

Narrows Town Council Meeting
Budget Work Session #1
April 21, 2021

Vice Mayor Goorskey called the meeting to order. Council members present were Sara Bowles, George Conley, Joe Goorskey, and Sarah Thwaites. Clyde Turner was absent.

Staff members present were Susan Kidd and Debbie Thomas.

Vice Mayor Goorskey gave the invocation.

Council and audience recited the Pledge of Allegiance.

Discussion of FY22 Fiscal Budget

Vice Mayor Goorskey said he has looked through a lot of the budget. This is including a 3% wage increase. Is there any change under public works from what was previously in there for Buddy Kast's salary?

Susan Kidd said that will change but she has not made that change.

Vice Mayor Goorskey said it is not a huge difference, but it is a difference.

Susan Kidd said it will not affect the public works budget because the total amount of the public works budget must be spent on roads.

Vice Mayor Goorskey asked what the transfer from general fund has looked like in previous years?

Susan Kidd said it has varied from \$17,000-\$58,000 but they have not had to do this transfer since she has worked for the town.

Councilmember Thwaites said she appreciates former councilman Tom Garrett for being in attendance and welcomes any input he can give council on the budget.

Vice Mayor Goorskey said the infrastructure of water and sewer is coming up and is not going to go away. He does not know where they are with their PER or if they have received any more clarification on the latest round of relief spending and how that works.

Susan Kidd said they know the town is going to get relief spending and should have some clarification on what it can be spent on in the next week. It can be spent on infrastructure.

Vice Mayor Goorskey said the amount he saw was \$1.7 million.

Susan Kidd said that is correct and they will receive ½ of that soon and the other ½ will be received within a year. They will have until December 31, 2024 to spend the entire amount.

Vice Mayor Goorskey said if they get comfortable and lean on that then he is not really interested in trying to save up or prepare ahead of time by raising water rates or some other way to save up for the inevitable. He asked Tom Garrett his thoughts on this.

Tom Garrett said one of the things in the past that has always been a problem with getting federally assisted funding for infrastructure is that they want a match anywhere from 15%-40%. It varies all over the place.

Vice Mayor Goorskey said he believes this is different than that.

Tom Garrett said if they are giving the town money with no strings attached and we can spend it on infrastructure, and that becomes the match, if that is a 20% match then the project would be somewhere around \$8 million. He does not know where they are on the PER and he does not know where they plan on spending that money but if that could be used for a match and there are other grants out there that could be huge leverage.

Vice Mayor Goorskey asked Tom Garrett if he believed the town's water and sewer project would be in that price range?

Tom Garrett said yes.

Councilmember Thwaites said from what she remembered the project was around \$8 million.

Tom Garrett said that seems like it should be doable because the sewer upgrade is basically replacing a bunch of pipe, which should not be a massive construction. It seems to be a good fit for the Town of Narrows.

Vice Mayor Goorskey said the problem may be that everyone is thinking of doing a water and/or sewer project and he knows that it is hard to find pipe right now. The town may be ahead of the curve because we have already started the PER.

Tom Garrett said he does not know how much is in the line item for the PER but that may need to be increased.

Vice Mayor Goorskey asked if they chose to use the first allocation of stimulus money on the PER would they have to increase the line item now?

Susan Kidd said they would have to do a budget adjustment for that amount of money.

Councilman Conley asked if the amount shown for Kids' Fishing Day is what has actually been brought in?

Susan Kidd said yes.

Councilman Conley said the 2021 anticipated amount for Splash Pad revenue is \$96,156.17.

Debbie Thomas said that is the amount carried over from the previous year. It is just a flow through.

Susan Kidd said any of the line items that say "carryover" will carryover the amount they have on June 30 to July 1.

Councilman Conley said he sees a lot of cell phones. How many people is the town paying for cell phones?

Susan Kidd said either the person has a town cell phone or, if they use their own phone, they are paid \$25/month. Those paid \$25/month are supervisors and people that are contacted via cell phone.

