

Town of Hurt, Virginia
Council Meeting Minutes
May 18, 2023

Hurt Town Council held its monthly work session business meeting Thursday, May 18, 2023, at Town Hall. The meeting opened at 6:04 PM by Mayor Gary Hodnett with a quorum present.

Roll Call

Members present: Mr. Gary Poindexter, Mr. Bob Majure, Mr. Jeremiah Knowles, Mr. Glenn Mitchell, and Mr. Pierre Richard

Members absent: Mrs. Kathy Keese

Closed Session

A motion was made to enter closed session to discuss personnel, real estate, prospective business, and contracts as authorized by VA FOIA § 2.2-3711 A (1, 3, 5).

Motion: Mr. Poindexter

Second: Mr. Knowles

Passage: Unanimous

Council entered closed session at 6:05 PM and exited closed session at approximately 7:00 PM.

A motion was made to return to open session and to certify that only personnel, real estate, prospective business, and contract matters were discussed during closed session, as required by VA FOIA § 2.2-3712 (D).

Motion: Mr. Poindexter

Second: Mr. Richard

Passage: Unanimous

Invocation and Pledge of Allegiance

Mr. Poindexter

by Mayor Hodnett

Invocation:

Pledge of Allegiance: led

Welcome/Opening Remarks

Mayor Hodnett thanked everyone for coming and stated don't be strangers, come back.

Public Hearing

Mayor Hodnett opened the public hearing comment at 7:10 p.m.

Paul Johnson, 609 Lynn Street. Looking through the budget, just a few bullet points. This current year's proposal looks like a very, very decent increase. It's increased over the last several years, but I haven't seen revenue in this Town increase match which taxpayers are asked to pick up. A good many citizens in the Hurt area are retired on a fixed income or low right there at poverty level. Most of the taxes are going to fall on a lot of these people that can't afford it. There are some significant benefit packages that are proposed in this budget. I would like to see a detailed job description for each of these because right now we just have titles with no descriptions. Water for the citizens is going up exponentially versus what it costs the town to purchase it. Between two consultants and one subcontractor for grass cut there's a cost of \$72,000 a little over. There's \$8,400 worth of cellular communications across the line items. This seems a bit excessive, when you can do so many cellular plans for a whole lot less than that. Then there's a line item \$1,200 worth for GPS, and there's GPS on cell phones, so why do we need to set GPS in vehicles. There's a 400% increase on the contractual service for public safety between 2020 and

proposed 2023-2024. They went from a salary of \$6,000 to \$30,000. I've made companies I've worked for millions of dollars and I've never got 400% worth of pay raises over four years. On the building renovation, I know for the disabilities, of the \$336,000 how much of it is from the Federal ARPA funds. I know the Town of Hurt has purchased the Staunton River Plaza so we just lost that tax base because the Town will have to pay taxes. The Staunton River is not up and running so we don't have that tax base. We have ordinances in place and we come down here every month complaining about ordinances that are not upheld and we get the same song and dance so what am I getting for my money? It goes up and it goes up and it goes up. Tax assessments from the county haven't even come out yet. They're going to go up a home dinger, and the Town of Hurt is going to follow suit. What is going to end up happening is the Town of Hurt is going to be like California. Those that can afford to they're out here. Those of us that can't afford to, we're stuck with it. You were voted in to represent us and hear our voices. There are a lot of wants on this list, not needs. I think a lot more due diligence needs to be exercised on this budget. That's all I've got.

Steve Worley stated I noticed the tax increase. That includes personal property and real estate that increased about \$90,000 for the year. I've been told it's about 600-618 residents, and out of those residents I just wonder how many tax payers. \$90,000 in 12 months for that small amount of people, is a whole lot, that's a big increase. It's already been mentioned about the human resource part of it. The proposed budget says the people that work of the Town here there increase for year ranges anywhere from seven, three quarter percent or 13% a year and you got to look at the benefits of that too. Now, my question is, I know that Virginia Retirement the state pays, does the Town of Hurt pay the medical insurance? Mr. Poindexter replied the Town provides health insurance for the employee and half if they carry a spouse or child. That's the benefit package for many years. The benefit package counting your retirement and insurance is about \$13,000 a year. I feel like that should be entered into as well as the increase in pay of year. You know, that's a big burden to put on that few people that actually pays taxes. You bought up the pay about the consultant Mr. Jones, went from \$6,000-\$30,000 a year which is a 400% salary increase. His service was hired to take care of the police issue which he had at that time, but that problem has been taken care of. Myself as well as a lot of citizens in the Town of Hurt feel like he is no longer needed and I think Town Council is aware of that, but that is the way that majority of the Town feels. I would like to see as well as members of the Town when his contract is up, I don't think we no longer need it. The water cost is going from \$14.00 per 1000 to \$17.50. Which is a 25% increase. We are paying Altavista \$5.48 per 1000, but yet the Town of Hurt wants to charge the citizens \$17.50. That is about 100% profit. Real estate tax is going to \$.20 to \$.23 cent increase personal property going to a \$.13 cent increase. We have Hurt taxes, county taxes, state taxes, federal taxes, and if anybody's been to grocery store lately, the food price increased greatly. The citizens of the Town have families, they are looking at this tax increase wondering how they are going to put food on the table and how we are going to pay our needs. There is a lot in this that I think is fat and can be cut and I'll ask the Town Council to look into it and see where you can help us on this. We can't do anything about it but come down here and gripe. It is in your hands to help us. Thank you.

