



**AGENDA**  
**TOWN COUNCIL/PLANNING COMMISSION**  
**TUESDAY MAY 14, 2024**  
**INDEPENDENCE, VIRGINIA**  
**6:00 PM**  
**INDEPENDENCE VOLUNTEER FIRE DEPARTMENT**  
**329 DAVIS STREET, INDEPENDENCE, VA 24346**

- Call to Order – Interim Mayor Meier
  - Welcome/Decorum
  - Approval of Agenda, Consent Agenda, Meeting Minutes
- Reports, Presentations or Requests
- Old Business
  - Community Development Block Grant - Housing Grant – Brian Reed, MRPDC
  - Town Sponsored Food Truck Rally's – Town Manager Ratcliffe
- New Business
  - Town Manager Contract Renewal – Councilman Cassell
    - Discussion
    - Motion to extend contract to expire June 30, 2025
  - Board Renewals – Town Manager Ratcliffe
    - See included materials for background
    - Discussion
  - 2024-25 Budget Recommendation – Town Manager Ratcliffe
    - Discussion
    - Motion to accept recommended budget as proposed budget for 2024-25 fiscal year
- Town Staff Report
  - Town Clerk/Treasurer
  - Police Report
  - Utility Directors Report
  - Special Events Report
- Town Manager's Report
  - Programs, Projects and Updates
- Mayor's Report
- Town Attorney's Report
- Committee Updates
  - Personnel Committee – Councilman Cassell
  - Finance Committee – Councilman Meier

- Infrastructure – Councilman Cassell
  - Community Development Committee - Councilwoman Marshall
- Informational Items
- Community Matters – Registered Speakers and Public Comment
  - Michelle Pridgen, Executive Director, Independence Farmer’s Market
- Closed Session
  - Personnel
    - Chain of Command Process
    - Proposed Position Descriptions
    - Potential Benefit & Compensation Changes
  - Litigation
    - Unpaid Real & Personal Property Taxes
  - Contract Negotiation
  - Economic Development
- Adjourn

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**-Meeting Decorum-**

**All official meetings are to be observed by the following decorum:**

- Behavior during all official meetings shall be consistent with the behavior exercised in any court or legislative room found within the Commonwealth of Virginia; and,
- There shall be no outbursts, heckling or other forms of disrespectful behavior by any individuals present within these chambers; and,
- Persons wishing to speak shall do so respectfully and in accordance with the applicable Rules of Procedures and/or at the specific direction of the presiding official; and,
- Out of respect for the official business being conducted, for those conducting the official business and for those present for same purpose, there shall be no private conversations taking place in the audience or other forms of distractive behavior or nuisance; and
- Please turn off cell phones and other such devices before entering the meeting room.



**TOWN OF INDEPENDENCE  
REGULAR SCHEDULED COUNCIL MEETING  
TUESDAY APRIL 9, 2024  
INDEPENDENCE, VIRGINIA  
6:00 PM  
1908 COURTHOUSE  
107 EAST MAIN STREET, INDEPENDENCE, VA 24348**

**COUNCIL MEMBERS PRESENT:** Mayor Ronald Sexton, Jason Cassell, Buddy Halsey, Mark Miller, and Kit Marshall.

**COUNCIL MEMBERS ABSENT:** Vice Mayor Jim Meier, and Joan Collins.

**TOWN STAFF PRESENT:** Laura Ratcliffe, Town Manager, Roger Brooks, Town Attorney, Matthew Adams, Police Chief, Kim Farmer, Town Clerk, Terry Osborne, Public Works Director, and Mary Ann Halsey, Special Events Coordinator.

**CITIZENS & GUESTS:** Shaina Stockton, The Declaration, Michelle Pridgen, Jennifer Snow, Shannon Miller, Makayla Miller, Joseph Derrick, Anne Beamer, Lance Hart, James Werth, Stephen Marshall, Sandra Venzie, Charles Jones, and Scott Wagoner.

- Public Hearings
  - Planning Commission-Core Commercial Zoning Change:
    - Planning Commission members present were Anne Beamer, Sandra Venzie. Town Manager Ratcliffe spoke on behalf of Chairman Tim Cooper who was absent. Town Manager Ratcliffe stated the Planning Commission received a zoning request with a proposal of changing the definition of allowable occupancies in the Core Commercial District Zone to include “Temporary vacation rentals including Air B&B’s not to exceed 2 bedrooms per unit.” This would include first floor/ground floor occupancy for these types of vacation rentals. Joseph Derrick spoke in regard to the request stating that this change would benefit the Town. He owns property in the CC zone. Due to a quorum not being present no action could be taken. Will be added to next month’s meeting.
  - Water, Nuisance, and Building Code Changes:
    - Town Manager Ratcliffe stated that the new committees are working on the new Town code. The infrastructure and community development committees are requesting the following changes. Infrastructure-water code 1) 51.01-Connection required changed to read All residents and businesses of the town shall be required to be connected to a public water system approved and licensed by the State Department of Health, unless the owner meets the requirements listed in 51.03. 2) Section 51.06-Right of Inspection change to: Every person occupying any property into which water is conveyed under this chapter shall permit any authorized agent of the town to enter such property, at reasonable hours, to inspect works therein or to see if provisions of this subchapter have been violated. It is the obligation of the property owner to provide free and clear access to the meter. 3) 51.10 A) 2-Disconnection for Late Payment changed to: That is any bill is

not paid by or before the date, a second bill will be mailed containing a cutoff notice that if the bill is not paid within ten days of the billing of the second bill, service will be discontinued for nonpayment. 4) Section 51.14 Guidelines for service changed to: Unless otherwise specified, it shall be assumed these guidelines apply to three quarter inch or smaller connections. Any connections over three quarters of an inch will require approval by the Council. 5) Section 51.14(F) Guidelines for Service change to: If the service is available to a unit serviced by the town system, the customer will be required to pay the monthly minimum fee. The only exceptions to this rule are: In the case of illness lasting 30 days or more in which case the customer would be in a hospital, rest home, nursing home or other such facility and the unit to which the service is provided would be unoccupied for the entire period. In such case, the meter bill will still be read at the regular time and the customer will be billed if the meter shows any usage. In case of customer death or property vacancy, if the property owner or estate does not want services at the unit, they may request the services be disconnected and the meter removed. In such cases, the property owner/estate will be required to pay a fee set by the Council from time to time to help offset the overhead costs of maintaining the Town's water system. Note: Committee recommendation is for this fee to be \$15 per month. 6) Section 51.99 Penalty: Add section C-Late payment: Any bill not paid on or before the due date will incur a 10% penalty for late payment. Community Development-Nuisance Code: 1) Section 91.03 Nuisance Enumerated changed to remove the wording "annoying or annoyance: from sections 91.03(A) 2,3,4,7 and to add section 91.03(A)3 All downed trees, including root ball, will be removed within 60 days of occurrence or discovery. 2) Section 92.03(A) 5 to Only organic materials readily susceptible to decay or rot may be maintained in compost piles for the express purpose of producing compost for use on the property where it is located. Examples of such acceptable materials include leaves, grass clippings, food scraps, etc. Compost piles must be well-controlled, screened from public view, and maintained to prevent the contents from burning or blowing off of the subject property. No other materials, such as trash, rubbish, tires, or similar waste materials, may be accumulated on any property. Compost piles which stink or produce foul or offensive odors beyond the subject property lines must be either removed or appropriately confined to prevent the smell from escaping the subject property. 3) Section 91.03(A)10 changed to add-Grass, weeds, or similar vegetation in excess of 8 inches in height shall be deemed to be a nuisance subject to trimming or mowing by the Town, or its agents, at the expense of the property owner. 4) Section 91.03(A)11 to add-All vehicle parking must be in compliance with Town Code Chapter 70. Land Usage Code 1) Section 150.24 Posting and Size Numbers changed to read Numerals indicating the official numbers from each principal building or each front entrance to such building shall be posted in a manner as to be visible and distinguishable from the street upon which the property is located. Buildings not visible from the street shall have the numbers posted at the street. These numbers shall be at least 4" high and ½ inch wide. Note: This change is necessary to be in compliance with the State Fire Code. Zoning Code proposed to change the definition of allowable occupancies in the Core Commercial District Zone to include: "Temporary vacation rentals not to exceed 2 bedrooms per unit". This would include first floor/ground floor occupancy for these types of temporary vacation rentals.

- Jennifer Snow, Town business owner, asked council for clarification of the tree down clause. Ms. Snow asked if a tree was down in a wooded area in Town would it fall under the new code and need to be removed? Councilwoman Kit Marshall requested to add visible from the street. Town Attorney Roger Brooks recommended the proposed code to read visible from the roadway.
- With no other public comments Mayor Ronald Sexton closed the public hearings.
- Call to Order
  - Welcome/Decorum-Mayor Sexton called the meeting to order this 9<sup>th</sup> day of April 2024, and declared a quorum present. Mayor Sexton stated the meeting had to be moved to the 1908 Courthouse due to a water/sewer issue at the IVFD. Mayor Sexton thanked the 1908 foundation for allowing the meeting to be held at the 1908 Courthouse.

