

Town of Independence

Finance Committee

Agenda

April 25, 2024

6-7:30 pm

Police Department, 2nd Floor

In Attendance: Jim Meier, Joan Collins, Buddy Halsey, Kim Farmer, Laura Ratcliffe, Ronald Sexton

1. Chairman Meier welcomed everyone to the meeting. The minutes from the 3/21/24 meeting were reviewed and approved.
2. Town Manager Ratcliffe reviewed the key dates for the budget process as follows:

Activity	Date	Responsible Party
Adopt Budget	6/20/24	Town Council
Public Hearing	6/11/24	Finance Committee Chair
Public Comment Posting	TBD	Town Clerk
Draft Accepted	5/14/24	Town Council
Draft Budget Circulated in Council Meeting Packets	5/9/24	Town Clerk
Budget Meeting	5/2/24	Finance Committee Chair
Preliminary Operational and Capital requests due to Finance Committee	4/25/24	Town Manager
Operational and Capital Requests due to Town Manager	4/19/24	Town Clerk, Public Works Supervisor, Interim Police Chief, Committee Chairs

3. Review and Discussion on Preliminary Budgets – Prior to the meeting the group received the proposed budget items for each fund and sub-department for their review.
 - a. Key Assumptions – Town Manager Ratcliffe reviewed the key assumptions included in the budget:
 - i. 3% COLA
 - ii. 7.5% Health Insurance
 - iii. Retirement 12.9% (includes for Jacqueline)
 - iv. Includes Holiday Bonus /does not include performance bonus structure which the Personnel committee has reviewed and is recommending adoption; however, more details need to be decided. The plan would be for the performance-based bonus structure to be first paid in the 2026 year for performance in the 2025 year.
 - v. Does not include cost of Short/Long Term Disability for Plan 1 or Plan 2 – Currently, only employees who are in the hybrid plan (those newly hired as government employees after 2020) are included for short/long term disability coverage. Employees hired before this date pay for their own disability coverage if they want the coverage. There is no option for the Plan 1 or Plan 2 employees to be covered by the VRA plans. The town would need to purchase a group plan and pay the premiums for the employees.
 - b. GA
 - i. Town Manager Ratcliffe reviewed the expected revenues, expenses and proposed capital for the Governmental Administration Fund. Capital expenditures to be held at 5% of revenues and includes new police vehicle for Chief Adams and a roof repair at the Police Department. Discussion ensued regarding options for revenue increases. The group agreed to recommend changes in the meals tax, lodging tax, to round the real estate tax to .15, and to begin charging a trash collection fee.

c. Sewer & Water Funds

- i. Town Manager Ratcliffe reviewed the expected revenues, expenses and proposed capital. Lengthy discussion ensued regarding the proposed rate structure for the upcoming year. All agreed it was unfortunate the prior year rate increase had not adequately covered the projected fund expenses. Town Manager Ratcliffe communicated the Infrastructure Committee would meet again on April 30th to continue working on the proposed rates for the upcoming year. Town Manager Ratcliffe was asked to provide different scenarios whereby the rate change was larger for the commercial/industrial customers and lower for residential customers. The finance committee members did not have recommendations for expense reduction.

4. Summarize changes/additional work needed before 5/2 meeting