

April 20, 2021
City Council Budget Work Session

MINUTES OF THE VIRTUAL BUDGET WORK SESSION OF HOPEWELL CITY COUNCIL
HELD APRIL 20, 2021

An electronic meeting of the City Council of the City of Hopewell, Virginia was held on Tuesday, April 20, 2021 at 6:30 p.m.

Mayor Patience Bennett opened the meeting with a welcome to everyone, and requested a roll call.

PRESENT: Patience A. Bennett, Mayor, Ward 7
 John B. Partin, Vice Mayor, Ward 3
 Deborah Randolph, Councilor, Ward 1
 Arlene Holloway, Councilor, Ward 2
 Jasmine E. Gore, Councilor, Ward 4
 Janice B. Denton, Councilor, Ward 5
 Brenda S. Pelham, Councilor, Ward 6

 Mr. John M. Altman, City Manager
 Mr. Charles E. Dane, Assistant City Manager
 Ms. Sandra R. Robinson, City Attorney
 Ms. Mollie P. Bess, Acting City Clerk

The prayer was offered by Mr. Charles Dane, followed by the Pledge of Allegiance to the Flag of the United States of America, led by Councilor Holloway.

Mayor Bennett requested the motion to accept or adopt the work session agenda. Motion was made by Vice Mayor Partin to accept the work session agenda, and was seconded by Councilor Denton. There was no discussion. The Mayor requested a roll call, and the vote resulted:

ROLL CALL:	Councilor Randolph	-	yes
	Councilor Holloway	-	yes
	Vice Mayor Partin	-	yes
	Councilor Gore	-	yes
	Councilor Denton	-	yes
	Councilor Pelham	-	yes
	Mayor Bennett	-	yes

Motion passed 7-0

Mayor Bennett turned the floor over to Mr. John Altman, City Manager, who presented the Proposed FY22 Budget and Expenditure and the CIP Overview for discussion with Council. He stated that these were the same items that were discussed at the previous meeting: Operating and CAP budgets combined, \$180,848,289.00, as increase of \$8.8 million over FY21. Operating fund (where we work out of), \$54,328,648.00, an increase of \$1.7 million over FY21. The budget is not using any fund balance to balance the budget and there is no tax readjustments. At the last meeting, Council addressed health care issues on behalf of employees; this increase was absorbed by the City. Not taking on any new projects or debts, and met with [Hopewell Public] Schools to discuss their needs.

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The proposed tax rates for FY22 are as follows:

Real estate: \$1.13 per \$100 assessed value
Personal property: \$3.50 per \$100 assessed value
Machine & tools: \$3.05 per \$100 assessed value
Meals: 6.0% (unchanged)

Note: The American Rescue Plan Act does not allow reduction in tax rates; it does not want the City to reduce our tax rates to create a need for funding, but to be able to use those dollars to offset our potential losses, but not losses due to reduction in our tax rates.

The Revenue Committee had a virtual meeting and created a breakdown of all proposed revenue funds, as displayed in Mr. Altman's PowerPoint presentation. He also displayed the breakdown of the general fund for FY22 in comparison to FY21's general funding. He noted that there was some growth in FY22 general budget.

Mr. Altman presented the expenditure side of the budget. This displayed all fund expenditure budgets versus what was seen on the revenue side. This shows the dollar change in each departmental budget as compared to FY21. No changes were made in the Council budget. No reductions in anything that was done last year. The Clerk's budget will be discussed later with notable changes. Overall, a 3% increase in the general operating fund budget.

He thanked Council for the health care decision; the City's premium increased by \$53,334.00 as opposed to \$110,000.00.

The budget includes the 5% cost of living for Comp Board positions, Constitutional Offices and DSS (this was approved by the State).

Mr. Altman stated that he wanted to discuss the Class & Comp Study for this year for both full and part time positions.

A point of information was announced by Councilor Gore. She wanted to know if Council was going to wait until the end the presentation to ask question or ask in between, as she observed three raised hands. Mayor Bennett asked for Council to say with either "yea" or "nay" if they wish to ask questions during the presentation or wait until the work session is over and then ask their questions.

