

BOARD OF MAYOR AND ALDERMEN

CALLED MEETING

JUNE 20, 2016

The Board of Mayor and Aldermen (BMA) met in Regular Session on Tuesday, June 20, 2016, at 7:00 p.m., at Town Hall, 123 Boone Street, Jonesborough, TN.

Mayor Wolfe called the meeting to order. Alderman Dickson led the group in opening Prayer and Mayor Wolfe 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 the FY2016-17 Compensation Plan and the General Fund, Solid Waste Fund and Drug Fund budgets are the items for discussion at this meeting; water and sewer rates were passed on first reading at the last meeting and will be brought back for second reading at the next meeting.

Mayor Wolfe said there is a write up by Mr. Browning on the Water/Sewer Fund included in the packet for this meeting. He said that at the last BMA meeting changes to the water and sewer extension policies were approved, and these policies will lessen the burden on the Town in terms of costs associated with those extensions, both in material costs and employee hours. He said seven years ago the Town had about a 60% water loss, and at this point the Town has a 27% water loss, and we will continue working to improve this. He said there is debt being paid off this fiscal year which will reduce debt service in the Water and Sewer Fund by \$61,542.89. He said there is between \$800,000 to \$1,000,000 in reserve funds in the Water/Sewer Fund. Mayor Wolfe said that Bob Browning, Craig Ford and Abbey Miller are working on a packet for the next meeting for capital expenditures in the Water and Sewer Fund, including a new directional boring machine, a new service truck, a third pump at the Rock House Road pump station, a new camera system for Wastewater and a redundancy pump at the sewer influent pump station. He said to purchase these items Bob Browning and Abbey Miller are looking at three options: (1) issuing a capital outlay note, (2) using reserve funds, and (3) including the purchases in the 2016-17 budgeted expenses.

Mayor Wolfe said there is a list in the packet of personnel items included in the budget. In the Water Distribution budget there are vacancies for two Water Worker I positions which amounts to about \$35,000 in salary and benefits for each position. He said this would be a \$70,000 savings if these positions were frozen and not filled in the 2016-17 fiscal year, and these savings would help to purchase the capital items needed. Mayor Wolfe said that Mike McCracken's crew does a fantastic job, but he feels we are

at a point where we could reduce the staff level in Water Distribution because we have fine tuned the system with the water loss program and other efforts. Mr. Browning said he does not feel this is a good time to eliminate these positions because we have a CDBG grant to improve the system, and the Water Distribution staff will be replacing the galvanized lines and cast iron lines, and there are still around a thousand meters that need to be replaced in the system. He said these two positions could pay for themselves with the reduction of water loss and in additional revenue with the meter replacement. He said he has asked Mike McCracken for information, which he has provided, and he will get it to the Board when the Water and Sewer Fund budget will be approved by Resolution on June 30th. Mayor Wolfe said there are fifteen employees in Water Distribution, and when it rains, they are not out installing water lines. He said there needs to be a rainy day list for tasks that can be taken care of such as the replacement of meters. He said there are approximately 700 meters that need to be replaced. Mr. Browning said one of the vacancies was created when Mike Kincheloe transferred to the Water Plant Operator position and the other one was left vacant when the employee went to work in Erwin. Alderman Vest said this is a high turnover position and maybe the Board needs to look at the level of pay. Mayor Wolfe said in his business he has a rainy day list and a sunny day list of work projects. He said with the number of employees in Water Distribution, the first item on the rainy day list should be replacing meters. Alderman Vest said he would like to see these two positions eliminated and the pay of the remaining employees be increased. Alderman Vest asked if a Water Worker I is a general laborer position, and Mr. Ford said it is. Mayor Wolfe said he would like a decision on these two positions before the Water and Sewer Fund budget is finalized at the next meeting. He added that the Board has frozen positions before, and under the new water line extension policy, our staff would not be working on laying water lines in subdivisions in the county. Mr. Browning said that is true with sewer but Water Distribution staff would be laying water lines in the County subdivisions but the contractor would pay full price for tap fees with no credit for material costs. Mayor Wolfe said the County will not let our staff cut roads anymore, and we will have to bore under the roads to install lines. Motion was made by Alderman Vest to freeze the two vacant positions in Water Distribution and use the savings for the purchase of needed equipment. Alderman Dickson reiterated that Mr. McCracken has submitted a plan to Mr. Browning. Mr. Browning suggested eliminating the positions because if the positions are frozen, the funds would have to remain in the salary line item and not free the money for purchasing equipment. Alderman Vest amended the motion to eliminate the two positions in Water Distribution in the 2016-17 budget, seconded by Alderman Sell and duly passed.

