

**MINUTES
EMPORIA CITY COUNCIL
MID-YEAR BUDGET REVIEW MEETING
November 18, 2008**

Note to Reader: Although the printed Agenda document for this City Council retreat is not part of these minutes, the Agenda document provides background information on the items discussed by City Council during the retreat.

Emporia City Council held a Public Hearing on Tuesday, November 18, 2008, at 5:30 p.m. in the Council Chambers of the Municipal Building, located at 201 South Main Street, Emporia, Virginia.

The following City Council members were present:

Councilwoman Nancy B. Squire	Councilman John R. White
Councilman Woodrow Harris	Councilman James C. Saunders
Councilwoman Doris T. White	Councilwoman Carolyn S. Carey
Councilman Ned V. Lankford	

Others present: Samuel W. Adams, III, Mayor
C. Butler Barrett, City Attorney
Steven B. Hall, Assistant City Manager
Brian S. Thrower, City Manger
Jean V. Whiting, City Clerk

Overview of the City of Emporia's Financial Status (Sheila Cutrell, Director of Finance)

Ms. Cutrell provided City Council members with an overview of the City of Emporia's financial status as of October 31, 2008 in the form of handouts and slides. Some of the highlights from her presentation were as follows:

General Fund Revenues

- Revenue collections ~ thirty-three point eighty-one percent (33.81%) of the budgeted amount
- \$593,473.00 more collected than what was collected last year around the same time period
- Utility Taxes ~ collected approximately \$5,000.00 above last year around the same time period
~ 1 month lag reflected due to transfers from Utility Fund to General Fund
- Other Local Taxes (collectively) ~ \$558,772.11 collected
- Sales & Use Tax (collectively) ~ \$501,082.95 collected
~ \$140,536.76 collected as of November 2008
~ \$100,142.12 collected as of November 2007
~ \$103,495.89 collected as of November 2006
~ 2 month lag time reflected
- Meals Taxes (collectively) ~ thirty-eight point twelve percent (38.12%) collected
~ 1 month lag time reflected
- Lodging Taxes (collectively) ~ thirty-two point ninety-eight percent (32.98%) collected
- Communication Sales & Use Tax ~ \$96,359.00 collected
~ Collections reflect approximately \$26,000.00 monthly
- Business License Tax ~ \$10,412.00 collected

~ Collected almost twice as much as last year

~ Due by March 1st

- Building Permits ~ \$26,931.00 collected
- Drug Forfeitures ~ \$334,498.00 collected
- Court Fines ~ \$334,498.00 collected
- Interest Earned ~ \$44,853.00 collected
 - ~ \$10,531.00 collected in 2007*
 - ~ Increase due to Certificate of Deposit (CD) maturity dates*
- Blue Cross/Blue Shield Retirees ~ \$4,348.00 collected
- County ~ \$25,956.00 collected
 - ~ Animal shelter cost not reflected*
- Tax Collection Fees ~ \$10,122.00
- Vendors ~ \$2,980.00
 - ~ Reflects rebate received from GE MasterCard*
- Fire Projection ~ \$14,025.00
- Waste Collection ~ \$169,098.00
- Gifts & Donations ~ \$125,000.00
 - ~ Reflects grant received from Greensville Memorial Foundation*
- Recycled Materials ~ \$11,434.00
 - ~ Figures almost doubled compared to 2007 (\$6,715.00)*
- Expenditure Refunds ~ \$354,000.00 collected
 - ~ Reflects jail refund only*
 - ~ \$138,000.00 more than what was included in the budget*
- E911 Wireless Board ~ \$30,331.00 collected
- Expenditures increased by \$176,214.00
- Expenditures exceed revenues by \$365,342.00
 - ~ Mostly due to revenue timing/debt payments*
 - ~ 2007 expenditures exceed revenues by \$782,601.00 around the same time period*
- City Council expenditures ~ \$54,514.00
- Finance expenditures ~ \$57,851.00
 - ~ Increase due to additional staff person moved from Human Resources Department*
- Fire expenditures ~ \$43,546.00
 - ~ Figures down from 2007 (\$201,439.00) mostly due to work completed at the fire training facility*
- Health & Social Services expenditures ~ \$241,595.00
 - ~ Figures up from 2007 (\$76,284.00) due to 1/4 payment of budgeted amount to Social Services and 1/2 payment of budgeted amount in 2008*
 - ~ Timing issue concerning dates checks were issued*
 - ~ No payments made in 2007 on Comprehensive Services Act.*
- Schools expenditures ~ \$1,751,315.00
 - ~ Includes 5 months of payments to the County for school expenses*
- Contribution expenditures ~ \$452,971.00

Councilman Harris stated that, based on the information presented, the City of Emporia's financial status is not as bad as previously anticipated and not as bad as that reflected by the State of Virginia.

Mrs. Cutrell reported that, based on the figures at that time, the City of Emporia collected more funding than the previous year around the same time period.

Utility Fund Revenues

- Revenue collections ~ thirty-four point forty-five percent (34.45%) of the budgeted amount
 - ~ \$119,030.00 collected over 2007
 - ~ 10% rate increase of Water and Sewer rates is a contributing factor
 - Approximately \$44,000.00 can be attributed to the 10% rate increase
- Water Sales ~ \$364,781.00
- Water Taps ~ \$7,500.00
 - ~ \$3,500.00 in 2007
- Sewer Taps ~ \$8,000.00
 - ~ \$3,500.00 in 2007
- Penalties ~ \$23,667.00
 - ~ \$19,938.00 in 2007
- Interest Earned ~ \$2,386.00
 - ~ Decrease reflected mostly due to timing and maturity dates on CDs
- Expenditures were at thirty-nine point ninety percent (35.90%) or \$757,637.00
 - ~ \$816,629.00 in 2007
- Revenues exceed expenditures by \$111,600.00
 - ~ In 2007, revenues exceeded expenditures by \$66,421.00
- Wastewater Treatment ~ \$219,119.00
 - ~ \$159,165.00 in 2007
 - ~ Reflective of screen rebuilding (\$43,000.00 cost)

Mr. Thrower advised City Council members of his suggestions for trimming the FY09 Budget. Some of his suggestions were as follows:

- Freeze budgeted 2% COLA increases (*effective December 1, 2008*) for all employees
- Freeze purchase of 2 budgeted Public Works Department trucks and 2 Police Department patrol vehicles
 - ~ *Collective potential savings of \$39,552.00*
- Continued freeze of vacant/additional positions for current fiscal year
- Freeze all non-essential travel and training until further budget review during anticipated 2009 City Council Retreat
- End payment of unemployment insurance to VEC (*Notified of cancelation due by December 1st*)
 - ~ *City can opt to pay for claims as they may arise*
 - ~ *Potential savings of approximately \$9,600.00*
- Discontinue take-home and personal use of City issued vehicles for non-public safety employees
- Freeze major expenditures on various projects

Councilwoman Carey asked Mr. Thrower if the City of Emporia also pays for gas used by employees who utilize City issued vehicles.

Mr. Thrower advised Councilwoman Carey that the City of Emporia does pay for gas used by employees who utilize City issued vehicles.

Councilman Harris advised Mr. Thrower that the Federal Government considers such use of company issued vehicles as taxable income if the employee is not on call and utilize the company vehicles.

ADJOURNMENT

With no further business to come before City Council members, the meeting adjourned at 7:03 p.m.

Samuel W. Adams, III, Mayor

Jean V. Whiting, City Clerk