

**Town of Bluefield
Town Council
Work Session
March 13, 2018**

The Bluefield, Virginia Town Council held a Work Session on Tuesday, March 13, 2018 at 6:00 p.m. in the Council Chambers of the Town Hall located at 112 Huffard Drive, Bluefield, Virginia.

TOWN COUNCIL PRESENT

Don Harris, Mayor
Anglis Trigg, Jr., Councilmember
Chuck Presley, Councilmember
Jimmy Jones, Councilmember
Ron Holt, Councilmember
Lee Riffe, Vice-Mayor

ALSO PRESENT

Mike Watson, Town Manager
Matt Freedman, Town Attorney
Kim Hernandez, Executive Assistant
Billie Roberts, Comm. Dev. Coordinator
2 Members of Public

ABSENT

Shane Gunter, Chief of Police
Lesley Catron, Town Clerk

CALL TO ORDER

Mayor Harris opened the Work Session at 6:02 p.m.

Insurance/Cigarette Tax

Mr. Watson stated that the insurance contract had to be submitted by the end of the month and that council needed to determine whether it would be a \$250 or \$500 deductible. He stated that the cigarette tax we currently had in Bluefield, Virginia was equal with Richlands and Pearisburg. He stated that Tazewell was \$0.15, Blacksburg was \$0.30, State of Virginia was \$0.30 and the State of West Virginia was \$0.55 per pack.

Mr. Holt asked if Bluefield, WV had a tax.

Mr. Watson stated no and Tazewell County did not have one either other than the Towns who did. He stated that you could go to Springville and not have to pay a cigarette tax. He stated that we would have to go through a referendum.

Mr. Riffe stated that if we went up we would be at \$0.40 per pack which would be higher than the state.

Mr. Watson stated that was correct if we went up \$0.10 per pack.

Mr. Riffe asked about the 2%.

Mr. Watson stated that it would be \$0.12 per pack and with the \$0.10 we averaged \$200k per year. He stated that it would be \$20k per penny per year.

Mr. Jones asked how much per pack.

Mr. Watson stated that it would be \$0.01 per pack and now we were at \$0.10 per pack.

Mr. Holt stated that if we raised it \$0.05 it would still be \$0.10 less than West Virginia.

Mr. Riffe stated that he would like to know how many of those 60 employees with insurance smoked.

Mr. Watson stated that it was an \$87k difference between the \$250 and \$500 deductible and stated they could do a 2% increase or \$500 to all Town Employees to help with the difference.

Mr. Holt stated that the \$500 increase would be about the same as a 2% across the board.

Mr. Watson stated yes but those making a higher salary would benefit more from a 2% increase.

Mr. Holt asked what would have to be done to do a \$0.05 increase.

Mr. Freedman stated that it would require a 1st and 2nd Reading, Public Hearing and 2/3 of the board to adopt it.

Mr. Holt stated that by taking care of deserving and trained employees it would benefit the community not just the 60 employees with insurance.

Mr. Riffe stated that the \$500 deductible was the sensible thing to do instead of raising the cigarette tax.

Mr. Holt stated that not only did the deductible go up but the out of pocket went up along with the ER visits.

Mayor Harris stated that all hospitalization went up.

Mr. Riffe stated that everyone's insurance was going up.

Mr. Holt agreed and stated that the county's insurance went up but if there was a tremendous amount of out of pocket they always helped them. He stated that he was not in a position to help those at Wal-Mart, etc. but they could help their own. He stated that he felt sorry for those whose insurance went up.

Mr. Riffe asked if there was any other way besides raising taxes.

Mr. Watson stated that he ran a fairly tight budget and we were \$130k to the good last year with \$72k of that as a budgeted payment and \$29k to the Fire Department as an LGIP. He stated that unless they wanted to cut services they could not make up that money.

Mr. Riffe asked what would happen if it went up again next year.

Mr. Watson stated that there has been one year that it did not go up and that sometimes it was a wash. He stated to keep the \$250 deductible, we would need to come up with \$120k.

Mr. Holt asked him what he thought.

Mr. Watson stated that he felt the \$500 deductible was fair.

Mr. Riffe stated that it would only increase \$13 per family on a \$500 deductible.

Mr. Watson stated that it would be going up 20% for the \$500 deductible.

Mr. Holt stated that they did not need to forget that the out of pocket increased as well.

Mr. Riffe questioned if the cigarette tax was the way to go.

Mr. Watson stated that you would have to raise a tax to keep the \$500 deductible.

Mr. Holt stated that Personal Property and Real Estate Taxes were the only other way to go since they had already raised meals tax.

Mr. Watson stated that he could absorb the \$24k into the budget but they would lose other services.

Mr. Holt asked if that was the only taxes they could raise.

Mr. Watson stated Business License and Bank Stock.