The next item on the agenda was the approval of the Compensation Plan for FY 2016-2017. Alderman Sell asked if the additional proposed salary increases were in addition to the 3% that all employees were receiving. Mr. Browning said some of the employees were moved to an exempt status, all employees received at least a three percent raise and some received more than 3%. Mayor Wolfe said he was pleased to see some of our staff receiving their certifications. Mr. Browning said there will be a few minor additional adjustments in staff compensation in Wastewater. He said he wants to go over the plan one more time to make sure all the employee position terminology is

correct. Mayor Wolfe said there was a time when employees worked for the Town because they were born and raised here or they desperately needed health insurance; they did not work for the Town for the pay. He said that before the Town modified its pay scale, Pat Hardy, MTAS representative, said he did not know how we could get anyone to work for the Town. He added that the Town leaders care about the staff and we now pay them well and expect them to do their jobs well. He said he is proud of Bob Browning, Craig Ford, and Abbey Miller for all their work in getting employee pay to a more competitive level. Mr. Browning said we have quality people working for the Town. Alderman Countermine made the motion, seconded by Alderman Dickson and duly passed to approve the FY2016-17 Compensation Plan, which includes a 3% increase for each permanent employee and elimination of the two vacant Water Worker I positions in Water Distribution. Alderman Vest asked what the minimum amount of hours that exempt employees work a week, and Mr. Browning said forty hours.

Alderman Vest said social media, marketing and related positions are going to be extremely important as we go forward, and it appears the Town has multiple employees doing those tasks. He said he feels we need to look at how the Town is being marketed and if one full time person could perform all of these tasks. Alderman Sell said he would like to make sure that job tasks are not overlapping, and would like to see the job descriptions of these positions. Mayor Wolfe said the Board had asked for a presentation from Terry Alexander, Melinda Copp, Alicia Phelps, and whoever else is involved in the marketing and internet sites for the Town. He said this has not been done and the Board is being asked to approve these positions without the information requested, and that between now and the next meeting, this information needs to be provided to the Board. Mr. Browning said he has received the information and it will be sent to the Board before the next meeting. Mayor Wolfe said we have seen the positive effect of social media in the marketing of Wetlands Water Park. Alderman Vest said he thought we had hired a person to perform social media marketing, but the position is listed in the 2016-17 budget as vacant. Melinda Copp said the new position is Social Media and Promotion Coordinator, and the current social media employee was only hired through the end of the 2015-16 fiscal year and the salary is being split between Main Street and Senior Center. Mr. Browning said the new position is in the General Fund in the General Administration Department.

Mayor Wolfe read the following caption: An Ordinance of the Town of Jonesborough, Tennessee, adopting the annual General Fund, Solid Waste Fund, and Drug Fund budgets and setting the property tax rate for the Fiscal Year beginning July 1, 2016, and ending June 30, 2017. Mayor Wolfe said several years ago when it was time for the police car lease renewal, the Board delayed the renewal for one year and saved approximately \$100,000. He asked Mr. Browning how much garage time was used in the current fiscal year for the police cars coming up for replacement. Mr. Browning said the police cruisers are given priority on maintenance and added that year-to-date expenditures have been about \$13,000 and that \$22,000 was budgeted for FY2015-16. Mayor Wolfe said he wants the officers to have safe and dependable vehicles, but by delaying the police vehicle lease renewal for a year, he feels that the \$100,000 could be used to pave streets, make major intersection repairs, and take care

of other pressing needs. He said when a pothole jars a driver and throws the car to the side of the road, it is a public concern. He suggested stretching the life of the police cruisers for one more year and use that money for paving and street repairs. He said in the past if there was a rough spot in the road, the whole road was paved, but that is a luxury we can no longer afford. He said he would like to pull the consideration of new police car funding for one year and put those funds toward intersection improvements and paving in 2016-17.

