

BOARD OF MAYOR AND ALDERMEN

CALLED MEETING

August 29, 2019

The Board of Mayor and Aldermen (BMA) met in a Called Meeting on Thursday, August 29, 2019, at 1:00 p.m., at Town Hall, 123 Boone Street, Jonesborough, TN.

Mayor Chuck Vest called the meeting to order. Alderman Dickson led the group in an opening Prayer, and Ruth Verhegge led the pledge to the Flag.

Upon call of the roll those present were: Mayor Chuck Vest, Alderman Stephen Callahan, Alderman Virginia Causey, Alderman Terry Countermine, and Alderman Adam Dickson. Also present were: Town Administrator Bob Browning, Town Recorder Abbey Miller, Operations Manager Craig Ford. Town Attorney Jim Wheeler was absent.

The first item on the agenda for discussion was the FY2019-20 Budget Workshop with Supervisors. Mayor Vest asked Bob Browning to lead the discussion on the budget process. Mr. Browning said that Department Heads were told back in the spring to start their budget preparations, and he appreciates the work they have to put into it. He said part of that process is taking a look at where they are in their operations and what their goals are for the coming year because they have to be thinking about where they want to be and what kinds of improvements need to be made in order for those things to be reflected in their budget requests. He said there is also a reality component to the budgeting process which really falls more to him and Town Recorder Abbey Miller. Mr. Browning said in looking at the department requests, they have done an excellent job of not padding their budgets because they know it is a useless effort when it gets back to him. He said he greatly appreciates their efforts and knows that sometimes the Department Heads get frustrated because there are needs within the department, but when you do a reality check in terms of what we are capable of financially, it doesn't exactly come out like everybody would like it to. Mr. Browning said staff has certainly worked hard to try to get the critical components of our operation in the budget, and there is always room for improvement. He said if you look at the unappropriated amounts in Water/Sewer and General Funds, they are minuscule. Mr. Browning said he has presented a balanced budget for each fund. He said there have been some additional personnel requests, and he has tried to look at those, especially as it relates to promotions and position descriptions, and he will continue to look at those before second reading. He said that after the Town received the equalized tax rate from the State, because of the property owner's appeals process, the total assessment values have gone down, but the State doesn't change the Town's equalized tax rate accordingly. He said in order for the Town to compensate for the assessments going down which results in lost tax revenue, it falls on the Board of Mayor and Aldermen to make up for the lost tax revenue by increasing the tax rate. He said with him and Ms. Miller working together, she has checked the assessment progress several times, and every time she has checked it, he has had to reduce the revenue projection for property tax because the assessment values keep going down. Mr. Browning said

the way it is right now, we are losing property tax revenue that we would have received if the equalized tax rate had not been established. He said he has met with Department Heads to discuss their budgets and why he made any changes to their budgets. He said we are always looking for creative ways to solve problems and there is always a pledge from him that he will continue working on ways to get us where we need to go. He added that it is really hard to add manpower when we are operating as tightly as we are financially.

Mr. Browning said if there is any Department Head who wants the opportunity to talk directly to the Board, he or she is certainly welcomed to do that. Mayor Vest asked if there was any Supervisor wishing to address the Board. Mr. Browning said the staff did a really good job of giving the Board information on the reasoning for their requests.

