

**DAYTON TOWN COUNCIL
SPECIAL MEETING MINUTES
May 13, 2019**

COUNCIL MEMBERS PRESENT: Mayor Sam Lee, Todd Collier, Jeff Daly, Zachary Fletchall, Cary Jackson, Robert Ohgren, and Tara Worthy.

ALSO PRESENT: Joseph S. Paxton, Interim Town Superintendent; Daniel Hanlon, Chief of Police; Russell Bailey, Public Works Supervisor, and Susan Smith, Deputy Treasurer/Zoning Administrator.

CALL TO ORDER: Mayor Lee called the meeting to order at 6:01 p.m. and welcomed everyone. The Invocation and Pledge of Allegiance was led by Councilman Collier.

PUBLIC HEARING – PROPOSED FISCAL YEAR 2019-2020 BUDGET AND AMENDMENT TO THE FY 2018-2019 BUDGET

Interim Town Superintendent Paxton gave a Power Point overview of the Proposed Fiscal Year 2019-2020 Budget and Amendment to the FY 2018-2019 Budget as follows:

Town of Dayton
Fiscal Year 2019-2020 Budget

| | <u>FY 18</u> <u>Actual</u> | <u>FY 19</u> <u>Budget</u> | <u>FY 19</u> <u>Amendment</u> | <u>FY 19</u> <u>Revised Budget</u> | <u>FY 20</u> <u>Proposed</u> |
|--------------------------|-------------------------------|-------------------------------|----------------------------------|---------------------------------------|---------------------------------|
| Revenues: | | | | | |
| General Fund | | | | | |
| General Property Taxes | \$ 117,467 | \$ 120,500 | \$ - | \$ 120,500 | \$ 118,500 |
| Other Local Taxes | \$ 450,665 | \$ 446,300 | \$ - | \$ 446,300 | \$ 441,100 |
| Other Local Revenue | \$ 311,960 | \$ 279,901 | \$ - | \$ 279,901 | \$ 276,440 |
| Federal/State Funding | \$ 49,135 | \$ 245,000 | \$ - | \$ 245,000 | \$ 70,000 |
| Transfers | \$ 1,202,245 | \$ 1,343,885 | | \$ 743,688 | \$ 973,876 |
| Sub-total - General Fund | \$ 2,131,471 | \$ 2,435,586 | \$ - | \$ 1,835,389 | \$ 1,674,916 |
| Capital Fund | \$ - | \$ 600,197 | \$ - | \$ 600,197 | \$ 205,000 |
| Water & Sewer Fund | \$ 3,684,902 | \$ 3,871,594 | \$ 380,990 | \$ 4,252,584 | \$ 3,701,000 |
| Total Revenues | \$ 5,816,373 | \$ 6,907,377 | \$ 380,990 | \$ 7,288,367 | \$ 5,785,916 |

Town of Dayton
Fiscal Year 2019-2020 Budget

| | <u>FY 18</u> <u>Actual</u> | <u>FY 19</u> <u>Budget</u> | <u>FY 19</u> <u>Amendment</u> | <u>FY 19</u> <u>Revised Budget</u> | <u>FY 20</u> <u>Proposed</u> |
|---------------------------------|-------------------------------|-------------------------------|----------------------------------|---------------------------------------|---------------------------------|
| Expenditures: | | | | | |
| General Fund | | | | | |
| General Government | \$ 788,612 | \$ 657,728 | \$ 160,000 | \$ 817,728 | \$ 620,128 |
| Public Safety | \$ 721,981 | \$ 728,146 | \$ - | \$ 728,146 | \$ 557,676 |
| Public Works | \$ 224,177 | \$ 727,984 | \$ (270,200) | \$ 457,784 | \$ 387,806 |
| Parks, Recreation & Cultural | \$ 368,535 | \$ 186,026 | \$ - | \$ 186,026 | \$ 159,768 |
| Community Development | \$ 85,124 | \$ 115,602 | \$ 110,000 | \$ 225,602 | \$ 154,538 |
| Debt Service | \$ 26,350 | \$ 20,100 | \$ 200 | \$ 20,300 | \$ - |
| Sub-total - General Fund | \$ 2,214,779 | \$ 2,435,586 | \$ - | \$ 2,435,586 | \$ 1,879,916 |
| Capital Fund | \$ 1,454 | \$ 600,197 | \$ - | \$ 600,197 | \$ 205,000 |
| Water & Sewer Fund | \$ 3,475,682 | \$ 3,871,594 | \$ 380,990 | \$ 4,252,584 | \$ 3,701,000 |
| Total Expenditures | \$ 5,691,915 | \$ 6,907,377 | \$ 380,990 | \$ 7,288,367 | \$ 5,785,916 |

