

AGENDA

FRANKLIN CITY COUNCIL

MONDAY, APRIL 22, 2013 – CITY HALL COUNCIL CHAMBERS – 207 W. SECOND AVENUE

7:00 P.M.

REGULAR MEETING

CALL TO ORDER. . . . MAYOR RAYSTINE D. JOHNSON-ASHBURN

PLEASE TURN OFF CELL PHONES . . . MAYOR RAYSTINE D. JOHNSON-ASHBURN

INVOCATION WARD 5

PLEDGE OF ALLEGIANCE

CITIZENS' TIME

AMENDMENTS TO AGENDA

1. CONSENT AGENDA

- A. City Council Minutes from the MARCH 25, and APRIL 8, 2013 Regular Meeting
- B. Departmental Reports (SEPARATE FILE)

2. FINANCIAL:

- A. School Board Budget Amendments FY 2012-13
- B. Financial Report (March 2013)

3. OLD/NEW BUSINESS

- A. Village at Woods Edge Tax Exempt Bond Resolution Request
- B. Update on House Bill 2313 (HRTPO Memorandum of Agreement)
- C. City Manager's Report
 - 1. Update on Budget for FY 2013 - 2014

4. COUNCIL/STAFF REPORTS ON BOARDS AND COMMISSIONS

5. CLOSED SESSION – I move that the Franklin City Council meet in closed session to consider appointments to boards and commissions pursuant to Virginia Code Section 2.2-3711 (A) (1).

Motion Upon Returning to Open Session: I move that the only matters discussed during the session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened.

6. ADJOURN

UPCOMING ITEMS TO BE SCHEDULED...

The items below are intended to be reflective, and not inclusive of all subjects staff is working on to bring forward to City Council in the next two months. Both the time lines and subject matter are subject to change and should not be considered final.

SUBJECT**TENTATIVE TIME LINE****Paid Time Off (PTO) Policy Discussion****TBD****Council Strategic Budget Planning & Goal Setting Work Session****TBD**

CONSENT AGENDA

A. City Council Minutes from the MARCH 25, and APRIL 8, 2013 Regular Meeting

B. Departmental Reports (SEPARATE FILE)

WORK SESSION
SCHOOL BOARD JOINT MEETING REGARDING VIRGINIA PUBLIC SCHOOL
AUTHORITY CAPITAL PROJECT FINANCING

The Franklin City Council held a Work Session Meeting with the Franklin City School Board to discuss Virginia Public School Authority Capital Project Financing on Monday, March 25, 2013, in the City Council Chambers, 207 West 2nd Avenue.

Council Members in Attendance: Raystine Johnson-Ashburn, Mayor; Barry Cheatham, Vice-Mayor; Greg McLemore, Benny Burgess, Mary Hilliard, and Mona Murphy (Don Blythe absent).

School Board Members and Officials in Attendance: Dr. Michelle Belle, Franklin City School Superintendent; Edna King, Chairwoman; Johnetta Nichols, Vice-Chairwoman; Sherita Ricks-Parker, Verta M. Jackson, Cindy Fillhart and several School Central Office Staff including Kelly Conaway and Pam Kindred, Acting Secretary, Recording Minutes.

Other City Staff in Attendance: Melissa Rollins, Director of Finance

CALL TO ORDER

The Joint Work Session Meeting was called to order by Mayor Raystine Johnson-Ashburn at 5:30 p.m.

City Manager Martin gave a brief summary of the items to be covered during the Work Session. He stated the purpose of the Work Session is to review a portion of the Schools Budget request to include their Capital Improvement Plan and to review the capital needs that are to be included in the proposed Virginia Public School Authority (VPSA) Spring Financing Pool.

Chairwoman King thanked Manager Martin for the wonderful overview of the School Board's request that was presented in his Manager's Report at the last City Council Meeting that was held on March 11, 2013 and then she introduced Dr. Belle for a review of the School System's Capital Project Needs for the next four years. Dr. Belle then presented the 2013 – 14 needs which would comprise the VPSA funding priorities approved by the School Board.

SCHOOL PROJECTS PROPOSED TO BE INCLUDED IN THE 2013 VPSA SPRING BOND APPLICATION

<u>Project</u>	<u>Estimated Cost</u>	<u>Estimated Completion Date</u>
FHS Roof Restoration	\$628,000	October 31, 2013
JPK Roof Replacement	\$898,565	September 1, 2014
Roof Repair	\$ 14,895	August 1, 2013
Bleachers Replacement	\$ 43,758	August 31, 2013
Breezeway Enclosure	\$ 40,000	July 31, 2013
Resurfacing Track	\$ 89,160	August 31, 2013
Buses	\$ 81,140	August 31, 2013
HVAC Replacement	\$ 27,500	August 31, 2013
Replace Ovens	\$75,716	September 1, 2013
TOTAL	\$1,898,734	

Manager Martin commented that these items are estimated to cost \$1,898,734, excluding additional funding required by VPSA and the costs of issuance. The School Board adopted a resolution authorizing an application to be submitted to VPSA for inclusion in the Spring Financing Pool for school capital needs. The deadline for submitting this application was March 18, 2013. The School System submitted the application by the deadline. The action required by Council is to determine the amount of debt.

Having finished her presentation supplemented by the City Manager's, remarks Dr. Belle then asked for questions or comments.

Vice-Mayor Cheatham stated he had previously understood the Charles Street Gym roof needed replacing and now he understands the roof can be repaired?

Dr. Belle answered that the contractor has looked at the roof and says it can be repaired instead of having to be replaced, but will make sure the roof is fixed properly.

Councilwoman Murphy asked if this is the only repair this building requires.

Dr. Belle confirmed this was the only repair for this building included in the financing to ensure its continued use by the schools, but other building potential needs are not being addressed.

Vice-Mayor Cheatham asked if the ovens were the only thing that needed to be replaced in the kitchens.

Dr. Belle answered that the serving lines also need replacing but the ovens are in dire need of replacing. The serving line cost estimates could not be determined by the loan application deadline for inclusion in this loan.

Manager Martin stated if the projects included are completed under budget, some of the other needed items such as serving lines may be able to be completed with leftover funds. This would likely require VPSA approval of any modifications to the projects.

Mayor Johnson-Ashburn commented on the stated need for three School Buses.

Dr. Belle answered that one bus was needed this year, while the others could be spread out over a three year period.

Manager Martin reviewed the loan term information. He stated this is a twenty year loan and the interest rate is projected to be approximately 2.7% for the life of the loan.

Councilman Burgess asked when was the last time funds were borrowed for the School System.

Mrs. Rollins answered funds were last borrowed for the School System in 2005.

Councilwoman Hilliard asked what those funds were used for in the 2005 borrowing.

Mrs. Rollins answered those funds were used for some HVAC work, doors and to purchase and install a security system and security cameras among other things. She could check her records for additional specifics if desired.

Mayor Johnson-Ashburn indicated she wanted Manager Martin to review the details of the proposed borrowing.

Manager Martin informed Council that the amount needed for capital improvements is \$1,898,734; the amount to be borrowed will be \$2,020,000 which includes a 5% contingency required by VPSA to ensure all projects are completed. The cost of issuance is estimated at \$15,000.

Mayor Johnson-Ashburn asked if the City had paid off the previous loan to buy land for future potential use as a school site near the YMCA.

