



**Franklin City Council Agenda
May 11, 2020
Franklin City Hall Council Chambers
207 West 2nd Avenue**

**7:00 P.M.
Regular Meeting**

**CALL TO ORDER. MAYOR FRANK M. RABIL
PLEASE TURN OFF CELL PHONES. MAYOR FRANK M. RABIL
PLEDGE OF ALLEGIANCE
CITIZEN'S TIME
AMENDMENTS TO AGENDA**

- 1. CONSENT AGENDA:**
 - A. Approval of April 27, 2020 regular meeting minutes
 - B. National Police Officer Memorial Week Proclamation #2020-08
 - C. Public Service Week Proclamation #2020-09

- 2. FINANCIAL MATTERS**
 - A. Budget Amendment 2020-13
 - B. Third Quarter Financial Update
 - C. FY 20-21 Budget Public Hearing

- 3. OLD/ NEW BUSINESS:**
 - A. Courthouse Update
 - B. City Manager's Report

- 4. COUNCIL/STAFF REPORTS ON BOARDS/COMMISSIONS**

- 5. CLOSED SESSION**

I move that the City of Franklin, Virginia City Council adjourn into a closed meeting pursuant to Virginia Code Section 2.2-3711-A-1, to discuss appointments to boards and commissions, to discuss the following subject or subjects: Franklin Redevelopment and Housing Authority, Eastern Virginia Regional Industrial Facility Authority, Industrial Development Authority, and the Hurricane Floyd 25th Anniversary Committee

And 2.2-3711A-3. Discussion or consideration of the acquisition of real property or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body specifically regarding property on Fairview Drive, and electrical infrastructure located throughout the City of Franklin.

And 2.2-3711A-4 Discussion or consideration of a prospective business or industry where no public announcement has been made specifically regarding a project in Pretlow Industrial Park, Armory Drive, and a project proposed by the Eastern Virginia Regional Industrial Facility Authority.

And 2.2-3711-A

Motion Upon Returning to Open Session- I move that the City of Franklin, Virginia City Council adopt the attached closed meeting resolution to certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting held on May 11, 2020; (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the City of Franklin, Virginia City Council; and (iii) no action was taken in closed meeting regarding the items discussed.

6. ADJOURNMENT

MINUTES FROM THE APRIL 27, 2020 REGULAR CITY COUNCIL MEETING

The Franklin City Council held a Regular City Council Meeting on April 27, 2020 at 7:00 p.m. in the City Council Chambers.

Council Members in Attendance: Frank Rabil, Mayor; Barry Cheatham, Vice-Mayor; Councilman Linwood Johnson; Councilman Bobby Cutchins; Councilwoman Wynndolyn Copeland; Councilman Benny Burgess and Councilman Gregory McLemore

Staff in Attendance: Amanda Jarratt, City Manager and Leesa Barnes, Executive Assistant, Recording Minutes

Other Staff in Attendance: Tracy Spence, Finance Director and Steve Patterson, Franklin City Police Chief

Call to Order

Mayor Frank Rabil called the April 27, 2020 regular City Council meeting to order at 7:00 p.m.

Citizen's Time

City Manager Amanda Jarratt shared that due to social distancing requirements public comment was received via email in advance of the meeting. There were no emails concerning public comment.

Amendments to Agenda

Mayor Frank Rabil asked if there were any amendments to the agenda.

There were no amendments to the agenda.

Consent Agenda

Approval of April 13th, 2020 Budget Work Session and Regular Meeting Minutes

Mayor Frank Rabil asked if there were any additions or corrections to the minutes from the April 13th, 2020 Budget Work Session and Regular City Council Meeting.

There being no corrections Mayor Rabil asked for a motion of approval.

Linwood Johnson made a motion to approve the minutes from the April 13th, 2020 Budget Work Session and Regular City Council Meeting. The motion was seconded by Councilman Linwood Johnson.

The motion carried the vote by 7-0.

Animal Care and Control Resolution 2020-06

Mayor Frank Rabil asked Vice-Mayor Barry Cheatham to read the Animal Care and Control Resolution #2020-06.

Councilman Benny Burgess made a motion to accept the Animal Care and Control Resolution #2020-06. The motion was seconded by Councilman Linwood Johnson.

The motion carried the vote by 7-0.

See Below Resolution:

National Telecommunicators Week Resolution 2020-07

Mayor Frank Rabil asked Vice-Mayor Barry Cheatham to read the National Telecommunicators Week Resolution #2020-07.

Councilman Linwood Johnson made a motion to accept the National Telecommunicators Week Resolution #2020-07. The motion was seconded by Councilwoman Wyndolyn Copeland.

The motion carried the vote by 7-0.

See Below Resolution:

Financial Matters

Budget Amendment 2020-12

City Manager Amanda Jarratt informed City Council that the 2019-2020 City Budget is hereby amended to recognize revenues in the amount of \$30,000.00 from the sale of the Camp Homestead property and appropriate funds in the amount of \$30,000.00 for the parking lot security improvements at the Franklin Courthouse approved by Council on March 9, 2020.

Vice-Mayor Barry Cheatham made a motion to approve Budget Amendment 2020-12. The motion was seconded by Councilman Linwood Johnson.

The motion carried the vote by 6-0.

The vote was as follows:

Mayor Frank Rabil	AYE
Vice-Mayor Barry Cheatham	AYE
Councilman Linwood Johnson	AYE
Councilman Bobby Cutchins	AYE
Councilwoman Wynndolyn Copeland	AYE
Councilman Benny Burgess	AYE

Councilman Gregory McLemore was absent during this motion (he was in route to City Hall).

Consideration of the Franklin City Public Schools Budget

City Manager Amanda Jarratt provided City Council with information from Franklin City Public Schools' FY 21 budget. She added she was not aware of the budget being revised as a result of the COVID-19 virus or a potential reduction in state level funding. She then introduced Dr. Tamara Sterling, Superintendent of the Franklin City Public Schools and Jeff Ryder, Assistant Superintendent of Finance, Operations & Nutrition to come forward to answer any questions that Council had concerning the FY21 budget.

Councilman Bobby Cutchins asked if the Franklin City Public Schools revised the budget to allow for lower taxes due to the COVID-19 virus.

Assistant Superintendent Ryder replied he has been monitoring the website and all communications coming from the Governor every day.

Mayor Frank Rabil stated that the City had to reduce its budget by twenty percent which will have an impact on Franklin City Public Schools as well. He expressed his concern on approving any budget without knowing what the future holds. He then asked about status of carry over for the schools.

Assistant Superintendent Ryder replied they are not anticipating any carryover, if the schools are budgeting correctly then they should be spending what has been budgeted.

Councilman Cutchins asked Assistant Ryder where did he think the schools were as far as raises are concerned.

Assistant Superintendent Ryder replied the school still has to refer to the Southampton County Public School's pay scale. He added that Franklin City Public Schools has sixteen individuals retiring and some of them are earning higher salaries, so hopefully these positions can be rehired at lower salaries.

Mayor Rabil stated he wanted to make sure that the public understands that City Council allocates the funds to the schools. It is up to the schools and school board to make the decision about if and how much raises are given.

Councilman Linwood Johnson made a motion to adopt the FY 21 budget for Franklin City Public Schools as presented. The motion was seconded by Councilwoman Wynndolyn Copeland.

Mayor Frank Rabil suggested amending the motion to approve the FY21 budget with adjustments due to the uncertainty of the COVID-19 pandemic.

Councilman Linwood Johnson amended his motion by stating he approved the FY 21 budget for the Franklin City Public Schools with future adjustments if necessary. The motion was seconded by Vice-Mayor Barry Cheatham.

The motion carried the vote by 7-0.

BBT Franchise Payment

City Manager Amanda Jarratt gave an overview of the BB&T Franchise Payment. Branch Banking and Trust Company filed revised Bank Franchise Tax Returns for tax years 2012 – 2014. The Tax Department has conducted an audit of the amended returns and Branch Banking and Trust Company appealed the audit to the Tax Commissioner. The Tax Commissioner has issued a ruling and has notified the localities that are affected concerning the refunds. The City of Franklin owes Branch Banking and Trust Company the following amounts:

2012 - \$ 8,232.00

2013 - \$ 10,864.00

2014 - \$ 13,174.00

Total - \$32,270.00

Councilman Benny Burgess asked if there could possibly be a statute of limitations issue here.

City Manager Jarratt explained that BB&T filed a revised franchise tax return in 2012 through 2014, the Virginia Tax Commission then conducted an audit of those returns and found out that they had overpaid.

