



Minutes of Council Meeting
Called Work Session
Buchanan, VA

April 28, 2022

Present: Mayor Craig Bryant
Councilmember James Manspile
Councilman Chris Petty
Councilman Marlon Rickman

Town Attorney Puvak and 1 Employee were present.

Mayor Craig Bryant opened the April 28, 2022, Council Called Work Session at 6:00 pm. Mayor Craig Bryant requested Town Manager Susan McCulloch take roll call to establish a Quorum. Town Manager McCulloch took role. With 4 members of Council present, a quorum was established.

The first item on the agenda was the 2022-2023 Fiscal Year Budget. Mayor Bryant asked if Council would be referencing the budget that was in the packet. Town Manager McCulloch stated that is the budget they would be referencing. The utility budget is in the packet first, but the general funds budget should be looked at first. Councilmember Manspile stated that the microphone system, when it works properly, should be able to be plugged into the phone. Town Manager McCulloch stated that staff has been trying to get it to work, but it is not even picking up the microphones. Councilmember Manspile stated that the night he called in on the phone he could not hear anything. Town Manager McCulloch stated that the company that installed it will have to be called. She thinks there is a severed wire. There is sound going into the system, but it isn't coming out of the speakers. Mayor Bryant asked if everyone was ready to discuss the budget. Town Manager McCulloch stated that items to note in the general fund revenue include Real Estate tax has increased to \$154,000.00 from \$151,000.00. There will be a reassessment in 2023. Personal property taxes based on current trends from \$13,500.00 last year to \$15,500.00 this year. Again, things are going up for some reason. Our most significant increase is in the other taxes: sales tax, usage tax, consumer, utility, and business use. We have higher consumer and utility taxes. We have fewer businesses, but we have added more short-term stays. Town Manager McCulloch stated that there is a challenge because there is legislation in the works to remove the grocery tax. Town Manager McCulloch stated she has been working with Mr. Chris Boothe to identify how much the Town makes from this tax. However, within the legislation, the state is supposed to help localities make up for the shortfall, so the budget was not adjusted because of that. Town Manager McCulloch stated that our vehicle fees are lower, but our franchise fees are much higher because of on

line shopping. Last year it was \$42,000.00 in 2021 now we are proposing \$57,000.00 based on last year's revenue. Garbage collection fees are level. ARPA funds are restricted, it is looked at as an in and out because money is coming in on that line item and going out on the same line item in the expenses. The first ARPA report was turned in yesterday. They are due on April 30, 2022 at 11:59pm. Town Manager McCulloch stated that with events, we are proposing everything remain level because of unknowns. Town has made significant revenue with Mountain Magic, Reggae by the River, and Carnival was record breaking, but she doesn't recommend going too far over last year's forecasted budget because we don't know what the weather will be. The revenue from the Commonwealth line are the ARPA funds that again are in and out, and fairly restricted. Town Manager McCulloch stated that items that stood out from the general fund expenses are the legal fees. They were budgeted to be lower last year because the hope was to use VRSA more. However, they have gone up so we are looking to match this year so that we are not looking for money later. Also, part of the Town Manager, Town Treasurer, and Town Clerk salaries have been offset by the utility fund. \$7,500.00 for the Town Manager, and \$25,000.00 to be split for the Town Treasurer and Town Clerk. Other salaries are level. There is health insurance policy savings because of the new policy, and that is reflected in each budget line. Mary Earhart's fees are up this year. Instead of \$11,000.00, it will be \$15,000.00. We just adopted her new contract. We also set aside more in the Carnival expenses for repairs and maintenance. That can be offset with Carnival revenues later. The total general funds proposed budget is \$668,975.00 without ARPA, \$1,155,657.00 including ARPPA. We are supposed to get the 2nd tranche around July 1, 2022. Town Manger McCulloch asked for any questions regarding the general fund. Councilmember Rickman stated that food costs for the Carnival will be higher this year. Town Manager McCulloch stated that staff had just met with the new representative from the food company. She anticipates a lot of expenses increasing this year. Councilmember Manspile stated that if the numbers came out it is fine. Your cost/income ratio on Carnival, last year was the best year Carnival has ever seen. We shouldn't expect to make any more than last year, it will probably be a little less. Town Manager McCulloch stated that Town stays way under on the budget for income and expenses. Town is not using last year as an example. Town Manager McCulloch stated that Town Treasurer Kingery helped her with the budget. As Treasurer, she did a great job. Councilmember Manspile stated that Cole has gone to the fire department and asked for help with fuel when fuel gets high. They may have to charge more when Carnival time gets here. Town Manager McCulloch stated that the proposed Utility Fund Budget revenue anticipates fewer penalties and higher revenue in the water services. We did budget higher in penalties last year than actually came in. This year we are budgeting \$1,000.00 less than last year. Sewer services, this year we are budgeting \$4,000.00 increased revenue. We do anticipate receiving more SERCAP funding. Town Manager McCulloch stated that she will be mailing a letter tomorrow so that another grant can be applied for Groendyk. Water and Sewer Operations, the Inboden contract has changed the budget line. It is factored in to be the actual cost and is divided equally between water and sewer in expenses. The 1.5% contract increase in January 2023 is reflected in the budget number. Councilmember Manspile asked the Town Manager if it had ever been explained to her why in the past it had been more for one and less for the other? Town Manager McCulloch stated she thought it was because of the USDA loan. Councilmember Manspile stated it was because PETRUS started charging more to run the filter building. That is why, with Inboden, it has been split equally. It has made the accounting much easier. Town Manager McCulloch stated that Inboden has helped with reporting, compliance, and contracting to work on sewer challenges on an hourly basis. Inboden is charging \$60.00 per hour for labor, a contractor that we do not have a contract with charges a lot more. Mayor

