



**Minutes of the
Colonial Beach Town Council
Special Meeting held on
Thursday, May 21, 2014 at 6:00 p.m.**

Colonial Beach Town Center
22 Washington Avenue
Colonial Beach, VA 22443

Present

Mayor, Mike Ham
Vice Mayor, Tommy Edwards
Member, Pete Bone
Member, Linda Brubaker
Member, Jim Chiarello
Member, Wanda Goforth
Member, Gary Seeber

Also Present

Town Manager, Val Foulds
Town Attorney, Andrea Erard
Town Clerk, Kathleen Flanagan
Police Chief, Libby Legg

Call to Order

Mayor Ham called the meeting to order at 6:08 p.m.

Roll Call of Members

Mayor Ham announced that all members were present.

Public Hearing, Ordinance No. 648, Amends the Colonial Beach Town Code, Chapter 20, Article 1, "In General," "Taxation," Section 20-2, "Real Estate Tax" to increase real estate taxes by Twenty-Three (23) Cents from .58 to .81 per \$100 of assessed value, and amends Section 20-1, "Personal Property Tax Rates and Due Dates; Machinery & Tool taxes; penalty & interest on delinquencies," and increases the Personal Property tax on boats from .01 cent per \$100 of assessed value to \$1.39 per \$100 of assessed value and codifies the personal property

and machinery & tools tax rate(s). The tax increases are effective July 1, 2014 with a retroactive application to January 1, 2014.

Ordinance No. 648 also amends Chapter 21, "Water and Sewers," Article VI, "Fees and Service Charges," Section 21-73, "Connection Fees" to increase all water connection fees by One Thousand (\$1,000) Dollars per year, which increase will be billed by adding Twenty (\$25) Dollars per quarter.

Mayor Ham opened the discussion by advising citizens that the tax increase that was advertised was "the worst case scenario" and that Council could vote for an increase below the advertised level, but not above the advertised level.

Mayor Ham further noted that "Since 2003 inflation has gone up 32%; Social Security has gone up a little over 32%; minimum wage has gone up 40%; and the town's real estate taxes have gone up less than 1% since 2003. In 2003 and 2004 it was .88 per \$100. There was a re-assessment around 2005, which would have increased the tax by .44 per \$100. But, because you can't make money on a re-assessment, it was reduced to .56 per \$100. In 2009, it was raised to .60 per \$100. In 2011, it was reduced to .58 per \$100, which is where it is at now.

Tax increases are something that nobody wants. And we're looking forward to hearing from you all tonight."

Mayor Ham asked Council members if they wished to speak.

Resolution #35-14

Ms. Goforth introduced and made a motion to adopt Resolution #35-14, which basically says Council will stick strictly to the by-laws and hold every speaker to three minutes. If you're representing a group, you get five minutes.

Ms. Goforth read part of the resolution "Be it further resolved that 90 minutes total be allotted to citizens speaking about the proposed real estate tax with the time equally divided between those citizens for and against on a first-come, first-served basis.

Be it further resolved that so to insure fairness, 60 minutes total will be allotted to citizens speaking about the proposed personal property boat tax increase, with the time equally divided between those citizen for and against on a first-come, first-served basis.

Be it further resolved so as to insure fairness 60 minutes total be allotted for citizens speaking about the proposed water connection fee and sewer user fee increase, with the time being equally divided between those citizens for and against on a first-come, first-served basis.

It is further resolved 30 minutes be allowed for citizens speaking about the proposed 2015 budget, with the time being equally divided between those citizens for and against on a first-come, first-served basis.

Be it finally resolved by the Colonial Beach Town Council, if not adjourned by 10:30 p.m. shall automatically adjourn at 10:30 p.m.”

Ms. Brubaker seconded Ms. Goforth’s motion.

Mayor Ham called for a roll call vote on the motion. Mr. Bone voted “aye,” Ms. Goforth voted “aye,” Mr. Chiarello voted “aye,” Mr. Seeber voted “aye,” Ms. Brubaker voted “aye,” Mr. Edwards voted “aye,” and Mayor Ham voted “no.” Resolution #35-14 passes with a 6-1 vote.

RESOLUTION #35-14, Ensures citizen input during Special Meeting of May 21, 2014

WHEREAS the Bylaws & Rules of Procedure adopted by the Colonial Beach Town Council provide that, with respect to citizen input, individual speakers shall be permitted a total of three (3) minutes, and persons representing a group shall be permitted a total of five (5) minutes; and

WHEREAS the goal of the Bylaws & Rules of Procedure is to allow for citizen participation in a fair and orderly manner; and

WHEREAS the Colonial Beach Town Council anticipates significant citizen interest for tonight’s meeting and wants to ensure citizen input as well as the transaction of necessary business.

