

Mount Jackson
Town Council Special Meeting

May 11, 2021

-1-

Special Meeting

A special meeting of the Mount Jackson Town Council was held May 11, 2021 at 6:00 PM in the council chambers at 5901 Main Street. Roll call was taken with Mayor Pifer, and Councilmembers Rod Shepherd, Judy Fultz, Bonnie Good, and Roger Rudy in attendance. Councilmembers Whitney Miller and Dennis Andrick were absent.

Also, in attendance, Neil Showalter, Town Manager; Mario Rosso, Finance Director; Jeff Sterner, Police Chief; and Debbie Allen, Town Clerk. Dave Moore from Cornerstone Technology was present to video record the meeting.

Agenda Additions/Deletions/Changes: None

New Business:

1. Discussion of Proposed FY 2022 Budget Ordinance.

Mr. Shepherd stated this is a work session to look over the budget, and an opportunity to ask questions of staff. This is an informational exchange only, and no formal votes will be taken. Mr. Shepherd stated a one page amendment explains the changes, and there will be a public hearing tonight as well. The key issues are: increased revenue from the American Rescue Plan Act, and from the sale of real estate property, which has been extended from May/June, to July/August, and would fall into next year's budget. Mr. Shepherd stated there is a one page summary that outlines the FY 2022 budget, which is not exactly like, but similar to the FY 2021 budget.

Mr. Rosso stated staff looked at last year's budget and made adjustments for things known to increase this year, including the sale of the real estate property mentioned above. The proposed increase for water and sewer rates is 4%, due to rising costs and having no increase the last few years. The tipping fees at the landfill went up 20%, and annual contractor fees have increased, which have put the Town at a loss for trash collection. The Town code states the trash collection rate should be enough to cover expenses, and it was not last year. Mr. Showalter added last year the Town specifically waived in the budget ordinance, the section of code to say the Town is not seeking to cover expenses, so that everyone might benefit from COVID-19 relief. Mr. Rosso stated there will be a 3% salary increase for Town employees, affecting tax amounts, and health insurance premiums increased as well. The police budget has been increased due to replacing in-car cameras, as their current system is outdated, and in some cases, not operational.

Mr. Shepherd stated he asked staff to do an analysis of what it would cost each individual resident for their own trash service collection on a weekly basis, and it would cost over \$25 per month, which makes the Town fee increase to \$13 per month a fair price. Mr. Shepherd stated the Town has money coming in from the American Rescue Plan and there will be announcements made soon, regarding how that money can be spent and the length of time allowed to do so. It remains unclear at this time if it will affect this fiscal year or next, however the Town is hopeful to use some of that money towards the water lines under Main Street.

Mount Jackson
Town Council Special Meeting

May 11, 2021

-2-

Ms. Good suggested the next Town newsletter include an explanation for the rate increases. Mr. Showalter stated staff can include information to explain the trash collection rate increase amount specifically and clearly. Mr. Shepherd added under the obligations of the Town's various water and sewer bonds, it is required to have a certain amount of revenue to pay for those bonds, to demonstrate General Fund money is not being used, therefore the rates must be increased to be in compliance with those bonds. Mr. Rosso added the proposed rates for Mount Jackson are still the lowest in the area, compared to other towns in Shenandoah County.

Mr. Rudy asked for clarification on who is represented in the \$17,300 expenditures line item legislative salary. Mr. Showalter stated that is the Mayor and Council as a whole. Mr. Rudy asked why the motel tax to the county decreased from \$7,000 to \$0 for FY 2022. Mr. Showalter stated prior to 2009, there was an understanding between the Town and Shenandoah County, that to assist in promoting tourism, the Town would remit 1% of its 5% motel tax to the county. Mount Jackson has since taken on much of its own tourism promotion, such as assisting with the Shenandoah Valley Music Festival, and its own events with the Mount Jackson Hometown Partnership. Mr. Showalter stated the Town has withheld that payment for years and when looking at the new budget, staff decided to move the \$7,000 to where it is expected to be spent.