After mutual agreement to ask questions during the presentation, Mayor Gore stated that the Comp & Class study was done three or four years ago and there were some components that Council had directed to staff that weren't done, and she asked why was the Class & Comp study being ditched instead of looking at the areas that need to be improved on.

Mr. Altman responded that the study was done before his arrival in 2018. Because of the dates and times on its market competitive ability, that was one of the reasons to look at where the City was in the market today. At least one adjustment was made to the police department side of the public safety pay scale. From a market prospective, Mr. Altman felt that it was time to have another look at the market again. As far as he is aware, staff has implemented all the phases of the plan that they had that was presented and approved. He doesn't know what other components or adjustments that Council had directed staff to implement or look at beyond that aspect.

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Councilor Gore discussed the request of a quote on the Performance Employee satisfaction survey. She also asked about the changes that were made but not updated in the HR policy. Mr. Altman stated that the Class & Comp study had moved away from the use of grades and steps to using pay bands, which made things difficult. So, with this Class & Comp study, the use of the grades and steps have returned. Pay bands do not account for time and service. This is another reason to look at our Class & Comp to review how the pay scale is being done. Also, he addressed the need to review the part-time scale which has not been addressed in over ten years.

Councilor Pelham asked Mr. Altman how often are comp studies performed. Mr. Altman said that it's between a 3 and 5 year range, to look at where the City is every 3 to 5 years, and to get a feel for what's going on in the market.

Referring back to the General Fund slide, Councilor Pelham asked how staff can determine that the City will have an \$8.8 million increase in revenue when the CAFR from 2018 hasn't been completed. Mr. Altman explained that revenue projections are not based on what happened last year or the year before. The staff follows the trend – what revenues the City had over the past year. He also talked about revenue from real estate, M & T, other funds that build into the \$8.8 million, such as our enterprise fund at Wastewater (with federal and state dollars). Currently, Wastewater is producing an additional \$10 million in additional revenue, anticipating \$12 million more this year from leachate money (dirty water from landfills). Vice Mayor Partin added that this money will be given to the plant to fund the capital program where it should be currently to catch up on all of the deferred maintenance from projects that haven't been completed since 2016. The City doesn't have to come out of pocket to pay for those projects.

Councilor Pelham had no further questions at the moment; Mayor Bennett gave the floor to Councilor Randolph.

Councilor Randolph asked why the City lost 4 police officers, asking if they left because of salary issues or other things. Mr. Altman stated that salary was a factor in the departures. Councilor Randolph then asked how much the Class & Comp study will cost the City. Mr. Altman replied that it will be about \$100,000. Councilor Randolph asked if this money will derive from putting it in the budget, and she has already looked at that amount coming out. Mr. Altman answered affirmatively, adding that this was one of his decision points. Councilor Randolph asked if we are trying to work together regionally, then how is that going to impact us if we all do Class & Comp studies but use different people. Mr. Altman agreed; part of this is coming out of the realization of what Prince George County is proposing (putting \$750,000 of their budget towards public safety salaries); the City will need to look at things from a different perspective.

Councilor Randolph then asked to hear comments regarding the Wastewater Commission's meeting for the leachate money, to get thoughts from the plants about utilizing that money and not getting reimbursed, and she informed Councilor Pelham that in the banking world, it averages about every five years unless there's a huge economic indicator that changes anything with the economics of the country or the region. Thirdly, she wished to discuss the Class & Comp study; has Prince George done a study or just doing the police salaries. Mr. Altman's response was that Prince George heavily investing in fire, EMS and police salaries and their other employees were getting a 2% COLA increase.

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Councilor Randolph had no further questions or comments; she and Mayor Bennett thanked him for his information.

Mr. Altman and Mayor Bennett gave the floor to Vice Mayor Partin, Chair of the Wastewater Commission, regarding the leachate money and the meeting today.

Vice Mayor Partin asked if there was anything specific that Council wanted to know about the meeting, or he can give a brief overview.

