

Minutes of the budget workshop held on June 1, 2021 at 7:00 p.m. in the Town Hall

Council: Monica Johnson, Jeff Comer, Eugene Call, Bryan Morris, Steve Surber
Gary Call was not present

Mayor: C. Todd Young

Staff: Brian Martin, Town Manager
Steve Johnson, Clerk/Treasurer

Town Manager Brian Martin told the Council they had three budgets to look over. One contained a 3% employee salary raise, one a 5% raise, and one a 10% raise. Councilwoman Johnson had come into the office today and said she and Councilman Morris wanted to see what the budget would look like with 5% and 10% raises and asked Clerk/Treasurer Steve Johnson to put those together for discussion purposes.

With the 3% raise the budget was in the black at \$30,655. The 5% produced a red balance of \$4156, and the 10% produced a red balance of \$38,437. Mr. Martin said that excess of \$30,655 could be used for the newly established Emergency Medical Services Department (EMSD) in case it had overruns. Mr. Johnson reminded the Council that the water rates are proposed to go up 4.55% and the sewer rates 5.13% to keep the town in line with Rural Development requirements.

Councilman Morris asked if some of the line items on the EMSD portion of the budget were going to be a yearly thing or just a cost due to the department being established. Mr. Martin said he was not sure, but items such as setting up the trucks and medical supplies are inflated a little since this is an unknown, but the turnout gear and uniforms are probably at their level just for the first year.

Councilman Morris said in January of 2022, the new minimum wage will be \$11.00 per hour, and the town currently has employees making less than that now. In January of 2026 the minimum wage in Virginia will \$15.00 per hour, and he's concerned the town is not taking the steps now to prepare for this with this budget. Mr. Martin replied that based on projections from the Crossroads engineers and Gary Johnson, the town is going to be bringing in a considerable amount of more revenue when the new meters are installed.

Councilwoman Johnson said she had worked some numbers involving raising taxes (Real Estate, Personal Property, and Machine & Tools) and had written them on the dry erase board. Even if it is just a 1%, 2%, or 3% raise, it would help. If the town keeps waiting to raise taxes like it did with water and sewer years ago, then people are going to get hit harder. The Mayor said he did not agree with raising taxes when one of the budget options has a surplus of over \$30,000. Councilwoman Johnson replied that for the town to get ready for the minimum wage hikes that

are coming through 2026, the town has to start preparing now or else the citizens will get hit with a big tax bump all at once.

EMSD Director Kyle Brewster arrived and said the current salary range in his department is \$16 per hour for paramedics; \$14 per hour for intermediates; and \$12 per hour for basics. Councilman Morris then said by 2026, for the EMSD to have competitive wages, those rates would probably be in the range of \$17, \$20, and \$23 which could ultimately cost the town hundreds of thousands of dollars. The town is not taking steps now to prepare for the future. Councilwoman Johnson then said that if the town were to raise taxes just 1%, the deficit of \$4156 in the 5% raise budget option would be erased.

Mr. Martin told the Council that he, Mr. Johnson, and Mr. Henderson met with the staff at Chilhowie regarding the situation with Republic Services and each town's contract with them. Theirs expires in June, and Saltville's expires in June of 2022. Chilhowie was informed by Republic that their contract is going to go up \$76,000, so Saltville may expect the same rate increase next year. The scenarios discussed at this meeting include both towns joining together to buy a truck and have it in Saltville for two days a week and in Chilhowie for two days a week or do a joint RFP between the two towns to get another company to collect the trash. Councilwoman Johnson stated that Waste Management actually services a small area in Glade Spring, so they might be an option, and if the town did go in with Chilhowie, each town could recycle better and sell their products to Eastman since Eastman is pushing region-wise recycling.

Mr. Martin said it was a possibility that the new round of CARES funding could be used to get a trash truck, but he was not sure. Councilman Morris pointed out that the individual cans would also have to be purchased, and Councilwoman Johnson said the Republic could be asked if they wanted to just give the town the cans that are currently in use. Mr. Martin reiterated that Chilhowie was interested in going in with the town to maybe purchase this truck.

Right now the town is not impacted by the minimum wage requirement that will kick in this coming January but there are three employees who currently make under \$11.00 per hour. The 3% raise budget option would not elevate these employees to that threshold, but they would have to be bumped up anyway. Councilwoman Johnson also mentioned that the pool workers would have to have their salaries raised next year as well. The Mayor replied that the \$30,000 buffer in the 3% raise option could help offset this, and Mr. Martin said that all budgets have a little bit of a buffer built in.

Councilwoman Johnson reiterated that if taxes were raised just 1%, the 5% budget option would work. The Mayor replied that means water, sewer, and taxes would all go up this year, then. Councilwoman Johnson responded that taxes could go up 1% yearly, or the public could be hit with a bigger increase when the minimum wage rises to \$15.00 per hour in five years. Councilman Morris also mentioned that inflation has increased over 20% the last ten years, and the town has really only increased water and sewer rates. The town's cost for operating as a business has increased.

The Mayor's asked for the Council's opinion, and Councilwoman Johnson replied that she wanted to see a 1% rise in the town's tax rates and the employees receive a 5% rise in salaries. She put that in the form of a motion, and Councilman Morris seconded. The Mayor asked for those in favor to raise their hands, and Councilmembers Johnson, Morris, and Surber did as such, so the Mayor declared the motion passed and adjourned the meeting.