

**Council Minutes
Special Called Meeting
April 20, 2015 – 6:30 p.m. – 502 Front Street E, Coeburn, VA**

Attendees: Upon a roll call vote council members Veronica Buchanan, Jeff Kiser, and Sharon Still were present. Scott Brooks – Chief of Police, Christy McCoy – Clerk/Treasurer, Russell Mullins, Town Manager and William Sturgill – Town Attorney were also present.

Council members Deventae Mooney and Jess Powers were not present.

Call to Order: Mayor Jeff Kiser called the meeting to order.

Public Works Director, Danny Jordan gave the invocation. The group remained standing for the Pledge of Allegiance.

Public Expression:

There was no public comment and public expression was closed.

Approval of Agenda:

Jeff Kiser made a motion to approve the agenda as presented. Sharon Still seconded the motion, which resulted in all Ayes.

New Business

Proposed Revenue Increases –The town manager proposed water rate increases ranging from 5% to 10%. The budget that Mr. Mullins proposed was calculated using a 9% rate increase. He recommended the increase in order to cover the town's operating expenditures. He advised Council that a 9% increase would result as follows:

In-town customers would see an increase of \$.97 for usage of 500 gallons or less; \$1.32 for 2000 gallons or less; and \$0.45 for anything over 2000.

Out of town customers would see \$1.45 for 500 gallons or less; \$2.11 for 2000 gallons or less; and anything over 2000 \$0.67.

The town manager advised Council that the water rate increases were based on the lowest billable month. Sewer rates are 130% for in town customers and 150% for out of town customers. The result in additional revenue for sewer services was estimated at \$74,233.99. For the general fund,

Mr. Mullins proposed a \$1.00 increase for sanitation services. He stated that the increase would result in \$10,188 additional revenue in the general fund.

He proposed a \$0.05/100 increase in the real estate tax rate, which would provide an additional \$39,706.41 in revenue. The total recommendations of revenue increases would result in an additional \$127,898.94 in the Utility Fund and \$49,894.41 in the General Fund.

Mayor Kiser asked if additional revenue would be added once the sewer project is complete. The town manager advised that when the Flatwoods Job Corps goes online the revenue should increase approximately \$65,000. He added that CNW rates should not increase because the Town of Coeburn is not at full capacity.

Mayor Kiser asked Mr. Mullins if he was confident that the town wouldn't have to revisit rate increases in the near future. Mr. Mullins stated that he was confident that the proposed rate increases would suffice for the upcoming budget year, but he felt that a future increase would be necessary in order to stay in line with the standard cost of living and consumer price index.

Decreases in the general fund revenues were as follows; general property tax declined \$22,374, coal severance, meals tax and tobacco tax decreased \$95,000 (cumulative). Council discussed the decrease in coal severance tax.

Mr. Mullins reviewed the proposed expenses for all departments. The treasurer's department decreased \$21,004, police department decreased \$26,028, building & grounds decreased \$3,398, sanitation decreased \$1,987, and support community decreased \$3,600.

The police department's proposed budgeted wages included 7 full time officers and 1 part time officer. Ms. Still asked about the regional jail line item. The town manager advised that anything charged on a town ordinance would be subject to a regional jail fee. The fee depends on the outcome of the charge. Therefore, there needed to be money allocated for the regional jail fees.

The fire departments operational expenses were decreased in the proposed FY16 budget. Ms. Still asked about the line of duty insurance reimbursement from the county. Mr. Mullins was still working on the funds and will report any updates to Council as they are available. The fire department's county funding is not included in the town's operating budget. The funds go directly to the fire department. The town does not receive the funds. He suggested changing the address so that the check comes directly to the town. He stated that the change would keep the fire department within state compliance.

The reduced amount for community support was due to the July 4th firework celebration being eliminated from the budget. This was something that could

also be added back to the budget if Council chooses to do so. Mayor Kiser asked what expenses were included in the Community Support line item. There was \$7,000 allocated to the Guest River Rally and \$2,500 for additional community support. The town plans on having a July 4th celebration but the fireworks have not been included in the proposed budget.

Council asked if Toms Creek Dam repair, both water and sewer improvement project loans, car loans and CNW were included in the budget. Mr. Mullins advised Council that the items were included in the budget. The town manager stated that the recreation line items, revenues and expenses, were reduced due to the Coeburn Municipal Pool proposed closure. The town manager did not include opening the pool for the season. After discussion, Council agreed that they would like to see the pool added back to the budget. They stated that the pool was a recreational item that was provided for the citizens in the community and Council would like to see it open. Mr. Mullins will add the revenue and expenses back to the preliminary budget and present a revision to Council during the workshop meeting.

Mayor Kiser asked if any comments were made by Art Mead or Skip Skinner after reviewing the proposed budget. The town manager sent Mr. Mead a copy of the budget and did not hear from him yet. Mayor Kiser would like to have input from Mr. Mead since he was also familiar with the town's finances and FY15 budget. Mr. Mullins will send a copy to Skip Skinner as well.

Veronica Buchanan asked if Council should consider passing a mandatory 1% contribution to a reserve fund. Ms. Still stated that with the town being in a deficit as of July 1, she felt that the revenue stream would not be strong enough during the upcoming budget year. She stated that if any additional revenue is available that it should be put into a reserve and not spent for additional expenses that are not budgeted for.

Mayor Kiser stated that he didn't feel comfortable depending on coal severance as a revenue source. Ms. Still agreed and suggested taking the coal severance tax amount out of the budget or possibly using half of the proposed amount. Council agreed that they would like to see a budget without the coal severance line item. She also asked if the water rates should be increased by 10% in order to allow some additional revenue to begin re-establishing the town's reserve fund. She asked the town manager to do a comparison of the average water bill using a 10% increase and a 9% increase. He will provide the information to Council during the next workshop meeting.

Mayor Kiser asked each department if they could cut their proposed budgets by 5%. The town manager said that he would be able to cut an additional 5% from his expenses. The treasurer stated that she didn't think that she could cut an additional 5%. She will make an effort but could not commit to the full 5%. Chief Brooks stated that he would look at his budget again, but he didn't feel like he

could cut 5%. All departments will go back to their expenses and look for any additional savings that could be made.

Mayor Kiser stated that he felt comfortable with the budget that was presented. He stated that there was much more work to be done on the budget. He asked the attorney what the process would be to make the rate increase effective as soon as possible. The attorney stated that a public hearing was required. Council would need to vote to hold a public hearing on a specific date. The public hearing would need to be advertised. After the public hearing is held, Council could hold a vote to increase rates.

Mayor Kiser asked the town manager to add the budget to the workshop agenda. He would like to see discussions continue regarding the budget.

Council Comments and Concerns:

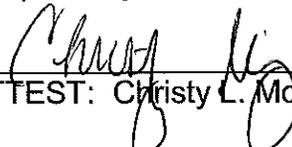
Council comments and concerns were reserved for the recessed meeting to be held April 27, 2015 at 6:30 p.m.

Recess:

Jeff Kiser made a motion to reconvene the special called meeting April 27, 2015 at 6:30 p.m. Sharon Still seconded the motion, which resulted in all Ayes.

Council will hold the normally scheduled workshop meeting immediately following adjournment of the recessed special called meeting.

Respectfully Submitted,


ATTEST: Christy L. McCoy, Clerk


Jeffery G. Kiser, Mayor