Mayor Bennett advised Vice Mayor Partin that he can place the discussion of the leachate in the regular meeting agenda and bring that information back to Council then, but he can discuss the subject now at this time for informational purposes. Vice Mayor Partin expressed his flexibility of discussing the subject whenever is at the pleasure of Council. Mayor Bennett directed Vice Mayor Partin to address and answer Councilor Randolph's query.

Councilor Randolph's question referred to an earlier statement in which Vice Mayor Partin stated that the leachate money was being put back into the plant to catch up on all deferred maintenance from incomplete projects. She asked if the City was at that point where the plant has been brought up to date with their maintenance projects, and has the plant given any indication that they are on board with that. Vice Mayor Partin explained that in 2019, the idea of using leachate to generate revenue was not given a "warm welcome" at first, but as time progressed, the idea was resurfaced more often. There was a need for capital improvements at the wastewater plant because of its age, and of inadequate things that need upgrading. It really comes to light when the leachate increases to such an extent that a robust capital program could be put together. The leachate money from this year can be applied to next year's capital budget and in this way, neither the plants nor the City are paying out of pocket. The revenue being used is that which he plant itself generated. Applying that revenue back into the plant will hopefully reduce operating costs and keep the plant running efficiently.

Councilor Randolph thanked Vice Mayor Partin for his input.

Vice Mayor Partin asked Mr. Altman if there was a way to have localities chip in money to fund a class and compensation study for public safety officers, or if that is not feasible, is there a way to do some of this class and comp study in-house to save money. Mr. Altman stated that there may be a way to look at and fund the public safety side regionally, it would only take care of that piece, and everything else would have to be looked at outside of public safety. And regarding doing the class and comp in-house, Mr. Altman stated that there is not enough staff to handle a whole class and comp study in-house. Vice Mayor Partin asked if it was even feasible to do a regional class and comp study across the board for all different types of city employees that have corresponding positions over in the counties. Mr. Altman expressed his being unsure about doing a class and comp study across the board regionally. He stated that Dinwiddie already had its class and comp study done and is already implementing their first phase; probably not going to be interested in doing another study right now. Our study will look at position that localities in the region have in common and make sure that the City's salaries is in line with those other localities. Public safety would be a first step.

Vice Mayor Partin had no further questions for Mr. Altman.

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Mayor Bennett asked Mr. Altman if the City ever had a class and comp study. Mr. Altman answered yes, in 2016 and when he took office in 2018 he believed that the last phase of the study was being implemented, so he was not sure if it was adopted in 2016 with phase one set and phase two in 2017. Prior to that, the class and comp study was done in 2006 or 2007. The Mayor asked where that class and comp study is located and if it is available for Council review. Mr. Altman answered affirmatively.

Mayor Bennett asked if the City was under a compression and a pay band, and is this for all City employees. Mr. Altman answered affirmatively, confirming that the City operates in pay bands. Mayor Bennett asked when the class and comp study was done then, did the study recommend that the City use the pay band method. Mr. Altman stated that pay bands were adopted in 2018 or 2019. Part of the issue was that the part-time pay scale being used now is graded in steps because the study was done by Palmer and Kay back in 2006-07. This last class and comp study was done by Springstead in 2016. Part-time salaries were not included.

Mayor Bennett ask Mr. Altman what the end goal is for this class and comp study. Mr. Altman stated that the goal is to make sure that the City's salaries are within market for this region. Also, adjusting the part-time pay scale that had not been addressed in over a decade, looking at potentially having a separate public safety pay scale, as well as some of those other items that would go into how a position is worked within the HR manual. The last class and comp study that was done seemed to have solely looking at the numbers and not the type of pay structure to had (pay bands vs. grades and steps); just looked at where the City was from a market prospective and this needs to be revisited. Out of this comes reliance on having career development ladders which progress through like a grade and step process, based on what an employee is doing. Mr. Altman wants o look at this class and comp – if the City needs to move away from pay bands and return to the more traditional grade and step. His goal for all of that is to get the City to market, how the City is structured and look at the part-time pay scale.

Mr. Charles E. Dane, Assistant City Manager, confirmed that the class and comp study only looked at numbers and didn't really look at structure. He said that phase one was moving people who were well below the bottom of a grade into the proper grade. Phase two involved adjusting people into competitive ranges within those grades. He did not recall what phase three was.

