



**GATE CITY TOWN COUNCIL MEETING MINUTES**

**July 7, 2010**

**156 E. JACKSON ST.**

**6:00 PM**

**I. COUNCIL MEETING CALL TO ORDER**

Mayor Jenkins called the meeting to order at 6:00 PM.

**II. ROLL CALL – Town Clerk Kathy Riley “**

PRESENT: Mayor, Mark Jenkins  
Vice-Mayor, Rita Tipton  
Council Member, Tommy Herron  
Council Member, Roger Cassell  
Council Member, Frances Perry  
Council Member, Wallace W. Ross, Jr.

Others Present: Town Attorney, K. Michelle Jenkins; Town Manager, Steve Templeton; Benny Reed; Jim Addington

**III. NEW BUSINESS**

**PUBLIC HEARING ON 2010-2011 TAX ASSESSMENT**

**Town Manger Templeton** – The document you have in your hand was the exact notice that was published in the Kingsport Times News as required by state law. It is in the exact format as required by state law. Basically, what the town is proposing is that we would maintain the same tax rate of 33 cents per \$100 of assessed value and adopt the new county assessment or appraisal that was recently conducted just a few months ago. The second paragraph where it says the total assessed value of real property increased by 20.8%, this figure is the exact figure that was given to me by the property assessors, themselves. That would result in about \$66,000.00 in increased revenue for the town.

**Mayor Jenkins** – Are there any public comment on this item?

**IV. PUBLIC COMMENT**

**Benny Reed** – I guess no one thinks this is important. I will keep this short and sweet. The budget that you have proposed for the fiscal year 2010-2011 includes a real property tax increase that you did not propose by giving justification for its need. It came as a gift to you because of the Scott County Property Tax Reassessment and apparently you decided you had to use it regardless of the state of economy or how it would affect the Tax Payers of this Town. Again, I say to you that there has been no accountability for the results of the audit for the fiscal year ending June, 2007, when the Town books were out of balance as indicated by an independent audit. The Town books were out of balance then and in my mind will be out of balance until the taxpayers have an explanation as to why they were out of balance and the audits are presented for those years following 2006-2007. Because of these reasons, I think you should reduce your tax levy to remove the approximately \$66,000.00 generated by the real property tax increase that is proposed in your budget. Thank you for your time and consideration on this subject. I also want to say that I am glad to be an American and to have the freedom to voice my objections to what I think is an unfair property tax increase.

**Mayor Jenkins** – Thank you Benny. Any other comment, any comments by Council Members?

## V. COUNCIL DISCUSSION

**Council Member Wallace W. Ross, Jr.** – You said the public hearing about the \$66,000.00. What do you propose to do with that excess?

**Town Manager Templeton** - There are two to three things that money can go for. One is to raise the salary wage base across the town as a whole. We lost one Police Officer simply to the fact an adjacent jurisdiction pays five percent of their retirement and the fact that he left here at about a \$5,000.00 difference in take home pay. They pay the insurance as well as the retirement. We didn't propose to pay any of the insurance. The second factor is put over \$20,000.00 in a capital improvement plan to buy the Town a used bobcat and trailer to be used on a lot of these projects too small for a backhoe or where a backhoe wouldn't be feasible like the park we finished in December. We couldn't get a backhoe in there, it was simply too wet, it would have sank. We rented a bobcat for two weeks and in those two weeks we could have made a down payment on a bobcat. We were told, by our Public Works people, we desperately need it. There are a couple capital projects we have put money into that account, if we spend that and part of that is to renovate this building. We're going to have to look at a different funding source other than rural development, along with some issues relating to the age of the building which gets into the Federal government. We left some money in that for capital improvement. This year we did roll over \$40,000.00 into a CD and we did the same thing last year. We are building up a little cushion of money that we didn't actually spend, in case we have any type of emergency. For example, we put in a \$28,000.00 water line in October which saved us, thousands of dollars in water loss. We didn't have that budgeted, but we had a slight cushion so we could use it. We don't know what kind of emergency could come up this year. We have an aging water system and we have a little bit of a cushion for that. We basically try to keep the line items fairly close or within the department divisions, so it was an overall increase of 2.85%. That probably is not even matching inflation if the truth is known about the inflation process. So that is the proposed use for.