NOW THEREFORE BE IT RESOLVED by the Colonial Beach Town Council, at a specially called meeting on May 21, 2014, that, in order to maximize citizen participation at tonight’s meeting, that the Bylaws & Rules of Procedure be strictly followed in terms of the time limit for speakers; and

BE IT FURTHER RESOLVED that, so as to ensure fairness, ninety (90) minutes total be allotted for citizens speaking about the proposed real estate tax increase with the time equally divided between those citizens for and against, on a first come, first served basis based upon the sign up sheets; and

BE IT FURTHER RESOLVED that, so as to ensure fairness, sixty (60) minutes total be allotted for citizens speaking about the proposed personal property/boat tax increase with the time equally divided between those citizens for and against on a first-come, first served basis, based upon the sign up sheets; and

BE IT FURTHER RESOLVED so as to ensure fairness, sixty (60) minutes total be allotted for citizens speaking about the proposed water connection fee and sewer user fee increase with the time equally divided between those citizens for and against on a first-come, first served basis, based upon the sign up sheets; and

BE IT FURTHER RESOLVED so as to ensure fairness, thirty (30) minutes total be allotted for citizens speaking about the proposed FY 2014-2015 budget, with the time equally divided between those citizens for and against on a first-come, first served basis, based upon the sign up sheets; and

BE IT FINALLY RESOLVED by the Colonial Beach Town Council that this meeting, if not adjourned by 10:30 PM, shall automatically adjourn at 10:30 PM.

Public Hearing, Ordinance No. 648, Con't

Mayor Ham summarized Ordinance No. 648 and opened Public Input

Public Input

Mayor Ham called upon citizens who signed up to speak to the proposed real estate tax increase.

Ursula Finney, Meadow Avenue, noted her pension and social security only went up a few dollars. Ms. Finney asked if we have to have an increase, stay with a 3% or 4%.

Eddie Blunt, 125 Riverview Circle, stated that .23 is a huge increase. There has to be some increase and Mr. Blunt recommends breaking it down into manageable pieces to give people time to adjust, for example every three to five years. Mr. Blunt is running for council.

Randolf Pilker, 23 1st Street, stated he would like to see a profit and loss budget for the school system. 95% of residents have no school children. Mr. Pilker believes it is time to move the school system back into Westmoreland County. Mr. Pilker noted his 80-year old mom who is on a fixed income will have to give up something – food, medicine.

Jay Jarvis, 223 Boundary, stated he supports a modest increase in personal property tax, but has major concerns with regard to maintenance. Mr. Jarvis does not support charging tuition. Mr. Jarvis urged Council to sell Eleanor Park.

(Applause.)

Jean Conaty, Monroe Bay Avenue noting there are many in town that are on fixed incomes.

Mr. Bone asked if the Mayor was alternating speakers with different opinions.

Mayor Ham answered “Yes, there are not many that are in favor.”

Kyle Schick, representing the Chamber of Commerce spoke to the many services offered citizens by the town. Mr. Schick believes an inventory of all lands owned by the town, and a list of what can be sold could help get these properties on the tax rolls. Mr. Schick supports getting assets on the tax rolls, putting that money into an account and a modest tax increase.

Janet Stock, 712 Marshall Avenue does not believe in imposing additional real estate taxes at this time and that doing so will result in a serious hardship to many in town.

(Applause.)

Steve Brisco, 218 Dogwood Avenue opposes any tax increase across the board. If Colonial Beach cannot afford the schools, it should be looked into to turn them over to the county.

(Applause.)

Sherry Hutchins, 1105 Lossing Avenue is not in favor of a tax increase – maybe one or two cents is understandable. Ms. Hutchins is not in favor of children outside of town limits attending town schools.

(Applause.)

Peggy Tucker, 1012 Marshall Avenue has paid real estate taxes for 33 years and does not want an increase. It will be a hardship for many in this town. The town has assets it can sell. The town seems to take out loans every year.

(Applause.)

Michael Fitzpatrick, 21 Weems Street is a business owner and multiple home owner and believes the increase is significant. It's not just the town real estate taxes, county taxes are going up, water and sewer is going up, meals and lodging tax has gone up. It's one thing on top of another.

(Applause.)

Marion Miller, 230 Givens Street supports whatever tax increase is necessary to operate the town and to operate the school. Ms. Miller urged council to “be tough” and “do what is necessary.”

(Applause.)

Mayor Ham asked the audience to keep discussions among themselves to themselves, as it is distracting.