COMPARISON PROPOSED TO CURRENT GENERAL FUND

| General Fund | Amended Fiscal Year 18-19 | Proposed Fiscal Year 19-20 | Change | % Change |
|------------------------------|------------------------------|-------------------------------|---------------------|---------------|
| General Government | \$ 817,728 | \$ 620,128 | \$ (197,600) | -24.2% |
| Public Safety | \$ 728,146 | \$ 557,676 | \$ (170,470) | -23.4% |
| Public Works | \$ 457,784 | \$ 387,806 | \$ (69,978) | -15.3% |
| Parks, Recreation & Cultural | \$ 186,026 | \$ 159,768 | \$ (26,258) | -14.1% |
| Community Development | \$ 225,602 | \$ 154,538 | \$ (71,064) | -31.5% |
| Debt Service | \$ 20,300 | \$ - | \$ (20,300) | -100.0% |
| | \$ 2,435,586 | \$ 1,879,916 | \$ (555,670) | -22.8% |

KEY POINTS TO BUDGET

- Funds used from the Water & Sewer Fund for general operating purposes:
 - FY 18 \$1,202,000
 - FY 19 \$1,344,000
 - FY20 \$ 974,000
- General Fund revenues
 - FY 18 \$ 929,000
 - FY 19 \$1,092,000
 - FY 20 \$ 906,000

More than 50% of the general governmental costs including streets, police, recreation, trash collection is paid for with money raised by water & sewer fees. This is not a sound financial practice.

- Real estate taxes are the single largest local tax revenue source - \$118,000 per year; each penny generates \$14,750. The current tax rate is \$.08
- Meals tax and business license tax result from business activity in the Town. There is uncertainty with several businesses that could impact these estimates. The Town lost its only bank (BB&T) earlier this year.
- Lot of discussion on recycling earlier this year – when program ended Council reduced the monthly rate. The current rate covers the cost of contracting weekly pickup and the special yard waste and other collections provided by town staff.

General Operations

- General Government Administration – includes funding for Council, Superintendent and Finance functions of the Town. Proposed budget recommends largest cut in this area – almost \$198,000 or 25%.
- Ended funding for grants position, added accounting position this past year to eliminate a material weakness in the Town’s financial system identified for several years by auditors.
- Public Safety – includes funding for five police officers (4 shift officers and Chief) to provide 24-hour coverage in the Town. 24-hour coverage requires 2 persons per day working a 12-hour shift. When all persons are on duty the Town has 24-hour coverage.
- Officers will be off for sick, vacation and training. These shifts can be covered by:
 - Overtime for off-duty Town officers (\$20,000 budgeted)
 - Part-time officers (\$20,000 budgeted)
 - Chief
 - Mutual aid

Middle School Officer

- Part-time position created by Town Council four years ago; not established at the request of the School Board. Position does not have jurisdiction to handle issues outside of the Town of Dayton.
- Broadway (3), Dayton (1), Elkton (2), Grottoes (1), and Timberville (1) have schools located in the Town limits. Of these towns, Dayton is the only town that pays for an officer to be stationed at a school.
- The School Board works with the Sheriff to provide a school resource officer for each of the County’s four high school districts. The officer works at all elementary schools, the middle school and high school within that district. The TA District SRO works at TA, Pence, Wayland, Mountain View, and Pleasant Valley schools.

- Contacted School Superintendent – this position was established by the Town and there is no funding in the school budget for this position or middle school SRO positions.

Other Operations – Trash Collection, Streets, Parks & Receptions and Community Development

- Trash Collection – funded by monthly fees
- Snow Removal – reimbursed by VDOT
- Special Events – offset mostly by fees charged (Redbud, Dayton Days, and Muddler)
- Economic Development – advertising of Town to attract tourists and business.
- Parks and Recreation programs – maintenance of town parks, and programs like Easter egg hunt, summer movie nights.

General Capital Fund

- Mill Street project – delayed a number of years. Project will begin this summer with relocation of Verizon lines along Mill Street. Construction is expected Spring 2020. Total Cost to Town - \$250,000 to \$275,000. State will pay \$200,000.
- Police equipment – automation of in-car policing system.
- Greenway project – suspend work on phase 2. Install safety guardrail along lake at parking area.

Water & Sewer Fund

- Total budget for water and sewer - \$3,662,990
- Largest cost is Town’s share of the Sewer Authority to treat sewerage - \$1,512,000.
- Next largest cost is TRANSFER for general operations and capital - \$1,178,876!
- Need to begin a capital maintenance program with \$100,000+ each year.
- Capital items for this year:
 - Water plant upgrade to install new backwash system to recycle nearly 100% of backwash.
 - Comprehensive study of existing system. Last 45 days, the Town has had major repairs to several wells (\$100,000+), reduced capacity in another well that needs evaluation, pressing need to replace current filtration system, review legacy sewer lines and manhole system to reduce infiltration into sewer system. Estimates of costs are expected to be significantly over \$1M.

