

The regularly scheduled meeting of the Norton City Council was held Tuesday, June 19, 2018, at 6:00 p.m., in the Municipal Council Chambers with Mayor William Mays presiding.

Present: Mark Caruso, Robert Fultz, Jr., William Mays, Joseph Fawbush, and Delores Belcher

Also Present: Fred L. Ramey, Jr., City Manager, and Bill Bradshaw, City Attorney

The invocation was given by Pastor Gary Hill and was followed by the Pledge of Allegiance led by Police Chief James Lane.

Mayor Mays said he would like Council to consider amending the agenda to include under Item 7-C-1, a Resolution in Support of a Virginia Department of Housing and Community Development (VHCD) Application from the Rural Community Development Initiative. 262756

It was the consensus of Council to amend the agenda to include under Item 7-C-1, a Resolution in Support of a Virginia Department of Housing and Community Development (VHCD) Application from the Rural Community Development Initiative.

Upon a motion by Councilwoman Belcher, seconded by Councilman Fultz, and passed by the following vote: YES – Fultz, Mays, Fawbush, Belcher, NO – None, ABSENT – None, ABSTAIN – Caruso, Council moved to adopt the minutes of the June 5, 2018, meeting as presented. 262757

There was no response to the Mayor's Call for Visitors. 262758

A public hearing was held to consider a list of prepared budget amendments to the 2017-2018 General Operating Fund in the amount of \$1,489,719.

Mr. Ramey stated the purpose of the budget amendments is to remain in compliance with auditing requirements. He said the list of proposed amendments include unappropriated reserves in the amount of \$106,910, loan proceeds in the amount of \$703,000, and additional revenue in the amount of \$679,809 for a total budget amendment of \$1,489,719. He said the complete list of proposed FY18 Budget Amendments was included in Council's packet and he gave a brief synopsis of these expenditures and revenues. 262759

Mayor Mays opened the public hearing.

There being no public comment, Mayor Mays closed the public hearing.

Upon a motion by Councilman Fawbush, seconded by Councilwoman Belcher, and passed by unanimous roll call vote, Council moved to adopt the amendments to the 2017-2018 General Operating Fund Budget in the amount of \$1,489,719.

Council had been presented with an Ordinance Adopting the Budget for the City of Norton, Virginia, for the Fiscal Year of July 1, 2018, through June 30, 2019, Appropriating Funds for All Contemplated Expenses of the City for the Fiscal Year and Placing Levies 262760

Upon All Real Estate, Personal Property, Bank Stock, Licenses, Fees, User Charges, and All Other Levies as Previously Imposed or Modified Herein.

Mr. Ramey said Council and City Administration have been working on the budget process since February. He noted that a decline in local revenue in several categories, especially retail sales which is down 2.46 percent for the year, is the primary factor driving the city's budget. Mr. Ramey stated the city has postponed capital projects and other department necessities for several years to make the budget work. He said the General Operating Fund includes a 12 percent health insurance increase, two percent cost of living (COLA) for employees, a step increase for employees who qualify, and no revenue enhancements for FY19. Mr. Ramey remarked the Enterprise Fund shows an increase of \$72,654 and includes a 75 cent increase to the base water rate structure. Mr. Ramey said Norton Social Services is level funded for the FY19 budget.

After the budget presentation, Mr. Ramey noted at the June 5th meeting, that Council made a change to the appropriation to Norton City Schools in the amount of \$31,302 for the FY19 Budget, and City Administration needs Council's direction on where to place these unallocated funds. Mr. Ramey said City Administration recommends placing the \$31,302 in Contingency.

Councilman Caruso commented this year's budget process has been extremely difficult due to continuing revenue declines and rising expenditures. He said Council would like to provide full funding requests to all city departments and agencies that are in need of operational funds to provide goods and services to our citizens. Councilman Caruso said the largest percentage of the city's budget is appropriated to Norton City Schools and the second largest percentage of the annual budget is allocated to public safety. He stated that, Council recently approved local funding of Norton City Schools in the amount of \$1,624,311, debt service in the amount of \$813,765, and the Textbook Fund of \$22,107 for total funding of \$2,460,183 for FY19. Councilman Caruso noted the recently approved appropriation to Norton City Schools did not include the school boards request of \$31,302 for a potential matching safety grant and technology upgrades at John I. Burton High School. He said many negative comments were made at the June 12th Norton City School Board Meeting concerning Council's refusal to fund the schools at the amount they requested. Councilman Caruso stated Norton City School Board did not provide Council with documentation that safety or security issues exist at Norton City Schools that require immediate funding. He said, at present, the only information Council had received is a request for additional funding with no information or explanation of need so Council could make an informed decision. Councilman Caruso stated it is nearly impossible in these difficult economic times to allocate resources to a problem that has not been documented to exist. He said if the situation changes amendments can be made to the budget. Councilman Caruso noted that the City contributes over \$800,000 per year toward Norton City Schools that is not considered in the Required Local Effort (RLE) formula. In addition, the City partners with the school system to provide a School Resource Officer (SRO) whose role is to secure the schools each day. He noted the city's cost share for the SRO position is over \$14,000 per year. Furthermore, he said last year Council provided \$135,000 over the Required Local Effort (RLE) in addition to the SRO funds and the \$800,000 debt service. Councilman Caruso said Council makes informed and deliberate choices always being cognizant of public safety. He stated the city's and school's total budget dollars are roughly equal but Council must provide services, personnel, and

