

**ROUND HILL TOWN COUNCIL
REGULAR MEETING MINUTES
February 17, 2021**

A Regular Meeting was held by the Round Hill Town Council on Wednesday, February 17, 2021 at 7:30 p.m. Due to the ongoing COVID-19 Pandemic, this meeting was conducted electronically pursuant to *Ordinance 2020-04: Providing for Continuity of Government* adopted by the Mayor and Town Council on April 28, 2020. There was no public access to the Town Office for this meeting. The Mayor, Town Council Members, and Staff attended this meeting electronically using Zoom. Members of the public were able to attend this meeting electronically using the link published with the Agenda.

Council Members Present

Scott T. Ramsey, Mayor
Mary Anne Graham, Vice-Mayor
Jesse Howe
Michael Hummel
Paula James

Council Members Absent

Donald Allen
Melissa Hoffmann

Staff Members Present

Melissa Hynes, Town Administrator/Zoning Administrator
Danielle Albright, Town Planner
Marty Feltner, Utility Supervisor
Maureen Gilmore, Town Attorney
Sue Holland, Town Treasurer
Robert Lohr, Project Specialist
Harriet West, Town Clerk

Others Present

Margaret Schmitt, *The Berkley Group*

IN RE: CALL TO ORDER & PLEDGE OF ALLEGIANCE

Mayor Ramsey called the meeting to order at 7:32 p.m. and read the *Continuity of Government* notice, as follows:

*Due to the ongoing COVID-19 Pandemic, this meeting will be conducted electronically pursuant to the **Emergency Ordinance to Modify Public Meeting and Public Hearing Practices and Procedures to Address Continuity of Operations Associated with Pandemic Disaster** adopted by the Mayor and Town Council on April 28, 2020. There will be no public access to the Town Office for this meeting. The Mayor, Council Members, and Staff*

will be participating remotely. Members of the public may attend this meeting electronically using the link or call-in number provided on the Agenda.

The Pledge of Allegiance was not recited.

IN RE: ROLL CALL

Roll Call was held. Mayor Ramsey noted that Councilpersons Allen and Hoffmann were absent; however, the Mayor and four Council Members were present, constituting a quorum.

IN RE: PUBLIC COMMENT

There was no public comment.

IN RE: ADOPTION OF REGULAR MEETING AGENDA (Amendments & Deletions)

Mayor Ramsey requested that the motion add an *Executive Session* to this evening's Agenda, as the final item. Mayor Ramsey noted that the Council may choose not to hold this session depending upon the length of the meeting.

Vice-Mayor Graham made a motion **that the Town Council approve the Agenda, with the addition of an *Executive Session*, to approve Real Estate matters, and the deletion of *Action Item #1 – Upper Lakes Maintenance Bond Release*.** Vice-Mayor Graham explained that documentation regarding the Bond Release was just provided to Council, leaving insufficient time for Council Members to read the documents. Town Administrator/Zoning Administrator Hynes explained that the Bond Release applies to only one manhole, with documentation delayed due to the necessity of conducting a last-minute inspection. Ms. Hynes noted that this item is time-sensitive, and requested that the Council consider the item this evening. Vice-Mayor Graham amended her motion to reflect the addition of the Executive Session as the only change to the Agenda. Councilperson Hummel seconded the motion. There was no discussion of the motion. A vote was held; the motion was approved 4-0-2, with Councilpersons Allen and Hoffmann absent. The vote is recorded as follows:

<u>MEMBER</u>	<u>VOTE</u>
Michael Hummel	Aye
Mary Anne Graham	Aye
Paula James	Aye
Jesse Howe	Aye
Donald Allen	Absent
Melissa Hoffmann	Absent

IN RE: APPROVAL OF MINUTES

1. January 6, 2021

Vice-Mayor Graham raised the following questions:

- a) On page nine, in line 364, there was discussion of the possibility of requesting a waiver from the moratorium on utility cut-offs, with it being determined that the issue would be revisited; Ms. Graham asked if the issue has since been discussed. It was noted that it has not, as the understanding reached during that meeting was that the waiver would not be sought. It was decided to include this topic as a discussion item on a future Agenda, following completion of Budget discussions.
- b) Vice-Mayor Graham noted that she raised several questions regarding the *November 4, 2020* minutes, as found on page ten, in the first paragraph of the January 6, 2021 minutes; however, these minutes, as written, do not adequately address this discussion. Vice-Mayor Graham asked that the January 6th minutes be amended to provide the additional information requested. Staff will include the information requested, with the minutes brought to Council at a future meeting for approval. Mayor Ramsey requested that any additional changes to these minutes be determined this evening, so that they may be corrected and brought before Council only once.

