

City Council Budget Work Session

MINUTES OF THE COMMON COUNCIL WORK SESSION

March 29, 2011

City Council Chambers – Rouss City Hall

PRESENT: President Jeff Buettner; Councilor Evan Clark, John Hill, John Tagnesi and John Willingham; Vice-President Art Major; Vice-Mayor Milt McInturff; Mayor Elizabeth Minor (8)

ABSENT: Councilor Les Veach (1)

President Buettner called the meeting to order at 6:01 p.m.

Items for Discussion:

City Manager James O'Connor stated the budget was developed under the premise of no tax increase, a balanced budget, level funding for schools, outside agency funding reflective of Council goals/mission statement and similar to last year's funding, and the maintenance of existing service levels. There are two issues that the administration needs Council direction tonight. First is the tax assessment process as we move forward. The question is do we want to do the next assessment in house or by contractor. We have the opportunity to make the decision to either invest in needed software or prepare an RFP to seek outside services. We also have the opportunity to redefine the position of Tax Assessor depending on how Council wants to proceed. If the reassessments are done in house, the qualifications of the Tax Assessor would be different than if the assessments are contracted out. He asked if Council would like staff to proceed and come back with options or give direction tonight. Staff is on the verge of needing to purchase software ranging from \$59,000 to \$100,000 to be timely for the next assessment.

After a brief discussion on the benefits of the transparency of an independent, contracted professional, Council directed Mr. O'Connor to pursue the opportunity to go in on an RFP with Warren, Page and Shenandoah Counties and come back with options.

President Buettner stated he would like to see a proposal of what staff feels is the best way to redefine the Tax Assessor position and if an ordinance would be needed.

Mr. O'Connor stated staff is looking for direction in regards to an employee compensation adjustment that he would like to keep in consideration. He also

stated the discussion for new office space for the Housing Department has been removed from the agenda as it will be funded out of state money.

Presentation: Department Requests for FY12 Budget

- Introduction – Mary Blowe & Celeste Broadstreet

Ms. Blowe presented an updated budget. She stated a couple of changes have been made to include the general collections increase in revenues, a decrease in the bank franchise amount due to a possible refund, and a reduction in state aid to localities for the Constitutional Officers and Registrar. The expenditures show a credit of \$45,000 and a wash in the CDBG funding. Information has been included in the packet from Carla Taylor, Social Services Director, and Karen Helm, OTDB Director, regarding the outside agencies.

Councilor Willingham asked for clarification that the salary adjustment would be funded by eliminated positions. Mr. O'Connor stated the positions would not be filled again unless they were brought back to Council.

Vice-President Major stated he would rather freeze the positions if they are being cut due to the bad economic times instead of going through this again. He stated he would support it if Mr. O'Connor thought it would be okay. Mr. O'Connor stated he has thought it through and have taken positions that would be the last ones to fill and eliminated them.

President Buettner stated Council needs to trust Mr. O'Connor and his staff. He would like to see money in the budget to pass on to employees and that the money be front loaded in positions that are most hard hit by the economy. He requested a pay plan be presented at the next work session.

- Utilities/Public Works – Perry Eisenach

Mr. Eisenach reviewed the Capital Improvement Projects and the status of each including the water treatment plant upgrade, the Amherst Street improvements, the pedestrian mall and Indian Ally improvements, and the north end improvements. He stated the City must move forward on the Amherst Street improvements or repave the street or VDOT will pull some of the street maintenance funding. This is the same with the grant funding for Amherst and the North End. Mr. Eisenach presented 3 proposals for rate increases to cover the high costs of the projects. He stated due to the lower rate increase approved for 2010 and 2011, the utility

enterprise needs to operate off of reserves. To eliminate using reserves, Council would need to approve a 22% increase without doing the 3 projects and 30% to proceed with the projects. The increase would be split over two years with a 15% increase each year. The new rates would need to be adopted before staff can submit the loan application in August.

