

**MINUTES
EMPORIA CITY COUNCIL
CITY OF EMPORIA MUNICIPAL BUILDING
March 20, 2012**

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, March 20, 2012 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 Bishop Vincent Lowery offering the invocation.

Mayor Adams read and presented a resolution of appreciation to Charlie Pearson, Jr. He stated that Mr. Pearson did an excellent job for the City of Emporia.

ROLL CALL

The following City Council members were present:

Councilman F. Woodrow Harris
Councilman James C. Saunders
Councilwoman Doris T. White
Councilwoman Deborah D. Dixon
Councilwoman Beverly White
Councilwoman L. Dale Temple
Councilwoman Carolyn S. Carey

Others present:

Samuel W. Adams, III, Mayor
C. Butler Barrett, City Attorney
Brian S. Thrower, City Manager
Steve B. Hall, Assistant City Manager
Tessie S. Wilkins, City Clerk
Joyce E. Prince, Commissioner of the Revenue
Don Wyatt, Chief of Police
W. S. Harris, Treasurer
Sheila Cutrell, Finance Director
Royal Jones, Public Works Director

MINUTES APPROVAL

Councilwoman Temple moved to approve the minutes from the February 25, 2012 Retreat, and March 6, 2012 Regular Meeting, as presented, seconded by Councilwoman D. Temple which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman Beverly White	aye
Councilwoman Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

APPROVAL OF BILLS

A listing of the March 20, 2012 bills was presented to City Council members.

General Fund	\$	760,917.80
Utility Fund	\$	69,346.39

Councilman Saunders moved to approve the March 20, 2012 bills as presented, seconded by Councilwoman Temple, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman Beverly White	aye
Councilwoman Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

FINANCIAL AND TAX REPORTS

Honorable W. S. Harris, Jr., City Treasurer provided City Council members with highlights of the City's financial position. There were no questions concerning his reports.

COMMISSIONER OF THE REVENUE REPORT

Honorable Joyce E. Prince, Commissioner of the Revenue provided her report to City Council members. There were no questions regarding her report.

PERMIT AND INSPECTION REPORT

Randy C. Pearce, Building/Fire Official provided his report to City Council members. There were no questions concerning his report.

POLICE REPORT

Don Wyatt, Chief of Police provided his report to City Council members. There were no questions concerning his report.

CITY SHERIFF REPORT

Sam C. Brown, Sheriff provided his report to City Council members. There were no questions concerning his report.

CITY ATTORNEY REPORT

C. Butler Barrett, City Attorney had no matters to report to City Council members.

AGENDA APPROVAL

Councilwoman Temple moved to approve the agenda as presented, seconded by Councilwoman Carey, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman Beverly White	aye
Councilwoman Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

UNFINISHED BUSINESS

12-18. Board of Equalization Nominations

Mayor Adams stated that this item was continued from the February 21, 2012 City Council meeting. He also stated that Judge W. Allan Sharrett requested that Council reconsider its nominations to the Board of Equalization.

Councilman Saunders moved to nominate James Avent for consideration to serve a one year term on the Board of Equalization.

Councilman Saunders moved to nominate James Avent name for submission to Greenville County Circuit Court for consideration and official approval to serve a one year term on the Board of Equalization, seconded by Councilwoman Temple, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye
Councilwoman D. White	aye
Councilwoman B. White	aye
Councilwoman Carolyn S. Carey	aye

NEW BUSINESS

12-23. Water Treatment Plant Upgrade Project – Request to Adopt Resolution

Mr. Thrower stated that in order to satisfy the extensive list of USDA Rural Development loan closing requirements for the Water Treatment Plant and Distribution Line upgrade project, Rural Development is requiring City Council to approve water rates sufficient to show ability to repay the loan. He also stated that these rates were included in the City's loan application. He further stated that the rates below reflect the required minimum water rates for the first full year of operation of the upgraded Water Treatment Plant.

Minimum 2,000 gallons....	\$16.87
Next 48,000/1,000.....	\$ 5.79
Over 50,000/1,000.....	\$ 4.75

He recommended that Council approve the resolution approving the water rates for the first full year of operation of the upgraded Water Treatment Plant.

Councilman Saunders made a motion to adopt **Resolution No. 12-02** to set the rates for water and allied services supplied by the City for the first full year of operation of the water system upgrade project, seconded by Councilman Saunders, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman Beverly White	aye
Councilwoman Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

12-24. FY13 Budget Discussion – Cigarette Tax

Mayor Adams stated that Lance Forsythe, Superintendent of the Southside Regional Jail, was in attendance to review the Jail FY13 budget.

Mr. Forsythe stated that the Southside Regional Jail proposed budget for FY13 is \$4, 421, 239.00 in which the proposed budget is \$204,000.00 less than FY2012. He also stated that the proposed budget includes reduction of aide to locality payment, and also revenues from the compensation board will be further decreased. He further stated that the budget contains a request for \$518,651.00 increase in per diem payment from the City of Emporia and Greensville County due to the anticipated loss of the jail bed contract with Brunswick County. He stated that the Brunswick County contract has provided about \$716,000.00 in revenues for the last three years and will be ending on June 30, 2012.

Mr. Forsythe stated that the increase item in expenditures will occur in VRS payment of \$49,000.00 and group life of \$19,000.00. He also stated that the budget will decrease in professional health service, food related equipment, electrical, and water and sewage.

Mr. Forsythe stated that the two line items that will remain unknown until announced by the compensation board are salary and jail per diem payments.

