



***GATE CITY COUNCIL SPECIAL CALLED MEETING MINUTES
ADOPTION OF PROPOSED BUDGET 2014-2015
JULY 1, 2014
156 E. JACKSON ST.
6:30 P.M.***

ADOPTION OF PROPOSED TOWN BUDGET FOR 2014-2015

I. Mayor, Frances Perry, called the Public Hearing to order at 6:35 P.M.

II. ROLL CALL Town Clerk, Kathy Riley

Present: Mayor, Frances Perry
Vice Mayor, Allan "Cotton" Roberts
Council Member, Robin Richards
Council Member, Wallace W. Ross, Jr.
Town Attorney, Michele Brooks
Town Manager, Greg Jones
Absent: Council Member, Walter Salyers

Others present: None

III. NEW BUSINESS

- **Adoption of proposed Town Budget for 2014-2015** – Council Member, R. Richards, had a question under the employer insurance where is the employee's part of the insurance. Town Manager, G. Jones, responded he did not put that on there because it not part of our cost, but it is the state statute of 20% is employee's share and the amount showing is 80% which is set by state statute and can't be changed. The employer's minimum is 80%, you can pay more, but not less. Council Member, R. Richards, expressing her concern of not sure that is correct. Town Manager, G. Jones, stated he checked with VML. Mayor Perry restated we work under different standards to corporations. Council Member, R. Richards stating she talked with VML, General Counsel at VML and is receiving different information, has no idea. Town Manager, G. Jones, stated he would forward the email he has from VML. Council Member, R. Richards, wants to get back with him and the General Counsel she spoke to. Town Attorney, M. Brooks, asked Mr. Jones if he knew what the statute is. Council Member, R. Richards, stated that we have any right to go to and we could even go the healthcare.gov and put our employees on that. Town Manager, G. Jones, stated you can change the vendor, but can't change the percentage of 80/20%, that's the minimum. Council Member, R. Richards, stated you can change to any insurance company want with Town Manager, G. Jones, stated changing the rate of 80%,

you cannot pay less than that. Council Member, R. Richards, asked the Town Attorney if she would check on that, with Town Attorney, stating yes. Vice Mayor, A. Roberts, asked if that was declared by the legislation. Mayor Perry stated he said state law and that would be by the General Assembly of Virginia. Council Member, A. Roberts, stated the General Assembly would have to change that if that was true. Town Attorney, M. Brooks, questioned if that was for all state employees or localities. Town Manager, G. Jones, responded it's written in the Code of Virginia and is his impression it is for everybody. Unless there is specific language for public employees. Council Member, R. Richards, stated the General Counsel fellow told her the town can negotiate the percentages while at Marion. Town Manager, G. Jones, asked for the cost and stuff. Council Member, R. Richards, stated he asked what the percentages we pay versus our employees and he said municipalities will have to start going to healthcare.gov, they cannot keep absorbing the cost of the insurance that they are having to absorb. Town Manager, G. Jones, restated he would send her the emails so she could see what he is looking at and we can go from there. Ultimately, that is not something that I can fix right away. Council Member, R. Richards, agreed and stated it is something that we will have to look at. She asked Town Attorney, M. Brooks if the Council agreed to the budget tonight, any of this can be changed. Town Attorney, M. Brooks, responded yes that this is just a blue print of what you anticipate, like your household budget, but more formal due to public hearings. She further stated this is what the town anticipates the cost will be, but yes, you can adjust it as revenue increases or decreases, subject to Council's vote. But, anything can be amended throughout. Council Member, R. Richards, asked even the 2% pay increase. Town Attorney, M. Brooks, stated the only time is when the aggregate change goes more than 1% of the total budget, which would be a large cost and would need a public hearing to amend that, but you can still do it. Council Member, R. Richards, asked again if we pass this tonight all of this can be changed, with Town Attorney responding yes. Council Member, R. Richards, asked insurance companies, with Town Attorney responding it contingent on what is found out. Council Member, R. Richards, asked we are not on the figures in this budget, with Mayor Perry stating until amended. Vice Mayor, A. Roberts, recommended/asked to put on the July agenda to discuss the workshop regarding insurance and having the bonus be tied to performance. Council Member, W. W. Ross, Jr., discussed the budget figures under streets, with Town Manager explained it is in the capital improvement plan with separate schedules. Council Member, W. W. Ross, Jr., stated it continued to drop with Town Manager, providing an explanation as to why. Council Member, W.W. Ross, Jr., asked if the Fire Department and Life Saving Crew could give back to the town. Council Member, R. Cassell, responded there was no money for the Life Saving Crew and what is showing we can do what is on the list, maybe a little more. Council Member, W.W. Ross, Jr., asked if there is a record when money is moved and where does it go. Council Member, R. Richards, responded there is no money, so it is not being moved, it's not even there. Town Manager, G. Jones, stated what we want to get done in the next fiscal year and can change at any time. Mayor Perry explained money in a budget is just a projection and it can be adjusted according to money coming in. Vice Mayor, A. Roberts, stated he felt the money could be spent on the street, there is a need. Mayor Perry stated just because it's on paper doesn't mean it is there for us to spend too. You can put anything on a piece of paper but it doesn't mean it is going to be in the pot. Vice Mayor, A. Roberts, stated with the Town Manager breaking it down with projects we can see what things are lined up to be done. Town Manager, G. Jones, stated the focus with the budget is we need to start thinking about multi-year planning.

Motion made to adopt the proposed budget for 2014-2015.

Motion by: Vice Mayor, A. Roberts 2nd by:

VOTE: Yeas,	4
Nays,	0
Absent,	1-W. Salyers
Abstain,	0

IV. Motion made to adjourn.

Motion by: Vice Mayor, A. Roberts 2nd by: Council Member, R. Cassell

VOTE: Yeas,	4
Nays,	0
Absent,	1-W. Salyers
Abstain	

IV. Special Called Meeting closed at 7:47 P.M.

Mayor Frances Perry

Town Clerk, Kathy Riley