Manager Martin confirmed that loan is satisfied

Mayor Johnson-Ashburn asked if the City had set any earmarked funds aside in a capital reserve account specifically for the capital outlay needs of the Schools.

Manager Martin answered not at this time.

Councilwoman Hilliard asked when the loan on the land for the future school site was satisfied.

Manager Martin answered the loan was paid off at the end of last year.

Chairwoman King asked why the City chose twenty years of financing versus the VPSA maximum allowed of thirty years.

Manager Martin answered twenty years was chosen because the City did not feel like they would qualify for a thirty year loan due to the projected useful life of the specific projects to be completed with these funds. This was determined in consultation with the City's Board Counsel.

Councilman Burgess asked how this refinancing would affect the City three or four years down the road particularly concerning the listed future need for classrooms to replace modular units at S. P. Morton.

Manager Martin replied this will definitely have an impact but it is hoped that the City's financials would be able to address that need at that time with another borrowing. Councilman Burgess suggested the City may need to do such a borrowing sooner to take advantage of the interest rates if they remain low when planning for the classroom project is complete.

Manager Martin stated Council action will be required at the City Council meeting on April 8, 2013 following a public hearing on the financing.

ADJOURNMENT

The Work Session with the School Board and City Council adjourned at 6:10 p.m.

Regular City Council Meeting

The Franklin City Council held a regular meeting on Monday, March 25, 2013, at 7:00 p.m. in Council Chambers, 207 West Second Avenue.

Council Members in Attendance: Raystine Johnson-Ashburn, Mayor; Barry Cheatham, Vice-Mayor; Greg McLemore, Benny Burgess, Mary Hilliard, and Mona Murphy (Don Blythe absent).

Staff in Attendance: Randy Martin, City Manager; Taylor Williams, IV, City Attorney; Mark Bly, Director of Power & Light; Melissa Rollins, Director of Finance; Brenda Rickman, Commissioner of Revenue; Alan Hogge, Director of Social Services; Vince Holt, Chief of Emergency Services; Jen Maynard, Registrar; Dinah Babb, Treasurer; Carolyn Joyner, Director of Human Resources; Russ Pace, Director of Public Works; Donald Goodwin, Director of Community Development; Frank Davis, Director of Parks & Recreation, and Leesa Livesay, Acting Secretary, Recording Minutes.

Other Staff in Attendance: Amanda Jarratt, President of Franklin Southampton Economic Development, Inc.; Nancy Parrish, Manager of Franklin Business Incubator; Quinton Livingston, Franklin Police Officer; Sheila Baker, Office Manager of Community Development; Dan Howe, Director of Downtown Franklin Association; and Tim Whitt, Lieutenant of the Franklin Police Department.

CALL TO ORDER

The City Council Regular Meeting was called to order by Mayor Raystine Johnson-Ashburn at 7:00 p.m.

INVOCATION

Councilman McLemore representing Ward 3 asked Dr. Bishop Linwood Johnson, III to offer the Invocation in his stead.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by everyone in attendance.

CITIZEN'S TIME

Sixteen citizens signed up to speak at Citizen's Time.

Citizen 1

Herman Parker resides at 303 North High Street; stated he is not pleased with his utility bill as well as the Council's response to the utility bill issue.

Citizen 2

Dan Taylor resides at 510 S. High Street; noticed his utility bills have increased considerably. While Mr. Taylor was out of the country he unplugged everything except for his refrigerator and freezer in his house and left the thermostat at 55 degrees and when he came back his utility bill was over \$500.00.

Citizen 3

Mary V. Barnes resides at 29418 Delaware Road; stated her utility bill usually runs around \$461.00. The bill has increased by \$200.00.

Citizen 4

Brendolyn Barnes resides at 29418 Delaware Road; signed the Citizen's Time Sheet but did not speak.

Citizen 5

Michael W. Foreman resides at 301 Hall Street; is concerned with the kilowatt usage. Mr. Foreman gave a sample of a kilowatt usage study to Manager Martin for review. Mr. Foreman stated the average kilowatt usage is in the radius of 1300 kilowatts, whereas some of the concerned citizens' kilowatts usage was anywhere from 2400 to 5000 kilowatts.

Citizen 6

Dr. Linwood Johnson, III resides at 301 Hall Street; stated he is speaking for the concerned citizens of the City of Franklin. He stated the citizens are willing to work together to come to a solution to the utility billing problem, but they need a quick fix and not to have this problem drawn out. Mr. Johnson has talked with surrounding Cities and believes there is a glitch in our system.

Citizen 7

Marsha Barnes now resides at 317 Edwards Street; but has lived at 413 Hall Street for thirteen years. She recently relocated because of her high utility bills. Her last two monthly bills were \$753.00 and \$805.00. She is disabled and cannot pay her other bills because of the high utility bill. She would like to see this problem resolved.

Citizen 8

Bryant Robinson resides at 612 North High Street; states he lives with his mother and her utility bill has been a \$1,000 for the last four years.

Citizen 9

Raymond Williams resides at 302 Artis Street; states he commutes to Northern Virginia and Hampton, Virginia for his job, therefore is rarely home. He has reviewed three years of his utility bills which average a \$150 to \$160 a month and has increased recently to \$300 a month. He wants to know the reason for the increase.

Citizen 10

Sebrina Wellington resides at 908 Walnut Street; she stated she has had her house insulated and her utility bills usually run \$170 a month and have risen to \$321 this month. She also added everyone complaining is not low income and she feels the City of Franklin is taking advantage of the citizens. Ms. Wellington also stated that the members of the City Council were invited to attend the recent meeting of the concerned citizens and no one from Council attended.

Citizen 11

Clyde Bailey resides at 409 Washington Street; signed the Citizen's Time Sheet but did not speak.

Citizen 12

Steven Wellington resides at 908 Walnut Street; signed the Citizen's Time Sheet but did not speak.

Citizen 13

James Copeland resides at 213 Banks Street; spoke on the behalf of his mother. Mr. Copeland stated their utility bill is \$383.00 and they cannot afford to pay this bill and something needs to be done to lower these utility bills.

Citizen 14

Lois Wellington resides at 515 South High Street; spoke on behalf of her son. Mrs. Wellington stated her son had not yet moved into his house and she kept one light burning at all times, her first utility bill was \$20.00, the second was \$40.00 with still one light burning and now the third is \$302.38 with one light still burning. She stated her bill has also risen \$100.00 and she has had her home winterized.

Citizen 15

Councilman Greg McLemore speaking as a citizen stated he resides at 204 Madison Street; he echoes the words he has heard from so many people whose utility bills are higher than their mortgage. Councilman McLemore stated when he goes out of town the utility bill never goes down. He has asked the Electric Department to explain and their response was they did not know and he stated this was unacceptable. He stated he is speaking for the citizens and there is a solution to this problem. The City does not need to keep charging these citizens for things that they are not using. He also added that Council has the authority to change this situation with four votes. Councilman McLemore stated the citizens cannot afford to pay money just because the City needs more money. Council needs to make a decision to lower expenses for the citizens and stop charging for water and garbage when these things are not being used.