Councilman Gregory McLemore asked why wasn't the Department of Taxation refunding the funds instead of the City.

City Manager Jarratt replied BBT paid the City based on estimated deposits and because of the audit the City has to pay it back.

Councilman McLemore asked what source would these funds be paid.

MINUTES FROM THE APRIL 27, 2020 REGULAR CITY COUNCIL MEETING

City Manager Jarratt replied the funds will come from the unassigned fund balance. Council will have to approve the payment and then a follow-up budget amendment will be done.

Councilman McLemore expressed his concern of why a statute of limitations was not in order with this situation.

City Manager Jarratt read the following Statute of Limitations statement from the letter from C. Keven Wright, Director of Special Taxes and Services; "Pursuant to Virginia Code § 58.1 -104, the Department generally has authority to issue and assessment within three years of the due date of a timely filed return. Under Virginia Code § 58.1 – 1207, the 2013 BFT return was due March 1, 2013. Thus, the Department had until March 1, 2016, to issue an assessment. The 2013 assessment was issued in February 2017, beyond the statute of limitations".

City Manager Jarratt then read the following conclusion statement from the letter "In accordance with this determination, the adjustment to increase equity capital for the 2014 tax year by including noncontrolling (minority) interests in consolidated subsidiaries is reversed. In addition, the Department will allow a deduction for both retained earnings and surplus of the Bank's subsidiaries to the extent included in gross capital. Finally, the Credit carryovers must be corrected to show the amounts that should have been claimed for the 2012 through 2014 tax years. The Department will notify the affected localities and refunds of the local portion of the FFT will be issued by those localities. The Code of Virginia sections, regulations, and public documents cited are available on-line at www.tax.virginia.gov in the Laws, Rules & Decisions section of the Department's web site.

Councilman Linwood Johnson asked if our City Code agreed with the State Code to make this possible.

City Manager Jarratt replied there is no City Code that would prevail over the State Code, the City must pay these funds back.

Councilman McLemore asked if the City would still be paying for the armored car to transport money for the City Treasurer's Department.

City Manager Jarratt replied Dinah Babb, City Treasurer addressed this in her budget presentation but she would get back to Council with the answer.

Councilman Benny Burgess made a motion to approve the repayment of \$32,270.00 to the Branch Banking and Trust Company. The motion was seconded by Vice-Mayor Barry Cheatham.

The motion carried the vote by 6-1.

The vote was as follows:

Mayor Frank Rabil	AYE
Vice-Mayor Barry Cheatham	AYE
Councilman Linwood Johnson	AYE
Councilman Bobby Cutchins	AYE
Councilwoman Wynndolyn Copeland	AYE
Councilman Gregory McLemore	ABSTAIN
Councilman Benny Burgess	AYE

Old / New Business

Franklin Redevelopment and Housing Authority Removal Resolution 2020-08

Due to social distancing City Manager Amanda Jarratt called Vivian Seay-Giles, representative from SandsAnderson’s Law firm so that she could listen and advise if necessary, concerning the Franklin Redevelopment and Housing Authority Removal Resolution 2020-08 which is for the removal of Commissioners that represent the board. City Manager Jarratt stated there have been a multitude of issues and concerns related to the Franklin Redevelopment and Housing Authority (FRHA). A hearing was conducted on March 9, 2020 with the FRHA Board of Directors. SandsAnderson drafted a resolution at City Council’s direction. She added that she emailed Council the results of the HUD inspection to Council on Friday, April 24, 2020. City Manager Jarratt informed Council that Ms. Loretta Batten, Interim Executive Director of Franklin Redevelopment and Housing sent her an email stating that she has posted a job ad for the position of Executive Director. She then stated If Council decided to move forward with the resolution, they would need to decide who they wanted to have removed from the Board.

Councilwoman Wynndolyn Copeland stated where the resolution states the following “Whereas, the City Council has determined that all remaining members of the Board of Commissioners of the Authority, have been inefficient in the performance of their duties and have in many respects neglected their duties to the Authority, have been inefficient in the performance of their duties and have in many respects neglected their duties to the Authority; and” if that excluded the Ward 5 Commissioner.

City Manager Jarratt explained to Mrs. Seay-Giles that there was a new appointment to Ward 5 that City Council would like to keep on the board.

Mrs. Seay-Giles replied Council could keep or remove any board member they chose, they just needed to change the verbage accordingly. She did add that Council needed to be ready to recommend a replacement upon removal of any board member for continuity of operations.

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Councilman Gregory McLemore shared that he had received a call last week that the board had completed their first meeting last week with a full board present. How could they have a full board when he knows there is not a representative from Ward 3. He expressed his concern that the board has possibly made appointments that Council is not aware of and that may create a problem if Council starts removing board members.

Mrs. Seay-Giles and City Manager Jarratt were in agreement that the City Council has the authority to appoint board members not the Franklin Redevelopment and Housing Authority.

Councilman McLemore suggested removing the entire board and then appointing new members or reappointing existing members that Council wished to remain on the board.

City Manager Jarratt asked if Council wanted her to call Ms. Batten to clarify if the meeting consisted of a full board.

Mayor Frank Rabil replied please do.

The City Council meeting recessed in order for City Manager Jarratt to place the call to Mrs. Batten.

The City Council meeting resumed.

Councilman Bobby Cutchins asked how many Commissioners would have to attend a meeting in order to have a quorum.

Councilman McLemore stated it depends on if the by-laws state the Commission should consist of nine or seven. If the by-laws state nine members, the Commission would need a five members to attend a meeting. If the by-laws state seven, the Commission would need four members to attend four members to attend.

City Manager Jarratt stated she spoke to Mrs. Batten and was told that the board did not appoint any new members and everyone one attended the meeting last week except Commissioner Jason Reddick. The Commissioners that attended the meeting were: Cheryl Vincent, Jeffrey Clark, Charlie Ashburn and Shanquea Barrett. She added there are currently only five members on the Board.

Mayor Rabil stated obviously they conducted business at the meeting so obviously some votes were made.

Councilman Benny Burgess stated this discussion is a moot point. Council has been discussing replacing the Board members for a while now, so what is the reason for all this discussion now.

Mayor Rabil stated at the last meeting, City Council instructed City Manager Jarratt to consult with the attorneys and proceed with the Franklin Redevelopment and Housing Authority Removal Resolution and she has done what Council has asked her to do.

Councilman Cutchins stated he agreed that was the consensus of Council. He added he was told there was five Commissioners at the meeting and was informed that HUD and VCDC had made a decision to turn the FRHA over to a management authority, there has been a resolution drawn up and they are waiting to sign a contract with a management authority, these facts have not been confirmed. He stated if the FRHA is making progress and they are getting ready to make some changes, then why would Council burden themselves with this issue.

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Mayor Rabil stated City Council met with the Housing Authority on March 9, 2020 and they were supposed to report to City Council with some answers and a plan of action by April 6, 2020. City Council has not received any information to date from the Housing Authority. This has been going on for eighteen months, it is time to take action.

Councilman Linwood Johnson stated Council just received some information from HUD concerning the Housing Authority.

Mayor Rabil replied yes but there were no financials which is what was requested.

Councilman Johnson then directed a question to Mrs. Seay-Giles, he asked if City Council's role was to appoint members of the Board of Commissioners.

Mrs. Seay-Giles answered yes and City Council has other duties that Council can perform.

Councilman Johnson asked when Commissioners are appointed who does the Commissioners work for, City Council, FRHA or HUD.

Mrs. Seay-Giles replied the appointed Commissioners have a responsibility to the FRHA and must work under HUD's federal guidelines however; the power to remove Commissioners rests with City Council.

Councilman Johnson asked what guidelines would City Council be operating under in order to remove Commissioners, if they are operating under HUD's federal guidelines.

Mrs. Seay-Giles read the following statement from Virginia State Code "Commissioners can be removed for inefficiency or neglect of duty or misconduct in office, a commissioner of an authority of any City or county may be removed by the governing body of such city or county; but a commissioner may be removed only after he shall have been given a copy of the charges at least ten days prior to the hearing thereon and had opportunity to be heard in person or by counsel. In the event of the removal of any commissioner, a record of the proceedings, together with the charges and findings thereon, shall be filed in the office of the clerk.

Councilman Johnson stated all of City Council knew the FRHA was in trouble before this board was appointed, so how can Council say this commission operated inefficiently.

Vice-Mayor Barry Cheatham asked when Mrs. Batten was put on the board.

Councilman McLemore replied July of 2019.

