



**MIDDLEBURG TOWN COUNCIL  
PUBLIC HEARING AND  
REGULAR WORK SESSION MINUTES**



**Thursday, May 27, 2010**

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**PENDING APPROVAL**

**PRESENT:** Vice Mayor C. Darlene Kirk  
Councilmember Catherine "Bundles" Murdock  
Councilmember Lisa Patterson  
Councilmember Judith Pryor Plescow  
Councilmember Mark T. Snyder

**STAFF:** Rhonda S. North, MMC, Town Clerk  
David M. Beniamino, AICP, Town Planner

**ABSENT:** Mayor Betsy A. Davis  
Councilmember Trowbridge Littleton  
Councilmember Kathy Jo Shea

The Town Council of the Town of Middleburg, Virginia held a public hearing and their regular work session on Thursday, May 27, 2010 in the Town Hall Council Chambers, located at 10 West Marshall Street. Vice Mayor Kirk opened the public hearing at 6:00 p.m.

**Public Hearing** – Proposed FY '11 Budget

No one spoke and the public hearing was closed.

Vice Mayor Kirk called the work session to order at 6:00 p.m.

**Council Discussion** – Town's contribution to VRS for employees hired after July 1, 2010

Vice Mayor Kirk advised Council that they needed to discuss how the Town would treat the employees' contributions to the Virginia Retirement System. Jerry Schiro reminded Council that the State has changed the system; and, explained that for employees hired after July 1, 2010, the default would be that they (employees) would have to pick up their 5% member contribution. He noted that existing employees would not be affected. Mr. Schiro explained that if the Town wanted to continue to pay the full 5% or any portion thereof, the Council must adopt a resolution by June 30<sup>th</sup> to this affect, otherwise the employee would have to pay it.

Councilmember Snyder asked about the current situation in terms of contributions to retirement. Mr. Schiro reminded Council that the Town currently paid the employees' 5% share. He noted that the Town also paid \$100/month toward health insurance costs for any employee who retired under VRS.

Councilmember Snyder asked what the employees received from the State. Mr. Schiro explained that VRS was a defined retirement benefit program; and, noted that retirement benefits were based upon the retiree's three highest year's salary.

Councilmember Snyder asked whether the State paid any portion of the retirement costs. Mr. Schiro confirmed that the Town paid approximately 11% of the employees' salary to VRS. He reiterated that benefits were based, in part, on salary. Mr. Schiro reminded Council that the 5% employee share was

formerly a contribution paid by the employee; however, over the years, the majority of localities picked it up, including Middleburg. He noted that the State did so as well for their employees. Mr. Schiro advised that after July 1, the State would no longer pay the 5% contribution for new State hires.

Vice Mayor Kirk noted that the Council must make a decision as to whether it would pick up the cost for new hires in Middleburg. She asked how much the Town currently contributed to VRS. Mr. Schiro reiterated that the amount was based upon the employees' salary; and, noted that the costs were broken down in the budget.

Vice Mayor Kirk expressed her opinion that the employees did not receive a lot of money; and, suggested this was something that was nice to do. Councilmember Snyder expressed a desire to have continuity and a sense of security in the benefits offered to the employees. He advised that he wanted to treat them all the same.

Town Planner Beniamino noted that the Town Clerk advised him earlier in the day that an employee could not opt out of the program if he/she did not wish to pay the 5%. Town Clerk North confirmed that an individual employee could not opt out of VRS.

Councilmember Plescow expressed her opinion that if the Town did not pay the employees' share, they would simply negotiate the cost in their contracts as a part of their salary.

Vice Mayor Kirk noted that most of the employees the Town hired were police, as it did not have that many. Mr. Schiro advised Council that the annual budget showed the VRS costs as follows: \$37,000 for Administration; \$40,000 for Police; \$8,300 for the Street Department; \$9,800 for Planning; and, \$5,400 for Economic Development, for a total cost of approximately \$100,000. He reminded Council that the Town would not eliminate the entire cost by eliminating payment of the employee share.

Councilmember Snyder asked about the rules that would be in place once the Council adopted a number. Mr. Schiro advised Council that if they did not elect to pay the member's contribution, any employees hired after July 1, 2010 would have to pay the 5% themselves. Councilmember Snyder asked what would occur the following year. Mr. Schiro expressed his opinion that the Council could not change the contribution rate once they adopted the resolution; and, noted that the Town could not discriminate between employees.

Vice Mayor Kirk asked whether the Town could chose to not adopt the resolution and then look at it again down the road. Town Clerk North explained that if the Council took no action by June 30th, the newly hired employees would automatically fall into the category of paying their own share.

Councilmember Snyder expressed his opinion that he read that if the Town started at 4% and then changed to paying 5% that anyone hired in the interim must be changed to the new rate so they would be made whole and receive the same treatment. Town Clerk North confirmed the Council could change the percentage it paid each fiscal year, but not during the middle of the fiscal year. She further explained that the rules stated that "all employees hired after July 1, 2010 needed to be treated the same"; and, suggested that whatever rate was approved in the future would apply to all employees hired after July 1, 2010.

Councilmember Snyder asked whether the Town would have to reimburse the employees the difference. Councilmember Plescow expressed her opinion that the Town would have not to reimburse the employees, but rather that the new rate would simply apply to them at that time. Councilmember Patterson expressed her opinion that if the Council agreed to pay 3% this year and down the road changed it to 5%, the 5% rate would then apply to all employees hired after July 1, 2010 starting with that fiscal year. Town Clerk North noted that the State's changes would result in only two classes of employees – those hired prior to July 1, 2010 and those hired after July 1, 2010.