Mr. Presley stated that they would get public backlash for raising the Business License.

Mr. Holt stated that it would make it less desirable for a business to locate here.

Mr. Presley asked when the last time it was raised.

Mr. Watson stated 8 years on Business License.

Mayor Harris stated that the insurance premium increased because of the payout and there was an employee's wife who had \$1 million in claims.

Mr. Watson stated that it should come down this year.

Mr. Holt stated that they had to do a Cost of Living increase to keep descent people.

Mr. Jones asked with the \$0.10 on cigarette how much more would they need for the \$500 deductible.

Mr. Watson stated nothing.

Mr. Presley asked if our BPOL and Property Taxes were comparable to the area.

Mr. Watson stated that he could bring those numbers back.

Mr. Holt asked with \$0.05 per pack and a \$500 deductible how much would go into the General Fund.

Mr. Watson stated around \$45k but to remember there were additional costs and the \$500 increase would cost around \$55k.

Mr. Holt stated that it would be roughly \$20k.

Mr. Watson stated that we had a \$4,500 loss on Real Estate Property due to the reassessment and that each year things varied \$5k -\$10k no matter what.

Mr. Presley asked if the insurance went up next year then what.

Mr. Watson stated that once the new restaurant opened that would increase the meals tax.

Mr. Presley suggested they use meals tax towards this.

Mr. Watson stated that he had an operating budget that he tried to abide by to try and have a profit at the end of the year. He stated that he had turnover money of those who retired because he would hire someone new in at a lower pay rate. He stated that they had to look at long term growth and if in the future the health insurance went up, he would hope that some place like McDonalds, etc. had raised the price on something.

Mr. Holt stated that if they came to a consensus then they would have to vote for a cigarette tax.

Mr. Watson stated that we had to go to a \$500 deductible and it would require council to vote to increase salaries.

Mayor Harris reminded council that they still had a water increase and the last time they increased the cigarette tax that council heard about it.

Mr. Riffe stated that they gave the employees a 4% increase last year and now they were talking about an extra \$500 across the board.

Mr. Holt stated that this would allow them to keep the raise and it not be a wash.

Mr. Presley stated that he would like to wait and look at other avenues.

Mr. Holt stated that he would like to see if there was a consensus.

Mayor Harris agreed to let Mike look into it.

Mr. Watson stated that if the Business License was too low that council may want to look into it. He stated that the cigarette and meals tax was money collected for the Town.

Mr. Presley stated that they paid on what they earned for the Business License.

Mr. Watson stated that meals tax collected on a \$100 meal was set aside and did not go against the product. He stated that selling food was put into a separate account to pay the Town whether or not they made a profit whereas meals tax was set aside. He stated that it was a different source of funds.

Mr. Holt stated that it was not putting it on those who owned businesses but those coming in to eat.

Mr. Presley suggested giving new businesses a tax break for a certain amount of years.

Mr. Watson stated that could not be done.

Mr. Holt stated that they would not want to do that.

Mr. Watson stated that incentives were good but it would be better to make housing developments coming in to build a road and give it back to the Town to maintain. He stated that it would be unfair to give a new business a tax break.

Mr. Holt stated that there were already some legislative incentives that have passed.

Mr. Watson stated that it was for new businesses coming to the area.

Mr. Holt stated that they could not offer more than what was being offered by the legislative.

Mr. Watson stated that the Town offered a matching \$500 grant thru the IDA per building to help with façade. He stated that the State offered Enterprise Zone money which would help with Macados and they had given money to Pemco, Wells Fargo, etc.

Mrs. Roberts stated that the IDA grant was annually so they could request it every year.

Mr. Presley asked for information on it.

Mrs. Roberts stated that she would email it to him.

Mr. Holt stated that they needed to get back to whether the board wanted to move forward with the route he proposed since meals and cigarette tax were the only options.

Mayor Harris stated that he was in favor of a cigarette tax.

Mr. Holt agreed.

Mr. Jones agreed.

Mr. Presley stated that he would like to add other stuff to it and wanted to vote on it after Mike brought back some numbers at the next meeting.

Mr. Riffe asked when the last health insurance increase was.

Mr. Watson stated last year it was a 3%-4% increase to keep the deductible. He stated that they would like council to understand that we would be going to a \$500 deductible.

Mr. Trigg stated that he would like to wait and get more information as well.

Mr. Jones stated that he would be in favor of the \$500 across the board rate increase.

Mr. Watson stated that he would have staff contact Anthem to let them know we would be going to a \$500 deductible.

Mr. Riffe stated that he did not know how to get the money.

Mr. Watson stated that the Town would have to absorb \$25k and it would be a cost of \$6k total for the employees. He stated that we would need \$80k - \$90k in revenue.

Mr. Riffe asked if there were any raises or incentives in the budget.