For Mayor Bennett's understanding, the end goal for the class and comp study is to see where the City is with salaries, adjusting part-time and looking at the market, and doing a pay scale. She asked if the pay band was constricting, that employees are not getting the step increase, is the employee supposed to be evaluated and at the end of the evaluation get a bonus. She asked what was the idea behind a compression. She wanted to know what the positive aspect of using pay bands was.

Mr. Altman replied that he may not be able to provide all of the answers, but the previous City Manager decided that this was what they were doing, there was no discussion at the time

She also asked to see the pay band system. Mr. Altman described the pay band ranges as low, medium and high. Employees with lots of service may be making the same pay as new employees because they share the same pay band. With grades and steps, department heads have flexibility in starting pay. Right now, if a person was to be hired for \$1 more than the minimum pay, it has to be approved. Mayor Bennett asked if employees do their own rating within the band system and can they receive a bonus, either monetary or time off. Mr. Altman stated that monetary awards are not given from an evaluation

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perspective unless Council authorizes the COLA or merit or bonus. All money is tied to Council authorization.

The Mayor had more questions but gave the floor to Councilor Denton.

In light of the 5% COLA that the State is giving to comp board positions in the constitutional offices and Department of Social Services, Councilor Denton asked if there was a COLA included in this budget for all other employees. Mr. Altman replied that at this point, there is not a cost of living increase in this year's budget, but there may be a way to do it if the City wants to explore some ideas to make that happen. In regards to the 5% COLA for constitutional offices and Social Services, Councilor Denton asked if the City have to match any funds, and Mr. Altman said no. There were no more questions from Councilor Denton.

Mayor Bennett gave the floor to Councilor Pelham, but she had to excuse herself to tend to background issues. The floor was passed on to Councilor Randolph.

Councilor Randolph asked Mr. Altman if the City will have to pay the 5% mandated increases starting next year. Mr. Altman replies affirmatively, provided that the comp board doesn't increase their salary range by the same 5%. Councilor Randolph asked if the City can count of them increasing theirs to make this part of their structured payment. Mr. Altman stated that in his experience, they typically do increase that base level pay, but there have been extraordinary times when that did not happen (back in 2008, the City had to pay back State funds); it's really hard to say. Councilor Randolph asked how was the City going to get the 6 positions (as listed in the Highlights display of the presentation). Mr. Altman was not suggesting that the City get those positions, but if we wanted to do a raise, the positions would go away, with the exception of the lab technician at Water Renewal, which is enterprise fund, which does not have an impact on the general fund. Those positions that the City has in the budget about \$338,000 to play with.

Councilor Pelham resolved her issue and has returned to the meeting; the floor was passed on to her. She asked Mr. Altman how much the cost of paying for the employees' medical benefit was. Mr. Altman replied that the City absorbed an increase of \$53,000 to hold employees at no harm. At this point, assuming the budget is where it is, employees won't get a raise but won't have a decrease in July because of healthcare costs. Councilor Pelham thought that the cost was higher, but Mr. Altman reminded her that when Council authorized changing the plan, that was when the cost dropped. It was \$110,000 and change if things were kept the same. But the City changed plans which allowed them to save money on the premium and hold the employees harmless to they're not making any less money in their paycheck because of any healthcare changes. In reference to the wastewater enterprise fund, Councilor Pelham asked if Wastewater was making a profit. Mr. Altman explained that the enterprise fund is a profit that is shared by the Commission so the City gets a piece of that, but also the other commission members such as Ashland, AdvanSix, WestRock and the water company. Councilor Pelham asked if they pay the City from this enterprise fund, and Mr. Altman stated that they pay a monthly bill to the City. The leachate money is profit outside of that, and allows for payment of improvements on the wastewater site. Councilor Pelham asked how much was the profit for this year, and Mr. Altman stated that it was over \$10 million so far this year. She asked Councilor Partin if some of those projects at the wastewater plants can't be delayed any longer; the money could be utilized to do other things. Councilor Partin replied that maintenance projects can always be deferred, but the problem is liability from consequences if the plant shuts down and starts emitting contaminated wastewater into the rivers and having to pay that