Polly Parks, 216 Spotswood Lane, asked “Are we in the red or in the black?” Ms. Parks believes people are moving out at a faster rate than they are moving in and the economy is not well in our little town. The proposed fix to this by Council is to raise taxes to a level more than King George, Tappahannock or Essex, Richmond and Fairfax County.

(Applause.)

Mrs. Ahearn declined to comment.

Bob Swink, 101 Monroe Bay Avenue believes the US economy is not good and “we’ve got to think smarter” and, if you have to raise taxes, it should be reasonable, like 3%.

(Applause.)

Steve Kennedy, 220 Boundary Street believes the proposed increase is too much of a burden on the taxpayers and bad economics. Mr. Kennedy asked “What is your strategy to build the economy?” Mr. Kennedy wants to know if the proposed .23 cent increase was agreed to before or after the fire at the school.

(Applause.)

Michael Boland, 217 Dogwood Avenue said if the town keeps raising taxes he will have to sell the house and move somewhere else.

(Applause.)

Lorraine Blancke, 111 Dogwood Avenue is a bit confused about the tax increase in light of the fact that there are a lot of new homes in Riverside Meadows. Surrounding counties are getting tax increases, so she does understand increases. Ms. Blancke supports the school system. Ms. Blancke would like to see a study to determine if it is feasible to combine the town schools with Westmoreland County.

(Applause.)

Barbara Hathaway, 115 Garfield Avenue is against all taxes. The answer is not to always raise taxes. The town could bring in businesses, make the town friendlier. Ms. Hathaway says council wants to raise the taxes on houses that do not assess on the purchase price.

William Dellar, 1333 Monroe Bay Avenue opposes a .23 cent increase and believes council should be ashamed of yourselves. There are better ways to generate income.

(Applause.)

Ronald White is against the huge tax increase. The town of West Point has a real estate tax of .27 cent, because they have a paper mill there paying taxes. We do not have the kind of tax base to support a school. We need to look at consolidation of the schools.

Kelly DeJesus, 208 Forest Avenue supports the council and the school and the tax increase, noting the school is the largest employer in town.

(Applause.)

Mayor Ham then called upon citizens who signed up to speak to the proposed boat tax increase.

Eddie Blunt, 125 Riverview Circle. Mr. Blunt owns Bayside Marina noted we’ve been down this road before. Mr. Blunt has 40 boat slips and only 10 boats in place. The boaters spend money in town. 90% of the people that move here to do to be near the water.

Mr. Blunt asked about collection of leases on private piers and on taxing golf carts.

Jay Jarvis declined to speak, citing his earlier remarks.

Steve Cirbee, citizen spoke in opposition to the proposed boat tax, saying you will see a parade of boats as they leave town. Before council take action on increasing taxes, you need to look at what you're going to lose.

(Applause.)

Janet Stock, 712 Marshall Avenue agrees with Mr. Blunt and Mr. Cirbee saying if the increase passes, the boats will leave and our marinas will fail.

(Applause.)

Kyle Schick, representing the Chamber of Commerce and Colonial Beach Yacht Center stated the money raised from raising this tax is a small percentage of what the town needs. In 2008 there were 490 boats berthed in town and the money generated by those boaters is important to the town's bottom line. Each boater spends an average of \$2,857 per year and \$5,000-plus on related expenses. There have been 39 jobs directly and indirectly by boating in town.

No other industry in this town affects every other industry as boating does.

(Applause.)

Bill Bowman, 829 Robin Grove Lane stated that if this proposed tax goes through, an average boater would pay \$3,000 per year in taxes to the town; however, Mr. Bowman can barely charge \$1,800 per slip.

Steve Brisco declined to comment

Sherry Hutchins declined to comment

George Cajegal, 216 Spotswood Lane stated he chose Colonial Beach to live because it's a nice small community with water recreation as they are boaters. In Prince William County there is no boat tax.

(Applause.)

Ronald White, citizen, spoke in support of re-instating a boat tax saying if you have to pay a property tax on a car, which is a necessity, you should pay it on a boat as well.

(Applause.)

Bob Swink, Monroe Bay Avenue opposes an increase in the boat tax and stated boaters buy homes, food and spend money.

(Applause.)

Rusty Curley, 554 Lafayette owns Monroe Bay Marina and is opposed to increasing the boat tax saying “Two days before Memorial Day weekend in a town where even our town seal has a boat in it, to try and raise the boat tax, I don’t see how anybody could take it seriously.” The boat tax is a “locust” and keeps coming back every so many years.

(Applause.)

Steve Kennedy, 200 Boundary Avenue noted the two smartest things this town ever did was golf carts and reducing the boat tax. Increasing the tax will be an economic death sentence.

