



Town Council

Work Session

March 15, 2007

4:00 p.m.

At approximately 4:00 p.m. in Town Council Chambers, Mayor Dora Sullivan called to order the Town Council Work Session. In addition to Mayor Sullivan, present were Bruce Evans and Mary Harris. Gerald ~~Evans~~ Elliott (corrected 4-10-07) arrived at approximately 5:15 p.m. Also present were several members of staff and approximately 7 members of the public.

Mayor Sullivan introduced the business as draft revenue projections including proposed increases in connection charges and monthly rates for water and sewer services.

Karen Jolly Davis commented that that the public did not feel that they had enough information. She suggested an educational piece in the news paper and information be placed on the website.

Pat Buckley began her segment by introducing the summary of general fund revenues. The high points of her discussion included the decrease in new construction affecting business license revenue and building permit fees and the repairs needed to upgrade the utility systems in order to meet the Health Department requirements and the requirements of the Department of Environmental Quality. Ms. Buckley stressed the General Fund must not subsidize the water and sewer systems.

Bud Baxter who represented Gallagher and Associates raised the issue of the proposed increase in tap fees and mentioned that Council may want to reconsider the proposal. He stated tap fees elsewhere were high but there were services provided for those fees.

Mayor Sullivan offered the suggestion of incentives for the construction industry as well as relief for those on public assistance.

Ms. Buckley briefly presented the Harbor revenues mentioning as a working harbor, the Harbor was run as its own "business" and was self supporting. She also stated that improvements of the Harbor were intended to be covered by grant funding which had been awarded from the Virginia Port Authority. The funding was only for 75% of the project; the Town would be responsible for the remaining 25%.

Ms. Buckley then went to the sanitation funding describing the miscellaneous charges for picking up bulky items in addition to the monthly bill.

The final section reviewed was the summary of water and wastewater revenues. Ms. Buckley presented three scenarios for the projected revenues which showed the alternatives discussed by Council with public input.

Mayor Sullivan read a memo of recommendations from the Town Manager to Council prepared following the March 13, 2007 Public Input meeting. The letter is attached.

Following her reading of the letter, Mayor Sullivan stated she and the Council respect the input from the public and consider all suggestions made.

Steve Bennett of Bay Mark clarified that from this point forward, the entire cost for the existing plant repairs and the I & I of \$1.5 million was included in the facility fee calculations so was not being generated from the additional revenue by raising the rates. He further stated it was important that the proper information be known by the public.

Resident Melvin Dudley stated that he had lived in Town since 1993, at that time the sewer plant was not at about 50% usage. He said his understanding was that the plant could be most economically run at 75-80% capacity. He further stated that whoever was pushing the system higher than 80% should pay for the upgrades to the system.

Mr. Dudley was assured the proposed rate schedules was trying to put the burden where it belonged.

Resident Janet Dudley mentioned many town residents were on fixed incomes and asked if there would ever be a cap on increases.

Joan Natali suggested aggressively pursuing grant funding.

Tom Bonadeo asked for clarification of when would the fees be charged, most especially in conjunction with empty lots in Town.

Councilman Elliott stated building and upgrading of the plants was frightening people for no reason. He mentioned another working shift could be added to delay having to build a new plant.

Steve Bennett explained that the Health Department was reserving water because of their lack of confidence in the workings of the plant. Once the plant is again pumping to 80% of its capacity, the Health Department had plans to release their reserves. Bruce Evans further explained the plans of how we will proceed need to be in the hands of the Health Department prior to them releasing their hold.

Motion made by Councilman Evans, seconded by Council woman Harris and unanimously approved to adjourn the Work Session.

Mayor

Town Clerk