



Town of Mineral Meeting Minutes
May 24, 2023 Continued from May 9, 2023

Members Present

Blair Nipper – Vice Mayor

Ron Chapman

Bernice Kube

Olivia McCarthy

Rebecca McGehee

Member Absent

Ed Jarvis – Mayor

Others present

Reese Peck, Assistant to the Mayor

Andrea Erard, Town Attorney, Present Electronically

Blair Nipper, Vice Mayor, opened the meeting at 6:30 and opened up the public hearing on water rates.

Public Hearing Water Rates.

Chris Guerre spoke to council on the water rates. He told the council that the water rates for most of the commercial water connections were online and that one included connection fees. He said it made sense that the water system needs to be financially sound. Guerre asked how much water was the fire department using? He asked how much was the town committed to giving them. He said without knowing the numbers, council would not know how it affected the budget.

Vice Mayor Nipper Closed the public hearing

Vice Mayor Nipper said that two emails had come regarding the water rates. One expressing concern over the \$6 administrative fee. Another asking that those individuals that do not use the 3000 gallons per month be charged a conservation rate of \$20 instead of the base rate of \$30. Councilwoman McGehee addressed the fire department's usage of water. She said the water at Walton Park was not being used regularly. She said nothing was going through the pipes and the least the town could do was to give them water. She said it would not affect the budget.

Vice Mayor Nipper said that Mayor Jarvis would be talking to the fire department about washing personal vehicles. She said the system was losing money. She said that the revenue coming in did not pay for repairs.

Councilman Chapman asked if there was a deficit of \$70,000?

Councilwoman Kube said that there were several projects that need to be done in order to prevent County charges for wastewater.

Vice Mayor Nipper said that staff was very good about letting residents know if their water bill had increased and that they could possibly have a leak.

Councilwoman Kube said that the proposed charges mirrored the Town of Louisa. Councilman Chapman asked how many people received water that lived out of town.

Reese Peck told council that there were 74 out of town users.

Councilwoman McGehee asked for the reason why council was charging a \$6 administrative fee.

Reese Peck said that administrative fees are common with the water authority. He said the town prints the bills and mails the bills. It was basically the operating cost. He said that a good part of the real estate tax revenue was being used to subsidize the system. He said that the water users should pay for the system, not the taxpayer.

McGehee said that her water bill would be about \$100 with the increases.

Councilman Chapman asked if some of the increases could be implemented in increments.

Reese Peck asked for council to let him know what to advertise as far as water and sewer rates.

However, he said rates could be looked at mid-year. He continued saying for budget purposes he could use the old figures, due to the fact there were increased revenue in some areas of the budget.

A copy of the water and sewer rates passed out at the meeting are attached to these Minutes.

Public Hearing Mineral Historic Foundation Lease

Vice Mayor Nipper opened the public hearing.

There was no public comment.

Vice Mayor Nipper closed the public hearing.

Vice Mayor Nipper said council had two leases, one that the town had prepared and one that the historic Foundation had prepared. She said that the lease presented by the town had the previous renter's name on it.

Andrea Erard, town attorney, said that she must have sent the wrong lease, but it was similar and that she was told to keep the lease consistent.

Councilman Chapman said there were things added to the lease that were not in the lease signed by the previous renter.

Erard asked if the council would like her to email the correct lease and since council had had the public hearing, vote on the matter at the next meeting?

Councilman Chapman said he did not want to wait to vote on the lease and he would prefer the lease submitted by the foundation. He said the foundation's lease contract includes such items such as the disposal of artifacts, if the foundation should cease to exist.

Attorney Erard told council she did not prefer the foundation lease.

Vice Mayor Nipper asked if the foundation could have a separate lease for artifacts.

Councilman Chapman asked why, if it could be done all in one.

Erard responded that the artifacts were personal property not real property and they did not belong in the lease.

Councilman Chapman expressed his frustration that this had come up the night of the public hearing and not 14 months ago.

Erard said that if she had known that the difference in Chapman's mind was the addition of the artifacts she would have addressed it. Erard pulled up the current lease on the computer screen for council to see.

Councilwoman McCarthy asked if the lease presented was the same, the only difference was the name. Erard said it was not.

Councilwoman Kube asked if council could come back to the lease issue and move forward with the road closures.

Vice Mayor Nipper said that Mayor Jarvis had said the road closures would be heard at the June meeting.

Councilman Chapman said that the council had voted to hear the closures at the May 24 meeting.

Reese Peck said the items were advertised as being held June 12.

