

**PUBLIC HEARING
TOWN OF ST. PAUL
FY 2017-18 BUDGET
TUESDAY, JUNE 6, 2017
5:45 P.M. – TOWN HALL**

PRESENT:

Kyle Fletcher, Mayor
Kenneth Holbrook
Harry Kelly
Jason Kilgore - Absent
Tim Boardwine
Greg Bailey
Monty Salyer

Debora Baca – Town Clerk/Treasurer
Kathy Stewart – Main Street Director
Jennifer Bailey – Business Owner

Mayor Fletcher called the public hearing to order, stating the purpose of the public hearing is to answer questions and hear comments on the proposed 2017-18 budget.

Mayor Fletcher read the Notice of Public Hearing and Synopsis of the Budget. He noted that there is no increase in real estate or personal property tax, and all other taxes, fees and licenses are again levied, assessed and imposed as previously established by Council and will remain in full force and effect until changed by Council. He read the proposed increase in the water rates for the third year of the three year plan: the newly proposed water rate is \$14.25 for the first 1,500 gallons and \$6.45 per thousand gallons thereafter. The newly proposed out-of-town water rate is \$26.00 for the first 1,500 gallons and \$10.25 per thousand gallons thereafter. The in-town and out-of-town sewer rate will remain 110% of the water bill. The garbage rates and the water and sewer tap rates will remain the same. The total proposed budget for the General Fund for 2017-18 is \$4,486,542 and for the Utility Fund is \$4,273,098. The synopsis of the budget is attached to these minutes.

The Treasurer provided a copy of the proposed budget to those present. Mayor Fletcher opened the floor for public comments.

Kathy Stewart talked about how the signage money in the current budget has been used and asked Council to consider allocating additional money for signage in the proposed budget. Ms. Baca pointed out that \$8,000 has been allocated for gateway and trail signage in the proposed budget. Ms. Stewart asked Council to commit \$5,000 for the Business Challenge in the proposed budget. The last issue addressed by Ms. Stewart was local investment to the Lyric Project. The grant applications for the IRF, ARC, and other grants are scoring low on readiness because they don't have funds for cash match except for what has been raised by the Lyric Committee. She read some of the grant language from funding agencies, noting the requirement of local investment or a 1/1 match. Ms. Stewart stressed that the Lyric Project needs money for security to use as match in the grant applications. It is not something that has to be spent immediately, but the project needs a commitment from the Town to support it. These applications are on behalf of the Town, not St. Paul Tomorrow, because the Town owns the property. The Lyric has been turned down for the IRF again this year and we have not yet heard about the ARC grant. She talked about the importance of providing entertainment to our community and our visitors, and asked Council to take a serious look at committing as much cash as possible to invest in the Lyric Project.

Jennifer Bailey, resident and local business owner, talked about the need to have an additional office worker to help with grant applications and administration. She pointed out the strong financial position of the Town and encouraged Council to use some of the cash as leverage and invest in the future of the Town. Ms. Bailey suggested committing as much as \$500,000 to the Lyric Project. She believes that if the Town will make a commitment, funding agencies will start to give more money to the project. She asked the Town Council to be willing to make more long term investments. Ms. Bailey talked more about the number of out-of-town visitors coming to the brewery and the many other things that could be offered to them once the Lyric is restored.

Mayor Fletcher said the Council has to consider every aspect before making a large commitment. He commented on the financial commitment the Town has in the infrastructure projects and his concern about maintaining a solid financial base into the future, noting that the Town needs to be prepared for the time when Dominion tax revenue starts to decline. Several council members discussed different amounts to be considered for the Lyric Project. Ms. Stewart again emphasized that she is not asking the Town to write a check, just to make a commitment to show their support for the project. Ms. Baca pointed out that if a grant is received based on a match from the Town, the money has to be available to contribute the money at that time. She also noted that, unlike many localities, the Town of St. Paul has a substantial contingency line item in the proposed budget. Since we don't really know what year the money would actually need to be spent, the commitment could actually be made through a resolution and doesn't necessarily have to be a budget line item. Several council members commented favorably on the idea of restricting a set amount of cash to be designated to the Lyric Project. Ms. Baca said that a resolution of commitment is not necessarily a budget item. She also pointed out that the proposed budget has \$100,000 allocated to the Lyric Project for the upcoming year. There was further discussion about whether to remove the \$100,000 from the proposed budget and draft a resolution to "restrict", "commit" or "assign" a specific amount to the project. Ms. Baca read from the audit the difference in those terms and it was determined Council action could "commit" an amount of the cash assets to this specific purpose. Ms. Baca further explained that when the time comes when the funds need to be spent, it would require Council action to move the amount needed from Contingency to a project expense line item. Councilman Salyer asked the Treasurer to get a clarification from the auditor that a resolution to commit funds for a specific purpose could be done by Council.

Councilman Salyer reminded Council of the River Sweepers presentation a few months ago, noting that Russell County committed over \$20,000 last night and asked to add an allocation of \$5,400 to the River Sweepers project. The Treasurer advised that any change in the proposed budget line items should be a part of the motion made for the budget approval. As long as the total overall budget is not changed, Council still has the flexibility to move from one line item to another.

Councilman Kelly stated concern on who would operate the Lyric once the building project is complete. Mayor Fletcher commented that he understands the Town owns the building but does not believe the Town should be operating a theater. It should be a private group or non-profit. Following further discussion about the maintenance and operation of the theater, Mayor Fletcher asked if there were any more comments on the budget.

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There being no further questions or comments about the budget, Mayor Fletcher closed the public hearing.

Hubert Kyle Fletcher, Mayor

Debbie Baca, Town Clerk/Treasurer