

PUBLIC HEARING

1. Proposed FY11 General and Utility Fund Budgets

Emporia's City Council held a public hearing on Tuesday, June 1, 2010, at 7:30 p.m. in the Council Chambers of the Municipal Building, located at 201 South Main Street, Emporia, Virginia. Mayor Adams presided over the public hearing.

The following City Council members were present:

Councilman John R. White
Councilman F. Woodrow Harris
Councilman James C. Saunders
Councilwoman Doris T. White
Councilwoman Carolyn S. Carey
Councilman Edward V. Lankford, IV
Councilwoman L. Dale Temple

Others present: Samuel W. Adams, III, Mayor
C. Butler Barrett, City Attorney
Steven B. Hall, Assistant City Manager
Brian S. Thrower, City Manger
Lori R. Jarratt, Interim City Clerk

Absent: C. Butler Barrett, City Attorney

1. Proposed FY11 General and Utility Fund Budgets

Mayor Adams stated that the purpose of the public hearing was to receive comments with regards to the FY11 General and Utility Fund Budgets.

Mr. Thrower stated that in preparing the proposed FY11 General and Utility Fund Budgets has been even more challenging than last year given increased revenue reductions from the Commonwealth of Virginia, Further Stagnation of the economy, and projected declines in tax revenues. He also stated that the staff estimates the Commonwealth has cut its funding to the city of Emporia by \$177,256 over the last three fiscal years. He further stated that much of these cuts have been in the form of compensation board reimbursement reductions impacting our constitutional offices, as well as in the form of reductions in 599 funding which support police department operations and overall public safety.

Mr. Thrower advised that the Southside Regional Jail (SSRJ) funding is also expected to be severely cut by the Commonwealth. He also advised that in total, it is estimated that the SSRJ will realize approximately \$330,200 in funding cuts from the Commonwealth in FY11. He further advised it will also be required to pay the Commonwealth an additional \$118,000 as part of the \$60 million reduction in aid to localities state budget package. He also stated that this totals \$448,200 in state revenue reductions for SSRJ operations.

Mr. Thrower stated the City of Emporia contributes nearly 60% to the local portion of jail revenues. He also stated that Greensville County makes up the other 40%. He further stated any state cuts significantly impact the SSRJ budget and, in turn, requires the City of Emporia and Greensville County to make up a sizeable portion of the difference. He advised that the City's share of jail expenses will increase by \$57,926 in FY11. He also advised that this relatively minimal increase is attributed to spending cuts absorbed by the SSRJ. He further advised that over the last three fiscal years the City and County's jail contributions have risen from \$1,080,000 in FY09 to \$1,485,539 in FY11. He stated that containing jail costs, to the extent possible, will continue to be a high priority heading into the future.

Mr. Thrower stated that given the lack of clear consensus at the City Council Retreat in early April, I did not include any revenue enhancements of new revenue streams in my propose FY11 budget. He also stated that he expect further declines in state revenues and rising expenses heading into the future, particularly as it relates to jail costs, school expenditures, and needed economic and community development initiatives outlined in the City's Comprehensive Plan that will enhance quality of life in Emporia and facilitate business recruitment. He further stated that the fact that City of Emporia is ranked 1st out of all localities in the state in terms of fiscal stress highlights the reality of the financial burdens our community is facing. He advised that in light of the Commonwealth's antiquated tax structure, statutory limits placed on localities in terms of raising revenue, and further declines in state funding, the City will have no choice but to primarily look at raising the real property tax rate and cutting expenditures to external agencies and organizations heading into the future.

Mr. Thrower stated that after reviewing and discussing my proposed budget with Council throughout several work session, Council's proposed FY11 General Fund Budget stands at \$15,681,747. He also stated that this is a decrease of \$123,255 over the adopted FY10 budge of \$15,805,002. He further stated that departmental and external organization requests totaled \$14,171,060.