Councilperson Hummel noted that, on page one, in the fifth line, the phrase *the Chairman and Planning Commission Members* should be removed. Councilperson Hummel also sought to clarify that the numbering systems for Ordinances and Resolutions, as contained in the minutes, is correct; it was noted that it is.

There were no further corrections.

Mayor Ramsey directed Staff to make the corrections requested by Vice-Mayor Graham, and return the January 6, 2021 minutes to Council for approval at its next meeting.

IN RE: SPECIAL PRESENTATION

1. Town of Round Hill 2021 Market Study (Presentation by the Berkley Group)

Town Administrator/Zoning Administrator Hynes introduced Margaret Schmitt, of The Berkley Group, who provided information regarding the *Market Study* conducted by her firm for the Town. Ms. Schmitt began by providing a brief overview of services provided by the Berkley group, and background on her work in government human resources for over 30 years. Ms. Schmitt noted that a copy of the Market Study was provided to the Town Council prior to this evening's meeting. Ms. Schmitt asked the Mayor and Council how they would like to conduct their review of the Study; it was decided that the presentation on the document, made by Ms. Schmitt, would proceed, with Council Members asking any questions they may have during the presentation.

Ms. Schmitt highlighted the following information regarding the *Market Study*:

- The Study begins with an *Executive Summary*, which includes *Primary Goals, Approach, and Recommendations*.

- The Study analyzed two aspects of compensation – the compensation and classification structure, and individual employee pay as it compares to the market. Ms. Schmitt noted that her presentation will focus on the structure component.
- The *Goals* included the collection of data, the establishment of a pay structure, the recommendation of appropriate job classifications, and ensuring that policies align with Town practice.
- Assumptions made, which provided the foundation of the study, included *Market Competitiveness*, *Pay Schedule*, and *Actual Pay Competitiveness*.
- The methodology used in conducting the Study.
- An overview of employment policies Round Hill has in place, which may be built upon to provide for a pay structure.
- Concerns which currently exist due to Round Hill not having in place a pay structure.

Ms. Schmitt then provided a review of the *Market Study*, explaining that the following items were considered in its preparation:

- A pay analysis process.
- Inclusion of both full-time and part-time jobs; with seasonal jobs not included.
- Comparison with nearby municipalities/entities, which responded to outreach made by the firm in conducting the study.
- High level results for pay grade/range.
- The provision of overarching recommendations – the codification of a compensation philosophy/goals/principles, establishment of additional levels of jobs where needed, support of employee salary growth through performance-based increases, and consideration of market-based range adjustment.
- Specific recommendations – development of a pay structure, ensuring employees are in the right job classification at the time of implementation of the system, adjustment of individual employee pay if current pay is below recommended ranges, freezing of base pay of employees at or above maximum of ranges, investment in performance-based increases, and use of cost-of-living increases as needed.

Various recommendations were made in the Study to address the pay structure, individual pay recommendations, positive results which occur due to adoption of the recommendations, and methods to address concerns raised by the Study.

Ms. Schmitt then addressed *Next Steps*, which include:

- Addressing any concerns raised by the Council.
- Communicating changes to Town Staff.
- Addressing Staff questions/concerns.

- Assisting with implementation of the process for maintenance of the system.
- Finalizing the structure and classifications.
- Transferring data to the Town Administrator.

Ms. Schmitt asked the Council if there were any questions. Mayor Ramsey asked Town Administrator/Zoning Administrator Hynes to begin this portion of the review by providing her input on the conclusions reached by the Study, in order to determine her goals in potentially implementing this type of structure. Town Administrator/Zoning Administrator Hynes stated that one of her primary goals is to provide a method of evaluation for the Staff, and to help provide incentives for job growth for employees. Ms. Hynes explained how employees will be informed of the new structure, with the opportunity for them to provide their input. Ms. Hynes further explained that implementation of this type of structure will be helpful in the future, as current employees retire or leave their employment with the Town. Town Administrator/Zoning Administrator Hynes stated that direction from the Council will be required to address increases in pay for positions which are currently lower than the regional norms. Ms. Hynes further noted that it is at the discretion of the Council if, and when, this proposal is adopted.