Debbie Thomas said the following employees have a town cell phone: Buddy Kast (to be John Davis), Susan Kidd, Jeff Perdue, Dakota Shrader. The following employees are given a \$25 stipend per month: Lindsey Caudill, Cody Kast, Cindy Laws, Benji Ratcliffe, J.W. Sartin, Joe Spears, Debbie Thomas.

Councilman Conley asked if the other employees have radios?

Susan Kidd said they have radios they use when they are here during the day.

Councilman Conley said the line-item equipment maintenance under public works shows the amount that has been used is \$6,681.58 and they are requesting \$17,000.

Susan Kidd said that is to purchase new equipment for the public works department. Whatever is not used in that line item will go to paving. Public works departmental budget is VDOT funding, it must be spent on streets. If we do not spend the money it has to be returned to VDOT.

Councilman Conley said for street resurfacing the actual amount that has been spent is \$32,920.12 and the amount appropriated for 2021 is \$67,100.

Susan Kidd said part of that was spent in July of last year and the remainder will be spent before June 30 of this year.

Councilman Conley asked if that was contracted or was the town doing the work?

Susan Kidd said most of it is contracted. That is when they pave 2 or 3 streets per year.

Councilman Conley asked if the town did not have their own asphalt machine?

Susan Kidd said not a machine.

Councilman Conley said he understood from some of the citizens the town had their own asphalt machine.

Susan Kidd said they can do patching but not paving.

Councilmember Thwaites said she has never seen the town doing any paving.

Tom Garrett said in the past the town has tried to do their own paving but they did not have enough people and it created more problems than it solved.

Susan Kidd said when you are doing a major street it needs to be even and level and she is not sure the workers have the expertise to do that.

Councilman Conley said under street materials/supplies there is a mower and implements listed.

Susan Kidd said those are increases in mowers and implements. At the end of June most of these lines will be maxed out.

Councilman Conley said he understands the increase but he also understands the need for some accountability.

Vice Mayor Goorskey asked Councilman Conley if he was suggesting some of the items at the town shop are leaving?

Councilman Conley said yes he is, he saw one leave the other day. An item was placed in a man's personal truck. It came out of a town truck and was thrown into his own truck. Whether it was stolen or borrowed he does not know. He does not know the town's policy on loaning tools.

Vice Mayor Goorskey said before we make accusations he would like to see a process done. Those are pretty serious accusations.

Councilman Conley said he is not accusing anyone.

Vice Mayor Goorskey said Councilman Conley did just accuse someone.

Councilmember Thwaites said they also had someone accuse a town employee of driving a backhoe to get a biscuit and in the end they found out it was not our equipment.

Susan Kidd said when things happen it is hard to follow up on them a week or two later. If someone could be called when it happens then it can be investigated. It is difficult to go back three weeks later and reconstruct something.

Vice Mayor Goorskey said they also had a report of a town truck with bad lights on it and it turned out it was not a town truck. They are hearing a lot of accusations that need to be investigated as soon as possible, as quickly as possible, and as thoroughly as possible before they say it is definitely something the town is doing wrong.

Councilmember Thwaites said perhaps it would be prudent to not wait until a council meeting if she saw something that she wanted to have addressed.

Councilman Conley asked if there was a loaner program for town tools?

Susan Kidd said employees can borrow town tools and then return them.

Councilman Conley said the employee may have simply been borrowing them.

Susan Kidd said they could have been, but we do not know that.

Vice Mayor Goorskey said they could have brought their own tools from home.

Susan Kidd said they have had employees that have brought their own tools to use.

Councilman Conley said \$1,500 on any piece of equipment is high. That should be lowered, substantially lowered.

Councilmember Thwaites said if they have already spent \$7,878.58, and it is only April 21, they still have to go through June. They do know the cost of materials and many other things are on the rise.

Susan Kidd said there are some items that can be purchased with VDOT money.

Councilman Conley said under recreation wages part time it says “increase for minimum wage increase and park/splashpad supervision”. Who does that include?

Susan Kidd said it includes the workers that council asked to be at the park during the summer.

Vice Mayor Goorskey said they asked to have some supervision at the park over the summer and if the splash pad does get to open there has to be someone there.

Councilmember Thwaites said they should probably look at the expenses for 2019 for that line item because that would have been a typical year.