Mr. Rudy asked why the police department salary amount has decreased slightly. Mr. Showalter stated the Town has money from the General Assembly, which was a one time allocation, some of which is to be used for a one time pay increase to the police department. Staff is still in the process of working out the details of that General Assembly money, which totaled about \$13,000. Approximately half will be used for police training and equipment enhancements, and the other half for a one time bonus for police department staff, much like what other towns have paid in Shenandoah County. There is not a separate bonus line item for this, which is why the amount appears as a decrease, but on a continuing basis the salary will roughly increase by 3%.

Ms. Good stated since the water/sewer are supposed to be paying for themselves, if some of the American Rescue Plan money is dedicated towards water/sewer projects, will it create a problem in that expectation. Mr. Showalter stated no, that part of the message of congress is that ARPA (American Rescue Plan Act) money is clearly to be used to build water and sewer infrastructure. Currently staff has budgeted that money to be split between the General Fund and the Water and Sewer Fund. Mr. Showalter stated he anticipates the Water and Sewer Fund will use it to improve infrastructure, like Main Street, radio meters, and perhaps in assisting the new wastewater equalization basin project Council is currently examining. It should not create a conflict, and the Town will be able to show tangible items the money was spent on to benefit every citizen.

Ms. Good asked for a synopsis of how a new budget is prepared. Mr. Rosso stated the process includes examining the actuals for the current year, looking at trends, the consumer price index and inflation rates, acknowledging items known to be increasing, such as fuel and chemicals, and making those adjustments. Staff also uses the agreed upon salary increase, which affects tax amounts, and updates insurance premium rates as well.

Ms. Good asked how larger Town goals are they accounted for in the budget. Mr. Showalter stated Mr. Rosso gave a good description of the process for the operating budget. As far as the capital budget, there is an equipment replacement fund, Fund 50, where over the years staff has scheduled out mostly vehicles, but includes backhoes, snow blowers, and mowers, etc., taking into consideration how much it will cost in the future, and setting aside monies each year. Mr. Showalter credited Mr. Charlie Moore for this process, and stated Fund 50 has approximately half a million dollars saved towards future purchases that will benefit the Town in the next 5-7 years. Staff tries to keep this schedule out in front all year long for large projects, such as

Mount Jackson
Town Council Special Meeting

May 11, 2021

-3-

Main Street sewer lines and sewer plant repairs. Staff also sets aside an amount each year for sidewalks and streets, even though there may not be a specific project in mind. Another example is \$25,000 will be allocated towards recreation; some years spending only \$7,000-\$8,000 for a pavilion or benches, and some years spending much more. Mr. Showalter stated staff meets with department heads, committee chairs, and the mayor, and as projects come up, such as radio water meters, money will be allocated each year towards those projects. The Town will have over \$324,000 saved, over the course of the last 3 three years, towards the radio meter project. Currently, the Town has over 1.5 million dollars saved towards future capital expenditures.

Ms. Good asked if a committee comes up with a project that costs more than is budgeted, does the Town retain those wish list items for the future. Mr. Showalter stated big projects are considered on an individual basis, and not usually budgeted in advance. For example, the money for the storage structure for the water/sewer and the public works departments, was pulled from three different funds. Mr. Showalter stated for large projects, such as the equalization basin, he as Town Manager, would need to be specific in the funding. Staff tries to utilize this budget worksheet a working document, not a just a piece of paper revisited every May. Mr. Shepherd stated if it is a large multi-million dollar project, the Town would borrow the money from outside resources.

Mayor Pifer stated the budget has been well managed in the past and the present, and the Town is in good standing financially. Ms. Fultz agreed, stating it was not always the case in past years, but presently if equipment needs to be updated, money is in the budget to allow for that.

Motion made by Councilmember Shepherd, seconded by Councilmember Fultz, to adjourn the meeting at 6:33 PM.

Deborah "Debbie" L. Allen, Clerk

Donald "Donnie" I. Pifer, Mayor