

TOWN OF HURT 2026

MEETING MINUTES

CONTINUED WORK SESSION MEETING

Date: May 22, 2026

Location: TOWN HALL 533 POCKET RD. HURT, VA

Time: 2pm

Meeting called to order by: MAYOR GARY HODNETT

COUNCIL MEMBERS IN ATTENDANCE ESTABLISHING A QUORUM

Vice Mayor Bob Majure after roll call

Alice Bond

Gary Poindexter

Jimmy Harding

Steve Worley

Council Members Absent:

Paul Johnson

TOWN STAFF IN ATTENDANCE:

Marissa Padilla, Town Treasurer

Shannon Race, Town Clerk

John Eller, Town Attorney

Joe Smith, Public Works Director

CALL TO ORDER

Mayor Hodnett called meeting back to order at 2:05 pm and presided.

Overview

The meeting focused on budget adjustments and clarifications.

Councilman Poindexter proposed a \$15,000 fuel surcharge for First Piedmont Recycling for the fiscal year, based on current fuel prices and potential fluctuations.

The group agreed to allocate \$12,000 for Evelyn's accounting services, split between general payroll and enterprise.

They also discussed the need for \$56,000 for capital improvements, including fire hydrants and meter assemblies, to catch up on past due projects.

The water analysis budget was set at \$5,000, reflecting the current and future testing needs.

The group also confirmed no garbage fee was needed, as the budget was sufficient. The meeting focused on budget adjustments for fiscal year 2027. The base fee was set at \$27, increasing the capital reserve from \$62,400 to \$64,800. A \$168,000 allocation was proposed for capital improvements, including a new truck (\$108,000) and fire hydrants (\$8,500 each). The real estate tax rate remained at 15 cents, avoiding a garbage fee. The enterprise fund totaled \$1,708,462, with a \$168,000 draw for CIP. The general fund balanced at \$802.56.

The council agreed to advertise the budget for public hearing, emphasizing the need to fund reserves for future infrastructure needs.

The council discussed the town's budget and reserve funding.

Councilman Poindexter emphasized the uncertainty of future financial needs, while Mayor Hodnett stressed the importance of budgeting to build reserves. They noted that only \$100,000 was transferred from reserves this year, with \$2,000 budgeted for PD capital purchases but not spent.

Mayor Hodnett highlighted the town's improved financial position due to new income sources like the plaza and water treatment plant.

He warned of the consequences of not funding reserves, citing a town's debt crisis from the past.

Town of Hurt – FY 26–27 Budget Change Log

Source: 260522 ContinuedBudgetSession transcript

1. Solid Waste (General Fund)

- **G1-48-3 – Garbage Collection Contract (Per-Can)**
 - Old assumption: Based on earlier can count and lower per-can rate.
 - New budget: \$53,404
 - Basis: 650 cans × \$1.58 × 52 weeks (includes escalator; contract portion only).
- **G1-49 – Fuel Surcharge (Garbage)**
 - Old proposal: \$31,600
 - New budget: \$15,000
 - Basis: Recent monthly surcharge ≈ \$862.93 (April) and \$575 (March); council chose a conservative mid-high estimate instead of crisis assumption; no garbage fee needed.
- **Garbage Fee**
 - Old concept: Possible new garbage fee to offset rising costs.
 - New decision: No garbage fee; costs absorbed within budget adjustments above.

2. Accounting & Professional Services

- **G-84 / E-84 – Accounting Support Services (Evelyn)**
 - Old structure: One mixed “audit + Evelyn” line.
 - New structure & totals:
 - Payroll services:
 - New line “Payroll Services” – \$4,000 total (approx. \$300/month + 2 extra payrolls), split \$2,000 General / \$2,000 Enterprise.
 - General accounting support:
 - “Accounting Support Services” – \$8,000 total, split \$4,000 General / \$4,000 Enterprise.

- Total annual Evelyn budget: \$12,000 (payroll + support).
- **G-81 – Memberships & Subscriptions**
 - Old: Lower amount (insufficient for actual memberships).
 - New budget: \$1,500
 - Purpose: VML, training, and professional dues.
- **IT / Software – G-159, G-160, G-161**
 - Old: Multiple fragmented IT lines.
 - New:
 - G-159 – IT & Software (umbrella): \$12,000 (email, Otter, Adobe, website, general IT support, non-Southern, non-cyber).
 - G-160 & G-161: Discontinued/rolled into G-159 except:
 - Southern (financial system) and cyber insurance kept in their own specific codes.