With the lease on the screen, Councilman Chapman made the motion to accept the lease presented by the Mineral Historic Foundation. Councilwoman Kube seconded the motion.

Councilman Chapman said what was important to him was for the town and the Foundation be protected.

After continued discussion, Councilman Chapman withdrew his motion and made the motion to go with the lease on the screen as amended. Councilwoman Kube seconded the motion.

Rebecca McGehee – Abstain

Olivia McCarthy – Abstain

Ron Chapman – Yes

Bernice Kube – Yes

Vice Mayor Nipper – Yes

Motion Passed 3-0-2

Budget Presentation.

Reese Peck, Town, Assistant to the Mayor, made a power point presentation on the proposed FY 23/24 budget.

Power Point slides attached.

Peck explained that with an equalized tax rate of 20 cents, that the water and sewer was taking 10.31 for the next 21 years to pay for water debt. Or 52%. (which should be paying for itself instead of coming from the general fund.) He further explained that 17% of Real Property Tax (3.34 cents) is dedicated for the next 28 years to general facilities debt. (town Hall). With those funds being used, that left only 32% of Real Property Tax (6.35 cents) is available for other purposes.

He continued expressing his concern that the water and sewer was a troubled enterprise. See His figures below.

Water & Sewer Enterprise is Running an Annual Deficit

	FY22	FY 23
Water Sewer Debt Service	\$54,108	\$54,108
Repairs & Maintenance - Water & Sewer	\$425,000	\$90,000
County Wastewater Treatment	\$125,000	\$90,000
County Water purchased	\$120,000	\$60,000
Water Testing/monitoring	\$13,000	\$13,000
Water Salaries	\$13,000	\$13,000
Total Expenses	\$750,108	\$320,000
Total Revenues	\$250,000	\$250,000
Water & Sewer Budget Deficit	\$500,108	\$70,108

Peck said that the water and sewer number had been running at a deficit each year. He referenced the water sewer committee's cost such as a new well, replacing hydrants, controlling runoff, (man holes) of which none are budgeted for. He said the cost would have to be paid from the general tax base or the users that use it.

Peck told the council that one of the things really holding the town back is the accounting system. He said Patty must go and replace figures in order to have the correct amounts. Other items of concern were records management, outdated code and outdated computers. He said that even though the town is not required to have an audit due to its size, if the town wants to apply for grants the audit needed to be up to date. Other concerns were the outdated website and staff vacancies.

Peck said that one good thing for the town is that it had a healthy unassigned fund balance. He said the reason for that is that the council has not had a lot of their staff on bored. Other things that have contributed to the unassigned balance is that a lot of upgrades that were slated to be done, were never done.

He said that last years sewer project and some unknown costs were transferred to this year's operating budget just to clear so that there needs to be no more reporting.

Peck Said the town can charge normal operating expenses. So, the charges for last year's interim staff and his salary for this year, and a lot of the operating cost he charged to the grant this year. He said council has a new accounting system, which will solve these problems in the future. The current accounting system did not have all the modules needed to report correctly.

Currently the server and computers (DMV Workstations) are being replaced and records are being secured.

Councilwoman McCarthy asked if council would be able to start using and implement the new accounting system as soon as the computer systems are up and running or are we going to have to go back and hire an accountant to rectify the books before implementing the system. Peck said yes it would. It would have to be set up and accountants would help with the process. He said it should be online for the next fiscal year.

Peck said the budget included an equalized rate of 20 cents per \$100. A One cent increase in the meals tax to 6%. He said, the budget when you get into it, reflects an increase in revenues of \$74,000 (excluding any changes in the Water & Sewer rates, and a drawdown from \$122,000 of the unassigned fund balance.

He said he put very conservative revenue adjustments and increased spending by \$95,000.

The budget includes a five percent cost of living raise for staff.

Peck suggested a line item for water and sewer in the event there is an unaccounted-for cost for next year.

He said the things he needs the council to decide on is the proposed real property tax, proposed meals tax rate, water and sewer rates and other contingency line items such as recodification.

Councilwoman McCarthy asked how many items \$2,300 covered. Peck said he would have to reach out to find out the amount.

Councilman Chapman asked what the best practice was as far as how often to update the Code. Peck told the council that the companies that will be contacted have a variety of tiers of service.

Peck told council he pretty much kept the baseline of the budget from last year except where he thought there may be a major deviation. Peck went over the revenue side of the budget. Bank Tax came in \$5000 over. DMV will exceed their budget by approximately \$35,000. He said he was conservative with the projection of the interest on the Local Government Investment Pool (LGIP). Sales Tax is strong, and Meals Tax is at \$64,000 with two months to go. He said he included a one cent meals tax increase. Personal Property Tax does not get a good collection rate. He also said that the real estate tax had a poor collection rate. Peck said that staff would be working on collections.