BUDGET WITHIN MEANS

- The principles behind the development of this budget:
 - Determine how much general fund revenue the Town expects.
 - Allocate the revenue to the various areas of Town operations. Minimize the amount of the transfer from the Water & Sewer Fund.
 - Begin to address the deferred capital maintenance of the water and sewer system.
 - Complete the Mill Street project.
 - Begin to address sidewalk projects approved years ago but not constructed.

Councilman Ohgren requested for clarification on the overall reduction from Interim Town Superintendent Paxton. He noted that the reduction in the general fund operations is a little more than \$555,000 for the coming year. A large portion of that is the \$400,000 in the current year that was budgeted for the Mill Street project.

Mayor Lee then opened the public hearing portion of the meeting;

PUBLIC COMMENTS

- Rhonda Johnson expressed concerns with the procedures of the Town Meetings, due to the fact that “Tell Me Something Good” is no longer on the agenda. She also spoke in favor of the creation of a line item to forever fund a resource officer for Wilbur Pence Middle School. She also stated that Wilbur Pence Middle School is the only middle school in Rockingham County which has a Backpack Program; sending food home each weekend for 16 families. Mrs. Johnson suggested a small tax increase, stop (color) mailing the water report (have it on display only in the Town Hall), and end free horse-drawn carriage rides at Redbud, in order to provide salary for SRO.
- Faye Bentz stated that it has always been her understanding that the first obligation of government is the safety of the people. She expressed her feeling that this has been a lovely town to live in, largely because of our exceptional police force, taking care of its citizens, young and old. She feels that the police department is largely responsible for guiding and directing young children. Dayton is not like other towns and its’ budget is not like other towns, due to its’ exceptional source of revenue, through water.
- Angela Andreas questioned whether Park View Credit Union was taxed the same way as BB&T had been? Interim Town Superintendent Paxton indicated they were not. Ms. Andreas suggested eliminating movies, as they are not a necessary service (while having a SRO and safe sidewalks are). She suggested that Officer Conley be kept as a part-time officer to cover absences and be present in the school, and to have paper-less billing and newsletter.
- TA Girls JV Softball Team spoke in support of Officer Conley and asked for reconsideration of the budget decision.
- Carolyn Ware, a former council member, spoke that police have gone from being reactive to proactive. She spoke in favor of rebuilding our police department to a 24-hour force and keeping Officer Conley. Ms. Wenger commented that the Council needed to encourage and require pro-active policing.
- Mr. (and Mrs.) Sargent requested that the Council reconsider funding for police department for six people.
- Morgan Dellinger spoke in favor funding for Officer Conley.
- Ms. Knight spoke in favor of keeping Officer Conley and considering the impact of position on the kids. As a Rockingham County resident, she asked for options like fundraising, etc. in order to keep a budget line item for Officer Conley.
- Holly Farley read a letter in favor of Officer Conley. She also cited a personal incident that Officer Conley assisted her with.
- Erin Andrews, a Junior at TA, spoke in favor of Officer Conley

- Mr. Childs is the principal at Wilbur Pence Middle School, part of the County school system. He referred to a letter that he sent to Council and thanked Council for what they have done in the past and offered to answer questions revolving around what Officer Conley does at the Middle School.
- Mr. Brittle spoke in support of Officer Conley and read a letter that his daughter, Kim, had written.
- Jane Braithwaite, owner of Braithwaite Studio, spoke in favor of an adequate police force with 24/7 coverage and to keep Officer Conley at the Middle School.

Mayor Lee closed the public hearing portion of the meeting at 7:12 p.m.

Mayor Lee offered his thoughts regarding the budget. He is keenly aware of the importance of Officer Conley's role at Wilbur Pence Middle School; safety, security, and mentorship. Mayor Lee stated that he will ask Council to take another look at the budget regarding funding for a SRO position.

Councilman Jackson stated that he has had two children that have gone through Pence, and another is a current seventh grader. Having an officer at Pence started after the Sandy Hook tragedy in 2012. Council Jackson announced that he plans to make a motion later in the meeting to add the funding made available for Officer Conley to the FY 2019-20 budget.

Interim Town Superintendent Paxton advised Council that state law does not permit action on the budget for at least 7 days from the date of this hearing.

Councilman Collier noted that he moved to Dayton just before Christmas in 2012. This Council is faced with many inherited problems, that if not corrected, then infrastructure needs like Cooks Creek will not be safe; the Town could be hit with fines from the sewer authority in the millions of dollars. He asked that residents take their concerns for school safety to the County School Board.

There was general agreement that the Finance Committee would meet to further review funding for the middle school officer and a 6th police officer and prepare a recommendation for Council. Council also concurred that the Mayor would call a special meeting before the end of May to consider adoption of the budget, since not all council members will be present for the June 10 meeting.

ADJOURNMENT

With there being no further business to come before the Council, Councilman Ohgren made a motion to adjourn, and seconded by Councilman Jackson and the motion passed unanimously.

The meeting adjourned at 8:17 p.m.

Respectfully Submitted,

Mayor, Sam Lee

Deputy Clerk/Recorder, Kimberley Clark