maintenance for an entire city, not just two buildings. Councilman Caruso said Council has always been 100 percent committed to public safety and to Norton City Schools. He said no Council Member is happy with the numbers they must work with and that most citizens understand the funding constraints declining revenue places on Council and City Administration. Councilman Caruso said he believes Norton can have a great school system and fund the essential services to our citizens. He said Council crafted the best budget possible considering all the challenges under which the city is operating. Councilman Caruso said each department must do more with less and find creative ways to make up shortfalls. He pointed out that Council has never failed to fund the schools at, or above, the RLE and he believes Council correctly prioritized the budget based upon the information provided by the school board. Councilman Caruso further stated that Norton City Schools recently received three new grants totaling over \$100,000, of which two of the grants can be used for any purpose the school board determines necessary. He said these two new grant funds will now allow the school board to mitigate any safety and security issues on its own if board members believe a problem exists at Norton City Schools for which no documentation was provided.

Councilman Fawbush noted that Council has always been supportive of Norton City Schools. He said Council approved renovations and new construction to Norton Elementary and Middle School and renovations at John I. Burton High School. Councilman Fawbush said it is imperative that that all departments recognize the budgetary constraints the city is currently experiencing and understand that the city is still obligated to service the school debt even though revenues have declined. He said Council and city administration are working diligently to increase revenues and hopefully the city's economic future will improve.

Upon a motion by Councilman Caruso, seconded by Councilman Fawbush, and passed by the following roll call vote: YES – Caruso, Fultz, Fawbush, Belcher, Mays, NO – None, ABSENT – None, Council moved to adopt An Ordinance Adopting the Budget for the City of Norton, Virginia, for the Fiscal Year of July 1, 2018, Thru June 30, 2019, Appropriating Funds for All Contemplated Expenses of the City for the Fiscal Year and Placing Levies Upon All Real Estate, Personal Property, Bank Stock, Licenses, Fees, User Charges, and All Other Levies as Previously Imposed or Modified Herein.

Council was presented a Resolution Adopting a Five-Year Capital Improvements Program.

Mr. Ramey advised the purpose of this document is to show Council has studied and identified the needs and wants of the community and through the budget process Council is incorporating the first year of the Capital Improvements Program with years four through five understood to be recommendations.

Councilman Caruso encouraged residents to look back several years at the Five-Year Capital Improvements Program planned for 2018-2019 and see the list of items that have not been funded because of other priorities.

Councilman Fultz noted that this document gives Council a realistic picture of what is needed for the next five years and it assists Council in prioritizing needs. He said these items will not be funded this year or next year. Council has worked on the current budget for five months and every department was evaluated. Councilman Fultz said spending the

public's money is an enormous responsibility and he commended Council and City Administration for the current budget.

Upon a motion by Councilman Fultz, seconded by Councilwoman Belcher, and passed by unanimous roll call vote, council moved to adopt A Resolution of the City Council of the City of Norton, Virginia, Adopting a Five-Year Capital Improvements Program. (Insert)

Council had been presented with a Proposed Update to Chapter 18 (Procurement) of the Norton City Code.

Mr. Ramey explained that the city's recent award of a downtown revitalization grant requires the city to provide its Procurement Ordinance for review. He said he asked the City Attorney to review the current ordinance and he is requesting authorization to advertise a public hearing on the proposed updates to the Procurement Ordinance.

Mr. Bradshaw said he reviewed the ordinance and the proposed update to Chapter 18 corresponds to State Code on the procurement process. He noted there will be a few last minute updates from the state and that small purchases are exempt from the competitive bidding process.

It was the consensus of Council to authorize the City Manager to advertise the Proposed Update to Chapter 18 (Procurement) of the Norton City Code at the July 17th meeting.

Council was presented with a Resolution in Support as a Recipient in the Rural Community Development Initiative Grant.