Peck continued to cover items in the budget saying he had included a line item for overtime, which had not been included. Before he includes a 5% raise for staff with the exception of Ti-Lea Austin, who was performing some contract work.

Councilman Chapman asked why Austin was back on the payroll. Peck said it was only one or two hours a month to do contract work for VRS. He said it was very important that it be done correctly. He said she also prepared the water quality report. Peck said Austin had also talked certain DMV process through.

Councilman Chapman said that it was important that council know who was on the payroll.

Peck said that council needed to be thinking about someone to take the place of the water operator since he may be headed for retirement.

Councilwoman McGehee asked about the contract for the IT person. Peck said he was being paid an hourly rate. If he had not been on board when the equipment blew out due to old age, the office would not have been operational.

Peck continued to delve through he proposed budget. He informed the council that the internet plan in the building was a residential plan not a business plan. The new business plan will increase the speed of the DMV Internet in the office.

He said the remainder of the figures was a ball park figure but the budget would not be overspent.

Councilwoman McGehee made a motion for the mayor to notify council when someone was hired.

There was no second to the motion.

Vice Mayor Nipper asked council to wait until the mayor was present to hear his reasoning before acting on the motion.

New Business

Vice Mayor Nipper asked for Peck to cover, under new business, the accounting company and the IT person.

Peck reported that the IT equipment was \$45,000 after checking the IT person's proposal with the county and with an associate of Peck's they felt the proposal was in line with what the cost should be.

He said there were three companies considered for the accounting firm. They settled-on Brown Edwards and hoped to have a proposal by June. The company specializes in local government.

Peck said he had also looked into the development of a new webpage for the town from Civics One. He had been looking into setting up the site and if anyone wants training on how to post to it. Agenda management will begin in June.

Councilwoman Kube asked about the motion on the table.

Andrea Erard, Town Attorney, asked if there had been a second, which there was not.

Vice Mayor Nipper asked that it be tabled to the next meeting giving council time to talk to the mayor.

Councilman Chapman agreed as long as the item was on the next month's agenda.

Vice Mayor Nipper called for a motion on the tax rate

Councilman Chapman made the motion to reduce the tax rate within an equalized rate of 20 cents. Second provided by Councilwoman McCarthy.

Bernice Kube - Yes

Ron Chapman - Yes

Olivia McCarthy - Yes

Becky McGehee - Yes

Blair Nipper - Yes

Motion Passed 5-0

Vice Mayor Nioper asked for a motion to set the meals tax for FY 23/24

Councilwoman Kube made a motion to increase the meals tax by one percent to 6% for FY23/24. Second Ron Chapman.

Rebecca McGehee - Abstain

Olivia McCarthy - Yes

Ron Chapman - Yes

Bernice Kube- Yes

Vice Mayor Nipper -Yes

Motion Passed 4-0-1

Councilwoman Kube made a motion to direct Reese Peck to advertise the budget with an equalized rate of 20 cents per 100. A one percent increase in meals tax to 6% and water/sewer rates as presented. No change to all others with a contingency line of \$50,000. Second Ron Chapman.

Ron Chapman - Yes

Olivia McCarthy - Yes

Rebecca McGehee - Yes

Bernice Kube - Yes

Vice Mayor Nipper – Yes

Motion Passed 5-0

Councilman Chapman nominated Ed Kube to be appointed to the planning commission. Second councilwoman Olivia McCarthy.

Rebecca McGehee – Abstain

Olivia McCarthy – Yes

Ron Chapman – Yes

Bernice Kube – Yes

Vice Mayor Nipper – Yes

Motion passed 4-0-1

Motion to adjourn Councilwoman McCarthy, Second Councilman Chapman

Rebecca McGehee - Yes

Olivia McCarthy - Yes

Ron Chapman - Yes

Bernice Kube - Yes

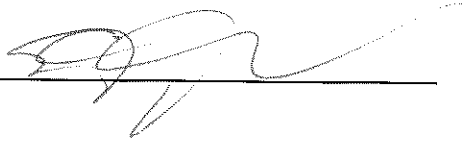
Vice Mayor Nipper – Yes

Motion Passed 5-0

Meeting adjourned

Minutes respectfully submitted by Bernice Wilson Kube, Mineral Town Council.

Mayor

A handwritten signature in black ink, appearing to be a stylized name, written over a horizontal line.

Acting Clerk

Bernice W. Kube