

AGENDA

FRANKLIN CITY COUNCIL

MONDAY, MAY 14, 2018 – CITY HALL COUNCIL CHAMBERS – 207 W. SECOND AVE.

6:00 P. M.**Work Session**

- A. CALL TO ORDER • • • • • MAYOR FRANK M. RABIL
- B. FY 2018 – 2019 Proposed Budget Work Session
- C. Recess • • • • • MAYOR FRANK M. RABIL

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

CITIZENS' TIME

AMENDMENTS TO AGENDA

1. CONSENT AGENDA
 - A. Minutes: April 23, 2018 Regular Meeting and Called Meetings, April 16, 17 & 19, 2018; April 30, 2018
2. PUBLIC HEARINGS
 - A. FY 2018-2019 Proposed City Budget
 - B. School Board Nominations for At-Large, Wards 4 & 6
 - C. Cover 3 Vehicle Personal Property Tax Exemption Request
3. FINANCE
 - A. FY 2017- 2018 City Budget Amendment # 2018 - 14
4. OLD/NEW BUSINESS
 - A. City Manager's Report • • • R. Randy Martin, City Manager
 1. Priority Tracking Report Update
5. COUNCIL/STAFF REPORTS ON BOARDS/COMMISSIONS
6. CLOSED SESSION

I move that the Franklin City Council meet in closed session to discuss appointments to boards and commissions pursuant to Virginia Code Section 2.2 – 3711 (A) (1).
Motion Upon Returning to Open Session- I move that the only matters discussed during the closed session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened.
7. ADJOURNMENT

UPCOMING ITEMS TO BE SCHEDULED

The items below are intended to be reflective, and not inclusive of all subjects staff is working on to bring forward to City Council in the next two months. Both the time lines and subject matter are subject to change and should not be considered final.

| <u>SUBJECT</u> | <u>TENTATIVE TIME LINE</u> |
|--|---|
| FY 2018 – 2019 Budget Work Session: Council action on School Board Budget Request | Monday, May 21, 2018 @ 6:00 p.m. City Council Chambers |
| Council considers adopting FY 2018 – 2019 City Budget | Monday, June 4, 2018 @ 6:00 p.m. City Council Chambers |
| Council/Planning Commission Joint Meeting (re: Zoning Ordinance Changes Impacting Growth) | TBD; June, 2018 |
| The Family Wellness Fun Day(Parks & Recreation Sponsored Event) | Saturday, June 30, 2018 @ 10 a.m. to 3:00 p.m. Amory Dr. Recreational Park |
| City Council Biennial Organizational Meeting | Monday, July 9, 2018 @ 7:00 p.m City Council Chambers |

CONSENT AGENDA

**A. Minutes: April 23, 2018 Regular Meeting and Called Meetings,
April 16, 17 & 19, 2018; April 30, 2018**

Franklin City Council Called Meeting
City Council Chambers
April 16, 2018 – 6:00 p.m.

The Franklin City Council met in a Called Meeting on Monday, April 16, 2018 at 6 p.m. in the Council Chambers for the purpose of conducting a work session on the proposed FY 2018 – 2019 city budget.

Council Members in Attendance: Frank Rabil, Mayor; Barry Cheatham, Vice-Mayor; Linwood Johnson, Mary Hilliard, Bobby Cuthchins and Benny Burgess (Greg McLemore arrived at 6:50 p.m.).

Others in Attendance: Randy Martin, City Manager; Taylor Williams, City Attorney; Teresa Rose-McQuay, Administrative Assistant; Dinah Babb, Treasurer; Brenda Rickman, Commissioner of Revenue; Chief Phillip Hardison, Franklin Police Department; Deputy Chief Bob Porti, Franklin Police Department; Chief Vince Holt, Director of Emergency Services; and Deputy Chief Mark Carr. Also present was Bruce Edwards, Communications Manager; Tracy Gregory, Interim Finance Director.

Mayor Rabil called the budget work session to order. The Mayor recognized Manager Martin to make a presentation and lead the work session discussion on the FY 2018 – 2019 proposed budget development process. Manager Martin reminded Council this would be the first of three scheduled work sessions with department and agency staff this week on the budget. The primary focus of these sessions is for Council to receive updates on the budget process and to specifically review departmental budget requests with staff.

Manager Martin discussed the overview and reviewed each of the sections detailed in the Budget work session binder that was previously delivered to Council. Manager Martin also briefly reviewed a detailed PowerPoint which summarized the status of the budget development process for each fund. The Overview was presented to Council at the April 19, 2018 Council meeting and reviewed in detail, so the Manager deferred further comment and asked for any questions.

Department Budget Reviews

Council and Management then began the review process for each department with department heads and staff following the published agenda schedule. The focus was on changes from the prior year budget with emphasis on any projected cost increases or decreases and capital improvement requests.

Department reviews were conducted with the following:

- 1) Brenda Rickman – Commissioner of Revenue
Highlights: Reviewed the taxable real estate report reflecting the impact of the recently completed biennial reassessment. The budget document included the previous presentation to Council from the assessor.

Commissioner Rickman commented on the tax value estimates, reassessment results and changes in the budget request. She noted that 156 parcels changed in value following the first assessor hearings.

2) Dinah Babb – Treasurer

Highlights: Treasurer Babb commented on the 94% collection rate in the prior year which improved to 96% in 2017 for the first half of taxes. The second half bills have been recently sent. She commented on collection efforts including recent tax sales. She commented on the E-Z pass success thus far. The Treasurer and Commissioner explained training efforts and expressed concern with delayed conversion of the tax billing & collection software.

Council members expressed concern as well and emphasized the need for this to be wrapped up as soon as possible.

3) Phillip Hardison, Police Chief; Bob Porti, Deputy Police Chief and Bruce Edwards, E – 911 Communications Manager.

Highlights: Capital Equipment – Radio System upgrade needs, Generator recently replaced – 911 Communications equipment upgrades and future needs to be upgraded. Chief is requesting replacement of five vehicles; replaced all Taser's this year. Requested more funds in overtime based upon current trend. The Department vacancies have been reduced but still in need of officers due to turnover including retirements. (Councilman McLemore arrived during the discussion.)

Vice-Mayor Cheatham asked if the overtime dynamic was due to the unfilled positions. Councilman Johnson asked whether there is training for Officers concerning dealing with Mental Health issues at the academy. The Chief responded to the Council questions.

E – 911 – communication staffing has improved since annual report but still down one full-time and one part-time Communications Officer. Discussion ensued on Capital needs and tower options particularly when the Hunterdale water tank has to be painted. Options and timing are being evaluated.

Animal Control – No major changes. Still have a part-time vacancy in the department.

4) Vince Holt, Fire Chief and Mark Carr, Deputy Chief

Highlights: Fire Department not having issues with recruitment. Their concern is retention once personnel become certified. Chief reviewed equipment replacement needs and schedule and facility improvement options. Council discussed delinquent collection policies to which the Chief responded. Chief Holt reviewed recommended addition of a

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treatment without transfer fee. He also explained turnover concerns with Paramedics now and future expectations. Council members asked questions and the Chief responded. Discussion continued with Chief Holt's input on the options for radio communication equipment relocation from the water tank site and the improvements in Fire/EMS call response implemented this past year in cooperation with Southampton County communications. After a lengthy discussion of communication needs and options including cost estimates, staff reviewed the details and responded to questions from Council.

The discussion on the water tank painting & communication antennas will continue on Thursday in the review of the Public Works Department's Utility budget and specifically the painting schedule for the Hunterdale Water tank.

The discussion with Chief Holt ended with a review of peer rates in the region for EMS services and the potential for creating a subscription fee for service similar to our neighboring jurisdictions of Southampton & Isle of Wight Counties and the City of Suffolk.

It was a consensus that the fee recommendations and salaries concern be a topic for consideration at the regular Council meeting on April 23, 2018 with additional data provided on the breakdown of EMS calls for the past year.

5) Taylor Williams – City Attorney

Highlights: City Attorney Williams asked for a reduction in Professional Services Fees due to dismissal of litigation. No major changes were requested otherwise. The City Attorney commented to a question on the Municipal Code subscription service and the status of code updates.

6) Randy Martin – City Manager

Highlights – Reviewed the City Council and City Manager departments. He reminded Council of the agency & organizations requests presented at the previous work session of Council and included in the City Council budget. He also advised Council that the City Manager department included funds to refill a long vacant position.

Recess

After concluding discussions, Mayor Rabil declared the work session in recess until 6:00 p.m., April 17, 2018 in the City Council Chambers.

Mayor Rabil declared the meeting recessed at 8:58 p.m.

**Franklin City Council Called Meeting
City Council Chambers
April 16, 2018 – 6:00 p.m.**

These Minutes for the April 16, 2018 City Council Called Meeting were adopted on the 14th day of May, 201.

Mayor

Clerk to City Council

Franklin City Council Called Meeting
City Council Chambers
April 17, 2018 – 6:00 p.m.

The Franklin City Council met in a Called Meeting on Tuesday, April 17, 2018 at 6 p.m. in the Council Chambers for the purpose of conducting a work session on the proposed FY 2018 – 2019 city budget. The meeting was a continuation of the Called meeting of April 16th that was recessed until this date.

Council Members in Attendance: Frank Rabil; Barry Cheatham, Vice-Mayor; Mary Hilliard, Bobby Cutchins, and Benny Burgess. Councilman Johnson arrived at 6:16 p.m. (Councilman McLemore was present prior to the meeting being called to order but advised he was leaving for another meeting elsewhere.)

Others in Attendance: Randy Martin, City Manager; Jennifer Maynard, Voter Registrar; Anne White, DSS director and Gwen Wilson, Deputy Director, Social Services; Mark Bly, Director of Power and Light; Donald Goodwin, Director of Community Development and Beth Lewis, Deputy Director of Community Development; Tracy Gregory, Interim Finance Director and Taylor Williams, City Attorney.

Mayor Rabil reconvened the budget work session recessed from April 16, 2018. He recognized Manager Martin to lead the work session discussion on the FY 2018 – 2019 proposed budget development process. Manager Martin reminded Council this was the second of the three scheduled work sessions with department and agency staff this week on the budget. The primary focus of these sessions is for Council to receive updates on the budget process and to specifically review departmental budget requests with staff. The focus continued on significant changes in the operating budget from the current year and capital outlay needs.

Registrar

Manager Martin recognized Voter Registrar Jennifer Maynard to highlight significant budget items. Registrar Maynard reported that the new election equipment has been used now in four elections over the past year and is working well. The current budget included funding to pay the remainder of the purchase price for the new electoral equipment. The reduction in funding is a result of the equipment payoff. There were no Council questions on the budget request. (Councilman Johnson arrived during the discussion.)

Social Services

Manager Martin recognized Director Anne White who was accompanied by Deputy Director Gwen Wilson to discuss the Social Services department budget. Ms. White discussed the number of vacancies, turnover in the past year and reasons for those vacancies several of which were in the benefits function. The Department had an inordinate number of retirees this past year. She explained the state application process and reviewed the programs that are offered by the Department and the progress made on filling vacancies. Six of seven vacancies have been filled this past year since Director White arrived in Franklin.

Director White, Manager Martin and Council then discussed the State provided community profile for Franklin and the significant impact Social Services has on the citizens. Council members asked questions to which staff responded concerning budget requests and service implications. Director White also mentioned the need for a replacement vehicle which will be cost shared with the State.

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Power and Light

Manager Martin recognized Power and Light Director Mark Bly to present highlights of his budget request. Director Bly noted that, as previously advised, Dominion had notified the City of the final cost of the fuel adjustment rate increase effective with the April, 2018 billing. Director Bly reported on a projected wholesale power cost increase expected from Dominion effective July 1, 2018 of 5.2%. He distributed a handout on the recent history of the Fuel Adjustment rate changes. He addressed CIP items: SCADA replacement (last upgrade over 10 years ago); limitations and need to upgrade three delivery points/substations and option of a new delivery # 4. Director Bly also updated Council on the LED lighting conversion project and the proposed ABM energy efficiency project as well as changes in the operating budget including the ending of the contractor assistance contract this year. He also discussed benefits once again of an Automatic Meter Replacement program and the cost of implementing. Council had lengthy discussion on the future capital needs of the department and potential ways to manage rates.

Council members offered comments asked questions to which staff responded. (Councilman McLemore arrived at the meeting at 7:09 p.m. during the discussion.)

Community Development

Manager Martin recognized Community Development Director Donald Goodwin and Deputy Director Beth Lewis to review their budget requests. Director Goodwin reviewed the impact this past year of the Solar Farm project in the County. Staff talked about the successful grant application for the Riverwalk project and next steps.

The Council also desired that staff continue to meet other inspection requests in a timely manner even during this period of increased activity level. Director Goodwin noted that the County's share of funding was 75% currently for the department. Deputy Director Lewis briefed Council on the Voluntary Agriculture District program begun this year in the County and its impact. Director Goodwin reviewed a handout on all initiatives of the department being pursued at this time including demolition activities and needs. The possibility of actions upcoming to impact development positively was also discussed with recommendations from the Planning Commission forthcoming.

Finance/CIP/Debt Service

Manager Martin concluded discussion for this work session by reviewing the Finance Department requests, the Capital Improvement Program (CIP) reports and the Debt Service schedule for FY 2018 – 2019.

Council members asked questions and made brief comments on these topics.

Recess

After concluding discussions, Mayor Rabil declared the meeting in recess until Thursday, April 18, 2018 at 6:00 p.m. in the Council Chambers.

Mayor Rabil declared the meeting recessed at 8:15 p.m.

**Franklin City Council Called Meeting
City Council Chambers
April 17, 2018 – 6:00 p.m.**

These Minutes for the April 17, 2018 City Council Called Meeting were adopted on the 14th day of May, 2018.

Mayor

Clerk to City Council

Franklin City Council Called Meeting
City Council Chambers
April 19, 2018 – 6:00 p.m.

The Franklin City Council met in a Called Meeting on Thursday, April 19, 2018 at 6 p.m. in the Council Chambers for the purpose of conducting a work session on the proposed FY 2018 – 2019 city budget. The Called meeting began on April 16th, was recessed to April 17th and recessed again until this date.

Council Members in Attendance: Frank Rabil, Mayor; Barry Cheatham, Vice-Mayor; Linwood Johnson, Mary Hilliard, Bobby Cutchins and Benny Burgess. Councilman Johnson arrived at 6:14 p.m. (Greg McLemore absent).