Vice Mayor Goorskey said they need those people at the park because some of the kids need to know someone is there watching.

Susan Kidd said that is also the line item they pay referees out of and anyone that works the games or concessions.

Councilman Conley said for splash pad expenses what has actually been spent is \$118,112.33 and what was appropriated is \$96,156.17. They are recommending \$25,000 for the upcoming year.

Susan Kidd said that was the construction of the splash pad. The amount of \$25,000 is what is projected to operate it this coming year.

Vice Mayor Goorskey said they have not completely paid for the splash pad yet.

Susan Kidd said the splash pad is in a separate checkbook now but once it is paid for that account will be closed and the money will be in the general fund.

Councilman Conley said under the fire department they have listed \$1,000 for a Christmas dinner. He does not see that is needed but that is his personal opinion. What is the line item animal friendly plates for?

Susan Kidd said that is a special license plate. If someone in town purchases that plate we receive around \$5 per plate. We have to spend that money on sterilization of animals. Since we do not do that we send it to the county group that does. The line item is just a flow through.

Councilman Conley asked if the drug testing line item is for random drug testing or new hires?

Susan Kidd said it is for pre-employment and accident.

Councilman Conley asked if the town had a policy on random drug testing?

Susan Kidd said no. If there is an accident or if there is a suspicion they will do drug testing.

Councilmember Thwaites said she has no issue with the \$1,000 for the fire department for a Christmas dinner. She can see it has been done every year in the past and they are not paying a salary to these awesome people who are willing to volunteer for our fire department. She believes a Christmas dinner is highly appropriate and the least they can do.

Councilman Conley said fire department members get their vehicle decals free in our town. The employees do not get theirs free. They are compensated in several other ways but in good conscience he cannot see that.

Vice Mayor Goorskey said he would be all for removing that line item and moving it to the fire program fund.

Councilman Conley said if it was equipment or training he would be all for that.

Councilmember Thwaites said they are volunteering their time because it is a volunteer fire department. She still feels this says a lot in appreciation and it would say a lot in a lack of appreciation to remove it.

Councilmember Bowles said she agrees with that.

Vice Mayor Goorskey asked how the Fourth of July was looking this year?

Susan Kidd said they are going to meet with the Parks and Rec Committee next Wednesday. They are going to try to plan something. There should be money for fireworks.

Councilman Conley said under capital projects there is an F150 4X4 truck listed for buildings and grounds and at the bottom there is listed financing three years on three trucks. Do they want to replace a truck?

Susan Kidd said the F150 would be to replace the crew cab in the buildings and grounds department. They can wait and purchase that vehicle in FY23. There is also a truck in utilities that needs to be replaced that is in worse shape than the building and grounds truck. Before Buddy Kast left he priced the trucks and this year Newberry can beat the state price. That rarely happens.

Councilmember Bowles asked what the line item market manager wages was for under the farmer's market?

Susan Kidd said it is a stipend to whoever the market manager is. Right now it is Lindsey Caudill.

Councilman Conley said on Susan Kidd's worksheet it states the amount to pay off the truck loan for three trucks and the amount listed is \$53,642. Where is this amount in the budget?

Susan Kidd said part of it is in Fund 10 and the other part is in Fund 20 because one of the trucks is a utility truck. She would suggest paying that last payment out of this year's funds.

Councilmember Thwaites asked Tom Garrett if he saw anything?

Tom Garrett said paying off the truck loan is a good idea. The budget is not a precise instrument. They decided to begin purchasing a police car every year because in the past they kept putting it off and purchased four police cars in one year.

Vice Mayor Goorskey said he is 100% for wage increases and cost-of-living increases. When does the minimum wage increase go into effect and how does that play into the budget?

Susan Kidd said the first increase begins May 1 to \$9.50/hour. We are fine there because everyone either makes that or higher. The next increase is January 1, 2022 to \$11/hour. If they do a 3% across the board raise there will be about six people that will need to be increased. This budget includes those six people's wage increase in January.

Vice Mayor Goorskey said he does not want to be rude to anyone but if he knows he is going to receive a minimum wage increase twice that will be a fairly large raise. Does that person receive the 3% increase and then on top of that the raise to \$11/hour? He does not know how to feel about that.

