



SOUTH HILL TOWN COUNCIL

WORK SESSION MINUTES

WEDNESDAY, APRIL 6, 2022, 6:00 P.M.

The South Hill Town Council met for a work session on Wednesday, April 6, 2022 at 6:00 p.m. The work session, which was held to review the Town's proposed budget for FY22-23, took place in the Council Chambers of the South Hill Town Hall located at 211 S. Mecklenburg Avenue, South Hill, Virginia 23970. Anna Cratch took the minutes.

Those in attendance were Mayor Dean Marion; Council members Alex Graham, Gavin Honeycutt, Mike Moody, Shep Moss, and Ben Taylor; and Staff members Kim Callis, Stuart Bowen, Anna Cratch, Sheila Cutrell, and C.J. Dean. Additional South Hill Volunteer Fire Department associations were also in attendance.

1. CALL TO ORDER

Honorable Mayor Dean Marion called the work session to order at 6:00 p.m.

2. DISCUSSION

Everyone was thanked for their part in the budget process. Kim Callis shared the attached PowerPoint presentation (Under General Fund Capital Expenditures, Fire Department, Heavy Vehicle Extrication Struts, the typo of 35,000 was corrected to 55,000. Under W&S Capital Expenditures, Wastewater Treatment Plant, Pipe Contact Tank, the typo of 5,000 was corrected to 15,000.)

After the presentation concluded, items mentioned and comments received included:

- Mayor Marion, Leachate – We need to continue accepting the leachate. As Microsoft has purchased some of the land at the industrial park, a location that is least disruptive will need to be chosen.
- Councilman Ben Taylor, Guesstimates – Project costs are guesstimates because we have no way of knowing.
- Council members Honeycutt and Moss, Dumpsters – As dumpsters are changed out all the time, 16 are needed on hand. After the order is placed, there is at least a four-month wait period before delivery. The individual price increases if less than 16 are ordered at a time.
- Councilman Honeycutt, Sewer Camera – The estimate for the problem detection process is three to six months.
- Council members Honeycutt and Moss, Building Renovations – Once the money is appropriated, we can advertise for the Police Department. The Public Works building is 90% designed and will go out to bid sometime this summer. If projects run over projected costs, money would need to be appropriated from the fund balance or the project may have to be delayed.
- Councilman Moss, Salaries – Employee titles depend upon the job description and responsibilities. The Human Resources Manager looks at salaries throughout Virginia and benchmarks them.

- Councilman Moss, Vehicle Tax Relief Bill 1239 – Staff looked at it, but it wasn't very much on a per taxpayer basis because our tax rate is only \$1.50. In addition, if we offered the relief, we would have to raise the tax somewhere else.
- Councilman Moss, Additional Positions – Adding the position of a Deputy Town Manager as part of a succession plan (as mentioned at the retreat) would be a significant expense. The Personnel Committee and Council can further discuss. It was not dug into too deeply because so many other things are going on. We have limited funds and try to do the best we can. We also looked at IT and figured out a way to do that without adding other positions.
- Councilman Moss, \$20,000 Funding of Farmers Market Manager (+\$10,000 if they receive matching grant) –

SM: No Town staff member is verifying business licenses, peddler's permits, or sales tax; we have zero regulation of what is going on there. Instead of funding the Farmers Market and seeing almost no return, would we be better off to hire another staff member to oversee the Farmers Market and assist employees such as Anna with FOIA, Sheila with tax collection, or Jason with Parks? Several full-time employees are making under \$40,000.

If Council doesn't want to do it, then take it out of the budget, but Council would need to be prepared for backlash/feedback from the public. The Farmers Market was done to bring people into the downtown area and create a market for some people to make a little extra money. They are specifically excluded by law from business licenses; VDACS oversees them. Items should be homegrown or homemade to sell. It is done by the Town as a nicety for the citizens; it is a microcosm of Parker Park; it is an asset.