- Approval of Agenda, Consent Agenda, Meeting Minutes-Mayor Sexton asked for a motion.  
**COUNCILMAN JASON C made a motion to approve the agenda, consent agenda, and minutes as presented. COUNCILMAN MARK MILLER seconded; motion carried with all ayes.**
- Reports, Presentations or Requests
  - Olivia Bailey and Tyler Hughes-Friends with SW VA/Crooked Road, gave council a handout of programs offered by Friends of SW VA and the Crooked Road. Ms. Bailey stated the program was to get tourist to the area. Ms. Bailey is working with Tracy Cornett with Grayson County on this. The Town of Independence supported the programs in the previous years and asked Council to continue to support them. Mr. Hughes stated that Independence is the home of Wade Ward. Mr. Ward's banjo and bowler hat are on display at the Smithsonian Institution. Crooked Road is involved with festivals such as Albert Hash and Wayne Henderson Festivals. Councilwoman Kit Marshall asked how many artisans were in the area. Ms. Bailey stated that she thought there were 6 but she would have to confirm.
- Old Business
  - Community Development Block Grant-Housing Grant:
    - Town Manager Laura Ratcliff and Councilwoman Kit Marshall met with MRPDC representative Brian Reed regarding a CDBG planning grant. This grant would look at a specific area in Town that needs housing improvements. The Town was working on this grant when previous Town Manager Reid Walters was here, but COVID hit shutting the grant down. The funding opportunity is still available to the Town. No deadline is set yet; however, it will possibly be in June. The Town will have to go through the public hearing process again. The possibility is for homeowners to receive 25k to 50k per house. Council asked Town Manager Ratcliffe to see if MRPDC representative Brian Reed could attend next month's meeting to give council a better understanding of the grant.
    - Independence EDA Tourism Zone Program-Steve Marshall, EDA Chairman
      - Mr. Marshall stated that information for the program was included in the February 2024 council packets. Mr. Marshall asked for the council's approval of the Tourism Zone Program credits as presented. **COUNCILMAN BUDDY HALSEY made a motion to approve the Tourism Zone Program credits as presented. COUNCILWOMAN KIT MARSHALL seconded; motion carried with all ayes.**
- New Business
  - Core Commercial Zoning Change- (Mayor Sexton)
    - Mayor Sexton stated the request would have to be put off due to the Planning Commission board not having a quorum present.
  - Water, Nuisance, and Building Code Change: (Mayor Sexton)
    - **COUNCILWOMAN KIT MARSHALL made a motion to adopt the changes as presented with adding clarification of tree removal adding visible from roadway. COUNCILMAN MARK MILLER seconded; motion carried with all ayes.**
  - 2024 Unallocated funds and capital expenses redistribution between funds: (Town Manager Ratcliffe)
    - Town Manager Laura Ratcliffe stated information was included in the packets. **COUNCILMAN BUDDY HALSEY made a motion to approve moving \$130,030 of unallocated funds from G&A budget to sewer budget and \$44,183 of unallocated funds from G&A budget to water budget for capital expenses. COUNCILMAN JASON CASSELL seconded; motion carried with all ayes.**
  - Potential Street Abandonment for Poole Place: (Town Manager Laura Ratcliffe)
    - The Town received a request regarding the Town's property located at Poole Place. Information in packets showing where property is located. The property was deeded to the Town in 1962. One option is to turn the property over to VDOT. Town Attorney Roger Brooks stated that the Town could do a quick claim deed to VDOT but there would have to be a public hearing. Council asked Town Manager Ratcliffe to see if VDOT would have the property surveyed.
  - Donations for Town Park: (Town Manager Laura Ratcliffe)

- Town Manager Ratcliffe stated that representatives from Skyline National Bank came to the office regarding donating \$30k to the Town for naming rights to the Town Park. The council asked what kind of memorial, signage, or plaque they would want. **COUNCILMAN BUDDY HALSEY made a motion to accept the \$30,000 from Skyline National Bank naming the park Skyline Park for 10 years. COUNCILMAN MARK MILLER seconded; motion carried with the majority. COUNCILWOMAN KIT MARSHALL voted no.**

#### Town Staff Report

- Town Clerk/Treasurer: (Kim Farmer)
  - Town Clerk, Kim Farmer, stated that the conference attended by herself, and Kim Phipps was a very productive conference. Mrs. Farmer stated that March expenses were \$227,699 with the increase due to 3 pay periods for March, \$10,000 for additional maintenance/repairs and \$24,000 for the air leak at the WWTP along with \$10,000 for additional supplies for public works and water departments for new mowing equipment and meters.
- Police Report: (Chief Matthew Adams)
  - Chief Adams stated the Police Department along with Food City Pharmacy will hold National Drug Take Back on April 27<sup>th</sup> from 10am to 1pm.
- Public Works Director Report- (Terry Osborne)
  - Public Works Director Terry Osbornes written report was in packets. There was a water leak at the fire house. Public works spent over 25 hours repairing the leak. Once the leak was uncovered the sewer line was bad, so it had to be fixed also. The gentleman with Rural Water came to check for leaks due to the unaccountability rate increasing. He did not find any therefore he thinks the issue is with the meters.
- Special Events Report- (Mary Ann Halsey):
  - Mary Ann gave the council a handout of the events for 2024. The 4<sup>th</sup> of July-July 4<sup>th</sup>, Mountain Fall Foliage-October 12<sup>th</sup>, Safe Halloween-October 31<sup>st</sup>, and Christmas-December 7<sup>th</sup>. Anyone needing more information or have any questions may contact Mary Ann. Mary Ann is working with Keith Weatherman and Dylan Morris from Grayson County Parks. They are discussing options so Town and County can work together to improve the events. Mary Ann suggested Woody Pack being the Grand Marshall for the 4<sup>th</sup> of July parade. **COUNCILMAN JASON CASSELL made a motion to have Woody Pack as the grand marshal of the 4<sup>th</sup> of July parade for 2024. COUNCILMAN BUDDY HASLEY seconded; motion carried with all ayes.**
- Town Manager's Report- (Laura Ratcliffe):
  - Programs, Projects, and Updates
    - Personnel – Nothing to report.
    - Grants-
      - Virginia Outdoor Foundation Grant
      - Sewer I & I VRA Grant/Bond Funding
      - Lead & Copper Grant
      - Virginia Community Development Block Grant
    - FOIA-
    - Business Licenses Renewal Notices-
    - Department of Corrections Contract Audit-
    - Online Bill Pay, Auto Draft, Email Bills-
    - 2024-2025 Budget-
    - Water & Sewer Revenue-.
    - Infrastructure
      - Penn Court
      - Sewer I & I
      - Lead & Copper Assessment

- Zoning Appeal Request-AEP has submitted a height variance which was shared with the BZA Chairman Joe Reeves. A public hearing will be scheduled soon. AEP is hoping to start the project next fiscal year with hopes of it being completed within a year.
- Community Development
  - Town Park- Steven Jones completed the project. He is hydro seeding this morning. He did an excellent job and took personal interest in the completion of it. Public works will be installing frost free spigots and finishing the fencing next week.
  - Town Cleanup Day-
  - Town Newsletter-were mailed out. This will communicate to the Town residents as to what is happening. The lead survey was included. Anyone who returns a completed one will get a \$25 credit on their water bill.
  - Pedestrian Safety-VDOT is in the process of looking at ways to help with safety issues at the intersection of 58 & 21. Town Manager Ratcliffe asked them to install 7 more crosswalks in town. The challenge is having a sidewalk at some of the requested sites.
  - Mass Communication-
  - Town Sponsored Special Events-
- Mayor's Report
- Mayor Sexton thanked the council for their dedication to the Town. It was a busy month and will be for the next couple of months due to budgeting, code changes, etc. Mayor Sexton stated that himself, Councilwoman Kit Marshall, and Town Manager Ratcliffe attended the ribbon cutting for the New River Float Calculator installed at the Independence Boat Launch on Old River Lane. Mayor Sexton along with some of the council met with all of the Town's departments except one. Mayor Sexton asked the departments to think about what each department needs would be in the future.
- Town Attorney's Report:
  - Town Attorney Roger Brooks did not have anything to report on in open session.
- Committee Updates
  - Personnel Committee – Councilman Cassell presented a list of the proposed 2024-2025 holidays. **COUNCILMAN JASON CASSELL made a motion to accept the 24-25 proposed holidays as presented. COUNCILMAN BUDDY HALSEY and COUNCILWOMAN KIT MARSHALL both seconded; motion carried with all ayes.**
  - Finance Committee – Vice Mayor Meier(absent) Town Manager Ratcliffe stated a 2024-2025 budget schedule was in the packets.
  - Infrastructure- Councilman Cassell stated the committee would need to have a meeting toward the end of the month regarding funding for the sewer I & I project. Councilman Cassell stated it would be April 23<sup>rd</sup>, 6pm, at IVFD.
  - Community Development-Councilwoman Marshall stated pavers for Town Park are available for purchase. The cost is \$150 per paver information is at the Town office for anyone interested. The Town litter pickup day was rescheduled to April 13<sup>th</sup>, 10:00 am and Councilwoman Marshall encouraged council to attend.
- Community Matters – Registered Speakers and Public Comment-
  - Michelle Pridgen, Independence Farmer's Market, stated that Town Manager Ratcliffe answered a lot of her questions. Ms. Pridgen stated that she has 39 vendors signed up for the first market on May 3<sup>rd</sup>. The market will have a test run on the 26<sup>th</sup>. Ms. Pridgen thanked the council for their work on the pavilion and stated the newsletter was very nice.
- Closed Session
  - Personnel
  - Litigation

