

**Town of Pound
Special Called Council Meeting
8422 North River Road
October 5, 2017
6:00 p.m.**

PRESENT

George Dean, Mayor
Glenn Cantrell – Council
Clifton Cauthorne - Council
Terry Short – Council
Danny Stanley – Council
Jenny Carter – Clerk Treasurer

Margaret Sturgill, Historical Society of Pound
Jenay Tate, *The Coalfield Progress* Newspaper
Sherron Dean
Harold Greer
David Gent
Phil Cantrell, Jr.

CALL TO ORDER AND WELCOME

Mayor Dean called the Special Called Meeting of Pound Town Council to order and welcomed everyone.

PLEDGE OF ALLEGIANCE

The mayor led everyone in the Pledge of Allegiance to the American flag.

ROLL CALL OF COUNCIL

The roll call:

Present – Glenn Cantrell, Clifton Cauthorne, Terry Short, Danny Stanley

Absent – None

Mayor George Dean declared a quorum, and the Town of Pound's business will be conducted.

FINANCIAL ISSUES

Mayor Dean explained the reason for this Special Called Meeting is to discuss financial issues. He informed those present that we are in the time of year when we are running low on real estate tax dollars and this causes the General Fund to come up short. He explained that we needed an infusion of cash until real estate tax revenues begin coming in. He stated tax bills will be sent out very soon. Mayor Dean turned the meeting over to Clerk Treasurer Carter.

Clerk Treasurer Carter had presented to Council a revised Budget Versus Actual through October 3, 2017. She stated she had researched to try to find out why certain accounts were over

budget, particularly in the 01 General Fund. The Budget Versus Actual numbers were discussed for the General Fund. Items discussed were: (1) overtime issues for Clerk Treasurer which she explained were attributed to longer Council meetings, more frequent Council meetings, and longer time needed to type the Minutes of these meetings; (2) office expenses which included the purchase of Utility Cards of \$949.14 as well as the purchase of Payroll/General Operating Fund Checks of \$219.80. It also included office supplies which consisted of postage stamps, ink for all office printers, paper, and minor supplies of \$484.18. Mayor Dean asked if the Utility Cards could be split between the Water and Sewer Funds since they are generally used to collect revenues for those funds. Clerk Treasurer Carter agreed and stated she would correct this in the accounts by moving the Utility Cards purchased and entered into the General Fund to being split between the Water and Sewer Funds. (3) Building Maintenance includes building materials on the Town Credit Card, carpet for the entrance of Town Hall which was \$652.00 for the carpet and \$240.00 labor for carpet installation, air duct system in police room which was \$745.90, faucet and Exit signs repairs which was \$140.00; (4) Insurance which includes the normal business insurance through VACORP consisting of our normal payment of \$1,014.71 coming out about every couple of months as well as an additional premium of \$5,873.00 as the result of a Workers' Comp Payroll Audit. Clerk Treasurer Carter explained she managed to get this Workers' Comp payment split into quarterly payments with the insurance carrier. She also explained that the "Fireman" section amount listed on the Workers' Comp insurance audit report of \$72,000.00 total is an amount required to be used by the state to calculate the firemen Workers' Comp amount, even though the firemen for the Town of Pound are all volunteer and are not paid. So the insurance accounts include this entire \$5,873.00 amount instead of how it will actually be paid out which will be in the quarterly installments. She explained there are other insurances that are included in the insurance account such as Lincoln Life Insurance. (5) Dues and Membership Expenses include \$435.00 for Virginia Municipal League (VML) dues of which only \$400.00 was budgeted. There is also a \$20.00 amount in this account for her (Clerk Treasurer Carter) to be a member of the VML Clerk's Association. However, this is for the entire year. (6) Interest Expense includes money paid on the line of credit where we borrowed money for the General 01 Fund which totals \$52.01 in interest. She pointed out to Council that the Administrative Department total is within budget at 24.26% in expenditures.