Alderman Countermine asked when a property owner appeals an assessment, who makes the decision as to the validity of the appeal. Mr. Browning said the Board of Equalization hears the appeals. Alderman Countermine asked if that board is in Nashville. Mr. Browning said it is locally in Washington County and the board is given authority to make adjustments to the assessment value based on the presentation of each property owner. He said the Board of Equalization is not making recommendations but actually making decisions, and the owner is sent the board's decision after it is made. Alderman Causey said she appealed her tax assessment, met with the Board of Equalization and received its decision in about 45 days, and her assessment went down. Alderman Countermine asked how much in terms of appeals has the Town lost. Mr. Browning said as of Friday, August 23rd, we had lost \$23,000 in tax revenue and the appeals are still going on. Alderman Countermine asked how much longer will appeals be heard. Mr. Browning said it is his understanding until mid-September when they cut them off, but he does not know the exact date. Mayor Vest said that the equalized rate comes from the State before all the assessment changes are made and then after the fact, the Town will have to adjust its tax rate as the total assessment values go up or down. Mr. Browning said just in terms of expectations of the number of appeals, when the Town's tax rate drops from \$1.3105 to \$1.1328, that is a significant drop in property tax revenue. He said in order for the equalized tax rate to drop that much, the assessment values had to increase significantly, so you can imagine the value of the individual properties went up significantly and people are going to appeal those. Abbey Miller said what hurts also is all the new properties that came on the rolls in 2019 are taxed at the lower equalized rate. Mr. Browning said the Town loses money just by default because the new properties are at the equalized tax rate of \$1.1328 instead of the current rate of \$1.3105. Mayor Vest said that is a significant drop. Ms. Miller said where we are right now on total assessments, the projected increase in tax revenue over last year is only around \$21,000. Mr. Browning said at a \$1.3105 the Town was one of the lowest tax rates in the region, and he can't imagine anyone being lower than the \$1.1328 rate. Mayor Vest said he feels the Town must come out whole, and cannot go into the new budget year with less revenue than the previous year.

Ms. Miller said we have already spent the proposed amount in the paving budget, so there is no money left in paving. Alderman Countermine said we want to be fair to the departments. Mayor Vest said it seems no Supervisor wants to come up and plead his or her case, which is fine. Alderman Callahan asked when the term of the two seasonal Parks and Recreation employees would end. Mr. Browning said they were approved by the Board through June 30th, and the intent when the positions were approved was essentially to go from the end of March until the end of September. He said the funds appropriated for those two positions was through the end of the fiscal year, so with the continuing Resolution, those two positions have remained in place. He said in the 2019-20 budget there is only one seasonal worker included. He said Matt Townsend has requested that the current seasonal worker be made full-time. Mr. Browning said Ms. Miller has provided information that in order for that individual, not the position, to be made full time will be an additional \$9,052 due to health insurance, retirement, and additional payroll taxes. Alderman Callahan asked if there are available funds in the budget to do this. Mr. Browning said right now the unappropriated amount in the General Fund is \$642. He said either the revenue has to increase which would occur if the Board makes the property tax revenue whole again by increasing the tax rate to a true equalized rate, or you cut expenses somewhere within the Parks and Recreation Dept. which would be difficult to do. Alderman Callahan said he would like to see the Parks and Recreation Dept. position be made full-time. Alderman Causey said with the added responsibility of the Recreation Dept., she feels the Board should find the money to fund that position and eliminate the seasonal position. Mayor Vest asked how often we go through this reappraisal process. Ms. Miller said every five years, and the tax rate has never decreased as much as this time since she has been the Recorder. Mayor Vest said it seems kind of backwards that the State sets a rate before all the reassessments are completed. Ms. Miller said the State set the rate June 6th which was a good while before the appraisal appeal hearings ever started. Mayor Vest said we can't let the State system harm us so we will have to set a tax rate that will make the Town whole. He asked the Aldermen if they had any more discussion. Alderman Causey asked if the Board will have the recommended tax rate proposal at the next meeting to compensate for the lost tax revenue. Mr. Browning said we have to advertise the Board's intent to exceed the equalized rate. He said what he is recommending to the Board is at least a \$0.02 to \$0.05 increase over the equalized rate. Alderman Causey asked if the Board does that, could we fund the Parks and Recreation position. Mr. Browning said there would be funding to do that, if that is the Board's desire. Mayor Vest said we can't take a financial loss because of the reappraisals. He asked if there was any other discussion about the issue. There was none.

