



Town of Mineral
Budget Work Session
April 6, 2023

Present

Ed Jarvis, Mayor
Blair Nipper, Vice Mayor
Ron Chapman
Bernice Kube
Olivia McCarthy
Rebecca McGehee
Anthony Wade

Reese Peck, Consultant

The Mineral Town Council began the advertised budget work session at 6:02 p.m.

Past Budget

Mayor Jarvis thanked the council for staying out of the office and letting the staff do their jobs. He went on to say that since Covid staff has come and gone and gathering the information for the budget has been like a scavenger hunt. The mayor handed council a number of handouts which will be attached to these minutes. One of the handouts was what was proposed in last year's budget before the past council decreased the rate by two cents. The past council had proposed a water and sewer rate increase but, in the end, left the rates the same. Mayor Jarvis said that the water rates have not increased for some time. He said the Utility Committee will be proposing an increase in the rates due to the county increasing their rates. (The town buys water from the county when the town well is down.)

Equalization Rate

Reese Peck, Consultant, explained the equalization rate and that it had to be within 1%. Due to higher assessments council would likely lower the tax rate. Otherwise, a tax rate increase would have to be advertised.

Mayor Jarvis told council how important it was to train staff. That in the past staff would go back and look at old files to come up with numbers for the budget. He said he had spoken with past council

member David Lawson to see where he came up with the numbers. He said that Lawson told him he got the numbers from the past mayor.

Councilwoman Nipper asked if the same equalization rules applied to personal property. Peck said that they applied to real property only. Council could raise or lower the personal property rates with out advertising a tax increase.

Interest Bearing Account

Mayor Jarvis reported to council that he had looked into moving town funds to a more interest bearing LGIP account. He presented council with handouts detailing which accounts, the interest rates and the potential monthly income. The handouts are attached to the minutes. Jarvis said he wanted to get council's opinion before moving the money.

Councilman Chapman asked if there was any potential that any money would be lost. Reese Peck answered that there was no risk of losing money. He said if the rates start to decrease council can revisit the decision and put them back into CD's. Mayor Jarvis said that with the new software the council would be better able to track town funds.

W-2 Forms

Mayor Jarvis reported that they had discovered the employee's W-2 forms were wrong. The current software QS1 was programed incorrectly.

Reese Peck explained that other counties had had the same problem. Here the social security was not right and retirement was under reported. The social security was corrected and the error actually benefitted the employees. The mayor also reported that the Town was programmed in as a 501C-3. The error was corrected and no money was involved. Jarvis said the software was only as good as the programming.

Budget Categories

Reese Peck reported that some of the funds were not set up properly such as water, sewer and personal property. Peck said he had a person that would be able to set up the accounts properly and reconcile the accounts. The mayor remarked that council can only go forward and that council would probably take a hit on the audit. Peck told council that even if they received a bad audit, they would be able to give an audit response. The mayor told council that there has not been an audit performed since 2021.

Councilwoman McGehee asked why the equalized rate was not advertised in the paper as it was voted on to so. Reese Peck responded that the council has not decided not to equalize the rate. The ad did not need to be put in the paper if there was no tax increase. He said that council would be hard pressed to keep taxes where they are. He further said the rate could be lowered due to increased assessments. Peck said it could go down as far as \$19 cents and revenue would only fall by \$5000.

Water & Sewer

Mayor Jarvis said that the bad news was that the water and sewer would have to increase. He said the town is spending more on water than they are billing the citizens for. Councilwoman McGehee asked if it would be advantageous to give the water system to the county.

Employee Insurance

Mayor Jarvis told council that it would be a benefit to the employees to change insurance policies. He wanted council to consider the Lifestyle 250 policy which covers more than the current employee plan. It would also provide life insurance which has been in the budget, but never provided. He said currently there are only two people taking health care. The town has been paying 90% of the plan cost. He said the county pays 83%. He suggested providing 85% of the cost and offering life insurance.

Councilwoman McGehee asked how much the employees currently pay. Jarvis said the town currently pays \$828 with the 250 plan it would go up to \$897. The employee part would be \$134.55 each month.

Employee Salary

Jarvis said that the county had put in a 5% raise for employees due to inflation and he would like to get those employees that currently do not make \$15 per hour up to that plateau.


At the conclusion of the work session Reese Peck said he would be gone for two weeks but he would put spread sheets together with the budget being finalized in the May to June time period. Probably more toward May 1.

The work session came to a close at 6:25 p.m. At which time council participated in a zoom meeting on the Freedom of Information Act.

Respectfully Submitted by Bernice Kube, Mineral Town Council

Bernice W. Kube April 10, 2023

Acting Clerk



Mayor