Bryant asked what information about the contractor is confidential. Should the hourly rate be public knowledge? Town Attorney Puvak asked which piece of information. Mayor Bryant stated the \$60.00 hourly rate, can that be protected. Town Attorney Puvak asked if the rate is in the contract. Town Manager McCulloch stated that it is in the contract and she thought it was a public document. Town Attorney Puvak asked what was the concern about it being public information. Mayor Bryant stated that his concern is that it is a good rate, and it gives someone else the opportunity to under cut just to get the business. Town Attorney Puvak stated that if it is in the contract that has been approved through Council, it is public. Mayor Bryant stated that he wanted to protect the vendor that is helping us with our water and sewer. Town Attorney Puvak stated that Town approved the contract after going through a procurement process. So, if it was submitted to someone who is subject to the procurement act, it would all be out there. Mayor Bryant stated that he wanted to make sure the interest of the Town and its work force are protected. Town Manager McCulloch stated that the truck is a new line item that has been added this year. Vehicle equipment and supplies has been split equally between water and sewer. The amount is \$10,000.00 annually, or \$810.00 per month from each line. The mower has been purchased. The \$9,000.00 budgeted for the mower we can keep for unforeseen expenses. Mayor Bryant stated that would be a good idea. Town Manager McCulloch stated the new utility fund budget is \$605,700.00. Last year it was \$600,102.00. Town had to really pare down equipment and supplies because of the added expenses of Inboden and the truck. Councilmember Manspile asked if part of the truck payment could be pulled from the general fund. The truck does more than just water and sewer. Town Manager McCulloch stated the problem with that is we are already pulling salaries from the utility fund because there isn't enough in the general fund for salaries. Councilmember Manspile stated that the salaries started being pulled from utility fund last year. The money is in the general fund for salaries. The reason he knows the Ford truck is doing more than the GMC is because the GMC sets all the time now. Mayor Bryant stated that it doesn't really matter now does it? Councilmember Manspile stated that the GMC will need to be replaced in a year or two. Town Manager McCulloch asked for any questions about either fund. Mayor Bryant asked if the cost of inflation has been added to the budget such as the cost of fuel. Town Manager McCulloch stated that it is in there, but there isn't much to spare because operating expenses have increased. Usually, if needed, we would reallocate money from other funds. Councilmember Manspile asked if the proposed budget balanced. Town Manager McCulloch stated that the budget is balanced. Councilmember Manspile stated that if the budget is balanced, we continue to do a review every 90 days, but go ahead and publish and put it to public hearing. Town Manager McCulloch stated that both funds are balanced. She separated out ARPA since it is not an ongoing income/expense line. We looked at raising the sewer cost and raising the personal property taxes is a possibility. The personal property tax has not been increased in several years. Councilmember Manspile stated that personal property we have been getting reimbursed. Councilmember Manspile asked if the \$.50 a year garbage rate increase was added to the budget. Town Manager McCulloch stated that was in last year's budget. Councilmember Manspile stated that rate has been increased every year. Town Manager McCulloch stated that she did not realize it was increased yearly. Last year it was increased by \$1.00. Councilmember Manspile stated that was due to brush grinding. Town has been taking the \$.50 per year and holding it so that there will not be a large increase on the bill when the sewage project is started. Councilmember Manspile stated he does not want taxes to go up. He would rather go up \$1.50 on sewer, and \$.50 on trash. Mayor Bryant stated that he would support that. Town Manager McCulloch stated that would help with inflation. She had looked into a cigarette tax, but there would be more work to administer it than we would collect. The stores would

have to stamp them and report it similar to the AirBNBs. Mayor Bryant asked if Council wants Town Manager McCulloch to run numbers with a sewage and garbage rate increase. Council decided they would. Town Manager McCulloch stated that she would have a revised budget for the work session next week. Mayor Bryant stated that for the record, Vice Mayor Witt is here. Town Attorney Puvak asked when the Public Meeting will be held. Town Manager McCulloch stated that Town may have to hold a special public hearing in May. Town Attorney Puvak stated the public hearing could be held in June. Town Manager McCulloch stated that if that is the case, there is plenty of time and we can hold it in June. Councilmember Manspile stated that Town can have a public hearing and Council can vote at the June Council Meeting. The budget will be ready to go July 1, 2022.