- Contract Negotiation
- Economic Development

**COUNCILMAN JASON CASSELL made a motion for Council to go into closed session citing VAFOIA Section 2.2-3711, to discuss personnel and contract negotiation asking the Town Attorney Roger Brooks and James Werth to stay. COUNCILMAN BUDDY HALSEY seconded; motion carried with all ayes.**

**Councilman Jason Cassell made a motion for Council to go into open session citing VAFOIA Section 2.2-3712 that only matters in closed session were convened for and permitted under was discussed. Mayor Sexton asked for a roll call vote:**

**Jason Cassell-I So Certify  
Mark Miller -I So Certify**

**Buddy Halsey-I So Certify  
Kit Marshall-I So Certify**

- Adjourn

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**-Meeting Decorum-**

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**Town of Independence, VA**  
**PO Box 99**  
**Independence, VA 24348**

May 8, 2024

#### Town Manager Contract Extension

As approved at the May 14, 2024 Town Council meeting, the Town Manager employment contract is extended to expire June 30, 2025. All terms and conditions of the original contract and the amendment effective December 1, 2023 continue in full force and effect during the extension period.

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Ronald Sexton, Mayor

Date:

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Laura Ratcliffe, Town Manager

Date:





**Town of Independence**  
**PO Box 99; 317 East Main Street**  
**Independence, VA 24348**  
**(276)773-3703**

To: Interim Mayor Meier & Town Council

From: Laura Ratcliffe, Town Manager

Date: May 8, 2024

RE: Board & Commissions Membership Appointments/Reappointments

The Town currently has six boards/commissions appointed by Council. Several members have term dates ending and several boards have vacancies. Following is a summary of the groups. Council is asked to provide guidance on the specific items for each group:

**Planning Commission:**

- 1) Terms ending:
  - a. Tim Cooper – 6/30/24
  - b. Vacant – 6/30/24
- 2) Resignations tendered:
  - a. Mark Davis – 6/30/26
  - b. James Johnson – 6/30/27
- 3) Planning Commission has requested the membership requirement be reduced from 8 to 5 and to allow Independence Businessowners who are not residents be eligible for membership. By doing so, the current group (with Mr. Cooper's reappointment) would meet the membership requirement and make it easier to have a quorum at meetings.

**Board of Zoning Appeals:**

- 1) Terms ending:
  - a. It is unclear from the documentation available when the terms expire for Joe Reeves, David Kirk, and Doris Halsey. The only documentation we can find is when oaths were taken in 2007. Based on this, and the 5-year terms, we could assume their terms expire in 2027.
  - b. Tiffany Adams was appointed in 2022 for a term ending 2026; however, we can not find documentation of where she was sworn in for the role. We are checking with the Grayson County Courthouse. Additionally, it is unclear

from the minutes if she was replacing a member for a short-term period of if her term should actually be until 2027.

2) Resignations tendered:

- a. Jim Meier – per the Town Code, no member of government may be on the BZA except for a member of the Planning Commission As such, Mr. Meier should be removed.

3) There is no minimum required membership per Town Code

**Architectural Review Board:**

1) Terms ending:

- a. Ginger Meier – June 30, 2024
- b. Kit Marshall – June 30, 2024

2) Resignations tendered:

- a. None

3) There is currently 1 vacant seat on the ARB with a June 30, 2025 term.

4) The ARB has not met in several years. There is question regarding if a historic district was ever approved by the Town. Thought should be given to the future of this group's role and responsibility within the Town structure.

**Economic Development Authority:**

- 1) No terms ending this year.
- 2) No Resignations tendered.

**Making Grayson Glow:**

The group is in the process of establishing their own banking accounts. Once finalized, they will no longer need to be a board of the Town.

**Independence Cares:**

The group is in the process of establishing their own banking accounts. Once finalized, they will no longer need to be a board of the Town.

Town of Independence  
317 East Main Street  
Independence, VA 24348  
(276)773-3703



To: Town Council and Community  
From: Laura Ratcliffe, Town Manager  
Date: May 13, 2024  
Re: Recommended Budget for Fiscal Year 2024-25

The theme for the 2024-25 budget is "Moving Forward". The Finance Committee believes this accurately describes the focus on continuing building the "Foundations for Growth" which started in 2023-24. They also reaffirmed the budget goals and financial policies adopted last year. These are:

- 1) Balanced Budget
- 2) Transparency
- 3) Prioritize Infrastructure and Employees
- 4) Understand Cash on hand and Reserves

In general, the budget process for every town in Virginia should follow a similar approach: Town staff presents a recommended budget in early April. This plan looks at past spending, current obligations and future needs. Then, Town Council reviews the recommended budget with staff to make revisions to best fit the needs of the community. This becomes the proposed budget which is presented at Town Council in May and is advertised to the community. After the public comment period, the budget is adopted at the June Town Council meeting. The adopted budget carries the force of law and controls the Town's spending through the fiscal year, which starts on July 1<sup>st</sup>. Virginia law requires that localities adopt a budget by June 30<sup>th</sup>.

It is important for Independence Town Council and the community to understand how water and sewer is financed. In addition to the governmental activities of the town (general administration, public works, police and community development), the town sells sewer and water services to residents and businesses both inside and outside the corporate town limits. These business services are structured so that the rates charged should cover all associated operating costs (including labor, supplies and maintenance), debt repayment, and capital reserve improvement. In general, neither should rely on governmental revenues to cover any costs. Any excess revenues are to be held in reserve for capital improvements or returned to the customers in the form of a future rate reduction. Governmental expenses should not be covered by excess funds generated from the sale of water and sewer. This essentially creates the need for three budgets (Governmental, Water, Sewer) for the Town of Independence.

This year's recommended aggregated Governmental, Water & Sewer budget is balanced at \$2,874,475. Net of capital spending and other one-time adjustments and charges, this overall represents a **1.7% increase** over the ending fiscal year. Including capital, this represents at **13% decrease**. The budget sets goals for all revenue sources; however, we make conservative projections to minimize the risk of an additional shortfall and deficit situation. The budget contemplates using reserves to meet governmental capital expense and also considers the following changes to tax rates and fees:

1. Real Property Tax Rate changed from .148 to .15. This is being done to simplify the tax billing process and not for revenue generation. However, the estimated revenue generation for the entire town is \$1400 for this change.
2. Begin charging \$60 per year for trash collection. Historically, the Consumer Utility Tax received by the Town has been used to offset the cost of trash collection. In recent years, this tax has not been adequate to cover the cost of the collection. The estimated trash collection cost for the upcoming year is \$79,920 with the Utility Tax revenue being \$58,000. Going forward, the Town proposes to cover the cost 75% and will begin billing residential customers \$60 annually on their real estate tax bill. This should generate \$19,800 to offset the current deficiency.
3. Increase Meals tax from 5% to 6%. Currently, other local locality meals taxes are between 7.5% and 8%. This change is expected to generate an additional \$38,740 of revenue and helps to eliminate the need for changes to the Real and Personal Property tax Rate.
4. Increase Lodging tax from 5% to 8%. Currently, other local locality lodging taxes are 8%. This change is expected to generate an additional \$12,000 of revenue.
5. Water and Sewer Rates will change in the following manner:
  - a. All users will be charged a basic access fee plus a charge for each gallon used. ***The access fee will no longer include 999 gallons of water. Going forward customers will be billed for their actual usage.*** The access fee covers certain costs of running the water and sewer systems which are not dependent on water use., such as labor, building maintenance, and postage. It is estimated this change will create an additional annual cost of \$150 for the average 2000-gallon residential account and \$535 for the average \$2,000 gallon business account.

	New Water Rates	New Sewer Rates
Residential	\$13 + \$7.78 per 1000 gal	\$29 + \$6.03 per 1000 gal
Business	\$17 + \$14.67 per 1000 gal	\$35 + \$17.31 per 1000 gal
Residential Out	\$19 + \$11.67 per 1000 gal	\$42 + \$9.08 per 1000 gal
Business Out	\$23 + \$22.01 per 1000 gal	\$53 + 26.89 per 1000 gal

As with most local governments, payroll and benefits are the majority of the Town's expenses. This budget recommends payroll increases of 3%. The largest benefit expense is health insurance. When the plan renewed in December 2023, employees were offered the option to pick from one of three programs, the expiring program or two programs which were at a reduced cost to the Town. If employees elected to stay in the higher cost program, they became responsible for paying the difference. This change allowed us limit the impact of rate increases for the current year; however, we expect 7.5% increases to the cost of the program in the coming year. All other staffing levels remain consistent with the current year and the budget continues to fund employee education opportunities and safety.