Susan Kidd said she looked at that too. Everyone is at or above minimum wage now and they will be fine. Taking some of them up 3% will bring them above \$11/hour. Six people would still need to be increased to \$11/hour, some of them a few cents and some a little more. The 3% raise for supervisors is going to keep them ahead of their workers. It would not be good to pay a supervisor \$11.50/hour and their workers \$11/hour.

Councilman Conley said he would suggest bringing the minimum wage to \$11/hour and giving an across the board raise to everyone.

Susan Kidd asked if this should happen in July?

Councilman Conley said yes.

Susan Kidd said what is being proposed would give everyone a 3% raise in July.

Councilman Conley said a percentage raise always favors the higher-salaried employee.

Susan Kidd said the people on the lower end are going to receive another increase in January, unless they want to give everyone another bump in January. She is all for giving the lower-paid employees more money because they do not make enough. There are three positions open now on the mowing crew and they have received no applications. They had one person to show up for work and they only worked two days.

Councilmember Thwaites asked if the reason for those openings had to do with pay?

Susan Kidd said two of those positions are seasonal mowing and no one has applied. The other position would be full time with buildings and grounds and what they normally do is hire seasonal people and someone that shows they would work could be hired full time.

Tom Garrett said there may be an option to get people with the jail to come and mow.

Susan Kidd said Jeff Dinger usually contacts them concerning this but he has not.

Councilmember Thwaites asked what is included in fringe expenses?

Susan Kidd said that is the town's portion of Anthem, Standard (short- and long-term disability), and FICA (Social Security and Medicare).

Councilman Conley asked if the town pays LODA (line of duty act)?

Susan Kidd said yes, it is under our liability insurance.

Councilman Conley asked if they had any officers on LODA?

Susan Kidd said the county may cover part of it but this is the portion our insurance covers. The amount for this did not change for the upcoming budget year. At one time the county paid all of it. We received the quote for our insurance today and the liability and workers compensation insurance went up about \$4,700.

Councilman Conley said it may be just him, and he may be looking at it wrong, but on page 9 there is a payment to the PSA for water. The amount that has been paid so far this year is \$219,564.80. Under water service charges for this year the amount collected is \$356,002.95.

Vice Mayor Goorskey said that is not counting what we have paid out in repairs, salaries, and other things related to water.

Susan Kidd said the payment only gets the water to the town limits. It does not transmit it to the town.

Councilman Conley asked if there is a difference of around \$12,000 that is going to salaries and upkeep?

Susan Kidd said there are lines in the ground the water is transmitted through. The PSA only brings it to the edge of town.

Vice Mayor Goorskey said \$216,110.38 has been spent from the water and sewer department. A portion of that has been spent on items/services pertaining to water.

Tom Garrett said for the past several years the PSA has raised water rates and the town has passed along that raise to their customers. Since this is the only time the water has been raised they may be slowly squeezing their department. When the PSA has raised the water \$1/thousand gallons the town has raised their sale rate the equivalent of that plus taking into account for leakage. He asked Vice Mayor Goorskey if the PSA had talked about a rate increase for this coming year?

Vice Mayor Goorskey said not yet.

Tom Garrett said if they do it would impact the FY22 budget.

Susan Kidd said when she was working earlier on the budget the PSA said they did not anticipate an increase.

Vice Mayor Goorskey said they received a grant to purchase two portable water filtration systems at a little over \$1 million.

Tom Garrett said that would be a great emergency backup.

Vice Mayor Goorskey said they are working out some arrangements with Pembroke to set them up at Pembroke springs. They could also drill at the mine and set up but it would cost about \$500 thousand more.

Tom Garrett said you do need an adequate safe, secure supply but you do not need four-fold supply. If the two plants go in Pembroke, and that is enough to feed the county, and that spring is reliable, just ask the question do we keep operating the main plant. It is not free to operate. It may be so far paid for that operating it now is a minimal cost and you may find that operating the main system at half rate and operating the systems in Pembroke at half rate in the long run is sustaining the total cost.

Vice Mayor Goorskey said he is not even sure how much they anticipate operating it.

