

May 5, 2008

A budget work session meeting of the Council of the City of Martinsville, Virginia, was held on May 5, 2008, in Council Chambers, Municipal Building, at 8:00 AM, to review the FY09 proposed budget with Mayor Kimble Reynolds, Jr. presiding. Council Members present included: Kimble Reynolds, Jr., Kathy Lawson, Ron Ferrill, and Gene Teague. Staff present included: Clarence Monday, City Manager, Leon Towarnicki, Brenda Prillaman, Eric Monday, Donna Odell, Wayne Knox, Robert Ramsey, Dennis Bowles, Kenneth Draper, John Dyches, Esther Artis, Kris Shrader, Iris Read, Steve Draper, Laura Hopkins and Ruth Easley.

The following budget items were then discussed:

City Manager Clarence Monday briefed Council on budget amendments which included revenue adjustments. He pointed out the proposed budget is balanced, but the amendments adjusted some of the figures. The proposed budget is conservative on the revenues as well as expenses.

Dr. Scott Kizner briefed Council on the school system's request for capital improvements funding. The main items included: the boiler replacement at Martinsville High School and Martinsville Middle school, tennis courts improvements at Martinsville High School, roof replacements at Patrick Henry, Martinsville High School and Middle School. Dr. Kizner pointed out the building improvements are investments in the future and these needs will not go away. He also asked Council's consideration for funding for the school's three-year old education program and its value to the early childhood education of each child. He noted that the city could pick back up the funding of the school resource officer and let that funding go toward the three-year old program. He requested that the city assist in re-doing the six tennis courts at the high school and make a decision as to what needs to be done with the two unused tennis courts which have become an eyesore. He also touched on technology issues and teacher salaries.

Human Resources Manager Iris Read reviewed the employee health insurance program with Council, highlighting the increased premium cost and the request for Council to increase the amount of the employer contribution toward the premium cost to \$251 for full-time active employees. She noted that the City is behind in comparison to surrounding jurisdictions in the amount of employer contributions toward the employee's cost. Mrs. Read then discussed the market study

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compensation proposal and the jurisdictions involved in the survey. She noted that the city's goal is to fairly compensate the approximate 250 full-time employees under the City Manager's jurisdiction, relative to similar positions in the market place, and to offer a competitive wage and benefits package that keeps turnover to a minimum. In addition to the general increase of 2%, the FY09 proposed budget requests Council consideration for \$200,000 for market adjustments.

Leon Towarnicki briefed Council on capital funding requests including the garage addition needed to service tall vehicles. He noted this would allow all the garage operations to be under one roof for the maintenance of approximately 500 vehicles and/or pieces of equipment including mowers, chain saws, air compressors, etc. Leon also explained the space modifications planned for the General District Clerk's office and the Circuit Court Clerk's office. Discussion on Police Academy property upgrades outlined cost of approximately \$21,000 to install fiber optic in the building and another \$15,000 for minor improvements. He noted the building will remain as a voting precinct and there is potential for uses by the City's Housing office as well as training space for Human Resources and computer training. The City Manager pointed out that a committee met and carefully studied each item to prioritize capital projects for recommendations requesting the \$1,121,584.

Sheriff Steve Draper made a brief announcement about May 4-10 being Correctional Officers Week and invited Council to dinners this week honoring the officers.

Dennis Bowles, Superintendent of Electric Operations, briefed Council on the proposed electric rate changes and how the rate was determined. Due to transmission charges, there was a \$1.1 million deficit in the FY09 budget and, therefore, the rates had to be adjusted. He explained the rates and comparisons to surrounding localities. He noted that once the hydro is back on line, about \$100,000 will be offset from hydro use. Dennis pointed out that only kilowatt hours used were adjusted and demand rates were not adjusted. The City Manager pointed out that the increased transmission costs drove the rate increase.

Regarding contributions to outside agencies, the City Manager noted one amendment which is a \$15,000 reduction in the request from Blue Ridge Regional

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Library. After discussion, Council asked that the following agencies be contacted to have a representative at the May 19, 2008 budget work session: Patrick Henry Community College (why such a large increase in this year's request); Boys & Girls Clubs (why the city funds the organization more than the county); Longwood Small Business Development Center/West Piedmont Business Development Center/EDC Small Business/Southside Business Technology Center (these four agencies are to clarify as to how they are working together and what does one organization provide that the others do not offer). There was discussion as to the original commitment made to Piedmont Arts Association and Gene Teague pointed out he believes it was a 10 year pledge to PAA for \$25,000 a year.

The Mayor announced that the public hearing for first reading on the proposed budget will be held on May 13 at 7:30pm. He also pointed out a second budget work session will be held on May 19 at 5:30pm and special Council meeting is to be held on May 20 at 5:30pm to hear a presentation from Southside Business Technology Center. The second reading on the budget is set for May 27 at 7:30pm. At the next budget work session, along with hearing from the outside agencies, the City's blight program will be discussed.

There being no further business, Mayor Reynolds adjourned the meeting at 11:10 AM.

Clarence C. Monday
Clerk of Council

Kimble Reynolds, Jr.
Mayor