added to the pay increase. It would keep the good employees. They can earn their raise and more money. He has no problem with the 5%, but performance would weed out the bad employees.

**Council Member Kimmons** would like to stay at the 5%. He thinks we have too big of a problem in employees looking for more pay. Loyalty will only go so far. He isn't sure how to fund it. He is interested in what can be done with the "cut fees". Can we get more from the gas and utility tax?

**Town Manager Coggsdale** said we will look into it for this year, but definitely for next year.

**Council Member Kimmons** said with real estate tax, a 4 cent increase will get \$160,000. On an average house costing \$300,000, it would be an increase of \$120 per year or \$10 per month.

**Mayor Boies** said we are only talking about the COLA and not increasing the base.

**Council Member Hooser** said it is a start. **Council Member Stover** said if we increase the base, it will be a lot more. He doesn't want to head in the wrong direction. If we are going to do it, we will have to talk more seriously.

**Council Member Carter** said he would love to see the increase, but it has to come from somewhere, and Council has to figure out where. Real Estate will be the best way, but he is in favor of looking at other things.

Mayor Boies asked each Council Member what percentage for COLA they would like to have:

<b>Council Member Lowder</b>	5%
<b>Council Member Kimmons</b>	5%
<b>Council Member Hooser</b>	5%
<b>Vice Mayor McCorn</b>	5%
<b>Council Member Monahan</b>	4%
<b>Council Member Carter</b>	5%
<b>Council Member Woodson</b>	5%
<b>Council Member Stover</b>	4%

**Direction was to keep the COLA at 5%.**

**Town Manager Coggsdale** said we will continue to look at other revenue sources. He would like to put a good plan in place, so we don't have to discuss this every year.

**Council Member Kimmons** asked about the cigarette tax and stated it is only on cigarettes. Would it be a good idea to see if we can make a resolution on CBD or e-juice and send to Richmond? **Town Manager Coggsdale** said in the fall we could do a legislative agenda that we could take to Richmond. We need to do a Charter update, too, but there might be some other issues we want to take before our representatives.

**Mayor Boies** asked how we are with meals tax. We are maxed out with the amount we can charge. **Council Member Stover** said he hears it all the time that we are starting to look like Woodstock, especially when Taco Bell opened. He always tells people to look at the revenue we get from that. The people get off the interstate, get food, and get back on the interstate and we don't have to provide any services. He was glad the revenue went over \$1 million.

**Council Member Hooser** would love to see the meals tax lowered as people complain about this all the time. **Council Member Stover** doesn't agree with that! The meals tax has to stay where it is.

**Mayor Boies** thinks the new Valley Health facility will bring in more revenue. People will come to town for appointments and then get food after that. She continued by saying you never want the costs to go up, but you don't want to have growth either. Something has to be done. We need to educate the citizens. What hurts us is that we have gone for years with no increases. Then, we have no money and we have to do something drastic.

**Council Member Carter** agrees and said more and more are coming from Northern Virginia. People coming from Northern Virginia still feel this place is cheap. All the qualities of life we have must be increased as people come in. More things are required of us.

**Mayor Boies** said we aren't trying to pay the Northern Virginia salaries but to just stay equal with the jurisdictions around us.

**Council Member Hooser** said we have funded our budgets by growth and the connection fees. We will see a change in Strasburg if we don't make the changes.

**Council Member Hooser left the meeting at 7:57 p.m.**

Water fund and sewer fund revenues were reviewed. Three million dollars is spent on the operations of the facilities. At least 50% goes toward operations.

**Council Member Monahan** asked for an explanation of availability fees. **Town Manager Coggsdale** said it is what you pay to connect to the system. Part of the cost is to pay for the plant that was built and the upgrade to the sewer plant. People already on the system have been paying

for those, so new customers need to help with the cost, too. Money needs to be put away for expansion, too. You should refrain from using one-time money for ongoing expenses. You have to estimate how many people are going to tap into our system. One year it could be 100 homes and the next year 50. This would wreck the budget if you relied on this money for your budget.