(Applause.)

Michael Bowman declined to comment.

Bryant Irving, 166 Crocket Drive is a boat owner and opposes the increase to the boat tax.

(Applause.)

Wesley Seville, boat owner says he spends a lot of money in Colonial Beach and opposes an increase in taxes.

Barbara Hathaway noted she is against the increase.

William Duna noted he is against the increase.

Leonard Farneth, 829 Robin Grove Lane, Slip C-14 and C-6, stated there are two slips keeping him from moving, just six ropes.

(Applause.)

Recess

At 7: 32 p.m. Mayor Ham called for a 10-minute recess.

Reconvene

At 7:46 Mayor Ham reconvened the meeting.

Public Input

Mayor Ham called upon citizens who signed up to speak to the proposed utility increases.

Steve Cirbee spoke in regard to the connection fees and maintains he says the same thing over and over again. Mr. Cirbee maintained the town is already making \$2,000 on the water connection fees and proposes to add another \$1,000. The sewer connection fee is also making \$2,000. Connection fees are to be based solely on the cost of connection, according to the Code

of Virginia. Mr. Cirbee believes the town cannot legally increase connection fees and believes the sewer connection fee should go down.

(Applause.)

Janet Stock, 712 Marshall Avenue, agrees with Mr. Cirbee and begged council for water meters and believes the current billing is too high.

(Applause.)

Kyle Schick declined to comment.

Steve Brisco was no longer in attendance.

Sherry Hutchins was no longer in attendance.

Polly Parks, 216 Spotswood Lane, opposes the tax to connection fees. Ms. Parks believes there is a grant that is scheduled to help pay for these water meters, which will reduce water usage. Ms. Parks asked what is the money generated from this proposed tax increase going to as a budget has not been presented to the public. Ms. Parks also asked where the money is going that is given to the school system.

(Applause.)

Steve Kennedy was no longer in attendance.

Ronald White is against the \$25 per quarter increase on the sewer.

(Applause.)

Michael Bowman was no longer in attendance.

Barbara Hathaway was no longer in attendance.

At 7:58 p.m. Mayor Ham closed the public hearing on Ordinance No. 648.

Action on Ordinance No. 648

Motion to amend Ordinance No. 648

Mr. Bone made a motion that “we increase the real estate tax by .03 cent; that we do not increase the boat tax, period, and we maintain the \$25 per quarter water rate and waive the connection fee currently until we address the bond issue that includes the water and sewer connections because I’m sure we’ll be looking at another increase to pay the debt service and combine those together.” “The .03 cents includes the bond issue.”

Mr. Bone continued “I was on council for 12 years. I’ve only been on this one for four months. They asked me and I told them they didn’t want me. Now I’ll tell them why. This council and previous councils have done nothing to promote the town, in my opinion. If they are going to market the town. To market the town, they need to polish it. If we don’t commit to marketing it, the tax increase is the easy way because you have no choice – if council approves it, you pay it.

To market the town, to build the revenue of the town takes work. I haven’t seen an allocation in the budget to promote the town in the last six years.

If you go back to 2010 the assessed value of the two lots on the boardwalk were set at \$35,000. They are assessed at \$347,000 today.”

Mayor Ham noted “there is a motion on the floor that has not been seconded.

Mr. Bone said he addressed the .23 cent to .03 cents – the .01 cent on the bond, take it out. To omit the \$1,000 connection fee, but impose the \$25 utility fee or \$100 per year.

Ms. Erard noted “You made a motion to approve Ord No. 648 with those amendments.”

Mr. Bone “Correct.”

Mr. Chiarello seconded the motion.

Mayor Ham asked for further discussion.

Mr. Bone continued “The marketing of the town is an asset to this town. There is an election coming in November. If you all, and I mean the people of this town, don’t put four people on this council that will take a sincere effort in the developing and marketing of the town, you’re going to fail.

Until you do that, you’re trying to push a rope. If you say that you are progressive; if you say you’re going to market the town, then do what you say you’re going to do.

Raising taxes is easy. I’ll repeat that. Marketing it is hard. But don’t proclaim that you are a ‘jewel’ and not try to promote it. That’s the council and I will say it’s also the administration. I haven’t seen a budget item yet to market this town in the last six years. That’s going to be the reviving of the town is to develop the boardwalk areas, to bring in commercial.”

Ms. Brubaker asked Mr. Bone “I was under the impression the bond issue was going to cost .04 cents.”

Mr. Bone “It was proposed at .03 cents, I think it was because we reduced the utility side of the house when we couldn’t fund some of those items by tax money.”

