

MINUTES
PURCELLVILLE TOWN COUNCIL SPECIAL MEETING/BUDGET WORK SESSION
APRIL 4, 2018, 6:00 PM
TOWN HALL COUNCIL CHAMBERS

The special meeting of the Purcellville Town Council convened at 6:00 PM in Council Chambers with the following in attendance:

PRESENT: Kwasi Fraser, Mayor
Chris Bledsoe, Council member (arrived 6:03 PM)
Karen Jimmerson, Council member
Doug McCollum, Council member
Ryan Cool, Council member
Nedim Ogelman, Vice Mayor

ABSENT: Ted Greenly, Council member

STAFF: John Anzivino, Interim Town Manager
Hooper McCann, Director of Administration
Diana Hays, Town Clerk/Project Manager
Liz Krens, Director of Finance
Paula Hicks, Accounting Manager

CALL TO ORDER OF SPECIAL MEETING:

Mayor Fraser called the special meeting to order at 6:00 PM. The Pledge of Allegiance followed.

CLOSED MEETING:

Council member Jimmerson made a motion that as authorized under Sections 2.2-3711(A)(1) and 2.2-3711(A)(8) of the Code of Virginia, that the Purcellville Town Council convene in a closed meeting to consult with legal counsel about specific legal matters pertaining to personnel investigations of Town employees, which requires the provision of legal advice by counsel. The following individuals are requested to attend the closed meeting:

- 1) All Town Council members
- 2) Attorneys from Wilson Elser
- 3) John Anzivino, Interim Town Manager
- 4) Hank Day, Interim Town Attorney
- 5) Chief Tim Longo via conference call

The motion was seconded by Council member Cool.

Motion: Council member Jimmerson
Second: Council member Cool
Carried: 6-0-1 absent

McCollum: Aye
Jimmerson: Aye
Ogelman: Aye
Cool: Aye
Greenly: Absent
Bledsoe: Aye
Mayor: Aye

At 7:26 p.m. Council member Jimmerson made a motion that the Purcellville Town Council reconvene in an open meeting and that the minutes reflect no formal action was taken in the closed meeting. The motion was seconded by Council member Cool.

Motion: Council member Jimmerson
Second: Council member Cool
Carried: 6-0-1 absent

McCollum: Aye
Jimmerson: Aye
Ogelman: Aye
Cool: Aye
Greenly: Absent
Bledsoe: Aye
Mayor: Aye

Council member Jimmerson made a motion that the Purcellville Town Council adopt Resolution 18-04-01 certifying the closed meeting of April 4, 2018. The motion was seconded by Council member Cool.

Motion: Council member Jimmerson
Second: Council member Cool
Carried: 6-0-1 absent

McCollum: Aye
Jimmerson: Aye
Ogelman: Aye
Cool: Aye
Greenly: Absent
Bledsoe: Aye
Mayor: Aye

**LONG TERM FINANCIAL PLANNING PRESENTATION BY THE TOWN'S
FINANCIAL ADVISORS (DAVENPORT AND MFSG):**

Mayor Fraser introduced Kyle Laux, Davenport & Company, who gave a Financial Overview/Update presentation. (The presentation is posted on the Town's website.)

Vice Mayor Ogelman stated that he heard that the diversification of the growth of the tax base is more about the nature and structure of the economy as opposed to the expansion or if complexification of general growth or asked if it is saying that growth is needed to have an increased rating. Mr. Laux stated the town would be growing in some way but maybe not in population and that as the town and national economy grows that there will be some way to generate growth. Mr. Laux stated the credit agencies concern may be if the town becomes stagnant economically. Vice Mayor Ogelman added that it would be about economic growth and not population or other growth, and Mr. Laux confirmed.

Vice Mayor Ogelman talked about having reoccurring funds while keeping expenditures steady. Mr. Laux talked about inflation and the increase of reoccurring expenses and to find a way through new revenues or through expenditure management or both to have reoccurring dollars to keep up with the routine expenditures.

Vice Mayor Ogelman noted the revenue increase in 2008/2009 followed by debt and expenditure increase and confirmed that the expenditure increase is due to a slowdown in the national economy. Mr. Laux stated they are saying that the expenditures grew and that a lot of the investments made in the utility system were made during the 2007-2009 time period and that the payments for the loans for it picked up.