Tom Garrett said his experience is that an emergency system that is not operated routinely will not work when you need it.

Vice Mayor Goorskey said he means as a normal source of water. He knows that Pembroke would like to cash in on letting the PSA use their water source and that would come out in per gallon form. He believes there is some negotiation there possibly trading

in helping them fix water leaks, which is the same thing as putting water back in their pocket.

Tom Garrett said if the PSA is willing to pay something over a token fee for water then he would ask that Vice Mayor Goorskey please request that every gallon that comes out of the Orchard Well be reimbursed at the same cost.

Vice Mayor Goorskey said he believes that is one reason they were not discussing this very much so he asked why they would pay anymore for that water source.

Tom Garrett said he is asking the right questions and that is all he can do.

Councilmember Bowles told Susan Kidd that some of the internet line items are almost to their max while others are not. Why is that?

Susan Kidd said it is how Debbie Thomas breaks up the bills so she will have to answer that.

Debbie Thomas said the internet for the rec department has the security cameras so that is why that line item is over encumbered.

Councilman Conley said there is a line item that says “code update/comprehensive plan”. What is a code update?

Susan Kidd said that line item was used when the town code had to be updated. It will also be used for the comprehensive plan.

Councilmember Thwaites asked what the stone and seed was for at Mill Creek and Camp Success?

Susan Kidd said the stone was mostly for Camp Success because when it floods the stone washes out. The seed is to reseed Camp Success after the last washout.

Vice Mayor Goorskey asked if the DGIF came and placed stone at Camp Success like they promised?

Susan Kidd said she has not seen anything they have done. The town has done some work so people can pull in down there.

Councilmember Bowles asked what falls in the economic development fund?

Susan Kidd said the town donates to the Small Business Association the town is a part of in the New River Valley. Through the façade program if a merchant would ask for help with their façade through the IDA the town has historically matched what the IDA has given them.

Tom Garrett asked Susan Kidd what the steps were for minimum wage increases?

Susan Kidd said \$9.50 May 1st, 2021, \$11 January 1st, 2022, and \$12 January 1st, 2023.

Tom Garrett asked if the town should consider a small tax increase in the budget because your deficit is about what it has always been. He does not know what revenue streams look like in terms of increases but is it better to have a small increase rather than to wait and have a large one. That is something to think on.

Susan Kidd said another question is does council want to increase the cigarette tax.

Councilmember Thwaites said absolutely.

Vice Mayor Goorskey said he is 100% for it. Dollar General in Narrows is the highest place to buy cigarettes but if he is in there he buys them. West Virginia is higher than Virginia but if he is in West Virginia and needs cigarettes he buys them there. It also

looks like other localities are wanting to go along with this increase. Where are other localities on this?

Susan Kidd said they talked about .25¢/pack and she believes Pearisburg would consider more if Narrows would. Everyone in the county wants to stay at the same point. The rest of the New River Valley is talking about raising it to .40¢/pack.

Vice Mayor Goorskey said he does not want to be in competition to be the lowest on that particular tax. He will pay the tax but if someone else does not smoke they do not have to pay the tax. If Pearisburg wants to go to .30¢/pack then Narrows could do the same.

Councilman Conley said he is strictly against it. If it was on all tobacco products then maybe but just to single out cigarettes he does not agree with. The businesses are certainly not for it.

Debbie Thomas said when they had the public hearing to try and implement the current cigarette tax there was a representative from Marathon in attendance. She stated it would cost them a lot of business. After she left council voted to implement the cigarette tax and the representative from Marathon contacted her the next morning and said she could not believe council voted in favor of the tax and it would probably mean they would have to shut down their business. About 8 months later Debbie Thomas went to Marathon and asked one of the workers if they saw a decline in their cigarette sales since the tax was implemented. The worker said no, they were selling the same number of cigarettes if not more.