The police department expenditures were explained next. (1) Clerk Treasurer Carter stated the salaries are somewhat misleading in the amount. Salaries for the police department shows \$67,931.03 has been paid out. That does not take into consideration what has been received from the Army Corps of Engineers Dam Patrol Grant which was \$7,791.00. Councilman Cauthorne interjected that this amount is still over budget because it was already factored in as income and outflow. So, it really doesn't matter where it came from. The fact is that the salaries are still over budget. Clerk Treasurer Carter said she, Mayor/Manager Dean, and Chief Tony Baker had a meeting this morning to discuss what we could do to help the 01 Fund such as what we could cut out or back on in our expenses; items that were or were not included in the budget; as well as events that occurred that were not able to be anticipated. For example, Officer Wyatt had missed

28 shifts of work for military duty so this caused the police department to go into overtime figures to the amount of about \$4,536.00. Councilman Cauthorne said that the police department knew about his situation when they hired him, he assumes. Clerk Treasurer Carter suggested that Councilman discuss this with Chief Baker because she doesn't know the answer to that question. Mayor Dean added that he didn't know about the possibility of Officer Wyatt getting called out for military duty that might create additional overtime beyond that budgeted. Councilman Cauthorne stated that Mayor/Manager Dean does not oversee the police department, so this will be an issue for the Chief [of Police]. Clerk Treasurer Carter stated she thought that the matter of Holiday Pay may not have been factored into anyone's pay. \$1,988.00 of holiday is included in the police department's salaries as well as 80 hours of Paid Time Off (PTO) which was \$1,220.00. Another matter that probably was not factored in was 40 hours of Court time that the police had to work which was about \$1,704.00. She stated that, if you subtract all those things out, that would put the police department at about the 27% range in salaries. She said that, depending on what Council would factor out of this, this would put them in about the 27% to 30% range for salaries. Mayor Dean asked if the police department's overtime was less on the last pay period. Clerk Treasurer Carter stated it was. The 01 Fund Payroll was reduced this last pay period. Mayor Dean talked about PTO time and how it may have been used because of the time of year and that people may have wanted to take vacations during this time. Clerk Treasurer Carter explained that our PTO is set up so that we could use it for vacations or if we needed to take a day off to see the doctor or for whatever reason we wanted to use it for. PTO doesn't have to be used solely for vacations. Clerk Treasurer Carter said that Officer Wyatt has returned from military duty, so this should help the 01 [General] Fund. (2) VRS LODA (Line of Duty Act) insurance payment is over budget because Mayor/Manager Dean had budgeted for seven officers and eight officers were paid for. Mayor Dean said he budgeted \$4,300.00 to cover seven officers and did not anticipate the eighth officer. Clerk Treasurer Carter stated that this is a one-time, annual payment. She explained that, even if other officers are added to the force, this is the only payment that will be made for this year, and there will be no increase in the LODA payment. This is based on the number of officers at the annual reporting time for LODA. (3) Uniforms. Mayor Dean stated that this may wind up being a low number by the time the police department needs to order more uniforms. Clerk Treasurer Carter discussed the Byrne Justice Grant for the police department which will be about \$2,400.00 and the town has to meet \$277.00 to get this grant. She discussed an invoice that has come in for around \$2,600.00 that is to be paid from the Byrne Justice Grant and has not yet been paid. Mayor Dean said this was budgeted in the LLGEB grant. Councilman Cauthorne stated that if income is budgeted in, then it doesn't matter if it is a grant because it is still higher than budget. Discussion on how the budget and expenditures work together ensued. Clerk Treasurer Carter stated she thought the uniform problem occurred because of officers leaving the force and, then, new uniforms had to be purchased for new officers because none of the uniforms would fit the new officers. She said this may be where the uniform budget remains unless people leave. Then, there may be a need for new uniforms. Discussion of budgeted amounts occurred. (4) Communication and Phone includes a \$480.00 annual fee for the police paging service. The next largest expense in this