Eric Callocchia, Municipal & Financial Services Group, provided the current status and projects for the Utility Fund Financial Strategies. (The presentation is on the Town's website) Mr. Callocchia reviewed the rate setting process, the flow of funds, water and sewer revenue, expenses and water and sewer future capital investments and projected availabilities by project. Dale Lehnig stated that the new elevated water storage is a new tank possibly in the southern part of town which would not increase capacity but provides more storage capacity for fires, etc. Ms. Lehnig added that the water treatment plant improvements are not to increase capacity but to bring the plant up to modern standards. Mr. Callocchia reviewed the three scenarios where expenses are and where revenues need to be to meet the expenses and added that reoccurring revenue needs to increase. Mr. Callocchio stated that their recommendation is the second scenario – increasing rates on a year to year basis to bring the revenue stream up to the expenses. Mr. Laux noted projects that might allow interconnectivity between other regional systems could be considered.

Vice Mayor Ogelman stated that there are value trade-offs that the citizens of the town have to make to live in a small town that has rising marginal costs. Vice Mayor Ogelman talked further about coming up with reoccurring revenue.

Mayor Fraser stated that last year's review included a discussion about a cost of living rate

increase for water and sewer for FY 2019 and beyond and asked about that. Mr. Callocchia stated that scenario talked about reducing the chargeback from the Utility Fund to the General Fund which has a positive impact on the revenue on the utility side but a negative impact on the general fund side. Mr. Callocchia stated that another option was to pull some meals tax revenues into the utility fund, and added that it is best practice across public finance to not use general tax revenues to support an enterprise system. Mayor Fraser stated he would like it communicated as to why the model changed from the cost of living increase to where we are now. Mayor Fraser stated he feels that general tax revenue is real estate taxes and hears that general tax revenue is also meals tax which is contrary to what was formerly stated and what he has researched. Liz Krens stated they are required to show all tax revenue in the general fund and that it is within Council's authority to transfer the dollars but it must be initially shown in the general fund. Council member Cool talking about creating a policy so that if meals tax were to be used it would be following a policy. Mayor Fraser stated the concern from the majority of Council is growth, and requested that Davenport provide a summary from last year's cost of living increase rate to this year's scenario two. Mayor Fraser asked Liz Krens for the changes in the CIP reported last year versus this year. Vice Mayor Ogelman stated his preference would be the third scenario.

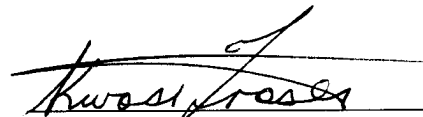
REVIEW OF UPCOMING BUDGET SCHEDULE AND REVIEW PROCESS:

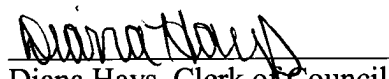
Council had no comments.

Liz Krens asked for Council's preference on the order of the upcoming work session. Mayor Fraser stated he preferred to start with the general fund and follow last year's schedule including the spreadsheet with Council's input with any changes to the budget.

ADJOURNMENT:

With no further business, Vice Mayor Ogelman made a motion to adjourn the meeting at 9:20 PM. The motion was seconded by Council member Jimmerson and carried 6-0-1 absent.


Kwasi A. Fraser, Mayor


Diana Hays, Clerk of Council

Mayor
Kwasi A. Fraser

Council
Chris Bledsoe
Ryan J. Cool
Theodore Greenly
Karen Jimmerson
Douglass J. McCollum
Nedim Ogelman



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**TOWN OF PURCELLVILLE
IN
LOUDOUN COUNTY, VIRGINIA**

RESOLUTION NO. 18-04-01

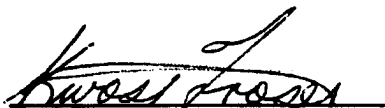
**PRESENTED: APRIL 4, 2018
ADOPTED: APRIL 4, 2018**

A RESOLUTION: CERTIFYING THE CLOSED MEETING ON APRIL 4, 2018

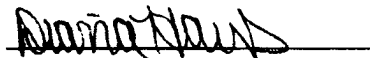
WHEREAS, the Town Council of the Town of Purcellville, Virginia, has this day convened a closed meeting in accordance with an affirmative recorded vote of the Purcellville Town Council and in accordance with the Virginia Freedom of Information Act.

NOW, THEREFORE, BE IT RESOLVED that the Purcellville Town Council does hereby certify that to the best of each member's knowledge, i.) only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed in the closed meeting to which this certification applies; and ii.) only such public business matters as were identified in the motion by which the said closed meeting was convened were heard, discussed or considered by the Purcellville Town Council.

PASSED THIS 4TH DAY OF APRIL, 2018.


Kwasi A. Fraser, Mayor
Town of Purcellville

ATTEST:


Diana Hays, Clerk of Council