SM: Main Street America came in December 2021 and did the RCDI Strategic Planning Summary. The group identified the sports field and downtown park areas as examples where the Town invested heavily but was reluctant to let local organizations utilize thus were grossly underutilized in leverage for economic growth. In 2018, The Shops of South Hill said the Town missed the opportunity for travel ball teams to utilize parks due to rules and concessions being too stringent. Why not leverage this income and we can maybe kill two or three birds with one stone or redirect these emphases to other staff members? Also, if we weren't funding these other things, maybe we wouldn't have to raise taxes somewhere else to offset providing tax relief.

You couldn't hire one person to do all of those things. Travel ball tournament directors contact several localities to get on the calendar for the same dates and usually decide the week before which location works best.

SM: How is virtually every ballpark in Richmond booked every weekend? It is because they have staff promoting the parks contacting the tournament directors and making tournaments happen.

Richmond is established; South Hill is still trying to get its feet in the door. With the opening of the new school, a lot is going to change with athletic facilities.

SM: Revitalization or other civic groups might be interested in serving as the Farmers Market Manager.

- Councilman Moss, \$10,000 under CDA for Facilities, Repairs, and Maintenance – When something happens to a CDA facility, the first two people called are Kim Callis or C.J. Dean. It is a lot simpler and cheaper for the taxpayer for one of our facility staff to fix, for example, a leaky toilet and charge it to that line item.
- Councilman Graham, Games of Skill – \$3,456 was collected in FY21 from the state. The injunction expires May 18. The legal machines could be enforced, but the Commonwealth Attorney has said they are not going to take any action to prosecute. Council needs to decide if they want them in South Hill.

3. ADJOURNMENT

Mayor Marion adjourned the work session at 7:18 p.m.

VALIDATION

Minutes approved this ____ day of _____, 20____.

Anna B. Cratch, Town Clerk

Dean Marion, Mayor

Town of South Hill

Proposed Budget
Fiscal Year 2022 - 2023

April 6, 2022



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Summary

General Fund Budget	\$15,037,937
Cemetery Fund Budget	2,000
Water & Sewer Budget	<u>10,854,305</u>
 Total Town Budget	 \$25,894,242

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Key Elements/Challenges

- Supply chain cost and delivery challenges
- CPI over 7.5% and increasing price uncertainty
- Health insurance cost increase
- Recruitment and retention
- Four major water/sewer infrastructure projects
- Two major facility projects
- Additional public works positions
- No tax rate increases
- Water/sewer rate increase

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General Fund

Department	Approved FY 2022	Proposed FY 2023
Mayor and Council	\$ 76,012	\$ 78,330
Finance and Administration	721,170	755,850
Town Manager Department	298,720	317,180
Business Development Department	279,290	293,760
Non-Departmental	211,800	176,800
Police Department	2,638,560	3,062,430
Fire Department	631,732	661,001
Code Compliance Department	252,850	317,840
Municipal Services Department		
Director	181,525	172,030
Street Maintenance	1,777,640	2,181,310
Solid Waste	644,520	937,220
Fleet Maintenance	325,180	357,470
Facilities Maintenance	1,907,944	4,754,343
Parks & Grounds	643,865	575,775
Library	22,500	23,000
Community Development	1,440,214	373,588
Total	\$ 12,231,522	\$ 15,037,937

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General Fund Capital Expenditures

- Police Department
 - 2022 Midsize SUVs (2) 110,000
- Fire Department *55*
 - Heavy Vehicle Extrication Struts *36,000*

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General Fund Capital Expenditures

- Street Maintenance
 - Forest/Sunset Stormwater 400,000
 - Dump Truck Central Hydraulics 54,000
- Solid Waste
 - 8 yd Front Load Dumpsters (16) 36,500

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General Fund Capital Expenditures

- Fleet Maintenance
 - Heavy Vehicle Lift 10,000
- Facility Maintenance
 - Fleet Diesel and Gas Tanks 15,000
 - Public Works Building (FY22) 1,500,000
 - Police Dept Renovations 2,800,000
 - Town Hall Rear Steps 30,000

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General Fund Capital Expenditures

- Parks & Grounds
 - Groomer w/attachments(FY22) 31,000
 - Event Barricades 10,000
 - John Deere Z970R Mower 15,000
 - Resurface/Mark Tennis Courts 25,000
- Total General Fund:**
 - Capital Expenditures 5,091,500**