**Council Member Kimmons** gave a scenario of how he thought we could balance the sewer fund with the availability funds from the water fund. **Town Manager Coggsdale** said we have already gotten to the point of putting the availability fees in the water. **Council Member Monahan** said the water fund could be an in and out, but keep the sewer fund availability fees in. The estimate for connections is 40 for FY2025.

**Council Member Kimmons** said it has been a plan to wean off of the availability fees and this will do that.

**Town Manager Coggsdale** said this budget has very little in CIP for water and sewer; they have projects out of ARPA funds. We will need to start building up the fund.

**Council Member Carter** asked if doing our own trash collection would help with revenue. **Town Manager Coggsdale** said the start-up costs are high. The cost of a truck is about \$350,000 and you would need two trucks. This can be explored. Woodstock looked into this and the cost was prohibitive and that was using ARPA funds. This will be an ongoing conversation. When we only got one bid the last time, that was scary. **Council Member Carter** said it would be looking to generate revenue.

**Town Manager Coggsdale** said we can design the budget with an in and out on the water side and only an in on the sewer side. The bottom number is the same but it will show the transfer. **Consensus was to try this.**

#### ***Trash fund:***

Currently we charge \$1.10 per month for an extra can. The proposed fee would increase to \$4.12 for every extra can. This would pay for the increase for the trash that is in the can. Base rate would stay at its current rate and only the extra can would increase.

**Council Member Stover** said we have to cover costs. It is a steep increase, but he will keep his extra cans. He said it has to pay for itself. If you don't have the extra can, there is a cost to loading up your trash and taking it to the dumpster.

**Council Member Monahan** said this could encourage recycling.

#### ***ARPA funds:***

Funds allocated to date and the FY2025 funds were reviewed. A contingency for ARPA projects has been included so that we can get allocations to 0 before December 2024. This would keep us in compliance.

The use of ARPA funds was reviewed.

**Council Member Monahan** asked if anyone had any questions on how the budget was going or how the ARPA funds are being spent.

**Council Member Stover** said he would need to know from department heads the average on hiring, the average on retention, and how much the tax rate will need to go up. He knows how people are going to talk. He knows people will say the real estate taxes went up to pay for the police station. We need to be ready to talk to the citizens.

It was asked when we would get our information from Shenandoah County, and it was thought it would be at least 30 days.

**Council Member Monahan** suggested having the next budget work session in May.

**Mayor Boies** said if we get numbers from staff and Council decides to increase taxes, we can get out visuals to the citizens to show how the money is being spent.

**Town Manager Coggsdale** said a month from today, we need to have the advertisement to the newspaper. The public hearing will be on May 6.

It was decided to have a budget discussion at the April 1 work session. **Town Manager Coggsdale** said we have April 1 and April 9 to nail down what we want in the advertisement. We can go down on what is advertised, but not up.

**Town Manager Coggsdale** asked if there is a number Council feels comfortable budgeting from the fund balance to balance the general fund. No one spoke up on this. **Town Manager Coggsdale** knows the County is getting ready to do another reassessment but that won't be effective until 2026.

**BOS Taylor** said they will be doing assessments every four years. By April 9, we should have decided on what to advertise.

**Mayor Boies** asked if Council would like for staff to look at bringing the base pay up in all departments. **Town Manager Coggsdale** said Public Safety could all be brought up to above base pay without much in expenditures.

**Council Member Monahan** asked if we were looking at a 5% COLA and then the starting rate going up. **Council Member Woodson** said retention could be attained by merit.

**Vice Mayor McCornyn** said these are all retention strategies that **Chief Sager** had. Merit raises can be considered. The multiplier was included in the budget. She would like the full Council to have a whole picture of what the retention and starting salaries could be for all staff.