Citizen 16

Sylvia Lankford who resides at 565 Laurel Street; stated she has compared her January, February and March utility bills from last year to this years and they have doubled. Mrs. Lankford is a former resident of Smithfield and if she had known this, she would never have moved here. She also added there should be more extensions than just two a year.

AMENDMENTS TO AGENDA

Mayor Johnson-Ashburn asked if there were any Amendments to the Agenda.

Vice-Mayor Cheatham made a motion to amend the Agenda, to move the Electric Utility Rate Report from the City Manager's Report from 4, A1, to 1A. The motion was seconded by Councilwoman Hilliard and passed with a 6-0 vote (Councilman Blythe absent).

Mayor Johnson-Ashburn asked if there were anymore Amendments to the Agenda.

Councilman McLemore made a motion to amend the Agenda to make a policy to correct the utility bill situation and make a promise in the form of adopting or passing a resolution that Council is determined to address this problem and not just move on. Council McLemore stated that the citizens are here tonight therefore, we can discuss this problem and we can make a decision to take positive action in order to correct this problem. The motion was seconded by Councilwoman Murphy.

The motion was not approved with the vote as follows:

Mayor Johnson-Ashburn, NAY; Vice-Mayor Cheatham, NAY; Councilman McLemore, AYE; Councilman Burgess, NAY; Councilwoman Hilliard, NAY; Councilwoman Murphy, NAY; (Councilman Blythe absent).

Councilman McLemore stepped out of the meeting at 7:48 p.m.

Councilman McLemore returned to meeting at 8:05 p.m.

Electric Utility Rate Report

Manager Martin was directed by Council to prepare a summary report of the status of staff efforts thus far to address recent customer electric utility billing concerns. Manager Martin was contacted in early March and advised that a group of citizens had gathered on February 27th to discuss concerns about their electric utility bills. A meeting was scheduled for March 5th with a small group of representatives for this group of concerned citizens. Manager Martin met with the group to answer questions and to solicit their input particularly specific details of individual customer concerns. The group indicated their intentions to work cooperatively with Manager Martin and other City Officials to address their concerns and that they planned to attend the City Council Meeting on March 11th to publicly share their comments and make the City Council aware. To accommodate those concerned citizens, Council charged Manager Martin (who enlisted the assistance of various levels of City Staff) to accumulate pertinent information and to document related citizen concerns expressed and to respond to requests for assistance. At last count, thirty three customers from throughout the customer base requested Power & Light Staff to reread their meters. As, requested these meters were reread and no discrepancies were identified. Three customers requested further evaluation of their homes and their circumstances particularly heating equipment. All three customers had higher than average electric consumption or usage. Upon being invited to the residences, staff observed that two of the customers had their emergency heat engaged on their Heating system thermostat controls. The third customer did not have the thermostat setting for emergency heat engaged; however, the heating system was not functioning and causing prolonged usage of the emergency heat strips to compensate as the sole heating source for the home.

At last report, billing staff had received fifteen related customer inquiries. Manger Martin stated, he personally received an additional fourteen related customer contacts since the March 11th Meeting. Manager Martin stated he has researched billing and usage data on these customers including the concerned citizen group representatives with whom he met earlier this month and those customers who had submitted copies of their bills requesting analysis. Manager Martin has reviewed customer records for the past three winter seasons for comparison purposes. Manager Martin also stated he has begun contacting the individual customers to review findings and to discuss next steps including offering the City's free staff energy analysis of their residence if they are interested. In summary, related individual customer direct contacts since the last meeting total twenty nine excluding the thirty three meter reread requests. When evaluating customer accounts and inquiries received, the pattern clearly shows a direct

correlation to the seasonal fluctuations in outside temperature readings over the last three winter seasons. It is noteworthy that staff analysis verifies that a very large number of the City's residential electric customers rely upon electric baseboard equipment as their primary heating source. Also, it is acknowledged that a number of the City's customers are lower income and residing in some of the oldest and most energy inefficient homes. The City is committed to helping income qualifying homeowners and renters receive assistance during extreme weather conditions. In response to customer concerns, Manager Martin also had staff demonstrate the City's meter reading equipment. The City Staff has field tested the equipment and Manager Martin has personally verified random meter readings at residences during the process and found no irregularities. Manager Martin has through experience and contacts with other energy companies verified that the Automatic Meter Reading, (AMR) technology and billing software used by the City are industry standard and almost universally utilized by utilities large and small. Manager Martin stated he wants to assure the citizens, all customers and the City Council that he intends to do everything within his ability to ensure that the entire City Government continues providing the best service possible. He pledged that Staff stands ready to continue to address customer concerns and report outcomes as directed by the City Council. Manager Martin implored each customer to become as informed as possible and manage their energy usage wisely. Manager Martin included a power point and reviewed examples of customer usage as compared to system wide customer average usage. He expressed concern about significantly higher electric usage by some of the customers evaluated than the average usage of all customers.

Mayor Johnson-Ashburn stated that Council did not want the citizens to leave tonight feeling that Council does not understand or care but it is essential that concerned citizens go to staff and present your individual case in order to collect the data that is needed to do research. Staff is looking into having a third party engaged to check city meter reading equipment for accuracy and also maybe purchasing Blower Door equipment.

Councilman McLemore thanked Manager Martin for preparing such a detailed report. Councilman McLemore inquired if the City will consider separating the utility bill in order to assist the citizens in paying what they actually use.

Manager Martin answered it would certainly be additional cost to do separate billing for each service, but he has not researched the cost or other aspects of such a change.

Resolutions for Special Recognition of Retirees (Mickey Futrell, Pat Futrell, Butch Turner)

Mayor Johnson-Ashburn read Resolutions to honor Retirees Mickey Futrell, Pat Futrell and Butch Turner. She then asked them to come forward for presentation of these Resolutions.

Due to the lateness of the hour, Mayor Johnson-Ashburn asked City Attorney Williams if Council could further adjust the Agenda to move the Public Hearings.

City Attorney Williams replied Council could move the Public Hearings up if desired.

Mayor Johnson-Ashburn requested a motion to amend the Agenda by moving the Virginia Resources Authority Resolution – Rural Development Loan Refinancing – Davenport and the Public Hearings for discussion now. A motion was made by Vice-Mayor Cheatham. The motion was seconded by Councilwoman Hilliard and passed with a 6-0 vote (Councilman Blythe absent).

Virginia Resources Authority Resolution – Rural Development Loan Refinancing – Davenport

Mrs. Rollins introduced Kyle Laux 1st Vice President of Davenport which presented the Resolution for the refinancing of existing city debt with Virginia Resources Authority. At the March 11, 2013 City Council Meeting, Davenport presented information pertaining to the opportunity to refinance existing 2002 Rural Development General Fund Debt used to fund improvements to the City Hall building with the Virginia Resources Authority (VRA). Mr. Laux explained that City Council will need to take official action to adopt the Resolution authorizing the issuance and sale of the General Obligation Refunding Bonds associated with the refinancing. The following specifics were given:

Background

- | | | | |
|-----------------------------|-------------|------------------------|---------------------|
| • Est. Par Amt Outstanding: | \$2,230,000 | Current Interest Rate: | 4.625% |
| • Debt Service | | Final Maturity: | FY 2043 |
| Monthly: | \$ 11,550 | Prepayment Feature: | Anytime w/o Penalty |
| Annual: | \$ 138,600 | | |

Estimated Refunding Highlights

- | | | | |
|-----------------------------|------------|-----------------------|---------|
| • Total Savings: | \$ 509,600 | All-In Interest Cost: | 3.95% |
| • Net Present Value Savings | 9.54% | Final Monthly: | FY 2039 |
| • Average Annual Savings | \$ 113,150 | | |

Mayor Johnson-Ashburn called for questions.