3. Retirement & Benefits (Voya/VRS)

- **E-29 – Public Works Voya/VRS ER Match**
 - Old: Single combined line.
 - New: Split for accounting clarity:
 - \$4,300 – one line (Public Works ER match)
 - \$3,250 – second line (Admin-allocated ER match)
 - Total remains: \$7,550 (no net change; just reclassification).

4. Water & Enterprise Fund Operations

- **Quarterly Base Water Fee (Enterprise Revenue)**
 - Old: \$26 per meter per quarter (prior year).
 - New: \$27 per meter per quarter
 - Annual impact: Base fee revenue from \$62,400 → \$64,800 (with ~600 meters), in line with Davenport schedule.
- **E-55 – Water Analysis & Lab Testing**
 - Old: \$7,500–\$10,000 historically (with special project testing).
 - New budget: \$5,000
 - Rationale: Special project/baseline testing completed; now only recurring compliance testing (THMs, HAA5s, bacteriological, lead & copper every 3 yrs).
- **E-63 – River Trail / IT Support (Enterprise)**
 - Old proposal: \$8,500
 - New budget: \$7,500
 - Rationale: One-time hardware/implementation spike completed; number now covers ongoing IT support and protection.

5. Capital Improvements & Reserves (Enterprise – Water)

- **E-19 – Transfer from Capital Reserve**
 - Old: \$0 transfer planned.
 - New: \$168,000 drawn from Enterprise capital reserve (E-4) for CIP.
- **E-74 – Capital Purchases (Water CIP)**
 - Old: \$6,700
 - New: \$174,700
 - Components: existing \$6,700 + \$168,000 reserve transfer.

- **Intended uses:**
 - ~\$108,000 – new fully equipped water/utility truck.
 - Remaining: Fire Hydrants (\$8,500 each), meter assemblies/setters (~\$2,000 each), and other small CIP items (e.g., blow-offs).
- **Water Plant Security (E-53 → Capital)**
 - Old: Budgeted under Enterprise operations.
 - New: Reclassified as capital (moved between E-71–E-77; amount remains \$40,000).
 - Scope: Fence, high-end cameras, bars on windows, comms/hardware and related infrastructure.
- **Water System Engineering – E-74 Engineering Sub-Line**
 - Old: ~\$43,334
 - New: \$44,334
 - Reason: Align with approximately \$137,000 shared engineering bill (3-way split).

6. General Fund – Taxes & Events

- **Real Estate Tax Rate**
 - Old model: \$0.16 per \$100 assessed.
 - New adopted rate to advertise: \$0.15 per \$100.
 - Impact (approx.): ≈ \$15/year per \$100,000 value (≈\$30/year on a \$200k home).
- **Auto Decal / Vehicle License Fee**
 - Clarified cap: Cannot exceed DMV annual license fee as of Jan 1, 2020.
 - Working figure discussed: \$40.75 DMV registration; town set at/under this cap per Code 46.2-752 (final budget uses max allowable).
- **G-169 – Event Planning**
 - Old: \$1,500
 - New: \$1,285.06
 - Purpose: Maintain Christmas event; no July 4 town event (county event instead). Adjustment used to precisely balance General Fund.

7. Overall Totals & Procedural Motion

- General Fund Total: ≈ \$1.386M (balanced after final tweaks).
- Enterprise Water (incl. wastewater): ≈ \$1.708M.
- All funds total: ≈ \$3,082,327.16.
- Motion passed: Approve this revised budget for advertisement and schedule public hearing mid-June (unanimous roll-call “Yes”).

Town of Hurt – Enterprise Capital Improvement Plan (CIP) Items

FY 26–27 – Water Fund Focus (E-74 = \$174,700)

1. Primary Vehicle – Utility / Water Truck

- **Item:** New public works / water utility truck

- **Budgeted Cost (ballpark): \$108,000**
- **Purpose / Use:**
 - Daily water system operations (valves, leaks, hydrants, meter assemblies).
 - Safe transport of tools, pipe, materials, and crew.
 - Proper lighting / safety package for work in streets and right-of-way.
- **Key Points for Public:**
 - Current truck is an '09 unit and is **past its useful life**.
 - Existing "gray truck" is not configured for utility work (short bed, no utility body, limited safety lighting).
 - This truck supports **reliable water service** and reduces breakdown risk.