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environmental cost the goes with it. Councilor Pelham stated that if that happens, then the wastewater plan will be liable, asking why the City would have to pay. Councilor Partin responded that the Wastewater Commission as a whole entity would have to pay. Mr. Altman added that the City is the permittee, so the City would pay, and then charge the Commission for whatever cost. If there is an issue at a plant that causes contaminants to be released into the river, DEQ would fine the City for being the point source polluters and the City will have to fine the company that has the issue. Councilor Pelham asked if the City will have to sue that company if they decide not to pay the fine, and Mr. Altman answered affirmatively, then the City Attorney will have to get involved. Councilor Pelham asked if this money source is still something to consider to be utilized for other things even though the City doesn't like to defer costs. Councilor Partin stated that there have been discussion about trying to utilize some of this additional leachate money for other projects. The idea is to get the plants on board to agree to do it. If they are not on board, then it will be difficult to get them to use the money for other projects. The key is to try to always tie it back into a benefit of some sort with the plants so that they have some sort of buy-in with the idea. He also added that if money is credited back to the City, then the City's portion is only 18%, and the other 82% would only end up going to the other industry. After a lengthy discussion with Mr. Altman and Councilor Partin, there were no more questions from Councilor Pelham.

Mayor Bennett gave the floor to Councilor Gore, whose statements referred to the class and comp study. She suggested that staff be asked to assist in developing a timeline for the class and comp study for everyone. She presented information to answer some the questions that were raised earlier during the discussion of the previous class and comp study that was done and adopted by Council in July of 2017. Council agreed to the first option (bring up 26% of staff up to a certain pay grade). In 2018, Council incorporated in the budget a small amount of money to take care of the constitutional offices that were not previously included. On March 27, 2018, Council adopted a separate pay increase for the police department to be moved up to market within the region at the request of Chief Keohane. Councilor Gore also recalled Council putting money into the fire department to work on their career succession plan, to go to conferences and get additional training, and they were tasked to develop a succession plan. She noted that the class and comp study was created to plan for future positions that had yet to be fulfilled, tasked with developing a maintenance system for staff to keep up with the market. She also listed in her notes other items that were previously discussed earlier in this meeting. She stated that she will share all of her notes with everyone.

Mayor Bennett thanked Councilor Gore for her information and then the floor was returned to Councilor Pelham. In reference to the 5% COLA for constitutional offices and the DSS, she asked Mr. Altman if he will ensure that constitutional offices and DSS will not receive any raises that Council may decide to give the City employees. Mr. Altman responded affirmatively, they will not get anything else other than what the State will give them. There were no more questions from Councilor Pelham.

Mayor Bennett stated that she understood what the comp study is supposed to do, but she wants to make sure that the City is doing what they're supposed to do to show value to its employees. These employees go above and beyond, they are the face of the City. They are asked to fulfill tasks left behind when someone else vacate their jobs until that position is filled. They end up doing two job duties that merge over time. This is a good opportunity for the City of Hopewell to show value to its employees by re-evaluating all positions within the City. The workforce and the way work is done have really transitioned, and Council's job is start figuring out what policies will be out into place that will defend that and make it easier and seamless. It is a big disadvantage to City employees to do a comp study but provide old information. Knowing how much our workforce and job roles have transitioned since 2008,

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and individuals have taken on other roles and responsibilities, this needs to be documented when these class and comp studies are done. She also stated that service contracts should be re-evaluated as well, because if employees can do the job, this should be looked into, so that the City is not buying redundant services that is not needed. Each individual's job roles should be re-evaluated to make sure that they are doing that job, eliminate tasks no longer done or include added tasks, to ensure a fair and justified class and compensation for that. She added that the 2.5% should be raised to 5%, because she sees them every day doing their jobs, no matter what that job is. The City has great employees, and if Council and the City don't show value, speak up and defend them, everyone else around them are going to get raises. She said that the City needs to focus on its established employees and go from there.

Mr. Altman thanked the Mayor for her support.

