

# WAYNESBORO, VIRGINIA

## CITY COUNCIL BUDGET WORK SESSION MINUTES



Council for the City of Waynesboro, Virginia held a Budget Work Session on Monday, April 6, 2020 at 6:00 p.m. via "Zoom" with staff in the Council Chambers of the Charles T. Yancey Municipal Building, 503 West Main Street, Waynesboro, Virginia and Council members participating remotely due to the Coronavirus COVID-19 pandemic and the Governor's limitation of social distancing:

PARTICIPANTS: Council Members: Terry Short, Jr., Mayor  
Bobby Henderson, Vice Mayor  
Bruce Allen, Council member  
Sam Hostetter, Council member  
Jeanie McCutcheon, Council member

City Staff: Mike Hamp, City Manager  
Jim Shaw, Deputy City Manager  
Cameron McCormick, Finance Director

City Attorney: Jordan Bowman, Litton & Sipe, LLC

### **CITY MANAGER'S FISCAL YEAR 2021 BUDGET PRESENTATION:**

The City Manager presented his fiscal year 2021 budget presentation to Council, stating that the objectives of the meeting are to identify the key features of the recommended budget, describe the City's current financial position, establish a baseline for the current and the fiscal year 2021 budget amendments that are necessitated by the Coronavirus pandemic, and summarize the economic and budgetary challenges. The Governor's emergency orders will have a negative impact on sales, lodging, and meals tax revenue. The budget increases by approximately \$1.4 million over the current year; there are no recommended tax rate increases or increases to license or permit fees and there are two recommended positions which are funded by non-local revenues.

The recommended budget includes the discussed prioritization of employee compensation over capital investment. Solutions to the current economic crisis may require reprioritization of reserves to operating needs. However, if reserves cannot be relied upon, any reduction in programs, services or departments will have an impact on service levels.

The organization's concern is the decrease in revenue of an unknown amount or duration, but the City's finances are healthy enough to assess the challenges being faced. Ordinarily the organization is focused on core services, but in a pandemic environment, the focus is on essential services of water, utility, public safety, public works, and infrastructure and facilities.

The Deputy City Manager provided a broad overview of the budget numbers (a copy of which is attached to the official transcript of these minutes, attachment 46-60) and noted the full City Manager's Budget can be found on the City's website. The review included:

- Council Budget Retreat priorities

- A 2.6% increase over the previous year's budget, mostly attributable to the high school renovation bond.

- General Fund major expenditure increases and decreases

Budget Work Session and City Manager's Budget Presentation  
Monday, April 6, 2020  
Adopted April 27, 2002

- General Fund major revenue increases
- Enterprise Fund rates:
  - No proposed increase in water rates
  - 1.5% proposed increase in sewer rate
  - Stormwater Utility Fee increase to \$4.58/ERU per month
  - \$1 per month increase to monthly refuse collection rates
- New positions funded:
  - Circuit Court Deputy Clerk (reimbursed from Court funds)
  - Fire Inspector, part time (funded by State Fire Board funds)
- Positions requested but not funded (25)
- General Fund revenue sources
- General Fund local revenue by type
- General Fund summary of expenditures by category
- General Fund uses by revenue
- Change in expenditures by category FY20 vs FY21
  - Wages and Benefits
  - Operating Expenditures
  - Non-Departmental Expenditures

Regarding employee wage increases, the Mayor asked when they would take effect. He was told it would be effective in January, 2021, both to wage adjustments based on the Wage and Compensation Study Phase I and Phase II as well as the 3% merit increase.

- Enterprise Fund:
  - Approximately 1.5% increase in residential sewer rates
  - Water Fund revenue
  - Stormwater revenue
  - Refuse expenses

The Finance Director reviewed the Capital Improvement Plan and issues related to the Fund Balance.

- Focuses on core services and services deemed as critical
- Services that have a grant match
- Sources of 2019 CAFR available for Council use
- Summary of reserves as of 2019 for estimated value in 2020

At the conclusion of the presentation, Council asked several questions. The Mayor suggested exploring deferring a pending payment to the Southern Corridor Reserve and asked about the Industrial Park environmental work proposed.

Mayor Short also asked about the possibility of producing a six-month budget until better information is available. The legal ramifications on the City budget and the School budget regarding City and State Codes, payment schedules on contracts with outside sources, debt service, cyclical revenues and expenditures, and program schedules would have to be reconfigured.

In response to Councilman Allen's inquiry about a budget based on lower revenues and increasing it if the economy improves versus a budget based on higher revenues and having to decrease it if necessary, and the City Attorney explained the requirements for both, stating it's easier legally to decrease the budget than to increase it.

**UPCOMING MEETINGS:**

Council consensus was to schedule a budget work session for 6:00 p.m. followed by a Regular Business Meeting on Monday, April 27, 2020, with budget-related public hearings scheduled for Thursday, May 7, 2020 beginning at 7:00 p.m. Advertisements for the public hearings will be published on April 30, 2020.

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Julia Bortle, MMC, Clerk of Council

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Terry R. Short, Jr., Mayor

# City Manager's FY2021 Proposed Budget

April 6, 2020