2. Fire Hydrant Replacements

- **Item:** Replacement of aging / out-of-spec fire hydrants (CIP commitment: ~2 per year as a goal).
- **Unit Cost (discussion estimate): ≈ \$8,500 per hydrant installed**
 - Includes hydrant, fittings, excavation, contractor labor, and restoration.
- **Planned Spend (from CIP pool):**
 - Portion of remaining **~\$60,000** after truck – exact count depends on final quotes.
- **Purpose / Use:**
 - Replace hydrants that are **beyond life expectancy** or unreliable.
 - Improve **fire protection** and hydrant flow in older parts of the system.
- **Key Points for Public:**
 - Hydrants are **critical safety infrastructure**; many are significantly past their expected life.
 - State and finance partners expect a **documented replacement schedule**.

3. Meter Assemblies / Setters

- **Item:** Replacement of old meter assemblies ("setters") and associated components.
- **Unit Cost (discussion estimate):**
 - Typical residential/domestic meter setter:
 - Hardware: **≈ \$258**
 - Contractor install: **≈ \$1,700**
 - **Total: ≈ \$2,000 per assembly**
 - Larger specialty assemblies (e.g., plaza / 1½" or 2" meters) will be higher.
- **Planned Spend:**
 - Remaining portion of the **~\$60,000** pool after truck + hydrants, targeted to:
 - Highest-risk / most obsolete assemblies on Joe's CIP list.
- **Purpose / Use:**
 - Reduce **leaks, inaccurate reads, and failures** at old meter sites.
 - Support accurate billing and reduce unaccounted-for water.
- **Key Points for Public:**
 - Some assemblies are **years past due** based on the Davenport / internal inventory.
 - Replacements directly support **fair billing** and system reliability.

4. Other Small CIP Items (As Budget Allows)

From discussion, if funds remain after truck, hydrants, and key meter assemblies:

- **Possible Items:**
 - **Blow-offs** and related appurtenances that are corroded or nonfunctional.
 - Smaller distribution components identified on Joe's detailed CIP sheets.
- **Approach:**

- Use Joe's project list (with description, picture, cost) to:
 - Prioritize items with the **highest risk and regulatory impact**.
 - Document before/after for public transparency.

5. CIP Funding Framework (How It's Paid For)

- **Line E-19 – Transfer from Capital Reserve:**
 - **\$168,000** drawn from existing Enterprise reserves (built largely from the **quarterly base fee** and prior deposits).
- **Line E-74 – Capital Purchases:**
 - Old amount: **\$6,700**
 - New FY 26–27 amount: **\$174,700** total.
- **Quarterly Base Fee (Enterprise revenue):**
 - Increased from **\$26** → **\$27** per meter per quarter in accordance with the **Davenport plan**.
 - Base fee revenue now fully directed to capital and system repair/reserve purposes.

6. How to Explain This Publicly (Short Talking Points)

- **“Where does the money go?”**
 - To a **truck, hydrants, and meter assemblies** that are **past life** and directly affect:
 - Fire protection
 - Water reliability
 - Accurate billing
- **“Is this a new tax?”**
 - No new garbage fee. The CIP is funded from **existing water base fees** and **reserves** already set aside for water infrastructure.
- **“Why now?”**
 - State and financial advisors (Davenport) expect us to:
 - Follow a **documented capital plan**, and
 - Spend about **\$56,000 per year** on replacements; we are **catching up** with a one-year jump (≈ **\$168,000**).

Council Action Taken

Councilman Poindexter made a motion to move forward with publishing the proposed budget as discussed and presented today. Councilman Worley seconded the motion with town council voting 5-0 in favor of moving forward with the publishing of the FY2027 proposed budget. John Eller will submit the budget on June 1, 2026, for publishing June 3 & June 10. Public Hearing will be held on Tuesday, June 16, 2026.

ADJOURNMENT

With no further budget business to discuss, Mayor Hodnett adjourned this meeting at 4:35 pm.