Others in Attendance: Randy Martin, City Manager; Steve Newsome, Network Administrator; Chad Edwards, Deputy Director of Public Works; Jimmy Gray, Airport Manager; Lin Darden, General Services Superintendent; and Steve Watson, Utilities Superintendent.

Mayor Rabil reconvened the budget work session recessed from April 17, 2018 to order. The Mayor recognized Manager Martin to lead the work session discussion on the FY 2018 – 2019 proposed budget development process. Manager Martin reminded Council this was the last of the three scheduled work sessions with department and agency staff this week on the budget. The primary focus of these sessions is for Council to receive updates on the budget process and to specifically review departmental budget requests with staff focusing on significant changes from the current year budget and capital outlay requests.

Information Technology

Manager Martin recognized Steve Newsome to review the highlights of his budget. Manager Martin commended Mr. Newsome on his latest achievement in new certifications in an internationally recognized program which Mr. Newsome explained. His new credentials have earned him a promotion to Network Administrator. Mr. Newsome talked about network security goals & achievement this past year and future challenges for the City's IT operations. Council members asked questions to which staff responded. It was acknowledged that this was the second consecutive year of budget decreased costs attributed in part to advanced certifications and training which has reduced the need and related cost for contractual assistance.

Public Works

Manager Martin recognized Deputy Director Edwards to present highlights of the Public Works department budget requests. The City Manager advised that Director Russ Pace was out of town and unable to attend the meeting.

Airport

Deputy Director Edwards recognized Airport Manager Jimmy Gray to present the Airport portion of the budget. Mr. Gray discussed some of the Capital Projects included in the CIP for

the next five years. He reviewed progress on the current parallel taxiway project. The project is expected to be completed this spring. Future needs include:

- A. Master Plan update – Grant funds will be pursued to include this project in the FY 2018 – 2019 budget. The plan has not been updated in decades.
- B. Drainage Project – (360 acres) Dilapidated aging system that will need to be undertaken as a future project as funds become available. City will pursue grant funding for this eligible project.
- C. Obstruction Removal – Trees growing into the air space creating an obstruction. City will pursue grant funding for this project as well. The assessment has been done and the City made some progress this year in removing trees from adjacent city owned property.

Operating Budget Review – Council members asked questions on the use of the airport. Mr. Gray pointed out that an estimated 60% of the use is by commercial customers. He indicated there were approximately 12,000 movements at the airport in each of the last two years during the day when they are recorded. After hours use is not included in the totals. Council members posed other questions to which staff responded. It was noted that the city transfer requested for the new budget would be less than FY 2017 – 2018 due to completed mostly grant funded projects. The department does have the need for a replacement mower which is included in the request.

Street Improvements

CIP – Discussed the plan for this year’s rehabilitation of lines for drainage. Council had questions on major drainage issues. Street improvements were discussed specifically plans for next phase priorities for paving. Council also discussed the need for attention to minor secondary streets and the limited funding available from the State. Annual Services Contract particulars were also discussed and that the city has 33,000 lane miles. Next year’s plans – Traffic Signal Upgrade (with Power & Light installations) downtown intersections will be the focus. The City expends significantly more total costs than the reimbursements received from VDOT annually in this department. Removal of trees at Armory Park will soon be completed if enough funding is available. Stumps will be removed after trees down. Issues with large trees at Memorial Park were discussed and the potential hazards associated. Funds are requested to begin removal with future replacement.

Equipment Needs

Deputy Director Edwards discussed the need to replace an aging backhoe that has neared the end of its useful life. Repairs in the last five years have totaled a significant amount of the replacement cost.

There was also discussion on planning efforts for the installation of a donated trash boom at Bogart Pond.

Garage

Deputy Director Edwards talked about equipment maintenance overall and an electrical upgrade that is needed in the garage. The power supply is less than adequate for the demand as it has increased in recent years with the advent of technology.

Building Maintenance

Manager Martin and Deputy Director Edwards discussed with Council the need to do an energy efficient project financing to take care of the significant building equipment & maintenance needs rather than trying to take care of it in a piecemeal manner. Analysis thus far indicates the energy savings as being sufficient to fund the cost of improvements. Discussion then focused on efforts to complete the DSS building basement abandonment project. The Department was recently able to get approval for records disposal. The focus is now on water proofing and abandonment of the basement area from use by staff. Council members offered comments and asked questions on various Public Works topics to which staff responded. Reduced funds will be needed than estimated and are included in the budget requests.

Solid Waste Fund

The discussion centered on equipment replacements, the user fee and adequate funding to maintain reserves within policy requirements. There was also discussion on evaluating the pros and cons of potentially outsourcing solid waste collection services.

Groundwater Withdrawal Permit

Manager Martin updated Council that the recently issued groundwater withdrawal permit renewal term was increased up to 15 years by legislative action.

Sewer Rehabilitation

CIPP - (Cost In Place Pipe) – Deputy Director Edwards recognized Steve Watson, Utility Superintendent who discussed continuing the Rehab project for sewer lines & manholes, including where there was a 200,000 gallon per day leak fixed with one repair. He was concerned about some recent numbers of inflow & infiltration during major rain events and is working to identify potential sources. Superintendent Watson presented a report detailing the Department's progress made in rehabilitation of the wastewater system in recent years and future need projections.

Water & Sewer Technology

Water system SCADA monitoring and control systems at wells; tanks and pump stations have already been completed and is operating efficiently.

Public Works has also installed updated technology at pump stations (sewer SCADA system), as well as, at the Wastewater Treatment Plant recently.

Wastewater Treatment Permit

Consent Order – Standard operating procedures have been updated to complete Corrective Action Plan (CAP) requirements. The CAP was submitted to DEQ before the deadline and the City is awaiting final approval. Additional funds will be needed for WWTP maintenance upgrades. Superintendent Watson updated Council on the progress and plans to address issues identified by DEQ as detailed in the order. Manager Martin gave an update on next steps for the City/County Utility Study and that funds will be requested to pursue.

Water Tank Painting Project

The staff and Council then further discussed the planned Hunterdale Water Tank Painting Project plans and the implications for the antennas and equipment currently located on the tank. Mr. Watson advised the Maintenance Contractor had been consulted on the schedule flexibility for the needed painting. He advised this tank has lead based paint which must be completely stripped and requiring the tank to be shrouded entirely. The contractor advised a one to two year delay is possible but two years would be the maximum time of delay recommended.

Cemeteries

Supervisor Lin Darden advised Council that this is the year for bidding the City's mowing contract for city properties including cemeteries. The need to enforce cemetery policies was also discussed.

Parks and Recreation

Manager Martin advised that the City & County budget recommendations would not include funding for a second year of partnership with the Country Club to provide reduced rates for citizens until Council analyzed results from year one which ends in November. Council agreed by consensus that this decision on funding future years should be deferred until after the Spring/Summer/Fall season is over and results are analyzed. It was stated that a plan needed to be implemented to encourage City & County citizens to take advantage of the use agreement.

Manager Martin discussed some of the CIP projects including: the recently completed Armory Park Playground; land downtown as a future park site referred to as Riverwalk with connecting trail sections in the future to Barrett's Landing, the boat ramp site and possibly the Pinpoint property. There was a discussion about the city participating with the Paul D Camp Community College in their expansion of their athletics to include the new softball program. They have completed the baseball field on the campus but want to improve the city field at Armory Park for softball use. This would be a win-win for the College and the City as the City can use assistance to upgrade the Armory Park facility fields. The college helped upgrade and maintain the city baseball field this year when they used it.

Since he had been involved in the initial discussions with affected landowners on the property acquisition efforts which were funded with a state grant to the City, Mayor Rabil commented on the recreational value of the river park and walkway idea and the discussion included a review of options for potentially relocating the Farmers' Market in the future to a more high profile location. Council members offered comments and asked questions to which staff responded. The Mayor noted other potential donation sources to fund the project and the Manager advised that staff is preparing plans to pursue additional grant funding for the project.

The Manager introduced another citizen group initiated effort to enhance youth recreational opportunities by developing a city-owned Neighborhood Recreation facility adjacent to the King Center. The new STEP organization is raising funds for the project and wants city support. Mayor Rabil commented on this effort as well since he had met with this organization several times.

Manager Martin will recommend the \$90,000 received for the Hayden Project be considered for obligation to the project when the plans are finalized and the project becomes a reality. The CIP will reflect this information. The Manager displayed a brochure on the STEP organization which listed their new website address.

Library

Manager Martin reviewed the stated need of the regional library system for additional funding to be used for salary changes for library staff. He noted the budgetary impact for the City based upon the approved funding formula.

School Fund

Manager Martin discussed his likely recommendation on the requested funding increase as being level funding unless additional new funding is identified and designated for this purpose by Council. The Manager indicated it would be very difficult to recommend an increase in School funding without a tax increase given the challenges and demand identified for this budget. It was

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noted that the city had increased the school’s base funding by \$150,000 for the last two budget cycles and that \$50,000 in additional funding was added to the base for FY 2017 – 2018.

Council members commented on the School Budget request and their desire to give the School Board a timely response. Council members asked questions to which staff responded on the topic of School Division funding.

Fund Balance

Manager Martin indicated that reduced funding would be available for use of unassigned fund balance due to prior uses and obligations. The goal has been to reduce use of this source for several years prior and now the time has come. The amount of unassigned fund balance projected for June 30, 2018 is expected to be reduced but remain above policy minimums.

Adjourn

After concluding discussions, Mayor Rabil asked for a motion to adjourn the work session meeting. Vice-Mayor Cheatham made a motion to adjourn the called work session meeting. Councilwoman Hilliard seconded the motion and it was approved by 6 – 0 vote (Councilman McLemore absent).

Manager Martin thanked the members of Council and staff for their efforts to make the work sessions productive. He advised that he had received sufficient feedback from Council to further prepare the recommended budget. The next scheduled work session for final input is scheduled for April 30th at which the Manager will further advise Council on recommended budget progress. Upon delivery of the completed recommended budget to Council, he stood prepared to have additional work sessions to finalize the budget plan for FY 2018 – 2019 as scheduled on the tentative budget calendar.

Mayor Rabil thanked everyone involved as well and declared the meeting adjourned at 8:20 p.m.

These Minutes for the April 19, 2018 City Council Called Meeting were adopted on the 14th day of May, 2018.

Mayor

Clerk to City Council

The Franklin City Council convened its Regular meeting on Monday, April 23, 2018 at 7:00 p.m. in the Council Chambers at City Hall. Mayor Rabil called the meeting to order.

Council Members in Attendance: Mayor Frank Rabil, Barry Cheatham, Vice-Mayor; Linwood Johnson, Bobby Cutchins, Mary Hilliard, Greg McLemore and Benny Burgess.

Staff in Attendance: Randy Martin, City Manager; Taylor Williams, City Attorney; Mark Bly, Director of Power and Light; Chief Phil Hardison, Franklin Police Department; Donald Goodwin, Community Development Director; Dinah Babb, Treasurer; Brenda Rickman, Commissioner of Revenue; and Russ Pace, Director of Public Works.

Others in Attendance: Corporal Kevin Muse, Franklin Police Department; Deputy Chief Mark Carr, Franklin Fire and Rescue; Dan Howe, Executive Director, Downtown Franklin Association; and Teresa Rose-McQuay; Administrative Assistant and Acting Secretary, Recording Minutes.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by everyone in attendance.

CITIZENS' TIME

No citizens signed up to speak at Citizens' Time.

AMENDMENTS TO AGENDA

There were no amendments to the agenda.

Consent Agenda

Minutes: April 9, 2018 Regular Meeting

Mayor Rabil asked if there were any corrections to the minutes of the April 9, 2018 Regular meeting. Vice-Mayor Cheatham stated that he did not vote on the appointment of Councilman McLemore to the Senior Services of Southeast Virginia for consideration of a vacant at-Large seat on the SSSEVA Board of Directors. With that correction, Vice-Mayor Cheatham made the motion to approve the the April 9, 2018 minutes with the necessary correction and Councilman Johnson seconded it.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Hilliard, ABSTAIN; Vice-Mayor Cheatham, AYE; Councilman McLemore, ABSTAIN; Councilman Burgess, AYE; and Mayor Rabil, AYE.

Minutes: April 10, 2018 Joint Work Session

Mayor Rabil asked if there were any corrections to the minutes of the April 10, 2018 Joint Work Session meeting. Hearing none, Mayor Rabil asked for a motion. Vice-Mayor Cheatham made a motion to approve the minutes as presented and Councilman Johnson seconded the motin.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Hilliard, ABSTAIN; Vice-Mayor Cheatham, AYE; Councilman McLemore, ABSTAIN; Councilman Burgess, AYE; and Mayor Rabil, AYE.

Departmental Reports: March 2018

No comments were made concerning the March 2018 departmental reports distributed in a separate file.

Fair Housing Resolution # 2018 - 02

Mayor Rabil asked Vice-Mayor Cheatham to read the Fair Housing Resolution # 2018 – 02 aloud. After the reading, Vice-Mayor Cheatham made the motion to adopt Resolution # 2018 - 02 as presented and Councilwoman Hilliard seconded the motion.

Mayor Rabil asked if there were any questions or discussion on the motion to approve Fair Housing Resolution # 2018 – 02. Hearing none he asked for the vote.

The motion was approved by a 7 – 0 vote.

FINANCE

Mayor Rabil recognized the City Manager to present the Finance items beginning with the Financial Report.

Financial Report: March 31, 2018

General Fund

Revenue Highlights

Overall General Property Taxes collected in the amount of \$4.66 million for the period is up from the \$4.54 million collected in FY 2017. The breakdown is as follows:

- **Current Real Estate taxes** of \$2.69 million (49.8% of budget) is 1.71% higher than the prior year of \$2.65 million.
- **Delinquent RE taxes** of \$217,000 (98.9% of budget) are 13.41% higher than the prior year period collections of \$192,000.
- **Current Personal Property taxes** at \$1.51 million (97.5% of budget) are .1.77% higher than prior period collections of \$1.49 million.
- **Delinquent Personal Property taxes** – at \$43,000 (95.1% of budget) are 58.7% higher than prior year period collections of \$26,900.
- **Penalty and Interest** at \$93,000 (71.6% of budget) are 3.2% lower than prior year period collections of \$96,000.
- **Public Service Corporation taxes** of \$75,000 are 108.9% of budget.