Mayor Ramsey then opened the floor to questions from Council Members. Vice-Mayor Graham asked if any concern exists that employees who are at or near the maximum of the range for their classification may seek employment elsewhere; Ms. Schmitt stated that, although that scenario could occur, she feels confident that employees likely would not find a higher rate of pay in this market in a job with similar requirements, although that could occur with a larger employer.

Councilperson Howe asked if the cost and time required to replace an employee in a new or mid-level position is known; Town Administrator/Zoning Administrator Hynes responded that that specific information is unknown; however, that concern does factor into striving to retain employees. Councilperson Howe asked about the existing market in the area for mid-level positions; it was noted that it is becoming increasingly difficult to fill these positions, due to the stringent requirements in place to obtain licensure.

Town Administrator/Zoning Administrator Hynes and Ms. Schmitt noted that the range of compensation for any classification/position may be adjusted as Council sees fit, with Ms. Schmitt noting that instituting a point of maximum value for any position may be advisable. Ms. Schmitt stated that there is great flexibility available to the Council in the method and timeline for instituting the program.

Mayor Ramsey asked if Loudoun Water, or Loudoun County, were one of the responding organizations to the Study; Ms. Schmitt stated that Loudoun County did not respond for its water system. Mayor Ramsey noted that most of the responding organizations in the Study are larger than Round Hill, in relation to population, and wondered if this fact had an impact

on the conclusions reached. Town Administrator/Zoning Administrator Hynes noted that the respondents were chosen, in part, because it seems less likely that employees would leave Round Hill to go to a smaller organization. Ms. Hynes asked the Mayor if there were other entities he would like to have included as respondents; Mayor Ramsey stated that, from the standpoint of the structure of the study, the respondents are good choices, but, from the market aspect of the Study, the respondents may not accurately reflect issues facing Round Hill. Mayor Ramsey stated that he did not know how to solve this issue, but suggested that Berryville and/or Strasburg be considered for comparison. Ms. Schmitt noted that, in undertaking classification of the position and the corresponding pay grades, they tried to compare work responsibilities, not job titles; she also noted that they sought a range of organizational sizes to allow for a proper balance to be determined.

Mayor Ramsey highlighted the progression of job classifications for Utility Staff, and the fact that they do not necessarily correspond to the progression of pay grades, and asked if the number of pay grades is too large for the number of employees. Ms. Schmitt stated that there could be fewer grades, with wider ranges, but that the grades, as included in the Study, provide an accurate reflection of the market value for the work performed; it also allows for adding levels. Town Administrator/Zoning Administrator Hynes explained that a goal she has for the implementation of a structure is to allow for recognition of the versatility of Round Hill's Staff. Ms. Schmitt stated that this versatility may make Staff's work comparable to that in a larger organization.

Mayor Ramsey noted that his questions are meant to further his understanding of the thought processes which went into crafting the Study.

Mayor Ramsey requested that an Executive Session be added to a Council Agenda in the next two months, so that compensation may be addressed in the context of the Study. Mayor Ramsey noted that discussion of the structural aspects of the Study in an open meeting seems appropriate.

Councilperson Howe asked if any representation of raw data points is available to the Council, and if any data points had a more noticeable impact on the Study; Ms. Schmitt stated that the data is public information, and that she does have that information to provide to the Town. Ms. Schmitt recommended that Council make comparisons according to job requirements. Ms. Schmitt explained that she will transfer the data to the Town Administrator, so that it may be kept as a working paper, and may be provided to Council as Ms. Hynes deems to be appropriate.

There were no further questions or comments. Mayor Ramsey and Council thanked Ms. Schmitt for her presentation.

IN RE: FINAL REVIEW OF BUDGET WORK SESSION ITEMS (As Presented at Previous Meetings)

1. FY2022 Utility Fund Operations Budget

Town Administrator/Zoning Administrator Hynes presented this item, explaining changes made to the *Health Insurance* line-item, reflecting a decrease in the amount of this expenditure, and noting a typographical error which was corrected. There were no further changes made to this budget spreadsheet.