In alignment with the identified policies and goals, maintaining and repairing the Town's infrastructure is a priority for the Town Council. The budget contemplates capital expenditures for the Governmental Budget within our targeted 5% of budget. These monies will be spent on a new Police vehicle and repairs to the roof at 136 E. Main Street. Additionally, the Water & Sewer budgets contemplate a planning project for improvements on Lakeview and Grayson Street. The Governmental Budget also contemplates increasing spending for outsourced maintenance of the Town gardens, including those at Town Park, the Tractor Garden, and the Bike Trail to support a 5-year plan developed by the Community Development Committee.

This year, we analyzed the data from April 2023 to March 2024 to understand the true cost of producing a gallon of water or processing a gallon of sewer. The following tables outline the findings and the projected costs/deficits for the upcoming budget year:

	April 2023-March 2024
# Gallons Water Used	54,550,633
Cost Per 1000 Gallons	\$16.70
Average 1000 gal rate deficit per account	\$21.06
Expenses	\$915,835

	April 2023-March 2024
# Gallons Sewer Processed	111,769,000
Cost Per 1000 Gallon Sewer Processed	\$9.60
Cost Per 1000 Gallon Water Used (Billing Basis of \$54,550,663)	\$19.71
Average 1000 gal rate deficit per residential account	\$12.65
Expenses	\$1,075,198

These budgetary deficits create issues with funding agencies who have either previously loaned monies to the Town for system upgrades or who are considering future funding. At this point, the Town is no longer in the position to cover the shortfall from the general fund and must propose the rate and billing change outlined earlier in the paper.

In working through the process to create the new rate structure, the Infrastructure and Finance Committees were focused on creating a structure that was fair, easy to understand and easy to apply for all customers. Going forward, a set of Guiding Principles will be used when administering utility accounts:

1. Rates will be forecasted annually per gallon cost of water and sewer. In general, businesses will pay at or above the cost rate, residents will pay at or below the cost rate.
2. All customers will pay an access fee plus a rate times the actual gallons used.
3. If a building has multiple tenants and only one meter, the meter is billed in full to the owner. The owner is responsible for billing tenants.
4. If a building is mix-use on a single meter, the commercial rate will apply to all water used.
5. Sewer only customers will be billed a flat rate of the access fee plus 5000 gallons at the current approved rate.
6. Only customers paying the access only fee will be billed on a flat rate. These are customer who do not have the ability to hook onto town water but are required by code to pay the access fee.
7. Vacant buildings will be billed at the access rate and monitored for usage. If usage found, customer will be billed for usage at per gallon rate.

8. Not For Profit's will be billed at the commercial rate. This includes churches and other civic based organizations.
9. The rescue squad and fire department will not be billed for water usage. This is considered an overhead of the town and will be included as part of the access fee.
10. Commercial owned residential units used for worker housing will be billed at the commercial rate.
11. Building owners will be tracked for rental properties. When the tenant leaves, the account will automatically revert to the owner for billing until re-rented.
12. When an account owner dies, the account will be placed in the name of the estate.

In following these principles, the new rate structure covered above was developed. The following table outlines the forecasted cost of running the water and sewer system for the upcoming year. If our forecast is accurate, we should begin building reserves in the water and sewer fund for future capital expansions and repairs.

	Projected 2024-25 Cost
# Gallons Water Used	52,659,220
Cost Per 1000 Gallons	\$14.74
Average 1000 gal rate surplus per account	\$2.70
Expenses	\$775,940

	Projected 2024-25 Cost
# Gallons Sewer Processed	112,381,500
Cost Per 1000 Gallon Sewer Processed	\$8.20
Cost Per 1000 Gallon Water Used (Billing Basis of \$54,550,663)	\$17.51
Average 1000 gal rate surplus per residential account	\$11.56
Expenses	\$921,858

During the past year, Town employees have focused on eliminating unnecessary expenses and finding more creative and efficient ways to run the Town. This has resulted in the proposed budget which is well below current inflation indexes. We will continue this focus in the coming year as the goal is to be able to provide needed and desired services while keeping the cost of government at the lowest level possible.



### Budget Summary

Category	2023-24 Budget	2024-25 Budget	\$ Change	% Change	Comments
<b>Total Revenues:</b>	\$ 2,806,098.00	\$ 2,874,475.00	\$ 68,377.00	2.44%	Various Increases
<b>Total Expenses:</b>	\$ 3,304,242.00	\$ 2,826,416.00	\$ (477,826.00)	-14.46%	See below for details
<b>Funds Taken from Reserves To Cover Expenses:</b>	\$ 525,215.00	\$ 48,059.00	\$ (477,156.00)	-90.85%	Represents Capital Expenditures
<b>Revenue Summary:</b>					
Town Taxes & Fees:	\$ 623,025.00	\$ 701,701.00	\$ 78,676.00	12.63%	Meals Tax leads revenue generation at 25%; No property tax increase contemplated
DMV Select	\$ 265,000.00	\$ 285,000.00	\$ 20,000.00	7.55%	Represents 28% of governmental revenue
Interest Returns:	\$ 1,600.00	\$ 10,000.00	\$ 8,400.00	525.00%	New investment strategy using LGIP
Federal/State/Local:	\$ 49,630.00	\$ 107,000.00	\$ 57,370.00	115.60%	
Water:	\$ 689,784.00	\$ 799,189.00	\$ 109,405.00	15.86%	Includes Rate Change
Sewer:	\$ 1,002,059.00	\$ 921,585.00	\$ (80,474.00)	-8.03%	Includes Rate Change
<b>Total Revenues:</b>	<b>\$ 2,631,098.00</b>	<b>\$ 2,824,475.00</b>	<b>\$ 193,377.00</b>	<b>7.35%</b>	
<b>Expense Categories:</b>					
Salaries & Benefits:	\$ 1,305,029.00	\$ 1,358,645.00	\$ 53,616.00	4.11%	Includes 3% salary increases; 7.5% Health Insurance Increase. Includes Governmental, Water & Sewer.

Category	2023-24 Budget	2024-25 Budget	\$ Change	% Change	Comments
Administrative/DMV:	\$ 68,530.00	\$ 64,768.00	\$ (3,762.00)	-5.49%	
Public Works:	\$ 174,868.00	\$ 190,460.00	\$ 15,592.00	8.92%	New Expenses Associated with Maintenance of Town Park and certain one-time potential expenses, Increased Electric Cost for Street Lights and Town Facilities
Police:	\$ 100,038.00	\$ 41,374.00	\$ (58,664.00)	-58.64%	Eliminated LEO Loan
Community Development:	\$ 84,225.00	\$ 110,700.00	\$ 26,475.00	31.43%	Includes Increased Support of Local Organizations (Fire Dept, 1908, MGG, Etc.) and Maintenance Plan for Community Spaces
Water Materials/Supplies/ VCWA Water Purchase:	\$ 407,406.00	\$ 535,239.00	\$ 127,833.00	31.38%	Corrected budget to include correct debt payments, short lived asset replenishment, Increased Meter Purchases, Electric Costs

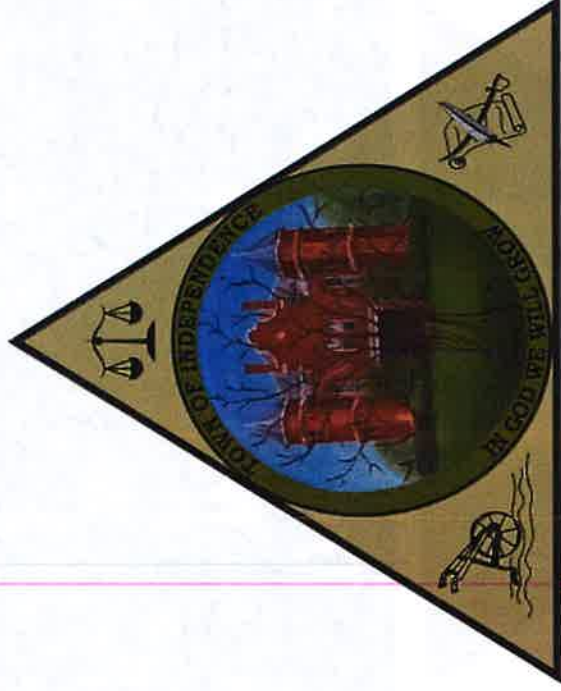
Category	2023-24 Budget	2024-25 Budget	\$ Change	% Change	Comments
Sewer Materials/Supplies:	\$ 638,931.00	\$ 525,230.00	\$ (113,701.00)	-17.80%	Significant reduction in spare part purchase; Increased Electric & Chemical Costs
<b>Total Expenses, excluding Capital:</b>	<b>\$ 2,779,027.00</b>	<b>\$ 2,826,416.00</b>	<b>\$ 47,389.00</b>	<b>1.71%</b>	

