

BOARD OF MAYOR AND ALDERMEN

CALLED MEETING

JUNE 18, 2015

The Board of Mayor and Aldermen (BMA) met in a Called Meeting on Thursday, June 18, 2015, at 7:30 a.m., at Town Hall, 123 Boone Street, Jonesborough, TN.

Mayor Kelly Wolfe called the meeting to order and led the group in an opening prayer. Craig Ford led the pledge to the Flag.

Upon call of the roll those present were: Mayor Kelly Wolfe, Alderman Terry Countermine, Alderman Adam Dickson, Alderman David Sell, and Alderman Chuck Vest. Also present were: Town Administrator Bob Browning, Town Recorder Abbey Miller, Operations Manager Craig Ford, and Town Attorney Jim Wheeler.

Mayor Wolfe said he is appreciative of all the hard work on the 2015-16 budget by the staff, Bob Browning, Abbey Miller, Craig Ford, and Jim Wheeler. There has been a lot of focus by Town staff on the school system to make sure Jonesborough is recognized and that is why the budget process is starting late. He apologized if the Board has not had enough time to review the information on the budget, but added that this process is not going to be rushed, and if we have to pass a resolution to continue the current year budget, we will do that. Mayor Wolfe said he wants to make sure the Board has enough time to carefully deliberate on this budget and not be rushed to make decisions. He said this presentation is not a final product, and there are a lot of wants and needs by the various departments.

Bob Browning said the Budget Ordinance is different from the ones in the past because of new State regulations governing what has to be included in the Ordinance to adopt the new year budget.

The first item on the agenda was the FY2015-16 Compensation Plan. Mayor Wolfe said for the last four years the BMA has approved a 5% salary increase for all employees and during the same time period the employee share for health insurance has increased by 3% per year. He said this five year plan was the result of a salary study done by Craig Ford with the help of MTAS Consultant Pat Hardy where there was a comparison of Town employees salaries with similar positions in the surrounding areas. He said the Town is fortunate to have the caliber of employees that it has, and he is very proud of our staff and what we have done for them. He added that 2015-16 would be the final year for a salary increase of 5% for employees. He said the pay proposal is a factor in the discussion to balance the budget. Mr. Browning said the Compensation Plan does not have to be approved on two readings and can be approved at the second reading of the Budget Ordinance. Mayor Wolfe suggested not taking action on the compensation plan until we have more certainty on the budget. Alderman Vest said this would be the last year for a 5% increase and asked about approving a 4% increase for the upcoming budget year and 4% next year if necessary. Alderman Sell said he would like to wait on approving the Compensation Plan since this is his first budget as an Alderman. No action was taken on the Compensation Plan.

The next item for consideration was the Garbage Collection Fee Ordinance. There are no changes proposed for the garbage collection fees and water and sewer rates. Mr. Browning pointed out that in the Solid Waste Department an employee whose funding has been split between the Street Department and Solid Waste Fund will be fully funded in FY2015-16 from Solid Waste which increases the salaries line item for Solid Waste. He added that the lower fuel rates have been a big help this year as well as lower garbage disposal fees. He said Jeff Thomas is doing a good job, and has requested an additional employee in his budget but we have stabilized his workload with the inmate agreement. He also pointed out that we now have a back-up garbage truck if there is a problem. Mr. Browning said Jeff Thomas has changed his employee

schedule around in order to have an employee at the compost center on Saturday mornings to sell mulch and that we now deliver mulch. Alderman Dickson said the Keep Jonesborough Beautiful Board has discussed bagging mulch to sell at the Farmers Market. Alderman Vest asked why the recycling material sales fluctuate so much. Mr. Thomas said that because the market price fluctuates, he holds the recycle material until the market price is up. Motion was made by Alderman Vest, seconded by Alderman Dickson and duly passed to approve an Ordinance on first reading setting the garbage collection fees within the Town of Jonesborough as follows:

