

**MINUTES OF SPECIAL MEETING HELD
WEDNESDAY, JUNE 29, 2011 – 5:30 P.M.
COLONIAL BEACH TOWN CENTER**

MAYOR:	FREDERICK C. RUMMAGE
VICE MAYOR:	BURKETT LYBURN
COUNCIL:	SHANE BUZBY
	MIKE HAM
	KAREN PAYNE
	RONALD RIDGELY
	GARY E. SEEBER
TOWN MANAGER:	VAL FOULDS
TOWN ATTORNEY:	ANDREA G. ERARD
CHIEF FINANCIAL OFFICER:	JOAN GRANT
TOWN CLERK:	BARBARA A. GOFF

CALL TO ORDER:

Mayor Rummage called the Special Meeting to order on Wednesday, June 29, 2011 at 5:30 p.m. and stated the purpose of the meeting was to adopt the budget and tax rates for FY 2011 – 2012 – Ordinance - #605.

Mayor Rummage stated the entire Council is here.

Mayor Rummage read the special meeting notice as posted: The Mayor of the Town of Colonial Beach has called a special meeting of the Colonial Beach Town Council for June 29, 2011 at 5:30 p.m. at the Colonial Beach Town Center, 22 Washington Avenue for adoption of the budget and tax rates for FY 2011 – 2012 – Ordinance - #605.

ORDINANCE NO. 605

**ADOPTION OF TAX RATES AND BUDGET FOR FISCAL YEAR 2011-2012
COMMENCING JULY 1, 2011**

WHEREAS, the Town Council of Colonial Beach, Virginia annually prepares and adopts a budget for informative and fiscal planning purposes; and

WHEREAS, it is now necessary to approve the FY 2011 – 2012 budget and appropriate sufficient funds for the contemplated expenditures as are contained in the budget fiscal year beginning July 1, 2011 and ending June 30, 2012.

NOW, THEREFORE, BE IT ORDAINED, by the Town Council of Colonial Beach, Virginia that the FY 2011- 2012 budget is hereby approved and all funds set forth in the FY 2011 – 2012 budgets are appropriated as of July 1, 2011.

TAX RATES

	FY 2011 Tax Rate	FY 2012 Tax Rate	Change
Real Estate	.58	.58	0

Personal Property	3.75	4.00	+ .25
Mobile Homes	.58	.58	0
Farm Machinery	2.60	2.60	0
Public Utilities (poles, lines, etc.)	.58	.58	0
Boat Tax	.01	.01	0

All rates listed above are per \$100 of assessed value.

Decal Fees are as follows:

Motor Vehicles and Golf Carts	\$30.00	\$30.00	0
Mopeds	\$10.00	\$10.00	0
Antique Automobiles	\$10.00	\$10.00	0
Boat Trailers	\$12.50	\$12.50	0
Motorcycles	\$15.00	\$15.00	0

PROPOSED FISCAL YEAR 2011-2012 BUDGET

	FY 2011	FY 2012	Change
General Fund – Town Government	\$3,473,719	\$3,513,596	+1.1%
School Transfer for Operating Fund	\$1,757,850	\$1,608,496	-8.5%
Grand Total – General Fund	\$5,231,569	\$5,122,092	-2.0%
School Operations	\$7,596,526	\$7,043,907	-7.27%
Utilities Fund	\$2,492,408	\$2,503,376	+0.43%
Utilities Capital Projects	\$2,096,924	\$1,710,000	-18.4%
GRAND TOTAL ALL FUNDS	\$17,417,427	\$16,379,375	-5.95%

Motion was made by Mr. Ridgely to approve, second by Ms. Payne.

Mayor Rummage acknowledged the Town Attorney's birthday.

Mr. Seeber motioned to modify Ordinance - #605, second by Mr. Ham.

Ms. Erard clarified that Ordinance - #605 was the budget.

Mayor Rummage agreed.

Mr. Ham stated we have identified additional revenue that we could anticipate receiving this year. However, we cannot increase the budget by more than 1% without another advertisement and another public hearing. Therefore, we are proposing that we increase one line item in the budget by \$51K for personal property tax and we could also draw from the excess the school had last year of \$98,400 to cover the \$149,400. The only amendment to the budget would be to change the anticipated revenue increased by \$51K. We propose to place that as an additional \$51K going to the school fund.

Mayor Rummage responded what he would like to do because this is the first time I have seen these numbers, therefore in line with our normal procedure, I would like to refer the matter to the Budget Committee to make sure they verify the numbers and bring it back to us in July. If at the July meeting, these items are verified, I would have no problem to consider an amendment at that time.