Category	2023-24 Budget	2024-25 Budget	\$ Change	% Change	Comments
Capital Improvements:	\$ 525,215.00	\$ 48,059.00	\$ (477,156.00)	-90.85%	New Police Vehicle/Roof Repair at 136 E. Main St.
<b>Total Expenses:</b>	<b>\$ 3,304,242.00</b>	<b>\$ 2,874,475.00</b>	<b>\$ (429,767.00)</b>	<b>-13.01%</b>	





# Trended Data May 2024



# Finance



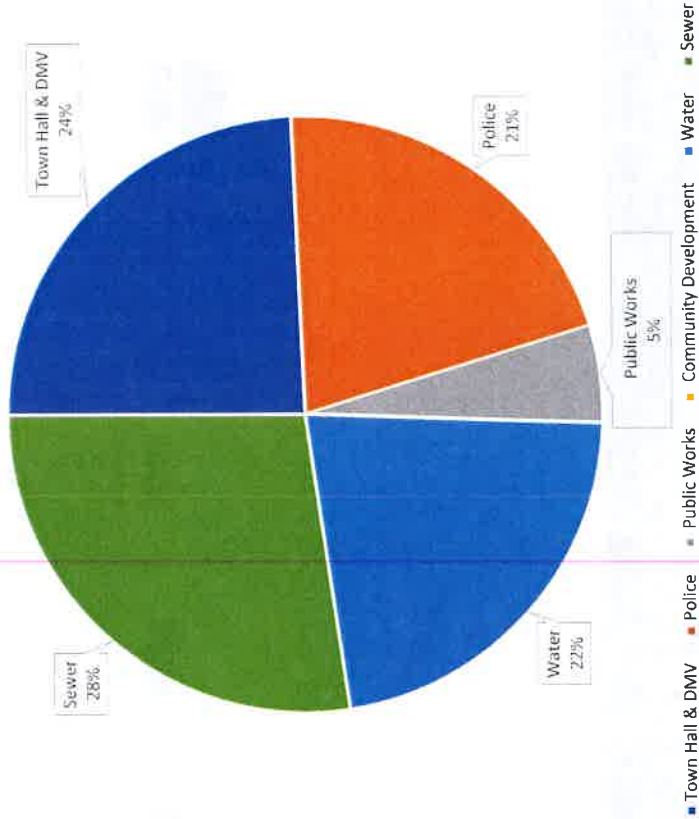
# April 2024 Expenses





# April 2024 Expenses by Department

April 2024 Expenses by Department





## March 2024 v. April 2024 Expenses Large Single Costs

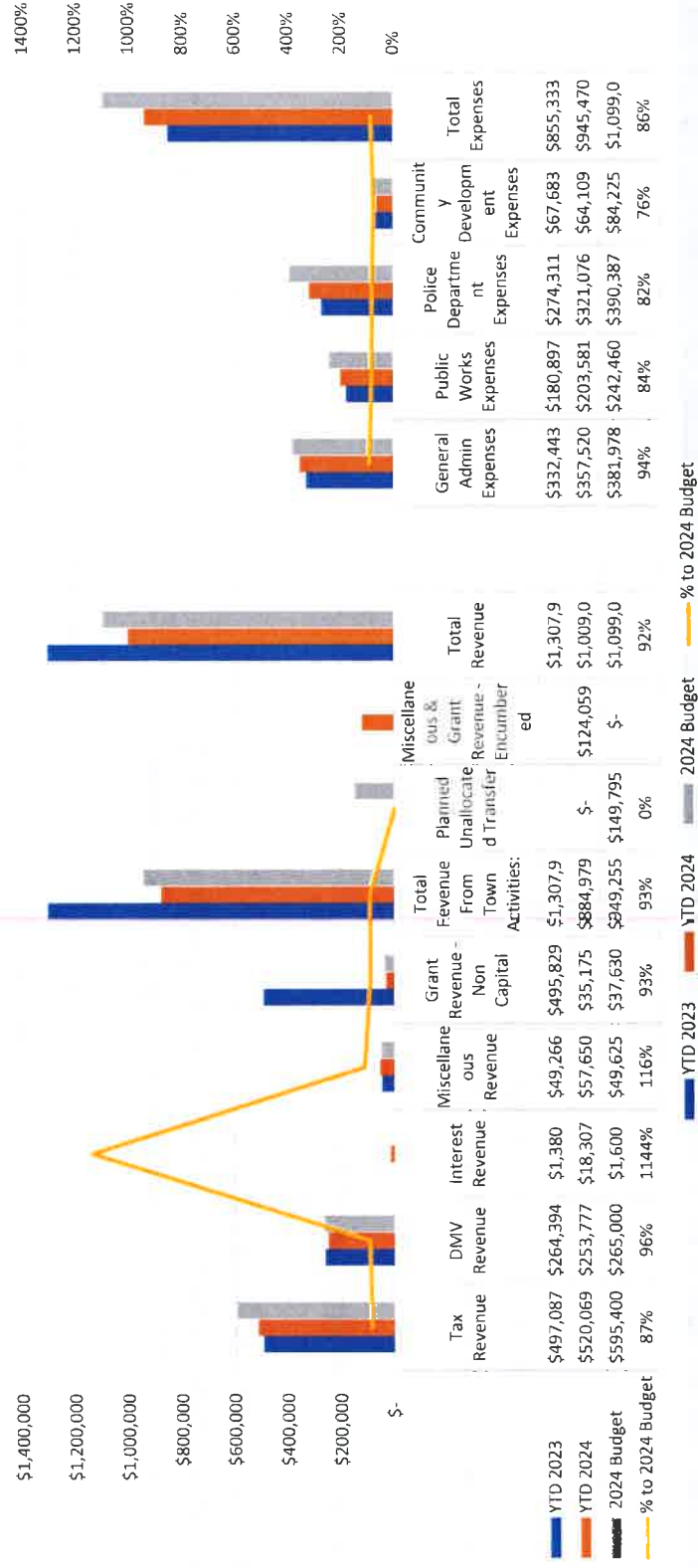


March 2024 Expenses were \$235,081  
April 2024 Expenses were \$195,454

The decrease is attributed to:

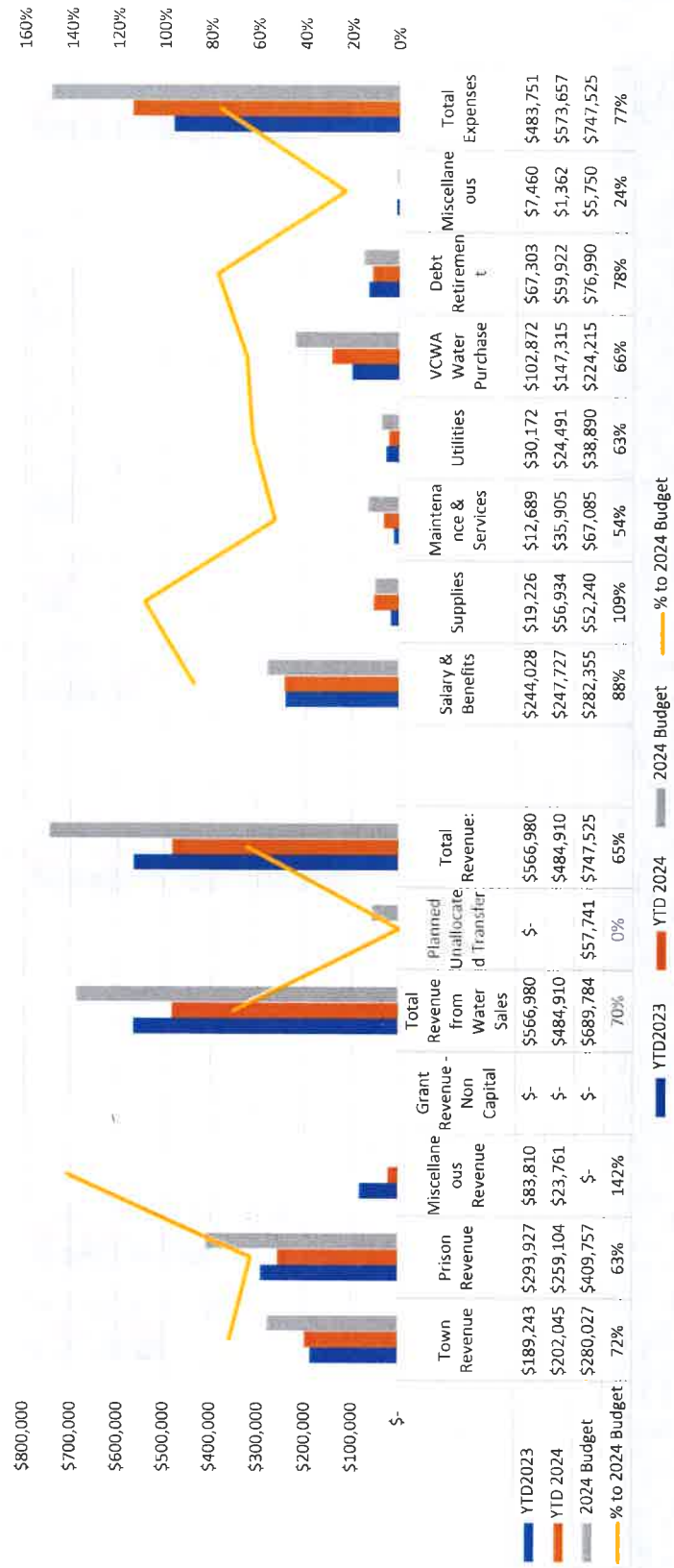
- 1) 2 pay periods instead of 3
- 2) Lower Supply & Maintenance Costs (\$40k vs. \$64k)
- 3) Higher Debt Retirement Costs (Quarterly Payment)

