

Council Meeting Minutes

May 5, 2015

The Tazewell Town Council met in a budget work session at 5:45 p.m. in the Town Hall Council Chambers.

Present:

Mayor A. D. Buchanan Jr

Councilmember Chris Brown

Councilmember Glenn Catron

Councilmember Jack Murray

Councilmember Terry Mullins

Councilmember David Fox

Absent:

None

Staff present were: Town Manager, Todd Day; Town Attorney, Brad Pyott; Executive Assistant, Robin Brewster; Town Clerk, Leeanne Billings.

CALL TO ORDER

Mayor Buchanan called the meeting to order.

BOND COUNCIL

Manager Day discussed the topic of bond council. Two firms sent packets for our Town Council to review. Each member will review the packets and score each firm based on nine areas of criteria. Town Attorney Brad Pyott gave the council a review of each firm, stating that either firm would be a good choice. The two firms are Hawkins, Delafield and Wood, LLP and Hunton Williams. He also stated that the town has worked with Hunton Williams for several years and have had no issues with the working relationship. Councilmember Catron asked after they score the firms, if they find the highest ranked firm will be more costly, is there an option to then choose the other firm. Manager Day stated that we would be able to negotiate a price and if that is still not satisfactory it can be brought back to the table for further discussion. Once the members had reviewed the packets and scored the firms the score sheets were given to Executive Assistant, Robin Brewster and totaled. The highest scored firm was Hunton Williams. Mayor Buchanan asked for a motion to accept Hunton Williams as the firm for bond council. Motion was made by Councilmember Catron and seconded by Councilmember Brown. On vote, Councilmember Brown, aye; Councilmember Catron, aye; Councilmember Murray, aye; Councilmember Mullins, aye; Councilmember Fox, aye.

PROPOSED BUDGET REVIEW

Manager Day introduced David Dawson. Mr. Dawson has prepared a three year outlook for the water fund. The presentation recommends a water rate increase for the next three years. This will give room for future growth. Councilmember Murray stated that he did not agree with raising rates however, he did not see any other choice. Manager Day stated that in his proposed budget, there would be no rate increases in the General Fund this year. During the review of the proposed budget, Councilmember Murray questioned the cost of internet at the fire department. Manager Day said that we had recently made changes to our internet service and over all the cost of the bill had dropped \$22,000.00. Councilmember Murray also asked if the Town was still working with the County to bring free Wi-Fi to Main Street. Manager Day said yes, and it should be online Friday (May 8, 2015). Councilmember Brown asked about funds to build a handicap fishing dock at Lincolnshire Park. It was stated that the Rotary Club requested a takeoff ramp and they would contribute to it. Manager Day stated that in the budget, it was not earmarked but there could be money in there used to build this dock. Manager Day pointed out that in this proposed budget there was money for a grant writer. Manager Day also pointed out that there was an increase in rescue squad salary because we are currently the only one in town running emergency calls. Also, there is money budgeted to purchase a new ambulance. Another new item to the budget is \$50,000.00 to partner with Tazewell County to hire a professional planner for economic development and try to grow our town and surrounding area. On continuing review of the budget, Councilmember Murray questioned the money designated for town signs. It was explained that there were two "Welcome to Tazewell" signs and one digital sign. Councilmember Murray stated he did not think the town needed a digital sign at this time.

SEWER RATE STUDY

David Dawson also prepared a sewer rate study for the Town. He first stated that the Town employees have been great to work with and said that the Public Works Director, Donny Pruitt and Waste Water Superintendent, Blaine White do a good job. The objective of his study is to evaluate the revenue requirements. He has evaluated the waste water performance, compared rates of other localities, determined infrastructure needs, collections system goals, and waste water treatment plant needs. Some areas he feels that needs to be addressed are: mapping collection system, increase waste water treatment plant technology, line extensions, and planned maintenance. He stated that revenue is based on metered sales and the current revenue is not sufficient. In the current budget, the capital needs are not addressed. The minimum bill is 60% of revenue. This study gets the budget to balance, it does not get it to begin showing a profit. Manager Day stated that he feels the Town will not be able to address these areas unless we raise rates and stated that the leachate plan will be a good source of revenue in the future but it would not help the here and now. Councilmember Brown stated that if the sewer plant was in this bad of shape and needed so many repairs, they should have been told about it. Councilmember Murray stated that in previous year's staff was not allowed to talk to management or councilmembers. Councilmember Brown said that Waste Water Superintendent, Blaine White, needs to know that he can come to them and talk to them.

RECOMMENDATIONS FROM SEWER RATE STUDY

Mr. Dawson gave the following recommendations to the council: adopt the FY 2015-2016 rates that he has presented for the upcoming budget; complete action items; refine infrastructure needs and costs; develop capital improvement plan, track performance measures monthly, and coordinate sewer efforts with other public work operators and resources.

BUDGET REVIEW –CONTINUED

Manager Day led discussion after the recommendations from Mr. Dawson. Reviewing the budget again, Manager Day did state that in the budget he has prepared, he included \$30,000.00 for leachate but it may not bring in that, it is just an estimate. Councilmember Catron asked about the True Up. Manager Day explained that it was between the Town and County. It is where we bill them for water and they bill us for water. There is an audit conducted every year that will show if they over paid or under paid us and also show if we over paid or under paid them. We have done it in years past however, never had a budget line item for it. Manager Day said that he increased the amount for waste water plant overtime by \$2,000.00 because Waste Water Superintendent, Blaine White also does water sample tests too and we pay him overtime to do so. Councilmember Catron asked why we didn't get someone else to do it. Manager Day stated he was licensed to do it and the only one we had licensed. Manager Day stated that although the budget is a balanced budget, there is \$147,000.00 fictitiously put in. Councilmember Murray wanted to know where it would be coming from and Manager Day said from Mr. Dawson's recommendations. Manager Day then stated the floor was open for suggestions. Councilmember Murray asked how much revenue would the proposed rate increases would bring in for water and sewer. Mr. Dawson stated he estimated \$232,000.00 for sewer and \$83,000.00 for water. Manager Day stated that it is suggested to increase water rates for the next three years in order for it to balance and that the sewer fund is to balance now. Councilmember Brown stated that Waste Water Superintendent, Blaine White needed to meet with them and look at where the money will come from for the repairs. Councilmember Murray suggested a tax rate increase, Councilmember Brown said we are either going to have to grow this town or increase rates to take care of all the repairs etc. that is needing to be done. Mayor Buchanan stated that previous Town Manager, Jerry Wood did bring some of the issues to the council however at that time council would not support him in raising the rates to help fund the repairs. At this time Councilmember Murray recommended a rate increase for water and sewer. Council agreed to raise the rates. Manager Day stated that there will be a public hearing on the budget held at the May meeting.

ADJOURNMENT

The meeting adjourned at 8:45 p.m. with a motion made by Councilmember Murray and seconded by Councilmember Fox. On vote aye; Councilmember Murray, aye; Councilmember Mullins, aye; Councilmember Fox, aye.