Councilman McLemore asked what the cost to the City was for the refinancing.

Mr. Laux answered the cost to the City would be about \$30,000 and is included in the financing estimates.

A motion was made by Vice-Mayor Cheatham to approve the Virginia Resources Authority Resolution-Rural Development Loan Refinancing as recommended by Davenport and the City Manager. The motion was seconded by Councilwoman Hilliard and passed with a 6-0 vote (Councilman Blythe absent).

PUBLIC HEARINGS

Hearing #1

Rezoning Application – 62.8 Acre Parcel on South Street Adjacent to the Route 58 By-Pass

Mr. Goodwin presented the request for rezoning. The applicant for rezoning is Mid-Atlantic Communities, LLC owner and Jason M. Janson (contract purchaser) of certain property containing approximately 62.8 acres located on the southern portion of South Street adjacent to the Route 58 by-pass in the City of Franklin, Virginia. The request is to rezone the approximately 62.8 acre parcel from R-1 One-Family Residence and R-2 General Residence District to B-3 General Business District. The 68-8 acre parcel is currently known as a portion of City of Franklin Tax Parcel No. 153-(213)-3.

The property which is the subject of this rezoning application is currently vacant; however, the property has been previously approved for the development of a 149 lot medium density residential subdivision. Due to the properties close proximity to the Route 58 by-pass the owner wishes to seek the highest and best use for the property as a tool to boost economic development and job creation as opposed to by-right residential development that would result in an undesirable fiscal impact and strain on city services.

Amanda Jarratt, President of Franklin Southampton Economic Development, Inc. gave a brief power point presentation which addressed both public hearings. Mrs. Jarratt stated the process of rezoning this project will very likely bring business to the City and in the process create job opportunities for the City's residents. Mrs. Jarratt also stated that the Planning Commission recommended this rezoning be approved with a 6-1 vote.

Councilman McLemore asked which member of the Planning Commission was not in favor of the rezoning project.

Mrs. Jarratt answered Ms. Carolyn Williams voted not in favor of this rezoning project stating her concern was traffic related, but this project will not affect residential streets in the City in any way. In fact, it is believed it will relieve some city streets of traffic by providing an alternative route when the proposed service road is completed to connect with Pretlow Industrial Park.

Councilwoman Hilliard asked what affect this project would have on Dorchester Street.

Mr. Goodwin answered this project would not affect Dorchester Street.

Hearing #2

Text Amendments the Sign Ordinance

Mr. Goodwin introduced the second Public Hearing which is a joint request from FSEDI and the Department of Community Development as it relates to the attraction of new business investment in the City of Franklin. This is a request for two changes to the sign ordinance:

1. Is to define and allow route 58 Corridor high-rise signs. The purpose of these signs is to attract the types of business and industries that will serve non-local traffic traveling the route 58 by-pass.
2. Define what a Business Park is and allow them the same freestanding sign as a shopping center.

The proposed amendments were unanimously approved by the planning commission on February 28, 2013 with the following concerns expressed for the corridor: high-rise signs:

1. In an effort to reduce the number and spacing of the signs the minimum three acres was recommended to be changed to five acres to minimize the number of these signs.
2. To protect residential properties in the area it was recommended that the signs be located at least 200 feet from a residentially zoned property.

Mr. Goodwin reported Staff agrees with the 200 foot distance from a residentially zoned property. However, upon further investigation of increasing the minimum acreage from three acres to five acres Staff has the following concerns. The location of the proposed access road that is planned for the by-pass would run parallel to the by-pass at variable distances. The furthest would be approximately 700 feet and the closest being approximately 300 feet. Due to the varying circumstances that may arise as development occurs, to be more flexible and to limit any self inflicted hardships that would put the City in a position to lose a potential business, staff recommends the three acre minimum lot size be maintained. Other Cities already have these ordinances in place that allow these signs. If we put this project in place, this will also encourage the creation of job opportunities and flexibility is necessary.

Mayor Johnson-Ashburn opened the Hearing to the Public for questions or comments on the Rezoning Application – 62.8 Acre Parcel on South Street Adjacent to the Route 58 By-Pass.

Felecia Blow, Secretary of the Franklin, Southampton Economic Development, Inc. (FSEDI). Board of Directors

On behalf of FSEDI, Mrs. Blow stated support for both Public Hearing actions proposed as recommended by staff.

Mayor Johnson-Ashburn thanked Mrs. Blow for her service to the City of Franklin as the City's representative to the FSEDI Board.

Michael Clark; President of Chamber of Commerce

Mr. Clark supports both Public Hearing actions.

Megan Council resides at 1451 Clay Street

Ms. Council speaks on the behalf of the younger generation of the City of Franklin; she supports both Public Hearing actions related to the rezoning and the text amendments.

John Rabil; Small Business Owner in the City of Franklin

Mr. Rabil supports both Public Hearing actions.

Herbert Cobb resides at 408 Cobb Street

Mr. Cobb supports both Public Hearing actions.

Tim Bradshaw serves on the Downtown Franklin Association Board of Directors as well as is a small business owner in the City of Franklin

Mr. Bradshaw supports both Public Hearing actions.

Mayor Johnson-Ashburn closed the Public Hearings at 9:03 p.m. and invited Council to make comments or submit questions.

Councilwoman Murphy spoke in favor of the Public Hearing actions.

Councilman McLemore spoke in favor of the Public Hearing actions and commended Mrs. Jarratt for her efforts and stated he appreciates her forward thinking on these projects.

Councilwoman Hilliard supports both Public Hearing actions.

Vice-Mayor Cheatham is in support of both Public Hearing actions.

Mayor Johnson-Ashburn is also in support of both Public Hearing actions.

A motion was made by Councilwoman Hilliard to rezone the property located on the south side of South Street adjacent to Route 58 By-Pass from R-1 one family residence district and R-2 general residence district to B-3 general business. The motion was seconded by Vice-Mayor Cheatham and passed with a 6-0 vote (Councilman Blythe absent).

The Mayor asked if there were any questions concerning Text Amendments to the Sign Ordinance.

Councilman McLemore asked if the signs would affect any other areas besides Pretlow in Franklin.

Mr. Goodwin confirmed that the text amendments would to some degree affect the business zones in the City of Franklin. He noted the high rise signs were limited to the U.S. 58 Corridor.

Mayor Johnson-Ashburn opened the Public Hearing for the Text Amendments the Sign Ordinance at 9:11 p.m.

Manager Martin requested that the relevant comments from the first Public Hearing be noted in the record for this Public Hearing as well.

Mayor Johnson-Ashburn confirmed the record would reflect this with every citizen present that spoke in the first Public Hearing.

Felecia Blow, Secretary of the Franklin, Southampton Economic Development, Inc. Board of Supervisors

Mrs. Blow supports both Public Hearing actions.

Michael Clark; President of Chamber of Commerce

Mr. Clark supports both Public Hearing actions.

