SPECIAL
COUNCIL MEETING
May 30, 1995

A special meeting of the Elkton Town Council was held May 30, 1995 at 7:00 p.m. in the council chambers with the Mayor Charles E. Dean presiding. The roll call is as follows:

PRESENT

D. H. Dail
M. B. Fuller
W. E. Printz
R. L. Snow
T. R. Whitfield III

ABSENT

F. A. Bennett

Ted Costin, Town Manager, Norma Leap, Clerk, Gerald Monger, Superintendent, Warren Pence, Chief of Police and Joseph Shifflett, Director of Public Works were also present.

Mayor Dean stated the purpose of the special meeting was to have the Second Reading on the 1995-1996 Proposed Budget and the First Reading on the 1995-1996 Budget Appropriations.

Mr. Costin reviewed the budget handouts. One of the changes pointed out was that after the last Finance Committee meeting they wound up with a $115,000.00 Reserve Transfer which would cover the following Capital Projects:

Erosion Project	$ 30,000.00
Geographic Inf. System	20,000.00
Track-Park	6,500.00
Demand Meters	7,000.00
Touch-Read Meters (Wastewater)	7,500.00
Reservoir Repair	30,000.00
Touch-Read Meters (Water)	14,000.00

Another change was made to include the addition of $550.00 for the VML dues. The revenues to cover this expense came from the addition of water truck sales. He also distributed a chart showing the expenditures to date for a Temporary in his office. The chart shows what they expect to expend for a year for a Temporary and what they would project to spend for a full time town employee with a top line salary proposed, plus benefits. Another chart, the Comparison of Budget, Five-Year Period, was included because it needed to be corrected.

✓Mr. Costin reported that he had received the VDOT Six Year Plan in the mail today. The Fifth Street Bridge has been fully funded as an Urban Project for this year. The State set aside $26,000.00 toward the Rockingham Street Project from Route 340 to Furnace Road. The estimated cost of this project is $1,215,000.00.

Councilman Whitfield stated he preferred the original budget with the more comprehensive capital improvements.

✓Mr. Costin reported that, upon a request from Councilman Dail, he had talked to the auditors regarding what a decent reserve would be. They say a decent reserve is three months operating expenses, three months utility expenses and the capital projects. They stated that our three months operating and utility expenses are approximately a half million dollars; add that to the $115,000.00 proposed capital expenses and we should have a reserve of $615,000.00.

Councilman Snow suggested the possibility of doubling the meals tax to restore some of the reserve funds. He also raised the question as to whether or not we need the GIS right now.

Councilman Printz feels we have a potential of revenue increases so he suggested going ahead with the proposed budget, looking into better ways to invest our reserves for a higher yield, and then reevaluate where we stand in six months. If we still feel we need additional revenue then we could look at an increase in the meals tax.

Councilwoman Fuller stated she can support the proposed budget which she thought they had compromised on at the last Finance Committee meeting with the exception of the GIS. She feels it is important to fully fund this system by adding the additional $20,000.00.

Councilman Whitfield agreed that they need to completely fund the GIS and stated he could not support an increase in the meals tax. He is not convinced it particularly targets tourist as we have a lot of locals patronizing the food areas. He suggested that for the future we take a look at a lodging tax. He again stated he supports the original budget.

Councilman Dail questioned the implications of funding one half of the GIS? Mr. Costin stated that if we purchased only part of the system it would just take up floor space and gather dust. You have to have the whole system to get anything out of it.

Councilman Dail questioned how long it would take to put the system into operation? Mr. Monger stated it would take about a year to get good information to work with. Mr. Costin stated as soon as you get the system in and up you can start entering the information.

Councilman Whitfield asked Councilwoman Fuller and Councilman Dail if they support the original budget.

Councilman Dail stated he would not feel comfortable with lowering the reserve to the extent required by the original budget, minus ISTEA. However, he stated he could go with including the additional $20,000.00 to fully fund the GIS. He indicated that with such a good reserve he is not ready to vote for an increase in the meals tax at this time.

Councilwoman Fuller stated that, in the interest of compromise, she can support the modified budget with the full funding of GIS. She pointed out that she was also in agreement with looking into a lodging tax for the future.

Councilman D. H. Dail moved, seconded by Councilwoman M. B. Fuller to approve on Second Reading the proposed modified budget as presented tonight, with an additional $20,000.00 from reserves to fully fund GIS. A copy is attached to the minutes. The vote was recorded as follows:

YEAS: D. H. Dail, M. B. Fuller and W. E. Printz

NAYS: R. L. Snow and T. R. Whitfield III

Councilman W. E. Printz moved, seconded by Councilman D. H. Dail and carried to approve the First Reading on the 1995-1996 Budget appropriations.

As there was no further business, the meeting adjourned.

MAYOR: Charles E. Dean
Charles E. Dean, Mayor

RECORDER: Norma R. Leap
Norma R. Leap, Clerk