The next item for discussion was the FY2019-20 Compensation Plan. Mayor Vest said Ms. Miller provided some numbers for him to look at. He said it is a good Compensation Plan with only a 1.09% increase in total budgeted salaries over last year, but it gives employees a 3% increase. He said he feels it is all appropriate and appreciates the conservatism in the Compensation Plan. He asked the Aldermen if they had any comments. Alderman Callahan said he thinks it is great giving a 3% increase to employees. Mr. Browning said he would like to point out a couple of things in the

Compensation Plan. He said included in the Compensation Plan is a recommendation for two position descriptions. He said one is adding a Chief Operator in Water Treatment with Luke Cole being promoted to that position; the other is in the Recorder's Office with Kaylea Butler being promoted to the Staff Accountant position. Mr. Browning said there are some other personnel requests that he included in his narrative to the Board that can be considered on second reading; however, the budget before the BMA tonight includes those two positions, but there are no other new positions or promotions included in the budget at this point. He said you only have to approve the Compensation Plan on one reading. He said it would be fine to go ahead and do that and come back and make any further adjustments to the Compensation Plan at the next meeting. Mr. Browning said if you approve the Compensation plan tonight as presented, then that gives the Recorder's Office the opportunity to begin inputting the new salaries because the plan would be retro-active to the first of July. Mayor Vest asked if the Board has two options, to make the compensation plan retro-active or effective from this point. Mr. Browning said the recommendation is to make the Compensation Plan retro-active to the first of July. Mayor Vest asked the Alderman if they had any comments about the Compensation Plan. Alderman Countermine said he agreed with Mr. Browning, because typically we have a new budget by July 1 and that's when the raises should take effect. Mayor Vest said if there is no more discussion, he would entertain a motion to approve the Compensation Plan as presented. Alderman Countermine made the motion to approve the FY2019-20 Compensation Plan as presented retro-active to July 1, 2019, as recommended. The motion was seconded by Alderman Callahan and was duly passed.

The next item for discussion was first reading of 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, 2019, and ending June 30, 2020. Mayor Vest said the budgets are lean. He said he appreciates and supports the appropriation for the Paws In Blue program and the K-9 Officers; they definitely make our community safer, and it is good we have that program in Jonesborough. Mayor Vest said he recommends passing the same property tax rate as last year. Ms. Miller said she has to publish the tax rate and budgets, and if the Board is entertaining increasing the tax rate above the equalized rate, she has to publish that notice separately and it has to be published ten days before the second reading so she needs to know the Board's desire tonight. Mayor Vest recommended the Board approve a \$0.05 increase over the equalized tax rate. Mr. Browning said the Board needs to adopt the equalized tax rate and then change the rate at that point. He said this budget is based on the \$1.1328 equalized rate and in order to change it, Ms. Miller needs to know what that change would be in order to publish it, but the final rate would be voted on at the second reading. Ms. Miller said she just has to publish that the BMA anticipates exceeding the equalized rate. Mr. Browning said the Board could recommend tonight a \$0.05 increase but could adopt a lower rate on second reading. Ms. Miller said you can adopt a final rate less than the \$0.05 increase on second reading but not more. Mr. Browning said if you approve this budget and the equalized tax rate of \$1.1328 on first reading, you can approve an increased rate on second reading. Mayor Vest said he feels we should advertise a rate \$1.20, and then the Board