Councilman Saunders inquired as to how much of the budget will go to debt service. Mr. Forsythe stated that \$11.00 a day goes into debt service.

Councilman Saunders inquired what is the average cost per day for an inmate to be housed. Mr. Forsythe stated that the average is \$55.25 per day.

Councilman Saunders inquired what the jail authority is going to do to try to help the budget. Mr. Forsythe stated that they have tried to talk to Sussex County and Southampton County.

Councilman Saunders inquired if part of the Jail could be closed down. Mr. Forsythe stated no because the jail have three classification of inmates and they cannot be mixed.

Councilman Harris inquired how much is left in the Reserved. Mr. Forsythe stated that roughly \$600,000.00 remains in the Reserved.

Councilman Harris inquired how many more years are left on the debt service. Mr. Forsythe stated that at least 10 years are remaining.

Mr. Thrower stated that over the last year and at the Council Retreat held in February, the City faces tremendous budget challenges going into FY13 and beyond, particularly as it relates to school, jail, retirement, personnel, and other project costs. He also stated that these funding issues have been further compounded by the continued state budget cuts over the last several years. He further stated that addressing these items alone, not including school funding, is expected to cost the City an additional \$487,500. He stated that this is equivalent to an increase of 14 cents in the real estate property tax rate. He also stated that the options for addressing the budget situation include raising the real estate property tax rate, levying a cigarette tax, cutting/eliminating funding to civic organizations, and or cutting/reducing City services.

Mr. Thrower stated that in light of the situation at hand, he had attempted to reach consensus on broad parameters for addressing the budget situation in FY13 and beyond. He also stated that in discussing these funding issues with Council individually and in a group setting, the overwhelming majority of Council is in favor of levying a cigarette tax to soften the impact to the FY13 budget.

He recommended further discussion on these budget matters. He also recommended that Council direct him to prepare an ordinance allowing the City of Emporia to levy a cigarette tax equivalent to \$.50 per pack effective July 1, 2012 and advertise for a public hearing to be held on the matter at the April 17, 2012 City Council meeting.

Councilwoman Dixon made a motion to approve the City Manager to prepare an ordinance allowing the City of Emporia to levy a cigarette tax equivalent to \$.50 per pack effective July 1, 2012 and advertise for a public hearing to be held on the matter at the April 17, 2012 City Council meeting, seconded by Councilwoman D. White, which passed as follows:

Councilman F. Woodrow Harris	nay
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman Beverly White	aye
Councilwoman Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

Councilman Harris stated that he would not even waste time suggesting that singling out one group of citizens for extra taxation is grossly unfair and you should all be ashamed of your acceptance of doing that. He also stated that the Center for Disease Control and Prevention states that more than half of all smokers are low income. He further stated that this is a regressive tax and low-income citizens will be impacted the most.

Councilman Harris stated that from a bigger picture perspective I would like to point out the negative impact on the grocery stores, convenience stores and drug stores in the City of Emporia that sell cigarettes. He also stated that the Americans for Prosperity economic study estimated that a 50 cent per pack cigarette tax hike would decrease sales volume by 18 percent if other sales outlets existed nearby.

Councilman Harris stated that in the City of Emporia it's rarely more than one mile to a store outside the city limits that will sell cigarettes for \$5 per carton less than the proposed tax. He also stated that we are going to lose more than just cigarette sales taxes. He further stated that we are going to lose the sales tax on items bought in stores if people go into the county to buy cheaper cigarettes to avoid the city tax. He advises that the City of Emporia is going to lose the revenue from gasoline sales and the taxes generated by that. He also advised that the same study estimated the loss in gross profits for convenience store at \$11,000 per store per year if the cigarette tax level is proposed.

Councilman Harris stated that this is not a constant source of revenue. He also stated that smokers his age who dies are not being replaced by younger smokers. He further stated that revenue from this source will decline over time. He stated that the amounts budgeted have rarely been met by any locality enacting this tax.

Councilman Harris stated that the City of Emporia has better alternatives, smarter approaches and fairer and more efficient ways to balance the city budget than this.

12-25. Recreation Advisory Commission – Term Expirations

Mr. Thrower stated that on April 1, 2012, Mr. Edward V. Lankford, himself, III, Mr. Rick Franklin, and Ms. Doris White's one (1) year term on the Recreation Advisory Commission will expire. He also stated that all have indicated that they do wish to be consider for reappointment.

Councilman Saunders made a motion to appoint all of the above individuals to serve a one year term, expiring on April 1, 2013, seconded by Councilwoman Temple, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye
Councilwoman Doris T. White	aye
Councilwoman Beverly White	aye
Councilwoman Carolyn S. Carey	aye

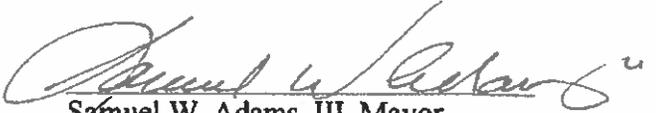
PUBLIC COMMENT

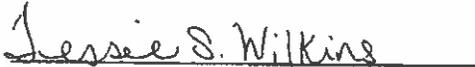
Mayor Adams asked if anyone wished to bring a matter before City Council members adhering to the three minute time limitation.

With there being no comments to come before City Council, Mayor Adams closed the public comment portion of the meeting.

ADJOURNMENT

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


Samuel W. Adams, III, Mayor


Tessie S. Wilkins, City Clerk