Michael Blackstock I think the previous two speakers have already spoken on some of the matters that I was planning on, but some of them I am going to reiterate. The proposal on real estate taxes goes from \$.22 cents per 100 to \$.27 cents per 100. That's a 25% increase. On your personal property we've gone from \$3.75 per 100 to \$4.25 per 100. That's a 13% increase. Our decal taxes are going up from \$40.75 for each vehicle to \$42.00. The meals tax was proposed, and all of these are proposals from 6% to 7%. As it

stands if you go to one of our restaurants in Town to eat for every dollar you spend it is going to cost you 12.5% in taxes. It is meals taxes plus the state taxes, 12.5% that you have to add to every dollar. There is no change in the cigarette tax. The water, I don't know anywhere else that you can buy a product at \$5.50 per 1000 and sell it to the citizens for \$17.50 per 1000 gallons. Water is a necessity for our citizens, for retirees, and for couples, that's astronomical for water. The Mayor in our newsletters bases it on if you went to Walmart and bought a gallon of water versus what you're saving through the Town of Hurt. I think that's an astronomical price to pay for water. Since Gary, and I'm not just pointing out Gary, but since he came down to Town Council as our mayor, I don't know any more tax revenue that we could receive and from any other businesses in the Town, any new businesses or major taxpayers. Steve Worley and myself met with Gary and Bob this week and went over the budget and Ellen stayed. We were here for roughly two hours and I thank you all for your time. At that time, we talked about the new Rage Plastics over here and Gary pointed out at this point in time we have received \$0 in taxes from that building. I talked to one of the supervisors from Rage this week, and they say the building is empty and no machinery has been put into the building at this point. They have been in talks with Abbott about using a warehouse. Do you know anything else to that effect? Mayor Hodnett stated that is what I have heard. Blackstock states we have been told at Council meetings that we were waiting on switch gear but you would think if they were waiting on one piece of switchgear some machinery would start to be put in the building. Going over the budget, the real estate taxes would increase on a proposed \$36,000 increase. What are the SCC Real estate taxes? Mayor Hodnett replied it is the State Corporation Commission for the railroad where they run through the Town. The personal property under the new proposal would increase in revenue \$24,000 for the Town. We could go line by line, but I think we have some good employees with the Town but since Gary our Mayor we've increased the payroll down here by \$142,000 in three years. We've added a clerk which costs us about 78,000 a year. Mr. Jones costs us \$30,000 a year, and Tom has done a good job but he's gone up to \$34,000 roughly for the incoming budget. Like Gary, you only have a little over 600 households. Each one of us is paying roughly \$50 per year for Mr. Jones's advice and some of us don't think we're getting adequate advice for that amount of money. The clerk's averaging 8.5% increase. The insurance for the clerk has gone up since 2020 roughly doubled since 2020 and this year it's a 30% increase. When I was meeting with Gary and Bob the only thing we found that we might be able to take out was the Staunton River Region 1 which is \$4000 and I think we have been paying it since around 2016 2017 when I was on Council. I don't think we've got a zero return on investment during that time, so we probably paid \$28,000 into that fund. Gary thinks that is one of the ways we can save money by not paying \$4,000 and getting out of that organization. Is it true that the Town of Hurt purchased Staunton River Plaza? Mayor Hodnett replied yeah. Mr. Knowles stated it is under contract. Blackstock stated when did the Town of Hurt get into the real estate business? Mayor Hodnett stated we will discuss that later on in the meeting. Blackstock stated I thought that was a private enterprise, we already have increased taxes on its citizens. As we all know, this building needs a lot of work, the parking lot, the building, where are those funds going to come from? After this SRIFFA money is gone to maintain that building. That's about all I had. I just hope that you all would all look at the amount of citizens that came out tonight and reconsider these tax hikes. Thank you.

Kenneth "Bud" Brown I am not going to get into a lot of line items like these folks have, but if you look at this budget I get one clear answer. Since 2020-2021 fiscal year the Town of Hurt has doubled its budget. We have gone from \$667,000 to \$1,371,000 in three years. Last year, we had one of the biggest tax increases I've ever experienced because of inflated values on automobiles. We have gone from \$666,000 to \$1,371,000 in three years. It's time that somebody looked at this and see if we can save money rather

than spend it. It looks like to me everything is flowing downhill from Washington DC down to Hurt and we find a way to spend money that we don't have. We are finding ways to tax people that we have never taxed before. We the town council and I appreciate what you did, need be looking at your staffing, you need to be looking at your expenditures and what we can do without rather than what we need. What we think we need to have. We've doubled the number of employees for the town, actual employees. We've doubled the salary budgets from a standpoint of where we were to where we are now. We have people that we have hired to do the job but we are hiring people to assist him to do the job. When do we put them on their own? This budget should not be passed. To me it's a big farce to think that your citizens of Hurt can fund such a budget and I expect you to do something about it.