# General Administration 2024 YTD



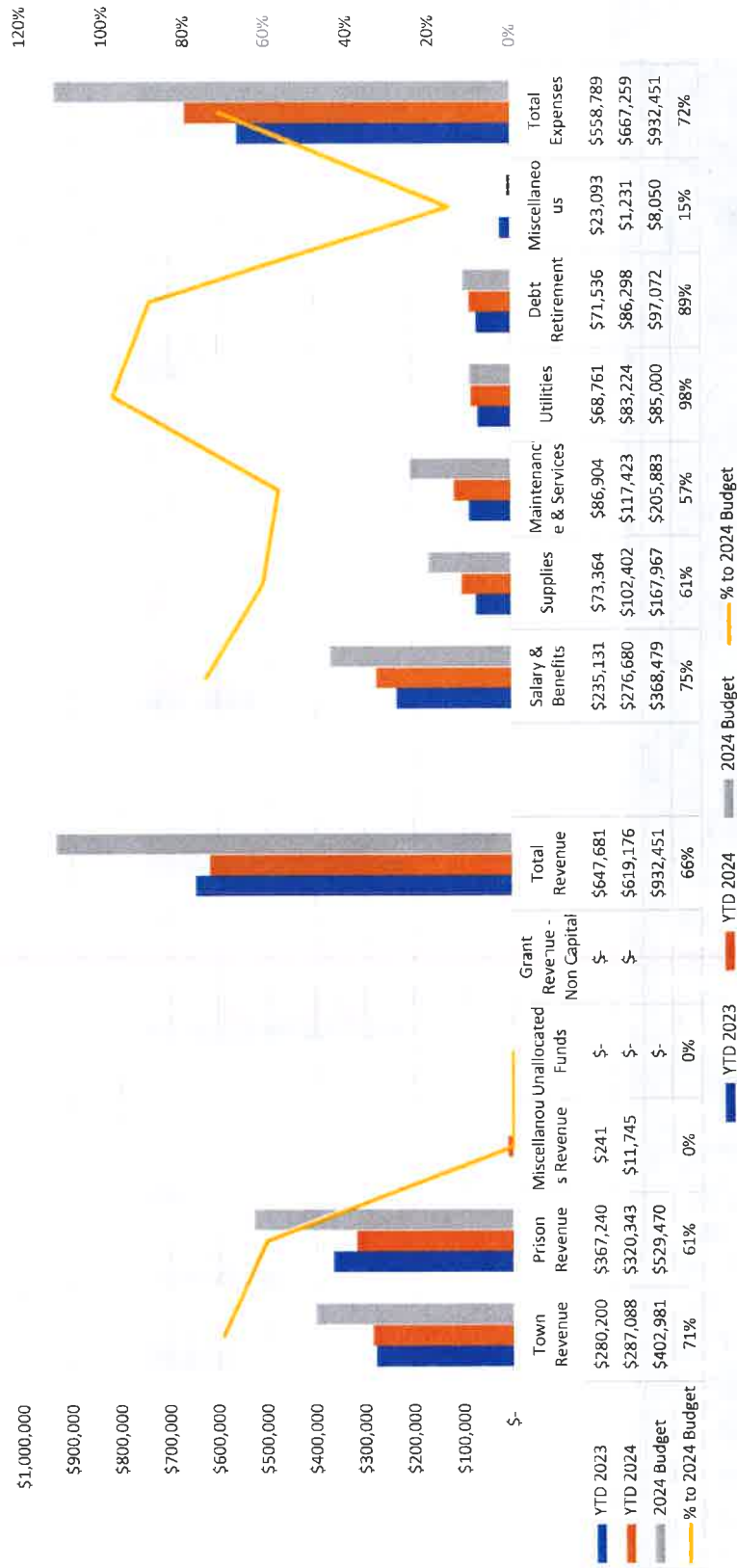


# Water 2024 YTD





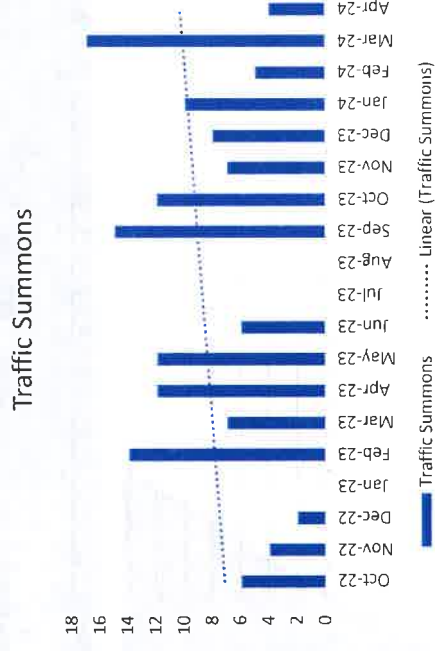
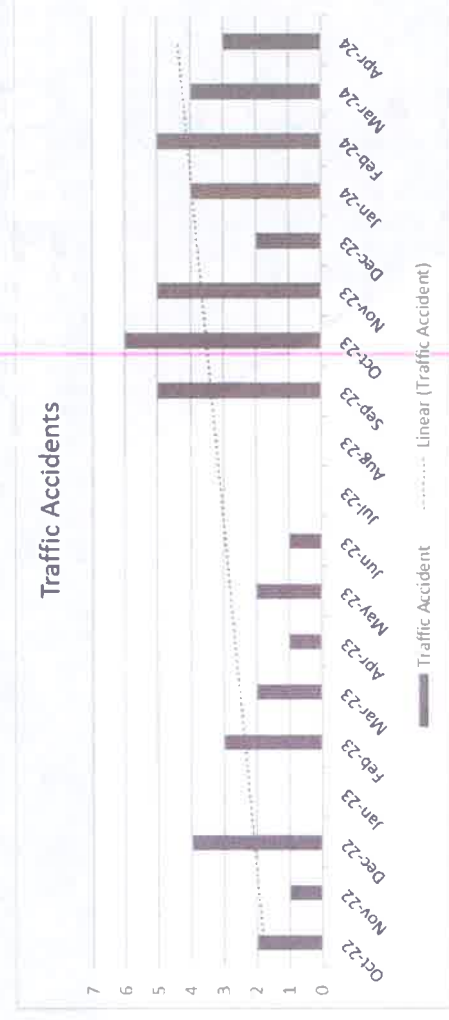
# Sewer 2024 YTD



