

May 3, 2022 Budget Work Session

A budget work session of the Council of the City of Martinsville, Virginia, was held on May 3, 2022, in Council Chambers, Municipal Building, at 6:00PM, to conduct a budget work session with Mayor Kathy Lawson presiding. Other Council Members present included Vice Mayor Jennifer Bowles, Council Member Chad Martin, Council Member Tammy Pearson and Council Member Danny Turner. Staff present included City Manager Leon Towarnicki, City Attorney Eric Monday, Public Works Director Jeff Gauldin, Utilities Director Durwin Joyce, MiNet Director Mike Scaffidi, Finance Director Mandy McGhee, Linda Conover and Crystal Ferguson of the Finance Department, Treasurer Cindy Dickerson, MIS Director Esther Artis, Community Development Director Mark McCaskill and Commissioner of Revenue Ruth Easley.

Mayor Lawson opened the meeting.

City Manager Towarnicki explained that the meeting would focus on outside agencies, starting off with J.R. Powell with the 911 Center. Powell provided Council an operational summary for the 911 Center including staffing issues, having lost 32% of their staff over the past 16 months. Neighboring jurisdictions are offering more money and better benefits. There are 121 911 centers in Virginia and the Martinsville-Henry County office ranks 25th in the number of calls it handles. There are three main categories including new revenue coming into the Martinsville and Henry County area with year 2023 projected to have \$53,946 in revenue generated from the new 911 tax. All operational expenses are the same as last year however on-call compensation and staff retention concerns need to be addressed. On-call staff have not been compensated for being on-call, the local office is the only office in the region that has not been compensating those employees so Powell asks that the City include funding in the budget to compensate which would total \$40,000. Powell and the Human Resources Department did a salary study of the region; at one time they were the highest in the region and now they are the lowest. He is requesting a \$1.50/person salary increase for the staff which he believes will retain employees as well as attract new applicants. Towarnicki said he is concerned that by Powell not adding his pay raise request to the cost of living raise that he will be behind the salary levels of other areas again after July 1 once those locations implement the cost of living raise. Powell confirmed that he did ask the County for the same funding. Mayor Lawson expressed concern that the 911 department was not included in the Public Safety stipends.

Amy Rice, DSS Director from the Social Services Department asked Council to consider funding a pay raise for the Social Services staff, explaining that they have had a difficult time hiring and maintaining staff; they are losing staff to other agencies that are paying more. Rice stated that their foster care accounts have doubled with only two Family Service specialists to handle 50 cases each. The department has had a 45% vacancy for months.

Rick Ward, Director of the Blue Ridge Region Library shared that the library is doing a lot more to benefit the community and are back open normal business hours. The staff has

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stepped up with so many activities being offered through the library. Ward is asking for an increase in the budget to allow a pay raise for the staff because like other departments, they are losing staff to other organizations that can pay more. Martinsville's share would be \$13,000 to provide the requested pay increase; he's asking Henry County for \$35,000. Patrick County had discussed cutting funding but agreed to level funding for another year.

Sandy Haley, Public Defender for Martinsville, Henry and Patrick Counties requested a 5% salary supplement for ten of the eleven employees of her office, excluding herself. She has requested \$11262 from Martinsville, \$14000 from Henry County and \$4149 from Patrick County. They are having difficulty recruiting staff; she's never seen it this bad.

City Manager Towarnicki directed Council to page 72 of their budget book for the Outside Agencies general fund budget. Mayor Lawson confirmed that the Farmers Market funds go towards the Incubator. The payments to the EDC are applied to Commonwealth Crossing. Towarnicki detailed the process for new outside agencies to request funding. Many of the outside agencies use the City's funding as a "match" to receive funding from Henry County or for grant funding.

City Manager Towarnicki directed Council to return to the front of the budget book and review one page at a time beginning with City Council budget on page 14. There has not been an increase to Council's stipend in many years, this increase was not at the request of Council Members.

Changes to the Clerk of Council, City Attorney, City Manager, Assistant City Manager, Human Resources, etc. are related to inflationary issues and benefit changes. The Public Information Officer is new this budget year. The Commissioner of Revenue budget was discussed. The Commissioner of Revenue Ruth Easley explained that there were budget increases related to an increase in service contracts such as software, etc. Towarnicki indicated an anticipated increase in property taxes this next year. Easley provided an overview of what is happening with values of personal property taxes and what's caused the increase in value. They are seeing a 26.14% increase from last years values which were an increase in the values over the year before. Easley provided additional stats on the personal property tax increase, stating that Council has 5 options to; 1. Take no action, 2. Reduce the general personal property tax rate, 3. Set a lower personal property tax rate for passenger cars, trucks and motorcycles as allowed under recently enacted legislation specific to those classes this year and next year, 4. Increase the personal property tax relief act percentage which would apply to the first \$20,000 in vehicles, or 5. They can establish an assessment ratio which would require her concurrence and would be allowed under state statute then details those options. Towarnicki explained to make the change recommended by Easley, Council could pass a resolution that could be done at either of the next two meetings when Council approves the budget on first or second reading. Council discussed the Treasurer's Office, Finance,

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Utility Billing, IT Department, Garage, Risk Management, Purchasing, Electoral Board and Registrar budgets. Council discussed the Sheriff's Department budget, the cost to house inmates at other locations and the inmate work program. The new Henry County jail may take some of the Martinsville inmates once they have enough staff. Council discussed the Commonwealth Attorney Department. The Police, Fire, EMS and Safety Departments were discussed previously. Council discussed the Inspections budget, specifically demolition costs and the addition of a new employee. Council discussed the Street Maintenance budget, staffing, certifications and VDOT reimbursement along with Community Development, City Hall Maintenance, Custodial staffing and other general fund accounts.

There being no further questions or discussion, the meeting adjourned at 8:20pm.

Karen Roberts, Clerk of Council

Kathy Lawson, Mayor