Mr. Seeber stated he thought the fire department roof was in there.

Mr. Bone answered that was not identified either because the police department and the local move was taken out. “It started out with a trash truck and the move of the PD. And it has had variations since then. So I’m not sure what the last variation was.”

Mr. Seeber would like to discuss what it is.

Mr. Bone agreed.

Mr. Seeber would like to put this off until council has that discussion.

Mr. Bone noted as it currently stands, it’s .03 cents. The motion can fail and they they can add any amount they want to it or change the configuration. That’s my motion.

Mr. Seeber would like to put it off until tomorrow.

Mr. Bone disagreed.

Mayor Ham asked the town attorney “If we vote on an ordinance tonight, is there a time limit? Do we have to wait 30 days before we can ever propose anything else?”

Ms. Erard answered “You have to re-advertise. So that would require probably three weeks.”

Mr. Seeber asked “If we wanted to add the fire department roof, we could change the real estate tax? I don’t think we can do that.”

Ms. Erard answered “My recollection is you can change it any time before the land book. But you would have to re-advertise.”

Mr. Chiarello asked “What is holding us back from voting on it now? We know this is going to cover the bond issue. And the bond issue is going to cover the school move and the renovations to the building. Correct? Okay, so I’m clear on it. I don’t see any reason to wait.”

Mr. Edwards asked Mr. Bone “How does this support our school system, with this increase?”

Mr. Bone answered “It supports the \$1 million bond for the movement of the schools back and supports the lights for the field and the security of the building because it supports the bond issue. Does it support the operation side of the house? No. But it does support bringing the kids back from Oak Grove.

I think that’s totally warranted. It is our responsibility to insure that it’s done.

I have my doubts on the lights, but you got to spend the penny. You can’t tax half a penny. So you might as well get the maximum use out of that penny that you can. If it’s the lights and the security of the building, and it stays within that debt service that .02 cents will bring in in taxes,

then I support everything that goes along with it only because I can't charge a penny-and-a-half. I support the full penny and what it will buy.

What it will buy, from my understanding, is the lights and the \$440-something-thousand to bring the kids back from Oak Grove. I'll support that."

Ms. Goforth asked Mr. Bone "Does that penny have to spent on the school system?"

Mr. Bone answered "That would be up to council what that .03 cents purchases. Personally, I think we should fund the school side of the house. We identified .01 cent for the general side of the house. We can discuss that or rearrange it or whatever. The .02 cents is for the school."

Ms. Goforth asked Mr. Bone "I don't necessarily agree with selling, but I agree with marketing. What do you think of, rather than .03 cents, collecting either .04 cents or .05 cents and identifying those two pennies to go to the department of tourism and whatever marketing we need."

Mr. Bone answered "That could be a proposal if this one fails. But as it currently stands, it's .03 cents.

Initially, we were going to buy a PD building. Then it became a school issue and becoming a renovation cost. All of that has not been finalized, at least in my mind, of where the changes were."

Mr. Chiarello wanted to talk about the renovation part because that was an important part of saving \$40,000, to be able to put everything under one roof."

Mayor Ham noted "The .03 cent increase will just cover the bond. That means we would be funding the school at the bare minimum they require, \$1.5 million. Obviously, it's significantly less than they asked for."

Ms. Goforth asked Ms. Erard "If we voted for more than what we need since that seems to be a question right now, can we lower it? I assume we can."

Mr. Seeber answered "Before October when the land book is due.

Motion to amend Mr. Bone's motion

Ms. Goforth amended the motion on the floor "I would like to change one part of it. Instead of .03 cents, make it .05 cents, with that extra two pennies to go to the town to marketing and tourism. We have a lot of deficiencies. If we need it. Now, if we can lower our expenses, which I'm still hoping we can, then we would not..."

Ms. Erard "So there is a motion to amend and modify the real estate tax rate to be \$.63 cents. Is that correct?"

Ms. Goforth answered “A five-cent increase.”

Mayor Ham asked if there was a second to Ms. Goforth motion to amend?

Mr. Seeber seconded the motion.

Ms. Erard noted “The allocation of the funds is done through the budget and you cannot vote on the budget tonight.”

Ms. Goforth asked how long it would take to change the real estate tax rate.

Ms. Erard answered “Approximately six weeks, just to give you time to advertise and re-vote.”

Mayor Ham noted the proposal to amend the original motion has been seconded. Mayor Ham asked for discussion on the amended motion.