Councilmember Snyder asked, if the Council agreed to pick up 3% of the employee's share this year and hired one person and then in 2011 changed the contribution to the full 5%, whether that individual would get 5% as well. He noted that the existing employees were locked in at 5%. Mr. Snyder asked what would happen if the Council started at 3% for the new hires and then changed the rate to 4%. He suggested the Town would have three different rates; and, noted that the Town Clerk indicated they could not do so. Mr. Schiro confirmed the Town could only have two rates. Councilmember Plescow confirmed that, under those circumstances, all new hires (after July 1, 2010) would get the 4% rate. Councilmember Snyder noted that the Town would only ever have two rates. He suggested that the way the language was written, it was difficult to understand the rules.

Councilmember Patterson expressed her opinion that Councilmember Snyder was making a good point. She noted that a future Council could change the amount paid toward the employee's share simply by passing a resolution. Ms. Patterson further noted that a future Council could say the Town could not afford whatever rate was approved by this Council and change it.

Vice Mayor Kirk reminded Council that if they decided to pay 0% toward the employees' share for those hired after July 1, 2010, the Town would still have to pay the 5% for the existing employees; therefore, the Town would not save money. Mr. Schiro confirmed this change would not have a big impact on Middleburg as it only had a few employees. Councilmember Patterson suggested that even if the Town had a total turnover in employees, it would still pay \$50,000-60,000 of the \$100,000 anyway. She noted that the difference was only the remaining \$40,000.

Councilmember Snyder explained that he was not arguing to increase or decrease what the Town paid on behalf of the employees. He noted that he was only trying to make sure the Council understood where the Town would stand. Councilmember Murdock expressed her opinion that it would not make a difference; and, suggested that, at most, the Town would get one new employee this coming year.

The Council agreed to place a resolution to pay the employee's 5% share on the June 10<sup>th</sup> agenda.

**Council Discussion** – Merger of Virginia Municipal Liability Pool (VMLP) and Virginia Municipal Group Self Insurance Association (VMGSIA)

Jerry Schiro explained that the Virginia Municipal Liability Pool and the Virginia Municipal Group Self Insurance Association were merging. He reminded them that one program provided for general liability insurance on property and automobile insurance, while the other provided for workers comp insurance. Mr. Schiro explained that the Council must adopt a resolution agreeing to the merger.

Councilmember Snyder asked what the merger would accomplish. Mr. Schiro advised Council that he and the Town Clerk were discussing this prior to the work session. He expressed his opinion that the merger was proposed for numerous reasons. Mr. Schiro advised Council that the general liability pool had more participants; and, suggested that combining the two would provide more participants for the other program. He noted that the Town already participated in both. Mr. Schiro suggested there was probably some cost savings associated with combining the two as each entity had a separate board of directors. He expressed his opinion that the VML was streamlining the system by combining the two, which would result in cost savings. Mr. Schiro noted that the merger would eliminate the option of getting workers comp insurance elsewhere. He reiterated that the Town must sign the agreement; and, noted that the Mayor could do so.

Councilmember Snyder asked whether a resolution was needed or whether Council could simply vote on the item. Vice Mayor Kirk asked whether the Council could simply direct the Mayor to sign the agreement or whether it had to be discussed again during the regular meeting. Town Clerk North confirmed that an item could be placed on the June 10<sup>th</sup> meeting agenda for the purpose of authorizing the Mayor to sign the agreement.

**Council Discussion** (continued) – Outdoor display of merchandise

Town Planner Beniamino advised Council that he has provided them with copies of the response from VDOT as to the difference between commercial and ornamental displays. He recommended that this item be placed on the June 24<sup>th</sup> work session when all members of Council would be present. Mr. Beniamino advised that he was happy to answer any questions in the interim. Vice Mayor Kirk recommended that the members of Council take the information home to read; and, that they e-mail any questions to the Town Planner. She asked whether the information contained anything in particular that needed to be pointed out to the Council. Town Planner Beniamino expressed his opinion that it was self-explanatory.

**Discussion**

Councilmember Murdock asked whether the Council needed to discuss the storm damage issues that have been raised by the Pappas on North Jay Street. Town Planner Beniamino advised Council that the property owners planned to come to Council's June 10<sup>th</sup> meeting. He noted that this was a VDOT issue; and, advised that he has explained to the Pappas that the Town had no responsibility in this area. Mr. Beniamino advised Council that the Pappas wanted to introduce themselves and explain the problem.

Jerry Schiro reminded Council that the Town Administrator application process would close the end of the week. He reported that approximately eighty resumes have been received. Councilmember Murdock asked about the process once the deadline closed. Mr. Schiro advised Council that he would prepare a spread sheet of the applicants; and, would identify the eight or nine points raised by the Council. He recommended that they narrow down the list of candidates, as they may not want to look at all eighty resumes.

Councilmember Murdock asked about the timing for hiring a new Town Administrator. Mr. Schiro advised Council that he would have the spreadsheet for them so they could discuss it during their June work session. Councilmember Murdock asked when the Council could anticipate making a decision. Councilmember Snyder suggested it would be July or August. He noted that it may take awhile to get the candidates in for interviews and to check their backgrounds. Mr. Snyder suggested the decision could flow into September. Vice Mayor Kirk advised Mr. Schiro that she may come in to review the resumes in June. Mr. Schiro invited any member of Council to look at them; however, he noted that only two members could do so at any given time.

There being no further business, a motion was made to adjourn the meeting at 6:19 p.m.

APPROVED:

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Darlene Kirk, VICE MAYOR

ATTEST:

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Rhonda S. North, MMC, Town Clerk