

BROADWAY TOWN COUNCIL

May 3, 2016

The Broadway Town Council met in regular session on May 3, 2016 in the Council Chambers of the Broadway Municipal Building. The following members were present: Mayor Timothy S. Proctor and Council Members Chad L. Comer, Leslie E. Fulk, Richard E. Fulk, Douglas W. Harpine, Beverly L. London, and Fred M. Olson III. The following staff members were present: Town Manager Kyle O'Brien, Clerk/Treasurer Marla W. Kline, Town Attorney Donald Showalter, and Police Chief Randy Collins. Also in attendance were Ben Bennington, Woody Brown, CeCe Dodd, John Dove, Gail Gutschmidt, Bailey Morris, Sammie Neff, O. Gene Nesselrodt, Ginny Nordeng, Timothy Schmoyer, Kathie See, Darlene Sites, John Sites, Nolan Stout, Leah Terry, and Mariah Trimble.

Mayor Timothy S. Proctor called the meeting to order at 7:00 p.m. with a salute to the U. S. Flag and invocation.

Mayor Proctor asked everyone to take a moment to remember Johnny Funkhouser, a long-time resident of the Town who recently passed away. He noted that Mr. Funkhouser served on the Planning Commission, as well as worked in the Broadway area of the Rockingham County School system for many years. He stated that Mr. Funkhouser, alongside his wife Betty, have been notable members of the Broadway community for many years.

**Approval of Minutes and Bills:**

Fred M. Olson III moved, seconded by Douglas W. Harpine, to adopt the minutes of the April 5, 2016 session of Council and to authorize payment of bills in the amount of \$749,748.68. The motion was approved with the following recorded roll call vote:

Chad L. Comer	Aye	Leslie E. Fulk	Aye
Richard E. Fulk	Aye	Douglas W. Harpine	Aye
Beverly L. London	Aye	Fred M. Olson III	Aye

**Public Hearing:**

Mayor Proctor stated that as required by state law, the proposed budget for fiscal year 2016/2017 was printed in summary form and properly advertised at least seven days prior to the public hearing in the Daily News Record. Mayor Proctor opened the Public Hearing and asked Town Manager Kyle O'Brien to present the proposed budget.

Mr. O'Brien stated that total amount of the budget is \$9,124,300, compared to the current year's budget of \$5,280,000. He further stated that once again this year, the increase is primarily due to the ongoing construction at the wastewater treatment facility. He then familiarized everyone with the budget adoption process and provided a power point presentation highlighting the proposed budget. He then provided the following overview of the budget:

**General Fund:**

**Revenue:**

- **Real Estate and Personal Property tax rates:** No proposed changes.
- **Sales tax:** Revenue is projected to increase with the opening of the new Wal-Mart in Timberville and continued commercial development in the Port Road area of Rockingham County.
- **Business License:** This revenue has continued to steadily increase over the past several years.

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- **Meals Tax:** This tax continues to be a significant source of revenue, and collections continue to increase.
- **Trash Fees:** No proposed increase in trash and recycling fees and the revenue continues to cover the cost of providing this service.
- **Cigarette Tax:** No proposed increases in this relatively new tax, which continues to be a significant source of revenue.
- **Transportation revenue:** At \$414,000 annually, this revenue continues to play a major role in General Fund revenues.

### *Expenditures:*

- **General Government:** \$25,000 is included in capital outlay for various small projects throughout the year.
- **Public Safety:** This will be the first full year of our fifth full-time police officer.
- **Streets:** The Town now receives \$414,000 per year in highway funding that must be spent annually, and that number will increase slightly each year. The Town is continuing to make progress with sidewalk reconstruction and paving each year. It is the intent to pave East Springbrook Road in the summer of 2017 that would be funded with a portion of this year's funding, as well as a portion of FY 2018.
- **Parks & Recreation:** Funding is appropriated to install a liner in the pool after this summer that will decrease annual maintenance costs in the future.
- **Economic Development:** \$10,000 is appropriated again this year for this effort.
- **Trash Collection:** Continue with contract with Waste Management which also includes recycling, yard waste and bulk pick up.

### Water Fund:

#### *Revenues:*

- **Water rates:** Includes an 8% increase in water rates. This increase is needed in order to keep up with inflation, as well as to plan for the needed upgrades at the plant. For a family using an average of 5,000 gallons, this equates to an additional \$3.82 per billing (every two months).

#### *Expenses:*

- Minor capital improvement projects, with the continued implementation of new touch read meters.
- Maintains continued purchase of water from Food Processors Water Coop. which is more cost effective.

### Sewer Fund:

#### *Revenues:*

- **Sewer rates:** There is no proposed increase in residential user fees. Broadway's share of the upgrade was incorporated into its residential rates in the FY 2016 budget. The Town has finalized negotiations with its larger customers, and their new rates will be implemented beginning July 1. This will help offset the higher debt service costs associated with the upgrade to the wastewater plant currently underway.

#### *Expenses:*

- The upgrade at the WWTF will continue through at least the first half of this fiscal year, and

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is the primary reason for the large increase in the wastewater budget.