It is not known what the base pay is for the other departments except for the police department.

**Mayor Boies** said the downside is that if we see the numbers and can't do it, she hopes the staff sees that Council tried.

**Council Member Monahan** said she wants to be sure this is for all departments. A survey was done for retention and the results were take home vehicles, a new public safety building, and pay. We have given them the building, we have put in the multiplier, we need to raise base pay, and they are getting 5% COLA. With all of this, are we now looking at just public works or for the police department, too.

**The consensus was to look and see if we are competitive at entry level in all departments.**

**Town Manager Coggsdale** said we have grade levels. Every few years, the minimum, middle, and maximum should be looked at. We are looking at the minimum, but it will also increase all the levels. The plan has to reflect a 3% increase at all levels. There isn't money associated with it for the current employees. We are trying to avoid compression. Council will see a new plan. The numbers need to keep creeping up. The level increases were explained further. This is not a financial matter. Base pay and COLA are not the same thing.

**Vice Mayor McCornyn** asked when the levels will be adjusted to and what the cost will be if there are people outside of the levels. **Town Manager Coggsdale** said he needs to work through this and will have the numbers at the next work session. He thinks it is minimal to the budget. There are problems at the other end with people who are maxed out. Do they not get a COLA? If you cap out, it is hard to say you don't get a COLA but you get a bonus. People are concerned with their retirement funds.

**Mayor Boies** asked if we do this, will it make us be competitive? If this is brought forth and it is too much and we can't do it, at least we have looked at it.

**Council Member Carter** asked that when we get these numbers, he would like the national average and the local average. The local average will give us more to work with.

**Council Member Woodson** asked if we are looking to be competitive with localities that are the same size. **Town Manager Coggsdale** said it is more about geography. People will travel for the money. **Council Member Carter** said for him it is quality of life. He isn't willing to cross that mountain. He added that having the information will give us a better perspective on what we are dealing with.

**Town Manager Coggsdale** said they will deliver the grade level increases and how they can be addressed.

**Next budget discussion: The budget will be discussed on April 1 and on April 9 in preparation for a Public Hearing in May.**

**Closed Meeting (if needed):**

**Vice Mayor McCornyn** moved to enter into a closed meeting pursuant to Code of Virginia 2.2-3711(A)(1) for discussion, consideration, or interviews of prospective candidates for employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees or any public body. The subject of the closed meeting is to discuss salaries of specific employees and for the review of the Town Manager; second by **Council Member Kimmons**.

**Adjourned to a closed meeting at 9:02 p.m.**

**Reconvened at 10:25 p.m.**

**Mayor Boies** said, "The Council of the Town of Strasburg hereby certifies by Roll Call vote that to the best of each member's knowledge (1)only public business matters lawfully exempted from open meeting requirements by Virginia Law were discussed in the closed meeting to which this certification resolution applies and (2)only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Council of the Town of Strasburg."

**Each member should respond "I so certify" by Roll Call vote.**

<b>Vice Mayor McCornyn</b>	<b>I so certify</b>
<b>Council Member Carter</b>	<b>I so certify</b>
<b>Council Member Hooser</b>	<b>Absent</b>
<b>Council Member Kimmons</b>	<b>I so certify</b>
<b>Council Member Lowder</b>	<b>I so certify</b>
<b>Council Member Monahan</b>	<b>I so certify</b>
<b>Council Member Stover</b>	<b>I so certify</b>
<b>Council Member Woodson</b>	<b>I so certify</b>
<b>Mayor Boies</b>	<b>I so certify</b>

**Action After Closed Meeting:**

**Vice Mayor McCornyn** moved to approve wage increase corrections for current employees that were employed from 7/1/22 to 2/12/23, not to exceed \$33,500; **Council Member Kimmons** offered the second. With no discussion, the motion passed unanimously.

**Adjournment**

**Being no other business, the work session adjourned at 10:28 p.m.**