Local Tax Revenue realized is 60.8% of Budget with the breakdown as follows:

- Local Sales & Use taxes collected are \$1,331,970.
- Cigarette Taxes collected are \$213,620.
- Meals Taxes collected are \$1,116,746.
- Lodging Taxes collected are \$125,944.

Revenue Summary

Overall, total current general fund revenue reported at \$14.13 million (66.82% of budget) is a net of \$243,000 less when compared to the \$14.37 million realized at 3/31/17.

General Fund Expenditure Highlights

General Fund expenditures at the end of the period total \$11.32 million and represents 67.4% of the total budget; when compared to the prior year period of \$11.41 million, this is a \$90,000 decrease.

Enterprise Funds

Airport Fund

- Fuel sales and airport rental fees are above target with 84% of the budget realized.
- Expenditures in the fund are below target with 73% of the budget expended (net of capital outlay and transfers).
- Cash balance in the Airport Fund is \$(75,007). Large inventory purchases were made in last month for upcoming quarter.

Water & Sewer Fund

Revenue Analysis

- Revenue from the sale of water and sewer service charges of \$2.61 million at the end of the period is slightly above target at 77% of budget. Sale of water is up but remains comparable to the prior year and sewer service charges are lower than the prior year by \$14,000.

Expenditure Analysis

- Expenses in the fund are \$1.2 million and tracking \$80,000 higher than the prior year (net of capital outlay, debt service and transfers). Expenses are \$15,000 higher than prior year in the water division due to water & sewer rate study expenses; \$42,000 higher than prior year in the sewer division due to sewer clean out expenses; and \$23,000 higher than prior year in the wastewater division due to sludge disposal and treatment plant supply expenses.

Cash Balance

- The cash balance in the fund at the end of the month is \$1,457,412.

Solid Waste Fund**Revenue Analysis**

- Revenue for the Solid Waste Fund is slightly below target with revenue at \$985k or 73.6% of budget but is slightly higher than the prior year period collections of \$973k.

Expenditure Analysis

- Expenses in the fund at \$561k are below target with 63.1% of budget expended (net of capital outlay, debt service and transfers).

Cash Balance

- The cash balance in the Fund at the end of the month is \$142,195.

Electric Fund**Revenue Analysis**

- **Revenue** from energy sales at \$12.2 million is above target at 80.4% of budget.
- With an accrual of \$964k, expenses associated with the sale of energy for 9 months of the fiscal year will be \$8.8 mil and will be below budget (net of capital outlay, debt service and transfers). This is lower than the prior year period of \$9.0 mil primarily due to the VMEA Transmission Peak Shaving True-Up credit in September 2017 of \$544k which benefitted the fund's Cash Balance
- Cash in the Electric Fund at \$2,134,253 increased by \$416,286 from the prior month period. Cash is above minimum policy guideline of \$1.494 million by \$640,000.

Mayor Rabil asked if anyone had any questions or comments on the March 31, 2018 Financial Report.

Mayor Rabil asked if there were any further questions or comments; hearing none they moved forward with City Budget Amendment # 2018 – 12. There was a brief comment regarding the bad debt report format which changed.

FY 2017 – 2018 City & School Division Budget Amendment # 2018 – 12

Manager Martin presented the FY 2017 – 2018 City & School Division Budget Amendment # 2018 – 12 to Council.

Manager Martin summarized that the FY 2017 – 2018 City & School Division Budget Amendment # 2018 – 12 would:

1. Recognize additional grant revenues from the USDA, appropriate excess timber sales revenue as required grant matching and to appropriate funds for purchase of a police replacement vehicle;
2. Appropriate excess timber sales revenue for tree planting expense on 83 acres of City property;
3. Appropriate General Fund balance to cover the E911 generator expense; will be recovered when City incurs Energy Efficiency debt in FY19;

4. Recognize additional revenues from the Camp-Younts Foundation to the Franklin Police Department and appropriate such revenue for new uses; and
5. To authorize changes in the School's appropriations of State and local revenues and the associated changes to expenditures.

Mayor Rabil asked if there were any questions about the FY 2017 – 2018 City Budget Amendment # 2018 – 12. Hearing none, he asked for a motion.

Councilwoman Hilliard made the motion to approve the City Budget Amendment # 2018 – 11 as presented and Councilman Johnson seconded it.

The motion was approved 7 – 0 vote

FY 2017 – 2018 City CDBG Budget Amendment # 2018 – 13

Manager Martin summarized the FY 2017 – 2018 City Budget Amendment # 2018 – 13 to authorize transfer of Investor/Owner Housing line items for the Madison Street Neighborhood Revitalization CDBG Grant #16 – 07 (MY-2).

Mayor Rabil asked if there were any questions about the FY 2017 – 2018 City Budget Amendment # 2018 – 13.

Councilman Burgess asked a question about the average HOME funds received annually.

Director Goodwin estimated \$50,000 per year on average.

Councilman Burgess made the motion to approve FY 2017 – 2018 City Budget Amendment # 2018 – 13 as presented. Councilman Johnson seconded the motion.

Manager Martin recommended Councilman McLemore not vote on the motion to avoid a conflict of interest.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, ABSTAIN; Councilman Burgess, AYE; and Mayor Rabil, AYE.

Utility/EMS Billing Charge Off Report

Manager Martin advised Council of the two reports included in the agenda for recommended charge-offs for action. The first charge off request is for year 2011 utility accounts and includes a cover letter from the Treasurer. The total amount is \$284,037.05 which includes original charges of \$99,276.03 and accrued penalties for the balance of the total charge-offs. One account comprises a significant amount with a principal of \$62,365.17 and accumulated principal & interest totaling \$175,317.88. This was a former industrial customer that was located in the now demolished ST. Regis building on Armory Drive.

The second report includes outstanding amounts for unpaid EMS billings. These have accumulated for the most part since the new billing company took over billing responsibilities in the 2015 timeframe. The

City agent currently only does soft collections on these accounts. As discussed previously, City Management recommends the city more actively pursue collections going forward to improve revenue collections to offset costs to provide EMS services that are primarily borne by taxpayers. As also previously advised, these delinquencies are the responsibility of all users which includes non-residents and citizens who do not pay property taxes.

Manager Martin recognized Treasurer Babb to present the Utility charge offs. Ms. Babb reported that the largest write off is being done because the statute of limitations has been reached. She explained that she and Attorney Williams are discussing training a person in her office to pursue the judgment process. If we are able to have a customer make payment arrangements then it stops the statute of limitations from expiring.

Councilman Burgess asked how far behind was the customer that had the \$60,000 amount.

Treasurer Babb stated that she did not know exactly but it was several months and the last payment was in April of 2011.

Councilman Johnson asked if there was a tool in place to prevent this from occurring now.

Treasurer Babb answered that there is more open communication between Mrs. Johnson, the Utility Billing Supervisor and herself. They are monitoring the business accounts more closely.

Councilman McLemore asked if there was any policy to keep corporate accounts from getting behind in paying there utilities.

Treasurer Babb answered that currently there is not. Manager Martin stated that since 2011 this type of situation has not reoccurred. The Manager stated that the same policies apply to all accounts.

Mayor Rabil asked the desire of Council.

Vice-Mayor Cheatham made the motion to approve the recommended Utility charge offs of \$284,037.05 and Councilman Johnson seconded it.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, NAY; Councilman Burgess, AYE; and Mayor Rabil, AYE.

Manager Martin stated that Council needed to take action on the EMS charge offs. Manager Martin stated that Chief Holt was in attendance to answer any questions.

Councilman McLemore asked if the charge offs were just for the citizens of Franklin.

Manager Martin stated that these charge offs are for everyone whether they are from Franklin or not.

Councilman Cutchins asked if there are any judgments for these.

Manager Martin stated that this is a soft collection process currently and he is recommending that Council consider changing the method to improve collections for EMS charges in like manner to other fees and charges.

After discussion with Council members, Chief Holt and Manager Martin concerning the EMS charge offs, Mayor Rabil asked for the desire of Council.

Councilman Burgess made the motion to approve the recommended EMS charge offs of \$208,916.25 and Vice-Mayor Cheatham seconded it.

The motion was approved with a 7 – 0 vote.

GFOA Certificate of Achievement for Excellence in Financial Reporting

Manager Martin announced that the City's 2017 Comprehensive Annual Financial Report (CAFR) has qualified for and received its 6th consecutive annual Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. A copy of the certificate of award and the press release were included in the agenda package.

Manager Martin congratulated all parties that contributed to this outstanding achievement but specifically Interim Finance Director Tracy Gregory and the Finance Department staff.

OLD/NEW BUSINESS

EMS Ambulance Billing Fee Charges

Manager Martin recognized Chief Holt to present Ambulance Billing Fees to Council. Chief Holt asked for an ordinance modification to add a classification of service as Treatment-Without-Transport. Chief Holt explained that this would allow EMS to bill patients that we treat on the scene but are not transported to the hospital due to the patient's decision not to be transported. In order to pursue this new billing category the ambulance ordinance has to be amended. Chief Holt also suggested updating the existing bill rates to a more current rate that is comparable to rates being applied in our neighboring jurisdictions and consistent with Medicaid/Medicare reimbursement limits.

After Council members discussed in detail the changes to the EMS Ambulance billing fee charges, Mayor Rabil asked Council for desired action.

Councilman Burgess made the motion to amend §10 – 31 to include Treatment-Without-Transport and Vice-Mayor Cheatham seconded it.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, NAY; Councilman Burgess, AYE; and Mayor Rabil, AYE.

Councilman Burgess made the motion to amend §10 – 31 A & B to changes the fees to include:

Treatment-Without-Transport - \$ 380

Basic Life Support (BLS) – \$400

Advanced Life Support 1 (ALS1) - \$650

Advanced Life Support 2 (ALS2) - \$800

Fee of \$10.25 per mile from the location where pickup of the patient is made to the hospital or other institution where the patient is delivered (loaded miles).

Vice-Mayor Cheatham seconded the motion.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, NAY; Councilman Burgess, AYE; and Mayor Rabil, AYE.

The Chief also reviewed the recommendation to consider establishing a subscription fee like our neighboring jurisdictions of \$60.00 for example. After discussion, Council discussed staff and Management bringing back a specific proposal for consideration. The motion was made by Vice-Mayor Cheatham for Management to prepare a proposal for subscription fees for Council to consider. The motion was seconded by Councilman Johnson.

The vote was approved by a 7 – 0 vote.

Paramedic Pay Adjustment

Chief Holt addressed Council with an updated spreadsheet with the recommended salary adjustments that are necessary to prevent us from continuing to lose our personnel to neighboring jurisdictions. Chief Holt informed Council that we have lost four employees in the last 6 months. The City of Franklin lost a combined 30 years of service due to these losses. Chief Holt stated that the City of Franklin is being looked at as a training ground to get necessary experience to be recruited by neighboring jurisdictions because they are being paid more. The first step to address the problem is to increase Paramedic pay which is where the impact is being felt the most.

Council members, Chief Holt and Manager Martin discussed the options, budget implications and desired outcome of the pay adjustment.

(Councilman McLemore left the meeting briefly during the Chief's presentation returning before the action was taken.)

Councilman Johnson made the motion to approve the salary adjustment phase I for Paramedic pay rates and Councilman McLemore seconded it.

Councilman McLemore expressed his desire to approve the entire plan at this time. Councilman Burgess requested that the minutes reflect that no true source was identified for the funds necessary to fund the changes at this time.

The motion was approved by a 7 -0 vote.

Planning & Development Changes to Facilitate Economic Growth

Manager Martin recognized Community Development Director Donald Goodwin to advise Council on the request to set a joint Public Hearing with City Council and the Planning Commission to consider regulatory changes to facilitate economic growth.

Director Goodwin stated that the planning commission has been hard at work reviewing the provisions of the zoning ordinance since the 2015-2025 Comprehensive Plan was adopted by Council on August 10, 2015. The Commission goal is to insure that the City has the tools necessary to implement the Plan's recommendations and vision.

Director Goodwin advised Council that the Commission is proposing several text amendments to the zoning ordinance. A couple are housekeeping issues and a couple include new provisions that will help implement some of the recommendations as outlined in the comprehensive plan that will facilitate growth and affordable housing opportunities not only in the downtown but city wide.

1. Ordinance amendment to delete "Foster Homes" and add "Temporary Family Health Care Structure". *Foster Homes are regulated by the Department of Social Services and there should be no oversight by the planning commission or staff. Temporary Health Care Structures are to be allowed as a permitted accessory structure in accordance with § 15.2-2292.1 of the Code of Virginia.*
2. Ordinance amendment to define "Accessory Dwelling Unit"
3. Ordinance amendment to allow accessory dwelling units in all residential zoning districts.
4. Ordinance amendment to remove the requirement for a public hearing for a group home.
5. Ordinance amendment to create a new zoning district designation B-3A that will replace the current B-3 designation downtown. The new designation will keep all current B-3 businesses in the downtown conforming and will allow residential and mixed-use development.

Director Goodwin shared that the Planning Commission has expressed their willingness to move forward with formal action to set a public hearing to make recommendation on these ordinance amendments to Council for their consideration.

Director Goodwin gave a presentation concerning other potential planning and development regulatory changes to facilitate economic growth. After Council comments, Mayor Rabil asked Manager Martin to get some dates in the very near future. Council members expressed the need for urgency to improve the City's economic status; of particular need is to assess regulations that may be an impediment to growth. Councilman Burgess specifically asked about the status of the long planned Franklin Summit project. He stated the City desperately needs growth to fund needs like the Fire/EMS salaries. Councilman McLemore and Mayor Rabil echoed the need to expedite efforts.

School Board Terms & Appointments

Mayor Rabil asked City Attorney Williams to advise Council on the upcoming expiring School Board Terms and Appointments process. Attorney Williams reminded Council that the City Charter provides for a regular three-year rotation of 2-2-3 for either appointment or reappointment of School Board members.

Ward's 1 and 3 rotate together; Ward's 2 and 5 rotate together; and, Ward's 4 and 6 and the At-Large position all rotate together.

