

Minutes of a Special Called Meeting/Budget Committee Meeting of the Town of Saltville Town Council held on Thursday, April 16, 2009 at 6:00 P.M., at the Town Hall.

PRESENT: Steven W. Johnson, Town Manager
Edward T. Asbury, Assistant Town Manager

ABSENT: Jeffrey L. Campbell, Mayor
Christen W. Burkholder, Town Attorney

Councilman Cahill called the meeting to order in the absence of the Mayor.

Councilman Cahill said he will turn the meeting over to Jeff Smith to go over what he has done pertaining to the upcoming budget.

Jeff Smith said tonight we will be working from the financial statement, the budget worksheet will be ready in about a week. Mr. Smith said the revenues did not come in like budgeted due to the economic factors. Mr. Smith said revenues generated from water and sewer weren't there, you can't blame the citizens, they are cutting back where ever is needed. Mr. Smith went over the pages where the shortfall items are at and why the projected revenues are predicted to be lower for the 2009-2010 budget.

Steven Johnson said the trash would have to go up, this is something in the contract that goes up every year.

Councilman Young asked how can we be down in sewer?

Jeff Smith said the sewer loses money every year, this is based on water consumption.

Councilman Maiden said I believe last year we decided to automatically increase the water rates 2% each year, to off-set the cost of things we are doing.

Jeff Smith and Steven Johnson both replied by saying "NO".

Steven Johnson said it was the trash that goes up 2-3% each year.

Councilman Dye said on page 14, line item number 20-360-1105 do we have this much delinquent water fees that are outstanding?

Mr. Smith said this is an ongoing issue, these will eventually be recovered, and is from year to year and years past.

Councilman Maiden asked what about the deal out at the apartments, did we ever get squared away on that meter?

Edward Asbury said the last time he talked to the lady, the people were coming down to fix the meter.

Councilman Maiden asked what are we billing for water at this location.

Tina Price said about \$1,600.

Councilman Maiden said for all those apartments this is all we are billing for.

Mr. Asbury said the problem was, they had put the wrong meter in and it had broken sometime back.

Councilman Maiden asked what was the problem that it wasn't fixed?

Mr. Asbury said he has drafted a letter stating they had 30 days to perform the action that will promptly correct the problem. Also, he is ready to send a letter certified, to cut their water off if this was not corrected in the specific time frame.

Councilman Johnson said we are losing money out there, so what are we planning to do about it?

Councilman Maiden said we cut their water off until they fix the meter and if we can we put our meter in?

Clayton Colston said this is private property, it is their responsibility to repair the meter as needed.

Councilman Johnson asked how long has this been down?

Mr. Asbury said around 10 to 12 years.

Councilman Maiden said, imagine the amount of water revenues lost each month because of the meter. Councilman Maiden said take the basic water rate and see what we are losing.

Councilman Holley said this should be about \$2,400 to \$2,500.

Councilman Maiden said we are losing about \$700 a "D - - N" month.

Colston said each time the apartment were rented, the number that was going to occupy each unit, a number list was to be presented to be calculated according on a per person basis.

Steve Surber said, one unit out there has 15 kids in one apartment.

Councilman Maiden said send the manager a 30 day warning and then put the penalty to them.

Mr. Asbury said they have already exhausted this 30 day warning.

Councilman Maiden said, to include we will penalize you \$600 a month until you get this problem corrected. Councilman Maiden said they have a laundry mat out there too.

Mr. Johnson said he and Mr. Asbury will go and talk to Janie and let her know what is coming.

Councilman Dye asked Mr. Colston how long would it take to put a meter in out there.

Mr. Colston said about a month, this is to get it ordered only. Mr. Colston said as far back as he could remember, it was in the \$20,000 range.

Councilman Johnson asked, what do we do if they call our bluff?

Tina Price said we cut their water off, the owners of the apartments are getting their money.

Councilman Maiden is the Battle Ground the same way, who owns them?

Councilman Johnson asked Mr. Colston if he knew?

Mr. Colston said Roger Allison was on the Housing Board that controlled these units.

Councilman Cahill said the quick fix would be to add the penalty if the Council wishes, until some resolution can be adopted.

Mr. Colston said you don't know how much water they are using, there is no head count.

Councilman Dye told Mr. Colston to get the price on the vault along with the meter.

Councilman Maiden told Tina Price to put the maximum penalty to them.

Councilman Young asked if the insurances has been looked into for lower rates.

Jeff Smith said quotes are on the way for the liability, and Steven Johnson is getting rates on the health insurance.

Councilman Johnson said the insurance is a big problem, this is why we are down in revenues today.

Mr. Johnson said currently our annual premium is \$229,767.00, if we keep with the same company, it will increase to \$257,000.00.

Jeff Smith said some request are in, one from the Smyth County Chamber of Commerce/Smyth County Tourism Association and form the Smyth-Bland Regional Library.

Councilman Cahill said something else with the Library, they are in need of a new heat-pump and furnace. Councilman Cahill said this is costing us a lot of dollars each year trying to keep them running.

Councilman Maiden said what size do you think they would need?

Mr. Smith said it may take a 2 ton or a 2 ½ ton.

Councilman Maiden asked we would be wise to get a commercial grade for replacement.

Councilman Johnson said we need to check with Carl Lamie and Tony Rector.

Councilman Dye went over the pay structure and rate increases that the employees should be at. Councilman Dye submitted a work sheet on raise increase depending on job classifications and skill.

Jeff Smith said he would enter all items discussed tonight on the budget worksheet to see where we stand per balance.

Councilman Cahill said once Mr. Smith retrieves the necessary information needed for the change-over from the auditors, he and the Mayor would be authorized to scheduled the next meeting.

After a motion, duly seconded, the meeting adjourned 7:15 P.M.