The floor was given to Councilor Gore, who referenced a previous discussion regarding bringing the billing for trash and sewer in-house. She asked for status of that discussion. Mr. Altman stated that it will be part of the proposal he's bringing back to Council for CAFR and implementation outside of the budget. Councilor Gore's second question addressed public Wi-Fi. She asked how was that going to be impacted with the IT department if the City is going to have public Wi-Fi, and who was going to help make sure of its operations. Mr. Altman stated that he and Dr. Manker had discussions. The MUNIS Administrator position was placed here as a recommendation but given the launch of the public Wi-Fi, it may be more important at this point to have a help desk position. People won't be able to submit a help desk ticket like we do internally for issues. It was a 50/50 split between him and Dr. Manker as to which was the most important position today. There might be a broadband administrator down the road that may be explored.

Councilor Gore asked if the same could be said for a MUNIS administrator. She advocated for this at the last budget cycle once she learned that there was a need for it. She listed the following reasons for this position:

- *MUNIS modules purchased but haven't been implemented and made live
- *Issue with Public School trying to get them on the MUNIS platform
- *Issues with onboarding staff
- *Issues with making sure it is updated and having IT help people because it's to keep the system running but not be involved with the layers that some departments need

She doesn't see the City not having MUNIS and trying to address their financial problems

Mr. Altman replied that the reality is that it's about money. The City has to operate within revenue that it has and there is not enough money. There were several options that he shared, such as eliminating the communications position in the police department and fund the broadband and Munis admin positions, or eliminate the inspector position to fund the MUNIS position. It can be done, but it's a matter of picking and choosing. He will place emphasis on the MUNIS admin position, in light of what they are about to go through with upgrades to the system, and looking at bringing on the billing system. Councilor Gore asked if a comp and class study outweighs having someone come on board to get the MUNIS modules in place and support the financial department and IT. Mr. Altman stated that there may be a way to do more than one of these things at the same time. Going back to the funding to be received from the federal government, they could look to utilize those dollars toward the class and comp, a one-time expense, and not use the funds on positions because it's going to be reoccurring. They could do class and comp but not COLA, or do COLA but not class and comp. There may be a way to do the COLA piece should Council

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be willing to entertain that. Finally, decision points are going to be positions, class and comp, and/or a COLA.

Councilor Gore asked Mr. Altman to come back with the different options presented with the mix and match displayed so that people can see it and select which option (or blend of options) will work best, if Council is not opposed to the idea. She had a question that referred to the billing position, asking why the billing position wouldn't be considered "recurring revenue." Mr. Altman stated that it will be a recurring revenue but use what they will be able to do with the billing position is because we won't be paying the 3rd party bill or we're actually saving money on that. So the contract for the 3rd party biller is going to pay for the position. If there is support among Council, he will be happy to bring back those options. There were no more questions from Councilor Gore.

Councilor Randolph agreed with Councilor Gore, that they needed to do what Councilor Gore, lay everything out with costs and where money is coming from. There were no more comments from Councilor Randolph.

Floor was given to Councilor Denton. She also agreed with Councilors Randolph and Gore. She also wants to see where in this budget the \$550,000 can be obtained to give City employees the 2.5% increase. There were no more comments from Councilor Denton.

Mayor Bennett asked Mr. Altman if the class and comp study will re-evaluate the positions and the job rules as per her last statement, or is this a task to be done in-house. Mr. Altman stated that they can bring in part of their RFP and request for services could be in an evaluation of the existing positions, current job roles, and if current job descriptions actually match what the employee is doing. Mayor Bennett agrees with the raise and re-evaluation of job roles for compensation, and asked that if it's possible for the class and comp study to do so, to place that as an RFP within the class and comp there might be an increase. But in the long run, they do have to value what our people do and speak up for them.

The floor was given to Councilor Holloway. She thanked the City Manager for the looking into the options that will enable Council to give City employees an increase. She stated her support.

With all questions and comments concluded, Mr. Altman continued with his presentation.