This year Council will consider appointments or reappointments for Ward's 4 (Marchelle Williams) and 6 (Robert Holt) and the At-large seat (Ronald Rusnak). All three incumbents are eligible for reappointment for another three year term. Attorney Williams suggested Council members make contact with these persons to determine if they will be seeking reappointment and remind them they must be nominated once again to be considered for reappointment. If the incumbent is not seeking reappointment or if someone wishes to nominate another person; please inform the person that he/she must be nominated at the public hearing on May 14 to be eligible to be considered.

Attorney Williams stated that Virginia Code 22.1-30 provides the following persons may not serve on the school board: no city officer or any deputy of a city officer; no member of city council; no employee of a school board may be appointed to serve as a member of the school board. The following persons related to any member of the City Council cannot serve on the school board: no father, mother, brother, sister, spouse, son, daughter, son-in-law, daughter-in-law, sister-in-law or brother-in-law, can be appointed.

Mayor Rabil asked for questions or comments on this matter, hearing none the meeting continued.

City Manager's Report

Manager Martin reminded Council to review the entire upcoming events calendar in the agenda. He specifically mentioned the FY 2018 – 2019 Proposed Budget Development schedule with the next work session being Monday, April 30th @ 6:00 p.m. in the Council Chambers. Mayor Rabil asked if there were any comments or questions.

2018 Employee Health Insurance Plan Renewal

Manager Martin recommended that the Council authorize renewal of the city's employee health insurance plan with The Local Choice as the same provider effective July 1, 2018. As Council is aware the City must commit by the end of April, so that coverage is uninterrupted. This allows time for the renewal process and open enrollment to occur during the May timeframe. Due to the amount of the premium increase being 30.8%, Manager Martin is compelled to recommend changes to the plan offerings and for the City to bear the brunt of the premium increase rather than place an undue burden on covered employees. Manager Martin recommended the city offer two plans with one being a new High Deductible Option (HDHP) that has a lower premium and a \$1,000 deductible option (Key Advantage 1000). For the \$1,000 deductible option, the City will continue to exceed minimum plan requirements for the employer paid monthly premium share for each employee and the threshold for dependent coverage in like manner to prior years. The City will likewise meet plan requirements for the new HDHP option. A Health Savings Plan (HSA) will be offered to support the HDHP option.

Manager Martin stated that these changes will help to some degree to contain the City's cost while minimizing the impact on the employee share of premium costs while offering the high deductible option that would help reduce overall costs for the City and employees for those that elect to use it.

After discussing, Mayor Rabil asked for Council action. Councilman Johnson made the motion to approve the City Manager's recommendation to renew the health plan with the current provider as recommended. The motion was seconded by Councilman Burgess.

The motion was approved with the vote as follows:

Councilman Johnson, AYE; Councilman Cutchins, ABSTAIN; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, ABSTAIN; Councilman Burgess, AYE; and Mayor Rabil, AYE.

Councilman Burgess commented that he would like to see the priority tracking template more frequently than on a quarterly basis. Mayor Rabil stated that he would discuss the schedule with Manager Martin.

COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS

Councilman Johnson reported that on Saturday, April 21, 2018, WTRJ had a job fair.

Mayor Rabil reported that he had attended a meeting with HRTAC and HRMFFA. He reported that the Cruise In began on Wednesday, April 18, 2018 and there were 125 cars that participated. He also reminded everyone that We B Jammin would be starting on Thursday, May 17, 2018 at Barretts Landing Park. The announcement for the Round 2 of the Start Up Downtown winners would be on Wednesday, May 9, 2018 at 5:30 p.m. The FSEDI Small Business Appreciation Cookout will be on Tuesday, May 8, 2018 from 5:00 p.m. – 8:00 p.m. at the Franklin/Southampton County Fairgrounds.

Closed Session

Councilman Burgess made the motion that the Franklin City Council meet in Closed Session to discuss appointments to boards and commissions pursuant to Virginia Code Section 2.2 – 3711 (A) (1). Vice-Mayor Cheatham seconded the motion.

The motion was approved by a 7 – 0 vote.

The Council entered into closed session at 10:25 p.m.

Mayor Rabil reconvened the open session at 10:32 p.m. and asked for a motion certifying the closed session.

Councilwoman Hilliard made a motion certifying that the only matters discussed during the closed session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened. The motion was seconded by Vice-Mayor Cheatham.

The motion was approved by a 7 – 0 vote.

Action # 1

Councilman Burgess made a motion to reappoint June Fleming to another full term on the Blackwater Regional Library Board representing the City. Councilwoman Hilliard seconded the motion and it was approved by a 7 – 0 vote.

Action # 2

Councilman Burgess made a motion to appoint the following persons to an Ad Hoc Advisory Committee on a potential Rental Housing Inspection Program subject to their willingness to serve: Raystine Johnson-

Ashburn, Mona Murphy, Mike Smith, Ernest Bowers, Phillip Page, Ellis Cofield, and Cheryl Vincent. The motion was seconded by Councilman Johnson and approved by a 6 – 0 (Councilman McLemore left the meeting without voting).

Adjournment

Vice-Mayor Cheatham made a motion to adjourn the meeting which was seconded by Councilman Johnson.

The motion was approved by a 6 – 0 vote (Councilman McLemore absent).

Mayor Rabil declared the meeting adjourned at 10:33 p.m.

These Minutes for the April 23, 2018 City Council Regular Meeting were adopted on the 14th day of May, 2018.

Mayor

Clerk to City Council

Franklin City Council
Called Meeting
April 30, 2018 – 6:00 p.m. – City Council Chambers

The Franklin City Council met in a Called Meeting on Monday, April 30, 2018 at 6 p.m. in the Council Chambers at City Hall located at 207 West Second Avenue. The purpose of the meeting was to conduct a work session on the proposed FY 2018 – 2019 budget for the City.

Council Members in Attendance: Frank Rabil, Mayor; Barry Cheatham, Vice-Mayor; Benny Burgess, Mary Hilliard, and Bobby Cutchins. Councilman Johnson arrived at 6:47 p.m. (Greg McLemore absent).

Others in Attendance: Randy Martin, City Manager; and Taylor Williams, City Attorney; Superintendent Tamara Sterling, Deputy Superintendent Kelvin Edwards.

School Board members in Attendance: Vice-Chairwoman Dr. Andrea Hall-Leonard and Amy Phillips.

Mayor Rabil called the work session to order and recognized City Manager Martin who have an overview of management's efforts to prepare a balance budget for FY 2018 -2019 for Council's consideration. The Manager advised that the deadline for advertising the required public hearing was approaching and the Manager desired further feedback from Council before finalizing the recommended budget proposal.

Manager Martin reported to Council that the Electric Fund & Airport Fund recommendations were finalized depending upon further Council feedback. These funds have been balanced pending any personnel action impacts for all funds.

Manager Martin advised Council that the Water & Sewer Fund was balanced but for finalizing capital outlay expenditures and pending any personnel actions impacting all funds. Likewise, the Solid Waste Fund was near completion dependent upon capital outlay expenditures and pending any personnel actions impacting all funds.

Regarding the General Fund, Manager Martin reported the fund remains out of balance the equivalent of at least one cent on the tax rate. This is the situation after cutting requests extensively and this is without any funding available to consider increased funding to the school division or increased cost for any salary increase for city employees. Manager Martin reminded Council that the tax rate as advertised for the public hearing and announced at the public hearing cannot be adjusted upward without re-advertising and holding another public hearing.

Manager Martin provided the following summary update on some of the major items impacting the FY 2018 – 2019 city budget:

1. The recommended budget includes no contingency appropriation.
2. The budget includes an estimated increase of \$321,000 in taxes resulting from the reassessment and new construction.

Franklin City Council
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3. The budget includes the changes to the employee health insurance plan with the City paying 24.7% of the 30.8% increase in premiums for individual employees covered. The employee share would increase 6.1% to cover the balance. Employees with dependent coverage would see a significant increase in their premiums as well. The general fund is estimated to see an increased cost of \$220,000 in the FY 2018 – 2019 budget.
4. The closure of Farm Fresh is estimated to have a significant impact on City revenues. Farm Fresh pays \$222,000 annually to the general fund and an additional \$200,000 to the electric fund. Management has not projected that all of the general fund impact would be a net loss. The budget projections for the affected revenue categories are estimated to lose \$64,000 directly related to this business closure in the General Fund. The enrie Electric Fund loss is projected.
5. The Virginia Retirement System (VRS) rate for the City’s matching retirement contribution is increasing effective July 1, 2018 by 1.1% which will increase the payment by \$68,000 in the general fund and \$18,000 in the other funds.
6. The City’s cost share for the mandated shared services with the County for Judicial services are increasing by \$117,000 in FY 2018 – 2019.
7. The City’s regional participation costs with the library system, the community college and the jail authority are requested to increase by a cumulative total of \$62,000. Otherwise, agency & organization funding is basically flat with the current fiscal year despite significant requested increases.
8. Based upon the actions taken by Council recently and recommended action to improve collection efforts, EMS fees are budgeted to increase by \$135,000, but the EMS salary adjustments also approved are expected to cost approximately \$110,000.
9. The proposed budget again uses estimated vacancy savings based upon historical data in the larger departments as a means of budget tightening.
10. On the positive impact side, the proposed budget does not have the alternating year cost of the biennial reassessment, but that cost will return in FY 2019 – 2020. The amount in this year’s budget for this item is \$57,000.
11. As discussed, the Country Club/Southampton County recreation item is recommended as \$-0- until the City and County have a chance to evaluate this year’s outcome through November, 2018. This cost in the current year budget is \$30,000.
12. Reduced capital outlay expenditures are listed throughout the recommendation.
13. Because of the estimated reduction in the unassigned fund balance available for appropriation at June 30, 2018, the proposed budget will only include a minimal amount. This will only be used as necessary to balance the budget. In the current year by comparison, the approved budget before amendments was funded at \$508,743.

After the Manager’s update, Council discussed the details and asked questions to which the Manager responded.

**Franklin City Council
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April 30, 2018 – 6:00 p.m. – City Council Chambers**

Council then reviewed the School Division priorities and the impact on the budget of funding all the top priorities requested and prioritized by the Superintendent at the joint work session on April 10, 2018. It was a consensus that the impact on the tax rate would be too high, so Council discussed considering funding for the first three priorities which funded two highest priority faculty positions and security personnel at each school. The requested funding for these items totaled \$170,000.

Mayor Rabil inquired of the School representatives present if there had been any changes in the priorities and the response was that there were no changes in priority.

Council next discussed the potential for a salary increase for city employees. Manager Martin informed the Council of the estimated cost to do either a 2% increase or 1% increase in salaries.

Council requested some information be included in the budget material on historical tax rate, revenue received, fund balance projections, etc. Manager Martin advised all the documentation would be in the proposed budget document when finalized for Council review. Council also requested the Manager email Council a summary of the major budgetary impact items shared at this work session.

After considerable debate, during which Council members expressed their concerns about considering any real estate tax rate increase, it was a consensus that the City Manager advertise a maximum increase of five cents per \$100.00 of property value for the public hearing. The City Manager thanked Council for their feedback and advised that he would finalize the proposed budget to meet the public hearing advertisement deadline then distribute the entire budget document upon completion. Manager Martin also reminded Council and others present that the proposed budget is the statutory obligation of the City Manager to prepare, but it is simply a recommendation. The Council must adopt a budget before fiscal year end and set final rates, fees and charges.

It was reported to Council that regarding the Shared Cost Recreation agreement approved in 2017 between the City, County and Country Club, the one year agreement does not expire until November, 2018. The members of the City/County Shared Services committee discussed how to handle this item in the budget. The County Administrator and the City Manager recommended that the Board of Supervisors and City Council defer consideration of renewal of the agreement for a second year until the results of the initial year are evaluated in late 2018. The consensus of Council was to follow this recommendation. It was noted by members that a plan to promote the use of the facility by City and County residents with results reported would be necessary before any consideration of renewing the agreement.

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ADJOURNMENT

Mayor Rabil then asked for a motion to adjourn. Vice-Mayor Cheatham made the motion to adjourn and Councilman Johnson seconded it. The motion was approved by a 6 – 0 vote (Councilman McLemore absent).

Mayor Rabil declared the meeting adjourned at 7:16 p.m.

These Minutes for the April 30, 2018 City Council Called Meeting were adopted on the 14th day of May, 2018.

Mayor

Clerk to City Council

PUBLIC HEARING

A. FY 2018-2019 Proposed City Budget

B. School Board Nominations for At-Large, Wards 4 & 6

C. Cover 3 Vehicle Personal Property Tax Exemption Request



PUBLIC HEARING – CITY OF FRANKLIN, VIRGINIA ON PROPOSED BUDGET AND TAX RATES For July 1, 2018 - June 30, 2019

Notice is hereby given that the proposed budget for the fiscal year beginning July 1, 2018 for the City of Franklin has been submitted to the City Council and is available for public inspection at the locations listed in this notice. Notice is hereby given that the Franklin City Council will hold a Public Hearing on the proposed July 1, 2018-June 30, 2019 Operating and Capital Improvement Budgets for City Funds at 7:00 p.m. on Monday, May 14, 2018 in the City Council Chambers of the City Hall Building located at 207 W. Second Avenue. Any citizen may appear at the aforesaid time and place to offer comments on the proposed budget.

The Proposed Fiscal Year (FY2018-2019) City budget for all operating and capital funds is recommended to be \$56,982,641 which is \$3,101,996 or 5.16% below the FY 2017 - 2018 budget as amended. The proposed General Fund budget of \$23,182,987 is \$1,086,015 or 4.5% lower than the FY 2017-2018 amended Budget including inter-fund transfers and a decrease of \$1,150,233 or 6.85% below the prior year budget as amended before inter-fund transfers. The decrease in the General Fund occurs despite an overall increase in personnel costs for employees (salaries, fringe benefits and health insurance). Additional revenue and expenditure increases and decreases are further detailed in the budget document and this notice.

The Electric Fund proposed budget of \$16,043,462 is an increase of \$637,676 or 4.14% above the FY 2017-2018 amended budget. This increase is primarily the result of a Dominion approved increase in the fuel surcharge which is collected from retail customers by the City and paid to Dominion as the wholesale electric power producer/supplier. This change became effective with the April, 2018 billings. Despite a projected 5.2% increase in Dominion Virginia Power's wholesale power rate charged to the City, no increase is proposed in the City's retail rate or the basic monthly charge.

