

WAYNESBORO, VIRGINIA

CITY COUNCIL BUDGET WORK SESSION MINUTES



Council for the City of Waynesboro, Virginia held a Budget Work Session on Wednesday, January 26, 2022 at 6:30 p.m. in Council Chambers, 503 W. Main Street, Waynesboro, Virginia, with the City Manager opening the meeting.

PRESENT: Council Members: Bobby Henderson, Mayor
Lana Williams, Vice Mayor
Terry Short, Jr., Council member
Sam Hostetter, Council member

City Staff: Michael Hamp, City Manager
Cameron McCormick, Assistant City Manager - Finance
Todd Wood, Assistant City Manager - Operations
Julia Bortle, Clerk of the Council

ABSENT: Bruce Allen, Council member

Work Session Agenda:

- What does it mean to be a City?
- What type of City do you mean to be?
- Guiding Factors
- Next Steps

The Assistant City Manager-Finance reviewed a presentation briefing the agenda items relating to the General Fund, unless stated, (*attachment 47-25*), noting the following:

- The school funding is based on 42.5% of discretionary revenues based on the most recently audited fiscal year. The obligation to the schools during 2022 was approximately \$16.6 million and during 2023 that will increase to approximately \$17.4 million, a \$780,000 increase.
- Virginia Retirement System's rate increased from 11.3% to almost 13%, an increase of approximately \$220,000.
- Staff estimates a 10% increase in health insurance costs for employees estimated at \$300,000. If that is unfunded in the budget, the costs are passed on to the employees.
- Landfill Refuse Fund – increases to help fund the new cell. Those costs should peak at an estimated cost of \$750,000 based on 2023 estimate, reducing after that.
- The Waynesboro First Aid Crew transitioned to a revenue-recovery form several years ago. The City subsidizes it at approximately \$75,000 annually along with \$4-for-life pass-through funds. As fewer people volunteer and the crew transitions more to paid staff, these help with operating costs.
- The City Manager noted that the Shenandoah Valley Juvenile Services Center (formerly known as the Juvenile Detention Center) is a regional operation under the Department of Unattended Children (DUC), housing juveniles in the country without an adult parent or guardian. The City Manager noted the ongoing litigations that have been occurring and the considerable time, money and staff morale that have taken their toll, but given that it is the only facility in the United States that provides for them and, he asked Council to consider whether delivering this

service with the federal government is worth the efforts associated with persistent litigation. The combined local contribution to operate the facility is \$800,000. Without the federal government's involvement, the combined local contribution would be \$2.2 million. Waynesboro's portion would be approximately \$80,000 annually.

- The Circuit Court Judge wants to occupy more office space in the Gorsuch Building, and there are working space considerations throughout the organization.

The Assistant City Manager-Finance and the City Manager then briefly reviewed the Compensation Study phases I-IV, noting the city continues to experience upward pressure on public safety salaries. The study was built on a living wage of \$11.86 per hour, and based on the minimum wage in the state increasing to \$12 per hour, it would push the living wage in Waynesboro to approximately \$14.

Progress on the Capital Improvement Plan was impacted due to COVID, but the fire station II is a priority and progress will continue on that project.

The City Manager then reviewed the guiding factors that impact the budget, including:

- Maintaining the quality of life in the city: Council will not see significant budget issues that will negatively impact nor substantially improve the city;
- Staff recognizes that priorities are based on affordability, staff assumes that absent a compelling justified and warranted recommended increase, levels will not change.

The mayor asked that a copy of the presentation be made available to Council members.

Next steps:

- Staff will continue to receive Council and citizen input on budget issues.
- The City Manager asked Council to inform him of what processes they would like included in the budget process, if any. Council member Short stated he is encouraged that the Council is committed to turning the tide as it relates to employee compensation and their acknowledgement of the work done for the community. He wants the city to have a brand and to invest in that brand.
- Budget work sessions to come: the February 9 budget work session is moved to February 16, 2022, and the City Manager's Budget Presentation is moved from March 25 to March 22. The two planned work sessions, if necessary, are scheduled for April 5 and April 25.

With no further matters to review, the meeting concluded at 7:09 p.m.

Julia Bortle, MMC, Clerk of Council

Bobby Henderson, Mayor