

**WAYNESBORO, VIRGINIA**  
**CITY COUNCIL BUDGET WORK SESSION MINUTES**



Council for the City of Waynesboro held a Budget Work Session on Wednesday, April 12, 2017, at 9:00 a.m. in the Council Chambers of the Charles T. Yancey Municipal Building, 503 West Main Street, Waynesboro, Virginia, with Mayor Allen presiding and calling the meeting to order:

- PRESENT:**      Council Members:      Bruce Allen, Mayor  
    Terry Short, Jr., Vice Mayor  
    Jeff Freeman, Councilman  
    Pete Marks, Councilman  
    Elzena Anderson, Councilwoman
- City Staff:     Mike Hamp, City Manager  
    James Shaw, Deputy City Manager  
    Todd Patrick, City Attorney  
    Julia Bortle, Clerk of Council  
    Alisa King, Interim Finance Director  
    Stephanie Beverage, Treasurer  
    Don Coffey, Commissioner of the Revenue  
    Gary Critzer, Director EOC (11:12 a.m.)

**ABSENT:**     None

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**FISCAL YEAR 2018 BUDGET – ADD/DELETE LIST DEVELOPMENT:**

The purpose of this budget work session was to develop and add/delete list and for staff to receive direction and feedback from Council.

The Mayor summarized that Council directed staff to advertise a nine-cent tax increase with six cents directed to the high school renovation project reserve fund and one cent tax increase for the budget. Reasons for a higher rate than recommended by the City Manager include the cost of the school renovation project and Council’s priorities that are needed to provide a level of service to citizens while restricting their tax burden.

Council members provided their input on the Vice Mayor’s suggestion that Council have less reliance on outside revenue and to begin thinking about aggressively diversifying the economy in preparation for the pending reduction of meals and sales taxes revenues. The Mayor noted that in the past, the City has benefited from additional funds to maintain the service level. That same opportunity may not happen in the future and citizens will have to be prepared to see the tax rate increase.

The Vice Mayor reviewed his version of an add/delete list to get to \$383,600 worth of deletes and \$224,000 worth of adds, with a remainder of \$159,600 plus the additional \$.02, equating to the \$501,600 capacity to fund an Economic Opportunity Fund designed to stimulate economic activity with public investment thereby generating private growth in the community. He then reviewed his list of recommendations to discuss:

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*Grow Waynesboro Grant Program:* Recommended a \$60,000 investment to keep the program funded. The City invested \$72,500 (\$12,500 of City resources) in fiscal year 2016, \$70,000. Councilman Freeman asked for clarification on the rules or guidelines for presenting funding requests, and he wants to see the results of past program fund recipients.

*Police Officer Positions:* Recommended funding the two additional police position starting July 1, 2018 instead of funding one officer starting January, 2018, creating a capacity of \$58,000 and not funding two police officer positions. Councilman Freeman stated that Council needs to consider increasing police officer salaries, and funding four police officer positions may cut back on the large overtime expense and incentivize them to stay employed with the City. Councilwoman Anderson agreed with the need to increase officer salaries to incentivize them to stay with the City. Councilman Marks said that the two currently funded police officer positions are sufficient. Vice Mayor Short asked for a breakout of the department by position.

*Community Development Department Development and Accommodations - Planning Commission Administrative Position:* Recommended not funding the position. The City Manager stated the objectives of the newly formed Community Development position and eliminating funding for this position would undercut the ability of the combined department to provide adequate customer service. The Deputy City Manager added that if Council should decide not to fund the administrative assistant position, they may want to consider not combining Planning with Building and Zoning this year but instead look at splitting the Building Official and Zoning Administrator and adding a code enforcement officer.

A break was taken at 10:13 a.m.  
Meeting resumed at 10:17 a.m.

Mr. Shaw addressed Councilman Freeman's and Vice Mayor Short's requests from earlier.

The Vice Mayor continued with his recommended budget adjustments:

Approximately \$20,000 is budgeted for capital outlay costs for building renovations to create the Community Development Department. Vice Mayor Short recommended discussing this in nine months, but in the short time, the saving would create capacity in the budget. He supports the funding of a code enforcement officer and zoning administrator because those positions will work with customers face to face. After a discussion and with Vice Mayor Short disagreeing, it was the consensus of Council to combine the departments and proceed with the City Manager's recommendation.

*Gorsuch Building Maintenance:* Recommended deleting the replacement of carpeting at a cost of \$11,000 due to the cost of replacement of boiler and air conditioning units at the building. Because it contributes to the aesthetics and functioning of city property, it was the consensus of Council to retain this item in the budget.

*Stand-Alone EOC Building:* Recommended deleting the \$202,000 stand-alone Emergency Operations building and repeater facility. Vice Mayor Short would like to have a conversation about the value of replacing it in regards to previous discussions concerning the creation of a regional facility. The Mayor also asked about any recent conversation with Augusta County concerning a regional EOC facility. EOC Director Gary Critzer joined the meeting for clarification of the need for this equipment.

*Public Works GPS Equipment:* Recommended deleting the \$10,000 expense as another department has the equipment and it could be a shared resource. The Deputy City Manager clarified that this is to

replace and upgrade that shared resource. The City has an obligation under the MS4 permit to map the entire system within a set time and as this is upgraded equipment offering higher accuracy, it was kept in the budget.

*Contributions: Economic Development Contributions – Destination Downtown (formerly WDDI):* Vice Mayor Short asked for the purpose of a contribution request of an \$8,000 contribution to WDDI. The City Manager explained that Economic Development continues to work with Destination Downtown and this is a resource that would not draw from their department resources to fund programming and marketing if DD developed a legitimate request. The Deputy City Manager reviewed other donation requests. The Vice Mayor asked that staff present at a future council meeting an outline of how taxpayers benefit from the regional donations, specifically the Shenandoah Valley Partnership, and how they add value to the City.