The next item is the ARPA funding update. Town Manager McCulloch stated a lot of the information came in the last 2 days. Brogan Maintenance reworked the HVAC quote. Town does not have to add the electric sub panel for the HVAC system. He said the prices fluctuate daily, and they are having a hard time getting parts. Some parts will not come in until August. The new quote is \$63,776.41 up from \$51,913.56. He is available to answer questions if needed. Councilmember Manspile stated that Council needs to make a decision and get it locked in because the price can't be adjusted much after that. Brogan Maintenance can put his purchase orders in and lock the price. It may take some time to get the parts, but the price shouldn't change. That is a large increase in a months' time. Town Manager McCulloch stated that the first quote was given in October. Councilmember Manspile asked when the last price was given to Town. Town Manager McCulloch stated that it was given in October. Councilmember Manspile stated that Council will have to start requiring vendors to update quotes every 3 months until a decision is made. It is hard to make a vendor go back that far on price. Town Manager McCulloch stated she didn't think he would come back and re-quote. She was glad he had come back today. Mayor Bryant asked what the other vendor had quoted. Councilmember Manspile stated that is \$29,800.00. Does that include the electrical work? Town Manager McCulloch stated that the \$29,800.00 did include the electrical work. Mayor Bryant stated that if the team is recommending the first quote, and we are hearing and seeing a price increase and supply chain issues, and we don't know long term what that is going to do for us, should we go back to quote 1 since quote 2 is almost double quote 1. Councilmember Manspile stated that if quote 1 came in October it will be higher as well. Town Manager McCulloch stated that quote 1 is more recent because they had to clarify the sub panel. Councilmember Rickman stated that quote 1 needs to be scrutinized because it is a big difference. Councilmember Manspile stated that is a \$33,976.41 difference. Mayor Bryant stated that considering other priorities and having to wait for parts until August, that kind of blows getting the air conditioning season covered. Mayor Bryant supports revisiting quote 1 since it is recommended by staff and what Council has just heard. Councilmember Rickman agreed. Councilmember Petty stated that you get more bang for your buck with Brogan Maintenance. His includes the generator and UV light. Councilmember Manspile asked if either gave brochures on the products they quoted. Town Manager McCulloch stated they did not, but we can ask for them. Councilmember Manspile stated that Council needs the brochures from both to do an apples-to-apples comparison. Vice Mayor Witt stated that the Brogan Maintenance quote is more a commercial system where quote 1 is more residential. Town Manager McCulloch stated she can get brochures by next week. Councilmember Manspile stated that he had never heard of the Friedrich system before. Mayor Bryant stated that hopefully a vote can be made at the June Meeting. The longer Council waits, the worse it is going to get. Town Manager McCulloch is going to ask Chris more questions about the WIFI on the Town Park. Two contractors have been shown the Wastewater Treatment Plant floor. Mr. Tiller stated that he could not do the job. Mr.