Mayor Hodnett stated the public comment and public hearing are closed at 7:27pm.

Additions to the Agenda

No comment

Proposed 2023/2024 Budget

Mr. Poindexter stated what I do want to say is this, we have a situation here where we have a budget year, like no other. As I mentioned in the paper, the problems are not easy, they don't have any pat answers. Everything they need to do, and there's only so much money to do with. It's an exciting time in a way, it's a difficult time in a way. Add to that of national and global economy that is not friendly. Add to that, we realize we are at a point that they're serious relational damage in the community. In a small town, that is a big deal. I'm going to reiterate that there is serious relational damage in the community. That's not needed at any time but in particular, it's not needed when we are trying to revitalize, reset, and rebuild. We have exciting and important new things that we are pursuing, some of the things that have gone on lately don't make us look good, or feel good. I'm one of four people who spent a fair amount of time constructing this budget proposal. The night I introduced it, I made it clear that I'm not here to advocate for every line item on this budget as it is. We put this together as a starting point for deliberation, knowing there were going to be issues. Quite honestly, I've had some time to reflect on that since then. I'm not personally prepared to vote on this budget tonight as is, I think there is some work that needs to be done and for a wide variety of reasons. Before we get into all of that, there's a couple of things that I think just for the sake of information, to diffuse misunderstanding, that need to be pointed out. It looks like on the new budget that there's like a \$600,000 plus increase over the last year. The actual increase in the budget if you leave the federal ARPA money out of that is only a small fraction of that. What's making it look inflating is that we are accounting for the use of roughly \$600,000 in federal ARPA funds. Those funds represent a rare, unique, and one time opportunity to do special things. That is money that was passed by Congress and signed by President Biden a couple of years ago. It does not have to be paid back. We have a chance to infuse something with long term value into the community. That's why the Plaza was acquired with federal ARPA money. There's only so far I can go with that, but I can tell you that things are being worked on for the future of that plaza that will bring in more revenue for the Town. The renovation of this building, not only do we have to be ADA compliant for legal reasons, but the renovation of this building is for the security of everyone. That's an investment in our community that is being paid for with ARPA funds. We are not proposing to raise taxes for the purpose of the renovation. I just want to clear that up as information, not to argue about anything, but just to state the facts. On the side of the enterprise, I don't think any of us like what we're talking about, about the volumetric rate for water, but again, there's something I need to point out just as information when we imposed the quarterly base charge a few years ago and some know it simply as the water meter fee.

That part of your water bill does not go into our monthly and yearly operations. That goes into a capital reserve fund so that we have some money in the bank if we have a big breakdown or if we have to do some kind of big project. It is specifically set aside for that. I know it looks like there's a chasm of difference between what we pay Altavista for water and what we sell it to you and ourselves for, and there is. However, the difference between those two prices is practically all of the money that there is that sustains the water system. That's what keeps the pumps running, the tank maintained, the valves, the pipes, the automated control systems, and Joe's compensation package. Anything pertaining to water and wastewater is covered out of that money. The difference in what we pay Altavista and the difference in what we charge. The Enterprise Fund is a proprietary fund, that means it operates like a business model, it is self sustaining. That's the only significant income that it has. Tax money does not go to the water system. Water bill money does not backflow pun intended back into the general fund for everything else. They are two discrete features within the budget. The water bill pays for everything water and wastewater and tax money pays for essentially everything else. I wanted to get that out to clear the air, nothing else, just as information as to how it works. In view of where we are, all the situations that there are and like I said, the relational damage that there is, the economics that there is to consider. I pulled aside what little time that I had during the day today, Bob and I had some conversation. I've had some feedback from other people. I'm prepared to present a counterproposal tonight that I think will not accrue all by any stretch, but something would make this more friendly and more palatable to all of us. Compromise is what good governance is all about and that is what is needed. When we get in a situation like this, I think we all know in America at every level, national, state and local. It's not realistic to expect to get everything that one wants off the checklist. What's better is to have a hybrid solution where it's a win-win where everyone can get some things that they would like off the checklist and try to work on the rest of them for the following year.

What I'm proposing to do here is consider the fact that was mentioned by at least one speaker a while ago, the County is going to be doing that big real estate reassessment next year, we all see that coming. It's something that we have to do about every three or four years. That almost invariably involves an increase in taxes because it spikes that valuation. The county chose not to increase real estate tax this year or personal property, like us, they have some good reasons to have one, but they chose not to. I personally think that's a good decision and appreciate them doing that. We're going to have that conversation next year. I don't think this year is really the best time to have it. What I'm going to propose to consider is to avoid increasing the real estate or the personal property this year all together, leave them where they are. We have every reason to believe that within a few months, we're going to begin to see some rental income or lease income, if you will, from the commercial property next door. I've entered a new line item on the budget for that it is extremely safe and conservative. It's yet to be known exactly what the number is going to be. I feel confident that I can put that number in there as a mitigating factor. The other thing that I'm proposing to do, and I know this was a hard decision, I know it's a controversial thing and that is to discontinue the contract with major security. The current contract ends at the end of June and my proposal is not to renew. I've had a good working relationship with Mike Jones. We don't agree on every issue, but I think he has done some good things and it's times that we needed somebody with that resume. This is a year we've got to do some hard things, we can't do everything that needs doing. I think in view of recent events and circumstances, that may be the best course of action as far as trying to bring some relational healing and to continue to sustain the really important things that we need to be working on. We still have got to keep working on economic development. We have a high quality of staff that we have to take care of and I could just keep going on

