

**MINUTES
EMPORIA CITY COUNCIL
CITY OF EMPORIA MUNICIPAL BUILDING
BUDGET WORK SESSION
MAY 15, 2008**

Note to Reader: Although the printed Agenda document for this City Council meeting is not part of these Minutes, the Agenda document provides background information on the items discussed by City Council during the meeting. A copy of the Agenda document for this meeting may be obtained by contacting the Office of the City Clerk.

ROLL CALL

Upon roll call, the following Council members indicated their presence:

Councilman F. Woodrow Harris
Councilman James C. Saunders
Councilwoman Carolyn S. Carey
Councilman Ned Lankford

Others present:

Brian S. Thrower, City Manager
Sheila Cutrell, Finance Director

Absent: Councilwoman Nancy B. Squire
Councilman John R. White
Councilwoman Doris T. White
Jean V. Whiting, City Clerk

NEW BUSINESS

Mr. Thrower opened the meeting by identifying the purpose as being to review the Utility Fund Budget, real estate tax revenue calculation, and external agency budget requests. He stated that, in preparing the draft Utility Fund Budget, distributed to City Council on May 5, 2008, staff estimated a deficit of \$252,619.00. He also stated that staff suggests the following means to reduce the deficit and balance the Budget:

- Water Rate Increase..... 10 percent across the board
- Sewer Rate Increase..... 10 percent across the board
- Residential Connection Fee Increase....\$1,000 to \$1,500 (Water)
- Facility Fee Increase.....\$100 to \$500 (Water)
- Residential Connection Fee Increase....\$1,000 to \$2,000 (Sewer)
- Facility Fee Increase.....\$100 to \$1,000 (Sewer)

Mr. Thrower provided City Council members with the following calculations concerning real property tax:

2007 Real Property Tax Assessed Value & Levy	\$322,112,200	Assessed Value
	x <u> .0083</u>	Tax Rate
	\$2,673,531.26	Levy

2008 Real Property Tax Assessed Value & Levy	\$ 349,686,300	Assessed Value
	x <u> .0083</u>	Tax Rate
	\$2,902,396.29	Levy

Improvements & New Construction including Subdivided lots & rezoning (§58.1-3285)	\$3,660,100	Assessed Value
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2008 Real Property Tax Assessed Value	\$349,686,300	Total Assessed Value
Without Improvements & New Construction	<u> 3,660,100</u>	New Construction
	\$346,026,200	Net Assessed Value

Calculation to ensure levy is no more than 101 percent of the previous year's real property tax levies:

Multiply the previous year's total real property tax levies by 101 percent:

\$2,673,531.26
x <u> 101%</u>
\$2,700,266.57

Divide the product by the forthcoming tax year's total real property assessed value less assessed value of improvements and new construction:

\$ 2,700,266.57
÷ <u>346,026,200</u>
.0078 (.8%)

Councilman Harris asked Mr. Thrower to elaborate on why the calculation showed less than a 1 percent assessment increase when there is a 7.8 percent increase between tax years 2007 and 2008.

Mr. Thrower advised Councilman Harris that, according to the State Code, the levy is no more than 101 percent of the previous year's real property tax levies. He also advised him that the figure equated to 0.8 percent.

Councilman Harris requested that Mr. Thrower obtain more detailed figures regarding the reassessment from the Commissioner of Revenue's Office.

Councilman Harris asked Mr. Thrower if the City of Emporia received a request for funding from the Community Youth Center.

Mr. Thrower advised Councilman Harris that a request had not been received from the Community Youth Center.

Councilman Harris asked Mr. Thrower to contact the Community Youth Center concerning their plans for the future.

ADJOURNMENT

With no further business to come before City Council members, Mr. Thrower adjourned the meeting.

Councilman F. Woodrow Harris

Jean V. Whiting, City Clerk