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General Fund Rates

Tax	FY 2021	FY 2022
• Real Estate	\$.34/100	\$.34/100
• Personal Property	\$1.50/100	\$ 1.50/100
• Machinery & Tools	\$.38/100	\$.38/100 (nominal)
	\$.30/100	\$.30/100 (effective)
• Bank Franchise	\$.80/100	\$.80/100
• Communications (State)	5%	5%
• Meals/Lodging	5.5%	5.5%
• Cigarette Tax	\$.15/pack	\$.15/pack
• Minimum BPOL	\$ 30	\$ 30
• Contracting BPOL	\$.16/100	\$.16/100
• Retail BPOL	\$.14/100	\$.14/100
• Repair, Personal Bus. Svcs.	\$.30/100	\$.30/100
• Financial, Real Estate, Prof.	\$.40/100	\$.40/100
• Wholesale BPOL	\$.05/100	\$.05/100
• Peddlers BPOL	\$ 500	\$ 500
• Residential Bldg. Permit	\$30 Min/\$.12 sq. ft.	\$30 Min/\$.12 sq. ft.
• Commercial Bldg. Permit	\$30 Min/\$.15 sq. ft.	\$30 Min/\$.15 sq. ft.
• Signs	Based on sign price- Minimum \$30	Based on sign price- Minimum \$30

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Water & Sewer Fund

Department	Approved FY 2022	Proposed FY 2023
Water Distribution	\$4,791,705	\$6,439,093
Sewer Collection	5,922,028	2,608,507
Wastewater Treatment Plant	<u>2,028,901</u>	<u>1,806,705</u>
Total	\$12,742,634	\$10,854,305

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W & S Capital Expenditures

- Water Distribution
 - Northside Water Project (FY22) 3,000,000
 - Plank Road Water Project 1,200,000
 - Pneumatic Pipe Saw 5,500
 - Water Line Materials 160,000
 - Dogwood, Tanglewood, Forest

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W & S Capital Expenditures

- Sewer Collection System
 - Northside Sewer Project (FY22) 750,000
 - Diesel Pump 75,000
 - Sewer System Problem Detection 850,000

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W & S Capital Expenditures

- Wastewater Treatment Plant
 - Ammonia/Nitrate Analyzer 30,000
 - Rebuild Clarifier Drives 310,000
 - Pipe Contact Tank 15,000

Total Water/Sewer Capital Expenditures 6,395,500

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Water & Sewer Rates

Water Rates	<u>FY 2022</u>	<u>FY 2023</u>
• <10,001 gallons	\$ 6.33	\$ 7.36
• 10,001 to 50,000 gallons	5.96	6.96
• 50,001 to 100,000 gallons	4.90	5.79
• >100,000 gallons	4.90	5.79
• Bulk Water	.01/gallon	.01/gallon

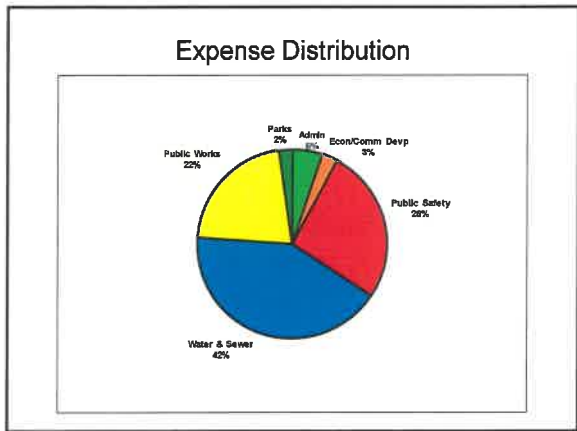
Sewer Rates	110% x Water	110% x Water
Leachate Rate	\$.033/gallon	\$.033/gallon

• Minimum Bill - Residential W&S	\$ 5.25	\$ 5.25
• Minimum Bill - Commercial W&S	\$45.13	\$51.62

Connection Fees		
• Water	\$1,000.00	\$2,000.00
• Sewer	\$1,500.00	\$3,000.00
• Irrigation Meter	\$1,000.00	\$2,000.00

Out of Town Service	2 x In Town Rate	2 x In Town Rate
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