

PUBLIC HEARING OF THE GATE CITY TOWN COUNCIL
FRIDAY, JUNE 22, 2007
GATE CITY TOWN HALL
6:00 PM

PRESENT: Mayor Mark Jenkins, Vice-Mayor Rita Tipton, Frances Perry, Carl Hurt,
Town Manager Lynne Moore, Recorder Heather Kiser

ABSENT: Tommy Herron, Roger Cassell, Town Attorney Mike Carrico

OTHERS PRESENT: Cindy Coates, Charles Syer, Ron Kindle, Debbie Kindle,
Stoney Falin, Lisa McCarty, Jim Addington, John Barger,
Joshua Wilson, Carl Munsey, Richard Hubbard, Charles
Dougherty, Gail Dougherty, Kayla Dougherty

Mayor Mark Jenkins called the public hearing regarding the Fiscal Year 2007-08
Operating Budget to order at 6:00 pm.

Mayor Mark Jenkins opened the floor for public comment at this time.

Tommy Herron joins the meeting at this time.

Mayor Mark Jenkins discussed the proposed tax rate increase from \$0.28 per \$100 to
\$0.33 per \$100. Mayor Jenkins also discussed the proposed increase to
the water rates. The increase would affect the amount that is used over the minimum of
2,000 gallons. The current rate for any water used over the minimum is \$6.00 per 1,000
gallons. The proposed rate would increase the rate from \$6.00 to \$8.00 per 1,000 gallons.

Roger Cassell joins the meeting at this time.

Roger Cassell discussed the maintenance cost to the 1991 Ford Truck. He questioned
why the maintenance cost went up to \$2,000 and suggested that the town look into
purchasing a new 2-wheel drive truck. He also questioned where the figures came from to
budget that amount. Town Manager Lynne Moore answered that the truck's age was the
reason that amount was being budgeted.

Jim Addington asks about the tax percentage increase. The increase would be 3.52%. Mr.
Addington also asks about the public service corporation tax. Town Manager Lynne
Moore discussed why the tax showed up this year and not last year. In past year's budget
the amount has been budgeted into the real estate tax amount and not as a separate tax
amount. Treasurer Cindy Coates also discussed the corporation tax with Mr. Addington.

Tommy Herron asks Treasurer Cindy Coates about the delinquent real estate taxes.
Treasurer Coates replied that there is approximately \$60,000 of outstanding real estate
taxes.

John Barger asks about the real estate tax increase percentage. Treasurer Cindy Coates replied that there would be an 18% increase to the real estate taxes.

Jim Addington asks about the tax base increase. Town Manager Lynne Moore replied that the total increase is only 5% from last budget year.

Jim Addington asks about the payroll taxes. Treasurer Cindy Coates replied that the payroll tax amount was not budgeted correctly in 2005-06.

Dewey Breeding joins the meeting at this time.

Jim Addington also questioned the Workman's Comp. Treasurer Cindy Coates replied that the Workman's Comp is broken down into each department.

Lisa McCarty asks about increases in the Virginia Retirement System and the town's health insurance. Treasurer Cindy Coates replied that there hasn't been any notice of an increase from Virginia Retirement System and the town's health insurance only went up a half of percent. Mrs. McCarty also questioned the debt service increase in the water enterprise fund expenditures. Treasurer Cindy Coates replied that large equipment has to be purchased for the water plant. Lisa McCarty also asks about the electrical bills in the general administration operation. Treasurer Cindy Coates replied that the town is responsible for paying the power bill for the upstairs and downstairs of the town hall building.

Mayor Mark Jenkins asks Treasurer Cindy Coates what the county's current tax levy is. Treasurer Cindy Coates replied that the county's current tax levy is \$0.69 per \$100.

Jim Addington asks about the water sales-billings. Town Manager Lynne Moore discussed the reason why the water sales-billing increased. There has been an increase in the debt service. Treasurer Cindy Coates informed the council and audience that the payment for the Manville/Red Hill loan payment has to be started in this budget cycle.

Town Manager Lynne Moore discussed the water rate increase.

Jim Addington asks how many new customers were taken in by the Manville/Red Hill Road water project. The town took in 120 new customers. Mr. Addington also asks if the town's previous water customers are paying for part of the water line extension on Manville Road and Red Hill Road. Town Manager Lynne Moore replied that the town's previous water customers will be paying for some of the water line extension.

Mayor Mark Jenkins asks about the payment for the Manville/Red Hill Water Project. The amount taken in from the new water customers should be enough funds to pay the loan payment.

Jim Addington questioned the town's debt service. Treasurer Cindy Coated explained that the town has existing bond payments. The maturity dates range anywhere from 2010 to 2030. Mrs. Coates also explained each of the bonds to Mr. Addington.

Mayor Mark Jenkins discussed the expense of equipment needed at the water plant. Debbie Kindle suggested increasing the out-of-town water rates instead of increasing the in-town water rates.

Mayor Mark Jenkins closed the public hearing regarding the Fiscal Year 2007-08 Operating Budget at 7:00 pm.

MAYOR

RECORDER