category is where the police officers have to purchase minutes for their cell phones. How many cell phones does the police department have was asked, and Mayor Dean answered there were two that he knew of—Chief Baker’s and the Officer on Duty’s cell phone. Councilman Short said that there were three SIMM charges for cell phone cards included on the credit card statements and that the last few times he has called the Officer on Duty’s phone number, it must be out of minutes, because he wasn’t able to get anyone. He doesn’t understand why they would be out of minutes when we are purchasing cards for the phones. He stated that this is something that needs to be addressed. Clerk Treasurer Carter said cell phone minutes usually run about \$110.00. The \$230.47 was for a phone and case for Chief Baker because, she believes, something had happened to his phone and he had to purchase a new one. She stated he [Chief Baker] did tell her about this when he purchased it. (5) Insurance includes the VACORP Workers’ Comp insurance that gets spread out amongst different funds. All the insurance amounts in each fund will be over budget for this reason. (6) Gasoline Expense. Clerk Treasurer Carter said she didn’t know exactly why this was up. The police department may have had to purchase more gasoline than anticipated. Councilman Short said, according to his calculations, we were purchasing a tank to two tanks [of gasoline] per day. Clerk Treasurer Carter stated she doesn’t know how many cars this is covering. Councilman Short said there are a lot of credit card receipts missing from the police department. Councilman Short said, of the receipts we do have, there are only about three or four that have unit numbers on them. He has a total of roughly 10 showing mileage on them, and we had a total of 127 gasoline purchases between August 28th and May 29th. There are less than six that have unit numbers on them. Clerk Treasurer Carter said the credit card receipts was discussed in our meeting this morning, and she asked Chief Baker to make sure that the officers write the car number on the receipt so we would know which car the gasoline expense is going to and we can better track it. She said it was also discussed in this meeting that she had to have credit card receipts for audit purposes. Councilman Cauthorne asked if all gasoline purchases were going into police vehicles. Clerk Treasurer Carter said it is not supposed to go in personal vehicles, only the police vehicles. Councilman Short stated that, according to the receipts, there is no verification method there to ensure those purchases are going into a town-owned vehicle. Clerk Treasurer Carter stated that as per our meeting this morning, the officers are going to write the car number on their receipts and the officers are going to install a drop box in their cars and, as they get receipts, they are going to put them in it and get the receipts to her within five days. Councilman Short suggested that, as part of the controls for the gasoline receipts, to set up a charge account with either Wildcat or Valero which are businesses inside the corporation and which we will see tax revenue from. Several of these purchases are outside the corporation. We set up a standard Purchase Order number, and they fill out an expenditure request, and you receive that within 24 hours. Clerk Treasurer Carter stated that the officers may be in a midnight situation where they have to get it [gasoline]. Councilman Short said that this would be required within a 24-hour period where the receipts are turned in to the Clerk Treasurer. More discussion was had on methods to get receipts from police officers. Purchase Order numbers as well as internal control processes were also discussed. (7) Supplies includes \$675.44 on Officer Folk’s credit card and it was for tourniquets and rescue supplies that

they have to carry with them. That was the largest charge in the Supplies account. Credit Card expenditures was explained regarding the supplies. (8) New Equipment. When we received the truck from Officer McAfee through the Memorandum of Agreement, Council agreed to putting \$6,000.00 of police equipment into the truck. There are Minutes on this that state we may have to go a little higher than that number. Mayor Dean added that this was based on the new SUV for the police as to what had to be put in it. Clerk Treasurer Carter added that, in the Minutes, it was agreed that Mayor/Manager Dean and Chief Baker work this out. The F150 includes \$3,420.90 for necessary equipment and labor. The actual New Equipment number should be \$1,071.85 without the F150 truck equipment. Clerk Treasurer Carter stated that, according to her calculations, the police department expenditures would be at 25.7% as their total overall expenditures. She said there are some explanations for some of the higher figures.