Mr. Edwards noted “We haven’t talked about our fire service, who needs money, equipment. We got police cruisers that have 150,000 miles on them. By adding the two more pennies, will that be able to help them? Also, if we’re going to keep our schools, we need to fund the schools. I’m not so worried about the lights; that can come in time. But if we’re going to keep this school system, we need to fully fund them if you ask me. By not doing due diligence with our few pennies, I think we need to try to help everybody, the fire, police and schools and our rescue squad, too.”

Mr. Chiarello noted “I had people cry, saying they can’t afford to do this. There comes a point where you have to favor the taxpayer. It seems that in some people’s mind the town exists for the school. The town exists for the taxpayer. It’s the people of this town that I have the most feeling for and the most allegiance to.

Three cents, I would agree to. I would like to amend it back to .03 cents. When you raise property taxes by a dollar, you appreciate property values by five. We’re going to go into a tailspin. We’re going to have lower property values and higher taxes. You’ll never get out of that situation. The school will never be funded after that.

We have to look at what we can afford to do. It’s numbers.”

Ms. Brubaker said “Out of 150 signatures I collected, 146 of them were against a real estate tax increase, other than a modest increase.”

Ms. Brubaker continued “I can’t see going any higher than .03 cents at this time.”

Mayor Ham asked for discussion on the motion to amend the original motion.

Ms. Goforth said “The reason I asked for another .02 cents is I hear complaints about potholes, etc. The citizens want the town to look better. I am still in favor of looking at the town’s budget and cutting costs.”

Mr. Bone commented “I offered a proposal of marketing the town. Why we keep coming back to taxes, I can’t understand. Either this council is blind or future councils are blind or prior councils are blind. But if we don’t market the town...”

Mr. Bone continued “It appears that council has to get to a point where their backs are up against the wall before they will promote the town they claim they enjoy and is a pleasure to live in. But evidently they don’t want anybody else to experience that.”

Mr. Seeber asked let’s take a vote on the .05 cent amendment.

Ms. Goforth said “I’ll remove my amendment. I’ll change my vote.”

Ms. Erard asked “Are you withdrawing your amendment?”

Ms. Goforth answered “Yes.”

Mr. Chiarello seconded Ms. Goforth motion to withdraw. Mr. Seeber, who originally seconded the motion, also agreed.

Motion to amend Mr. Bone’s motion was withdrawn.

Mayor Ham summarized “Basically it’s going to cut the school funding down to the bare minimum required by law, \$1.5 million or \$600,000 less than we contributed last year.”

Mr. Chiarello “That figure is calculated by the state based on our ability to pay. What about those words do we not understand? That’s based on your real estate taxes and your sales taxes. That’s your ability to pay.”

Marion Miller, audience member, spoke out “It sounds like they are receiving \$500,000 less this year? How do you expect it to operate?”

Mayor Ham clarified that “Just going up .03 cents on the real estate tax, which would cover the bond issue that we’re talking about has nothing to do with funding anything else. The town is in the same shape. It doesn’t fund the town’s budget, either.”

Mr. Bone noted “The town took the \$500,000 from the \$2.1 to get to \$1.5 million. So when we adjust the budget, there is some latitude in the general fund and at least bring them back to level funding, or what they call level funding or a proportionate amount of that. But it’s going to have be from the general fund.”

Ms. Brubaker “So when we pass this .03 cents, our budget will be cut – the school’s budget will be cut to the required state funding of \$1.5 million. Therefore, the town’s budget will also go down. So there is money that could be sent to the schools?”

Mr. Bone “Correct.”

Mayor Ham asked if there is any further discussion on the motion on the table. To clarify, the motion is to raise the real estate tax by .03 cents per \$100 of assessed value; keep the boat tax at .01 cents; a \$25 per quarter increase on the sewer usage fee; and no increase on the water tap fee. Is that correct?

Mr. Bone “Correct.”

Action on motion to amend Ordinance No. 648

Mayor Ham called for a roll call vote. Mr. Seeber voted “no,” Ms. Brubaker voted “aye,” Mr. Edwards “no,” Mr. Chiarello voted “aye,” Ms. Goforth voted “aye,” Mr. Bone voted “aye,” and Mayor Ham voted “no.” The vote was 4-3, the motion on the amendment to Ordinance No. 648 failed to pass.

Ms. Erard noted “It takes a two-thirds majority to pass a tax increase.”

Ms. Erard recommended separating the issues to arrive at a consensus, then the Mayor could entertain a motion.

Mayor Ham queried council members, asking who was in favor of keeping the current boat tax. Mr. Seeber, Ms. Brubaker, Mr. Edwards, Mr. Chiarello, Ms. Goforth, Mr. Bone and Mayor Ham all raised their hand in agreement.

