

Mount Jackson
Town Council Special Meeting

May 12, 2020

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Special Meeting

A special meeting of the Mount Jackson Town Council was held May 12, 2020 at 6:00 PM in the council chambers at 5901 Main Street. Roll call was taken with the following in attendance; Vice-Mayor Rod Shepherd; Councilmembers Judy Fultz, and Bonnie Good. Councilmember Dennis Andrick, as well as Town Attorney Matt Akers, attended electronically through Zoom. Also, in attendance, Neil Showalter, Town Manager; Joseph S. Paxton, Consultant; Mario Rosso, Finance Director; and Debbie Stover, Town Clerk. Mayor Donnie Pifer, and Councilmembers Whitney Miller and Roger Rudy were absent. Dave Moore from Cornerstone Technology was present to video record the meeting. There were no visitors.

Agenda Additions/Deletions/Changes: None

New Business: Discussion of Proposed FY 2021 Budget Ordinance

Vice-Mayor Shepherd stated the purpose of this meeting is for Councilmembers to ask staff questions regarding details in the FY 2021 budget.

Mr. Showalter referred to a memo and five additional documents, in last month's council packet, that provided detailed information on the budget. The five documents are, A) Ordinance O-05-2020, which is the document that is used for the adoption of the budget and the information in the remaining documents rolls up into this ordinance, and the ordinance also sets the tax rates and fees for the coming year; B) a 12-page detailed budget by general ledger line item that includes all sources and uses of funds for General Fund 10, Enterprise Fund 20, and Capital Projects Fund 40; C) Equipment Replacement Fund 50, which lists the various vehicle and equipment needs for each department and the projected timeframe for replacement; D) a 5-year Capital Projects Fund; and E) a summary of significant inputs and assumptions made in developing this year's budget.

Mr. Showalter stated the proposal is a draft budget, which is subject to change until it is adopted, and once adopted, Council may amend the budget during the year if circumstances change. Mr. Showalter added staff expects a decrease in General Fund revenues of approximately \$200,000 for the coming year due to the recent COVID-19 event. He stated that the budget includes a proposal to delay the 2.3% water/sewer increase and increase in the trash collection fee until January 1, 2021, rather than July 1, 2020. As a result of this deferral, the Town will use \$30,200 from prior years' reserve to balance the budget.

Councilmember Good asked Mr. Showalter to elaborate on the \$200,000 decrease in General Fund revenues. Mr. Showalter stated due to COVID-19, staff estimated business taxes will be down 20%, sales tax receipts down 15%, bank franchise tax down 20% (which is a tax banks pay based on their property, deposits, and assets in a locality). He stated the most significant expected decrease is meals tax, which is normally \$400,000, and is estimated to be down 30%. Mr. Showalter noted fortunately the Town has a number of establishments with drive-thru that benefit from I-81 traffic, but the "sit down" restaurants are continuing to suffer. He stated the transient occupancy tax has been estimated to be down 30% as well as people are not travelling. Mr. Showalter stated staff will be monitoring this more regularly.

Ms. Good stated the Public Works staff asked for several items to be put in the budget, and thankfully funding is available for those items. She commended staff utilizing the majority of the money from the sale of the property in Industrial Park to pay for the Town's share of the sidewalk project.

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Mr. Shepherd asked where the line item would be added for the financial assistance to the fire department for the purchase of a new truck. Mr. Showalter stated staff will create general ledger 104645.8700 for this item. He noted on page 7 at the end of the General Fund expenses, there is a significant contingency reserve amount due to the one-time injection of cash for the sale of the property in Industrial Park. He stated that amount will be reduced approximately \$19,000, and relocated to 104645.8700.

With no further questions or comments, Vice-Mayor Shepherd adjourned the meeting at 6:26 PM.

Debbie A. Stover, Clerk

Rod Shepherd, Vice-Mayor