Mr. Seeber stated the problem is the school has to do contracts tomorrow. They are going to let 7 people go tomorrow. We met yesterday with the Town Manager and the CFO and I think it is safe to say with the numbers that Mr. Ham came here with, because he did the work, are significant. We have an easy \$100K to use, but we can only use \$51K at a time. What we want to do is let the school know what road they can take. We can give them all we can tonight and they will have money left over at the end of last year, verified by the auditors showing on the report by Mr. Ham. The school has in fact been in the arrears by \$208,503 over the years and we feel that is the way it should be used. However, it also makes that money available so we can give it back to them. We can't do that tonight. It would have to be done in July or August. It is going to have to be done on paper. We have to give direction for a full year to the CFO on paper to cover the \$149K. At that point in time next month if we want to talk about a school raise, we can do that. If we want to talk about a breathing apparatus for the fire department and heart monitors for the rescue squad we can do that at the same time. These people need to know by the close of business today if they can sign the contracts for 7 people tomorrow. My personal opinion is I think we need to vote on this modification tonight.

With no further discussion, Mayor Rummage called for a vote on the amendment to Ordinance - #605 as presented.

Mr. Ridgely **nay**, Ms. Payne **nay**, Mr. Lyburn **nay**, Mr. Buzby **aye**, Mr. Ham **aye**, Mr. Seeber **aye**, Mayor **nay**, the motion failed to amend Ordinance - #605. **Motion Failed.**

Mayor Rummage stated we will now vote on the budget that has been reviewed by the entire Council with special emphasis by the Budget Committee.

Mr. Buzby **aye**, Mr. Ham **aye**, Mr. Seeber **nay**, Mr. Lyburn **aye**, Ms. Payne **aye**, Mr. Ridgely **aye**, Mayor **aye**, motion carried and the **Adoption of Tax Rates and Budget for Fiscal Year 2011 – 2012 Commencing July 1, 2011 – Ordinance - #605 was Approved.** **Motion Carried.**

Mayor Rummage stated a comment was made here on the official record very recently that the County contributes \$1 million dollars a year to this school system. That is absolutely untrue.

Mr. Roberson disagreed.

Mayor Rummage stated I have it in writing from the County.

Mr. Roberson responded I know you talked to Mr. Risavi. Mr. Risavi called me and I know what he told you and that is not what he said. I was right. Thank you. I gave them the handout exactly how it is broken up. There was \$1,078,849.

Mayor Rummage read the letter from Mr. Risavi for the record.

‘The Honorable Frederick C. Rummage

Mayor

Town of Colonial Beach

18 North Irving Avenue

Colonial Beach, Virginia 22443

Dear Mayor Rummage:

I am writing to you concerning the recent inquiry regarding the timeline change with regard to the implementation of the current school funding formula. The Board of Supervisors and Town Council worked with our legislators to amend the statutory funding methodology relating to the Towns operating separate school divisions in 2000.

Commencing in fiscal year 2000 – 2001, the county calculates the prorated share of school taxes that Colonial Beach residents would be paying in support of the county school system. We provide written notification to the Town Manager of the calculation for the purposes of adding these taxes to the Colonial Beach tax bills in support of the town school system. The county’s tax bills sent to the town residents only reflect taxes for general government operations. The proration of the taxes charged are outlined on the back of all tax bills sent out by the Treasurer.

I hope this answers your questions regarding this matter.

Sincerely,

Norm Risavi,

County Administrator’

Mr. Roberson stated you would not get that \$1.1 million dollars if it wasn’t for the school system which is what I said, which is what you collect here but it would go to the county and stay in the county if you didn’t have the school system. What is wrong with what he said or I said? They are the same thing.

Mayor Rummage stated what is wrong with it – it is very misleading. You make it very clear to me when I challenged the comments. You said that taxes raised in this Town for the school system are about \$500,000.

Mr. Roberson stated your local share is \$500,000. A million of it comes from the county that you would not get if you did not have a school system here. Correct?

Mayor Rummage stated that is double talk.

Mr. Seeber stated the CFO of Colonial Beach collects \$.17 cents in county real estate tax and now \$1.39 in personal property tax that supports the \$1,078,849 and the only reason she does that is because of the agreement. It is collected by the county. You go through a big fight at the end of the year.

Mr. Roberson stated what we used to do was the county collected it and then turned around and wrote you a check back. This agreement was started in 2000.

Mr. Seeber stated he did make one mistake from last week and I am not afraid to admit it. I said that the General Fund which gets \$200K from sales tax was because we had the school. That is incorrect. You get the \$200K in sales tax based on the school age population. We can still can that which instead of making up a \$1.2 million makes it a million based on the county real estate and personal property tax.

The Mayor stated the record will be properly corrected on this dispute.

Mr. Roberson stated so it will show you are wrong.

Mayor Rummage stated he was not wrong. The people in this Town pay for their own school system. The people in the county pay for theirs.

Mr. Roberson agreed.

Mr. Ridgely stated we should ask the Clerk to type the minutes and we will see where we went wrong with the interpretation.

Mayor Rummage stated let the record speak.

Motion was made by Mr. Ridgely to adjourn the Special Meeting of Wednesday, June 29, 2011. With no objection from Town Council, the meeting was adjourned at 5:40 p.m. at the Colonial Beach Town Center. **Motion Carried.**

Respectfully submitted:

Barbara A. Goff,
Town Clerk

Frederick C. Rummage,
Mayor