**Council Member Wallace W. Ross, Jr.** - So you said it will be about 2% across the board for everybody? How much of a raise are you talking about?

**Town Manager Templeton** – There will be a 5% for the retirement. There will be a 0-6% based on the evaluations as decided by the Personnel Committee and then voted on by the Council. That

is a variable figure. I put in 6% as a budget request, because had we not put that in, and Council voted to give that, it would not be in the budget. We were actually advised by Town Attorney from past to do that. So, if we don't spend that much, we also have that as a savings.

**Council Member Roger Cassell** – Is that 5% that I read in the papers is this new hires or everybody.

**Town Manager Templeton** – That is everybody. We had to have the resolution pass before June 30<sup>th</sup> if we were to include new hires because the state changed, very radically, the retirement system. The benefits would be considerably less for anyone hired after July 1, 2010. But it won't change for those who are already existing employees.

**Council Member Wallace W. Ross, Jr.** - This budget crunch, and I know that, don't take my questions, interpreted as I am against or for, but is there any other route that you can use the \$66,000.00 towards, besides pay to enhance the progress of the city or of things to be done?

**Town Manager Templeton** – There is probably two dozen things we could spend it on that probably needs to be spent on. I thought this would be the ideal year since there was this reappraisal to raise the salary base. If we don't raise the base, we'll never get anywhere as far as attracting other employees or keeping the ones we have. If we give 6% of nothing, we still have 6% of nothing. For example, we hire Police Officers at \$10.00 an hour, that isn't much money. We are lucky to get the ones that we get, in my opinion. After six months, we give them a 50 cent raise. That is still only about \$21,000.00 per year. They can go to any neighboring jurisdiction and make 5-10 thousand dollars more. Scott County Sheriff's Department starts out at about \$34,000.00. That is my understanding. So I'm just trying to raise the base, incrementally. So we pay them a living wage, not a huge wage. We can't pay what Kingsport or the counties pay, but we can pay, hopefully, enough for boys who want to live here, raise their families here, send their kids to school here, can stay and make a living without having to leave and go somewhere else for 25 years then retire and come back home. I think that is the goal for many members of Council, that I have discussed with, is that we do try to do it incrementally to a point we are competitive with the others. You mention the county and I have spoken several times with Mr. Hood. The county ran a 2.5 million deficit last year. They have to be very frugal in their budget. On the other hand, we are running 1 to 2 to 3 percent below our budget every month. So we are, fiscally, in good shape. We have collected more back taxes probably in the last couple years than we have collected in a long time. All but one of our business taxes were collected last year. We have strong emphasis on collecting the taxes that are due, so it doesn't fall on the shoulders of just a few. So if we are aggressive in collecting our taxes and are successful at it, we don't run deficits, which we can't do, like the other jurisdictions. We can't be compared because we are fiscally more responsible.

**Council Member Wallace W. Ross, Jr.** – With the 2009 Budget we had \$137,500.00 what you used to pay for the 2009 Budget. Okay, you're going to Page 12, 22.

**Town Manager Templeton** – Are you quoting actual or the annual of \$1,803,874.00 or the proposed?

**Council Member Wallace W. Ross, Jr.** – He questions amounts in Line Item # 001 700 5010 Salaries. Is that what you predict, projecting that each person will receive?

**Town Manager Templeton** – Chris has broken these down to different specific line items. For example where in last year's budget we would have thrown in some of the benefits he has broken

those out as what's current general accepted accounting practices that has been put into this new accounting system so there are some numbers if you look at it on the "09" and then look at in the "10" it looks different, but they are there and they are balanced.

**Mayor Mark Jenkins** – I think really we need to stick with the Public Hearing on the Tax Assessment part. We have already had the public hearing on the 2010-2011 Budget. We are getting a little off course. Anymore questions, comments, on the 2010-2011 Tax Assessment? Is there nothing else on the 2010-2011 Tax Assessment for the Public Hearing?

**Mayor Mark Jenkins** closed the Public Hearing at 6:15 P.M.

**VI. ADJOURN**

Motion made to adjourn the meeting.

Motion by: Vice Mayor Tipton 2<sup>nd</sup> by: Council Member Perry

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| VOTE: | Yeas, | 5    |
|       | Nays, | None |

\*Mayor Jenkins adjourned the meeting at 6:16 PM

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Mayor Mark Jenkins

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Town Clerk Kathy Riley