He stated that highlights of the proposed FY11 General Fund budge include:

Revenues

- No tax or fee increases.
- No new taxes of fees.
- Decrease in state funding revenues of \$66,147 (does not include jail cuts).
- Decrease in projected sales, business license, lodging, and communication sales tax revenues.
- Increase in projected meals tax revenue.

Expenditures

- No proposed COLA or merit increases for employees. The last pay increase for City employees was December 2008.
- Eliminating /freezing of 3 General Fund Positions including:
 - Elimination of 1 Billing Clerk position in the Treasurer's Office.
 - 1 Police Dispatcher kept vacant and unfunded.
 - 1 Motor Pool Mechanic Helper kept vacant and unfunded.
- Conversion of 2 part-time custodian positions to 1 full-time position.

- 5% across the board reductions to civic and community organizations, as well as decreased funding to the Emporia-Greenville IDC and no funding to the Emporia Downtown Development Association.
- Greensville County School System to be level funded by the City and County. City's actual expense will decrease \$12,953 due to the funding formula.
- Increased City contribution of \$57,926 to the Southside Regional Jail.
- Purchase of 2 new police vehicles through USDA Rural Development funding.
- \$121,500 grant match for the S. Main Street Enhancement Project.
- A decrease of \$109,709 in debt service expense.
- Transfer of 25% of the City Treasurer's salary to the Utility Fund from General Fund.
- Transfer of 50% of the Deputy City Treasurer's salary to the Utility Fund from the General Fund.

Utility Fund Budget

Mr. Thrower advised that after reviewing and discussing my proposed Utility Fund budget with Council over several work sessions, Council's recommended FY11 Utility Fund budget stands at \$2,889,200. He also advised that this is an increase of \$120,500 over the adopted FY10 budget of \$2,768,700. He further advised that departmental requests for this budget totaled \$3,553,301. He stated that over the next year, the water treatment plant and distribution line upgrade project will continue to be a high priority for the City. He also stated that should the City be granted funding for these improvements, water rates will need to be increased to cover debt service and meet funding requirements.

Mr. Thrower stated that highlights of the proposed FY11 Utility Fund budget include:

Revenues

- A 1% increase in water and sewer rates.
- Decreases in projected water and sewer tap revenues.
- Appropriated Utility Fund Balance revenue of \$121,500.

Expenditures

- No proposed COLA or merit increases for employees.
- 1 Water Treatment Plant Operator Trainee position unfunded and kept vacant.
- A decrease of \$85,752 in debt service expense.
- Transfer of 25% of the City Treasurer's salary to the Utility Fund from the General Fund.
- Transfer of 50% of the Deputy City Treasurer's salary to the Utility Fund from the General Fund.
- Replacement of two bleach tanks at \$8,000.
- Water tank maintenance contract net increased expense of \$36,324.
- Replacement of a 1997 Lumina with a Ford Escape at \$19,000.
- Replacement of a deteriorated metal shed at \$4,000.
- Included an operating/capital reserve line item of \$50,000 to be used for unexpected expenses such as machinery and equipment breakdowns.

- Appropriated Utility Fund Balance transfer of \$121,500 to the General Fund to be use and the grant match for the S. Main Street Enhancement project.

Mayor Adams asked if there was anyone who wished to make any comments regarding this matter.

Ruth Koch, 310 Southampton Street, addressed Council with concerns of the disarray of the planters along the streets. She also stated that streetscaping with large planters was proposed in the FY10-11 budget. She further stated that she would like to have beautification in the City but didn't agree that there should be more planted if the current ones were not kept appropriately.