Mayor Wolfe said the next item he would like to discuss was the McKinney Center. He asked how the rental income at the McKinney Center is doing this year in comparison to last year. Mr. Browning said rentals are down this year largely because last year there was a church renting the facility and it moved to another location. He said he will be working with Abbey Miller to provide information to the Board on the McKinney Center, including the balance of the donation from the Mary B. Martin family which is in reserves. Mayor Wolfe asked what the deficit is for actual rentals vs. budgeted rentals. Mr. Browning said actual rentals are projected to be \$15,000 instead of the budgeted amount of \$30,000. Mayor Wolfe said an important role this Board plays is oversight of Town operations, but not to micromanage. He said a couple of years ago the Board was very concerned with the Wetlands Water Park operation because of the \$150,000 loss which was unacceptable. He added that the next year the BMA challenged the staff to reverse the trend and Wetlands lost only \$30,000. Mr. Browning said with the heat the way it is now, the park is doing great, and it is possible that we can break even this year. Mayor Wolfe said the Board did their job constructively and gently, and he feels the same attention needs to be given to the McKinney Center. He said that before the June 30th meeting he wants Bob Browning, Abbey Miller, and Craig Ford to devise a plan that helps rectify the short fall at the McKinney Center. He added that he knows parking is a problem at the McKinney Center, but there is a plan to fix that situation. He said he wants to see a different marketing strategy and a plan for use of the Center. He said there has been a lot of money spent on this building and a lot of pride invested there, and it is up to the Board to see that it is durable and sustainable.

Alderman Sell said he agrees completely with the Mayor's comments. He said the Board needs to look carefully at everything we are doing, and added that he supports all the projects and programs that we have going on, whether it be the McKinney Center, Jackson Theatre, or others. He said we need to make sure there is a cash flow analysis and a business model plan for each program to give us an idea of what kind of revenue will be generated and what expenses will be incurred. He said all of these projects need to be evaluated carefully to make sure we are not throwing money down a bottomless pit.

Mayor Wolfe said he read an article in the Wall Street Journal that stated that retailers who are having to compete with internet sales are having to close stores in order to survive. He said retailers operating in the world of the internet and the world of Amazon are having to close stores in order to survive. He said economic development as we have known it is on its way out, and the internet is becoming a central purchasing point for a lot of people. He said in Jonesborough you bring folks into a unique setting

because Jonesborough businesses don't sell on the internet. He said many of the businesses downtown are unique because they are mom and pop businesses and offer products that you cannot always find on the internet. He added that doing what the Town has been doing for so long has set the Town up perfectly to survive this new internet economy. He said this investment is exactly what will continue to pay dividends to the Town.

Alderman Dickson said he agrees with the Mayor's comments and feels investments in the quality of life are sound investments and will pay off sooner rather than later, but also agrees that there should be a structured plan for Town programs and projects. He said when he looked at the General Fund revenues, he felt the Mary B. Martin education fees amount looked good. He said young people and adults like the programs being offered at the McKinney Center. He said there is a difference in enhancing and improving the programs because "improving" has a negative connotation; the programming at the McKinney Center can be enhanced. Mayor Wolfe said he did not mean anything negative by his comments; if we have set a rental budget and are not meeting it, then we need to figure a way to meet it or change the budget. Alderman Sell asked how the Town keeps from competing with other Town facilities such as the rentals at the McKinney Center, Senior Center, and Visitor Center. Mr. Browning said there is coordination between the different facilities; when Mary Sanger put her rental package together, she used the Visitor Center rental package as a guide. He said each facility has different things to offer; if you need classroom space, you go to the McKinney Center; if you need a big open dining room space, you go to the Senior Center or Visitor Center. Mr. Browning said at the next BMA meeting a plan will be presented where the rental of the Visitor Center and McKinney Center will both be handled by Amber Crumley who does an excellent job with the rentals. He added that the rentals at the Senior Center are more orientated to programs with the seniors, and the Senior Center fees are more in line with the McKinney Center and both of those are higher than the Visitor Center rental fees. Alderman Vest said he feels having one person to call for Town facility rentals is a must and a good move. Mayor Wolfe said Amber Crumley has proven to be very good at this. Mr. Browning said Ms. Crumley works with the Storytelling Center rentals also. He said our team of people meet on a regular basis and go over marketing, rentals and things like that, and the fees for the rental of the facilities will be on the new website with the contact information listed. Alderman Vest said the membership fees at the Senior Center may need to be looked at in the future. Mayor Wolfe said the fee for Town residents needs to be as low as possible because they are footing the bill for the Senior Center. Alderman Vest said even a \$5.00 per month membership fee would generate a good sum. Mr. Browning said membership has increased tremendously since moving to the new facility, and there are fees for some of the classes at the Senior Center in addition to an annual membership fee.

