

MINUTES
EMPORIA CITY COUNCIL
CITY OF EMPORIA MUNICIPAL BUILDING
BUDGET WORK SESSION
May 1, 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.*

The following City Council members were present:

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

Others present:

Samuel W. Adams, III, Mayor
Brian S. Thrower, City Manager
Tessie S. Wilkins, City Clerk
Sheila Cutrell, Finance Director
Royal Jones, Public Works Director
Linwood Pope, Director of Utilities
Larry Epps, Superintendent WWTP
Ken Ryals, Emergency Service Coordinator

Absent:

Steven B. Hall, Assistant City Manager

General Fund Budget

Mr. Thrower reported that the proposed FY13 General Fund budget is \$18,648,967. He also reported that this is a decrease of \$33,044 from the approved FY12 budget of \$18,682,011. He further reported that \$1,402,822 was trimmed from the proposed budget as departmental requests totaled \$20,051,789. He stated that the two primary issues impacting the FY13 budget are the required increase in funding to the Southside Regional Jail (SSRJ) and the General Assembly mandate of diverting a portion of local traffic fine revenue to the Commonwealth of Virginia.

Mr. Thrower reported that the City of Emporia and Greensville County contribute funding to the SSRJ. He stated that the percentage of funding each locality contributes to the SSRJ is based on usage. He also stated the City of Emporia contributes approximately 60% of the local jail cost. He further stated that due to the Commonwealth of Virginia approving the construction and opening of the new Meherrin River Regional Jail (MRRJ), the SSRJ will lose an estimated

\$716,000 in annual revenue from Brunswick County for housing inmates. He stated that the City of Emporia and Greensville County have been forced to fill the funding gap created by this loss of revenue. He also stated that the City will be increasing its funding to the SSRJ by \$275,000 in FY13. He further stated that the City will again be required to increase Jail funding by approximately \$120,000 in FY14, unless new revenues are realized, due to the fact that the SSRJ has tentatively agreed to a one time measure of taking \$200,000 out of its own fund balance to soften the hit to Emporia and Greensville County this budget cycle.

Mr. Thrower reported that the other major funding issue going in FY13 and beyond is the mandated diversion of local traffic fine revenue to the State Literary Fund. He stated that under this new legislation, the City is expected to lose an estimated \$128,000 in selective enforcement revenue in FY13 and a similar substantial amount annually. He also stated that this legislation along with the sustained State budget cuts over the last several years are clear examples of the Commonwealth of Virginia balancing its budget on the backs of localities.

Mr. Thrower reported the highlights of the proposed FY12 General Fund budget include:

Revenues

- ❖ Levy a \$0.50 per pack cigarette tax effective July 1, 2012. Implementation of this tax is estimated to raise \$250,000 per year in revenue for the City.
- ❖ Increase the real property tax rate 9 cents to \$0.90 per \$100 assessed value.
- ❖ Increase the monthly residential sanitation fee by \$2.75 and commercial fee \$0.25 per cubic yard. The monthly residential charge beginning July 1, 2012 will be \$20.50. The commercial charge beginning July 1, 2012 will be \$5.00/cubic yard. These fee increases are attributed to the purchase of the new sanitation vehicles.
- ❖ Loss of \$128,000 due to the diversion of traffic fine revenue to the State.

Expenditures

- ❖ Increase of \$275,000 towards Southside Regional Jail costs due to the loss of the Brunswick County contract and opening of the Meherrin River Regional Jail.
- ❖ 3% COLA increase for employees effective December 2, 2012. The last general pay increase for City employees was four years ago on December 1, 2008. The total GF cost is \$69,523.
- ❖ Increase in employee salaries of 5% effective July 1, 2012 due to the State mandate of requiring local employees to pay the employee portion of VRS costs.
- ❖ \$50,000 for implementation of a compensation and classification study. All City positions will be studied, with the exception of compensation board and grant funded positions. The last City-wide compensation study was conducted in 1998.
- ❖ \$15,000 to procure a consultant to prepare an Economic Development Workplan.
- ❖ \$59,000 for the GIS Stormwater Mapping project. This was identified as a priority item in your Vision and Priorities Plan adopted June 7, 2011.
- ❖ \$50,000 to procure and architectural firm to prepare construction plans for major upgrades to the Municipal Building in FY14.
- ❖ \$60,000 to purchase two new police vehicles.
- ❖ \$38,500 to replace and purchase Public Works equipment including a mower, snow plows, and salt/sand spreader.
- ❖ \$67,000 to acquire blighted properties.