could go down from there. Alderman Countermine agreed; he said there are other needs in other departments. Mr. Browning said Attorney Wheeler asked that Mayor Vest read the caption of the Ordinance. Mayor Vest read the caption "Ordinance No. B-19-01 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, 2019, and Ending June 30, 2020". Ms. Miller said the tax rate in the Ordinance is the equalized rate of \$1.1328. Alderman Callahan said he didn't know if this was the right time to bring it up, but he has spoken with several people including some staff, and one thing that he sees an immediate need for and something we need to start working on is adding an extra firefighter and police officer. He said he recently learned that we haven't added personnel in those departments since 1995 and that blows his mind a little considering how the Town has grown. He said we are having a lot more events downtown, and it would be great if we could increase our staff especially for the bigger events. Alderman Callahan said he thinks moving forward, if not this year then next year, we need to increase tax revenues in order to fund these positions. He asked if the tax rate were increased by \$.06, would that be enough for additional fire and police personnel. Ms. Miller said it would come close. Mr. Browning said he put in his commentary on the General Fund that he thinks this should be a high priority and is suggesting that Craig Ford, Police Chief Street and Fire Chief Fritts and he work together to come up with a comprehensive plan to address the Public Safety issues and bring a plan to the Board that deals with everything including manpower issues. Mr. Browning said there are the other things that go along with an increase in personnel like vehicles, radios, equipment etc., that must be factored in. Mr. Browning said for a number of years there was a grant program where you had a three-year period to add public safety staff and asked Craig Ford if that program still existed. Mr. Ford said there is one for police and one for fire for basically a three-year period. He said the first year, as an example, the federal grant pays 75%, then 50% and then 25% of the costs of additional staff over a three-year period which gives the local jurisdiction time to prepare to take the full salary and benefit package on in the fourth year. He said there are also provisions in those particular grants where you have to ensure employment for those individuals a minimum of a full budget cycle after the grant runs out. He said for example if the grant runs out in October, then the Town would have to continue to employ those people until June 30th and then one more full budget cycle; that is because if the federal government is putting the funding into manpower in local agencies, they expect those local agencies to maintain that staffing level once they hire additional personnel. Mr. Ford said if you have ten officers and you hire five more with grant funding, then the federal government expects you to maintain those fifteen officers once the grant runs out. He said the last PSO Officers the Town hired were under that Cops Grant, and he thinks the grant paid \$6,000 - \$8,000 per an officer which provided a cushion to basically start weaning the Town to take over those salaries. Alderman Callahan said that is definitely something the Town should look into. Mr. Browning said those are the kinds of things we need to explore. He added that there is some debt being paid off in the Police Dept. next year that puts the Town in a cost-sharing position. He said from a population standpoint we are not too bad off in terms of the number of police officers the Town employees, but if you look at what the police deal with, besides the downtown events, 30,000 plus people come through

Jonesborough every day. He said we don't get our allocations from the State based on pass-through traffic; it is based on population. Mr. Ford said there are different formulas for the number of recommended officers such as officer to population ratio but the challenge is factoring in the transient population as well. He said a prime example is in the last statistics he looked at, Jonesborough had a higher resident population than Gatlinburg, yet Gatlinburg has about 75 officers on its force. He said obviously that is based on the number of tourists they deal with day in and day out, but if you looked at only the population, they would have twelve officers. Alderman Causey asked Mr. Ford if he could get the grant information to the Board for the next meeting. Mr. Ford said he would. He said the Federal government operates on an October 1 – September 30 fiscal year, and we may have missed the funding deadline for this year. Mr. Ford added that we also have to look at the big box retailers like Food City, Ingles and Lowes where people are visiting for an hour or so each day but don't live inside the city limits of Jonesborough but we are still responsible for the safety of that transient population. Mr. Ford said we have around 10,000 – 12,000 vehicles on Main Street daily. He said all of this causes an increase in calls for police and fire services with traffic accidents, medical problems, thefts, and a whole gambit of issues that have to be dealt with from the public safety side. Mayor Vest said the 2018 tax rate was \$1.3105, the equalized tax rate is \$1.1328, and the recommended rate for the Town is \$1.20. Mayor Vest asked the Aldermen if they had any further comments. There being none, the motion to approve on first reading the adoption of the annual General Fund, Solid Waste Fund and Drug Fund Budgets and setting the Property Tax Rate, increasing the equalized rate of \$1.1328 to a new rate of \$1.20 for the Fiscal Year beginning July 1, 2019, and ending June 30, 2020, was made by Alderman Dickson, seconded by Alderman Countermine and was duly passed.

