

**TOWN OF ABINGDON
BUDGET WORK SESSION MEETING
MONDAY, APRIL 10 - 12:00 PM
ARTHUR CAMPBELL ROOM - MUNICIPAL BUILDING**

A Recessed Budget Work Session meeting of the Abingdon Town Council was held on Monday, April 10, 2017 at 12:00 p.m. in the Arthur Campbell Room of the Municipal Building.

A. Welcome by Mayor Lowe

B. ROLL CALL

Members of Council Present: Mayor Cathy Lowe
Richard E. Humphreys
Robert M. Howard
M. Cindy Patterson
J. Wayne Craig

Administrative/Town Staff: Greg Kelly, Town Manager
Cecile Rosenbaum, Asst. Town
Manager/Clerk
Deb Icenhour, Town Attorney
Chuck Banner, Treasurer
Kim Kingsley, Paralegal/Deputy Treasurer
Chief Tony Sullivan, Abingdon Police Dept.
Stacey Reichler, Dir. of HR
Floyd Bailey, Director of IT

Visitors Rick Rose, Chris Lowe, Janet Woolwine, Alison
Mays, and others

The Council discussed the following:

Mayor Lowe asked everyone to join her in wishing Councilman Howard a Happy Birthday.

C. Continued discussion from April 3, 2017 work session of proposed budget for FY 2017/2018: (VIDEO 7:38 to 1:32:53)

Greg Kelly, Town Manager, reported that Council indicated they wished to hold an additional session to discuss the budget as it related to certain new proposed taxes and the LEOS program for hazard duty staff. Mr. Kelly noted that he, along with Ms. Rosenbaum and Mr. Banner, had comprised several scenarios to generate additional monies to fund the LEOS program through a proposed "bed tax", increase in cigarette tax from .25 cents to .35 cents, and an increase

in the solid waste collection fee from \$10.00 to \$12.00. Mr. Kelly noted that he had included in his annual budget message to Council that the town must find ways to increase revenues to keep up with the level of services provided to town residents until greater economic growth occurs.

Discussion ensued regarding potential taxes and Council noted they were in favor of the proposed cigarette tax increase.

Ms. Patterson inquired if we could implement a tire tax and place a tax on other tobacco products.

Mr. Humphreys inquired if he and Ms. Patterson had a conflict relative to the proposed bed tax as they are both bed and breakfast owners in the town. Mr. Humphreys and Ms. Patterson both noted that they felt they could make an objective decision regarding the proposed bed tax.

Discussion ensued among Council relative to funding received from the County for the Abingdon Fire Department. Mr. Craig commented that he felt the town's priority has to be public safety.

Mr. Humphreys inquired if Ms. Patterson or Mr. Craig had promised the Police Department LEOS if they were elected to the Council.

Mayor Lowe commented that she would be willing to consider an increase in the personal property tax rate from .55 cents to .76 cents per \$100.

Rick Rose, Producing Artistic Director for the Barter Theatre, spoke in opposition to the proposed bed tax being considered.

Chris Lowe, General Manager of the Martha Washington Inn, spoke in opposition to a bed tax being considered.

Janet Woolwine, local bed and breakfast owner, spoke in opposition to a bed tax being considered.

David Wallace, resident of the Town of Abingdon, stated that he was not in favor of either the bed or entertainment tax and felt that the Council should be considering increasing either real estate or personal property tax rates.

Chief Tony Sullivan, Abingdon Police Department, thanked the Council for considering the funding of LEOS and the officers appreciated their efforts.

Mr. Banner, Director of Finance noted that a .21 cent increase in personal property tax rate will increase the town's revenues by \$200,000 which would be sufficient to cover the costs of the LEOS program combined with the officers' agreement to assume paying 30% of their health insurance premiums.

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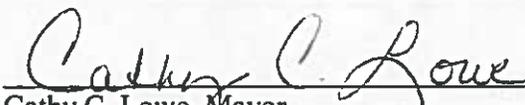
Budget Work Session Meeting

Mayor Lowe noted that with the cigarette tax increase and the personal property tax increase, the town should increase revenue by \$300,000. Discussion ensued. Mrs. Patterson requested that budget remainder of the cigarette tax be used on historic properties. Mr. Humphreys asked that Council consider putting \$50,000 aside for historic properties, particularly the exterior painting of the "Retirement" house on the Muster Grounds property. Mr. Howard asked that Council consider designating \$45,000 in funds toward part-time staff for the Fire Department.

In summary, Council agreed to fund LEOS hazard duty retirement program; increase cigarette tax from \$0.25 to \$0.35 per pack; increase personal property tax rate from \$0.55 to \$0.76 per \$100 of loan value; and solid waste collection rate shall increase from \$10.00 to \$12.00 per can and will be \$3.85 for any additional cans.

Mr. Kelly confirmed that the Mr. Banner will make the necessary changes to the proposed budget and get the advertisement placed so the public hearing can occur at the May 1st 2017 regular meeting.

Mayor Lowe recessed the budget meeting until the meeting on Friday, April 14th at 9:00 am for the Council retreat at the Virginia Highlands Small Business Incubator.


Cathy C. Lowe, Mayor


Cecile Rosenbaum, Town Clerk 6/9/17