Mayor Ham queried council members, asking who was in favor of doing away with the tap fee increase. Mr. Seeber, Ms. Brubaker, Mr. Edwards, Mr. Chiarello, Ms. Goforth, Mr. Bone and Mayor Ham all raised their hand in agreement.

Mayor Ham queried council members, asking who was in favor of keeping the increase in the sewer usage charge, which will increase \$25 per quarter. Mr. Seeber, Ms. Brubaker, Mr. Edwards, Ms. Goforth, Mr. Bone and Mayor Ham all raised their hand in agreement. Mr. Chiarello was not in agreement.

Mayor Ham queried council members, asking who was in favor of a .23 cent tax increase. No hands were raised.

Mayor Ham queried council members, asking who was in favor of a .15 cent tax increase. Mr. Edwards and Mayor Ham raised their hands in agreement. Mr. Seeber, Ms. Brubaker, Ms. Goforth, Mr. Bone and Mr. Chiarello were not in agreement.

Mayor Ham queried council members, asking who was in favor of a .10 cent tax increase. Mayor Ham raised his hand in agreement. Mr. Edwards, Mr. Seeber, Ms. Brubaker, Ms. Goforth, Mr. Bone and Mr. Chiarello were not in agreement.

Mayor Ham queried council members, asking who was in favor of a .09 cent tax increase. No hands were raised.

Mayor Ham queried council members, asking who was in favor of a .08 cent tax increase. No hands were raised.

Mayor Ham queried council members, asking who was in favor of a .07 cent tax increase. No hands were raised.

Mayor Ham queried council members, asking who was in favor of a .06 cent tax increase. No hands were raised.

Mayor Ham queried council members, asking who was in favor of a .05 cent tax increase. Mr. Seeber and Mayor Ham raised their hands in agreement. Mr. Edwards, Ms. Brubaker, Ms. Goforth, Mr. Bone and Mr. Chiarello were not in agreement.

Mayor Ham queried council members, asking who was in favor of a .04 cent tax increase. Mr. Seeber, Ms. Goforth, Mr. Bone, Mr. Chiarello and Ms. Brubaker raised their hands in agreement. Mayor Ham and Mr. Edwards were not in agreement.

Motion to Approve Ordinance No. 648, as amended

Ms. Erard asked “Is there a motion to approve Ordinance No. 648 with the following changes: that the real estate tax be increased by .04 cents; that the personal property tax rate on boats be left at .01 per \$100 of assessed value; that the connection fees for water remain the same; that the sewer user rates be increased by \$100 per year, which is \$25 per quarter?”

Mr. Chiarello made a motion to approve Ordinance No. 648 with the changes as identified by the town attorney, Ms. Erard. Mr. Seeber seconded the motion.

Mayor Ham called for a roll call vote. Mr. Seeber voted “aye,” Ms. Brubaker voted “aye,” Mr. Edwards voted “no,” Mr. Chiarello voted “aye,” Ms. Goforth voted “aye,” Mr. Bone voted “aye,” and Mayor Ham voted “no.” The motion passes with a vote of 5-2.

ORDINANCE NO. 648, AMENDS THE COLONIAL BEACH TOWN CODE, CHAPTERS 20 AND 21

PART I

Sec. 20-2. Real estate tax.

(a) The amount of real estate taxes shall be .62 per one hundred dollars (\$100.00) of assessed value.

(b) *Installments.* The annual tax or levy on real estate shall be paid in installments during the tax year as follows:

(1) One-half (½) of the annual real estate tax or levy shall be due and payable by June 5 of the tax year; and

(2) The remaining balance due of the annual real estate tax or levy shall be due and payable by December 5 of the tax year.

(c) *Penalty provisions.* A penalty shall be added to such tax for failure to pay any installments on the day after the said installment is due, in the amount of:

Tax Due	Penalty
\$0.00—10.00	100% of tax
\$10.00—100.00	\$10.00
Over \$100.00	10% of tax

Any such penalty shall become a part of the tax.

(d) *Interest provisions.* Interest shall commence on the first day following the day each such installment is due at a rate of ten (10) percent per annum.

(e) The town council may provide for the waiver of the penalty and interest for failure to pay such tax if such failure was not in any way the fault of the taxpayer.

(3) Any person who willfully fails to file a statement of personal property with the Westmoreland County Commissioner of Revenue in a timely manner or who willfully files a fraudulent return with intent to defraud shall be guilty of:

(a) If less than one thousand dollars (\$1,000.00) tax due, a Class 3 misdemeanor, or

(b) If one thousand dollars (\$1,000.00) or more tax due, a Class 1 misdemeanor.