with the list but I think that, honestly, we've just got to face the fact that we need to spend that money on other line items. In this case, that is one of the ways that I'm proposing to ease the tax burden, bring relational healing, and continue to work on the things that really need working on the most. When you look at this new proposal, if you look at the line items shaded light gray, those are the only line items that were affected when I programmed in the new parameters and the formulas when I put in to keep those two tax rates where they are. We will still see a tiny increase in the meals tax and in the auto decal, but those things are very small. That will be on the general side that would be increasing and that is not a big enough fight to seriously impact. That does not hit someone's home or someone's car. Mrs. Johnson asked at what point would you entertain reevaluating the other consultant that the Town has hired? Mr. Poindexter replied I want to say something about that. I think we're in a very different place in the process, if you will. The things that we've contracted with Mike Jones to do originally in the police department have been done and done well and quite a bit more has been accomplished since then. It may very well be time to have a look at a different direction. I do not think that it's a good time to do the same thing with all our consultant (Mr. Fore) on water and wastewater. He is an expert on that. We are blessed to have the price and availability we have. The things we have going on with water and wastewater right now, and going to have another capital project as soon as you start. This is not the time, in my opinion, to upset that. That time may come, but I don't want to go out on a limb and say tonight, eight months, or one year or whatever that is, but I don't think that this is a good time for that particular. As far as the contract mowing services, it's easy to say, well, previous public work director whoever they are, mowed, well yeah they did, but I'm telling you the things that are going on now, Joe has got his plate running on full. That's where I am on that, and while we are on the water if you look at page eight on the counter proposal, you will see two gray line items that are reduced from the original proposal. Water system and improvements we were talking about going up from \$40,000 to \$47,000, trailed that to \$43,500 and then down below that I left the line repairs at the same level that they were last year. That's risky when you're dealing with a 40 year old system that is crumbling. That's risky and I didn't like that, but what I was hoping to do was to try to find something to mitigate this \$14 to \$17.50 increase at least a little bit, at least a token of gesture of something to make that a little bit more palatable, and yet continue to do the things that we need to do. Every dollar that you change, the volumetric rate translates into \$27,000 of income to the enterprise. That's all it is, \$27,000 per dollar on that volumetric rate. To bring it down 50 cents, I had to find \$13,500 somewhere on the expense side balance. That's just the starting point. I'm one person out of seven here that has to make a decision on what to do with it. Again it is a restart point or deliberations. Mr. Knowles asked have we been selling more water or less water? Mr. Poindexter replied that's a great question, because that's a concern, and I've actually heard that concern. Well, if we're selling less water, why don't we need less of everything. It looks that way, believe me it only looks that way. If we sell 26 million gallons instead of 27 million in the new FY, there's a revenue shortfall. Again, that difference in what we buy or sell for is what pays everything else in this budget. The expenses other than what we pay to buy the water from Altavista pretty much stayed the same. The power bill, insurance bill, Joe and his gas to get to the pump house, whatever you want to fill the blanks in with, the expenses stay essentially the same other than you don't have to buy quite as much. That is why this number here is epic and in fact on the first draft. This \$27 million that I put in there towards the last may be a bit liberal. Nobody knows, it depends on if people fill swimming pools and wash their cars. A couple of things are in play here, one of them is probably confirmation. I think the bigger one is the fact that we used the first \$70,000 of ARPA money to do the meter upgrade, those new digital meters are far higher quality and far more precise and true to life than

any mechanical meter you can buy. They actually brought us to where we should have been all along in terms of what we call water accountability, and another word, accuracy in metering and billing. There's actually fewer billable gallons, because prior to that which inaccuracy. We were billing water. We didn't even have accurate numbers. We were billing for water that people weren't even drinking, cleaning, leaks undetected, malfunctions, and meters undetected. We have software down here now that can look up how much you're using anywhere through any meter at any time of the day, night, and year, we can track that. We can tell someone that they have a leak. We have had a lot of compliments. When you sell less, you have to make a little bit more to meet the same expenses.

