

TOWN OF WESTOVER HILLS

MINUTES

Special Town Council Meeting Friday, August 29, 2014 Westover Hills Town Hall

Present:

Mayor Stephen Tatum
Mayor Pro Tem Kelly Thompson
Council Member Marcus Snyder
Council Member Elliot Goldman
Council Member Jack Koslow

Absent:

Council Member John Thompson III

Staff Present:

Lyle Dresher, Town Administrator
Penny Spikes, Town Secretary
Sgt. Robert Rich, Acting Police Chief
Tim Chambers, Public Works Director
Randy McKee, Building Official

The meeting of the Town of Westover Hills Town Council was held commencing at 1:00 p.m. on Friday, August 29, 2014, at the Westover Hills Town Hall pursuant to written notice posted on Tuesday, August 26, 2014.

1. Call To Order.

With a quorum of Town Council Members present, Mayor Stephen Tatum called the meeting to order at 1:06 p.m.

2. Discuss and consider the proposed Fiscal Year 2015 Budget and Tax Rate for the Town of Westover Hills.

Lyle Dresher, Town Administrator, opened the discussion with a brief outline of the meeting purpose – to vote to propose a tax rate for FY 2015 and set a date for a public hearing on the proposed FY 2015 annual budget for the Town of Westover Hills. Mr. Dresher summarized the FY 2015 budget and changes recommended by staff as a result of the discussion at the August 19, 2014 Town Council Meeting.

- Tax Rate of \$0.347400/\$100 of assessed taxable value
- Increase in building permit and inspection fee revenue of approximately \$25,000
- Reimbursement to the General Fund from Water Fund of \$56,500
- Recommended 25% General Fund operating reserve, with remainder of the fund balance set aside for future capital projects
- Assumed an adjustment in water rates from \$4.25/1000 gallons to \$5.00/\$1000 to compensate for the wholesale water purchase cost increase
- Recommended 25% Water Utility Fund operating reserve, with remainder of working capital set aside for future capital projects

EXPENDITURE PROPOSALS

- 3% cost of living increase for all Town employees
- Increase in Town employee health care hospitalization deductible from \$500 to \$1000 per year resulting in a Town health care cost increase of approx. 9% versus an estimated 23% cost increase if deductible were to remain at \$500
- Funding of the 9% increase in health care cost
- Adding 1 new Maintenance Worker for the Public Works Dept.
- Replacement of 1 police patrol vehicle (\$42,000)
- Replacement of 1 ton truck for Water Utility (\$44,000)
- Funds for codification of Town Ordinances (\$11,000)
- \$100,000 allocated for installation of security cameras in all entrances to the Town
- Purchase of a snow plow attachment provided that the 1 ton truck is purchased (\$12,500)
- Funding of capital projects reserves from both General and Water Utility Funds

Mr. Randy McKee, Building Official, addressed the Town Council and proposed that Building Permit construction fees be increased from \$.80 to \$1.20 per square foot for new home construction and additions. The Building Department currently does not generate sufficient revenue to cover department expense. The proposed increase in fees is projected to cover 75% of the Building Department's proposed expenses. The Council appeared to be in agreement not to support an increase in building department fees.

Mayor Pro Tem Kelly Thompson referred the Council to the budget document developed by the Finance Committee, which incorporated all expenditure assumptions proposed by Town staff, and summarized the results to both General Fund and Water Fund cash balances. Mr. Thompson indicated the Finance Committee budget as presented did not include an increase in the water and sewer rates, but suggested the Council should discuss the possibility of an increase in the water rate. Mr. Thompson explained the concept proposed by the Town Administrator to establish operating reserve and capital reserve funds that would comprise the amount of the Town's cash balances that may be in excess of the normal operating needs of the General and Water Funds, including provision for unforeseen emergencies. Capital reserve funds represented an accounting methodology utilized by municipalities to formally set aside cash accumulated from operations to fund future capital projects, as an alternative to funding capital projects solely from the current year operating results. Mr. Thompson expressed that it may be prudent to invest cash identified as surplus to the normal operating needs of the Town in needed capital projects, which may result in an annual net deficit after capital expenditures, as an alternative to increases in property tax rate, fees or water rates in order to avoid a deficit, and/or decline to accomplish the necessary capital projects. Councilman Elliot Goldman stated there has been a combined total of a 4.2%.

Each capex project was discussed in detail. Councilman Marcus Snyder inquired as to the justification for a new vehicle for the Police Department and Public Works. Mr. Drescher explained if kept too long (particularly police vehicles) the maintenance becomes a liability and therefore, city vehicles should be replaced on a planned replacement cycle. In addition, the new Public Works vehicle replaces an old well-used truck, and the larger 1 ton truck is also required for a new snow plow proposed in the budget, which Councilman Jack Koslow supported. Capital infrastructure projects including Deepdale Drive, Valley Ridge Road north of Westover Terrace and the Indian Creek Pipe Bursting Project were discussed as high priority capital projects that may be funded from the proposed capital reserve funds.

Councilman Snyder noted the budgeted Building Department revenue was based on the proposed building fee increases and that such increases may not be implemented. The need for an additional employee for the Public Works Department was questioned. Tim Chambers, Public

Works Director, replied that man hours spent on trash collection had increased due to an increase in calls from residents requesting special pick up times and/or repeat collections. Councilman Goldman suggested an increase in fee for unscheduled garbage pickup might discourage the frequency of additional collections and assist in eliminating the need for an additional employee.


The Town Council appeared to be in general agreement that any increases in water or wastewater collection fees might be deferred beyond FY 2015.

Councilman Thompson made the motion, seconded by Councilman Snyder, to propose a tax rate of \$0.347400 per \$100.00 of taxable value (slightly below the effective rate) and call for a public hearing on the proposed FY 2015 Budget for the next Council meeting September 16, 2014. The motion carried unanimously.

3. Adjournment.

There being no further business to discuss, Mayor Stephen Tatum adjourned the meeting at 3:35 p.m.

Approved:



Penny Spikes
Town Secretary



Stephen L. Tatum
Mayor