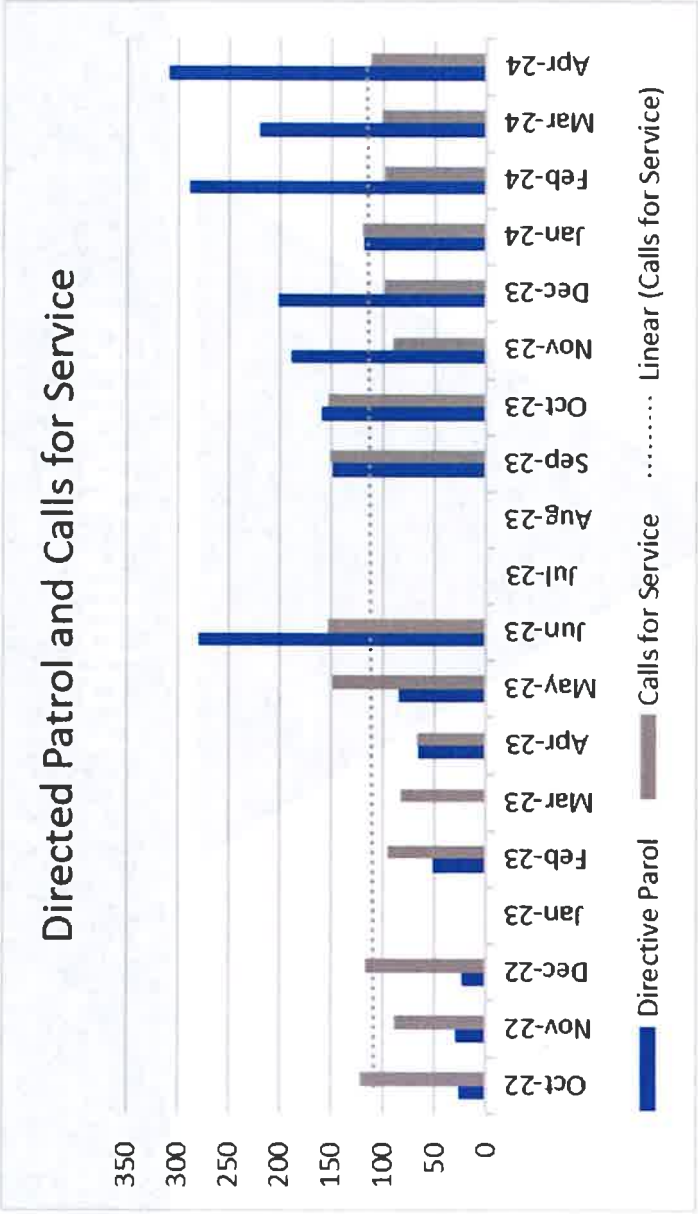


## Police Department

# April 2024 Traffic Stats



# April 2024 Service Stats





## Public Works



# April Projects



## **Grounds/General Maintenance – 48 hours**

**Mowing x 3**

**Town Trash Collection**

## **Water & Sewer – 132 hours**

Lakeview

Fire Dept

Miles St

S. Edgewood

## **Town Park – 252 hours**

Install/Re-install Fencing

Re-install Gates

Install Steps

Grass Seeding

Install Hydrants

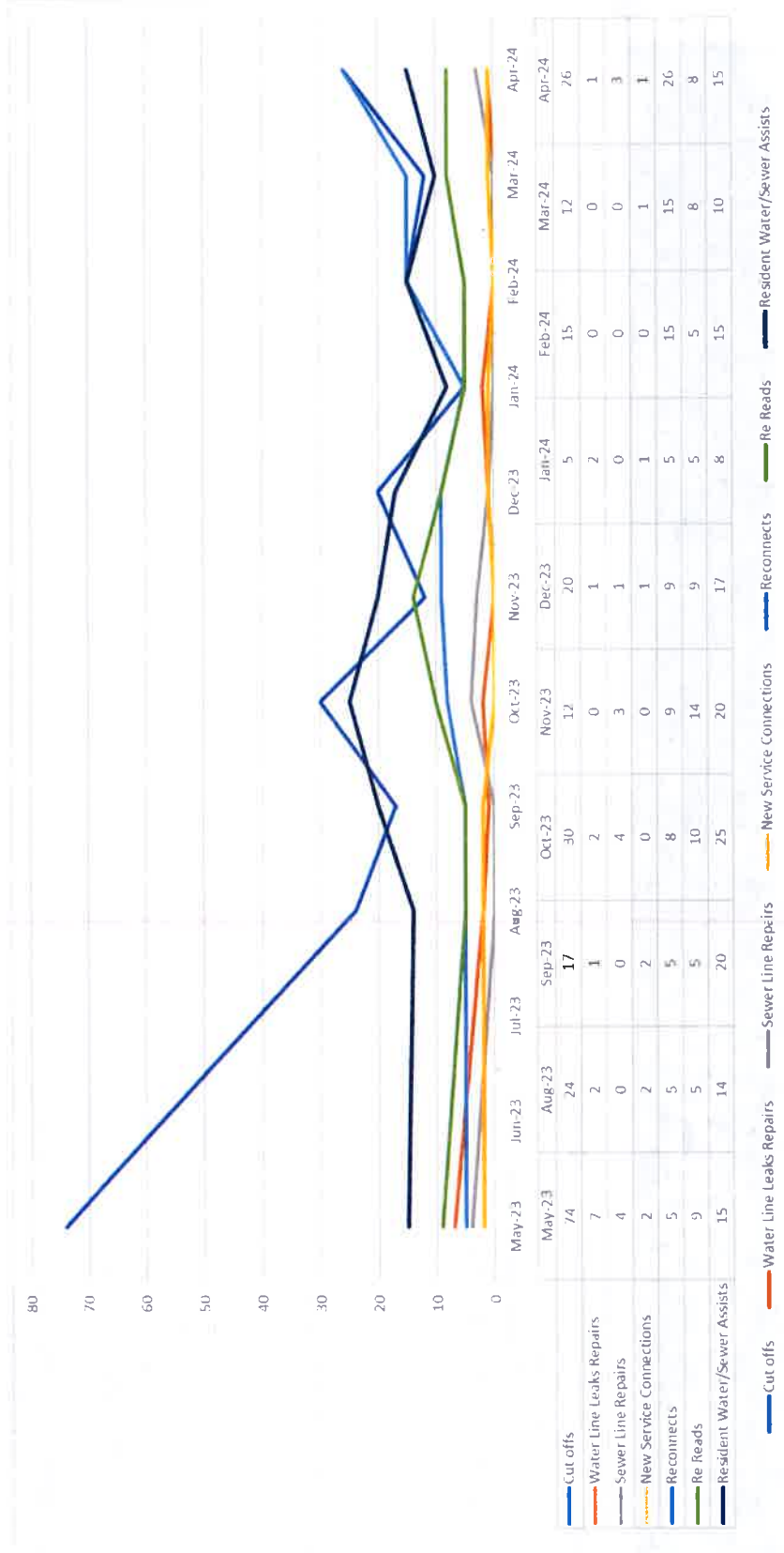
Final Set up/Clean up

## **Preventative Maintenance – 30 hours**

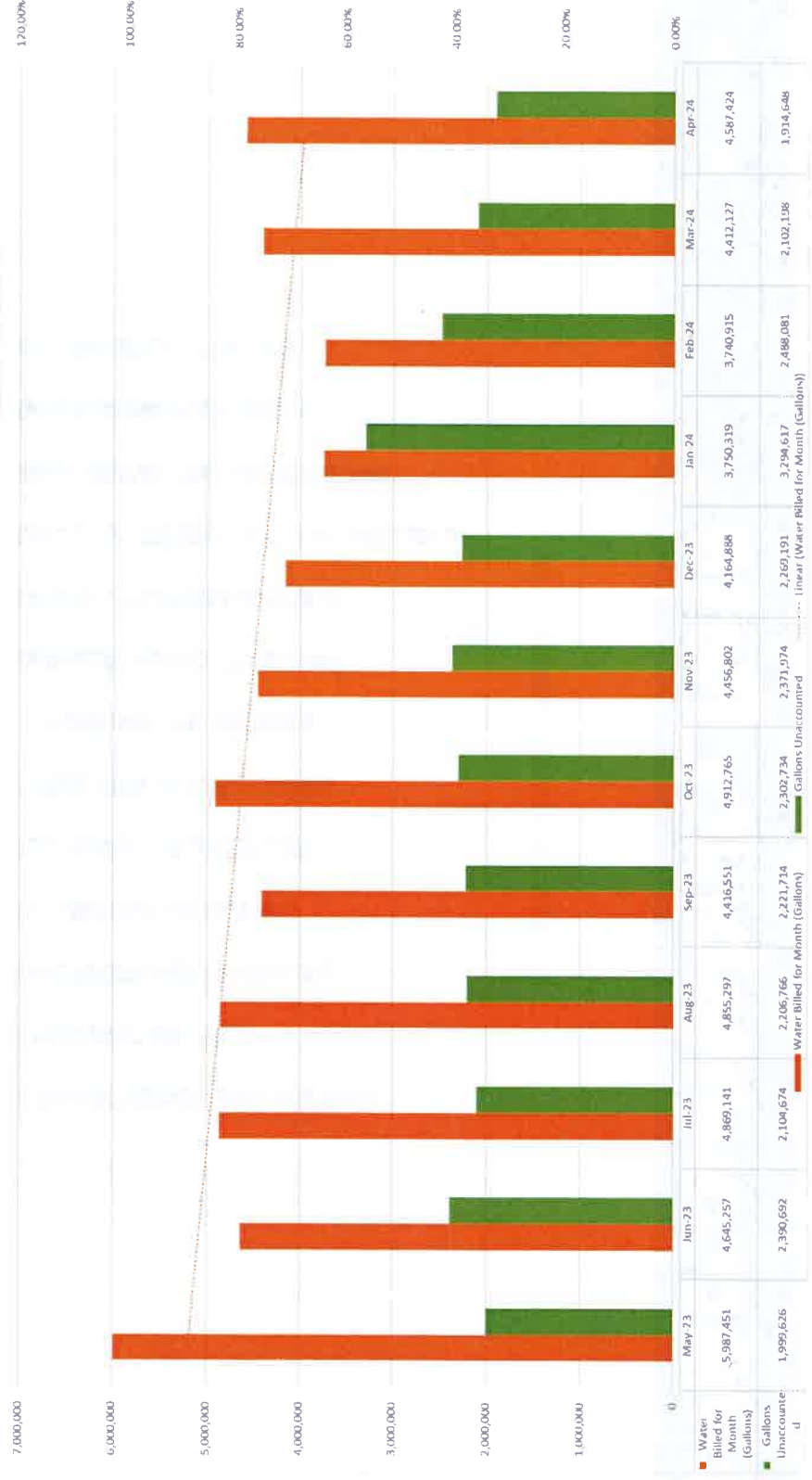
811 Markings

## **OSHA Inspection & Follow-up**

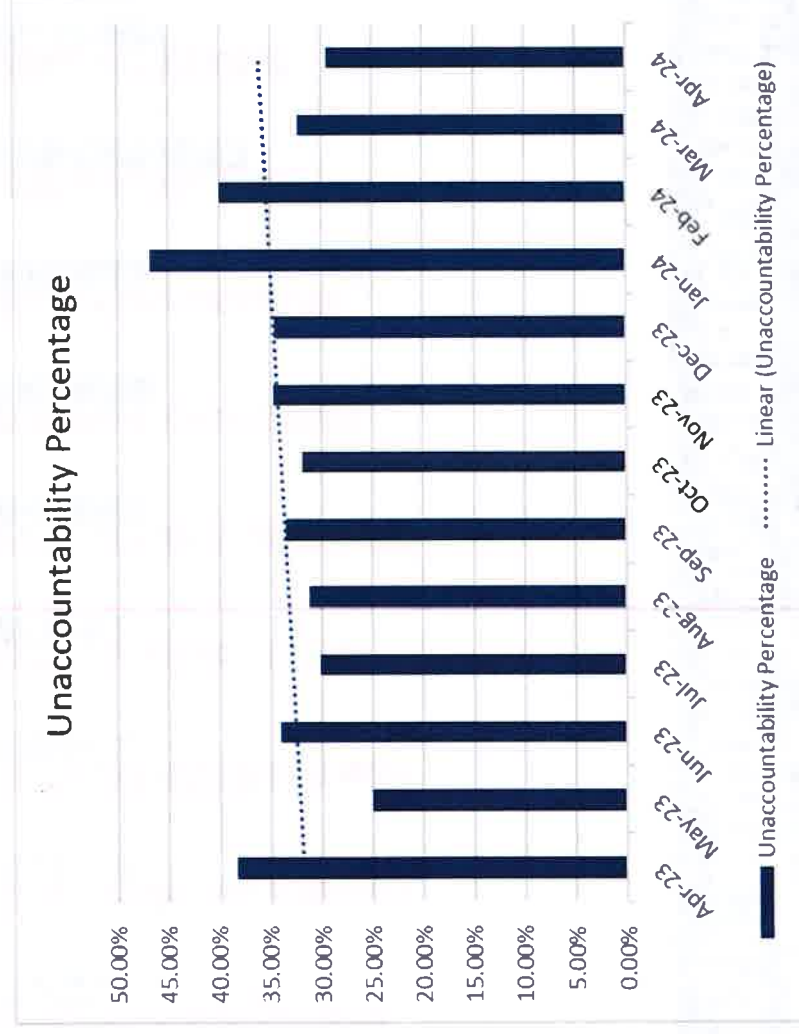
# Public Works Service Data



# Gallons Billed v. Unaccountable



# Unaccountability Rate





**Town of Independence, VA**

**To: Interim Mayor Meier and Town Council**

**From: Laura Ratcliffe, Town Manager**

**Date: May 8, 2024**

**RE: Manager's Report**

**Following is a summary of the status of various projects and other activities since the last update in April 2024:**

- **Personnel**
  - a. No significant activities related to personnel during the past month.
- **Finance/General Administration**
  - a. **Grants –**
    - i. Virginia Outdoor Foundation Grant – The Deed of Dedication has been recorded and the grant funds received. All funds must be disbursed by December 3, 2024. I have begun working with Councilwoman Marshall to final the detailed plan for the funds which will be presented to Council in June or July.
    - ii. Sewer I & I VRA Grant/Bond Funding – I've requested additional grant funding from DEQ for the project to cover the additional costs identified during the bid process. This has also been communicated to VRA and Rural Development. The Parity request review is in process. The VRA credit committee is meeting on 5/10 and our application will be reviewed at that time for approval. This is for the original amount only.
    - iii. Lead & Copper Grant – We have worked through the procurement issues and received approval for Lane Engineering for this grant. Additionally, I'm in the process of requesting approval for force labor which will allow the Town to be reimbursed for our employee time associated with the project.
    - iv. Virginia Community Development Block Grant – Brian Reed will present at the May meeting.
  - b. **FOIA** – There were no FOIA requests during the past month.
  - c. **Business License Renewal Notices** – The renewal process is underway. All applications are due by May 14<sup>th</sup>.

- d. **Department of Corrections Contract Audit** – To date, I have not received communication from the DOC regarding the audit. I have followed up with them multiple times.
- e. **Online Bill Pay, Auto Draft, Email Bills** – Email billing is live and we have had 29 customers sign up as of today. We'll continue to advertise and encourage customers to use this service. ***Auto Draft has been tested and is ready for use.*** Online Bill Pay will need to be delayed until after our new website is built and we are transferred to the new hosting platform for security reasons.
- f. **2025 Budget** – The 2024-25 proposed budget is ready for presentation. The budget contemplates several tax and rate changes in order to meet the needed revenue. Expenses are proposed to increase 1.7% over the current fiscal year. The budget contemplates a 3% increase for salaries. For more detailed information regarding the proposed budget, please see the associated whitepaper.
- g. **2023-24 Audit** – The Audit pre-work is underway with our auditors on site two days in June.
- h. **Past Due Real & Personal Property Taxes** - Notices have been sent to those residents and businesses with past due amounts, including amounts from previous years. This topic is on the agenda for Closed Session.