Vice-Mayor Cheatham stated that Council has been asking to see financials ever since and has received none.

Councilman Burgess commented if he heard correctly that HUD was bringing in an Executive Director, which would mean HUD is stepping in because the board has not done anything and this is the wrong position to be in. City Council needs to make some changes quick and get some strong members on the board. He added he was not saying that the board did not consist of good members, perhaps they don't have the experience to lead the organization which is what is needed at this time.

Councilman Cutchins stated he had heard that a resolution was written and HUD has decided on a management company and they were getting ready to sign a contract.

Councilman Burgess stated the management team would not come in and take over. The management team would give the board a set of guidelines that would need to be followed. A strong board would still be needed

Councilman Benny Burgess made a motion to adopt the Franklin Redevelopment and Housing Authority Removal Resolution #2020-08. The motion was seconded by Councilman Gregory McLemore.

Mrs. Seay-Giles advised Council to amend the motion and verbally name the members of the FRHA Board that they wanted removed from the board and the members they wanted to stay on the board.

Councilman Benny Burgess amended his motion to have Charlie Ashburn remain on the FRHA Board.

City Manager Jarratt clarified the motion for Mrs. Seay-Giles, Council and those listening to the meeting that Councilman Benny Burgess amended his motion to read exclude Commissioner Charlie Ashburn and remove Commissioner Cheryl Vincent, Commissioner Jeffrey Clark, Commissioner Jason Reddick, and Commissioner Shanquea Barrett.

Councilman McLemore expressed that he thought that the Commissioners should be voted on separately versus voting on them as a group.

Mayor Rabil asked for clarification that each Commissioner could be reappointed if Council chose to reappoint anyone that previously served on the board.

Mrs. Seay-Giles replied yes that could be done.

Vice-Mayor Cheatham stated he personally thought that every Commissioner should be removed and then reappoint replacements individually.

Councilman Johnson asked how could Council do this without sending the removal resolution seven days prior to taking action of removing the Commissioners.

Mrs. Seay-Giles replied the seven days' notice is not required for removal of the Commissioners.

Councilman Benny Burgess amended his motion to remove all Commissioners from the FRHA Board which would include: Commissioner Cheryl Vincent, Commissioner Jeffrey Clark, Commissioner Charlie Ashburn, Commissioner Jason Reddick and Commissioner Shanquea Barrett. The motion was seconded by Councilman Gregory McLemore.

The motion carried the vote by 4-3.

The vote was as follows:

Mayor Frank Rabil	AYE
Vice-Mayor Barry Cheatham	AYE
Councilman Linwood Johnson	NAY
Councilman Bobby Cutchins	NAY
Councilwoman Wynndolyn Copeland	NAY
Councilman Gregory McLemore	AYE
Councilman Benny Burgess	AYE

Councilman Burgess stated he thought that Charlie Ashburn should be voted back on the FRHA Board.

Vice-Mayor Cheatham stated he concurred with that statement wholeheartedly.

Mayor Rabil stated nominations for the FRHA Board would be discussed in Closed Session, and appointments would be made upon returning to open session.

Courthouse Update

Southampton County Courthouse

City Manager Amanda Jarratt informed Council the first stakeholders meeting was held via Zoom on Friday, April 17, 2020. The presentation and minutes have been shared with the entire Council via the Friday update. Interviews of the Commonwealth's Attorney, Clerks of Court, and Circuit Court Judges are scheduled for the week of April 20, 2020. Summaries of these discussions will be provided.

City of Franklin Courthouse

City Manager Amanda Jarratt informed Council the budget amendment for the fence project is on the agenda for approval. The project is scheduled to start in the next two weeks.

City Manager's Report

City Manager Amanda Jarratt updated Council on the following COVID-19 cases. There are 16 confirmed cases in the City of Franklin and 115 confirmed cases in Southampton County. Governor Northam used his executive power to move elections to May 19, 2020 and everyone is strongly encouraged to use absentee voting any questions please call 757 562-8545.

The City has been approved for additional food distribution at the Martin Luther King Center located at 683 Oak Street on May 2nd, 9th, 16th and 23rd from 9:00 a.m. to 11:00 a.m. for citizens that have been severely impacted by the COVID-19 virus.

The COVID-19 response accompanied with budget preparation and day to day operations process have been all consuming. There are a number of community partners that have been of tremendous assistance to the City of Franklin.

The Franklin Regional Airport was awarded \$30,000.00 through the Federal Cares Act. As a stipulation the current employees must remain in place through December 2020. Salaries and benefits for half a year are \$30,000.00. That doesn't include any overtime which was \$1,400.00 for 1st half year of FY20. In addition, this also doesn't include any additional overhead including building maintenance. Management is seeking guidance from the Council on whether or not to accept the grant.

City Manager Jarratt reminded Council that about the public comment email that has been set up for the public to email their comments during the COVID-19 virus pandemic that will be shared at City Council meetings.

Community Events

- Franklin Cruise In Kick Off Saturday, April 25, 2020; postponed due to the COVID-19 virus.
- High Street Methodist Church Community Day Saturday, April 25, 2020; canceled due to the COVID-19 virus.
- The Franklin Experience has planned a Lumber Jack Festival scheduled for May 9, 2020; canceled due to the COVID-19 virus.
- City of Franklin Independence Day Celebration, Wednesday, July 1, 2020; still on schedule pending COVID-19 virus.
- National Night Out is scheduled has been rescheduled for Tuesday, October 6, 2020 as a result of COVID-19. The planning process will continue throughout the summer into the fall.

Council / Staff Reports on Boards / Commissions

Mayor Frank Rabil asked if there any reports from Council on Boards and Commissions.

Vice-Mayor Barry Cheatham stated there were no cases of the COVID-19 virus at the Western Tidewater Regional jail. There will be an electronic meeting held on the second Wednesday of the month.

Mayor Rabil reminded everyone to complete their census. He also reminded everyone to practice social distancing, be kind and support your local businesses.

Councilman Linwood Johnson informed Council that the Food Bank is at the Franklin YMCA every Friday from 9:00 am to 11:00 am and has served over 400 families.

Closed Session

There being nothing further to discuss Mayor Frank Rabil asked for a motion to go into closed session.

Councilwoman Wynndolyn Copeland moved that the City of Franklin, Virginia City Council adjourn into a closed meeting pursuant to Virginia Code Section 2.2-3711-A-1, to discuss appointments to boards and commissions, to discuss the following subject or subjects: Franklin Redevelopment and Housing Authority, Eastern Virginia Regional Industrial Facility Authority, Social Services Advisory Board, and the Hurricane Floyd 25th Anniversary Committee.

Councilman Benny Burgess made a motion to appoint Robert L. Taylor, Andrew Page, Herman Harper, Charlie Ashburn, Jr., Jason Reddick, and Antonio Parham to the Franklin Redevelopment and Housing Authority Board. The motion was seconded by Vice-Chairman Barry Cheatham.

The motion carried the vote by 7-0.

Vice-Mayor Barry Cheatham made a motion to appoint Felicia Blow, to the Eastern Virginia Regional Industrial Facility Authority and Amanda Jarratt and Jay Brenchick as alternates to the Eastern Virginia Regional Industrial Facility Authority. The motion was seconded by Councilman Benny Burgess.

The motion carried the vote by 7-0.

Vice-Mayor Barry Cheatham made a motion to appoint Welton Deshields, Jr. to Social Services Advisory Board. The motion was seconded by Councilman Linwood Johnson.

The motion carried the vote by 7-0.

Vice-Mayor Barry Cheatham made a motion to remove Ricky Sykes from the Industrial Development Authority. The motion was seconded by Councilman Benny Burgess.

The motion carried the vote by 6-1. However, the motion failed due to the State Code requirement that the motion be unanimous.

The vote was as follows:

Mayor Frank Rabil	AYE
Vice-Mayor Barry Cheatham	AYE
Councilman Linwood Johnson	AYE
Councilman Bobby Cutchins	AYE
Councilwoman Wynndolyn Copeland	AYE
Councilman Gregory McLemore	NAY
Councilman Benny Burgess	AYE

Motion Upon Returning to Open Session

Closed Session Actions

Councilwoman Wynndolyn Copeland moved that the City of Franklin, Virginia City Council adopt the attached closed meeting resolution to certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting held on April 27, 2020; (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the City of Franklin, Virginia City Council; and (iii) no action was taken in closed meeting regarding the items discussed. The motion was seconded by Vice-Mayor Cheatham.

The motion carried the vote by 7-0.