Megan Council resides at 1451 Clay Street

Ms. Council supports both Public Hearing actions.

John Rabil; Small Business Owner in the City of Franklin

Mr. Rabil supports both Public Hearing actions.

Herbert Hunter resides at 408 Cobb Street

Mr. Hunter supports both Public Hearing actions.

Tim Bradshaw serves on the Downtown Franklin Association Board of Directors as well as is a small business owner in the City of Franklin

Mr. Bradshaw supports both Public Hearing actions.

Dan Howe, Director of Downtown Franklin Association

Mr. Howe spoke in favor of both Public Hearing actions.

Mayor Johnson-Ashburn closed the Public Hearing and invited Council for comments or questions at 9:15 p.m.

Councilman Burgess asked the definition of Business Park and does the City of Franklin have one.

Mr. Goodwin defined a Business Park as a subdivision of properties used for commercial purposes and he gave an example of Commerce Park as being considered a Business Park.

Mayor Johnson-Ashburn asked Mr. Goodwin to explain the recommendation from Staff to approve Option B.

Mr. Goodwin explained the Option B – Ordinance means an on-premise freestanding sign that is located on any parcel of land zoned B-3 General Business or Industrial with any part of the parcel located within 500 feet of the Route 58 By-pass right of way within the cooperate limits of the City of Franklin. These signs shall be permitted for businesses and developments for the purpose of attracting non-local traffic from the by-pass. Such signs shall be allowed within the cooperate limits of the City. Route 58 corridor high-rise signs shall be allowed when the following requirements are met:

1. There shall be no more than (1) high-rise sign structure per parcel.
2. All parcels shall be three (3) acres or larger in size.
3. The high-rise sign structure shall have no more than (4) individual signs.
4. The maximum sign height shall be 190 feet and.
5. The high-rise signs shall observe a setback requirement of twenty (20) feet from all street right of way or lot boundary lines. However, there shall be no setback from the Route 58 by-pass right of way.
6. Route 58 corridor high-rise signs shall be located no closer than 200 feet from a residentially zoned property.
7. If a high-rise sign is utilized, only one other freestanding monument ground sign will be allowed in accordance with section 22.3 (b) (2) (a) (4).
8. Directional signs for internal traffic circulation shall be allowed so as not obstruct sign vision at intersections within a public way.
9. All Route 58 Gateway high-rise signs shall comply with all other local, state and federal regulations.

The zoning administration shall interpret the above requirements of the definition for Route 58 corridor high-rise sign locations for close proximity to residentially zoned property, the Route 58 By-pass and to each other in keeping with the purpose and intent of this article under the following circumstances:

- a) The site is exceptionally narrow or shallow, has an odd size, shape or topography or is otherwise unusual in physical dimension.
- b) There exists a unique relationship to adjacent properties or properties in the general vicinity.

A motion was made by Vice-Mayor Cheatham to Amend Section 28.7 of the Zoning Ordinance as recommended by staff relating to Definitions Option B. The motion was seconded by Councilwoman Murphy and passed with a 6-0 vote (Councilman Blythe absent).

A motion was made by Vice-Mayor Cheatham to Amend Section 28.7 of the Zoning Ordinance as recommended by staff relating to Freestanding Signs. The motion was seconded by Councilwoman Murphy and passed with a 6-0 vote (Councilman Blythe absent).

CONSENT AGENDA

City Council Minutes from the March 11, 2013 Regular Meeting

Mayor Johnson-Ashburn briefly excused herself. In her place Vice-Mayor Cheatham temporarily assumed the role as Chair of the Council. Vice-Mayor Cheatham requested approval of the Minutes for the City Council Meeting that was held on March 11, 2013.

A motion was made by Councilman Burgess to approve the Minutes for the City Council Meeting that was held on March 11, 2013. The motion was seconded by Councilwoman Murphy and approved with a 5-0 vote (Mayor Johnson-Ashburn and Councilman Blythe absent).

Manager Martin asked for approval of the Retiree Resolutions that were presented earlier.

A motion was made by Councilwoman Murphy to approve the Resolutions for the Retirees: Mickey Futrell, Pat Futrell, and Butch Turner. The motion was seconded by Councilwoman Hilliard and passed with a 5-0 vote (Mayor Johnson-Ashburn and Councilman Blythe absent).

Departmental Reports (provided in a separate file)

Vice-Mayor Cheatham asked if there were any questions concerning the Departmental Reports. There were no questions or comments concerning the Departmental Reports.

Mayor Johnson-Ashburn returned to the City Council Meeting in progress.

Treasurer’s Report on Delinquent Collections

Mrs. Babb reviewed a listing of the Delinquent Taxes owed to the City of Franklin as of March 18, 2013:

Real Estate :	\$280,230.75
Personal Property:	\$171,664.40
Business License:	\$ 6,807.65
Meals & Lodging:	\$ 27,105.65

Total Delinquent Taxes: \$485,808.45

Debt Set Off

Mrs. Babb also informed Council since November-January the Treasurer’s Department has submitted 3,916 claims to the Virginia Department of Taxation. As of March 15, 2013 we have received 71 returns for a total of \$18,254.85 applied to delinquent personal property taxes, delinquent real estate taxes inactive utilities.

Virginia Auction

Mrs. Babb informed Council since August the Treasurer’s Department has had nine vehicle seizures with a total of \$1,380.64 collected in delinquent taxes. Of the seizures, three have not been redeemed and sold at auction.

Unclaimed Property

Mrs. Babb also informed Council since last reported the Treasurer’s Department has received 129 claims with a total of \$1,587.01 applied to delinquent accounts.

Vice-Mayor Cheatham asked Mrs. Babb when will she be writing off the Business License that is dated back to 2007.

Mrs. Babb answered she is working with an attorney to work on this before charging off any additional amounts.

Councilwoman Murphy asked what was the time frame for collecting these delinquent accounts.

Mrs. Babb answered collections can go back up to five years before doing charge offs.

Vice-Mayor Cheatham asked about the meal tax delinquent accounts.

Mrs. Babb answered of the four accounts, one is in bankruptcy and the other three are on payment plans.

Financial Report – February 2013

Mrs. Rollins gave highlights of the Financial Report for February 2013:

- With eight months of Fiscal Year 2013 completed, revenues continue to track slightly higher when compared to the prior year as expected and compare favorably to the budget
- As of February 28, the City has realized \$2.48 million in current real estate tax or 48% of budget, a gain as expected over prior year collections which were \$2.32 million
- Personal Property tax collections were \$1,177,375 or 89.6% of budget and slightly higher than prior year receipts of \$1,153,389.
- Other local taxes collected through February were \$3.46 million or 67% of budget.

General Fund

- Local Sales Taxes – Revenue collected at February 28 was \$1,179,000 70% of budget; when compared to the prior year, this is a 10.3% increase.
- Cigarette Taxes – Revenue of \$241,500 at February 28 surpasses prior year period revenues of \$156,805 by 54%.
- Restaurant Meals Taxes – Revenue collected in the first half of the fiscal year amounted to \$839,000 or 67% of budget and is 3.2% more than the prior year.
- Lodging Taxes – Revenue of \$107,000 represents a 10.6% increase from the prior year.
- Motor Vehicle License – Revenue of \$126,000 at February 28 is generally consistent with the prior year.
- Consumer Utility Taxes – The decline in this revenue source from the prior year is primarily attributed to an accounting change in the remittance of Consumer Utility Taxes due to outside cities/counties.