He presented notable changes in the proposed FY22 budget:

City Clerk (\$46,323.00) – PT position currently assigned to department will ultimately be moved to City Manager's office; ability to hire Clerk and Assistant Clerk up to \$110,000.00 currently in the budget

City Attorney (\$16,544.00) – increase in budget with regards to service contracts

City Manager (\$7,769.00) – Economic Development increase (Incentive Payment); offset by Office on Youth removal

Human Resources (\$29,222.22) – Staff turnovers, increases in salaries and benefits when new staff was hired

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Finance (\$309,601.00) – Audit costs (2 audits) and CAFR support; PT real estate position created during the current FY Temp Help

Councilor Pelham asked if rent was still being paid for the Office on Youth. Mr. Altman replied no; Mr. Charles E. Dane, Assistant City Manager, stated that the final month rent was paid was for December. The cost was not included in this budget.

There were lengthy discussions between Mr. Altman and Councilor Pelham regarding savings from removal of OOH and distribution of savings throughout increases that are already in the budget, and hiring people within salary ranges per the last compensation study.

There were lengthy discussions between Mayor Bennett and Mr. Altman regarding employees doing exceptional jobs and changes in job functions and positions.

There were also lengthy discussions between Councilor Gore and Mr. Altman regarding advertising positions using a salary range and re-evaluating those positions. She asked if the \$309,601.00 was a new cost for the audits. Mr. Altman stated that this is a cost for the two audits, \$130,000.00 each, and this also included the CAFR support. She and Mr. Altman continued their lengthy discussions regarding the assessments being done in-house, and the part-time person's position to assist with administrative tasks so that the assessors can work in the field, and appraisal can be done in-house as opposed to being contracted out. She and Mr. Altman also discussed the software upgrades and tablets that was needed, whether the assessors have been shifted from paper to electronic status. Mr. Altman stated that there have been desire and conversations regarding this matter.

Councilor Gore's last two questions referred to voter registration training and service contracts and consulting costs. In reference to voter registration training, she asked if he verified that this will be done in person as opposed in virtually, and in reference to the service contracts and consulting costs, she asked if he could get information as to what these are for all departments having those listed. Mr. Altman answered affirmatively to providing the information for the service contracts/consulting costs, and as for the voter registration training, he wasn't sure if the training was virtual or in person, but he will verify that information.

City Attorney Sandra Robinson was given the floor to speak about her service contracts. She stated that her service contracts are increased to cover costs associated with her office. Taking over the city code and city code updates with Unicode since making amendments with them, she receives bills in the neighborhood of \$4,000.00 plus from Unicode for this purpose, so most of that money is assigned to Unicode. The rest of the money in that line item would be to cover annual or monthly subscription costs to WestLaw, the online database from which she does her legal research.

Mayor Bennett and Councilor Gore thanked Ms. Robinson for her information, and then the floor was given to Councilor Pelham, who referred to the Finance section of the presentation. She asked if the internal auditor that was once used previously the same position as referenced in the presentation. Mr. Altman said no. Councilor Pelham asked what audit work is being done; Council hasn't received any reports. Mr. Altman stated that on the City side, work on 2018 is completed, work has started for the 2019 and some work (as in fixed assets) has started for the 2020 audit, and waiting for 2018 audit to be resolved and completed.

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After a very lengthy discussion, Mayor Bennett asked Council if they wanted to make this conversation a part of the budget or make this separate from the budget; this was not taking action, just a consensus.

Vice Mayor Partin stated that it might be better separated to prevent blending issues together.

Mayor Bennett agreed with the Vice Mayor.

Mr. Altman continued with presenting notable changes with increases in police (\$309,046) and fire department (\$88,863), maintenance costs with service contracts; increase this year with overtime for police department. Increase in public works (\$80,465); a vacant position was re-evaluated and elevated so that more can be done with that position and move the whole organization forward. Changes in the constitutional office (Sherriff, \$72,757) relating to the 5% increase provided by the comp board; there is a deduction in the General District Court (-\$4,270) due to a staff change.

He presented the CIP projects that they are looking to do, making the million dollar match towards the VDOT project (\$1,000,000) to make them whole; a lease payment (\$162,414) on the fire truck; radio and hose replacement (\$12,500) at the fire department; and Development needs to replace their scanner and large scale plotter (\$25,000), which is also used by other departments. He added that this was an opportunity to use the American Rescue Plan Act funding for further capital projects to address additional issues that come about in one-time expenses.