Mr. Majure stated as far as I can tell, council members are our main levers that we have for our budget, our consulting contracts, our town salaries, and our reserves. I'll start with the last one. I don't want to touch reserves, because we need to be able to fund projects that come up, emergency programs, events that occur. I don't want to talk about adjusting reserves personally. The salaries if we are outside of the median salary groupings for what our people are doing, I am willing to talk about it, but I've done research, we are well within the median salary ranges for this work that our staff is doing. Mr. Knowles stated from my research, I found that we were below median for most of our staff. Mr. Majure replied yeah, our people do above median salary, in my opinion. That is one that I would not like to touch as well, if at all possible. Contracting services, that's the last one. You made a very good point about how Mike Jones and Major Security Consulting was brought in for a specific purpose. If we as a Council decide that purpose has been satisfied, then I am willing to discuss that concept of consulting services contract. Mr. Fore's contract with water, based on the number of projects that we have going on, especially in the water side of things, I have a lot of reserves on changing, because we have lots of work that is still yet to be completed in that. Frankly not enough help to get done. I really do appreciate you bringing up this modified proposal. It is something that we can potentially go with getting our salaries closer to that median range while keeping the rates at the same level. That is commendable, but that means that we're going to be out of public safety if that's what's going to happen. I asked other council members, what are your opinions on the public safety position, do we feel that it has been satisfied or do we need to go another year with the contract? Mrs. Johnson stated I apologize but since she broached the subject that we are also invested in. I would just like to say that I've taught for 33 years. I've taught many years without a raise when budget was a big issue, many years, many consecutive years. When we look at the financial crunch that you are proposing, I do appreciate what everybody does. I've been in the trenches with you in public work. I ask that you reevaluate these raises at this time, we need you to represent us and most people here are here because they've lost confidence and the ability of this body of people to protect our interests in this Town. Before you close that door, I ask that you reevaluate that as well. It's nothing personal against anyone employed here, but I've done it. I retired for 33 years of teaching, I made \$56,000 a year when I retired and I have a master's degree. Sometimes we have to go with what we need and not what we want. Mrs. Mayhew stated if you look at the old budget one of their total expenditures was \$1,692,046. After this new one Gary talked about the things that he changed is still 1,648,546 you know, it's only amounting to about \$42,000 and \$30,000 of that was Jones. You really haven't cut very much. Mayor Hodnett stated I want to remind everybody that this isn't a back and forth right now, let Council continue their work, please. Mr. Pierre asked do we have any legal obligation to have a security consultant? Attorney Eller replied you don't have a legal obligation. Mr. Pierre stated if we let Jones go tomorrow what bother is that to us? Attorney Eller replied you do have a legal obligation to protect the public and provide a police department and the support that they need. As far as the specific name of the office? No, there's no statute that says every locality has to have a public safety

officer. That's why but you do have a duty to protect the public and hire enough people to do that and to fill the roles that's necessary to support the police department. Mayor Hodnett replied we're not going to debate let them do their job. I thought it was something out there about essential duties that towns have to provide. Some of that was public safety. Attorney Eller replied I said that you don't have to have a Public Safety Officer by that name, you have to provide public safety. Mayor Hodnett stated if Jones is gone, then that means that some Council people are going to have to pick up those shortfalls and the required functions that have to be done, right? Attorney Eller replied right, you have to determine among yourselves what the functions are that you want to get done the ones that Mr. Jones was doing. Then are each one necessary or not and can come to be reduced. You don't have to have everything. You have to have what's essential. Council needs to decide what is essential. It has to be public safety. Mr. Knowles asked Gary with the changes that you've proposed, will we have to go up on the real estate tax rate? Mr. Poindexter replied no, the counter proposal I just put out leaves the real estate and personal property where it is now. The only thing that will go up is the decal which is a couple dollars per car and then the meals tax, nothing else on the general side will go up.

Mayor Hodnett asked Tom as far as the water, how much more do you feel like we're going to have to keep moving and how much more work do you think we've got to do? Mr. Fore replied just looking at where you are as far as your consent order on the project that you've got coming up. That's a big undertaking, I believe once that project is accomplished, we're going to get a set of asset management in here that gives Joe clear direction on everything that he needs to do as well as the GIS information that puts everything in its place and where it needs to be. I was on the board of supervisors for 12 years in Amherst County and listening to your comments back and forth, I can do what I can do, I came here, way lower than any other place that I consult for. In order to keep things, I think he already spoke to it, to let the community know that I really care about you and I will work eight hours a week, instead of the 16 that I'm doing less than that, but eight hours a week now I can still accomplish all that I'm doing for Joe. For the first time in a long time I know the Town of Hurt has a certified operator, but I know Joe has to keep up with everything that the City of Fairfax has to keep up with, and they have hundreds of employees working. In Altavista, I have a tremendous staff, a great staff that accomplishes, I mean at my water plant I have six operators and nine at the wastewater plant. Of course, we have a lot of industry going on over there, but you put me in the budget and yet somebody mentioned me making \$34,000. I don't think I've made \$34,000 since I've been working for you all but my point is you can drop that down to \$24,000, I'll put the hours up. That's \$10,000 right off the bat. Mr. Knowles asked how many employees do you have over in Altavista? Tom replied I have 30 employees that work under my authority. Mr. Knowles stated and Joe just you, and you are 24/7. Tom replied and he's getting up possums, he's getting up deer, he's cleaning ditch lines, he's doing your zoning administration, he's taking phone calls from people out of state that are looking at lots where it's on a bank hillside, and they want to know if you can put an RV up there. All the time, he's constantly getting calls like that on top of things and taking care of things. He's your building grounds department, he's your streets department, he's your fleet maintenance department, he's doing everything that the guys under my authority over there do by himself over here. When we went out, we started doing the hydrant maintenance, which hadn't been done since 2019. We found one in the Dogwood Trailer Park. It would not operate and was not functioning and a member of the community told me, you might want to check that. I let him know that Joe had gone out there and had it repaired and replaced, but that's what it takes. I mean, there's 69 of those in the Town and 189 valves. Mr. Knowles stated can you tell me about the mandate that is coming up? Tom replied you have to be able to provide to the Department of Environmental Protection