Adjournment

There being nothing further to discuss Mayor Frank Rabil called for a motion to adjourn the April 27, 2020 regular City Council meeting.

Vice-Mayor Cheatham made a motion to adjourn the April 27, 2020 regular City Council meeting. The motion was seconded by Councilwoman Wynndolyn Copeland.

The motion carried the vote by 7-0.

The April 27, 2020 regular City Council meeting adjourned at 8:56 p.m.

Clerk to City Council

Mayor



Proclamation 2020-08

May 10 – 16, 2020

WHEREAS, the United States Congress and President declared May 15th as Peace Officers Memorial Day and the week in which it falls as Police Week; and

WHEREAS, the City of Franklin joins the nation in honoring the memory of those officers who have made the ultimate sacrifice in service to their communities; and

WHEREAS, the City of Franklin would like to express its gratitude to the City’s law enforcement officers for their contributions in making Franklin a great place to live.

NOW, THEREFORE, I, Frank M. Rabil, Mayor of the City of Franklin, Virginia, do hereby proclaim May 10, 2020, through May 16, 2020, as

“National Police Officer Memorial Week”

and call upon all residents to express their gratitude to law enforcement officers for their contributions in keeping Franklin safe.

Signed under my hand this _____ day of _____ 2020.

Frank M. Rabil, Mayor



Proclamation 2020-09

May 3, - May 9, 2020

WHEREAS, during Public Service Recognition Week, we pay tribute to our Federal, State, and local government employees for their unwavering dedication to civil service. On the front lines in time of prosperity and adversity alike, our world-class workforce remains ready and willing to serve their fellow Americans; and

WHEREAS, in recent weeks and months, our community's civilian officials have united with unprecedented urgency and resolve to the coronavirus pandemic. Their tireless efforts are ensuring local governments continue to provide necessary services to their constituents, are helping forge productive government-private sector partnerships, and are bolstering our ongoing recovery efforts. Our public health experts, who always play an integral role in protecting the health and wellbeing of our people, have provided critical and timely guidance to our community on how to stay healthy and prevent the spread of the coronavirus. Emergency managers, first responders, and law enforcement are continuing to provide life-saving care, comfort, and support to those in need. Postal workers are delivering essential supplies and communications. Sanitation workers are keeping our communities clean. School teachers and educators are continuing to provide virtual education and support to students. And countless other public servants are diligently and humbly supporting our American way of life during this crisis. Through their dedicated efforts, the community is protected and supported despite the unprecedented challenges we face. As we start to see a promising forecast and eventual recovery – thanks in large part to the extraordinary sacrifices the community has made on behalf of their fellow citizens – we can begin the critical work of reopening our country. We know that our public service employees will play a crucial role in restarting our economy and getting our society fully revitalize, while also protecting valuable lives. Together, we will complete the work of rebuilding and restoring our community; and

WHEREAS, this Public Service Recognition Week, we are especially grateful to our devoted public servants. Their experience, expertise, and commitment to service will lift our community up during these difficult times and help ensure a swift recovery. We will forever be indebted to them for their hard work, dedication and courage, always remembering their irreplaceable contributions to our citizens and our community.

NOW, THEREFORE BE IT RESOLVED, that the City Council of Franklin declares the week of May 3, through 9, 2020, to be Public Service Recognition Week in Franklin, Virginia, in honor of the men and women whose diligence and professionalism keep our city and citizens safe.

Public Service Recognition Week

Given under my hand this 11th day of May 2020.

Frank M. Rabil, Mayor

BUDGET AMENDMENT 2020-13

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRANKLIN, VIRGINIA that the 2019-2020 City Budget is hereby amended to:

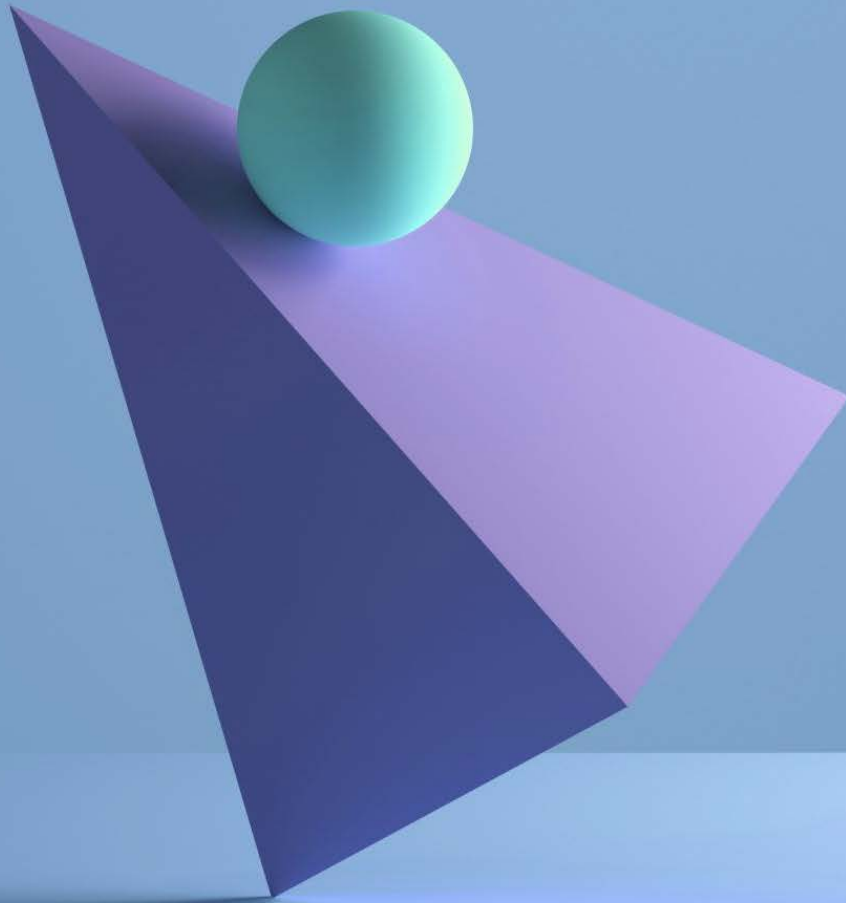
1. *recognize revenues for donations and to appropriate such revenue for new uses;*
2. *recognize revenues for an Arts grant and to appropriate such revenue for new use;*
3. *recognize revenues from sale of real estate and appropriate such revenue for payment of bank franchise taxes and transfer appropriation associated with lapsed salaries due to vacancies in Public Works to FY20 VDOT capital project;*
4. *appropriate funding for additional costs related to projected attorney's fees; and*
5. *reallocate appropriations between Water & Sewer's Operating & Capital Fund to cover operating costs associated with excessive sludge removal in FY20.*

		2019-2020	AMENDED	INCREASE
		BUDGET	BUDGET	(DECREASE)
	<i>#1</i>			
100	<u>GENERAL FUND</u>			
	REVENUE			
18990-3001	Donations Fire and Rescue	\$0	\$1,500	\$1,500
18990-3005	Donations Animal Control	0	570	570
18990-3010	Donations Recreation	0	4,198	<u>4,198</u>
				\$6,298
	EXPENDITURES			
32100-8101	Fire Hose & Equipment	\$115,900	\$117,400	1,500
35100-6014	Other Operating Supplies	2,000	2,570	570
71300-6018	Recreational Programs & Supplies	18,000	19,000	1,000
71300-7001	Farmers' Market Expenses	0	3,198	<u>3,198</u>
				\$6,298
	<i>#2</i>			
100	<u>GENERAL FUND</u>			
	REVENUE			
24040-0008	Arts Grant	\$0	\$4,500	<u>\$4,500</u>
				\$4,500
	EXPENDITURES			
11010-5699	Contributions-Comm Organizations	\$54,145	\$58,645	<u>\$4,500</u>
				\$4,500
	<i>#3</i>			
100	<u>GENERAL FUND</u>			
	REVENUE			
18990-0007	Sale of Real Estate	\$56,978	\$139,248	<u>\$82,270</u>
				\$82,270
	EXPENDITURES			
12310-5841	Payment of Bank Franchise Taxes	\$0	\$32,270	32,270
93100-93800	Transfer to Capital Projects	751,255	801,255	<u>50,000</u>