- Significant ongoing expenses including utilities, sludge removal, chemicals and debt service

He concluded his presentation by stating that the proposed budget is balanced in accordance with state statutes, and revenues are based on conservative estimates, while expenditures are based on historical data, as well as actual proposed costs. The proposed budget continues the Town's fiscal prudence, while continuing to provide the highest quality service that its citizens have come to expect.

Mayor Proctor thanked Mr. O'Brien for the presentation and invited comments in support of or in opposition to the proposed budget.

David Wood spoke against the increase in water rates and stated that he feels that rate increases have been excessive over the past year for citizens. Mr. Wood asked why the larger customers cannot be charged more.

Mr. O'Brien explained that all of the wastewater contracts with Cargill, Pilgrim's Pride, and the Towns of New Market and Timberville, were re-negotiated based on percentages of use. He further explained that although Broadway only uses 8% of the facility, it must contribute accordingly and that is the reason sewer rates were increased in the current year's budget. He added that now, however, the larger users are seeing the increases as well.

Mayor Proctor stated that the Town has chosen to gradually increase both water and sewer rates rather than impose a large increase all at once due to the needed upgrades at the facilities. He noted that the Town is facing a much needed upgrade at its 40 year old water plant and feels that implementing gradual rate increases in advance, rather than a large increase all at one time, is the most effective way to realize the additional funding necessary, yet not make too huge of an impact on its citizens budgets.

Additionally, Council member Bev London noted that previously when applying for grants and loans, the Town was looked on unfavorably because of its ridiculously low utility rates. She stated that the rate increases have been very small percentages on small amounts. She, along with other members, noted that the Town continues to maintain some of the lowest rates in the State.

John Dove stated that he continues to feel that the purchase of the wastewater facility was a poor decision of the Council and that residents of Broadway are assuming all of the debt.

The Council reiterated its support of the Town's decision to purchase the wastewater treatment facility. Members concurred that although the upgrade has added additional financial burden, much of the impact has been on the larger wastewater customers, rather than the Town's citizens. Mayor Proctor reminded everyone that two major responsibilities of the Council are to assure that its citizens are protected and that necessary services are provided. He stated that he feels that the purchase of this facility was a wise business decision and continues to be the most economically feasible way to assure that this service is adequately provided.

Having confirmed there was no one else in attendance wishing to speak either in favor of or in opposition to the proposed budget, Mayor Proctor closed the public hearing and advised that state

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regulations require that the budget public hearing and adoption of a budget be held on different dates and noted that no action can be taken during this meeting. He stated that adoption of the budget will be necessary as a part of the regular June Council meeting. A copy of the proposed budget is included in the minutes as Attachment A.

### **Old Business:**

Town Manager Kyle O'Brien reported on the following items of Old Business:

- **WWTF Upgrade project:** Construction continues to go well, with the first of the three concrete pours having been completed. Slides of the project to this point were then shown.
- **Water Plant Preliminary Engineering Report (PER):** The preliminary engineering report is making progress. The Town has applied for additional grant funding to continue this process.
- **Construction Projects:** The utility work for the Central Street sidewalk project is underway and construction is anticipated to ramp up later next week. The bathroom remodel project at the park is wrapping up and should be completed within the next week or two.

### **Committee Reports:**

#### **Parks & Recreation Committee:**

Chairman Doug Harpine reported that his committee met with members of the Broadway Little League to assure that both the Council and the Little League Board are on the same page with the happenings at the fields at the Community Park.

#### **Finance Committee:**

Chairman Richard Fulk thanked the entire Council for its support of the Finance Committee's efforts in establishing a feasible budget for the next fiscal year. Councilman Leslie Fulk noted that with the many projects underway, he felt it would be a difficult task to develop a balanced budget; however, he was pleasantly surprised at the final outcome. Councilman Doug Harpine concurred and commended Mr. O'Brien for his hard work.

#### **Personnel/Police Committee:**

A copy of an activities report for the police department for the month of April is included in the minutes as Attachment A.

#### **Streets & Properties Committee:**

No report.

#### **Utilities Committee:**

No report. A copy of the water production report for the month of April is included in the minutes as Attachment B.

#### **BHP:**

Council representative Fred Olson reported that Chris Weaver is now the president of the Executive Board. He reminded everyone that the Kids Fishing Day event is scheduled for May 14, 2016 and the Red, White & Brew festival will be held on June 4<sup>th</sup>.

#### **Planning Commission Report:**

No report.

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**New Business:**

Mr. O'Brien reminded everyone that the opening of the Farmers Market is set for this Saturday, May 7, 2016.

**Public Comment:**

Fire Chief Woody Brown advised that the department is in the process of remodeling and invited anyone desiring to see the improvements to stop by the station. The Council expressed interest in taking a tour of the facility as a part of the work session prior to the next Council meeting.

There being no further business, the meeting was adjourned.

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Timothy S. Proctor Mayor

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Marla W. Kline, MMC Clerk