INSERT ORDINANCE

The next item for discussion was first reading of an Ordinance establishing Garbage and Refuse Collection Fees for FY2019-20. Mayor Vest said he would like to see the service charge fee for establishing garbage service be increased from \$40 to \$50. Alderman Callahan asked what effect an increase in the service charge would have on the Town's ability to get a new garbage truck. Mr. Browning said we have put \$180,000 aside in Solid Waste to help pay for a new garbage truck. He said adding the \$10 increase to the service charge equates to about \$3,000 in additional annual revenue. Mayor Vest said we are putting money aside monthly to purchase a new truck. Mr. Browning said we budget \$60,000 annually to be put in reserve for new equipment. He said we are very fortunate to have a top-notch \$400,000 front loader garbage truck that we were able to get through military surplus. Mr. Browning asked Solid Waste Director Jeff Thomas about the cost of a new Heil garbage truck. Mr. Thomas said the average cost is \$300,000 - \$400,000. He added that the City of Johnson City recently purchased them at a cost of around \$252,000 because they purchased six of them at the same time. Mr. Browning said that maybe we could partner with Johnson City the next time they order to help bring down our cost, and we are going to look at every opportunity to purchase a truck as cost-effectively as possible. Alderman Dickson said he appreciates the innovation of the Solid Waste

Department in terms of playgrounds. Mr. Browning said the Town has the equipment to produce the mulch for the playgrounds; it's just mainly getting organized in the way that we pick up brush, and we have to get some cooperation from residents. He said the criteria for playground mulch is hardwoods of a certain size, and cannot be conifer and evergreen woods. He said the tub grinder is an amazing piece of equipment, but we have to separate out the brush. Mr. Browning said an air burner, which has been discussed, would aid in getting rid of invasives and other items that we really shouldn't be grinding to begin with and cut down the size of what we are putting through the tub grinder so that we are not taking the grinder beyond its intended capabilities. He said we need to work with our residents to help with the separation and figure out somehow in the brush truck to have a separate area for invasives. Mayor Vest asked if there was any more discussion concerning the garbage and refuse collection fees. There being none, Mayor Vest read the caption, "Ordinance No. B-19-02 An Ordinance Setting the Garbage Collection Fees Within the Town of Jonesborough" and called for the vote. Alderman Callahan made the motion to approve on first reading the Ordinance setting the Garbage and Refuse Collection Fees for FY2019-20, increasing the service charge fee from \$40 to \$50, seconded by Alderman Causey and was duly passed.

INSERT ORDINANCE

The next item for discussion was first reading of an Ordinance Establishing Water/Sewer Rates for FY2019-20. Mayor Vest said rates impact customers inside and outside the city limits, and for FY2019-20 there is no increase in rates. Mr. Browning said the rates have to be approved by Ordinance, but the Water/Sewer Fund budget is approved by resolution which will be on the next meeting agenda. Mayor Vest asked if the \$50 service charge is for someone applying for new service. Ms. Miller said it is. Ms. Miller estimated 400- 500 new service requests in FY2018-19. There being no further discussion concerning the Water/Sewer rates, Mayor Vest read the caption, "Ordinance No. B-19-03 An Ordinance Establishing Water and Sewer Rates to Provide the Necessary Funds for the Operation, Maintenance and the Debt Service of the Jonesborough Water and Sewer Systems". Mayor Vest said we have a great water system and we scored 99 on the State inspection for putting out a good product. Alderman Dickson made the motion to approve on first reading the Ordinance Establishing the Water/Sewer Rates for FY2019-20, seconded by Alderman Countermine and was duly passed.

INSERT ORDINANCE

Mayor Vest asked if there was anything more to address. Ms. Miller said the Board needed to set a date for a second reading so she can get the notices to the paper on appropriations, the budget and the notice that the Town intends to exceed the equalized tax rate. She said once the notices run, we have to wait ten days before we can have the second reading. She said if we can get the notices in the Sunday's Johnson City Press, we can have the second reading at the September 9th regular BMA meeting. Ms. Miller said if we can't get the notices in by Sunday, then we will have to have a called meeting for the second reading. Mayor Vest said to plan on September 9th for second reading and have a back up plan for September 16th. She said she will

let the Board know as soon as possible if we can't get the notices in Sunday's paper. Mayor Vest asked if there were any further comments. Alderman Causey asked if any adjustments are made to the budgets, can those be addressed on second reading. Mr. Browning said that is correct. Mayor Vest said everything is subject to change.

There being no further business, Mayor Vest adjourned the meeting.

ABBHEY MILLER, RECORDER

CHUCK VEST, MAYOR