Budget Meeting
April 27, 2004

PRESENT
W. Printz
C. H. Murphy
J. T. Dean
T. Pence
L. Sigafoose
R. Snow
P. Workman

STAFF
Faye Vickers

Finance Chair, Council member Snow, asked Council's permission to allow Lee Dearing, 124 North Street, to address Council. As there were no objections, Council member Snow recognized Mr. Dearing who stated:

I have an issue that I would like to discuss before you get started and that is it came out - I was aware of the issue one year ago, and I became more aware of the issue last week in ***The Valley Banner*** - and that is the allegation that Cathy Murphy and Faye Vickers, especially Cathy, cost the Town $12,000.00 in electrical rates.

I've done some research, and I did some research 12 months ago when it was brought up, and I asked today to get a copy of the new rate schedule that you all voted on and passed. I looked at the old rate schedule on the books. Before we can charge anyone anything we have to post that rate schedule. Right now that rate schedule is $5.50 for basic charge per house and the first 800 KWH you pay 7.56 cents, which is legal.

Where the argument came in - this is our Council going back 17 or 18 years - where the Town has charged the citizens of Elkton a profit on fossil fuel, which is against state law. Call the Town Attorney and ask him if it's against state law.

What was going on is that they were being charged 7.5 cents per KWH for the first 800. What they didn't know was they were also being charged a percentage for fossil fuel, which was supposed to be straight across the board. So at times your bill was higher than it was supposed to be and other times your bill was lower than it was supposed to be. The reason that was done was to try to keep the people thinking that the Town KW usage was lower than VEPCO. In fact, it you look at it, it was lower than VEPCO. But, if you put that percentage in it, it is high than VEPCO.

So, when you went out and said that Cathy Murphy lost the Town $12,000.00, probably for that month she did. But how many months have we been overcharging the customers? My problem with it is, since we were in violation of state law, is Faye and Cathy protected under the Whistle Blowers Act, which says you cannot come down on people who tell you of wrongdoing because it is wrong.

Cathy will lose the election. I have been out on the streets. Cathy Murphy will lose the election for one reason. Theo, you have been out; Lucky, you have been out; Wayne, you have been out. People are saying on the street, 'What did Cathy Murphy do with the money?' Wayne shakes his head. That is what people are telling me, 'What did she do with the money? Faye, is Faye and Cathy in cahoots?' I am saying to you that is what is being said. Wayne says it's not.

My point is, why did it come out a year after it happened? What was the purpose of that? The Council is sitting here trying to counter it. I think you all corrected the mistake a month later by passing the rate structure which eliminated fossil fuel.

I don't know how you fix it, but I know this, if enough people are excited as much as I have been excited about this, somebody is going to come in here and ask for a state audit and they are going to ask for a rebate, a rebate, a rebate. I don't know if the Town can afford that. If you gave back $12,000.00 to the customers for the month Cathy found this, go back 17 years and see

how many months $12,000.00 might have been.

That's what I want to say. I am concerned with the fact Faye, I think, was told by me when she was hired, if you see anything that's wrong, fix it. That's what we are all supposed to do. My concern is Cathy will not be sitting here June 1 (July 1) because of the things said out on the streets and it is not fair.

Mayor Printz thanked Mr. Dearing for his comments.

Budget

•Council is struggling with wanting to help families with health coverage, while remaining fair to single employees
•Raises will be calculated at 2 ½ , 3.0, and 3 ½ %
•Line Item for Town Manager - $42,000.00 to $45,000.00 range
•Richard Carey to receive 8% increase after earning Certified Municipal Clerk designation
•Resolve Director of Public Works/Zoning Administrator position and salary
•How many additional staff required as a result of annexation
•Need annexation revenue projections
•Calculate one police officer at $25,000.00, one equipment operator with skills at $30,000.00, and a laborer/meter reader at $27,000.00
•Wayne Printz authorized signature as purchasing agent for asphalt from Adams Construction. Credit desired will be $1,000.00

Capital Projects

•Sewer plant is outstanding
•Generator - complete
•ISTEA - bid needs to be awarded. Budgeted at $120,000.00/$30,000.00
•Warren Street parallel parking and sidewalks
•Bear Lithia Pumps - $21,000.00 and phone line
•Life Well - awaiting information from attorney
•Elkwood water loop - $45,000.00
•Survey of water line and utilities - bid of $3,867.24
•Fence at sewer plant
•West Washington and West Spring Avenue sewer line
•Automatic generator at North Street
•Repair roof of drying beds
•Key system for Bear Lithia
•New electric service for basketball and tennis courts at Town Hall
•Underground service at ballfield
•Community Center and Hiram Kite options need to be considered
•Refinancing the sewer plant loan needs to be discussed
•Guttering and down spouts for Municipal Building

Mrs. Vickers will attend to e-mail changes on Mr. McCoy's computer.

Vice Mayor Murphy moved, second by Council member Snow, and carried to go into closed session under Virginia Code 2.2-3711 to discuss personnel matters.

YEAS: J. Dean, C. Murphy, T. Pence, L. Sigafoose, R. Snow, and P. Workman

Motion carried (6 - 0 roll call)

Vice Mayor Murphy moved to go from closed session back into regular session and that each member, to the best of his or her knowledge, certified that only public business matters lawfully exempted from an open meeting requirement under Chapter 21 of Title 2.1 of the Code of Virginia were heard, discussed, or considered. Council member Snow duly

seconded the motion.

YEAS: J. Dean, C. Murphy, T. Pence, L. Sigafoose, R. Snow, and P. Workman

Motion carried (6 - 0 roll call)

As there was no further business, the meeting was adjourned.

Mayor: _____
Wayne E. Printz, Mayor

Recorder: _____
Richard D. Carey, Clerk