The remainder of the 01 Funds were discussed such as Garbage and Street Departments and that they are within budget. Ms. Tina Stallard delivered Fire Department accounting information to Clerk Treasurer Carter and Ms. Carissa Mullins, the bookkeeper, is working on getting this entered into the books. Fire Department insurance was discussed and that includes a portion of the Workers' Compensation insurance costs and other expenditures for the Fire Department that may be included as well as revenues which have not yet been entered in the books.

The 02 Water Fund total revenues are around 25% currently and total expenditures are at 23.19% and are well within budget range. The 03 Sewer Fund is showing less revenues than anticipated and Clerk Treasurer Carter stated she hadn't had a chance to look into yet what may be the reason for this. She said she thinks some of these may be grant related issues. However, revenues are at 15.17% and expenditures are at 14.76%, so this is balanced for all intents and purposes. Councilman Short said his concern is that we have used 25% of our time for the budget, but both the revenues and expenses are around 15%. He asked if Clerk Treasurer Carter could think of any reasons for this. Clerk Treasurer Carter stated she didn't have the time to focus on the 02 and 03 Funds and had focused mostly on the 01 Fund since it is the Fund that is suffering most. Councilman Cantrell stated that Option 3B is a reason for the calculations being off. If you back of these revenues and expenditures, you will, most likely, be around 25%.

Clerk Treasurer Carter said that, since there has been more than one meeting in order to complete one Council Agenda [and the Special and Emergency Called Meetings], she has been spending a lot of time preparing for a meeting. She stated it took her all day to prepare for this meeting tonight plus what she could perform of her daily duties. She said this is causing her to get far behind in other things she needs to do [in the office]. She stated she is worried that she may miss something that needs, or is required, to be done. She said she didn't know if there was any way to shorten meetings but, if that was possible, it would help. Mayor Dean suggested that any item placed on the Agenda have a motion associated with it. If there is no motion or some item that needs to be voted on, it doesn't need to be discussed or talked about. We can do that another time. That will help shorten the time of the meeting. He said he wasn't saying we couldn't

discuss the item [on the Agenda]. He said that, according to VML's suggestion book, as far as the Agenda is concerned, you should only be working on the items that require a vote. This would prevent us talking about an item for 45 minutes that we do nothing on and, then, we move on to something else.

Councilman Short asked about the Fire Department. He said we are getting grants into the Fire Department from different agencies. The Workers' Comp insurance for the Fire Department was discussed and that it had to be carried by the town. Whether or not grants could cover the Workers' Comp insurance was discussed and any other monies received into the Fire Department that may potentially be used for this purpose. Grants and the purposes they are allowed to be used for was discussed. The Fire Department's bank accounts were discussed. Councilman Short stated the overall 01 Fund is 5% over budget and that this is a substantial amount, particularly if this continues over the next three quarters.

Clerk Treasurer Carter discussed the meeting that occurred this morning between herself, Manager/Mayor Dean and Chief Baker which included the use of PO numbers for expenditures over \$100.00 and that those expenditures be approved by the department head, then Mayor/Manager Dean, and then through the Clerk Treasurer who will then issue a PO number for that expenditure if the funds are in the account to cover it. Councilman Cauthorne asked if these purchases that are over \$100.00 could be included in the Council packets. Clerk Treasurer Carter said she would have to look into how much work would be involved in doing this because there could be several funds involved and things that have to be printed. Councilman Cauthorne asked for only the 01 Fund. The police putting drop boxes in their cars for receipts was talked about as well any items other than fuel over \$100.00 being pre-approved through Chief Baker for his department, then through Mayor/Manager Dean, and finally through Clerk Treasurer Carter who will issue the PO number. Councilman Short said that no capital purchases are to be put on credit cards. Credit cards and their uses was discussed. Councilman Short said he had a list of spending controls that he wanted to go over. Borrowing from the line of credit was discussed.