PART III

Sec. 21-73. Connection fees.

No connection with the town water system shall be made except after a payment of a connection as shown below.

(1) For single-family dwellings, townhouses, duplexes, semi-detached dwelling units, multi-family dwelling units, apartments, condominiums, and mobile home parks: Three thousand two hundred and fifty dollars (\$3,250.00).

(2) For churches: Three thousand dollars (\$3,000.00) for the first connection and fifty dollars (\$50.00) for each additional fixture.

(3) For motels, restaurants, service stations, stores or each store under one (1) roof, other commercial and industrial buildings and institutional-type buildings, such as schools, hospitals, nursing homes and governmental buildings and all other users not covered elsewhere in this article and any other users not specifically identified in this section: Two and one-half (2½) times the single-family dwelling fee plus one hundred dollars (\$100.00) for each fixture.

(4) The connection fee for users outside of the town limits shall be one hundred fifty (150) percent of the fees set forth in this section for the uses identified in subsections (1), (2) and (3).

PART IV

Sec. 21-80. Sewer user rates.

(a) *Residential service.* All residential sewer users will pay a flat charge of six hundred fifty dollars and eighty cents (\$650.80) per residential use per year, payable in quarterly installments of one hundred sixty-two dollars and seventy cents (\$162.70) each.

(b) *Commercial service.* All commercial sewer users pay a minimum charge of six hundred fifty dollars and eighty cents (\$650.80) per commercial use, per year, payable in

quarterly installments of one hundred sixty-two dollars and seventy cents (\$162.70) each, for the first sixty thousand (60,000) gallons of usage. Usage in excess of sixty thousand (60,000) gallons will be charged as follows:

- (1) Four dollars and fifty cents (\$4.50) per one thousand (1,000) gallons or part thereof on the next one hundred and fifty thousand (150,000) gallons.
- (2) Four dollars and fourteen cents (\$4.14) per one thousand (1,000) gallons or part thereof on the next one hundred and fifty thousand (150,000) gallons.
- (3) Three dollars and sixty cents (\$3.60) per one thousand (1,000) gallons or part thereof on all usage over three hundred and sixty thousand (360,000) gallons.

Commercial sewer users shall be deemed to have sewer usage equal to their metered water usage. Commercial sewer users not metered for town water shall be required to install a separate meter to ascertain the actual sewer usage.

(c) Rates for sewer service furnished outside corporate limits shall be one hundred and fifty (150) percent of the rate for such service within the town.

(d) Sewer user charges may be stopped in the same manner by which water user charges are stopped in subsection [21-71\(d\)](#).

(e) Minimum and flat fees for usage shall apply prospectively for the quarter at the beginning of which they are due. Excess usage fees shall be assessed at the start of one (1) quarter for the quarter immediately preceding.

Commercial sewer users shall be deemed to have sewer usage equal to their metered water usage. Commercial sewer users not metered for town water shall be required to install a separate meter to ascertain the actual sewer usage.

Commercial sewer users shall be deemed to have sewer usage equal to their metered water usage unless a substantial portion of water purchased from the town is for cooling or other purposes that do not require the discharge of each used water into the sanitary sewer system. In such case the establishment's owner may: (1) be deemed to have sewer usage equal to their metered water usage, or (2) at the owner's expense, install a meter of design approved by the manager, or his designee, on the waste line from such commercial establishment. The volume of measured discharge by such commercial user shall be considered to be the volume of discharge into the sanitary system.

PART V

BE IT FINALLY ORDAINED THAT the tax rate increases set forth in this Ordinance shall be retroactive to January 1, 2014; the water connection and sewer user fee increases shall take effect upon adoption.

Public Hearing, Proposed Fiscal Year 2014-2015 Budget

At 8:39 p.m. Mayor Ham opened the public hearing.

Citizen Input

Kyle Schick declined to comment.

Steve Brisco was no longer in attendance.

Sherry Hutchins was no longer in attendance.

Polly Parks was no longer in attendance.

Bob Swink was no longer in attendance.

Jay Jarvis was no longer in attendance.

Maureen McCabe noted she had submitted a written statement, which will be entered into the record.

Walter Kern, McKinney Boulevard believes council needs a lesson in history. Education is the biggest expense in any town. Education is not cheap.

Samantha Straughan, representing the PTA, agrees there needs to be a tax increase and the town needs to market itself.

At 8:48 p.m. Mayor Ham closed the public hearing.

Adjournment

Mr. Seeber made a motion to adjourn. Ms. Brubaker seconded the motion. The meeting was adjourned at 8:48 p.m.

Kathleen Flanagan, Town Clerk

Mike Ham, Mayor