



**Minutes of the
Colonial Beach Town Council**

**A Special Meeting
For the purpose of discussion regarding
Fiscal Year 2015-2016 Budget**

Thursday, May 21, 2015 at 9:00 a.m.

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

Present

Mayor, Mike Ham
Member, Wayne DiRosario
Member, Tommy Edwards
Member, Wanda Goforth
Member, Burkett Lyburn
Member, Mike Looney

Absent

Vice Mayor, Eddie Blunt

Also Present

Town Manager, Val Foulds
Town Clerk, Kathleen Flanagan
CFO, Joan Grant

Call to Order

Mayor Ham called the meeting to order at 9:05 a.m.

Roll Call of Members

Mayor Ham announced that all members were present with the exception of Mr. Blunt.

Discussion regarding Fiscal Year 2015-2016 Budget

Mayor Ham opened the discussion by noting that if the school and town are funded at the requested levels there will be a shortfall of about \$400,000. There is a balanced budget for the utility fund and waste water treatment plant.

This is an increase over last year of \$292,000. The school portion of the increase is \$194,000 and the town portion is \$98,000.

Mayor Ham passed out several pages containing three options.

Option one holds town and school funding to a 2% increase over last year. There would still be a shortfall of \$250,000, which could be covered by a tax increase and use of reserve funds, i.e., \$.01 cent tax increase and \$200,000 reserve funds.

Option two is to fully fund town and school requests and cover the \$400,000 shortfall with a combination of tax increases and reserve funds. \$.08 cents would cover the \$400,000 shortfall.

There has also been a request by the school to build an elementary school building at an estimated cost of \$8.5 to \$9 million dollars. Deducting the current cost of leasing the modpods, funding the construction would cost approximately a \$.05 or \$.06 cent increase in real estate tax that would be earmarked strictly for school construction. Mayor Ham advised this could be done by raising RE taxes \$.03 cents this year and \$.02 cents in 2017.

Mr. Blunt had previously recommended decreasing personal property tax. Currently the town's personal property tax rate is \$4.00 per \$100 of assessed value. In theory, a \$.37 decrease in personal property tax equals a \$.01 cent increase in real estate tax.

Mayor Ham recommended studying this issue.

Mayor Ham summarized, saying a \$.13 cent real estate tax increase this year would fully fund the town, the school at \$.08 cents, and establish a fund to build a permanent school at \$.05.

Option three is to spread the costs over a five year period. This year Council could raise real estate taxes by \$.06, with \$.03 cents going to town and school operations and \$.03 cents going to school construction. The town would still need to use \$250,000 in reserve funds.

In FY 2016-2017, the Council would raise real estate taxes \$.04, with \$.02 cents going to the town and \$.02 cents going to school construction.

In FY 2017-2018 and FY 2018-2019, the Council would raise real estate taxes \$.02 cent and then, in the fifth year, FY 2019-2020, raise real estate taxes \$.01 cent.

By keeping expenses relatively even, this plan would allow replenishment of the reserve fund.

Mayor Ham noted that local funding equals about \$3,800 per student. Westmoreland County averages \$4,600 in local funding and the statewide average spending is closer to \$5,000 per student.

Mr. DiRosario suggested Council advertise the last scenario. Mayor Ham agreed, saying if we advertise the full \$.13 cent increase, we can go below that number, but not above it.

Motion to advertise

Mr. Looney made a motion to advertise a budget based on a \$.13 cent real estate tax increase with language showing that \$.05 cent is restricted to a school building fund. Mr. Edwards seconded the motion.

Mayor Ham called for a voice vote on the motion. Mr. DiRosario voted “aye,” Mr. Edwards voted “aye,” Ms. Goforth voted “aye,” Mr. Lyburn voted “aye,” Mr. Looney voted “aye,” and Mayor Ham voted “aye.”

Council unanimously voted to advertise a budget based on a \$.13 cent real estate tax increase.

Request from Town Manager regarding Building and Zoning user fees

Ms. Foulds requested Council agree to include, as part of the budget advertising, updated user fees for Building and Zoning.

Mayor Ham noted the proposed budget does not include money for a new roof for the fire department.

Mr. Looney noted that there is in place a real estate tax relief program for senior citizens and disabled citizens.

Mayor Ham noted an optimistic date of holding the public hearing on tax rates is June 11 or during the June 6, 2015 regular meeting.

Motion to advertise user fees

Mr. Edwards made a motion to advertise user fees. Ms. Goforth seconded the motion.

Mayor Ham called for a voice vote on all in favor of advertising user fees for Building and Zoning along with the proposed tax increase. Mr. DiRosario voted “aye,” Mr. Edwards voted “aye,” Ms. Goforth voted “aye,” Mr. Lyburn voted “aye,” Mr. Looney voted “aye,” and Mayor Ham voted “aye.”

Council unanimously voted to advertise user fees for Building and Zoning along with the proposed tax increase.

Adjournment/Recess

Mr. Edwards made a motion to adjourn. Ms. Goforth seconded the motion.

At 9:49 a.m. the meeting was adjourned.

Kathleen Flanagan, Town Clerk

Mike Ham, Mayor