Deacon suggested that since all the cabinets are not needed in the lab, put half cabinets and half shelving for the supplies. She asked Brent Weiss to combine the 2 quotes he gave. He has not gotten back with her. Mr. Deacon has not submitted his quote yet. She will be showing the project to F & S Building as well. Councilmember Manspile asked what is being proposed to be done to the Wastewater Treatment Plant lab floor. Town Manager McCulloch stated that they are planning to take out everything and replace the entire floor. The floor is shifting, the subfloor is crumbling. Councilmember Manspile asked if any of the quotes included anything to deal with the moisture problem. Town Manager McCulloch stated that Bug Man exterminators had suggested the vapor barrier and a dehumidifier. She has asked Brett Weiss to come back and add the vapor barrier and dehumidifier to his quote. Mr. Deacon had suggested the vapor barrier and wrapping it in insulation so that it won't get wet. Councilmember Manspile stated that if the moisture is not addressed, Town will have the same problem in a few years. He is glad there were no termites or anything like that. Councilmember Rickman asked if they are quoting treated lumber. Town Manager McCulloch stated she would check. Councilmember Rickman stated that the lumber needed to be treated. Councilmember Manspile stated that the river under the Wastewater building once, possibly twice since it was built. Town Manager McCulloch stated that there has not been any more Real Estate Investment Grants. There are 7 grant applications that Council should have received for approval. Town Manager McCulloch stated that appendix H, when she was reporting the ARPA spending, they have increased what can be done with the ARPA funds. The list that she has given out are some things that Council may want to think about for future projects. Some suggestions are: rehabilitations, remediations, renovations, clean ups, or conversions of vacant or abandoned properties; parks, green spaces, recreational facilities, sidewalks, pedestrian features, neighborhood cleanup, and revitalization of public spaces. We can actually put the TV and laptop on it because technology infrastructure to adapt government operations is allowed. Town Manager McCulloch stated that the way she has reported it, the laws have changed. It was a nightmare for these projects. They are looking for these massive infrastructure, roads and buildings and want information in excel documents. Because now we have under 10 million dollars, we can report all of our amount as lost revenue. That is what Buena Vista did. I did it yesterday. Town does not have to jump through the hoops we had to at the beginning. Councilmember Manspile stated there is something on the list that was discussed earlier. Town could put flashing lights on the crosswalk outside the building. That crosswalk was reinstated when VDOT remarked and repaved the road. Instead of taking pictures, they used old plans and marked fire hydrants and things that were no longer there. If a large vehicle is parked in front of the Baptist Church, you can not see a pedestrian starting into the crosswalk. Councilmember Manspile stated he would like to see the ones that citizens push a button and the LED lights flash. He has seen them in Bedford and a few other places. Town Manager McCulloch stated she thought we already had those. Councilmember Manspile stated that there was a pylon out in the middle of the road, but that became a target. Mayor Bryant stated that you can get 2 for about \$3,500.00, they aren't push button, but they are solar, that constantly flash to draw attention to the crosswalk. Councilmember Manspile stated he would like Town to do that. Town Manager McCulloch stated that she has talked to Deputy Murray about repainting and fixing the incorrectly painted curb stops, and having trustees help with mowing and weed eating. She will keep Council updated. Mayor Bryant asked if the Town Manager was showing these things for conversation? Town Manager McCulloch stated that these were food for thought. Mayor Bryant stated the acquisition of property is interesting. Councilmember Manspile stated that he knows where there are some blighted properties. Town Manager McCulloch stated that covers the ARPA update. Town is still talking to CHA

about the lift station. USDA is still talking about the possibility of qualifying for the 100% grant through their funds for the lift station. Town Manager asked if there were any questions. Councilmember Manspile stated there wasn't much more you could say about free money.

Mayor Bryant made a motion to close the work session with a second from Councilmember Petty. With no further discussion, the work session was closed with a vote of 5 – 0.

Work Session closed at 6:53pm.

Mayor Bryant made a motion for Town Council to go into closed session for the purpose of discussing matters exempted from provisions of the Virginia Freedom of Information Act under section 2.2-3711 paragraph A7 for would be consultation with legal council pertaining to actual probable litigation. Councilmember Rickman seconded the motion. With no further discussion, the motion was carried with a vote of 5 – 0.

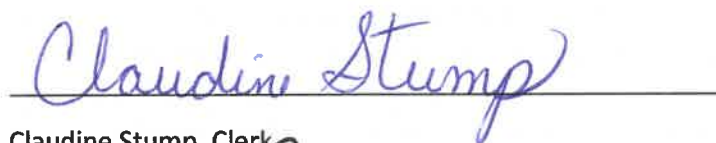
Council returned from closed session at 7:42 pm.

Mayor Bryant made a motion to certify the closed session. Council certifies that to the best of their knowledge, only matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act that were identified in the motion to go into closed session, were heard, discussed, and considered. Mayor Bryant stated there was the motion. Councilmember Manspile seconded the motion. Mayor Bryant asked for further discussion. With no further discussion, the motion was carried with a vote of 5 – 0.

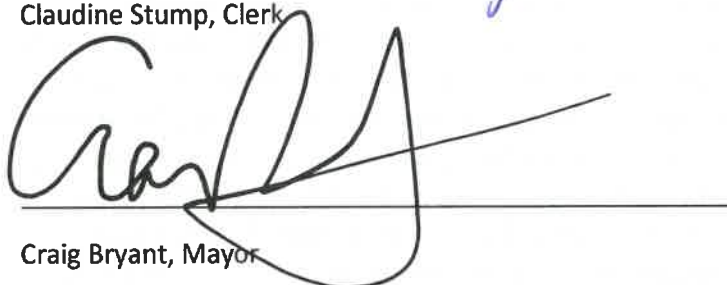
Last on the agenda was Adjournment. Mayor Bryant made a motion to adjourn with Vice Mayor Witt seconding the motion. With no further discussion, the vote was carried 5-0.

Adjournment was at 7:48 pm.

Respectfully submitted,



Claudine Stump, Clerk



Craig Bryant, Mayor