The Franklin City Schools FY 2018-2019 Proposed Operating Fund of \$17,572,692 reflects an increase of \$170,000 above the City's 2017-2018 base appropriation to a total of \$5,207,395. In addition, the proposed City budget includes debt service requirements in the amount of \$730,084 for school related projects. The total FY 2018-2019 school related funding from the City's general fund, including debt payments and capital outlay, is \$5,937,479.

Section 27-47.1 Levy of Article II Real Estate Taxes of Chapter 27 TAXATION of the Franklin City Code.

Real Estate Tax – A 5 cent increase is proposed over the current rate to \$1.04 cents per \$100 (including public service corporations assessed by the State Corporation Commission).

Section 13.15 FEES FOR CITY COLLECTION OF GARBAGE, WASTE and OTHER REFUSE of the Franklin City Code.

Trash Collection Fees – The trash collection fee is recommended to remain unchanged for residential customers at \$38.00 per month. The commercial rate also remains unchanged.

Water & Sewer Rates – Water and sewer rates are recommended to remain unchanged.

Personal Property Tax Relief Rate – The Council shall set as part of the annual budget, and adopt pursuant to Virginia Code Section 58.1-3524, the rate of tax relief at such a level that is anticipated to fully exhaust PPTRA relief funds provided to the City by the Commonwealth. This proposed rate is based upon the action of the General Assembly to “cap” the amount of personal property tax relief that the State pays to localities.”

- Personal use vehicles valued at \$1,000 or less will be eligible for 100% tax relief;
- Personal use vehicles valued at \$1,001 to \$20,000 will be eligible for tax relief at a percentage of 50% (previously 50%);
- Personal use vehicles valued at \$20,001 or more shall be eligible for tax relief at 50% on the first \$20,000 of value and taxed fully on the balance of the value under this program (previously 50%).

Electric service rates – Retail rates remain unchanged as described above in this notice.

Downtown District Tax rate will remain the same.

No other city fees are proposed to be changed.

Notice is hereby given that the City Council shall consider adoption of an Ordinance to Set and Impose Tax Levies and Fees as follows:

| | FY 17 – 18 Adopted | FY 17 – 18 AMENDED | City Manager PROPOSED FY 18 - 19 | Variance Over Amended | Variance (%) | Variance Over Adopted | Variance (%) |
|-----------------------------------|-----------------------|-----------------------|---|-----------------------------|-----------------|-----------------------------|-----------------|
| General Fund | \$16,163,155 | \$16,798,347 | \$15,648,114 | (\$1,150,233) | -6.85% | -515,041 | -3.19% |
| Water & Sewer Fund | \$3,372,500 | \$3,372,500 | \$2,845,857 | (\$526,643) | -15.62% | -526,643 | -15.62% |
| Airport Fund | \$248,445 | \$2,089,689 | \$264,090 | (\$1,825,599) | -87.36% | 15,645 | 6.30% |
| Electric Fund | \$15,405,786 | \$15,405,786 | \$16,043,462 | \$637,676 | 4.14% | 637,676 | 4.14% |
| Solid Waste Fund | \$1,424,897 | \$1,424,897 | \$1,083,481 | (\$341,416) | -23.96% | -341,416 | -23.96% |
| Economic Dev. Fund | \$313,025 | \$313,025 | \$316,550 | \$3,525 | 1.13% | 3,525 | 1.13% |
| School Operating Fund | \$15,961,406 | \$16,552,090 | \$16,541,557 | (\$10,533) | -0.06% | 580,151 | 3.63% |
| School Cafeteria Fund | \$823,000 | \$823,000 | \$821,472 | (\$1,528) | -0.19% | -1,528 | -0.19% |
| School Textbook Fund | \$114,770 | \$114,770 | \$209,663 | \$94,893 | - | 94,893 | 82.68% |
| Social Services | \$1,797,143 | \$1,830,273 | \$1,875,334 | \$45,061 | 2.46% | 78,191 | 4.35% |
| Comprehensive Services | \$226,362 | \$226,362 | \$198,270 | (\$28,092) | -12.41% | -28,092 | -12.41% |
| School Debt Service | \$681,734 | \$681,734 | \$730,084 | \$48,350 | 7.09% | 48,350 | 7.09% |
| General Fund Debt Service | \$452,164 | \$452,164 | \$404,707 | (\$47,457) | -10.50% | -47,457 | -10.50% |
| TOTAL (PRIOR TO TRANSFERS) | \$56,984,387 | \$60,084,637 | \$56,982,641 | (\$3,101,996) | -5.16% | -1,746 | 0.00% |

| FY 18-19 Capital Improvement Budget by Fund | |
|---|--------------------|
| General Fund | \$2,473,532 |
| Solid Waste Fund | 230,000 |
| Water & Sewer Fund | 674,980 |
| Electric Fund | 2,860,000 |
| Airport Fund | 200,000 |
| Total CIP Expenditures | \$6,438,512 |

*Prior to General Fund Transfers

Copies of the complete budget and tax documents, and other fee changes are available for public inspection during normal business hours Monday through Friday at the following locations: City Manager's Office at 207 W. 2nd Avenue; M. L. King, Jr. Center; Ruth Camp Campbell Memorial Library; or on the City's website at: www.franklinva.com under Proposed Budget.

| Funding Source - FY18-19 Capital Improvement Budget | |
|--|---------------------|
| Cash: | |
| Donation | \$ 30,000 |
| General Fund Transfer | 343,960 |
| Solid Waste Fund Transfer | 230,000 |
| Water & Sewer Fund Transfer | 674,980 |
| Airport Fund Transfer | 200,000 |
| Electric Fund Transfer | 200,000 |
| Subtotal - City Cash | \$ 1,678,940 |
| Federal, State & Grant Funds | 450,000 |
| Subtotal - Cash (all sources) | \$ 2,128,940 |
| Debt Financing: | |
| Leases | \$ 380,000 |
| Energy Efficiency Debt | 2,429,572 |
| GO Debt - Electric | 1,500,000 |
| Subtotal - Debt Financing | \$ 4,309,572 |
| Total CIP Funding | \$ 6,438,512 |

IMPORTANT NOTICE:

The FY 2018-2019 City Operating Budget must be approved by the City Council prior to July 1, 2018. Prior to and following the aforementioned public hearing on the budget proposal, the City Council will conduct special work sessions as authorized by statutory authority. These meetings will be scheduled as prescribed by applicable laws regulating lawful meetings of public bodies in the Commonwealth of Virginia. The public hearing is to be held at a public facility to be accessible to persons with disabilities. Any persons with questions concerning the accessibility of the facility or those who have need for reasonable accommodations should contact Teresa Rose-McQuay at (757) 562-8508. Persons needing interpreter services for the deaf must notify Ms. McQuay at least seven (7) days in advance of the hearing.

Respectfully Submitted,
R. Randy Martin, City Manager



FY 2018 – 2019 CITY MANAGER RECOMMENDED BUDGET

PRESENTED MAY 14, 2018

FY 2018 – 2019 RECOMMENDED BUDGET & PRIOR YEAR COMPARISON(ALL FUNDS)

| | FY 17 – 18 Adopted | FY 17 – 18 AMENDED | City Manager PROPOSED FY 18 - 19 | Variance Over | Variance (%) | Variance Over | Variance (%) |
|---------------------------|-----------------------|-----------------------|---|------------------|-----------------|------------------|-----------------|
| | | | | Amended | | Adopted | |
| General Fund | \$16,163,155 | \$16,798,347 | \$15,648,114 | (\$1,150,233) | -6.85% | -515,041 | -3.19% |
| Water & Sewer Fund | \$3,372,500 | \$3,372,500 | \$2,845,857 | (\$526,643) | -15.62% | -526,643 | -15.62% |
| Airport Fund | \$248,445 | \$2,089,689 | \$264,090 | (\$1,825,599) | -87.36% | 15,645 | 6.30% |
| Electric Fund | \$15,405,786 | \$15,405,786 | \$16,043,462 | \$637,676 | 4.14% | 637,676 | 4.14% |
| Solid Waste Fund | \$1,424,897 | \$1,424,897 | \$1,083,481 | (\$341,416) | -23.96% | -341,416 | -23.96% |
| Economic Dev. Fund | \$313,025 | \$313,025 | \$316,550 | \$3,525 | 1.13% | 3,525 | 1.13% |
| School Operating Fund | \$15,961,406 | \$16,552,090 | \$16,541,557 | (\$10,533) | -0.06% | 580,151 | 3.63% |
| School Cafeteria Fund | \$823,000 | \$823,000 | \$821,472 | (\$1,528) | -0.19% | -1,528 | -0.19% |
| School Textbook Fund | \$114,770 | \$114,770 | \$209,663 | \$94,893 | - | 94,893 | 82.68% |
| Social Services | \$1,797,143 | \$1,830,273 | \$1,875,334 | \$45,061 | 2.46% | 78,191 | 4.35% |
| Comprehensive Services | \$226,362 | \$226,362 | \$198,270 | (\$28,092) | -12.41% | -28,092 | -12.41% |
| School Debt Service | \$681,734 | \$681,734 | \$730,084 | \$48,350 | 7.09% | 48,350 | 7.09% |
| General Fund Debt Service | \$452,164 | \$452,164 | \$404,707 | (\$47,457) | -10.50% | -47,457 | -10.50% |

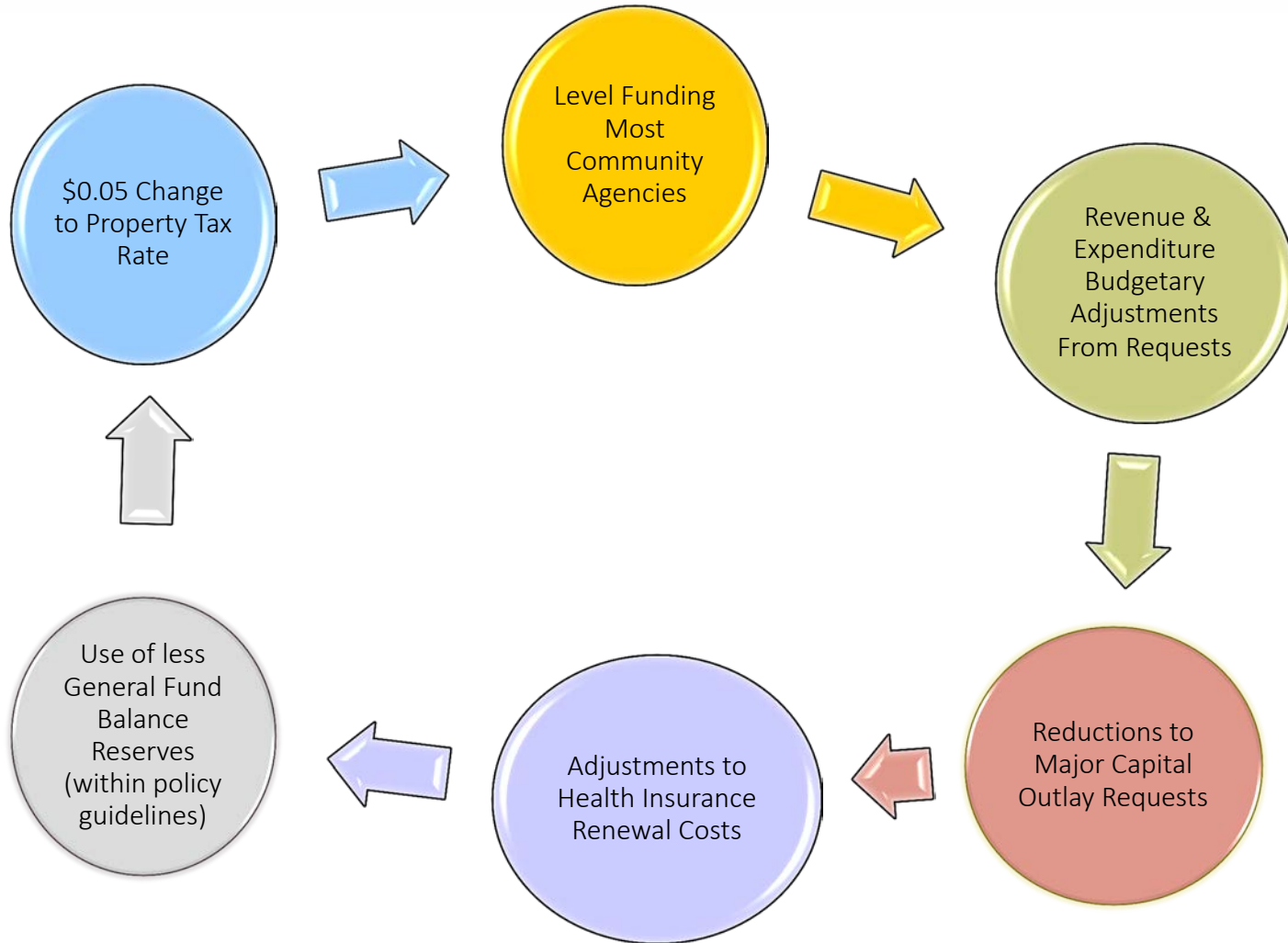


GENERAL FUNDS

**FY 2018-2019
CITY MANAGER
RECOMMENDED BUDGET**

Presented: May 14, 2018

FY 2018 – 2019 GENERAL FUND BUDGET UPDATE CLOSING THE GAP



FY 2018 - 2019 PRELIMINARY GENERAL FUND BUDGET REQUESTS

**Total GF Expenditure
Requests**

\$26,669,195



**Total GF Revenue
Projections**

\$23,406,480*

Variance – Expenditure Requests Over
Projected Revenue **(\$3,262,715)**

WHERE WE STARTED

*Excludes any Use of Prior Year Carryover

CLOSING THE BUDGET GAP

REVENUE INCREASES

| | | |
|--|----|-----------|
| Real Estate Taxes - \$0.05 Increase | \$ | 290,164 |
| Real Estate Taxes - Reevaluation | \$ | 321,000 |
| Ambulance Charges | \$ | 160,000 |
| Net Reduction in Fees - Loss of Farm Fresh | \$ | (64,000) |
| Charges for Admin Services-Cost Allocation | \$ | 238,909 |
| Shared Services Human Resources | \$ | 55,000 |
| Transfer from Enterprise Funds | \$ | 285,839 |
| Use of Unassigned Fund Balance | \$ | 56,015 |
| Total Revenue Increases * | \$ | 1,342,927 |

