

MINUTES OF THE APRIL 18, 2024
CHINCOTEAGUE TOWN COUNCIL MEETING
Council Chambers

Council Members Present:

J. Arthur Leonard, Mayor
Christopher D. Bott, Vice Mayor
Denise P. Bowden, Councilwoman
William T. McComb, Jr., Councilman
Ellen W. Richardson, Councilwoman
K. Jay Savage, Councilman
Gene W. Taylor, Councilman

Council Members Absent:

Staff Present:

Mr. Michael T. Tolbert, Town Manager
Mr. Tyler Greenley, Acting Police Chief
Mr. Bryan Rush, Director of Emergency Management

Call to Order

Mayor Leonard called the meeting to order at 6:00 p.m.

Invocation

Councilman Savage offered the invocation.

Pledge of Allegiance

Mayor Leonard led in the Pledge of Allegiance.

Public Comment

Mayor Leonard opened the floor for public comment. There was none.

Agenda Adoption

Councilwoman Bowden motioned, seconded by Councilman McComb to adopt the agenda as presented. Unanimously approved.

Consider Spring Paving Contract Award

Town Manager Tolbert stated that Public Works Committee, at their February 6th meeting approved the Spring Paving Project that includes the repaving of Willow Street from Church Street to Burton Ave. as well as the overlaying of Piney Island Rd. from East Side Rd. to Wilson Lane. The scope of work includes the milling and paving as well as the replacement of the 2 culverts on Piney Island Rd and 100 tons of small quantity paving/patching. We received 2 bids on this project: one from Branscome Eastern Shore and one from Paragon Paving. The results were: Paragon \$171,728, and Branscome \$256,776. Having reviewed the bids in detail, and recommended awarding the project, in its entirety, to Paragon Paving. Ther paving line item currently has a balance of \$128,085 for FY24 leaving a project deficit of \$43,643. Town Manager Tolbert recommended that they reallocate the balance of the snow removal budget of \$19,740 toward this project and the remaining \$23,903 from the unused equipment and water

line extension lines in the Water Fund. This movement of funds would be accomplished with the budget amendment to be presented to Council in May.

There was discussion about replacing older waterlines before paving and drainage.

Councilwoman Bowden motioned, seconded by Councilwoman Richardson to approve to approve the award of the Spring Paving Contract to Paragon Paving as presented. Unanimously approved.

Review Real Estate Tax Rate

Town Manager Tolbert reviewed the real estate tax rate. He advised that the Town was assessed an increase in assessment of 29%. He stated that the current tax rate is \$0.059 per \$100 of the assessed value.

Councilman Taylor commented on the tax rate asking about the County's increase.

Town Manager Tolbert added that the County had an increase in assessment of 24%. He advised the Town will realize an increase of \$6,000 with the rate calculation to \$0.046.

There was discussion about what the County is doing with the higher assessments.

Vice Mayor Bott feels they need to look at it further, especially with the salary and benefits increase last year.

Town Manager Tolbert also added that all employees are eligible for a merit increase in July of 2.5%, some getting more and some less.

Councilman Savage asked how many positions were open.

Town Manager Tolbert reported that the Police Department has 2 open positions, the Public Works Department has 1 open position, the General Government Department has 1 position in the budget for FY24, the EMS is fully staffed, and Council approved a Planner position. These positions are included in the FY25 budget.

Councilwoman Bowden suggested looking into different Transient Tax rates for vacation rental homes. She explained that Virginia Beach has separate tax rates for different areas of town. She stated she is not for raising the tax rate for the full-time residents. She feels this is something to look into.

Councilman McComb asked when the last tax increase was.

Town Manager Tolbert was unsure.

Vice Mayor Bott feels they should look into revenue. He doesn't want to freeze salaries and take away capital projects.

Town Manager Tolbert then reported that they received the estimated health insurance increase today. He planned for an increase of 5%, however it came in at 11%. He advised that he sent a counteroffer.

There was discussion regarding plan types and how many were on each plan. They also discussed the HSA plan and benefits.

Councilman Taylor motioned, seconded by Councilwoman Bowden to approve the real estate tax rate to \$0.046. The motion was carried.

Ayes: Taylor, Bowden, Richardson, Savage

Nays: Bott, McComb

Consider Personal Property Tax Rate

Town Manager Tolbert reported that the personal property tax rate was reduced in April of 2022 because of the increase in used car values. He explained the process of keeping the same rate versus raising it. He added that the used car values have decreased which will decrease the collections.

Town Manager Tolbert stated he will be doing the calculation for surplus in a couple of weeks.

Councilman Taylor asked if they would meet the budget this year and if there would be a surplus. He stated they are very blessed because the Transient Occupancy and Meals Taxes have been increasing. The visitors that come in the summer season pay for the bills year-round. He commented further that there will be a time, and it will become a burden. He added they've been able to meet the budget. He also commented on the big increases in salaries.

Town Manager Tolbert agreed they have been blessed. He reminded that they are reliant on the tourist taxes, but if you don't have a good year with tourism the Town will suffer. He reminded that during Covid the raises were delayed ensuring they could meet the budget. He reminded Council of the Financial Study that stated they shouldn't put all their eggs in one basket.

Councilman Taylor commented further.

Vice Mayor Bott stated they're not doing capital projects until the tourist money comes in. He stated that they are steadily increasing the fixed cost but relying on the variable revenue. He feels this isn't a good mix and match. He suggested they look into other taxes and rates.

Councilman McComb discussed Business License rates, taxes not being raised in over 20 years, inflation, wages, benefits, capital improvements going up, and the best Emergency Medical Services anywhere. It all comes with a cost and leveraging the taxes. He is not a fan of personal property taxes. He feels it needs to be added somewhere else like sales tax or add it to the real estate taxes so it can be claimed on the income taxes. This is why he voted against it as it was too fast. They need a public campaign for the public to see why they are doing it.

Councilwoman Bowden agreed and would like to see this worked out over a few months. She added that somewhere in Virginia the vacation rental homes in different districts are assessed differently.

Town Manager Tolbert advised the number of rental homes is approaching 800.

They further discussed the possibility of exploring other options and Council agreed this should be discussed further.

Councilwoman Bowden motioned, seconded by Councilman McComb to approve the personal property tax rate of \$0.72. Unanimously approved.

They also reviewed the penalties of not paying Personal Property Taxes, such as DMV Stops, and Debt Setoff which attaches the income tax refund.

Mayor and Council Comments

Councilman Taylor reminded everyone to “Stay Strong”.

Councilman McComb commented on the outages with Spectrum and feels they should come to a Council meeting.

Town Manager Tolbert stated he would have someone come to the next Council meeting soon.

Councilwoman Bowden asked to include Eastern Shore Broadband as well.

Closed Meeting – In accordance with 2.2-3711(A) (3) of the Code of Virginia for the discussion of the acquisition of real property.

Councilman Savage motioned, seconded by Councilwoman Bowden to go into a closed meeting in accordance with §2.2-3712 (A) (3) of the Code of Virginia for the discussion of the acquisition of real property. Unanimously approved.

Certification of Closed Meeting in Accordance with §2.2-3712 (D) of the Code of Virginia Councilman Savage motioned, seconded by Councilwoman Bowden to certify the Closed Meeting was in accordance with §2.2-3712 (D) of the Code of Virginia. Unanimously approved.

Adjourn

Councilman Savage motioned, seconded by Councilwoman Bowden to adjourn. Unanimously approved.

J. Arthur Leonard, Mayor

Michael T. Tolbert, Town Manager