

WAYNESBORO, VIRGINIA

CITY COUNCIL BUDGET WORK SESSION MINUTES



Council for the City of Waynesboro, Virginia held a Budget Work Session on Tuesday, April 6, 2021 at 6:00 p.m. via “Zoom” with Council members participating remotely due to the Coronavirus COVID-19 pandemic and the Governor’s Executive Order on social distancing:

PRESENT: Council Members: Bobby Henderson, Mayor
Lana Williams, Vice Mayor
Bruce Allen, Council member
Terry Short, Jr., Council member
Sam Hostetter, Council member

City Staff: Mike Hamp, City Manager
Jim Shaw, Deputy City Manager
Julia Bortle, Clerk of Council
Cameron McCormick, Finance Director

ABSENT: None

This work session focused on the fiscal year 2021 Capital Investment Program and a review of the various Enterprise Funds, next steps, and any questions from Council.

Capital Investment Program

The Finance Director reviewed how the Capital Investment Program works and then reviewed the projects and the associated revenue sources. Notable omissions are the take-home car program for Police, Sunset Park, Basic City Soccer Complex, remaining funding for the Southern Corridor, Economic Development Stormwater Project, and funding for an economic development environmental study. Council member Short asked for opinions on incurring debt of \$4 million to accomplish the Fire Station and Sunset Park projects, using the \$944,000 reserve to pay four years of debt payment. That would accomplish Council-prioritized capital projects at current interest rates and avoid increased costs. Council member Allen and Vice Mayor Williams were against incurring that debt with unknown costs for future projects. Mayor Henderson agreed with Council member Short, stating that Sunset Park would be an economic incentive for tourism and taxpayers. Council member Hostetter questioned what projects will be required and the impact on a \$4 million debt. The Deputy City Manager stated that staff can develop information regarding borrowings for known and possible future projects, including the second phase of the high school renovation, the industrial park property, and a bond refinancing, along with smaller projects that could be added that take advantage of the expense of the borrowing.

Enterprise Funds

The Deputy City Manager reviewed Enterprise Funds, including water, sewer, stormwater, and refuse. They are self-supporting and self-balancing funds, with each supported by fees rather than tax dollars. The total annual economic activity of the funds is approximately \$13.5 million. Rate studies are conducted annually to evaluate the overall financial position of the funds, and regulatory compliance is a driving influence in the cost of operating these funds. He reviewed the Enterprise Fund proposed rates, including:

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- No proposed increase in water rates
- 3.0% proposed increase in sewer rates
- Stormwater Utility Fee to increase to \$4.56/ERU per month
- \$1.50 per month proposed increase in monthly refuse collection rates

The Finance Director reviewed the Landfill funding strategy to pay for the City's portion of projects, including construction of Phase V, a nine-acre site, and site improvements regarding the scale house for weighing commercial customers.

Discussion

Council member Allen asked if staff knew of grant money available for enterprise fund projects. The Deputy City Manager noted opportunities that included a revolving loan program available for pollution control in combination with state grants, and smaller grants through the Department of Health.

Council member Hostetter asked about the Department of Environment Quality in relation to the South River Preserve Project, and Mr. Shaw stated he would speak with Public Works regarding the City projects and available grant funds.

Next Steps

Council will hold public hearings on Monday, April 26, 2021 regarding the tax rates, utility rates, cemetery rates, and the overall fiscal year 2021 Budget at the Waynesboro High School Auditorium. Council agreed to hold a budget work session on Monday, April 19, 2021. A budget work session is scheduled for Wednesday, April 28, 2021 if Council wants to continue the discussion on the Budget.

With no further items to discuss, the budget work session was adjourned at 7:27 p.m.

Julia Bortle, MMC, Clerk of Council

Bobby Henderson, Mayor