Tax revenue estimates were discussed. Clerk Treasurer Carter gave a report on her estimates of the real estate and personal property taxes the town should receive which amounted to about \$178,000.00 by December 5th. She stated these estimates were based on what was actually received last year instead of what was billed. The split tax system change was discussed and the estimated tax revenues received was talked about which amounted to about \$73,000.00 by June 30th in this fiscal year. Business Licenses of about \$15,000.00 would also be received and her estimate was based on actual amounts received in 2016. Other taxes the town will collect such as delinquent taxes, PPTRA, interest and penalties, bank stock taxes, and other such tax revenues was discussed. Discussions of why the tax split due dates did not work as to the way it was originally thought could be done occurred and this is mainly because of the timing of when tax information is received from the county. Councilman Cauthorne suggested putting the Split Tax item and whether or not to continue with the prior voted on Tax Split Due Dates planned on the

Agenda for the October Council meeting. Discussion continued on the timing of the due dates if taxes are split and the effects it would have on taxpayers and the town. Councilman Short stated his goal tonight is to get the budget under control by reducing spending and cutting costs. Clerk Treasurer Carter stated she is looking into ways to save money in the 01 General Fund such as getting the office more digitized, paying more bills online [to save on stamps, envelopes, and paper], direct deposit for employees' paychecks, and other ways that will make it easier to pay their bills [from the town]. We have started allowing people to make payments by phone with their credit cards because some people are not physically able to get out of their homes to come and pay bills at Town Hall. We are trying to do all we can to help the people out as much as we can. Clerk Treasurer Carter stated she needed a desk in her office as a workspace. Instead of buying a \$200.00 to \$300.00 desk, she had asked Mayor/Manager Dean to go to a yard sale and see if he could find something she could use as a desk. Mayor/Manager Dean found a credenza she could use that had shelves, and she asked Mayor/Manager Dean to tell Council how much he paid for the credenza. Mayor Dean stated he paid \$5.00 for it. Clerk Treasurer Carter stated that this is an example of the things we are trying to do to help save money. She asked if Council could help us become more digitized by accepting Council packets by email as much as can be possibly sent to Council through this method instead of the office staff having to print out huge amounts of paper because paper and ink are not cheap. She stated we are trying to look at ways in the office of how to save money and make things better. She said her overtime hours are a big issue, but stated she honestly does not know how to correct it if Council wants her to get work done, to put it bluntly. Because we have nine-hour Council meetings and she, then, has to type up Minutes, she stated that, before she types one word, (a) she has been paid to attend the meeting and record the Minutes and do whatever; and (b) she cannot type this up in the office because there is really more work than one person can get done here so she types the Minutes at home. She said before she ever types one word of Minutes, we have nine hours of recorded meeting time that she will have overtime on, and, then, she has to listen through the nine hours of meeting again and type it up. So, that adds up to her overtime problem. She suggested we try to make our Council meetings more efficient and asked that only items on the Agenda that need to be voted on be added to the Agenda unless it is something that absolutely had to be discussed. She said she could also cut the Minutes to bare bones as to what the motions are and the votes and anything that was absolutely necessary to be put in the Minutes. These measures could reduce her overtime. Clerk Treasurer Carter stated that when you are the person that handles all the Human Resources [HR] issues, for example, when people are hired, they come to her to get paperwork to fill out, they turn it in to her, she reports it to the state, she puts them into the computer system, she calculates payroll, double checks time cards to make sure the numbers are correct, etc. She stated that, just in HR alone, she could sit here and name a huge amount of work that has to be done. This is only one segment, and it is not all that happens. Councilman Short stated that, if we could cut spending—and he is talking about “overspending”—as Thrower & Blanton has already told us, we are not following controls with separation of work in the office. Clerk Treasurer Carter stated that this would be impossible with the staff limitations. He stated that, if we could cut spending, we could get someone to come in and help which would

accomplish two or three different things such as allowing the Clerk Treasurer to do her job the way she is supposed to be doing instead of all the other work that someone else should be doing. It would reduce or primarily eliminate the Clerk Treasurer's overtime. More discussion of someone to assist the Clerk Treasurer continued. The upgrading of the office computers and RAM for Clerk Treasurer Carter's computer was discussed.