				\$82,270
200	<u>CAPITAL FUND</u>			
	REVENUE			
41050-9480	Transfer from General Fund	\$751,255	\$801,255	<u>\$50,000</u>
				\$50,000
	EXPENDITURES			
94000-8605	Street Improvements	\$884,551	\$934,551	<u>\$50,000</u>
				\$50,000
	#4			
100	<u>GENERAL FUND</u>			
	REVENUE			
16040-0002	Ambulance Charges	\$335,000	\$420,000	<u>\$85,000</u>
				\$85,000
	EXPENDITURES			
12210-3100	Professional Services	\$41,500	\$126,500	<u>\$85,000</u>
				\$85,000
	#5			
501	<u>WATER & SEWER FUND</u>			
	EXPENSES			
44120-3331	Contracted Sludge Disposal	\$40,000	\$105,909	\$65,909
44120-6018	Chemical Supplies-Ferric Chloride	50,000	58,000	8,000
93100-9380	Transfer to Capital Projects	621,559	547,650	<u>(73,909)</u>
				\$0
601	<u>CAPITAL FUND-WATER & SEWER</u>			
	REVENUE			
41050-9480	Transfer from Capital Projects	\$621,559	\$547,650	<u>\$(73,909)</u>
				\$(73,909)
	EXPENSES			
94000-8418	Wastewater Treatment Plant Upgrades	\$200,000	\$126,091	<u>\$(73,909)</u>
				\$(73,909)

*Certified copy of resolution adopted by
Franklin City Council.*

Clerk to the City Council



FY20 BUDGET
CHALLENGES
DUE TO
COVID 19

LOCAL
"VULNERABLE"
TAXES

Projection for 6.30.20	Budget	Projected Actual @ 6.30.20	Projected Excess (Deficit)
Meals Taxes	\$ 1,522,500	\$ 1,443,386	\$ (79,114)
Lodging Taxes	160,000	138,658	(21,342)
Cigarette Taxes	356,263	378,827	22,564
Sales Taxes	1,983,000	1,702,726	(280,274)
	<u>\$ 4,021,763</u>	<u>\$ 3,663,597</u>	<u>\$ (358,166)</u>

Vacancy savings 250,000

Overrealized revenue @ 3.31.20 260,000 *

VDOT Reserve (50,000)

Bank Franchise Tax Refund (32,270)

Additional Appropriation for Legal Fees (85,000)

Reserved by Council 345,000

\$ 329,564

* Ambulance Charges	\$ 85,000
Sale of Real Estate	135,000
Revenue Sharing Isle of Wight	40,000
	<u>\$ 260,000</u>

Conclusion

Funds are available to cover projected shortfall.

IF THE CITY ONLY RECEIVES 25% OF THE BUDGET FOR THESE LOCAL TAXES, THERE WILL BE A \$358,000 SHORTFALL IN REVENUE COLLECTIONS.

DUE TO VACANCY SAVINGS, OVER REALIZED REVENUE AT 3.31.20, AND THE COUNCIL'S RESERVE, THE CITY WILL BE ABLE TO MEET ITS OBLIGATIONS AT 6.30.20

Projection for 6.30.20	Budget	Projected Actual @ 6.30.20	Projected Excess (Deficit)
Meals Taxes	\$ 1,522,500	\$ 1,405,322	\$ (117,178)
Lodging Taxes	160,000	134,662	(25,338)
Cigarette Taxes	356,263	372,891	16,628
Sales Taxes	1,983,000	1,636,622	(346,378)
	<u>\$ 4,021,763</u>	<u>\$ 3,549,497</u>	<u>\$ (472,266)</u>

Vacancy savings	250,000
Overrealized revenue @ 3.31.20	260,000 *
VDOT Reserve	(50,000)
Bank Franchise Tax Refund	(32,270)
Additional Appropriation for Legal Fees	(85,000)
Reserved by Council	345,000
	<u>\$ 215,464</u>

Conclusion Funds are available to cover projected shortfall.

* Ambulance Charges	\$ 85,000
Sale of Real Estate	135,000
Revenue Sharing Isle of Wight	40,000
	<u>\$ 260,000</u>

IF THE CITY ONLY RECEIVES 20% OF THE BUDGET FOR THESE LOCAL TAXES, THERE WILL BE A \$472,000 SHORTFALL IN REVENUE COLLECTIONS.

DUE TO VACANCY SAVINGS, OVER REALIZED REVENUE AT 3.31.20, AND THE COUNCIL'S RESERVE, THE CITY WILL STILL BE ABLE TO MEET ITS OBLIGATIONS AT 6.30.20

Projection for 6.30.20	Budget	Projected Actual @ 6.30.20	Projected Excess (Deficit)
Meals Taxes	\$ 1,522,500	\$ 1,329,200	\$ (193,300)
Lodging Taxes	160,000	126,658	(33,342)
Cigarette Taxes	356,263	361,015	4,752
Sales Taxes	1,983,000	1,504,422	(478,578)
	<u>\$ 4,021,763</u>	<u>\$ 3,321,295</u>	<u>\$ (700,468)</u>

Vacancy savings	250,000
Overrealized revenue @ 3.31.20	260,000 *
VDOT Reserve	(50,000)
Bank Franchise Tax Refund	(32,270)
Additional Appropriation for Legal Fees	(85,000)
Reserved by Council	345,000
	<u>\$ (12,738)</u>

* Ambulance Charges	\$ 85,000
Sale of Real Estate	135,000
Revenue Sharing Isle of Wight	40,000
	<u>\$ 260,000</u>

Conclusion Funds are not available to cover projected shortfall.

IF THE CITY ONLY RECEIVES 10% OF THE BUDGET FOR THESE LOCAL TAXES, THERE WILL BE A \$700,000 SHORTFALL IN REVENUE COLLECTIONS.

THE CITY WILL NOT BE ABLE TO MEET ITS OBLIGATIONS AT 6.30.20



HIGHLIGHTS – GENERAL FUND
For the period ending March 31, 2020

Based on Unaudited Financial Data

Basis of Reporting

The information enclosed is the City's Financial Report for the General Fund for the period ending March 31, 2020.

The report contains provisions for most revenue and expenditure accruals.

- Reflects 9 months of revenues & expenditures in most cases (where noted, the 9th month has been estimated) – modified accrual basis of accounting.

Financial Report presentation is consistent with the department's objectives to:

- Report timely, relevant, understandable and accurate financial data
- Promote accountability through monitoring, assessment and reporting.

Revenue Highlights – Tax Collections



- ❑ **Current Real Estate taxes** of \$2.8m are at 48.0% of budget and 3.3% higher than the prior year period.
- ❑ **Delinquent RE taxes** of \$224k are at 101.7% of budget and 26.2% higher than the prior year period.
- ❑ **Current Personal Property taxes** of \$1.5m are at 100.4% of budget and 2.9% higher than the prior year period.
- ❑ **Delinquent Personal Property taxes** of \$65k are at 185% of budget and 10.6% higher than prior year period.
- ❑ **Penalties and Interest** of \$109k are at 78.7% of budget and 6% higher than the prior year period.
- ❑ **Public Service Corporation taxes** of \$84k are at 105% of budget and 6.5% higher than the prior year period.

General Property Taxes- Overall BUDGET COMPARISON-Cash Basis

REVENUE SOURCE	2019-2020	ACTUAL	BUDGET	2018-2019	ACTUAL	BUDGET	
	BUDGET	Current Year	%	BUDGET	Prior Year	%	
Real Estate Taxes-Current	\$ 5,835,769	\$ 2,800,417	48.0%	\$ 5,710,573	\$ 2,709,755	47.5%	
Real Estate Taxes-Delinquent	220,000	223,771	101.7%	215,000	177,328	82.5%	
Personal Property Taxes-Current	1,542,200	1,548,359	100.4%	1,520,700	1,505,195	99.0%	
Personal Property Taxes-Delinquent	35,000	64,734	185.0%	35,000	58,520	167.2%	
Machinery & Tools	20,600	0	0.0%	20,000	19,483	97.4%	
Penalties & Interest Taxes	139,000	109,405	78.7%	130,000	103,259	79.4%	
Public Service Corporation Taxes	80,150	84,522	105.5%	74,750	79,376	106.2%	
GENERAL PROPERTY TAX	\$ 7,872,719	\$ 4,831,208	61.4%	\$ 7,706,023	\$ 4,652,916	60.4%	

Current	\$ 4,831,208
Prior Year	\$ 4,652,916
Net Change \$	178,291
Net Change %	3.83%

Local Tax Revenue

Prior Year Comparison

Modified Accrual Basis

	Meals Taxes	Lodging Taxes	Cigarette Taxes	Sales Taxes	Total
Mar-20	1,032,498	97,350	310,499	1,417,716	2,858,063
Mar-19	1,058,181	106,898	232,260	1,432,587	2,829,926
Prior Year \$	(25,683)	(9,548)	78,239	(14,871)	28,137
Prior Year %	-2.43%	-8.93%	33.69%	-1.04%	0.99%

Local Tax Revenue Budget to Actual Comparison

Benchmark – 75%

	FY 19-20 Budget	3/31/2020	% of Budget Realized
Local Sales & Use*	\$ 1,983,000	\$ 1,417,716	71.5%
Cigarette Taxes	\$ 356,263	\$ 310,499	87.2%
Meals Taxes*	\$ 1,522,500	\$ 1,032,498	67.8%
Lodging Taxes*	<u>\$ 160,000</u>	<u>\$ 97,350</u>	<u>60.8%</u>
Total Local Tax Revenue	\$ 4,021,763	\$ 2,858,063	71.1%

*prepared on modified accrual
basis

At nine (9) months into the fiscal year, only
cigarette tax revenue has met targeted
projections.