Insert Ordinance

The next item for consideration was the FY2015-16 Ordinance for setting water and sewer rates. Mr. Browning said the rates are the same as last year. Mayor Wolfe said we have a new Environmental Service Director Cobern Rasnick, and the Wastewater Plant is operating very well. He added that a letter was recently sent requesting that the Commissioner's Order be released. Mr. Browning said the Discharge Permit into the Nolichucky River has to be renewed and Mr. Rasnick is already working on that also. Mayor Wolfe said Mitch Triplett is the interim Director at the Water Treatment Plant and added that he is proud of all the employees in the water and sewer systems. Motion was made by Alderman Dickson, seconded by Alderman Sell and duly passed to approve an Ordinance on first reading establishing the water and sewer rates to provide the necessary funds for the operation and maintenance and debt service of the Jonesborough water and sewer systems as follows:

Insert Ordinance

The next item on the agenda was the 2015-16 Ordinance setting the 2015 property tax rate. Mayor Wolfe said there are a lot of things that have to be considered in setting the property tax rate. Ms. Miller said the comptroller's office wants the revenue and expenses projected correctly which includes operating expenses, capital expenses, anticipated debt payments, etc. and pointed out that the new budget ordinance format is now required by the State finance office. She said the State wants the Town to accurately project all expenses and that we have the revenues to cover the expenses. Mayor Wolfe said the General Fund is \$250,000 out of balance. He suggested the Town pass a rate to get started and then before the second reading, discuss and negotiate the rate in depth. Mr. Browning said a property tax rate has to be passed in order to proceed to second reading, but that the rate can be changed between first and second reading. He added that if the rate is passed and advertised, then it could be lowered on second reading, but if the rate is higher on second reading, it has to be re-advertised. Mayor Wolfe asked that the BMA schedule a budget workshop to discuss all that needs to be considered and at that time pass a continuing resolution for the current year budget. He said we do not need to pass something today unless the Board is comfortable with it. Mayor Wolfe suggested passing a property tax rate at the current rate and then schedule a budget workshop, and if we need to increase the rate as a result of the workshop, then we can. Alderman Vest said he does not support a nineteen cent increase in the property tax rate. Mayor Wolfe said a tax increase is not anyone's preference and we try to spend wisely tax payer hard earned tax dollars and still do what we need to do. Alderman Vest said we need to look at the expenditures very carefully. Alderman Dickson said he likes the idea of having a workshop and talking with Town staff. He said when you are a citizen you have your opinion about elected officials, and now that he is an elected official, he understands much better that government is a real deal and how important it is to discuss the budget in detail. Alderman Sell said he is not in favor of a tax increase. He said he knows how it is to budget crunch and tighten your belt, and said he feels we need to look at where the Town can do this. Alderman Countermine said he feels we need to look at the quality of life provided in Jonesborough and that there is a cost in providing the services and the unique quality of life to our citizens that other communities do not offer. Alderman Vest said he feels a lower tax rate will contribute to the quality of life for the people of Jonesborough, and that we can trim items from the budget to make it balance rather than increasing the property tax rate. Alderman Sell said a lot of people have stated to him that the reason they moved to Jonesborough was because of the lower

tax rate. Abbey Miller said the current tax rate is \$1.3105. Ms. Miller said the rate would have to be changed in Section 10 of the Ordinance and then the tax revenue adjusted accordingly. Alderman Vest made the motion seconded by Alderman Sell and duly passed to approve on first reading the Ordinance of the Town of Jonesborough, TN, adopting the General, Solid Waste and Drug Fund budgets and the property tax rate for the fiscal year beginning July 1, 2015, and ending June 30, 2016, with the tax rate set at \$1.3105 and with the property tax revenue being calculated accordingly. Attorney Wheeler said there will be some minor formatting changes that will need to be done for second reading.

Insert Ordinance

Mr. Browning said the Water and Sewer Fund budget does not have to be passed by Ordinance and can be passed by Resolution at the next BMA meeting.

Mayor Wolfe asked that a Budget Workshop be scheduled for June 29, 2015, at 6:00 p.m. Mayor Wolfe suggested that Board members meet with Bob and/or Abbey and/or Craig about the budget before the workshop to discuss any questions or concerns they may have and to get a better understanding of the details of the various budgets. Ms. Miller said she will wait to place the budget notice in the paper until after the workshop.

The meeting was duly adjourned.

ABBEY MILLER, RECORDER

KELLY WOLFE, MAYOR