

## June 4, 2020, 2019 Budget Work Session

A special meeting of the Council of the City of Martinsville, Virginia, was held on June 4, 2020, in Council Chambers, Municipal Building, at 6:00PM, to conduct a budget work session with Mayor Kathy Lawson presiding. Council Members present included Mayor Lawson, Vice Mayor Chad Martin, Council Member Jim Woods, Council Member Jennifer Bowles and Council Member Danny Turner. Staff present included City Manager Leon Towarnicki, City Attorney Eric Monday, Assistant Finance Director Mandy McGhee, and Finance Director Linda Conover

Mayor Lawson opened the Council meeting and City Manager Towarnicki provided a summary of the budget process to date, describing the budget presentation, and discussion/questions from the previous work sessions on May 27<sup>th</sup> and June 2<sup>nd</sup>. Following the summary, Mayor Lawson noted there are two issues outstanding at this point; whether to allocate the additional \$130,000 for schools based on the difference between the school's budget request and the recommended funding in the draft budget, and whether to keep or remove the proposed electric rate increase.

Following discussion on school funding and noting that a significant amount of CARES (Coronavirus Aid, Relief and Economic Security Act of 2020) funding is being allocated to schools and the fact that Council can always revisit the school funding issue if needed, there was a consensus among Council to leave school funding as presented in the proposed City FY21 Budget.

Regarding electric, City staff provided a revised electric budget with the increase removed and explained the impact will be to delay capital needs to the next fiscal year, and that may ultimately require a larger rate increase to cover capital needs. Several Council members commented that if increases are needed, smaller incremental increases are preferred giving citizens and businesses a better opportunity to adjust, rather than larger increases. After more discussion, a motion was made by Councilmember Woods, seconded by Vice-Mayor Martin to leave in the proposed budget, the requested 2.5% PCA rate increase. Councilmember Turner offered a substitute motion to leave the increase out and to direct staff to investigate selling the City's electric department, and that motion died from lack of a second. Council then voted and approved the original motion by a 4 – 1 vote, with Councilman Turner casting the dissenting vote.

There being no further business, the meeting adjourned at 6:30 pm.

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Karen Roberts, Clerk of Council

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Kathy Lawson, Mayor