For the next steps, Mr. Altman displayed future meeting dates. He noted that April 27, 2021 may have been a misprint when the calendar was created. This date is a regular Council meeting, and a work session proposed for that night for a development issue. He suggested May 4th, 2021 as an available date. Mayor Bennett asked if on May 4th, could Council do the audit conversation; However, Mr. Altman stated that he wishes to finish the budget presentation.

He continued with the meeting dates. May 11th is the Tax Rate Public Hearing for the school and city budgets. On May 18th, there is a final work session, and on May 25, he is looking to adopt city and school budgets. It is a more pressing issue to get contracts for teachers because of the year round school; students will be coming back in July. Afterwards, there will be a separate work session to discuss the audit proposal.

In conclusion, Mr. Altman stated that this was all he had for Council, and he will return with the list of options and how to fund them. The options will include the 2.5% COLA, the class and comp, the service contract increases, the voter registration travel costs (and if this is a virtual or in-person event), and the finance director will handle the audit discussion at a separate work session.

Mayor Bennett thanked Mr. Altman, and gave the floor to Councilor Gore and Vice Mayor Partin.

Councilor Gore asked if the work session could be included in this list to track it even though it is separate; needs to flow right behind this meeting. She asked if the proposed date of May 4th be added to the calendar when Council meets the next time for the next work session as available for the finance discussion.

Mr. Altman stated that if Council wishes to do so, they can also have their work session on the first Tuesday of June 1.

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Councilor Gore replied that Council should be asked. Mayor Bennett stated that she would like to have the meeting sooner. Councilor Gore noted that May 18th could also be a tentative date too; Mr. Altman agreed; stating that the date was available for additional questions. Councilor Gore asked if Mr. Altman can internally plan for the 18th, and he answered affirmatively.

Vice Mayor Partin and Councilor Holloway agreed to that date.

Councilor Gore asked that when Mr. Altman returns with the options for the class and comp study, staff will expect Council to implement so take into consideration the timeline to get that done and have money built to implement a phase of the study, and to do a separate thing underneath the class and comp study with estimates (look at reports from the last time to work from). Mr. Altman agreed.

Mayor Gore thanked Councilor Gore and gave the floor to Vice Mayor Partin.

Referencing a meeting with Wastewater Commission and discussion about having a special meeting on May 12 to approve a capital budget, he asked what the impact would be if the adoption of the tax rate resolution was pushed from May 11th to either the 13th or the 18th. Mr. Altman stated that the tax rates will set what they can do from a budgetary perspective, and a public hearing on real estate tax rate will be needed; adoption is recommended because this will have an effect on getting bills out fir real estate payments in June.

Councilor Randolph announced that she heard about a potential tax increase and wished for all Councilors to have background information. An impact would be developed if there is a consideration for a specific tax increase for a specific purpose. Mayor Bennet was unaware if this conversation. Councilor Gore asked if Council could stay longer to hear the rest of the conversation. She made a motion to extend the meeting.

Councilor Partin stated that he will give Councilor Gore a call offline; he preferred not to discuss this matter in open session at this point. Councilor Gore stated that after the phone calls are finished and polling is done, consensus should be given to the City Manager. Mayor Bennett noted that this is not for the public, but just a conversation that has to be transparent in open session, and there isn't anything happening behind closed doors.

Mr. Altman concluded the Proposed FY22 Operating and Capital Budget presentation with a recap. He and Council are to come back at the May 4th work session to present information and options.

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Councilor Gore made a motion to adjourn the meeting, and it was seconded by Councilor Randolph. At the roll call, the vote resulted:

Mayor Bennett	-	yes
Vice Mayor Partin	-	yes
Councilor Randolph	-	yes
Councilor Holloway	-	yes
Councilor Gore	-	yes
Councilor Denton	-	(dropped off)
Councilor Pelham	-	yes

Motion passed 6-1, and the meeting was adjourned.



Patience Bennett, Mayor



Mollie Bess, City Clerk