Water & Sewer Fund

- Revenue from the sale of water and sewer service charges of \$1.99 mil at February 28 remains in line with budgeted projections.
- Expenditure Analysis – Expenditures of \$1.59 mil at the end of the month reflect a decrease from the \$2.0 mil spent at this time in FY 2011-12, largely due to sewer system improvement projects that were completed in the prior year.

Airport Fund

- Fuel sales at February 28 were \$74,000, increasing just a little over \$5,000 from the prior month. Revenue from jet fuel sales are 38% of budget compared to 46% for aviation fuel sales. Other local revenue consists primarily of airport rental fees and other revenue totaling \$48,000 which is tracking slightly higher than prior year collections. Total revenue is higher due to federal grant funds received for the airport runway/lighting/taxiway project.

Electric Fund

- Tracking close to budget at 66%, revenue in the Electric Fund totaled \$9.6 mil at February 28.

Cash Balance

- Cash in the Electric Fund at February 28 was \$287,764, a decrease of \$102,000 or 26% from January 31. The trend for the year remains upward overall.

OLD/NEW BUSINESS

Hazard Mitigation Grant Announcement (Emergency Shelter Generator Quick Connect)

Manager Martin informed Council that the Federal Emergency Management Agency has approved the project titled “City of Franklin Emergency A.T.S. Generator Hookups.” The funds have been obligated through the Hazard Mitigation Grant Program. He then introduced Donald Goodwin, Director of Community Development to review Hazard Mitigation Grant details. Mr. Goodwin stated the project is to provide the required hook-ups, transformers, and connections for a new generator at the City’s designated shelter at Franklin High School. This project includes the manual transfer switches and safety fencing to protect a new 750KW generator, as well as all the wiring, equipment, and electrical components. The work will provide a new 2000 amp sub feed panel to provide power to the shelter’s fire protection system, emergency lighting, kitchen appliances, and bathroom fixtures. The project will also include the updating of the building service transformer at the school to accommodate the required voltage for the building’s system. A new emergency generator hookup is critical with respect to the loss of power as this project will provide a safe and cost-effective means of rapidly restoring power during critical shelter usage during emergency events. The shelter is designed to serve the City of Franklin and, during some events, Southampton County and Isle of Wight County in times of need.

Mayor Johnson-Ashburn asked how much this project would cost.

Mr. Goodwin answered \$120,000.00 with some of the required match being in-kind.

Councilman Burgess asked what the time line was for this project to be completed.

Mr. Goodwin replied the grant has to be closed in 19 months but Mark Bly, Director of Power & Light stated up to 6 months would be necessary to complete the project construction activity.

Councilman McLemore asked why this project would take 6 months to complete and inquired if our Power & Light Department can do this project.

Mr. Goodwin replied that this project requires licensed electricians to complete. The Power & Light Department will provide assistance as appropriate which will be a share of the in-kind match.

Councilman McLemore inquired about in case of emergencies could we store the Health Department’s vaccines at the shelter or elsewhere.

Manager Martin replied the staff could research this if the the Health Department is interested in looking at alternatives.

COUNCIL/STAFF REPORTS ON BOARDS AND COMMISSIONS

Vice-Mayor Cheatham reported on the Western Tidewater Regional Jail Board Meeting, he stated if the Governor signs the Budget; the Regional Jail will have increased funding next year from the State and reduce or eliminate the need for any increased local funding.

Vice-Mayor Cheatham reported on the Business Friendly Committee Meeting where discussions were held about reasons why some past businesses left the City of Franklin, the hours for the Farmer's Market, rezoning and signage and a City Staff report was given on empty building spaces on Armory Drive. There are: 171 Store Fronts, 35 Vacancies and 136 Active Businesses.

Vice-Mayor Cheatham also reported on the Hampton Roads Planning District Committee, he stated the topic of discussion was the Regional Benchmark Study.

Mayor Johnson-Ashburn requested to be notified of the scheduling of the Citizen's Utility Meeting with Manager Martin.

Mayor Johnson-Ashburn requested a motion to go into Closed Session.

Manager Martin suggested deferring the Closed Session due to the lateness of the meeting.

ADJOURN

A motion was made by Councilwoman Murphy to adjourn the City Council Meeting. The motion was seconded by Vice-Mayor Cheatham and passed with a 6-0 vote (Councilman Blythe absent).

The March 25, 2013 City Council Meeting was adjourned at 9:50 p.m.

WORK SESSION
SCHOOL SYSTEM AND OUTSIDE AGENCY BUDGET REQUESTS

The Franklin City Council held a Work Session Meeting for the School System and Outside Agencies to discuss their budget requests to the City for FY 2013-2014, in Council Chambers, 207 West 2nd Avenue.

Council Members in Attendance: Raystine Johnson-Ashburn, Mayor; Barry Cheatham, Vice-Mayor; Benny Burgess, Mary Hilliard, and Mona Murphy (Councilmen McLemore and Blythe absent).

School Board Members and Officials in Attendance: Dr. Michelle Belle, Franklin City Public Schools Superintendent; Edna King, Chairwoman of the Franklin School Board.

Staff in Attendance: Randy Martin, City Manager; Taylor Williams, City Attorney; Leesa Livesay, Acting Secretary, arrived at 6:30 to Record Minutes.

Other Staff in Attendance: Amanda Jarratt, President of Franklin, Southampton Economic Development, Inc.;

CALL TO ORDER

The Work Session Meeting was called to order by Mayor Raystine Johnson-Ashburn at 5:30 p.m.

School System Budget Proposal FY 2013-2014

Chairwoman King stated that the School Board and staff have worked very hard to present the City this Preliminary Budget Report. Chairwoman King thanked the Council for their efforts in support of the School System and she thanked the City Manager for his assistance this year in helping the School Board address their Capital Outlay Needs. She then introduced Superintendent Dr. Michelle Belle to review the Budget Report details.

Dr. Belle stated that due to the City Manager's request to institute the budget process earlier this year, the proposed budget being presented is the Superintendent's recommended budget. The School Board has not officially approved, but the Board has been actively involved in the budget development process. When the Board approves their budget, the City will be notified of any changes.

General Fund Expenditure Overview

Dr. Belle reviewed quick facts, performance details and budget needs for S. P. Morton Elementary, J. P. King Middle and Franklin High School. Dr. Belle stated the General Fund for FY 2012-2013 was \$13,468,476 and the proposed General Fund Budget for FY 2013-2014 is \$14,355,269 an increase of \$886,793, or 6.58% for the school system operating budget. The breakdown as a percentage of budget by source is:

State Portion	59%
City Portion	39%
Misc. Local	2%
Federal Portion	0% (less that 1%)

Superintendent Belle noted that the entire increase is proposed to be funded with carry over funds from the FY 2011-2012 school budget as verified by the recently completed City audit for that fiscal year.