Revenue & Expenditure Summary – Cash Basis



General Fund revenue at the end of the period totaled \$17.3 mil and represented 67% of budget which is \$1.2m greater than the prior year. This is primarily attributable to the early payment of the IOW revenue sharing payment and sale of real estate.



General Fund expenditures at the end of the period totaled \$16.3 mil and represented 62.4% of the total budget; when compared to the prior year period of \$17.6 mil, this is a \$1.3 mil decrease.



FY20 Fund Balance Appropriated by Council for planned expenditures at March 31st: \$286,970.

General Fund Revenue – Prior Year Comparison – Cash Basis

Account Description	Prior Year Revenue	Budgeted	YTD Revenue	Balance/Excess/Deficit	% Realized	Prior Year Variance Good (Bad)
REAL PROPERTY TAXES	2,710,648.59	6,055,769.00	2,899,154.57	(3,156,614.43)	47.87%	188,506
PUBLIC SERVICE CORPORATION TAXES	79,374.89	80,150.00	84,522.20	4,372.20	105.46%	5,147
PERSONAL PROPERTY TAXES	1,421,786.37	1,577,200.00	1,470,314.41	(106,885.59)	93.22%	48,528
MACHINERY & TOOLS TAXES	19,483.08	20,600.00	0	(20,600.00)	0.00%	(19,483)
PENALTIES AND INTEREST	56,760.85	139,000.00	52,990.19	(86,009.81)	38.12%	(3,771)
OTHER LOCAL TAXES	622,389.09	1,983,000.00	609,961.40	(1,373,038.60)	30.76%	(12,428)
UTILITY TAXES	278,448.08	566,000.00	290,118.79	(275,881.21)	51.26%	11,671
BUSINESS LICENSE TAXES	-16,018.41	940,500.00	7,732.21	(932,767.79)	0.82%	23,751
MOTOR VEHICLE LICENSES	124,610.30	208,700.00	124,240.71	(84,459.29)	59.53%	(370)
BANK STOCK TAXES	0	59,000.00	0	(59,000.00)	0.00%	-
TAXES ON RECORDATION AND WILLS	31,640.69	42,000.00	17,402.44	(24,597.56)	41.43%	(14,238)
CIGARETTE TAXES	154,471.68	356,263.00	183,734.85	(172,528.15)	51.57%	29,263
LODGING TAXES	65,913.66	160,000.00	67,109.58	(92,890.42)	41.94%	1,196
MEALS TAX	591,804.00	1,522,500.00	644,645.91	(877,854.09)	42.34%	52,842
PROBATE TAXES	228.52	1,500.00	610.35	(889.65)	40.69%	382
PERMITS AND OTHER LICENSES	92,315.38	167,420.00	105,724.07	(61,695.93)	63.15%	13,409
FINES AND FORFEITURES	4,764.97	25,700.00	5,306.34	(20,393.66)	20.65%	541
REVENUE FROM USE OF MONEY	447.63	1,000.00	784.88	(215.12)	78.49%	337
REVENUE FROM USE OF PROPERTY	187,798.47	262,201.00	158,726.82	(103,474.18)	60.54%	(29,072)
CHARGES FOR CURRENT SERVICES	8,138.86	11,100.00	7,449.71	(3,650.29)	67.11%	(689)
CHARGES FOR OTHER PROTECTION	194,586.35	482,100.00	237,292.91	(244,807.09)	49.22%	42,707
MISC BILLING SERVICES	1,269.67	0.00	893.73	893.73	-	(376)
CHG FOR SANITATION & WASTE REMOVAL	8,771.12	9,900.00	2,821.38	(7,078.62)	28.50%	(5,950)
CHARGES FOR ADMIN-FUNDS	600,314.48	1,247,353.00	623,676.46	(623,676.54)	50.00%	23,362
RECREATIONAL FEES	3,222.50	4,000.00	3,471.90	(528.10)	86.80%	249
MISCELLANEOUS	947,963.37	1,523,344.00	1,375,887.81	(147,456.19)	90.32%	427,924
RECOVERED COSTS	162,652.73	598,778.00	114,665.14	(484,112.86)	19.15%	(47,988)
NON-CATEGORICAL AID STATE	1,030,107.47	1,591,797.00	1,021,295.15	(570,501.85)	64.16%	(8,812)
SHARED EXPENSES	61,773.94	187,200.00	63,850.54	(123,349.46)	34.11%	2,077
CATEGORICAL AID - STATE	1,143,295.96	2,760,129.00	1,296,898.10	(1,463,230.90)	46.99%	153,602
CATEGORICAL AID -FEDERAL GOVERNMENT	16,595.00	186,244.00	101,478.00	(84,766.00)	54.49%	84,883
FUNDS TRANSFERS	867,269.02	1,949,926.00	919,696.50	(1,030,229.50)	47.17%	52,427
General Fund Revenue Subtotal	11,472,828	24,720,374	12,492,457	(12,227,917)		1,019,629
APPROPRIATED FUND BALANCE BY COUNCIL		286,970				
General Fund Revenue Total	11,472,828	25,007,344	12,492,457	(12,227,917)		1,019,629