The City Manager advised he received the request today from the Virginia Department of Housing and Community Development (VDHCD). Mr. Ramey said the grant increases the city's capacity to undertake economic development programs downtown. He said VDHCD is the grant applicant and no matching funds are required from the city.

Upon a motion by Councilman Caruso, seconded by Councilman Fultz, and passed by unanimous roll call vote, council moved to adopt A Resolution in Support as a Recipient in the Rural Community Development Initiative Grant. (Insert)

Upon a motion by Councilman Caruso, seconded by Councilwoman Belcher, and passed by unanimous roll call vote, council moved to go into closed meeting to discuss personnel as per Section 2.2-3711 (A) (1) of the Code of Virginia, as amended.

Mayor Mays declared council in closed meeting.

At this time, Mayor Mays excused the City Attorney from the meeting.

Upon a motion by Councilman Fawbush, seconded by Councilman Caruso, and passed by unanimous vote, council moved to go back into open meeting.

Mayor Mays declared council back in open meeting.

The Clerk polled each member of council as to the Certification of Closed Meeting with each answering yes. The Clerk then read a Resolution of the Certification of Closed Meeting.

Upon a motion by Councilman Caruso, seconded by Councilman Fawbush, and passed by unanimous vote, council moved to adopt A Resolution of the Certification of Closed Meeting. (Insert)

Mayor Mays opened the floor for nominations to the Wise County/City of Norton Youth Services Board for a four-year term to expire on July 1, 2022.

Councilman Fultz nominated Makala Martinez reappointed to the Wise County/City of Norton Youth Services Board for a four-year term to expire on July 1, 2022.

262768

Upon a motion by Councilman Fawbush, seconded by Councilman Caruso, and passed by unanimous vote, council moved that the nominations cease.

Mayor Mays declared Makala Martinez to be reappointed to the Wise County/City of Norton Youth Services Board for a four-year term to expire on July 1, 2022.

In comments from the City Manager:

Mr. Ramey informed Council that former City Manager Mickey Newman passed away last week.

He advised Council that the School Resource Officer Grant was approved and this year may be the last year this position is grant funded through the state.

Mr. Ramey said he attended a ceremony on June 16th at Norton Elementary and Middle School honoring the 1951 Norton Little League State Championship Team. He noted the 1951 team is the only Little League State Champion from Southwest Virginia and was the first desegregated baseball team in the Commonwealth.

262769

He thanked the Chamber of Commerce and everyone who participated in the Best Friend Festival.

Mr. Ramey said the 2018 Virginia Municipal League (VML) Conference is scheduled September 30th through October 2nd in Hampton, Virginia. He asked members to advise him if they plan to attend.

He provided copies of upcoming activities planned for the month of July, the latest Retail Sales Tax Report, and traffic counts for Route 619 and the entrance to Flag Rock.

The following comments were made by council members:

Councilwoman Belcher commented before the Chief Local Elected Officials (CLEO) meeting began she was advised that the Appalachian School of Law and the Appalachian College of Pharmacy were giving up to \$7,000,000 to create a diesel and mechanic school.

She said Virginia is rebranding the Virginia Career Works and they have hired a firm from Florida to handle the rebranding for this agency.

262770

Councilwoman Belcher said she was informed that CLEO's Executive Committee is required to be involved in the Medicaid Expansion.

She said financial information for CLEO will be provided in the next council packet. The report will show a balance of funds but this money is carryover funds for the agency to operate until funding comes through in November.

Councilman Fultz advised members he would not be in attendance at the July 17th meeting.

262771

Councilman Caruso thanked City Administration for their due diligence on the FY19 Budget and noted it has been a difficult budget year.

Councilman Caruso again encouraged everyone to review the past five years of the Five-Year Capital Improvements Programs so that everyone realizes what projects and needs have not been funded due to revenue constraints and other priorities taking precedence.

262772

Councilman Fawbush said the Virginia Coalfield Coalition is reviewing the final documents of the Bristol Virginia Utilities and Sunset Digital Communications merger and the documents should be completed in July.

He said the Best Friend Festival and High Knob Music Festival were successful and he thanked everyone involved in these two events.

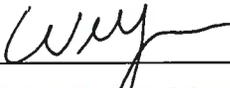
262773

Councilman Fawbush noted the John I. Burton High School Ladies Tennis Team advanced to the State Quarter Finals with the singles and doubles teams advancing on to Blacksburg for those final games.

He said he will be attending the Town of Marion's Music Festival on July 21st to see The Cleverly's Bluegrass Band Comedy Group.

There being no further business to come before Council, the meeting adjourned.

CITY OF NORTON, VIRGINIA



William Mays, Mayor

ATTEST:



Clerk of Council