During a brief conversation, Council requested a comparison of other localities rates, a 5 year projection on future items for consideration, and a rate option that included taking money out of reserves.

Mr. Eisenach presented the department's goal to add the capability for customers to access their account and complete transactions online and stated there is funding to accomplish the goal. He reviewed the average mileage of streets paved over the last 6 years and presented a proposal to have the annual cost for the streetlights paid out of the general fund instead of the Highway Maintenance Fund to allow for more paving. Mr. Eisenach reviewed the funding for the sidewalk improvements - half from the city and half from VDOT. He reviewed the 5 year Equipment Replacement Plan for Public Works and stated the oldest street sweeper will be replaced in the current proposed budget. Mr. Eisenach reviewed the next round of Revenue Sharing Projects for the next fiscal year. He stated a resolution will need to be approved at the April 12th Council meeting for the application. Mr. Eisenach reviewed the proposal for a storm water utility dedicated solely to storm water improvements and asked if Council would like to have that discussion over the next year. He stated the biggest request is the funding of the streetlights out of the General Fund.

- Information Technology – Tom Lloyd

Mr. Lloyd stated the departments were asked what they needed IT to do for them in 2012. Staff reviewed the priorities set to maintain capabilities and the aging infrastructure, address financial audit comments, and enhance the existing capabilities and new projects. Once the IT Committee meets, some things may shuffle some but the items needed to keep things running and address other concerns were provided for in the proposed budget. Items that were not included were dream ideas.

Councilor Willingham asked about looking at leasing equipment instead of purchasing. Mr. Lloyd stated staff has looked at it before and the cost difference was a wash.

- Voter Registrar/Electoral Board – Joyce Braithwaite

Joyce Braithwaite requested 6 items on the budget for redistricting, overtime hours for staff during election time, and telecommunications previously paid for from buildings maintenance for a total amount of \$15,000.00

Vice-President Major asked Mr. O'Connor to find the \$15,000 in the budget.

Sue Fleming spoke on behalf of the Electoral Board. She presented a request for additional money to cover the cost of the Primary Election in August due to the redistricting, the November General Elections for local offices, the Presidential Primary Election in March, and the Primary Election in June for state offices.

Mr. O'Connor stated he will find \$10,700 in the budget to cover the request.

- Fire & Rescue – Chief Scott Cullers

Chief Cullers presented the priority list to increase salaries and overtime pay for training; to equalize of the Public Safety Pay Increase not given to Fire & Rescue employees over the next two years; to add training dollars, new uniforms and safety gear for the new employees hired with the proposed budget; and to regain the 10% budget cuts for the volunteer fire stations and add an additional 10% in funding.

Vice-President Major stated he would support the two new employees, equipment for them and additional funding for mandatory training.

Mr. O'Connor suggested identifying a number for training and what the volunteers need.

- Police – Chief Kevin Sanzenbacher

Chief Sanzenbacher stated the proposed budget meets the department's needs but he would like to see more funding for training. He proposed freezing a vacant position to increase the funding in this area.

- Treasurer – Mark Garber

Mr. Garber presented a request for additional funding for recertification for himself, the Assistant Treasurer and one additional staff member. He also reviewed additional adjustments in the requests that he could defer or need. One item of concern is the cost occurred from offering the use of credit cards for making payments.

President Buettner asked Mr. O'Connor to work with Mr. Garber on funding for the requests.

Mr. Garber presented an additional request for his frozen position to be filled to help with the work load in the office, to increase customer service and to help with the delinquent collections.

- Office Space for OHND – Carla Taylor

Item pulled prior to meeting.

Ms. Blowe informed Council that she will work on a gas and electric audit to look at potential savings that will help with Mr. Eisenach's request to fund the streetlights. .

Adjourn

Vice-Mayor McInturff moved to adjourn the meeting at 8:49 p.m. *The motion was seconded by Vice-President Major then unanimously approved by voice-vote.*