General Fund Expenditures – Prior Year Comparison – Cash Basis

Department	Prior Year Expenditures	Budgeted	YTD Expenditures	Balance/Excess/Deficit	% Expended	Prior Year Variance Good (Bad)
**CITY COUNCIL **	88,987.55	150,218.00	105,806.40	44,412	70.4%	(16,819)
CITY MANAGER *****	126,969.70	243,827.45	103,823.33	140,004	42.6%	23,146
CITY ATTORNEY *****	74,884.43	160,372.00	92,377.39	67,995	57.6%	(17,493)
MANAGEMENT SERVICES & HR*****	40,122.38	209,403.32	86,991.65	122,412	41.5%	(46,869)
COMMISSIONER OF THE REVENUE *****	132,447.28	288,874.34	132,615.70	156,259	45.9%	(168)
REAL ESTATE ASSESSOR *****	29,017.42	137,263.89	26,756.75	110,507	19.5%	2,261
CITY TREASURER *****	149,688.55	345,779.25	151,836.50	193,943	43.9%	(2,148)
ACCOUNTING *****	227,327.96	328,566.00	234,845.23	93,721	71.5%	(7,517)
PURCHASING & GENERAL SERVICES****	29,563.19	96,237.00	39,016.90	57,220	40.5%	(9,454)
UTILITY COLLECTIONS & BILLING *****	126,265.49	370,294.00	134,649.06	235,645	36.4%	(8,384)
INSURANCE *****	86,011.44	213,171.00	105,522.52	107,648	49.5%	(19,511)
INFORMATION TECHNOLOGY*****	84,241.83	216,900.00	74,713.20	142,187	34.4%	9,529
BOARD OF ELECTIONS *****	64,409.89	153,122.18	64,139.13	88,983	41.9%	271
CIRCUIT COURT ***	7,020.30	7,850.00	7,850.00	-	100.0%	(830)
GENERAL DISTRICT COURT ***	9,448.03	25,100.00	12,598.41	12,502	50.2%	(3,150)
CLERK OF CIRCUIT COURT ***	60,295.50	63,800.00	63,800.00	-	100.0%	(3,505)
SHERIFF'S OFFICE ***	200,646.25	201,365.00	201,365.00	-	100.0%	(719)
DISTRICT COURT SERVICE ***	19,588.19	106,408.00	40,386.40	66,022	38.0%	(20,798)
COMMONWEALTH'S ATTORNEY ***	43,093.20	44,054.00	44,054.00	-	100.0%	(961)
WESTERN TIDEWATER REGIONAL JAIL**	948,013.00	948,013.00	474,006.50	474,007	50.0%	474,007
POLICE ***	1,511,032.54	3,089,214.00	1,368,178.29	1,721,036	44.3%	142,854
E - 911 *****	371,404.34	875,597.00	299,532.33	576,065	34.2%	71,872
EMERGENCY MANAGEMENT SERVICES ***	1,117,820.66	2,531,687.01	1,077,229.73	1,454,457	42.5%	40,591
BUILDING INSP & CODE ENFORCEMENT***	239,776.14	561,794.00	240,818.01	320,976	42.9%	(1,042)
ANIMAL CONTROL*****	43,159.90	86,638.00	27,108.10	59,530	31.3%	16,052
PUBLIC WORKS-STREET MAINTENANCE****	606,631.35	1,308,621.00	490,552.02	818,069	37.5%	116,079
PUBLIC WORKS-SNOW REMOVAL****	3,749.51	15,000.00	1,627.97	13,372	10.9%	2,122
PUBLIC WORKS-GARAGE****	115,589.98	215,478.00	100,905.73	114,572	46.8%	14,684
BUILDING MAINTENANCE-GENERAL*****	301,681.14	811,006.49	297,953.13	513,053	36.7%	3,728
BUILDING MAINTENANCE-ARMORY***	13,451.01	0.00	0	-	-	13,451
BUILDING MAINTENANCE-CITY HALL****	93,671.27	234,572.72	98,692.27	135,880	42.1%	(5,021)
BLDG MAINTENANCE-SOC SERVICES****	112,734.62	99,801.72	38,414.43	61,387	38.5%	74,320
BUILDING MAINTENANCE-HEALTH DEPT***	12,364.72	35,072.59	9,832.96	25,240	28.0%	2,532
HEALTH DEPARTMENT*****	55,000.00	110,000.00	55,000.00	55,000	50.0%	-
MENTAL HEALTH*****	0	36,958.00	0	36,958	0.0%	-
CHILDREN'S CENTER*****	0	634,243.00	317,124.00	317,119	50.0%	(317,124)
RECREATION*****	193,503.13	409,545.71	173,453.44	236,092	42.4%	20,050
CEMETERIES*****	23,028.00	61,000.00	15,983.32	45,017	26.2%	7,045
SENIOR CITIZENS TITLE III ***	0	6,659.00	0	6,659	0.0%	-
SENIOR CITIZENS NUTRITION ***	18,683.49	38,542.11	1,209.85	37,332	3.1%	17,474
LIBRARY*****	158,183.63	318,880.26	151,339.72	167,541	47.5%	6,844
PLANNING AND ZONING*****	133,371.22	319,340.00	123,579.79	195,760	38.7%	9,791
BEAUTIFICATION COMMISSION ****	985.13	13,636.00	829.60	12,806	6.1%	156
DOWNTOWN DEVELOPMENT *****	35,031.82	74,887.00	34,985.91	39,901	46.7%	46
PAYMENTS TO SOUTHAMPTON COUNTY ***	0	702,875.00	0	702,875	0.0%	-
NON-DEPARTMENT MISCELLANEOUS***	32,713.16	5,000.00	7,165.09	(2,165)	143.3%	25,548
NON-DEPARTMENTAL CAPITAL***	0	345,096.00	0	345,096	0.0%	-
TRANSFERS*****	4,227,090.89	7,756,703.67	3,351,626.05	4,405,078	43.2%	875,465
DEBT SERVICE *****	0	0.00	15,000.00	(15,000)	-	(15,000)
General Fund Expenditure Total	11,968,699.23	25,008,466.71	10,495,295.81	14,513,170.90		1,473,403.42



HIGHLIGHTS – ENTERPRISE FUNDS

For the period ending March 31, 2020

Based on Unaudited Financial Data

Basis of Reporting

The information enclosed is the City's Financial Report for the Enterprise Funds for the period ending March 31, 2020.

The report contains provisions for revenue and expenditure accruals.

- Reflects 9 months of revenue & expenditures – full accrual basis of accounting.

Financial Report presentation is consistent with the department's objectives to:

- Report timely, relevant, understandable and accurate financial data
- Promote accountability through monitoring, assessment and reporting.

Airport Fund

Revenue Analysis

Fuel sales and airport rental fees are below target with 50% of budgeted realized. Total revenues for the fund are at below target with 61% of budget realized.

Expense Analysis

Expenses in the fund are below target with 61% of budget expended (net of transfers and depreciation).

Cash Balance

Cash balance in the Airport Fund is \$(28,926).

Water & Sewer Operating Fund



- **Revenue Analysis**

- Revenue from the sale of water and sewer service charges of \$3.5m at the end of the period is below target at 70% of budget and is comparable to prior year period collections.

- **Expense Analysis**

- Expenses in the fund are \$1.2m and below target at 64.6% (net of transfers, debt service and depreciation). Expenses are \$47k lower than prior year in the water division due to well operation maintenance; \$75k lower than prior year in the sewer division due to reduced sewer clean out expenses; and \$50k higher than prior year in the wastewater division treatment plant supply expenses.

Water & Sewer Fund - Operating & Capital Cash Balance

- Cash balance - \$1,454,808

Month	FY 18-19	FY 19-20
July	\$ 1,270,905	\$ 1,410,586
August	\$ 1,299,941	\$ 1,482,420
September	\$ 1,532,163	\$ 1,334,351
October	\$ 1,589,778	\$ 1,379,217
November	\$ 1,635,493	\$ 1,599,327
December	\$ 1,634,637	\$ 1,660,600
January	\$ 1,340,036	\$ 1,360,730
February	\$ 1,370,209	\$ 1,357,651
March	\$ 1,444,702	\$ 1,454,808
April	\$ 1,538,057	
May	\$ 1,638,056	
June	\$ 1,382,555	

Solid Waste Fund

Revenue Analysis

Revenue for the Solid Waste Fund is slightly above target with revenue at \$1m or 78% of budget and is higher than prior year period collections.

Expense Analysis

Expenses in the fund at \$540k are below target with 54% of budget expended (net of depreciation, transfers and debt service) and comparable to prior year expenses.

Cash Balance

Cash balance in the Solid Waste Operating & Capital Fund is \$572,264.

Solid Waste Fund – Operating & Capital Cash Balance

Cash balance - \$572,264

Month	FY 18-19	FY 19-20
July	\$226,627	\$399,753
August	\$238,139	\$426,513
September	\$250,455	\$396,737
October	\$240,796	\$439,368
November	\$255,153	\$491,141
December	\$282,542	\$497,577
January	\$292,126	\$537,559
February	\$311,695	\$554,955
March	\$319,666	\$572,264
April	\$336,760	
May	\$353,560	
June	\$347,629	

Electric Fund

• Revenue Analysis

- Revenue from energy sales at \$11.4m is slightly below target at 74.4% of budget; below is a snapshot of prior year billed service revenue, current year budget, actual and % of budget realized:

Account Description	FY19		FY20		% Realized
	Actual Mar 31		Budget	Actual Mar 31	
Sale of Electricity -Fuel Adj	\$ 1,243,301	\$	1,221,787	\$ 811,117	66.4%
Sale of Electric Energy-Residential	6,533,712		8,177,058	6,209,800	75.9%
Sale of Electricity-Commercial	4,487,737		5,986,262	4,421,990	73.9%
Cycle & Save	(89,033)		(119,100)	(88,923)	74.7%
	\$ 12,175,717	\$	15,266,007	\$ 11,353,984	74.4%

• Expense Analysis

- Expenses associated with the sale of energy for the fiscal year was \$8.7m and is below budget at 66% of the total budget (net of depreciation, transfers and debt service).

