

May 4, 2022 Budget Work Session

A budget work session of the Council of the City of Martinsville, Virginia, was held on May 4, 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, Finance Director Mandy McGhee, and Crystal Ferguson of the Finance Department.

Mayor Lawson opened the meeting.

City Manager Towarnicki began by going over the Electric Department budget, discussing the landfill generator which was confirmed paid off. Director Durwin Joyce discussed the Call Center which will be online soon, the Solar Project and when to expect that project to move forward, as well as the battery project which is up and running.

City Manager Towarnicki summarized the Refuse budget and the need for staffing and limited inmate assistance. Director Jeff Gauldin answered Council questions, stating that Martinsville is a “full-service” locality offering every service except gas.

Mike Scaffidi was in attendance to answer questions on the Telecom/MiNET budget including internet to residential homes, staffing and upcoming projects.

Finance Director Mandy McGhee provided updated budget copies of the Water and Wastewater budgets. City Manager Towarnicki went over those budgets and answered Council questions on the water and sewer departments.

Council Member Turner requested to return some of the money back from personal property tax. Bowles and Martin were for the 5% option. Pearson stated that she is not ready to make a decision tonight since information was just provided the day before. Mayor Lawson said in the news recently, there was a feature story about Roanoke City; employees are considering following Roanoke County and Lynchburg procedures to provide rebates to tax payers after the taxes are paid. Mandy McGhee said they did a preliminary check on what other localities are doing and it appears that other localities are adjusting that percentage instead of offering a rebate but they can provide complete studies to Council once they are complete. City Attorney Monday explained that logistically it would be simpler and cheaper to adjust the rate instead of issuing the rebate. Lawson said residents could prepay their taxes, they do not have to wait until December to pay that. Towarnicki explained that they had built in a \$200,000 increase in personal property taxes into the budget already. According to information from the Finance Department, Amherst County is doing a 20% reduction, which would be an 80% assessment. Arlington adjusting the assessment tax ratio to 88% of the vehicle value and Charlottesville is doing nothing.

Commissioner of Revenue Ruth Easley explained that some locations have already sent out bills so the only way to provide relief is to do refunds once the bills are paid in full. She

May 4, 2022 Budget Work Session

recommends if Council votes to offer any kind of relief that it be done up front. Council will continue to discuss options.

Council Member Turner wants to set aside a \$4million portion of the ARPA money for the 2023-4 budget. Towarnicki said that \$3million will be applied to the 2022-3 budget and that \$1million has already been earmarked for 2023-4. Turner would prefer to see \$4million for the 2023-24 budget year.

Lawson said she has spoken to Dr. Tally and Travis Clemmons, the schools have not hired the new employees at this point since there is no guarantee of funds. City Attorney Monday suggests that Council have additional conversations with the school regarding available ESSER funds and cafeteria funds. Bowles requests a detailed list of what the school plans to use that ESSER funding for and why the cafeteria funds have not been used yet before making final decisions towards the school budget. Council Members briefly discussed reversion and the anticipated timeline.

Mayor Lawson addressed requests from outside agencies. She is appalled that when public safety departments were given stipends, that the 911 Center was excluded. She would like to see that remedied. Lawson asked Towarnicki to contact the County to see if they can offer a solution as well. Towarnicki said he has spoken to Tim Hall with the County about providing a pay increase above what the 911 Center has asked for so they won't be behind in their salaries again July 1. Council Members all agree that sustaining the 911 Center is vital. Lawson does not see how requests from the Library or the Public Defender's offices can be honored but she agrees with level funding. It appears that the County did not approve either request either. Lawson asked Towarnicki to get confirmation on the July 4th event and whether that is scheduled for this year. Pearson asked if Council decides to move forward with the \$30,000 for Uptown partnership, she would like to see a MOU similar to what is done with the Chamber.

Lawson asked to schedule another work session prior to the final approval of the budget with 1 hour closed session. That date can be decided on at the next Council meeting

There being no further questions or discussion, the meeting adjourned at 8:00pm.

Karen Roberts, Clerk of Council

Kathy Lawson, Mayor