Mayor Ramsey explained that changes to the *Rate Study* will be needed in an effort to keep the Council's goals in line with the budget; additionally, a change may be necessary to the Council's preferred utility rates, in order to keep up with the increase in operating expenses.

Town Administrator/Zoning Administrator Hynes stated that the following issues need to be decided by the Council: Capital Projects to be funded by loans; the setting of the Real Estate and Personal Property Tax Rates; the setting of Water/Sewer User Fees; and the setting of Water/Sewer Availability Fees. A potential date for holding a Public Hearing on the FY2022 Budget was provided, with it being noted that Real Estate and Personal Property Tax Rates must be provided to the County by March 1, 2021.

2. FY 2022 Utility Fund Capital Improvement Budget

Town Administrator/Zoning Administrator Hynes presented this item, explaining that Availability Fees were added to the documents, due to the proposed construction of the Poplar Hill subdivision; additionally, loan payments were added to the *Debt Servicing* line-item. There was discussion of the use of proceeds from the Virginia Resources Authority (VRA) loan for reimbursement for projects – how the funds may be used, and steps which must be completed prior to use of the funds. Project Specialist Lohr explained the impact the process of selection of providers/contractors will have on reimbursement. The funding of various aspects of proposed projects, and whether to use debt funding or cash funding, were discussed. There also was discussion of how best to approach the bid process for projects included in this portion of the budget.

It was decided that Mayor Ramsey and Town Administrator/Zoning Administrator Hynes will work together to "fine-tune" this portion of the budget, with the updated documents to be provided to the Council.

3. FY2022 General Fund Capital Improvement Budget

Town Administrator/Zoning Administrator Hynes presented this item, explaining changes made to these documents, per the Council's requests from a prior meeting. The changes made include: the addition of a column outlining *Proposed Funding*, with a comparison provided for two consecutive years; recommendation that the *Airmont Road Project* not proceed, with the project reviewed and an updated plan provided to Council in the fall; and, that corrections be made to line-items related to the Main Street Enhancement Project, to reflect funding more accurately in one fiscal year for a multi-year project.

Project Specialist Lohr reported that a request for funding for three projects was made to the County, and that all three projects were approved. Work may begin now on the *Pedestrian Tunnel*, with reimbursement for expenses made by Loudoun County on July 1st; this project is to be broken down into three phases, with funding through FY2024. Town Administrator/Zoning Administrator Hynes noted that updated information related to this effort will be provided to Council.

IN RE: NEW BUDGET WORK SESSION ITEMS

1. FY2022 General Fund Operations Budget

Mayor Ramsey noted that this represents the first review of this portion of the Budget by the Council.

Town Administrator/Zoning Administrator Hynes then presented this item, highlighting the following:

- Revenue expected from the Real Estate Tax, with the equalized rate set at \$0.096.

Discussion ensued regarding what would occur if it were decided to keep the rate at the level set last year (\$.10); an informal poll of Council Members resulted in a decision to use the \$0.096 rate for FY2022.

- Revenue expected from the Personal Property Tax, with the rate to remain at \$1.15 per \$100.00 of assessed value.
- Revenue from Other Local Taxes, which include the Utility Tax, the Communications Tax, the Dominion Energy Utility Tax, Sales Tax, and the Cigarette Tax.
- Revenues from Permits, and Fees and Licenses, including Motor Vehicle Licenses, Business, Professional, Occupation License (BPOL) Tax, and Zoning Permits; it was noted that the BPOL rate charged to restaurants was reduced by 50% due to the impact of COVID restrictions.
- Revenues from the use of Town Property, including Office Space Rental and Cell Antenna Revenue.
- Revenues from Intergovernmental Sources, including various grants, and the Personal Property Tax Relief Act (PPTRA) reimbursement; it was noted that a number of these grants are "pass-through" grants, with Round Hill disbursing the funds to various organizations.
- Other sources of revenue, including the Transfer from the Water/Sewer Fund (also known as the Transfer Sheet).

Expenditures included in this portion of the Budget included:

- Full-Time Staff Receiving Benefits – four employees fall into this category.
- Part-Time Staff Not Receiving Benefits – five employees fall into this category.

