May 9, 2024 Budget Workshop

A Budget Workshop was held at 5:00 pm on May 9, 2024, in Room 208, Conference Room, Municipal Building. Vice Mayor Rawls, Council Member Lawson, Council Member Pearson, Council Member Mitchell, City Manager Aretha Ferrell-Benavides, Chief Operating Officer Edena Reese-Atmore, Clerk of Council Karen Roberts, Public Information Officer Kendall Davis, Finance Director Mandy McGhee, Assistant Finance Director Crystal Ferguson, PIO Kendall Davis and Deputy Police Chief Chad Rhoads were in attendance. Mayor Jones was not in attendance.

City Manager Aretha Ferrell-Benavides explained the need to redirect the City Meals Tax Revenue to the General Fund.

Staff discussed the proposed budget. The City School staff was in attendance also to discuss the school budget.

The regular session started at 7:15pm. Vice Mayor Rawls asked for prayers for Mayor Jones and his family.

Council Member Lawson led the pledge of allegiance and offered the invocation.

<u>Consider approval of the Resolution to direct the City Meals Tax Revenue to the General Fund</u> – City Manager Ferrall-Benavides explained the need to move the meals tax revenue. Council Member Pearson made a motion to approve the resolution; Council Member Lawson seconded the motion with all Council Members voting in favor.

May 9, 2024 Budget Workshop

RESOLUTION OF MARTINSVILLE CITY COUNCIL DIRECTING CITY MEALS TAX REVENUE TO GENERAL FUND

WHEREAS, the City of Martinsville, Virginia **(the "City")** in accordance with Article VI of Chapter 21 of the City Code administers a tax on prepared food and beverages purchased from restaurants and other food establishments in the City, with certain exceptions required by law **(the "City Meals Tax")**; and

WHEREAS, on September 8, 1992 the City Council of the City **(the "Council")** asked that all revenues collected from the City Meals Tax be placed in a separate Capital Improvements Fund to be appropriated by Council for specific projects or purposes; and

WHEREAS, the Council desires to allow greater flexibility in the expenditure of revenues collected from the City Meals Tax.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARTINSVILLE, VIRGINIA THAT:

1. All City Meals Tax revenues received by the City shall be deposited in the City's general fund and any City Meals Tax revenues currently held in a Capital Improvements Fund under prior policy be deposited in the City's general fund.

2. This Resolution shall take effect immediately.

Adopted by the City Council of the City this day of , 2024.

1

Conduct a public hearing on the City's FY24-25 City Budget and consider approval of Budget Ordinance 2024-U-1 on first reading – City Manager Ferrell-Benavides briefly explained the budget process and summary of agenda funds. Vice Mayor Rawls pointed out the change in fund balance and capital. This budget includes a 5% increase in electric rates effective July 1. There is a rate increase for larger water users. There is a new storm water fund also. Council Member Mitchell made the motion to open the public hearing; Council Member Pearson seconded the motion. Rawls opened the public hearing. No one approached the podium, so the public hearing was closed.

May 9, 2024 Budget Workshop

Martinsville
A CITY WITHOUT LIMITS

ORDINANCE 2024-U-1

The Budget for Fiscal Year 2024-2024

BE IT ORDAINED by the Council of the City of Martinsville, Virginia in regular session assembled May 14, 2024, that the following sums of money be and hereby are appropriated – by specific Fund – for the City's fiscal year ending June 30, 2025 from the following Fund sources of estimated revenue:

SUMMARY STATEMENT OF BUDGET ESTIMATES
2024-2025

FUND	PROJECTED REVENUES	BUDGETED EXPENDITURES	CHANGES FUND BALANCE
General	$38,096,430	$35,514,868	2,581,799
Meals Tax	$0	$0	$0
IDA	$250,000	$250,000	$0
Capital Reserve	$0	$0	$0
Refuse	$2,136,950	$2,136,950	$0
Telecom	$2,280,031	$2,280,031	$0
Water	$4,316,260	$4,316,260	$0
Sewer	$5,507,629	$5,507,629	$0
Electric	$24,748,380	$24,748,380	$0
Street Fund	$4,442,559	$4,442,559	$0
Stormwater Fund	$420,620	$420,620	$0
CDBG	$0	$0	$0
Cafeteria*	$2,186,601	$2,186,601	$0
School – Federal Programs	$2,267,523	$2,267,523	$0
School Operating*	$28,050,273	$28,050,273	$0
TOTALS:	$114,703,256	$112,121,694	$2,581,799

*Information on cafeteria and school operating funds is provided by school personnel.

Tax Rates:

Real Estate:	$0.99 per $100 assessed value (unchanged)
Personal Property:	$2.30 per $100 assessed value (unchanged)
Machinery/Tools:	$1.85 per $100 assessed value (unchanged)

Electric Rates:
5% average increase across all categories

Water & Sewer Rates
Increase cost per additional thousand gallons to $3.50. Base rates will remain the same.

Stormwater Rate
$3 per month for residential customers; $3.50 - $4.00 per month for non-residential customers

Attest:
Karen Roberts, *Clerk of Council*

Council Member Lawson made a motion to approve the budget ordinance on first reading; Council Member Mitchell seconded the motion with all Council Members voting in favor.

Adjournment – Council Member Lawson made a motion to adjourn the meeting at 7:25pm

Karen Roberts, Clerk of Council

Vice Mayor Aaron Rawls