Councilman Cauthorne made a motion to accept the Mandatory Spending Control Measures provided by Councilman Short and added that emergency situations can be approved retroactively. Councilman Short seconded the motion. Councilman Short read and went over the Mandatory Spending Control Measures and discussion occurred regarding these measures. *A copy of the Mandatory Spending Control Measures is attached to these Minutes.* An amendment was made by Councilman Cauthorne to exempt the Fire Department from the Mandatory Spending Control Measures. More discussion continued regarding the Mandatory Spending Control Measures presented.

Clerk Treasurer Carter asked for Council to approve the line of credit at BB&T Bank to be increased by \$50,000.00. She stated that, if this was not approved, then employees may as well be laid off and the Town Hall shut down. She added that if payroll is not met, she as well as the town, could face lawsuits and even potential criminal charges, and she stated she is not willing to put herself in that position. Discussion continued concerning the line of credit and the Mandatory Spending Control Measures as well as the police department budget. Councilman Cauthorne stated he would go on record as saying he has always been in support of downsizing the police department. He said this [the police department] is a big part of our budget, 50%, and we could use that toward other things. He stated he was willing to say, "Yes, some would need to be laid off." He said he was willing to make that statement.

Mayor Dean said any amendments would be toward the motion to accept the mandatory spending controls within the Resolution [presented by Councilman Short]. He said if this Resolution is not good the way it is written, then you don't need to be passing it. What needs to be done is to fix it, and then come back and pass it. He added that you can't go through the Resolution and apple pick all these lines as separate amendments. That would be an impossible motion. He added he would not allow Council to go that route. More discussion continued concerning amending the Resolution for spending control measures and items contained in the Resolution. *Roberts Rules of Order* [book] was consulted regarding amendments of motions, and Councilman Cauthorne read the rules to Council. The line of credit was discussed more. Clerk Treasurer Carter suggested working on the Internal Control Measures [that are in a binder in the Clerk's office] and updating them to make them more workable and feasible as to the current times. Councilman Short agreed. The items that can be added to the Agenda was discussed again and reiterated that only items to be voted on should be added to the Agenda. The spending control Resolution was discussed further.

Councilman Cauthorne said he would like to amend the Mandatory Spending Control Measures Resolution to strike out item numbers 2.2, 5, 7, 8, 9, 10.1, 10.2, 10.3, and 10.4. He added that number 4 would be that, "Emergencies can be approved retroactively;" number 11 is to state that, "None of these spending control measures apply to the Pound Volunteer Fire Department." He added number 12 would be the items on Clerk Treasurer Carter's list. He said that if it is double-stated, then it is double-stated. That is his amendment. Councilman Short seconded the amendment. Mayor Dean asked if there was any additional discussion on the amendment. There was none. Mayor Dean stated that a "Yes" vote amends the original motion to the line items described and adjusted, and a "No" vote does not agree with the line item amendment adjustments.

VOTE:

Ayes: Cantrell, Cauthorne, Stanley

Nays: Short

Absent: None

Mayor Dean stated the "Yeses" have it. Councilman Cauthorne Called to Question. Councilman Short seconded. Mayor Dean said a "Yes" vote means the debate is over with and we will go to the primary amended main motion. A "No" vote keeps the debate going.

VOTE:

Ayes: Cantrell, Cauthorne, Short, Stanley

Nays: None

Absent: None

Mayor Dean said we are now back to the main motion, and he asked Clerk Treasurer Carter to read the main motion. Clerk Treasurer Carter read that the motion is to accept the Mandatory Spending Control Measures provided by Councilman Short with the amendment that item numbers 2.2, 5, 7, 8, 9, 10.1, 10.2, 10.3, and 10.4 be stricken, and to add item number 4 which is that emergencies can be approved retroactively, and to add item number 11 which is that none of these spending control measures apply to the Pound Volunteer Fire Department, and to add item number 12 which is that items on the Clerk Treasurer's handwritten list will apply. Mayor Dean stated that a "Yes" vote passes the Resolution to adopt these amended Mandatory Spending Control Measures, and a "No" vote stops this Resolution.