- New Staff hired since the previous budget season.
- Staff Improvements during FY2021.
- The Utility Fund Transfer – with the percentages ascribed to the Utility Fund and the General Fund provided.
- Salaries and Benefits – with salaries based on a 3% merit increase and a 1.3% cost-of-living increase; a 1% salary adjustment pool was also included.

Discussion ensued regarding the method to use in determining compensation to employees whose salaries are capped, and the percentage to consider for the bonus pool. Mayor Ramsey noted that he prefers a yearly Cost of Living Adjustment (COLA) increase for employees, and stated his belief that the bonus pool percentage should be re-evaluated each year, noting that labor costs now comprise 70% of Round Hill's operating expenses. Vice-Mayor Graham noted her agreement with the yearly provision of COLA increases, and suggested that merit increases and/or bonuses represent a percentage of the employee's salary. Mayor Ramsey suggested that the bonus pool may be used to adjust salaries of those employees who are currently below market value. Additionally, Mayor Ramsey suggested that the bonus pool could be used to compensate employees who take steps to improve/increase their qualifications, but who remain in the same job classification.

Mayor Ramsey asked the Council to consider if it wished to maintain a 3% annual pay increase, or if it would like to apply a different percentage, noting that a decision to apply a higher percentage would impact utility rates. There was discussion of the amount of increase in expenditures, and the need to balance that with income when considering the rate of Staff compensation.

- Benefits for Full-Time Staff, including Social Security, Retirement, Life Insurance, Health Insurance, Workers' Compensation, and Retiree Medical Coverage.
- Town Subcontractors, including Town Hall Auxiliary Services, Geographic Information System (GIS) Mapping and Data Support, Engineering, Audit and Financial Services, Legal Fees, and Information Technology.
- Amendments and Notices, including Ordinance and Comprehensive Plan Amendments, and Public Notices.
- Staff and Council Development, including Dues and Subscriptions, Staff Training/Conferences/Certifications, Staff Support, Tuition Reimbursement (which is not funded at this time), and Local Officials Training.

There was discussion of the amount to be budgeted for the Virginia Municipal League (VML) Conference, which will be held in Leesburg in the fall, and during which Round Hill will serve as a co-host for an opening day event.

- Office Supplies and Cell Phones – with cell phone costs increasing due to pandemic adjustments to work situations for various employees; these costs were covered by Coronavirus Aid, Relief, and Economic Security (CARES) Act funds, but will need

to be reconsidered in budget planning going forward. Costs for Office Supplies have decreased due to Staff working remotely.

Mayor Ramsey requested that Staff investigate how Loudoun County handles its cell phone service, to effect savings related to number of devices used, to determine if Round Hill can undertake a similar approach.

- Office Equipment and Furnishings – this line-item has decreased.
- Information Technology, which encompasses a large number of items, including C&M (Mike Anderson), QuickBooks, Southern Software, the Environmental Systems Research Institute (ESRI) license, and IamGIS.
- General Expenses, which include mileage reimbursement, printing, postage, election-related expenses, County tax collection fee, contingency, the Town newsletter, and miscellaneous fees.
- Emergency Expenditures – this category reflects expenditures related to COVID-19, and is covered by CARES Act funding.

Town Administrator/Zoning Administrator Hynes pointed out these various categories on the budget spreadsheet, so that the amounts budgeted per line could be matched to the categories discussed. There was brief discussion of topics related to the *Streetlights* line-item.

- Town Office Building and Grounds, which includes costs for electricity and propane, the phone and Voice Over Internet Protocol (VOIP) system, office cleaning, the security system, mowing and landscaping, and building maintenance.
- Grant Funding, which includes the Arts Grant and grant funding to the Fire Department.
- Insurance and Liability, including local government liability, fidelity bond, property, no-fault property, and excess liability.
- Public Works, including the new Light-Emitting Diode (LED) streetlights, trash and recycling collection, streetscape maintenance, and parks maintenance.
- Special Events and Meetings, including the Hometown Festival and the Appalachian Trail Festival, Town Council meetings, and various monthly and annual meetings involving Staff and the Mayor.
- Community Outreach – conducted by the Round Hill Outdoors Committee, it includes maintaining the Town's designation as an Appalachian Trail and Tree City, USA community, and efforts to revitalize the Round Hill Community Garden.

It was decided to move to the *Action Items* portion of the Agenda, due to the late hour, with action to be taken on the proposed *Personal Property* and *Real Estate Tax Rates*. The Agenda items not covered this evening will be taken up at the next Town Council meeting.