Alderman Countermine said he has lived in Jonesborough for almost twenty-six years and the population has more than doubled in that time. He said people want to live in Jonesborough and they move here for the quality of life; the reason this Town is growing is the people want to live here and the reason they want to live here is because of Music on the Square, Visitor Center, JRT, Farmers Market, McKinney Center, Main

Street programs, Wetlands Water Park, recreation programs, Brews and Tunes, Senior Center, Storytelling Center, and the good Public Safety Department. He said he randomly stops people and asks them how long they have lived in Jonesborough and why they moved here; they say they moved here because of the quality of life. He said that is why we have a good tax base. He said it is important that we invest in these programs that contribute to the quality of life. Mayor Wolfe said he feels that all of the Board members agree with that.

Mayor Wolfe asked Mr. Browning if the State Street Aid money has to be used for repairs on a state route only, because that is his understanding. Mr. Browning said that is not correct; the use of State Highway Maintenance Contract money is for state routes only and the budgeted State Street Aid money can be used for paving. He said he is not suggesting that the Board not do what it wants to do, but he is suggesting that Mr. Ford, Wally Sparks and Mayor Wolfe get together and detail out the paving projects that need to be done in the 2016-17 fiscal year along with the estimated cost and see where it falls in the budget before the Board pulls the funding for the purchase of new cars in the Police Department. Mayor Wolfe said Shell Road is going to take most of the money budgeted for paving. He said we are in the middle of that project and the County is already paving their part of Shell Road. Mr. Ford said the Town's cost to pave Shell Road will be approximately \$80,000.

Mayor Wolfe said the three things he has brought up in this discussion are (1) a plan to be presented to the BMA plan for the McKinney Center to help achieve the goals there; (2) to put the purchase of new Police vehicles off for a year and to use those funds for paving; and (3) a detailed account of the internet and marketing plan for the Town and how they interact with each other. Alderman Sell said he feels that once the budgets are passed, no projects should be undertaken if they are not budgeted. He said the budget needs to be set and adhered to without borrowing any more money. He said he is not anti-growth or anti-quality of life but he looks at dollars and cents, what we can pay for and what we cannot, and what we need and what we do not need. He said he is not trying to be negative, but feels that once the budget is passed, we must adhere to it.

Mayor Wolfe said the General Fund Budget Ordinance sets out the proposed capital projects for 2016-17 fiscal year and is in a format required by the State Finance Office. Mayor Wolfe told Chief Fritts that he did a great job on piggybacking with Newport on the purchase of a fire truck and getting a 2% interest rate.

Mayor Wolfe said the tax rate remains the same as last year; the Solid Waste Fund reflects the garbage rate increase that was passed on first reading at the last meeting, and there will be a second reading at the June 30th meeting.

Motion was made by Alderman Countermine, seconded by Alderman Dickson, and duly passed on first reading to approve the Ordinance of the Town of Jonesborough, TN, adopting the annual General Fund, Solid Waste Fund and Drug Fund budgets and setting the property tax rate for the Fiscal Year beginning July 1, 2016, and ending June 30, 2017, as follows:

INSERT ORDINANCE

There being no further business the meeting was duly adjourned.

ABBAY MILLER, RECORDER

KELLY WOLFE, MAYOR