- i. **Water & Sewer Revenue** – In addition to the issues identified in last month's report, further analysis of the billing codes indicate part of the revenue issue is our billing system configuration, in addition to the current rate application does not follow code. The 2024-25 budget looks to remedy many of these issues. Additionally, we are planning to bring our software company onsite for additional training on the system.

- **Infrastructure**

- a. **Penn Court** – We are in the close out process for this project. All work has been completed and the contractor has submitted his final pay request.
- b. **Sewer I & I** – We received one bid from Portland Utilities. The new project estimate is \$1,220,390.52 which is \$209,550.52 higher than originally estimated. This has been shared with the Infrastructure Committee. We are on hold at this time until funding can be worked out. If we are not successful in obtaining additional funding, one option is to reduce or eliminate the manhole work.
- c. **Lead & Copper Assessment** – We had 106 surveys returned as of May 8th. The GIS software has been purchased and we will begin loading data soon. The project is still on track to be completed by the end of August, well ahead of the October deadline.
- d. **Zoning Appeal Request** – The BZA Public Hearing for the tower height variance is scheduled for June 6<sup>th</sup> at 6pm. AEP will have a brief 10–15-minute presentation and will then answer questions.
- e. **Poole Place** – VDOT has declined to do the survey work as requested by Town Council at the last meeting. I am in the process of securing survey services as discussed at the last meeting.
- f. **Lakeview/Grayson Street Water & Sewer Planning Project** – This project will provide design services to improve the water and sewer lines along Lake View Drive and Grayson Street. As previously reported, this project has received a \$20k grant from MRPD and

is included in the upcoming budget year. Given we have the MRPDC funds available now, I believe consideration should be given to starting the project now.

- **Community Development**

- a. **Town Park** – The Farmer’s Market had their opening day on May 3<sup>rd</sup> at Town Park! A special thank you to everyone who pitched in to get it ready for opening and who helped with opening day including our Public Works and Police departments and Councilman Miller. Work is underway designing and identifying locations for benches, play equipment, picnic tables and landscaping which will be installed over the next 6 months and be paid for by the VOF grant. Additionally, I’m working on a preliminary plan for space rental and use for the public. Making Grayson Glow will use the space on July 20<sup>th</sup> for the 2<sup>nd</sup> Annual Christmas in July Festival. We’ve also been approached by a local businessman who would like to sponsor music in the park. We’re working on details now for an event in late June.
- b. **Mass Communication** – Town employees will attend training over the next two weeks on how to alert using the system. We now have 94 residents and 19 businesses enrolled.
- c. **Food Truck Rally** – I’ve had preliminary discussions with several food truck vendors and there is interest in participating in a Food Truck Rally in the Town. The goal is to have the first one by late May during Farmer’s Market. The location would be at the vacant lot by the Roots building. We would have signage and advertising to promote, use the portable picnic tables and have a goal of 3-4 food trucks.

**Upcoming Meetings and Events:**

1. May 21<sup>st</sup> – Infrastructure Committee
2. May 29<sup>th</sup> – EDA Meeting
3. June 6<sup>th</sup> – BZA Public Hearing – AEP Request

**Upcoming Town Closures:**

1. Monday, May 27<sup>th</sup> – Memorial Day
2. Wednesday, June 19<sup>th</sup> – Juneteenth
3. Thursday, July 4<sup>th</sup> – Fourth of July

