



**GATE CITY SANITATION AUTHORITY**  
**JUNE 15, 2011**  
**PUBLIC HEARING – 2011-2012 BUDGET**  
**156 E. JACKSON ST.**  
**6:00 PM**

**I. CALL TO ORDER**

Dewey Breeding, Vice Chair called the meeting to order at 6:00 P.M.

Vice Chair, D. Breeding welcomed the two new Board Members, D. Hartsock and R. Baker to the Sanitation Authority.

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

PRESENT:	Vice-Chair, Dewey Breeding	ABSENT:	Chairman, Jim Craft
	Council Member, Roger Cassell		Town Manager, Steve Templeton
	Board Member, Daris Hartsock		
	Board Member, Rodney Baker		
	Town Attorney, Michele B. Brooks		
	Acting Town Manager, Mark Jenkins		

Others present: None

**III. NEW BUSINESS**

**A. Public Hearing on 2011-2012 Sanitation Authority Budget**

**IV. PUBLIC COMMENT**

**Wallace W. Ross, Jr.** – Began to speak regarding Town Budget, but was informed the Public Hearing was for Sanitation Authority budget.

**Public Comments closed at 6:03 P.M.**

**Council Member, R. Cassell** – Discusses the letter received from Dan Danko, Scott County Public Service Authority (PSA), regarding the percentages of Gate City paying 58% with PSA paying 42%. States this has been discussed previously regarding paying for the flow, but PSA has Gate City paying 58% of the phone and everything (vehicles). Believes the contract percentage was based on flow with reasonable administrative costs. Questions the phone bill for us stating they do more business than we do.

**Vice-Chair, D. Breeding** – Doesn't know why we have to pay any of their phone bill.

**Town Attorney, M. Brooks** – Explains it is an administrative cost, stating it is defined under the statute with providing copies to the Authority members regarding the definition of cost and will provide a copy to the new board members. There is a definition of cost within the PSA contract and needs to be addressed with Mr. Danko and with Ms. Kegley.

**Council Member, R. Cassell** – Has no problem with paying in, just doesn't understand why it costs more for a vehicle and phone for us.

**Town Attorney, M. Brooks** – Agrees it is a legitimate issue that needs to be raised and addressed by the Sanitation Board. States a lot of the costs they are charging us for are legitimate and states issues that the Board has we will address with them. But for budgeting purposes we need to

**Vice-Chair, D. Breeding** – Suggests M. Brooks, Town Attorney, to meet with their attorney and define what we should and should not pay. Asks both, Town Attorney, M. Brooks, and Council Member, R. Cassell, if they think it is a good idea

**Town Attorney, M. Brooks and Council Member, R. Cassell** – Both agree.

**Vice Chair, D. Breeding** – States contract is vague.

**Town Attorney, M. Brooks** – Agrees some of it is vague, but explains cost is defined and actually provides a Code section in the contract outlining the things that can be considered in the cost. We need to nail it down so you can budget appropriately.

**Council Member, R. Cassell** – Explains what has been discussed to new Board members with the contract with PSA regarding the percentage of payment of the loan, percentage of the flow and reasonable administrative costs. States PSA is breaking everything down on their budget to pay for not just for flow, but everything whether it is phone, vehicles, overtime or whatever.

**Town Treasurer, C. Edwards** – As you can tell on that budget, it went up \$60,000 from last year. Explains the many non-operating expenses they listed that we will have to pay for.

**Town Attorney, M. Brooks** – States she would be happy to meet with Mr. Danko and Ms. Kegley before the next Sanitation Board meeting meets next month depending on Ms. Kegley's scheduled.

**Town Treasurer, C. Edwards** – Asks, Ms. Brooks if Ms. Kegley is their Attorney? Not sure if she is not.

**Town Attorney, M. Brooks** – Believes she is, but will verify. She questions the items that are in red?

**Town Treasurer, C. Edwards** – Refers her to non-operating expense section.

**Town Attorney, M. Brooks** – Explains, as an example, debt service is included in costs which is a legitimate expense, with whatever percentage we ultimately determine.

**Town Treasurer, C. Edwards** – States the budget was reduced about 9%. On last year's projections, versus this year, looking at the revenue and expenses which were projected high last year.

**Vice-Chair, D. Breeding** – Our revenues are still exceeding our expenditures. So long as we are ahead of the game and don't have to raise the rates we're in good shape, I think.

**Council Member, R. Cassell** – States when the new subdivision will provide potential revenue and explains location and type of buildings to other Board Members.

**Vice-Chair, D. Breeding** - Asks if there are any further comments?

## V. Public Hearing closed at 6:12 P.M.

---

Dewey Breeding – Vice-Chair

---

Town Clerk-Kathy Riley