*Blue Ridge Community College Annual Donation:* Six percent (6%) of their student population are Waynesboro residents, and he asked if the \$35,000 annual contribution is a required amount. The City Manager is researching this information. If it is not a required contribution, the Vice Mayor wants to have a conversation as to what value the contribution adds to the City. Likewise he asked if the Shenandoah Valley Regional Airport's contribution of more than \$40,000 annually is required and what benefit the City is getting from it.

*City Council Miscellaneous Expense of an additional \$1,800:* The City Manager is investigating this and will report back to Council.

*Historical Commission Request of Approximately \$7,000:* The Commission's request was to fund restoration work at the Old Presbyterian Cemetery (\$3,500), repair grave markers at Fairview Cemetery and Old Presbyterian Cemetery (\$2,000), purchase and install new signage at Fairview (\$800), and printing of brochures (\$1,000). The Vice Mayor requested funding the first initiative. It was recommended it be coordinated with Parks and Recreation.

*Phased Investment of Sunset Park:* Recommended including funds to be set aside for the development of Sunset Park, suggesting \$50,000 to account for signage and other features as an initial investment.

Councilman Marks recommended a tax rate increase of 8%, raising an additional \$170,000 that could fund items incrementally.

The Deputy City Manager confirmed the add/delete list as it is at this point: The majority of Council agreed that two new police officers would be funded in January; the administrative position, the Gorsuch Building carpeting, the repeater and the GPS equipment would stay in the budget. Added to the budget would be funding for the Historical Commission.

Councilwoman Anderson wanted to discuss the Wayne Theatre as part of the "Grow Waynesboro" funding, stating that the matter should be addressed with funding and/or a rewritten EDA Agreement. The Mayor stated that he supports the theatre but it should be privately funded. There is no binding agreement for the City to fund the theatre, therefore no rewritten agreement is necessary. Councilman Freeman stated that if things change, he is not opposed to discussing the matter with the Wayne Theatre Alliance (WTA) again. Councilman Marks stated that his position has not changed that the City should not allocate money to the theatre. The Vice Mayor stated that the WTA is asking for \$140,000 for five years, and they would then own the facility. He stated that the City should honor the commitment of the previous Council as past obligations are passed on to future councils all the time. He proposed that the City dedicate 2/10<sup>th</sup> of 1% of the meals and lodging revenue, not to exceed \$140,000 each year for five years. He would like to modify the agreement so that the funding goes away should any supplemental

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funding become available during that five-year period. The majority of Council maintained to keep the Wayne Theatre funding out of the budget.

*Communications/Public Relations Specialist Position:* The Vice Mayor stated that the School Division and City would benefit from and value the initiative to create a contact that manages the way the City communicates. A central position partnering with all divisions including the School Division would assist in establishing rapport with news outlets and maintain a social media presence. It was the consensus of Council to consider this request and discuss it again at the next budget work session.

*Tourism Information Center:* With an additional \$10,000 in expenditures, the Vice Mayor stated he would like to have a conversation in the future to discuss how the facility is operated and what it means to the City.

*Council Benefit Packages:* Currently the value of a council member's package is \$5,100 and \$6,100 for the Mayor. In addition, they have access to City health insurance at a cost of approximately \$8,000. If a Council member does not take advantage of the benefits, it creates inequality among Council members. The Vice Mayor proposes that Council members receive wages only, with an effective date to be determined. The Mayor would receive \$14,000 and the Council members would receive \$13,000 annually, creating an immediate savings of approximately \$1,000 to taxpayers. It was the consensus of Council that this should be done.

*Stabilization of Street Paving and Maintenance Program:* There is a recommended allocation of VDOT maintenance funds in the amount of \$326,000 for the traffic light at Delphine and Main Street. The Vice Mayor asked that staff consider options, including deferment, alternate forms of intersection configuration, or look for additional outside resources that could participate in it and the those funds toward the paving program. After staff looks into this suggestion, this matter will be discussed at a future meeting.

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The Deputy City Manager suggested Council discuss the topic of Parks and Recreation mowing public and private properties. He asked Council consider staff developing an ordinance requiring property owners to mow sections of public property that are adjacent to their property. This would be similar to the snow removal ordinance. The City Manager stated that urban maintenance funds could be applied to the mowing and maintenance of right of ways, but it would set the paving program back.

The City Manager stated that the Parks and Recreation Director suggested undertaking fundraising activity related to Sunset Park. It was the consensus of Council that the City Manager authorize him to pursue this initiative.

The Deputy City Manager reminded Council that although not a formal practice, when revenues are higher than expenditures, an option is to replenish reserves.

The Vice Mayor stated that the capacity to grow the economy is critical and the City needs something to work with that is different from the reserves that are set aside. He reiterated that he would like a new economic development reserve fund created to stimulate economic growth as guided by the Comprehensive Plan outcome.

The Mayor asked about the Treasurer's Office compensation due to the added responsibilities and the elimination of an employee in that department. The City Manager stated this would appear on the Add/Delete List.

The Vice Mayor asked about the \$390,000 additional funds requested by the School Division. When the City participated in allocating funds to the School Division for pay raises for school administration last year, the funding formula was broken. To do that each year as a reoccurring expense breaks the funding formula. Over the past five or eight years, local funding has increased upwards of 25%. He would welcome discussing this at a state level about what is happening to the state and federal funding. He would also welcome discussing the funding formula with the School Board.

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The next budget work session is scheduled for Wednesday, April 19, 2017 beginning at 5:00 p.m. in Council Chambers. With no further business to discuss, the meeting concluded at 12:37 p.m.

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Julia Bortle, CMC, Clerk of Council

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Bruce Allen, Mayor