Kristen Vaughan, 301 East York Drive, Director of Emporia-Greenville YMCA, addressed Council, primarily, on behalf of the YMCA but also on behalf of other non-profit organizations within the community. She asked Council to reconsider the proposed 5% funding reduction for civic organizations. She also stated that the YMCA provides an outlet for physical release with exercise the YMCA also provides quality, dependable childcare for working parents in order to provide for their families. She further stated that the YMCA fulfills a critical need in a city that faces many challenges one of which is its current health status. She advised that 75% of adults in our Crater District are overweight or obese and 55% are physically inactive. She also advised that this ranks our district worse in the state for obesity and 33rd out of 35 in inactivity. She further advised that the YMCA serves 2,153 individuals from Emporia, Greenville and surrounding areas. She stated that the YMCA cannot afford to loose a source in revenue which would result in reduction in quality programming. She asked for Council's help in order to continue their motto of "We Build Strong Kids, Strong Families and Strong Communities" to their full ability by foregoing the proposed reduction in funding.

With there being no further comments, Mayor Adams declared the public hearing closed.

Samuel W. Adams, III, Mayor

Lori R. Jarratt, Interim City Clerk

MINUTES
EMPORIA CITY COUNCIL
CITY OF EMPORIA MUNICIPAL BUILDING
June 1, 2010

Note to Reader: Although the printed agenda document for this City Council meeting is not part of these minutes, the agenda document provides background information on the items discussed by City Council during the meeting. A copy of the agenda document for this meeting may be obtained by contacting the Office of the City Clerk.

Emporia City Council held a regular meeting on Tuesday, June 1, 2010, at 7:30 p.m. in the Council Chambers of the Municipal Building, located at 201 South Main Street, Emporia, Virginia. Mayor Samuel W. Adams, III presided over the meeting with Reverend Bishop Lowery, offering the invocation.

ROLL CALL

The following City Council members were present:

Councilman John R. White
Councilman F. Woodrow Harris
Councilman James C. Saunders
Councilwoman Doris T. White
Councilwoman Carolyn S. Carey
Councilman Edward V. Lankford, IV
Councilwoman L. Dale Temple

Others present: Samuel W. Adams, III, Mayor
Brian S. Thrower, City Manger
Steve B. Hall, Assistant City Manager
Lori R. Jarratt, Interim City Clerk
Tessie Wilkins, City Clerk
Bernard Richardson, Chief of Police
Sheila Cutrell, Director of Finance
Ken Ryals, Emergency Services Director

Absent: C. Butler Barrett, City Attorney

MINUTES APPROVAL

Councilman White moved to approve the minutes from the May 12, 2010, Budget Work Session, May 18, 2010, Public Hearing and Regular Meeting, May 18, 2010 Budget Work Session, May 20, 2010 Budget Work Session and May 25, 2010, Budget Work Session, as presented, seconded by Councilwoman White, which passed as follows:

Councilman John R. White	aye
Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Carolyn S. Carey	aye

Councilman Edward V. Lankford, IV aye
Councilwoman L. Dale Temple aye

ANNOUNCEMENT

Mayor Adams presided with the introduction of Tessie Wilkins as the new City Clerk for the City of Emporia.

Councilman Saunders made a motion to appoint Tessie Wilkins as City Clerk for the City of Emporia, seconded by Councilwoman White which passed as follows:

Councilman John R. White aye
Councilman F. Woodrow Harris aye
Councilman James C. Saunders aye
Councilwoman Doris T. White aye
Councilwoman Carolyn S. Carey aye
Councilman Edward V. Lankford, IV aye
Councilwoman L. Dale Temple aye

Mayor Adams welcomed Tessie Wilkins to her new position as City Clerk.