Vice Mayor Goorskey said if they look at the budget that is in front of them they are out of balance by \$214,857. The recommendations to help lower that amount are to pay off the police cameras this fiscal year, wait to purchase the Buildings and Grounds truck, pay off the loan for the 3 trucks this fiscal year, and increase the cigarette tax. The deficit would then be \$63,271. He believes staff has grossly underestimated their revenues and overestimated their expenditures and they have talked about that. Because of these things they have realized they do not need to use the general fund transfer. He is not seeing or hearing anything that is currently jumping out at him. He likes these recommendations and would like to know what the rest of council thinks about them. He does appreciate the work that has been put into the budget.

Councilmember Thwaites said she believes the recommendations are good. She would like Tom Garrett to expand on anything that he would recommend increasing because of the minimum wage increases.

Tom Garrett said he continues to be concerned that they have not been able to get their water loss back down to around 25%. To do that requires enough money to fix the leaks but historically the problem in Narrows has been “where is the leak so I can fix it”. Every 1,000 gallons that leaks out onto the ground is \$3.25 out of the Town’s pocket. They can pay for some additional labor to get the leak losses down. Is there something they should be doing to get the leak loss down? That is a question they should be asking. A lot of the fuel line items look like they were lower than they were last year.

Susan Kidd said purchasing fuel from the county has saved a lot of money.

Tom Garrett asked if there was anything else they wanted to do proactively toward water/sewer or infrastructure improvements that they need to add expenses now and, if so, do they need to add something to offset it? Historically, the town has raised things as infrequently as possible and has occasionally shot themselves in the foot by having increases after several years of no increases. He would ask council to keep in mind that they are spending someone else’s money. The biggest part of the town’s budget is labor and his experience is that they do not overpay their people. He would love to give everyone a huge increase but the only way to do that would be to raise property taxes and some of the citizens could not afford that. The question is always going to be how do I pay what I can afford to pay people and keep good people vs. penalizing the people of the town? He believes when the water and sewer work is done they will be able to reduce the sewer line maintenance line item but that is several years off. They may also be able to reduce the electric line item for sewer. If the water leak rate stays at 30+% does the town

need to put together an infrastructure plan for some water line replacement? There may be some line replacement that could be done (thanks to the new GPS system locating leaks) instead of patching lines. He does not know if there is enough data generated yet to say that. He suspects they are still fighting water meter problems and he does not think that is going to go away and the fix is probably not worth doing, which would be replacing all the meters.

Susan Kidd said they just ordered replacement antennas for all the water meters.

Councilmember Bowles said the anticipated amount for meals tax seems a little low as to what has been collected. What is that based on?

Susan Kidd said they decreased that line item because of COVID and were not sure who would be open and what would be happening. It is better than they anticipated.

Tom Garrett said they could always add a little to the revenue side.

Vice Mayor Goorskey said he is very concerned about the water loss. Has there ever been any cooperation between the town and the PSA on trying to bring the leak loss rate down?

Tom Garrett said yes. The town has some employees that are as good at leak detection as any of the employees the county has. Do we ask the PSA for help or do we free up our folks to do that because Jeff Perdue is great at leak detection? If we have him do leak detection at midnight, then we know he will not be working the next day. They could either see if the PSA could help with leak detection or increase the overtime budget in the water department if they are willing to work some late nights every other week looking for leaks. These guys have late night callouts for water issues anyway and we should ask this of them instead of demanding it from them.

Vice Mayor Goorskey said he knows the PSA is willing to help in the capacity of being more of us to look for leaks.

Tom Garrett said if there could be more of us we should take full advantage of it.

Vice Mayor Goorskey said there may be a negotiation to where they could help with this year after year. This would help us to stay where we are at budget-wise. He would like for the town to pay less for water but if instead the PSA will help look for leaks it would be the same thing.

Tom Garrett said the PSA has a large, fixed cost. The better the people do with their leak rates the higher the water has to go.

Vice Mayor Goorskey said they are doing fine right now.

Tom Garrett said they were not doing fine a few years ago.

Vice Mayor Goorskey said he is in favor of the budget that has been presented to them.

Councilmember Thwaites made a motion to recess this meeting until April 28^h at 7:00 p.m. Councilmember Bowles seconded the motion.

Ayes: Bowles, Conley, Thwaites, and Goorskey

Nays: None

Motion Carried 4-0

Clerk, Debbie Thomas

Vice Mayor, Joe Goorskey