Agency by October of 2024 all of your service lines within the community, whether they're made up of any lead at all. Then on top of that, Joe's going to have to monitor all your nurse care facilities, your schools, and any daycare facilities that may be in your community. He's going to have to do his homework on that to find out if anybody's doing any babysitting, because if anybody is doing any babysitting he's still got to find that out, even if it's one or two kids in the home. He's got to report back to them. If he finds any, then he's got to write a plan on what he's going to do to replace all those that lead lines within the community. I do not believe you're going to find a lot, but he's still got to make a list. If the grant comes in then he will be able to get that done by contractual services and they will be able to knock it out in three months.

Mayor Hodnett stated in the next two years, based on the consent order we have on phase two, we're going to be looking at an additional \$17,985 per year on finance charges for the debt burden on that. That's going to start hitting next year and the year after in the following year. I looked at Gretna and Chatham and in reference to staff, both towns have treasures and assistant treasures, clerks and assistant clerks. Our people have to do the very same job that these people do and they have two people to do the job. For example, in Gretna, the clerk and assistant clerk together make \$176,000 and Kelsie is doing that job by herself at \$49,000, I think. The treasurer and assistant treasurer is just about the same thing, about \$170,000 for two people. We have one person here doing that job. They do an excellent job. Also after going back and looking, I did a little looking at the meter fee and our reserves aren't what they need to be and council is going to have to decide what that number is based on our budget for reserves. The meter fee has done well and that's because we put 100% of that in the infrastructure fund. If we're able to fund it this year like we're supposed to fund it in the budget that we're in now, between now and July I would offer that we take a look at reducing it and possibly eliminating it at this point now, down the road to three years, we might have to bring it back because we're not where we need to be, but we're close enough that I feel comfortable that we take the chance on that. Mr. Poindexter stated I'm hearing that you would be comfortable with this current proposal we're working on for that year with reducing the meter fee? Mayor Hodnett replied no I'm not comfortable with what you're proposing, but I'm saying the meter fee is something that I would be comfortable with. Mr. Poindexter asked are you thinking in terms of eliminating it, or maybe cutting it in half? Mayor Hodnett replied well, that would be an option. I think that we're close enough that cutting it in half certainly doesn't bother me, I think you could make the case that we could eliminate it and take a look at it. That would throw a \$56,000 savings right there which I think according to Emily, that would match what has been looked at. Mr. Poindexter stated it would be \$24 a quarter less than the average person would have to pay, which is friendly to the people. As far as budgets are concerned, it's going to be a wash, it's not going to affect all the other expenses, because it's not operating money. It comes down and then it goes to a capital reserve. We would just be putting less into that. Mayor Hodnett stated but that is something our citizens would not have to pay. Mr. Poindexter stated but to alleviate that \$24 would be beneficial to them. The critical thing for us is like I said a while ago that volumetric rate. I know it's high, but that is what sustains our water system. If we don't have a volumetric rate to pay for all that then the water system is going to have to close. Mayor Hodnett asked Tom to suppose we don't go through the consent orders or we don't keep all that stuff up. What will the state do when they step in? Tom replied they will set your rate. The community of Goshen had a major water system failure, they came in and worked with the city of Goshen. \$22 million worth of work to repair the system and of course they're having to pay back the debt service, but it was set by the federal government. You have a value of about \$14 million with the asset. Currently, that's basically a replacement cost. Now, I'm not saying that would cover the cost to