Proposed General Fund Expenditures

Dr. Belle reviewed the proposed General Fund Expenditure breakdown as a percentage of budget:

Administration	6%
Transportation	5%
Operation & Maint.	9%
Enterprise	0%
Technology	5%
Instruction	75%

Major Increases in the Proposed Budget include:

- 4% RAISE for all staff - \$394,216 (2% State funded, 2% local additional increase)
- SPED teacher and aid - \$73,000
- Specialists (reading and math) - \$120,000
- ½ Guidance counselor/Dean of Students - \$40,000
- School Resource Officer - \$24,000
- 5.5% increase in Health Insurance - \$43,285
- School Bus - \$81,000
- Textbooks - \$7,565
- Mobile Labs - \$60,000
- Miscellaneous supplies - \$43,727

Other Funds Budget Overview

Dr. Belle reviewed the Other Funds Portion of the Budget Overview:

FY2012-2013 Budget	\$2,436,780
Proposed FY2013-2014	\$2,534,690
Dollar Increase/Decrease	\$ 97,910
Percent Increase/Decrease	4.02%

Dr. Belle noted that the Federal funding was a concern. The estimate received showed an increase, but she is skeptical about the numbers due to the potential impact of sequestration.

Proposed FY13-14 Operating Budget Combined Funding Sources

State	50%
Federal	12%
Cafeteria	4%
Misc. Local	1%
City Transfer	33%

Dr. Belle introduced Rachel Yates, Finance Supervisor for the Franklin City Public Schools, who reviewed additional details and offered to answer questions.

Manager Martin asked if the Capital Improvement Program (CIP) Needs had been modified since the Joint School Board and Council Work Session meeting that was held on March 25, 2013.

Mrs. Yates replied no, the CIP needs were the same.

Mayor Johnson-Ashburn asked how the replacement school bus included in the operating budget impacts the CIP identified bus needs?

Dr. Belle replied the school bus is in the Capital outlay portion of the operating budget right now but could possibly be removed by the School Board when they review the recommended budget leaving it to be addressed in future years of the CIP.

Mayor Johnson-Ashburn asked for additional information and a breakdown of the 4% raise particularly the local share of the \$394,216 increase in salaries.

Mrs. Yates responded that \$394,216 was the total cost of a 4% raise across the board for all employees with some of the cost covered by the 2% increase in the state funding for designated staff. The remainder would need to come through local money. The State 2% share does not fund all local employees.

Mayor Johnson-Ashburn asked Mrs. Yates if she could share specific numbers.

Mrs. Yates replied she could not provide from memory specific numbers but believed that the 2% portion to be covered by the state for the positions they fund was about \$142,000. The local share proposed for the increase was the balance.

Vice Mayor Cheatham asked if the approximately \$253,000 local share cost for the proposed increase in salaries included all benefits.

Mrs. Yates answered that is correct, the total includes benefit costs.

Vice-Mayor Cheatham asked what the Mobile Lab was that was listed in the proposed budget.

Dr Belle answered these are the cost of two carts that will house 20 to 40 I-pads for transport between classes.

Councilman Burgess asked which school would house the proposed Reading, Math and the Guidance Counselor positions.

Dr. Belle replied the Reading Specialist is proposed to be located at S. P. Morton; the Math Specialist would be K-12, and the Guidance Counselor at S. P. Morton.

Manager Martin asked Mrs. Yates to clarify the school system's VRS funding approach to comply with legislative mandated changes last year.

Mrs. Yates replied the School System did the whole 5% last budget year rather than the phasing option. This concluded the School's Budget presentation. Dr. Belle thanked Council for the opportunity and their support.

Franklin Southampton Economic Development, Inc.'s (FSEDI) Budget Proposal

Amanda Jarratt, President of FSEDI gave some specifics on the accomplishments of the FSEDI. FSEDI requests a budget increase of \$25,000 for a total of \$125,000 with the same request being made to the County. This amount is still \$25,000 less than the previous City and County funding level.

Western Tidewater Community Services Board's Budget Proposal

Demetrious Peratsakis, Executive Director of Western Tidewater Community Services Board gave an overview of the services that are provided to the citizens of Franklin. Mr. Peratsakis stated the Board has a \$20,000,000 a year operating budget, of that \$544,000 is locally funded, the rest is federal, some private and of course Medicare; approximately \$34,000 is funded through the City of Franklin. Mr. Peratsakis has requested \$35,198 for WTCSB's budget proposal for FY 2013-2014. This is a \$1,025 increase over the current year.

Smart Beginnings' Budget Proposal

Anita Felts, Smart Beginnings Board Chairwoman gave some highlights about Smart Beginnings and then introduced Ellen Couch, Executive Director of Smart Beginnings.

Ellen Couch reviewed data on the results of early childhood efforts and specific community demographics. She then reviewed their increased budget request. The current year budget is \$15,000 from the City. The request for FY 2013-2014 is for an additional \$15,000.

Blackwater Regional Library's Budget Proposal

Yvonne Hilliard-Bradley, Executive Director of Blackwater Regional Library stated the total Regional Library budget request for FY 2013-2014 is exactly the same as last year, the breakdown is listed below:

Total Personnel	\$1,284,798
Total Operations	\$1,482,998
Total Income from Credits	\$ 131,400
Total Budget for Locality Distribution	\$1,351,598

Based upon the Contract Budget breakdown formula for local share funding, the City's share will increase by \$1,602.00 to \$243,288 or 18%.

The Children Center's Budget Request

Jeff Ziegler, Community Relations Coordinator gave a brief review of the Programs that are offered at the Center. The Center's budget request is for \$8,500. This amount is based on \$250.00 per child at the Center and he also added that the Center has not been in the budget for the last three years, but the City had previously helped with funding. He then introduced Rosalind Cutchins, Program Director; for some additional information about the Center. Mrs. Cutchins reviewed details of the Head Start Program the agency will manage with costs of \$250 per child with 34 kids ages 3-5 in Franklin participating.

Senior Services of Southeastern Virginia's Budget Request

John Skirven, Chief Executive Officer, of Senior Services of Southeastern Virginia presented a hand-out of Senior Services of Southeastern Virginia's budget request which supports the I-Ride Program. The I-Ride has had a 47% increase in usage per year and has now expanded their hours from 7:00 a.m. to 5:30 p.m. at only a \$1.00 a ride. Senior Services is asking for a slight increase of \$150 above their budget of \$6,350 for the current year.

Virginia Legal Aid Society's Budget Request

Amy Disel, Managing Attorney, of Virginia Legal Aid Society gave a brief review of the services the Society provides specifically including Franklin area needs. Ms. Disel stated the Virginia Legal Aid Society did not reserve any City funds last year, but some of their funding from other sources has been drastically reduced. The Society's budget request for FY 2013-2014 is in the amount of \$3,777.00 from the City.

Mayor Johnson-Ashburn thanked all the agencies for coming and presenting their needs.

Work Session adjourned at 6:53 p.m.

Regular City Council Meeting

The Franklin City Council held a regular meeting on Monday, April 8, 2013, at 7:00 p.m. in Council Chambers, 207 West Second Avenue.

Council Members in Attendance: Raystine Johnson-Ashburn, Mayor; Barry Cheatham, Vice-Mayor; Greg McLemore, Benny Burgess, Mary Hilliard, and Mona Murphy (Don Blythe absent).