- ❖ \$180,000 transfer to the Emporia Redevelopment and Housing Authority for the Citizens National Bank Building project.

Mr. Thrower stated that given the economic constraints the City currently faces, he did not propose funding for several previously discussed major projects in the FY13 budget. He also stated that those projects include, but are not limited to the Buton tail recruitment study (Council priority), Farmers Market trailhead improvements, Municipal Building upgrades, and E. Atlantic Street reconstruction project. He further stated that the construction plans will be prepared for the Farmers Market trailhead improvements and the E. Atlantic Street reconstruction project in FY13. He reported that he have proposed procuring an architectural firm to prepare construction plans for renovation of the Municipal Building in the upcoming fiscal year. He stated that the construction projects will, more than likely, be rolled into one bond financing package.

Utility Fund Budget

Mr. Thrower reported that the recommended FY13 Utility Fund budget stands at \$14,435,154. He also reported that this is a decrease of \$283,421 from the approved FY12 budget of \$14,718,575. He further reported that \$599,839 was trimmed from the proposed budget as departmental requests totaled \$15,034,993. He stated that the Water Treatment Plant Upgrade project and planning for improvements to the Wastewater Treatment Plant will be priorities in FY13.

Mr. Thrower stated the highlights of the proposed FY13 Utility Fund budget include:

Revenues

- ❖ Variable water rate increase
- ❖ Variable sewer rate increase

Expenditures

- ❖ 3% COLA increase for employees effective December 2, 2012. The last general pay increase for City employees was three years ago on December 1, 2008. The total UF cost is \$16,942.
- ❖ Increase in employee salaries of 5% effective July 1, 2012 due to the State mandate of requiring local employees to pay the employee portion of VRS costs.
- ❖ Addition of 1 new WTP Class II operator position due to VDH regulations and continual staff shortages.
- ❖ \$25,000 for an engineering study to design improvements to the WWTP.
- ❖ \$38, 500 for replacement of both the Public Utilities Director’s vehicle and Meter Reader’s vehicle.
- ❖ \$48,500 to replace a sewer pump.

Mr. Thrower stated that the Current and Proposed Water and Sewer rate structure is as following:

Current water rate structure		Proposed water rate structure	
Minimum 2,000 gallons	\$13.74	Minimum 2,000 gallons	\$14.77 –7.5%
Next 48,000/1,000	\$4.89	Next 48,000/1,000	\$5.45 – 11.5%
Over 50,000/1,000	\$3.87	Over 50,000/1,000	\$4.16 – 7.5%

Current sewer rate structure		Proposed sewer rate structure	
Minimum 2,000 gallons	\$17.91	Minimum 2,000 gallons	\$18.27 – 2%
Next 48,000/1,000	\$6.28	Next 48,000/1,000	\$6.53 – 4%
Over 50,000/1,000	\$5.12	Over 50,000/1,000	\$5.22 – 2%

Mr. Thrower stated that the required water rates 1st full year of operation of the water system upgrade project.

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

City Council member discussed the propose budget for FY12-13 and stated that Council will go over each item separately and keep a list during the budgetary process to be amend at the end.

Mr. Thrower reported the highlights of the General Fund Revenue budget for the FY12-13 which included General Property Taxes, Other Local Taxes, Licenses and Permits, Fines and Forfeitures, Use of Money and Property, Charges for Services, Miscellaneous Revenue, Recovered Costs, Non-categorical State Aid, Shared Expenses – Local Offices, Categorical State Aid, and Non-categorical Federal Aid, and Categorical Federal Aid.

Councilman Harris stated that the City personnel are due an increase, but when times are this bad and the City is looking at a tax increase this large, that the City can not afford the cost of living allowances. He also stated that he realize that the employees are hurting, but the taxpayers are too.

Councilman Saunders stated that he understood from a taxpayer’s point and supports that, but from employees point, it has been a long road and the City personnel are due an increase. He also stated that whether the City can pay is another issue.

Councilman Harris stated that the City has \$128,000 worth of lost revenue that he thinks should be offset out of the police budget. He inquired if the City Manager could study the issue and come up with a formula for selective enforcement hours that in effect would not have the officers working for the state. He stated that the City has a situation where the City is going to lose money on every hour of overtime worked after the City hit that threshold.

ADJOURNMENT

With no further business to be presented before City Council members, the budget work session was adjourned.

Samuel W. Adams, III, Mayor

Tessie S. Wilkins, City Clerk