* A \$0.05 Increase in Real Estate Tax Rate is Proposed

CLOSING THE BUDGET GAP

PRIMARY EXPENDITURE ADJUSTMENTS

| Line Item Changes | Increases (Reductions) |
|---|------------------------|
| Transfer to Capital Improvement Plan | \$ (1,053,158) |
| Vacancy Savings | \$ (672,035) |
| Reduced Contributions to Community Organizations and Agencies | \$ (114,977) |
| Eliminated of 2.5 New Positions | \$ (99,877) |
| Reduced Hospitalization Expense | \$ (60,360) |
| Reduced Contingency Fund Request | \$ (50,000) |
| Reduced Requested Amount for Juvenile Detention Services | \$ (41,053) |
| Reduced Capital Outlay Requests | \$ (39,937) |
| Reduced Contractual Repairs | \$ (30,000) |
| Reduced Contribution to Shared Services - Parks & Rec | \$ (30,000) |
| Eliminated Expenses Related to Mosquito Control | \$ (24,000} |
| Reduced Maintenance Service Contracts | \$ (24,000} |
| Reduced Repairs and Maintenance | \$ (23,000} |
| Increase Local School Funding | \$ 170,000 |
| Increase in Salaries & Benefits Related to COLA | \$ 120,754 |
| Increase in Salaries & Benefits for EMS Paramedics | \$ 103,486 |
| Other Miscellaneous Adjustments to Balance (Net) | <u>\$ (51,631)</u> |
| Total Proposed Expenditure Reductions | \$ (1,919,788) |

GENERAL FUND – PERSONNEL COSTS

| Personnel Action | Cost |
|--|-------------------|
| Change in VRS rates | \$ 69,933 |
| COLA Increase in Salaries | \$ 120,754 |
| New Position Budgeted: .5 FTE | \$ 16,470 |
| City Share of Health Insurance Cost Increase | \$ <u>213,900</u> |
| Net Impact-Personnel Changes | \$ 421,057 |

CLOSING THE BUDGET GAP

**Expenditure
Adjustments**

(\$1,919,788)

**Revenue
Adjustments**

\$1,342,927



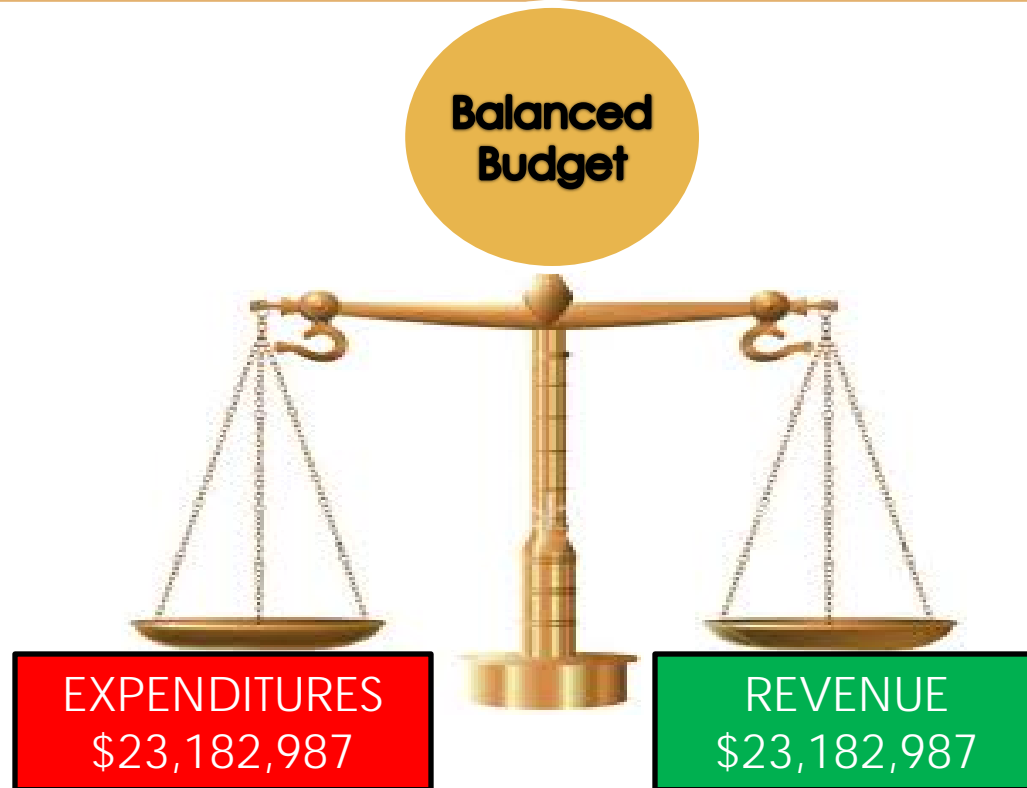
= \$3,262,715 in Total Adjustments

Variance of
Expenditures Over Revenue

\$0

WHERE WE ARE NOW

FY 2018 – 2019
CITY MANAGER
RECOMMENDED GENERAL FUND BUDGET



- Balanced Budget – Status Quo (excluding Capital Outlay).
- Proposed Budget (including transfers to Other Funds) decreased by \$1,086,015.
- A \$0.05 increase in the real estate tax rate is recommended.



ENTERPRISE FUNDS

- **Water & Sewer**
- **Solid Waste**
 - **Airport**
 - **Electric**

FY 2018-2019
CITY MANAGER
RECOMMENDED BUDGET

WATER & SEWER FUND



- ❑ Proposed budget increased from \$3.37 mil to \$3.52 mil.
 - ❑ Includes capital outlay funding for water/sewer system improvements particularly wastewater collection system maintenance.
 - ❑ Includes funding for city share of City/County Utility Study recommended next steps.
- ❑ No proposed change in Water & Sewer rates for FY 2018 - 2019
 - ❑ Last increase became effective July, 2016
(1st increase in 8 years prior)
 - ❑ City water and sewer rates remain below median statewide utility system rates

SOLID WASTE FUND



- Proposed budget - \$1.31 million:
 - A decrease of \$111k or 7.8% from FY 2017 – 2018 in operating costs

- No proposed change to solid waste collection rates

SOLID WASTE FUND



| Fiscal Year | Residential Rate | Net Change |
|------------------------|------------------|---------------------------|
| 06-07 | \$26.45 | |
| 07-08 | \$31.00 | \$4.55 |
| 08-09 | \$32.00 | \$1.00 |
| 09-10 (SPSA Increase) | \$46.36 | \$14.36 |
| 10-11 | \$46.36 | \$-0- |
| 11-12 | \$43.41 | (\$2.95) |
| 12-13 | \$42.24 | (\$1.17) |
| 13-14 | \$39.74 | (\$2.50) |
| 14-15 | \$39.74 | \$-0- |
| 15-16 | \$38.00 | (\$1.74) |
| 16-17 | \$38.00 | \$- 0 - |
| 17 - 18 | \$38.00 | \$ - 0 - |
| 18 - 19 Proposed | \$38.00 | \$ - 0 - |
| Net Change Since 10-11 | | \$(8.36) or 18% reduction |
| Net Change Since 06-07 | | \$11.55 or 43.6% increase |

AIRPORT FUND



- Proposed budget - \$464,090
 - Decrease of \$1,625,599 from FY 2017-2018
 - Master Plan Update capital project proposed for FY 2018-2019 in Capital Improvement Plan

- Reduced General Fund transfer from \$27,235 to \$25,515 for FY 2018–2019

ELECTRIC FUND



- ❑ Proposed budget - \$16,243,462
 - ❑ Increase of \$837,676 or 5.44% over FY 2017 - 2018
- ❑ \$313,715 increase in energy cost resulting from Dominion fuel adjustment rate increase of 244.2% effective April, 2018
- ❑ Other increases: \$131,323 increase in personnel costs, \$48,723 increase in meter purchases, \$132,513 increase in transfer to general fund for services per the cost allocation plan, \$200,000 transfer to Capital Fund and \$11,402 net increase in other expenses
- ❑ No proposed City rate increase for FY 2018 – 2019 despite projected Dominion wholesale rate inc. of 5.2%



OTHER CITY FUNDS

- **Economic Development**
- **Social Services**
- **School Fund**
- **Debt Service Funds**
- **Capital Improvement Fund**

**FY 2018 - 2019 CITY MANAGER
RECOMMENDED BUDGET**

ECONOMIC DEVELOPMENT



- ❑ Revenue & expenditures = \$316,550
 - ❑ An increase of \$3,525 or 1.1% for FY 2018-2019
 - ❑ City General Fund transfer increased by \$6,025 compared to FY 2017-2018.

SOCIAL SERVICES FUND



- ❑ Primary budget change:
 - ❑ City's local match requirement projected to increase by \$20,332 for FY 2018–2019 over FY 2017–2018
 - ❑ Net increase in total budget (all sources) from prior year is \$45,061 or 2.46% more.

| Revenue by Source | | | |
|--------------------------|--|-------------|-------|
| *State | | \$504,058 | 26.8% |
| Federal | | \$829,089 | 44.2% |
| Local City Appropriation | | \$517,766 | 27.6% |
| Cost Allocation | | \$24,421 | 1.4% |
| TOTAL | | \$1,875,334 | 100% |

SCHOOL FUND

BUDGETED FUNDS SUMMARY

| | 2018-2019 REQUESTED |
|-------------------------|------------------------|
| BY FUND: | |
| STATE OPERATING FUNDS | \$8,597,462 |
| CITY APPROPRIATIONS | \$5,729,200* |
| MISC LOCAL FUNDS | \$164,770 |
| FEDERAL OPERATING FUNDS | \$2,571,930 |
| CAFETERIA FUND | \$821,472 |
| TEXTBOOK FUND | \$209,663 |
| | \$18,094,497 |

*City Manager Recommended
School Fund Budget =
\$17,572,692*
Includes Local Base
Appropriation of \$5,207,395
Increase in Local Appropriation
of \$170,000

*Requested Budget Appropriations from the City per Interim Superintendent's Budget as Proposed to School Board (March, 2018)

FY 2018-2019 TAX SUPPORTED DEBT SERVICE FUND COMPARED TO FY 2017-2018 BUDGET *

| Fund | FY18-19** | FY 17-18 | Budget Variance FY 18-19 over FY 17-18 |
|--------------------------|--------------|--------------|--|
| General Debt | \$ 404,707 | \$ 452,164 | \$ (47,457) |
| School Debt | \$ 730,084 | \$ 681,734 | \$ 48,350 |
| Total Tax Supported Debt | \$ 1,134,791 | \$ 1,133,898 | \$ 893 |

*Totals include Administrative Cost

**Net budgetary impact for additional tax supported debt = \$893

FY18-19 ENTERPRISE FUND - DEBT SERVICE FUND COMPARED TO FY 2017-2018 BUDGET *

| Fund | FY18-19 | FY 17-18 | Budget Variance FY 18-19 over FY 17-18 |
|---------------|------------|-----------|--|
| Water & Sewer | \$ 366,053 | \$366,234 | \$(181) |
| Electric | \$ 329,797 | \$279,699 | \$50,098 |
| Solid Waste | \$ 6,448 | \$6,448 | \$0 |
| Total | \$702,298 | \$652,381 | \$49,917 |

* Totals include Administrative Cost



CAPITAL IMPROVEMENT BUDGET

- The total amount of capital projects that comprise the FY 2018-2019 recommended capital improvement budget is \$6,438,512.

| FY18-19 Capital Improvement Budget by Fund | |
|--|--------------------|
| General Fund | \$2,473,532 |
| Solid Waste Fund | 230,000 |
| Water & Sewer Fund | 674,980 |
| Electric Fund | 2,860,000 |
| Airport Fund | 200,000 |
| Total CIP Expenditures | \$6,438,512 |

| Funding Source - FY18-19 Capital Improvement Budget | |
|---|---------------------|
| Cash: | |
| Donation | \$ 30,000 |
| General Fund Transfer | 343,960 |
| Solid Waste Fund Transfer | 230,000 |
| Water & Sewer Fund Transfer | 674,980 |
| Airport Fund Transfer | 200,000 |
| Electric Fund Transfer | 200,000 |
| Subtotal - City Cash | \$ 1,678,940 |
| Federal, State & Grant Funds | 450,000 |
| Subtotal - Cash (all sources) | \$ 2,128,940 |
| Debt Financing: | |
| Leases | \$ 380,000 |
| Energy Efficiency Debt | 2,429,572 |
| GO Debt - Electric | 1,500,000 |
| Subtotal - Debt Financing | \$ 4,309,572 |
| Total CIP Funding | \$ 6,438,512 |

NOTICE OF PUBLIC HEARING FOR NOMINATION OF PERSONS TO THE FRANKLIN CITY SCHOOL BOARD

The Franklin City Council will conduct a Public Hearing at its regular meeting to be held on Monday, May 14, 2018 at 7:00 p.m. at the Franklin City Hall at 207 West Second Avenue, Franklin, Virginia 23851 for the purpose of considering individuals for nomination to the Franklin City School Board. Nominations of persons for the Ward 4 seat, the Ward 6 seat and the At-Large seat can be made to fill terms beginning July 1, 2018 and expiring June 30, 2021. Any person desiring to nominate individuals to serve on the Franklin City School Board should attend the Public Hearing date and make such nomination on May 14 as he or she desires. A resume may be presented to Council at that time. No nominee or applicant whose name has not been considered at this Public Hearing shall be appointed as a school board member. The public hearing is to be held at a public facility to be accessible to persons with disabilities. Any persons with questions concerning the accessibility of the facility or those who have need for reasonable accommodations should contact Teresa Rose-McQuay at (757) 562-8508. Persons needing interpreter services for the deaf must notify Mrs. McQuay at least seven (7) days in advance of the hearing.

Franklin City Council

R. Randy Martin, Clerk



*Office Of The City Attorney
H. Taylor Williams, IV*

April 18, 2018

Memorandum

From: H. Taylor Williams, IV, City Attorney

To: Members of the Franklin City Council

Re: School Board terms and appointments

It is the time of year I bring to your attention the need to consider appointments to the Franklin City School Board. You may recall that the City Charter provides for a regular three-year rotation of 2-2-3 for either appointment or reappointment of School Board members. Ward's 1 and 3 rotate together; Ward's 2 and 5 rotate together; and, Ward's 4 and 6 and the At-Large position all rotate together.