replace everything. I'm just saying what it would take to rebuild everything. In this environment right now, I've seen plants being built in the last two years, four years ago, and you could have gotten \$10 million less or \$10 million higher on a bigger scale. That's just because of the COVID and all that we got into. Mayor Hodnett stated I don't want to touch our reserves. Mr. Poindexter stated I agree with you on that. I didn't propose anything here to pull anything out of reserves, but I don't plan to. I didn't want to do that either. In the previous conversation, I was trying to look for some kind of hybrid solution. I knew we would be talking about increases, but not on the amount that we were talking about, the amount is the issue. Mayor Hodnett replied well we're talking about doing something to help our citizens. I think the meter base fee eliminating the \$24 a quarter that's something that they can feel. It is shaving the edge of the reserves close but at least we got that. Mr. Poindexter stated we will have to look at whether or not to discontinue it or cut it and whether to do so July 1st or maybe a month or two or half through the FY. There's different ways you can run that scenario. Mayor Hodnett stated if I had a choice, I'd say eliminate it. Take a look at it later. Mr. Majure asked Tom Fore you said that you would be able to reduce the amount that you work by \$10,000 a year? Tom replied absolutely I'll talk with Ellen and just let me know. The bottom line I mean, I give up a lot of money to be here. Again, at the same time, I respect this man right here. This man wears his feelings right here. This man gets after it trying to help his community out. I'm going to be blank honestly, in my 43 year career, I've never met anybody like him that wants to do the best he can, he is a great guy. Mr. Majure asked Mr. Smith do you think you can continue to do the work that your doing with him working less? Mr. Smith replied I think we can pull it off but it is going to be really tough. It's going to slow down the paperwork process. Mr. Fore replied we will get it done. Mr. Knowles asked I also know that we've got the fire hydrants coming up in a few years. When we talk is it like five years from now or four years from now? Mr. Fore replied about five years, and that will be budgeted in the capital improvements. Mr. Knowles stated well we don't want to start budgeting for that in four years we want to start now. How many hydrants do we have and how much per hydrant give or take? Mr. Fore replied you have about 70 hydrants and \$5,000-\$7,500 if you have to replace valves. Council continued to briefly discuss the hydrants and how it would take about half a million dollars. You don't replace all of them at one time. You do it over a period of time.

Mr. Poindexter stated the only thing we've talked about here outside of eliminating the base charge is when we had budgeted almost \$34,000 for Tom this time because it was a full year. He was a fraction of a year in the previous cycle, that's why it is less. If he's willing to do what he can do for Joe for \$24,000, you're coming up close to \$10,000. If you can find another 3500 somewhere. Every time that you take that volumetric rate down 50 cents, you're going to need to find \$13,500 off of the expenditure side. That's how I got it from \$17.50 to \$17.00 by reducing those two gray shaded areas. I'm not comfortable reducing those any further because of the age and condition with the system and all the unknown and things that we've had with that for years. If you want to go down to \$16.50, you know, if there's \$10,000 of it from a change in the arrangement with Tom, then you're going to have to find another \$3,500 or thereabouts in another line item somewhere. I looked at all of those this afternoon, and none of them looked real appealing, but that's how the process works. There was a brief discussion between Poindexter and Mayor about selling 27 million gallons and if it is less than 27 million gallons it will be a big hit to the Town. It was also mentioned that the volumetric rate would be \$16.64 versus the \$17.50 and dropping the meter fee. Mr. Poindexter also briefly discussed the PPTRA and what it did for personal property tax. It was also discussed about the real estate increasing by a penny on every 100,000, as well as revenue from the plaza. Mayor Hodnett stated we will be having to add some money for the discounts that he gets us. He has brought in world class architects for this building, I've had three meetings with

them and that didn't cost us a penny. They were willing to do the engineering and the architectural drawings basically at a bargain basement price and then on the hardened Town Hall, the price we saved was pretty much his salary. There are deals that are in place and the hardened and the bulletproof material, I don't think there would be an issue there, but we will probably have to get another architect. Mrs. Johnson asked why won't these people do business if he is not involved? Mayor Hodnett stated because of his clients. Mr. Majure stated that we go with what we've discussed so far, from the original proposed budget that was given out to everyone we could reduce, make no change, which is five cents less on real estate. It is 50 cents less on personal property tax. The decal no change still goes to \$42 and the meals tax no change still goes to 7%. The real estate and property tax are sizable changes. Mr. Poindexter discussed that it's not a lot of money, that it is taking it up to a round figure. The meals tax there's not a formula for that. Mr. Majure stated we got a big decision to make, essentially, keeping the Major Security Consultant contract is going to allow us to not increase by three cents on the real estate and 25 cents on personal property. We have to make a decision as a Town Council if we think he has satisfied our need, are we willing to keep him in the areas that staff isn't able to get done that Major Security already does? Mr. Poindexter stated only one way to look at it if you want to do a balancing act. The price of that contract is \$30,000, \$.04 on the real estate constitutes \$28,000. That's almost the difference right there. Got into the bigger broader thing here maybe needed to leave both where they are and figure what else can we do while we're here, to do that, we couldn't put that in the original draft because the plaza had not been acted upon at the time. Mayor Hodnett stated you got to remember the two other economic development projects coming down the pipe. Mr. Majure asked would we want to potentially use a security consulting for that small period of time until we get those projects completed? Mr. Johnson stated I wished I wouldn't have heard what the mayor said about the consultant, about the architecture and engineer, I'm a contractor. I have to bid legal documents. To sit here and hear that a contractor has an inside track on architecture, instead of it going out for bid, I got a problem with that. It's bid rigging and it's against the law. Mayor Hodnett replied it's not bid rigging, we had someone come in here and give us initial advice that would have cost us. It's not bid rigging because we have not priced out the project. Mr. Johnson stated I deal with Wiley Wilson, and master engineering, and many architecture firms, that's what I do for a living, they give you your number for free, no matter who they are, they give you a consultant for free, then you decide what you want to put out and how you will do the bid package that goes out for bid. That's how it always works. I'm sorry, I wish I would not have heard that. Mayor Hodnett stated how are you going to bid something that you don't have a contract on, at the time the architect came in and walked around, we didn't know whether we were going to get that or not. He was answering questions. Mr. Johnson stated but that's a free charge. All firms offer that as a free charge the same as if you asked me to come over and give you a quote, to remodel this building. I won't charge you for the quote, I'm going to come over here and look and entertain everything you want and then we'll give you a price to do the work. I'm not going to charge you to come do the quote. Mr. Blackstock asked at what point are you going to answer the questions that we get up and ask Gary, you going to answer them tonight? Mayor Hodnett replied it is not back and forth, that is what Council is doing now, going through the process. Mr. Blackstock stated well one of the things is SRIFFA, I mean your looking at ways to save money, that was one of your suggestions, that's \$4000. Mr. Poindexter replied That is small compared to some of these other line items. I'm not saying that shouldn't be looked at, but I remember when Altavista disengaged that there was a process that had to be gone through. It's not something that we can just pass a resolution and pull out of it and it be a done deal. There's a process you have to go through for that. I remember them going through it because I have been on the SRIFFA