AGENDA APPROVAL

Mayor Adams stated that there would be no Closed Session. Councilman White moved to approve the agenda as amended, seconded by Councilwoman Temple, which passed as follows:

Councilman John R. White aye
Councilman F. Woodrow Harris aye
Councilman James C. Saunders aye
Councilwoman Doris T. White aye
Councilwoman Carolyn S. Carey aye
Councilman Edward V. Lankford, IV aye
Councilwoman L. Dale Temple aye

NEW BUSINESS

10-46. Virginia Retirement System Member Contributions - Request to Approve Resolution

Mr. Thrower stated that the Virginia General Assembly, in its 2010 session, passed legislation implementing new Virginia Retirement System (VRS) plan provisions for employees hired or rehired on or after July 1, 2010 with no prior VRS service. He also stated that the new plan is called the VRS Plan 2. He further stated that the legislation stipulates that Plan 2 employees will pay the 5% employee contribution through salary reduction on a pre-tax basis according to Internal Revenue code §414(h). He advised that however, localities may elect to pay some or all of the 5% employee contribution on behalf of its Plan 2 employees. He also advised that in order to do so, the locality must adopt and submit a resolution to VRS indication such.

He stated that as you are aware the City of Emporia, as do most other localities, currently pays both the employee (5%) and employer (10.16% - FY11 and FY12 rate) share of VRS contributions. He also stated that as such, current City of Emporia employees do not contribute to

their retirement plans. He further stated that this cost is picked up entirely by the City as a benefit to employees. He advised that the City will be required to continue paying the entire employee share for current employees as a result of an amendment to the Appropriation Act adopted during the general Assembly veto session. He also advised that in light of this, he believes new employees hired on or after July 1, 2010 should be afforded the same benefit as current employees.

He recommended that Council adopt the resolution stating the City of Emporia will pay the 5% employee share of VRS contributions for those employees hired on or after July 1, 2010.

Councilwoman Temple made a motion to approve **Resolution No. 10-05** authorizing the City of Emporia to pay the 5% employee share of VRS contribution for those employees hired on or after July 1, 2010, seconded by Councilwoman Carey, which passed as follows:

Councilman John R. White	aye
Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Carolyn S. Carey	aye
Councilman Edward V. Lankford, IV	aye
Councilwoman L. Dale Temple	aye

10-47. Rural Development Police Vehicle Funding – Request to Approve Resolution

Mr. Thrower stated that City Administration previously submitted a funding application to Rural Development for the purchase of two police vehicles. He also stated that in order to qualify for financial assistance, two resolutions must first be adopted by City Council. He further stated the first resolution authorizes the City to incur debt to fund a portion of the vehicle costs. He advised that the second resolution states that the City adopts and abides by the covenants contained in the agreements. He also advised that it further states that the City Manager is authorized to execute, on behalf of the City of Emporia the previously referenced agreements and is authorized to execute other documents including, but not limited to, debt instruments and security instruments as may be required in obtaining the said financial assistance.

He advised that he estimate receiving a total of \$47,600 in grant and loan funding to purchase the two police vehicles. He also advised that of this amount \$21,420 is expected to be in the form of loan funds and \$26,180 in the form of grant funds. He further advised that the purchase of these two vehicles is included in the proposed FY11 budget.

He recommended that Council adopt the resolutions so that the City may qualify for loan and grant funding through Rural Development.

Councilman Saunders made a motion to approve **Resolution No. 10-6**, seconded by Councilwoman Temple, which passed as follows:

Councilman John R. White	aye
Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Carolyn S. Carey	aye
Councilman Edward V. Lankford, IV	aye

10-48. Water Treatment Plant and Distribution System Upgrades – Request to Submit Tobacco Commission Grant Application

Mr. Thrower stated that Dewberry & Davis, Inc. has prepared a preliminary engineering report to upgrade the City's water treatment plant (including intake structure) and water distribution system. He also stated that our water treatment plant was built in 1954 and is in dire need of substantial upgrades in order to meet current water industry standards. He further stated that improvements to the water distribution system will serve to provide sufficient water service and pressure for the City's residents and businesses. He advised that the estimated total project cost for all proposed improvements is \$11,994,000. He also advised that a funding application has been submitted to USDA Rural Development to finance these improvements.

Mr. Thrower advised that City officials held a meeting with Tobacco Commission staff on Tuesday, May 25, 2010 to discuss the details of the project and funding options. He also advised that at the conclusion of that meeting, Tobacco Commission staff recommended the City apply for "Special Projects" grant funding. He further advised that the application for these funds is due Wednesday, June 2, 2010.