This year Council will consider appointments or reappointments for Ward's 4 (Marchelle Williams) and 6 (Robert Holt) and the At-large seat (Ronald Rusnak). All three incumbents are eligible for reappointment for another three year term. Please check with these persons to determine if they will be seeking reappointment and remind them they must be nominated once again to be considered for reappointment. If the incumbent is not seeking reappointment or if you wish to nominate another person please inform the person that he/she must be nominated at the public hearing on May 14 to be eligible to be considered.

Virginia Code 22.1-30 provides the following persons may not serve on the school board: no city officer or any deputy of a city officer; no member of city council; no employee of a school board may be appointed to serve as a member of the school board. The following persons related to any member of the City Council cannot serve on the school board: no father, mother, brother, sister, spouse, son, daughter, son-in-law, daughter-in-law, sister-in-law or brother-in-law, can be appointed.

I will be happy to answer any questions you have concerning the process for nomination and appointment of school board members.

H. Taylor Williams, IV
City Attorney



NOTICE OF PUBLIC HEARING

The Franklin City Council will conduct a Public Hearing at its regular meeting to be held on Monday, May 14, 2018, at 7:00 p.m. at the Franklin City Hall at 207 West Second Avenue, Franklin, Virginia 23851. The purpose of the public hearing will be to give the public an opportunity to be heard on the request of Cover 3 Football, Inc., d/b/a Cover 3 Foundation, a charitable and benevolent organization, to be exempt from the payment of personal property taxes to the City of Franklin on three motor vehicles pursuant to Virginia Code Section 58.1-3651. The motor vehicles requested to be exempted from personal property taxes, the assessed value of the motor vehicles and the property taxes assessed against the motor vehicles in 2017 are the following:

| Motor vehicle | 2017 assessed value | 2017 personal property taxes |
|--------------------|---------------------|------------------------------|
| 2010 Nissan Sentra | \$ 4,125 | \$ 185.63 |
| 2016 GMC Sierra | \$ 40,675 | \$ 1,830.38 |
| 2017 Ford Transit | \$ <u>22,050</u> | \$ <u>992.25</u> |
| Totals | \$ 66,850 | \$ 3,008.26 |

Any person desiring to express his or her views with respect to the adoption of an ordinance by City Council granting an exemption to Cover 3 Football, Inc., d/b/a Cover 3 Foundation, from the payment of personal property taxes should appear at the time and place referenced above.

The public hearing is to be held at a public facility to be accessible to persons with disabilities. Any persons with questions concerning the accessibility of the facility or those who have need for reasonable accommodations should contact Teresa Rose-McQuay at (757) 562-8508. Persons needing interpreter services for the deaf must notify Ms. McQuay at least seven (7) days in advance of the hearing.

Franklin City Council
R. Randy Martin, Clerk



Office of
THE COMMISSIONER OF THE REVENUE
P.O. Box 389
Franklin, Virginia 23851
(757) 562-8547
Fax (757) 569-0964

MEMORANDUM

TO: R. Randy Martin
City Manager

FROM: Brenda B. Rickman *Brenda B. Rickman*
Commissioner of the Revenue

DATE: March 12, 2018

SUBJECT: Personal Property Exemption for Cover 3 Foundation

I have received an Application for Local Determination of Exemption from Real Estate or Personal Property Taxation from Mr. Gregg Scott, Founder and CEO of Cover 3 Foundation, requesting personal property tax exemption. The organization is located at 125 South College Drive in Franklin.

They are asking for personal property tax exemption for the following vehicles:

2010 Nissan Sentra
2017 Ford Transit
2016 GMC Sierra

Prior to January 1, 2003, all property exemptions were granted by the General Assembly. However, the Code of Virginia has been changed giving this authority to the local governing body. A copy of the Code of Virginia title 58.1-3651 is attached for your convenience. According to the statute, any ordinance exempting property by designation shall be adopted only after holding a public hearing. Also the local governing body must publish notice of the hearing in the local newspaper at the organization's expense.

If I can be of further assistance in this matter, please let me know.

PC: Mr. H. Taylor Williams
City Attorney

Mr. Gregg Scott
Cover 3 Foundation

[View the 2016 Code of Virginia](#) | [View Previous Versions of the Code of Virginia](#)

2014 Virginia Code

Title 58.1 - Taxation

§ 58.1-3651. Property exempt from taxation by classification or designation by ordinance adopted by local governing body on or after January 1, 2003

Universal Citation: VA Code § 58.1-3651 (2014)

A. Pursuant to sub section 6 (a) (6) of Article X of the Constitution of Virginia, on and after January 1, 2003, any county, city, or town may by designation or classification exempt from real or personal property taxes, or both, by ordinance adopted by the local governing body, the real or personal property, or both, owned by a nonprofit organization that uses such property for religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes. The ordinance shall state the specific use on which the exemption is based, and continuance of the exemption shall be contingent on the continued use of the property in accordance with the purpose for which the organization is classified or designated. No exemption shall be provided to any organization that has any rule, regulation, policy, or practice that unlawfully discriminates on the basis of religious conviction, race, color, sex, or national origin.

B. Any ordinance exempting property by designation pursuant to subsection A shall be adopted only after holding a public hearing with respect thereto, at which citizens shall have an opportunity to be heard. The local governing body shall publish notice of the hearing once in a newspaper of general circulation in the county, city, or town where the real property is located. The notice shall include the assessed value of the real and tangible personal property for which an exemption is requested as well as the property taxes assessed against such property. The public hearing shall not be held until at least

five days after the notice is published in the newspaper. The local governing body shall collect the cost of publication from the organization requesting the property tax exemption. Before adopting any such ordinance the governing body shall consider the following questions:

1. Whether the organization is exempt from taxation pursuant to § 501(c) of the Internal Revenue Code of 1954;
2. Whether a current annual alcoholic beverage license for serving alcoholic beverages has been issued by the Virginia Alcoholic Beverage Control Board to such organization, for use on such property;
3. Whether any director, officer, or employee of the organization is paid compensation in excess of a reasonable allowance for salaries or other compensation for personal services which such director, officer, or employee actually renders;
4. Whether any part of the net earnings of such organization inures to the benefit of any individual, and whether any significant portion of the service provided by such organization is generated by funds received from donations, contributions, or local, state or federal grants. As used in this subsection, donations shall include the providing of personal services or the contribution of in-kind or other material services;
5. Whether the organization provides services for the common good of the public;
6. Whether a substantial part of the activities of the organization involves carrying on propaganda, or otherwise attempting to influence legislation and whether the organization participates in, or intervenes in, any political campaign on behalf of any candidate for public office;
7. The revenue impact to the locality and its taxpayers of exempting the property; and
8. Any other criteria, facts and circumstances that the governing body deems pertinent to the adoption of such ordinance.

C. Any ordinance exempting property by classification pursuant to subsection A shall be adopted only after holding a public hearing with respect thereto, at which citizens shall have an opportunity to be heard. The local governing body shall publish notice of the hearing once in a newspaper of general circulation in the county, city, or town. The

public hearing shall not be held until at least five days after the notice is published in the newspaper.

D. Exemptions of property from taxation under this article shall be strictly construed in accordance with Article X, Section 6 (f) of the Constitution of Virginia.

E. Nothing in this section or in any ordinance adopted pursuant to this section shall affect the validity of either a classification exemption or a designation exemption granted by the General Assembly prior to January 1, 2003, pursuant to Article 2 (§ 58.1-3606 et seq.), 3 (§ 58.1-3609 et seq.) or 4 (§ 58.1-3650 et seq.) of this chapter. An exemption granted pursuant to Article 4 (§ 58.1-3650 et seq.) of this chapter may be revoked in accordance with the provisions of § 58.1-3605.

2003, c. 1032; 2004, c. 557.

Disclaimer: These codes may not be the most recent version. Virginia may have more current or accurate information. We make no warranties or guarantees about the accuracy, completeness, or adequacy of the information contained on this site or the information linked to on the state site. Please check official sources.

FINANCE

A. FY 2017- 2018 City Budget Amendment # 2018 - 14

BUDGET AMENDMENT # 2018-14

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRANKLIN, VIRGINIA that the 2017-2018 City Budget is hereby amended to:

1. *appropriate Water & Sewer fund balance to cover emergency repairs (at Wastewater Treatment Plan); and*
2. *appropriate Economic Development fund balance for repairs (utilizing forfeited security deposits that were closed to fund balance in prior years).*

| | | 2017-2018 | AMENDED | INCREASE |
|------------|---|-----------|-----------|-----------------|
| | | BUDGET | BUDGET | (DECREASE) |
| 501 | <u>WATER & SEWER FUND</u> | | | |
| | REVENUE | | | |
| 41050-0300 | Use of Restricted Fund Balance | \$0 | \$60,000 | \$60,000 |
| | | | | \$60,000 |
| | EXPENSES | | | |
| 44120-8408 | Other Capital Expenses | \$100,000 | \$160,000 | \$60,000 |
| | | | | \$60,000 |
| 510 | <u>ECONOMIC DEVELOPMENT FUND</u> | | | |
| | REVENUE | | | |
| 41050-0300 | Use of Restricted Fund Balance | \$0 | \$6,500 | \$6,500 |
| | | | | \$6,500 |
| | EXPENDITURES | | | |
| 20010-3317 | Repairs & Maintenance | \$10,000 | \$16,500 | \$16,500 |
| | | | | \$6,500 |

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

Clerk to the City Council

OLD/NEW BUSINESS

- A. City Manager's Report • R. Randy Martin, City Manager**
1. Priority Tracking Report Update



*Office Of The City Manager
R. Randy Martin*

May 10, 2018

To: Mayor & Council Members
From: R. Randy Martin, City Manager
Subject: City Manager's Report for 5/14/18

The following items are topics to be included in the City Manager's report at the 5/14/18 Regular Meeting of the City Council:

- 1) For information, Jim Strozier, owner of Highground Services is coordinating an effort to get the brush cleared along the portion of the river behind his location off Mechanic Street. This is expected to improve the aesthetics and views in this location significantly.
- 2) Be reminded of the called meetings on the budget @ 6:00 p.m. on Monday, May 21st and Monday, June 4th in the Council Chambers.
- 3) The Council organizational meeting following the recent election, will be held on July 9, 2018 at the beginning of the regular Council meeting on that date.
- 4) Enclosed is the updated Council Priority report for your review.

Enclosure

City Council Priority Tracking Report (Section I)

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| GREEN - Moving Forward | YELLOW - Discussions Only | RED - No Progress | Complete |

| Category | Action Items | Dates | Designee (s) | Status Report | Code |
|----------------------|---|----------------|-----------------------------------|--|------|
| Economic Development | Regular Closed Session Project Updates to Council | 1/8/2018 | FSEDI | Next Report Scheduled 6/11/2018 | |
| Economic Development | Regional Coordination Prospects | 12/1/2017 | FSEDI | Regional strategies with shared services opportunities | |
| Economic Development | Hospital Health Clinic lease @ Martin Luther King, Jr Center | 11/13/2017 | City Attorney | Lease began 12/1/2017, clinic opened | |
| Economic Development | Upgrade airport facilities for all beneficiaries including Economic Development Enhancement | 12/30/2017 | City Staff | Airport runway & other facility improvements to enhance economic development use of the City Airport; grant funded primarily | |
| Economic Development | Isle of Wight Property Timber Cutting Project | 12/19/2017 | City Manager/City Attorney | clearing complete, final cleanup completed, reseeded complete | |
| Economic Development | StartUp Downtown grant funding 1st Round & 2nd Round donation funding secured | 12/1/2017 | FSEDI/DFA | Round 1 project complete. Round 2 proposals received for new downtown business; new grants announced 5/9/18 | |
| Economic Development | Motel Study Complete | 12/1/2017 | FSEDI | Study results indicate need; property sites identified; marketing phase underway | |
| Economic Development | Business Incubator graduations & repurposing/relocation into vacant building | FY 2016 - 2017 | FSEDI/City/Private Partners | City sold former Power Plant/Utility office building to Highground Services who graduated, renovated & relocated downtown | |
| Economic Development | Former skating rink site marketing | 12/11/2017 | FSEDI | Council approved contract, closing May, 2018 | |
| Economic Development | Develop Comprehensive Plan recommendations for 58 corridor; other development regulations changes to encourage growth | 12/1/2017 | Planning Commission/Council/Staff | Adopted corridor recommendations; Council Planning Commission Joint Meeting & Hearing planned June, 2018 | |
| Economic Development | Approve zoning ordinance changes for 58 corridor | 12/1/2017 | Planning Commission/Council/Staff | Adopted zoning ordinance revisions | |

City Council Priority Tracking Report (Section I)

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| Economic Development | DFA Main Street Evaluation & Visioning Process | 12/1/2017 | DFA Board/Public | Evaluation complete; recommendations received; DFA implementation underway; New Board appointments made | |
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| Economic Development | Regional Center Strategy | 12/1/2017 | FSEDI/City | Retail study completed; marketing strategy next step | |
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| Economic Development | Downtown Rebranding Effort | 12/1/2017 | City/FSEDI/DFA | Franklin Business Center rebranding & occupancy progress New logo developed; partners meeting to develop & implement strategy | |
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| Economic Development | 58 Corridor Enhancements | 12/1/2017 | City/County/FSEDI | Port Committee Study underway; 58 corridor VDOT committee meeting; South Street interchange grant application pending | |
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| Economic Development | Pretlow Park site readiness | 12/1/2017 | City/FSEDI | Providence Ag site improvements & infrastructure completed; assess/Plan for addressing site deficiencies; recruitment driven. Verizon & Charter Service improvements completed | |
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| Economic Development | Consider Work Session with DFA on Downtown priorities | 12/1/2017 | City/DFA | Council briefed by DFA Director in work session; DFA Board finalizing Main Street visioning strategies; suggest meeting after current process complete | |
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| Economic Development | Commercial Rehab Loan Program, StartUp & Economic Improvement Grants | 8/14/2017 | City Staff/Business Friendly/FSEDI | Council authorized use of restricted reserve funds to create loan pool & appointed committee to oversee; Loans approved; one closed May, 2018 | |
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| Education | Mayor/City Manager meet at least quarterly with School Division Peers to improve communications | 10/17/2017 | Mayor/City Manager | Next meeting of leadership 5/15/18; will invite Vice-Mayor & Vice-Chair to participate; strategic planning effort underway in school division; PDCCC discussion on dual enrollment progressing with community partners; Night of Stars event 5/10/18 | |
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| Education | City Financing for Improvements | FY 2015 - 2017 | Council/School Board | Facility & Technology upgrade utilizing VSPA & QZAB funding | |
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| Housing | Housing stock assessment; funding strategies; ordinance revisions; adopt & implement regulatory tools; participate in regional housing organizations | 12/1/2017 | Council/Staff/ Planning Commission | Year 1 complete & Year 2 Madison Street area CDBG project underway & HOME Program; Council considering ordinance actions/regulatory tools for derelict properties; Council recently appointed ad hoc committee on rental property inspections; FHRA owned housing stock rehabilitated. Hayden Project to add senior housing; assisted Village with memory unit project funding through IDA. | |
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City Council Priority Tracking Report (Section I)