Mr. Watson stated no other than the Police Department from last year.

Mr. Riffe suggested implementing a different type of raise into the next year's budget for any raises.

Mr. Watson stated that if he could find extra money then he would come to council and ask for an increase and that when someone retired he could use that money to give incentive raises. He stated that he had a dispatcher who had left and he used that salary to give the other dispatchers a raise. He stated that he brought cost of living increases to council for approval.

Mr. Riffe suggested giving incentives to those who used the Town's insurance and if it were increased then they could have money set aside to help for the next year so they would not have to increase taxes every time for insurance increases.

Mr. Presley stated that was a good idea.

Mr. Watson stated that he was not understanding what they wanted.

Mr. Riffe stated that if the employee used the Town's insurance then they would have an incentive set aside to help them pay for it if it were to increase.

Mr. Watson stated that what he was understanding was they would like to set money aside for this but told them that it may change every year.

Mr. Riffe stated that he was looking at how to help those who used the Town's insurance.

Mr. Watson stated that those not using the Town's insurance was helping him out more and saving money.

Mr. Holt stated that realistically those working for local government did not do it for the money but for the benefits.

Mayor Harris stated that there was a bill awaiting the Senator to expand Medicaid which would affect some of our people.

Mr. Watson stated that they could look at offering an option if the employee wanted to have a \$250 deductible then they would pay the difference. He stated that the highest effect was usage.

Mr. Jones stated that it was the cancer and heart patients, etc. that make it go up.

Mr. Watson stated that staff would contact Anthem and let them know of the \$500 deductible and that he would bring back the other numbers.

Mr. Riffe stated that he would like to look at using meals tax instead of raising another tax.

Mr. Holt stated if they did that then it would scrap any projects that they increased the meals tax for.

Mr. Riffe asked what would happen if it went up again.

Mr. Holt stated that he was looking at right now.

Mr. Riffe stated that he liked to look at the future.

Planning Commission Member

Mr. Watson stated that they needed to vote on a Planning Commission member to replace Mr. Danko. He stated that Council served on their board and was a liaison between the two. He stated that they did not have a vote that Planning Commission was their own operating board.

Mr. Jones stated that a lot of things had to go through them.

Mr. Watson stated that they had some authority however they recommended to Town Council for approval.

Mayor Harris stated that council did not have to accept their recommendation.

Mr. Watson asked if any of council was interested in serving. He stated that they met the first Monday of each month at 6 p.m.

Mr. Presley stated that he would do it.

Mr. Riffe stated that he did not mind doing it but that it was another night.

Mr. Watson stated that the meeting lasted 30 minutes to an hour and they received \$50 per meeting.

Mr. Presley suggested having a council member rotate.

Mr. Freedman stated that it had to be one designated member.

Mr. Watson stated that they had to be appointed by council.

Mr. Riffe stated that he would do it.

Mr. Presley agreed that he would do it as well.

Mr. Watson asked if they wanted to do a straw vote before the meeting.

Mr. Presley stated that he would let Lee do it if he wanted it.

Mr. Riffe stated that the only problem he seen with it was that Chuck owned a business and it may be a conflict. He stated that he thought Ron would want to do it.

Mr. Holt stated that he was already on several boards and could not be on another one.

Mayor Harris suggested that Lee do it.

PIC Awards

Mr. Watson stated that staff discussed and would work on guidelines if council wanted them too but it would be hard to set guidelines. He stated that the idea was a way for council to honor a person, business or group and staff would organize it with the individual to present it to them. He stated that it could be done during council comments, etc.

Mayor Harris stated that they could either come to a council meeting or we could mail it to them.

Mr. Holt stated that he would like to see them show up.

Mr. Riffe agreed and if they could not make it then staff would mail it to them. He stated that they could not give a resolution to everyone. He stated that they needed to move forward with the PIC Awards because it had already been one year and they have not done anything on them. He stated that resolutions would be for state winners and that wrestling went to state and did not make it and cheer went to state and placed 2nd and basketball did not win either and those should not receive resolutions.

Mr. Presley stated that State Champions should get a resolution.

Mr. Holt suggested letting council decide on each individually.

Mr. Jones stated that Carlock was the best Athletic Director and teacher around and was moving to North Carolina.

Mr. Riffe asked if the School Board would be honoring him.

Mr. Jones stated that they would be looking at doing so at their next meeting.

Mr. Holt stated that council should bring up each and vote on them individually.

Term Limits

Mr. Watson stated that staff could put Term Limits in the newsletter for comments but asked what type of term limits council was looking for.

Mayor Harris suggested they discuss it at the next council meeting.

ADJOURN

Mayor Harris adjourned the Work Session at 7:07 p.m.

Don Harris, Mayor

Lesley Catron, Town Clerk