VOTE:

Ayes: Cantrell, Cauthorne, Short, Stanley

Nays: None

Absent: None

Mayor Dean declared that the "Yeses" have it and the Resolution is passed.

Mayor Dean stated that the Chair will entertain a motion to increase the line of credit up to \$150,000.00. Councilman Stanley so moved. Councilman Cantrell seconded the motion. Mayor Dean asked if there was any discussion on this issue. Councilman Cauthorne offered an amendment that for every \$2.00 that comes in from tax revenue, \$1.00 minimum will be used to pay down the principal on the line of credit until it is paid. Clerk Treasurer Carter stated that she didn't know how this would affect us [financially] as far as setting the \$1.00 minimum. Councilman Cauthorne stated that we could review this in January and have these same discussions. Councilman Cantrell stated that he felt this needed to be amended further to state that, if you are going to take \$1.00 out of every \$2.00 that comes in, that it is used to pay down the 01 General Fund. Councilman Cauthorne stated that he accepts that as a friendly amendment to the motion and to change his motion to include that the \$1.00 is applied to the 01 General Fund. Mayor Dean asked if there was any additional discussion on the amendment to the main motion. He said a "Yes" vote accepts the amended version of the amendment to the motion. This is not passing the motion. It is just a "Yes" to amend the verbiage of the motion. Mayor Dean stated that a "Yes" vote will accept the amended version of the motion, and a "No" vote does not accept the amended version of the original motion.

VOTE:

Ayes: Cantrell, Cauthorne, Short, Stanley

Nays: None

Absent: None

Mayor Dean declared the "Yeses" have it. Mayor Dean asked Clerk Treasurer Carter to read the main motion as it has been amended. Clerk Treasurer Carter read the motion that Councilman Stanley made was to increase the line of credit to \$150,000.00 with the amendment that, for every \$2.00 that comes in from tax revenues, \$1.00 minimum will be used to pay down the line of credit in the 01 General Fund. Mayor Dean asked if there was any additional discussion on this motion. Councilman Cauthorne stated that he wanted to say that we often talk about working together. With the spending control measures passed tonight and with the guarantee that we will be paying down this line of credit with \$1.00 of every \$2.00 that comes in as tax revenue, he is willing to vote for it because we have to pay our expenses and we have to make payroll. He said he would be voting in favor of this, not because he thinks we should be extending the line of credit, but because he has seen people work together tonight and, in the long run, he thinks things will be better. Mayor Dean asked if there was any additional discussion. Councilman Short stated he understands that we have to pay our bills, but nothing has been said in here tonight that makes him feel comfortable with the guaranteed ability to pay this back without other avenues of developing funds such as increasing taxes. If you go in debt, you must pay it somehow or another. If you don't do the spending controls necessary, he doesn't see us doing that. The second thing is that we are going after a line of credit and no one has even mentioned that we have additional funds in the General Fund that can be temporarily utilized just like a line of credit. We don't have to pay interest on it. It is our money, and it is in the General Fund. He

asked why are we going to pay a bank interest when we can utilize this money? That doesn't make sense. It is not good business practice. For years, he borrowed against his own money in CDs. He doesn't know why we don't do this same thing. He spoke about the Fire Department Truck Fund money and asked why are we borrowing \$50,000.00 when we have \$80,000.00 sitting there. Councilman Cantrell explained that it is because it is earmarked by a Resolution or Ordinance that, in order to do anything, this [Resolution or Ordinance] would have to be completely redone with a Public Hearing and everything. Councilman Short said he thought we needed to check on what this money was earmarked for. He said we would not be taking the money with the intention of not paying it back. We are just utilizing that fund until we can pay it back. Councilman Cantrell said he was always taught by Mr. Bobby Dorton, you have "enough to pay for past sins, present sins, and future sins." That is what they have right now. They have a little bit extra to pay. They [the Fire Department] pays \$20,000.00 per year. We have built that up. He said what he is looking at is that you [Councilman Short] are saying we can't pay back this line of credit. So, if you take it out of the \$80,000.00, what is going to guarantee you are going to pay that back? The citizens are the ones who are paying this. Discussion continued of the monies in the General Fund and the ability to utilize those funds and how it could apply to the line of credit. Councilman Cauthorne Called to Question. Mayor Dean stated that a "Yes" vote ends the debate, and a "No" vote does not.