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| Housing | Develop balanced Housing plan & strategy | 12/1/2017 | Council/Staff/ Planning Commission | Milennial housing alternatives not developed/pursued; mixed use zoning modifications adopted downtown, additional zoning changes before Planning Commission currently; historic preservation area guideline in place; multi-family projects pending still on hold by developers; Multi-year Comp Plan update completed; Joint Council/Planning Commission meeting planned for June, 2018 | |
| Housing | Marketing plan for existing housing stock | 12/1/2017 | Council/Staff | Reassessment completed; reassessment shows improvement of housing values after declining and flat trend in last 6 years; staff housing assessment completed for Comp Plan update | |
| Regionalism Partnerships | Regional Charter Communication Franchise renewal | 1/22/2018 | City & County Staff | Both City/County franchises expired for years; agreement approved City/County | |
| Regionalism Partnerships | Expand relationship with Isle of Wight | 12/1/2017 | City & County Staff/Management | Economic development joint efforts underway; ST Tissue project completed; utility collaboration opportunities being assessed; Skating Rink property site sale completed, April & May, 2018; Business will relocate there. | |
| Regionalism Partnerships | Continue/expand shared services opportunities with Southampton County | 1/8/2018 | City/County Staff & Committees | Utility study Asset Valuation finalized; next steps planning Implementation Committee appointment pending | |
| Regionalism Partnerships | Continue/expand shared services opportunities with regional partners | 1/24/2018 | Shared Services Committee | Meet Monthly, developing strategies for potential options to collaborate; latest possibilities are emergency communications | |
| Regionalism Partnerships | Continue/expand shared services opportunities with regional partners | 12/1/2017 | Regional Jail Authority | Financials improved, active Council member/Manager participation | |
| Regionalism Partnerships | Continue/expand shared services opportunities with Southampton County | 11/21/2017 | Committee & Staff | Parks & Recreation Services Agreement finalized; 2018 implementation planning underway w/County, CCCC; assess results of year 1 before year 2 considered. | |
| Regionalism Partnerships | Hampton Roads area initiatives | 12/1/2017 | Council/Staff | City & Southampton joined HRTPO as voting members | |
| Regionalism Partnerships | Hampton Roads area initiatives | 1/25/2018 | SPSA Reps/Council | City approved, entered into new SPSA Use & Support Agreement for long term waste disposal; collaborated with Southampton & IOW members | |
| Regionalism Partnerships | Hampton Roads area initiatives | 12/1/2017 | Council/Staff | City joined Reinvent Hampton Roads initiative & supported regional GO Virginia projects | |

City Council Priority Tracking Report (Section I)

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| Regionalism Partnerships | Hampton Roads area initiatives | 12/1/2017 | Council/Staff | Finalized Hayden Property transfer to SSSEVA for senior housing & services facility; project under construction; expect Fall, 2018 completion | |
| Regionalism Partnerships | Hampton Roads area initiatives | 12/1/2017 | City/County Staff | Leading 58 Corridor enhancement studies & initiatives; Port & VDOT, Southampton, IOW & Suffolk partners engaged; public meetings held | |
| Regionalism Partnerships | Hampton Roads area initiatives | 1/17/2018 | City/HRPDC | Hampton Roads Regional Stormwater Management Program 5 Year plan update complete. | |
| City Wide Infrastructure | Long range utility planning | 12/7/2017 | City Manager/Public Works | State Water Control Board approved renewal of 10-year Groundwater Withdrawal Permit; provides for growth opportunities; legislature extended up to 15 years | |
| City Wide Infrastructure | Long range utility planning | 12/30/2017 | City Manager/Public Works | DEQ Corrective Action Plan for Wastewater Treatment Plant Operations Submitted December, 2017; operational & facility improvement made to WWTP; additional improvements planned to maintain compliance | |
| City Wide Infrastructure | Long range utility planning | 1/8/2017 | City Staff/Public Works/Power & Light | Energy Efficiency project to reduce operating costs& address capital needs developed; Electric Meter Radio Read Project planned; water meter replacement project complete; finance Energy project in 2018 | |
| City Wide Infrastructure | Long range utility planning | 11/13/2017 | City Staff | City Bond Rating upgrade approved for financings that will lower financing costs; 2nd upgrade in three years | |
| City Wide Infrastructure | South Street Corridor beautification efforts | 12/1/2017 | City Staff | Drainage issues targeted & improved; delapidated buildings code enforcement efforts underway; US 58 interchange improvement project planned/grant application submitted; landscaping efforts privately funded/city maintenance @ interchange | |
| City Wide Infrastructure | Public Buildings/Schools Updating | 12/1/2017 | City/Schools | AED units installed in all buildings/staff trained in use. Borrowings completed to upgrade school facilities & technology | |
| City Wide Infrastructure | Public Buildings/Schools Updating | 11/13/2017 | City/SSSEVA | Hayden School Property Sale Finalized; renovation expected to be complete Fall, 2018 | |
| City Wide Infrastructure | Updated IT capabilities | 12/1/2017 | City Staff | New voice & data systems completed | |

City Council Priority Tracking Report (Section I)

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| City Wide Infrastructure | Updated IT capabilities | 12/1/2017 | City Staff | Website updated w/ new capabilities & enhanced public access; GIS upgraded including community wide addressing project; added YouTube of Council regular meetings. | |
| City Wide Infrastructure | Updated IT capabilities | 12/1/2017 | City Staff | Financial Management Software conversion underway; FY 2017 - 2018 completion target (75 - 80% complete) Schedule for final completion of remaining elements being finalized; Company is in process of updating software applications. | |
| City Wide Infrastructure | Updated IT capabilities | 12/1/2017 | City Staff | PEG Channel equipment upgrade completed; information update underway; used intern to complete; Charter Franchise renewal finalized | |
| City Wide Infrastructure | Updated Capabilities - Enhanced Cell Service | 12/1/2017 | City Staff/Verizon | Cell Tower lease approved on property off Fairview Drive; permitting process underway; BZA approved permit with condition. | |
| City Wide Infrastructure | IT Capabilities | 12/1/2017 | City Staff | Social Media platforms setup in several departments, in house development & updating; social media "run book " detailing staff responsibilities, compliance issues, etc. developed to regulate use | |
| Public Services | Study options for Grant Writing assistance (e.g. regional collaboration possibilities) | 12/1/2017 | City Staff & Partners | No progress on study item to date; no funding in budget for item | |
| Public Services | Study options for Grant Writing assistance (e.g. regional collaboration possibilities) | 12/1/2017 | City Staff & Partners | Community Development successfully competed for and received CDBG grant, emergency shelter grant w/ Emergency Management assist & Park acquisitions grant | |
| Public Services | Study options for Grant Writing assistance (e.g. regional collaboration possibilities) | 12/1/2017 | City Staff | Police & 911 Communication grant success for equipment has been very significant; collaborative effort with County; will evaluate further collaboration for emergency communications. | |
| Public Services | Study options for Grant Writing assistance (e.g. regional collaboration possibilities) | 12/1/2017 | City Staff | Airport Manager very successful in receipt of infrastructure grants with Federal; & State paying 98% of cost; master plan next priority for FY 2018 - 2019 | |
| Public Services | Customer Service/Diversity Awareness Training for all City Staff | 12/1/2017 | City Staff/Consultant | Training completed & procedure personnel policy updates implemented | |
| Public Services | Develop Key Staff succession Planning Strategy | 12/1/2017 | City Staff | Limited progress on this item; select departments only (i.e. Finance, DSS, Community Development & Utility Billing examples) | |

City Council Priority Tracking Report (Section I)

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|-----------------|---|-----------|-------------------------------|---|--|
| Public Services | Develop Manpower Plan for Public Safety | 12/1/2017 | City Staff | Progress in communications areas(Police Communications example) New Supervisor hired; salary adjustment plan in Fire/EMS developed & partially implemented. | |
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| Public Services | Updated Personnel Policies | 12/1/2017 | City Staff | Select policies evaluated & updated; entire manual update goal when new HR Director on board now that pending lawsuits settled | |
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| Public Services | Emergency Management/Preparedness Plan Updates & Enhancements | 12/1/2017 | Council/Staff | Multi-year Hazard Mitigation Plan update completed | |
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| Public Services | Emergency Management/Preparedness Plan Updates & Enhancements | 12/1/2017 | Council/Staff | Improved FEMA Flood Insurance Rating in process | |
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| Public Services | Emergency Management | 12/1/2017 | City Staff | City Fire Insurance Rating improved to lower insurance premiums | |
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| Public Services | Emergency Management | 12/1/2017 | City Staff | Community Development Department ISO Rating improved (which will help lower flood insurance premiums) | |
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| Public Services | Emergency Management | 12/1/2017 | City Staff | Emergency Shelter Generator Project underway; switch gear grant complete, approved for grant on generator funding | |
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| Public Services | Emergency Management | 12/1/2017 | Community Partners/City Staff | Community Development Department prepared approved grant application; State Conservation Grant received to acquire flood zone properties for recreation use which enhances FEMA ratings on flood insurance; IP property acquired, other parcels pending closing | |
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| Public Services | Transportation Project Priorities | 12/1/2017 | Council/City Staff | Note: Earlier comments on 58 Corridor; HRTPO membership status, HRTAC participation to establish regional funding priorities (voting members) | |
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| Public Services | Public Transportation options | 12/1/2017 | Council/City Staff | Council provided funding to enhance I-Ride program through SSEVA | |
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| Public Services | Public Transportation options | 12/1/2017 | Council/Staff | No progress on other options to date | |

Council/Citizen Directives/Issues Pending (Section II):

| Category | Action Items | Dates | Designee (s) | Status Report | Trend Code |
|--|---|---------------------------|--|--|------------|
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| | GREEN - Moving Forward | YELLOW - Discussions Only | | RED - No Progress | Complete |
| Council Directive | Draft Recognition Policy | 11/13/2017 | City Manager/Council Input | Draft Policy 11/27/17 agenda; Council acted to discontinue consideration of policy. Recent recognitions completed using traditional methods | |
| Citizen Time Requests | Two citizens requested Council consider Prayer on Regular Meeting Agendas | 11/13/2017 | City Attorney | City Attorney presented legal consideration report to Council in Closed Sess 12/11/17. | |
| Key Personnel Hiring Update | Status Report on designated positions vacant or filled with Interim | 1/8/2018 | City Manager | HR Director applications continue to be received & advertised again; Finance Director applications solicited & advertised again; Focus on these two priorities currently; Accounting Department Supervisor position filled internally w/ promotion; 2nd Finance position recently filled. 911 Communication Supervisor filled; Power & Light positions filled which ended contracted services; still using interims in remaining positions (AP, Parks & Rec); More detail in Closed Session update; filled DSS Director. | |
| Citizen Initiated Effort | Pauline C. Morton Historical Marker | 12/12/2017 | State Board of Historic Resources/City Staff | Local Citizen Group initiated effort to get a historical marker approved for location along College Drive in vicinity of the College & Library; city role to install sign project complete. | |
| Farm Lease Renewals | Seek RFP's & Renew Lease agreements on available designated properties | 1/8/2018 | City Attorney | Long term leases awarded to successful respondents for city owned farm leases (Pretlow & Fairview) | |
| Citizen Time Request & Business Friendly Committee | Street & Parking lot lighting concerns downtown and Armory Drive | 12/11/2017 | City Staff/Business Friendly Committee | Business Friendly Committee & City Staff met to review downtown lighting on 1/10/2018; follow-up meeting held; Community Development contactrd Armory Drive property owner follow-up. | |

Council/Citizen Directives/Issues Pending (Section II):

Council/Citizen Directives/Issues Pending (Section II):

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| Council Directive | Department Reports during Fiscal Year | FY 2017 - 2018 | City Manager/Dept Heads | City Manager scheduling department updates for Council & public periodically at regular meetings; meetings continue after budget cycle completed. | |
| Citizen Time Request | City actions/efforts/plans regarding Homeless population | 11/27/2017 | City Manager/Staff | Manager provided updates 12/11/2017 on city efforts and plans concerning homeless options with reports from affected departments & regional plans & participation | |
| Organization Request | City asked to consider tethering regulations | 9/16/2017 | Council/Staff | PETA organization requested Council adoption of regulatory authority restricting tethering of pets; Council considered at Retreat but no action taken or direction given on action | |
| Council Directive | Homestead Property Disposal/Use options | 9/16/2017 | Council/Staff | Council discussed potential uses/disposal options for now vacant Homestead property; recommendation is disposal; one organization has expressed interest in Camp home on property for historic preservation; follow-up pending | |
| Community Organization Request | Armory Park Playground upgrade project using primarily donated funds | 10/5/2017 | Community Partners/City Staff | Community Partners & City collaborated to complete Playground build of \$100,000 plus upgrade primarily in one day | |
| Council Directive | Courthouse Project | 1/9/2018 | Mayor/City Manager | Courthouse stakeholders met to discuss next steps/options for upgrading Courthouse in Courtland & incorporating City Courts into the facility; County Supervisors reviewing options | |
| Council Directive | Achieve compliance with Financial Policies in all Funds | 10/23/2017 | Council/City Manager/Staff | Fund balance in all funds now fully compliant with financial policies including for the first time in eight plus years the Electric Fund | |
| Staff Initiative w/ Council Support | Government Finance Officer Award recognition | 8/14/2017 | City Manager/Finance Staff | Achieved distinction of 6th consecutive award recognition for excellence in financial reporting. Prior to 2012, the City had not pursued or received this award | |

COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS