

**Town of Bluefield
Town Council
Work Session
April 28, 2020**

The Bluefield, Virginia Town Council held a Work Session on Tuesday, April 28, 2020 at 6:30 p.m. in the Council Chambers of the Town Hall located at 112 Huffard Drive, Bluefield, Virginia.

TOWN COUNCIL PRESENT

Don Harris, Mayor
Ron Holt, Councilmember
Chuck Presley, Councilmember
Jarrod Bailey, Councilmember
Anglis Trigg, Jr., Vice-Mayor

ALSO PRESENT

Mike Watson, Town Manager
Kim Hernandez, Town Clerk
Matt Freedman, Town Attorney
Billie Roberts, Comm. Dev. Coordinator
Rachel Looney, Administrative Asst.

ABSENT

Jimmy Jones, Councilmember

CALL TO ORDER

Mayor Harris opened the Work Session at 6:37 p.m.

2020/2021 Budget

Mr. Watson stated that he had sent out a few emails to council and that he was working on a 5 year forecast for the budget since the minimum wage bill had passed both the House and the Senate. He stated that it would take effect in May 2021 instead of January 2021. He stated that the existing budget included a 2% salary increase across the board. He stated that he was also working on an agreement to move dispatch. He stated that it was brought to him a few months ago and he had been working with Chief to determine if our dispatch could work through the 911 Center. He stated that the salaries for dispatch would increase the salaries of the Police Department \$80k additional this year and would go to the officers. He stated that it would not change the overall budget that it would remain the same and the dispatch salaries would go into the officers' salaries. He stated that he had changed some numbers around to balance the budget and that he would like for council to vote tonight to schedule a Public Hearing for the 2020 / 2021 Budget. He stated that they could still do some changes between now and then.

Mayor Harris stated that they could add it under Town Manager's Report.

Mr. Watson stated that there were 78 employees who made under \$15/hr. and 49 that made over \$15/hr. He stated that the increase over time would match in the end and that many would go to \$15/hr. in 2026 but that those with seniority would not make but minimum wage. He stated that our neighboring state would still be at \$8.25/hr. unless they saw a minimum wage increase as well. He stated that those with seniority would be at what they made plus a 2% increase over the next 5 years but that he did not include himself or the Fincastle Manager. He stated that it would cost \$680k over the next 5 years including benefits. He stated that if they were to increase Real Estate by 1% that would only give them \$39k and that was not the way to make it.

Mr. Holt asked if that was spread over 5 years.

Mr. Watson stated yes.

Mr. Holt asked with salaries now and the current tax revenue how much more would it cost.

Mr. Bailey asked in 2026 how much would it cost for that year.

Mr. Presley asked if it was \$680k each year.

Mr. Watson stated no that was over 5 years.

Mr. Holt stated that for instance salaries were "x" amount right now but asked how much would they be in year 5.

Mr. Watson stated that he was confused and that salaries would freeze because there would not be any more increases after that year.

Mr. Bailey stated that if you took the 2026 payroll and subtracted the payroll that you have right now how much would it be.

Mr. Watson stated that you would take 20% off of that and it would be around \$567k.

Mr. Bailey asked if he got the \$680k by adding all of the increases together over the 5 years.

Mr. Watson stated that he took the employees hourly rate and multiplied it by their full time wage. He stated that he estimated a part time employee working 780 hours for the year unless they were considered seasonal and it was 450 hours for the year. He stated that he did this calculation including the 2% increase but that each year was different. He gave an example of someone making \$9.00 and went to \$9.50 that it would be an increase from \$7,160 to \$7,410 and he did that every year until 2025 (the end of the 5 years).

Mr. Holt asked what it cost right now in salaries and benefits.

Mr. Trigg suggested letting Mr. Watson work on it and bring it back.

Mr. Holt stated that it was important and they would need the revenue for these increases. He stated that that they would need to think about whether or not to do the increases incrementally or some other way.

Mayor Harris talked about it possibly being done in another meals tax increase.

Mr. Watson stated that the first year would cost \$54k, 2nd year-\$150k, 3rd year-\$120k, 4th year-\$207k and the last year would cost \$210k. He stated that they would need to be prepared for it in next year's budget. He stated that the only thing they could do would be to cut positions or raise taxes. He stated that it would either be good and the economy would have more money to spend or businesses would move.

Mr. Holt stated that small businesses could not afford this because they were not making a lot of money.

Mr. Watson stated that they may question whether it is cheaper to move across the line or we may see a steady growth in revenue.

Mr. Presley asked if he could make a chart showing "x" amount of loss of revenue over the next 5 years (ex. if they were to lose 2% in revenues from gas and meals) how much that would cost us.

Mr. Watson stated that we did not necessarily see fuel tax.

Mr. Presley stated that 70% of the WV population lived on the border and would not come over anymore if gas went up. He stated that it was something that we would need to prepare for as well.

Mayor Harris stated that they were wanting to increase it 15 cents per gallon over the next 5 years

Mr. Presley stated that he had heard 4% for 3 years but it had changed a couple of times.

Mr. Watson stated that our gas tax was cheaper.

Mr. Holt stated that he was not proposing but just asking how much we raised cigarette taxes the last time.

Mr. Watson stated 5 cents per pack.

Mr. Holt asked how much it generated.

Mr. Watson stated in 2018/2019 - \$290k and in 2019/2020 - \$238k.

Mr. Holt asked how much it would generate if they did another 5 cents.

Mr. Watson stated that it would be half of that so around \$117k.

Mr. Holt stated that people lived on fixed incomes and he did not like the idea of raising property taxes and would rather they raise consumption taxes.

Mr. Presley stated that they may have less people buying gas, etc.

Mr. Trigg suggested that they have a Work Session and sit down and discuss all of this.

Mr. Presley agreed.

Mr. Freedman asked if they were wanting to do a Work Session before or after the adoption of this budget. He stated that they could wait and not have the Public Hearing depending upon what the discussion was going to be about.

Mr. Bailey stated that this was not something that could be done this year but that they could start discussing it now.

Mayor Harris stated that the new candidates would be hit hard with these new changes.

ADJOURN

Mayor Harris adjourned the Work Session at 7:02 p.m.

Don Harris, Mayor

Kim Hernandez, Town Clerk