Mr. Thrower stated that the City will be requesting \$932,000 in grant funds from the Tobacco Commission, should Council authorize submittal of the grant application. He also stated that this is \$932,000, in addition to a 15% local match of \$164,477, will be used for the development of final construction plans, specifications, and contract documents. He further stated that once these items have been completed, the project will be ready to bid and construction can start pending financing approval from Rural Development.

He recommend that Council approve the resolution authorizing the City Manager to submit a grant application to the Tobacco Commission and execute all grant related documents pertaining to the upgrade of the City's water treatment plant and water distribution system.

Councilman Harris stated that it was his understanding that the application would go before the tobacco Commissions Special Projects Committee for consideration. He also stated that he had the names of the ten individuals that are on the Special Projects Committee and it would be helpful if Council would review the names of the individuals to see if there were any that are known to them. He further inquired if the City could prepare talking points or an outline of basic information for any member of Council that would contact any known members on the Special Projects Committee for funding.

Mr. Thrower stated that he would send this information out to City Council.

Mr. Saunders inquired if the 15% was of the \$932,000. Mr. Thrower advised that the 15% was of the 1,096,000.

Councilman Harris made a motion approve **Resolution No. 10-7**, authorizing the City Manager to submit a grant application to the Tobacco Commission and execute all grants related documents pertaining to the upgrade of the City's Water Treatment Plant and Water Distribution System, seconded by Councilman White, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Carolyn S. Carey	aye
Councilman Edward V. Lankford, IV	aye
Councilwoman L. Dale Temple	aye

10-49. West Atlantic Street Project – Request to Approve Program Design

Mr. Hall stated that the City is nearing contract execution with the Virginia Department of Housing and Community Development (DHCD) for Phase I of the West Atlantic Street Neighborhood Revitalization Project. He also stated that over the past months, staff has been busy completing required “pre-contract” activities per DHCD regulations.

Mr. Hall advised that one major item that has been completed is the Housing Rehabilitation and Production Program Design for the project. He also advised that this document outlines the major components of the project from administration to guidelines for housing rehabilitation, production, contracting and home maintenance education.

Mr. Hall stated that it would be the responsibility of City Staff and Community Planning Partners to ensure all actions are in accordance with the Program Design guidelines throughout the duration of the project. He also stated that in the event an amendment is deemed necessary, the item will be submitted to DHCD for review and approval.

He recommended Council approve the Housing Rehabilitation and Production Program Design for the West Atlantic Street Neighborhood Revitalization Project.

Councilman White made a motion approve the Housing Rehabilitation Program Design for West Atlantic Street Neighborhood Revitalization Project, seconded by Councilman Saunders, which passed as follows:

Councilman John R. White	aye
Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Carolyn S. Carey	aye
Councilman Edward V. Lankford, IV	aye
Councilwoman L. Dale Temple	aye

PUBLIC COMMENT

Mayor Adams asked if anyone wished to bring a matter before City Council members adhering to the three minute time limitation.

Ruth Koch, 310 Southampton Street, addressed Council stating that she had some concerns of loud noise in her neighborhood. She also stated that she has a scanner and was aware that several calls were made to the Police Department. She asked Council revisit the City Ordinance by increasing the fee for a sound permit or cutting back the hours.

Mayor Adams advised that the City has recently passed a noise ordinance which should be enforced by the Police Department.

Councilman Saunders advised that he has heard some concerns regarding the noise situation in that when a call comes in to the Police Department, it is being broadcast over the scanner and some individuals have scanners and by the time police arrive, the music has been turned off.

ADJOURNMENT

With no further business to come before City Council, Mayor Adams adjourned the meeting.

Samuel W. Adams, III, Mayor

Lori R. Jarratt, Interim City Clerk