board twice or thrice since we formed it. Attorney Eller stated we will have to buy our way out. Mr. Poindexter stated you have to go through a process through the board of request in the withdrawal, and you have to pay, we will have to pay that this year anyway. Now if we want to look at pulling it out of that next cycle, well, that's up to all of us as a council, whether we want to do that or not. That's more of a conversation for the next budget cycle. Not this one. It's too late for that on this one because of how that works. It is \$4000 but that is small compared to the \$30,000 or whatever other numbers we are crunching on. Do we want to go with this counterproposal as is or modifications? I know, you've worked on some other scenarios now, too. Mr. Majure stated they weren't as good as what you presented. They weren't as beneficial to the taxpayers. I think we need to focus on one thing at a time to make some progress here. I also ask that we maintain order so we can get through this. If we can make a decision on the Major Security Consulting contract, I think that is the first decision we need to make. They have provided a fantastic service to the Town through the years and I do know that there were some issues that occurred. I do not believe that if we were to remove the contract that should not play the role it should be, is the work that has been done worth it and or are we complete with that? From what I see the original contract was for fixing the police department. The way I see it, the police department is in a fantastic place. I don't like letting people work with less, but considering the potential raises we're going to be making I am open to hearing, I am open to any contract. Mr. Poindexter stated I mean it runs out at the end of next month. It is not the ideal situation but it's the single largest item, it's a fairly simple solution to a good sized chunk. And that's not a panacea of the old problems by any stretch. It's a long way, a long way toward the bigger picture and I don't think that we need to make things overly lengthy and complicated. They already are by nature of what they are. I think that we are at a point in time where even though there's still some disadvantages overall it's time to bite the bullet and make that change and not continue that next year for several different reasons on several different levels. The town needs to move past that and then if we need to do some things of that nature later that's a conversation for that time, not for tonight. Mr. Richard asked is it possible his next contract the fee is significantly lower just specific to particular projects? Mayor Hodnett stated I think that the first thing you gotta do is decide that you won't want it and then if you do then it would be to renegotiate the contract. You got to know whether you want to keep it or not and that's up to you guys. I mean I don't think we're talking about eliminating them because of the price. Mr. Knowles stated it is a significant savings to the citizens. When we brought out this original budget I said that times are tough. People are going to have a hard time with a five cent increase.

A motion was made to discontinue the contractual arrangement of major security effective at the end of the current contract which is the end of June 30, 2023 and not continue that into the new fiscal year.

Motion: Mr. Poindexter
(Jeremiah no)

Second: Mr. Majure

Passage: 4 to 1 vote

Mr. Poindexter stated it wasn't anything else affected on the general.

A motion was proposed that with the real estate staying the same at 22 cents per \$100 valuation, personal property tax staying the same at \$3.75 per \$100, all the auto decal tax increasing to \$42, meals tax increasing to 7%, and no change on cigarette tax staying at 25 cents a pack per stamp.

Motion: Mr. Majure

Second: Mr. Knowles

Passage: Unanimous

Mr. Majure stated if we reduce the amount that was proposed to us by Mr. Poindexter here today, by \$10,000 with contractual services the effective rate would be \$16.64 instead of the shown \$17.00 per 1000. There's also the removal of the \$24 quarterly base charge that is currently in effect.

A motion was made for the enterprise fund that we set the water rate at \$16.64 per 1000 gallons and remove the quarterly based charge of \$24 per quarter. We leave the wastewater at \$80 quarter base charge and a 6.6 dollar per 1000 gallons at 85% of water usage, no change.

Motion: Mr. Majure

Second: Mr. Mitchell

Passage: Unanimous

Mayor Hodnett asked Joe how much will it be saving a resident? Joe replied it will save them about \$40. Mr. Majure stated it will save them \$49.85. Mayor Hodnett stated we got to get it ready and have it ready to approve at the June meeting.

Meeting adjourned at 8:55pm. Thank you for coming.

Kelsie Anderson

Kelsie Anderson-Clerk

Gary Hodnett

Gary Hodnett-Mayor