IN RE: ACTION ITEMS

1. FY2022 Personal Property and Real Estate Tax Rates

Mayor Ramsey called for a motion **to keep the Personal Property Tax Rate the same as in FY2021, and to set the Real Estate Tax Rate at the equalized rate of \$0.096.** Vice-Mayor Graham **so moved**, with Councilperson James seconding the motion. There was no discussion of the motion. A voice vote was held; the motion was approved 4-0-2, with Councilpersons Allen and Hoffmann absent. The vote is recorded as follows:

<u>MEMBER</u>	<u>VOTE</u>
Michael Hummel	Aye
Mary Anne Graham	Aye
Jesse Howe	Aye
Paula James	Aye
Donald Allen	Absent
Melissa Hoffmann	Absent

Mayor Ramsey directed Staff to report the rates to Loudoun County.

It was decided to complete work on the budget during regularly scheduled Town Council meetings, and to cancel any remaining special meetings.

2. Upper Lakes Maintenance Bond Release

Town Administrator/Zoning Administrator Hynes presented this item, explaining that this is the final maintenance bond for this development; Town Engineer Lane has recommended that the bond, for Manhole 18, be released.

In response to a question from the Council, Utility Supervisor Feltner provided information on issues encountered with grease in this area, and steps which are being undertaken to address the problems.

Vice-Mayor Graham moved **that the Round Hill Town Council approve the request made by Brookfield Homes for the release of the Upper Lakes Neighborhood Maintenance Bond for Manhole 18, in the amount of \$62,000.00, with a typographical error in the Staff Memorandum to be corrected;** Councilperson Howe seconded the motion. There was no discussion of the motion. A voice vote was held; the motion was approved 3-1-2, with Councilperson Hummel abstaining, as Brookfield Homes is a client of his firm, and with Councilpersons Allen and Hoffmann absent. The vote is recorded as follows:

<u>MEMBER</u>	<u>VOTE</u>
Michael Hummel	Abstain
Mary Anne Graham	Aye
Jesse Howe	Aye
Paula James	Aye
Donald Allen	Absent
Melissa Hoffmann	Absent

IN RE: REPORTS

Mayor Ramsey stated that Reports will be provided at the next Town Council meeting.

IN RE: TOWN COUNCIL COMMENTS

Councilperson Hummel requested that Staff reach out to Councilperson Allen, as he has missed a number of meetings. Mayor Ramsey noted that Councilperson Allen tried to contact him today, but they were unable to speak. Mayor Ramsey stated that he will contact Councilperson Allen tomorrow.

Mayor Ramsey reported that legislation under consideration to move municipal elections to November has been approved by the House of Delegates, and is awaiting the Governor's signature; the Governor is expected to sign the legislation. This law requires towns to move their elections to November, in even-numbered years. Mayor Ramsey requested that Town Attorney Gilmore prepare a Staff Memorandum, for discussion at the next Town Council meeting, which will explain the law and any options Round Hill has to possibly hold Town elections in odd-numbered years, if the proper steps are taken prior to the State law taking effect on July 1, 2021. There was discussion of how the terms of Council Members, which expire prior to the November 2022 election, are to be addressed.

In lieu of holding an Executive Session, Mayor Ramsey provided a short summary of steps taken concerning the acquisition of Well D easement rights, and of land needed for the expansion of the Evening Star Drive Treatment Plant, noting that he spoke with the president of the Round Hill Owners' Association earlier today. Mayor Ramsey stated that the discussion went well, and indicated his belief that there are no open areas of dispute, although there still remain questions to be answered. It is hoped an informal agreement on all terms will be reached soon. Discussion ensued regarding issues to be studied, including the possibility of conducting a Boundary Line Adjustment for Round Hill Owners Association (RHOA) properties.

Mayor Ramsey provided a brief overview of items discussed at a Coalition of Loudoun Towns (COLT) meeting held earlier today, including information regarding COVID vaccination opportunities which may be offered soon in western Loudoun County.

IN RE: MEETING ADJOURNMENT

The meeting was adjourned by Mayor Ramsey at 11:24 p.m.

Respectfully submitted,

Scott T. Ramsey, Mayor

Debra McDonald, Recording Secretary

Date Approved: April 7, 2021