VOTE:

Ayes: Cantrell, Cauthorne, Short, Stanley

Nays: None

Absent: None

Mayor Dean stated that we will now vote on the motion which extends the line of credit to \$150,000.00 with the proviso that, as real estate and personal property taxes come in, \$1.00 out of every \$2.00 of every real estate and personal property tax collected will be put toward paying back the 01 General Fund line of credit. That is the motion. A "Yes" vote will pass that motion, and a "No" vote will stop the motion.

VOTE:

Ayes: Cantrell, Cauthorne, Stanley

Nays: Short

Absent: None

Mayor Dean stated the "Yeses" have it, and the line of credit will be extended.

Mayor Dean talked about the loan-grant \$65,000/\$25,000. We have to get the loan and spend that first to get the \$25,000.00 grant. At the last Council meeting, he talked about the [Public Works] truck and what USDA-RD said about getting new vehicles and working with DGS and having to wait to get a 2018 Ford F250. He said that Thornhill Ford just called and said they

have a utility truck on the lot which is what we are looking for right now with a utility bed. It is a 2015 truck. It has everything we want. They said they wanted \$25,900.00 for it. He got them down to \$25,000.00, but he has to get some other quotes. Based on what he has already found, this will be the best we are going to get. He said he explained to Thornhill Ford that we are going through the grant process, and it would take a little while to get the money. He asked them what it would take to hold the truck, and they [Thornhill Ford] said it would take earnest money of \$5,000.00 to hold the truck. He asked Council what they wanted to do about this because we could lose the opportunity to get this truck and, with the \$25,000.00 grant dollars, that truck shows up here for free other than gasoline to drive it down here. Clerk Treasurer Carter added that the \$5,000.00 could be split between 02 Water and 03 Sewer Funds. Councilman Stanley asked if Mayor Dean asked about an extended warranty. Mayor Dean said, "Yes." \$2,381.00 for an extended warranty for 100,000 miles or four years whichever comes first. The truck has 32,000 miles on it right now. He described the truck to Council. Councilman Cauthorne asked if this meant that we would not have to accept the second grant-loan. Mayor Dean agreed. He said we voted that we would go after the money and that he has spoken with Mr. Dwight Pierson of USDA that, on down the road, we could order a 2018 SUV and go after that later. Mayor Dean said he asked [Thornhill Ford] what happens to the earnest money if the grant-loan falls through. Thornhill Ford told him they would give the town their earnest money back. Councilman Cauthorne made a motion to put the earnest money of \$5,000.00 down [on the truck] from the 02 Water and 03 Sewer Funds. Councilman Stanley seconded the motion. Discussion of the truck continued and that we should have the grant money by the end of the month [October]. Mayor Dean asked if there was any additional discussion. There was none. Mayor Dean stated that a "Yes" vote allows him to send Thornhill Ford \$5,000.00 in earnest money to hold the truck until we can get the first grant dollars. A "No" vote passes up this opportunity.

VOTE:

Ayes: Cantrell, Cauthorne, Short, Stanley

Nays: None

Absent: None

ADJOURNMENT

Mayor Dean stated the Chair will entertain a motion to adjourn. Councilman Stanley so moved. Councilman Cauthorne seconded the motion. All Council said, "Aye." The meeting adjourned at 10:11 pm.

APPROVED ON THIS THE _____ DAY OF _____ 2017.

MAYOR

CLERK/TREASURER