ELECTRIC FUND - OPERATING & CAPITAL CASH ANALYSIS

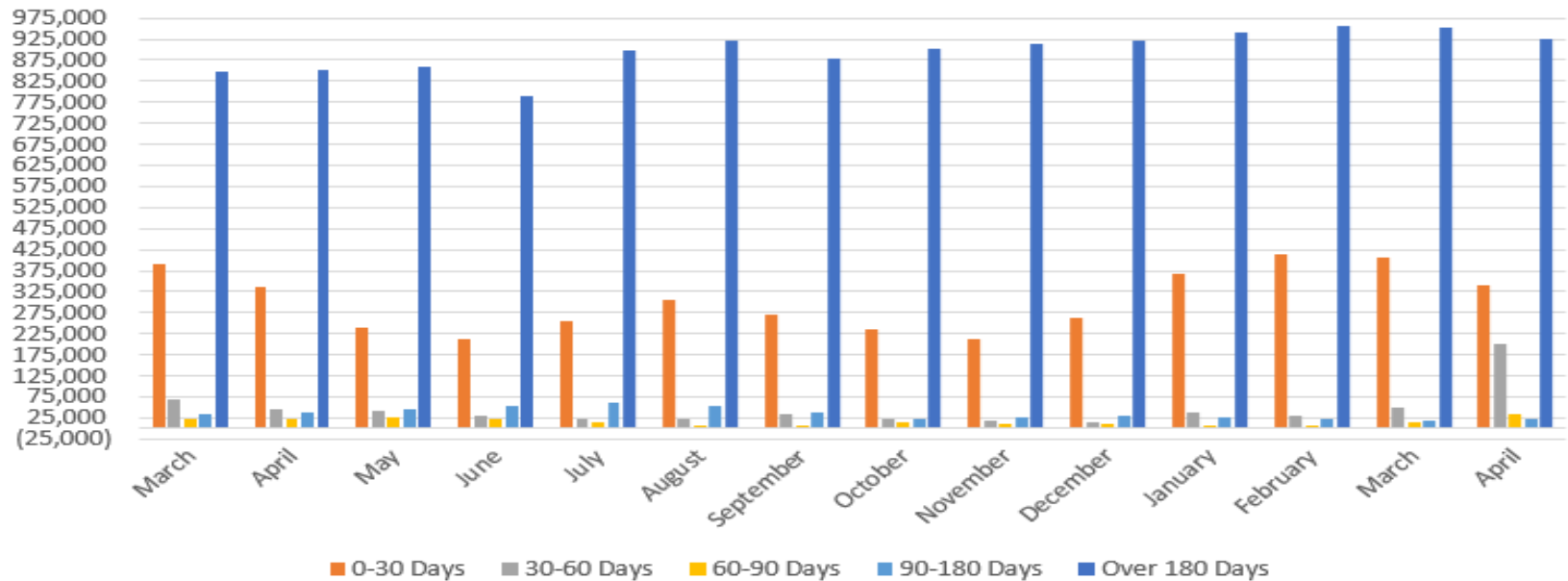
	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
7/31	\$ 957,000	\$ 724,794	\$ 276,984	\$ 1,421,109	\$ 3,074,620	\$ 5,429,626
8/31	\$ 1,095,099	\$ 774,246	\$ 453,148	\$ 1,127,645	\$ 3,531,450	\$ 5,025,518
9/30	\$ 1,220,000	\$ 942,197	\$ 729,003	\$ 1,431,729	\$ 3,528,504	\$ 4,967,485
10/31	\$ 1,273,878	\$ 956,592	\$ 822,659	\$ 2,165,716	\$ 3,745,667	\$ 5,036,687
11/30	\$ 1,327,621	\$ 919,275	\$ 922,617	\$ 2,257,635	\$ 3,900,663	\$ 5,020,008
12/31	\$ 1,284,717	\$ 788,629	\$ 791,600	\$ 2,121,184	\$ 3,888,745	\$ 5,048,156
1/31	\$ 1,004,954	\$ 322,369	\$ 554,258	\$ 1,745,487	\$ 3,823,684	\$ 4,972,661
2/28	\$ 805,356	\$ 366,352	\$ 644,526	\$ 1,712,725	\$ 4,073,328	\$ 5,084,727
3/31	\$ 881,641	\$ 502,204	\$ 888,414	\$ 2,134,253	\$ 4,364,455	\$ 5,328,462
4/30	\$ 906,867	\$ 474,040	\$ 970,688	\$ 2,328,448	\$ 4,483,132	
5/31	\$ 968,713	\$ 448,880	\$ 990,559	\$ 2,648,506	\$ 4,672,671	
6/30	\$ 842,112	\$ 343,328	\$ 807,485	\$ 2,823,097	\$ 4,690,508	

Cash in the Electric Fund at \$5,328,462 increased by \$243,736 from the prior month period.

Policy Evaluation:

Cash is above minimum policy guideline of \$1.494 million by \$3.8 million.

Electric Accounts Receivable (including Penalties) Aged Report Chart



The receivables in the 1st four groups are serviced by the Utility Billing Department. The receivables in the “Over 180 days” group are inactive receivables and are serviced by the City Treasurer’s Department.

There is an increase of \$154k in the “30-60 Days” group in April compared to the prior month. No customers have taken advantage of the payment plan. Cutoffs will resume July 13th.



*Office of the City Manager
Amanda C. Jarratt*

May 6, 2020

To: Franklin City Council

From: Amanda C. Jarratt, City Manager

Reference: Budget Public Hearing

Background Information

City Council has extensively reviewed and vetted the proposed FY 20-21 fiscal year budget. Due to this year being a general reassessment year the net neutral tax rate would be \$1.07. The proposed budget before you was built around \$1.03 which is the current tax rate. This equates to a four cent tax reduction. City Council voted to advertise a tax rate of \$1.07. As was discussed previously City Administration revised the budget down by just over one million dollars as a result of anticipated negative impacts from the COVID-19 pandemic. City Council will hear and receive any comments received from the public and consider action on May 26, 2020.

Needed Action

None at this time. Budget adoption is scheduled for May 26, 2020.



*Office of the City Manager
Amanda C. Jarratt*

May 5, 2020

To: Franklin City Council

From: Amanda C. Jarratt, City Manager

Reference: Courthouse Update

Background

Southampton County Courthouse

A conference call is scheduled with the negotiating committee for Friday May 15, 2020 for Glave and Holmes to share their initial concept designs. The Judges' have requested a third courtroom, and Glave and Holmes is in the process of verifying the need for one against current and projected court schedules. We understand the intent of a third courtroom would be to accommodate J&DR court proceedings and would be smaller than the existing courtrooms. We understand that an associated Judge's chambers would need to be added to accompany the new courtroom. Glave and Holmes will analyze the available records to verify the quantitative need for a third courtroom. If a third courtroom is added, its requirement for proximity to the holding areas and Judges' secure entry makes the existing Combined Clerk's office space a good candidate for accommodating the new program. If the Combined Clerk's office is displaced, area will need to be provided outside the existing building footprint in proximity to the new courtroom to provide for some or all of that displaced program. Glave and Holmes intends to develop one initial concept to include two jury-capable courtrooms and the remaining program within the existing building footprint. This concept will assume some spaces will have multiple uses – for example, a room that serves alternately as a hearing room or jury deliberation room. If the initial concept is rejected and the need for a third courtroom verified, we will develop a second concept that may include additions or more extensive renovations to accommodate the programmatic increases.

City of Franklin Courthouse

The secure project is proceeding nicely and should be completed within the next three weeks.

Needed Action

None at this time.



*Office of the City Manager
Amanda C. Jarratt*

May 5, 2020

To: Franklin City Council

From: Amanda C. Jarratt, City Manager

Reference: City Manager's Report

General Updates

- City staff continues to closely monitor and respond to the COVID-19 pandemic and Governor Northam's Executive Orders.
- The citywide election originally scheduled for May 5, 2020 has been moved to May 19, 2020. Voters are encouraged to vote absentee by mail and can apply online by visiting <https://vote.elections.virginia.gov/VoterInformation> or by calling 562-8545 to request an application be mailed. The deadline to request a ballot be mailed has been extended to Tuesday, May 12, 2020.
- As of the writing of this report no citizen or business has requested the payment plan allowed by City Council. Residents and businesses in need of the payment plan are strongly encouraged to request the plan prior to June 10, 2020. They may do so by calling utility billing at (757) 562-8518 or (757) 516-1001.
- Food distribution is scheduled at the Martin Luther King Center located at 683 Oak Street on May 16th and May 23rd between 9:00 a.m. and 11:00 a.m for citizens that been severely impacted by the COVID-19 virus.

Franklin Regional Airport

- Based on our internal analysis City Administration recommends acceptance of the CARES Act funding of \$30,000.00 and keep the facility manned through December 31, 2020 in compliance with the act. At that point based on revenues generated from the facility and we will either proceed with moving to unmanned or retain staff at the facility.

Community Events

- City of Franklin Independence Day Celebration July 1, 2020. – We are closely monitoring the phased reopening of the Commonwealth per Governor Northam's Executive Order.
- National Night Out has been rescheduled for October 6, 2020 as a result of COVID-19. The planning process will continue throughout the summer into the fall.