Staff in Attendance: Randy Martin, City Manager; Taylor Williams, IV, City Attorney; Russ Pace, Director of Public Works; Brenda Rickman, Commissioner of Revenue; Mark Bly, Director of Power & Light; Vince Holt, Chief of Emergency Services; Melissa Rollins, Director of Finance; Carolyn Joyner, Director of Human Resources; Dinah Babb, Treasurer; Alan Hogge, Director of Social Services; Phil Hardison, Chief of Police; and Leesa Livesay, Acting Secretary, Recording Minutes.

Other Staff in Attendance: Joe Ann Faulk, Financial Accountant; Dan Howe, Director of Downtown Franklin Association and Sheila Baker, Office Manager of Community Development.

School Board Officials in Attendance: Dr. Michelle Belle, Franklin City Public Schools Superintendent; Edna King, Chairwoman of the School Board; Lisa Francis, Principal of J. P. King Middle School; Travis Felts, Principal of Franklin High School; and Elizabeth Burgess, Robotics Coach and Teacher.

CALL TO ORDER

The City Council Regular Meeting was called to order by Mayor Raystine Johnson-Ashburn at 7:00 p.m.

INVOCATION

The Invocation was given by Councilwoman Murphy.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by everyone in attendance.

SPECIAL RECOGNITION: THE FRANKLIN HIGH SCHOOL ROBOTICS TEAM

Mayor Johnson-Ashburn welcomed the Franklin High School Robotics Team and introduced Elizabeth Burgess, Coach for the Franklin High Robotics Team. Elizabeth gave a review about the Team's accomplishments and introduced the members of the Team. The Franklin High School Robotics Team has qualified for a trip to the World Championships, which is a great accomplishment. The Franklin High School Robotics Team competed among sixty-five teams from the East Coast in the Richmond Regional and won the event with their team partners to qualify. This is the second time during the team's existence they have won the Regional and qualified for the World Championships.

The Mayor recognized Mrs. Burgess. She and members of the team made a presentation to Council on the team, their robot "BOT" (Builders of Tomorrow) and the competition.

Vice-Mayor Cheatham asked where to send donations to the organization.

Mrs. Burgess replied for interested donors to make checks payable to the Franklin High School Robotics Team and give it to her or her husband, Councilman Burgess.

Vice-Mayor Cheatham read the Resolution which was proposed to be presented to the Team.

A motion was made by Vice-Mayor Cheatham to approve the Resolution honoring the Franklin High School Robotics Team. The motion was seconded by Councilwoman Hilliard and passed with a 6 – 0 vote (Councilman Blythe absent).

Mayor Johnson-Ashburn presented a Certificate of Achievement to each team member, coach and mentor responsible for this great accomplishment. She also presented framed copies of the Resolution to the Superintendent, Principals and Coach Burgess.

CITIZEN'S TIME

Citizen 1

Herman Parker resides at 303 North High Street; and is not satisfied with the response from City Council concerning the utility bill issue. He stated that Council was voted in by the citizens and this could change next election.

Citizen 2

Bryant Robinson resides at 612 North High Street; is also not pleased with the response from Council concerning this matter.

Citizen 3

Rosalyn Saunders resides at 612 North High Street; Ms. Saunders is Bryant Robinson's mother. Mrs. Saunders does not understand why her utility bill is so high.

Citizen 4

Jason B. Drewry signed up but left the meeting without commenting.

Citizen 5

Texi Marks, Development Coordinator of the Western Tidewater Free Clinic gave a brief review of the services the Clinic provides to the City of Franklin. Ms. Marks stated her budget request for FY 2013-2014 is in the amount of \$25,000. She stated these funds would provide 308 medical and dental visits for citizens of the City of Franklin. The City provided \$2,000 in funding for FY 2012-2013.

Citizen 6

Joe McCarthy, 470 Mockingbird Lane Southold, New York 11971 is representing a Franklin property owner who is out of the State. Mr. McCarthy asked is there anything offered in the form of a Community Preservation Fund or any similar resources. The property owner he represents desires to either sell the property if the Community is interested in it or to offer it for development.

Mayor Johnson-Ashburn asked that McCarthy give his contact information to Manager Martin for follow-up concerning his questions.

Citizen 7

Dr. Linwood W. Johnson, III, resides at 301 Hall Street; stated there are about a thousand citizens that are in jeopardy of being put out of their homes which are considered public housing, if their power is turned off. Dr. Johnson is concerned about these citizens leaving the City and the after effects this will have on the City. Dr. Johnson suggests a possibility of electrical arcing and asks, has this problem been looked into.

Citizen 8

Evonne Holiday resides at 228 Elmwood Drive located in Isle of Wight County. Her mother is a Franklin resident. Ms. Holiday did a comparison of her utility bills as well as her mother's utility bills from last year to this year and they are considerably higher. Ms. Holiday stated that the City should set up some type of payment plan for these citizens that are struggling through these hard economic times.

AMENDMENTS TO AGENDA

Mayor Johnson-Ashburn called for Amendments to the Agenda.

There were no Amendments to the Agenda.

CONSENT AGENDA

City Council Minutes from the March 25, 2013 Regular Meeting

Mayor Johnson-Ashburn called for corrections to the City Council Minutes from the March 25, 2013 Regular Meeting.

The need for four corrections was identified:

Correction 1

Councilwoman Hilliard requested a correction on page 11, 11th paragraph; the name is supposed to Herbert Hunter instead of Herbert Cobb.

Correction 2

Mayor Johnson-Ashburn recognized the need for clarification of the statement in Citizen's Time, made by Citizen 3, Mary V. Barnes.

Correction 3

Mayor Johnson-Ashburn noted the need for a correction in Citizen's Time, Citizen 7, Marsha Barnes' address is 413 Hall Street instead of Carl Street.

Correction 4

Councilman Burgess requested a correction on Page 3, Paragraph 2, line two which should read the amount to be borrowed will be \$2,020,000 which includes a 5% contingency as required by VPSA to ensure all projects are completed instead of the amount to be borrowed will be \$2,020,000 which includes a 5% required by VPSA to ensure all projects are completed.

Mayor Johnson-Ashburn stated in light of the corrections, she recommended staff bring back the minutes of the March 25, 2013, City Council Meeting to be accepted with corrections at the City Council Meeting on April 22, 2013.

The Council by consensus agreed.

Councilman McLemore departed the meeting at 7:53 p.m.

PUBLIC HEARINGS

Virginia Department of Transportation Beautification Project

Amanda Jarratt introduced Proctor Harvey with Sage Enterprises from Lynchburg, Va. to give a Power Point Presentation on the Virginia Department of Transportation Beautification Project.

Mr. Harvey gave a review of this project; the Comprehensive Roadside Management Program is administered by the Virginia Department of Transportation and enables private businesses, civic organizations, communities, individuals and local governments an opportunity to improve the appearance and safety of the state maintained right-of-way or real property, by participating in the project development, establishment, and maintenance of landscaping activities within the state maintained right-of-way. In order to participate there are minimum contributions established by the Virginia Department of Transportation as follows:

- Noncontrolled access primary and secondary highways: \$7,500 contribution.
- Controlled access primary and secondary highways: \$8,500 contribution.
- Interchanges on controlled access primary and secondary highways: \$10,000 contribution.
- Interstate interchanges: \$20,000 contribution

The Comprehensive Roadside Management Program allows localities to leverage private dollars to fund landscaping improvements to publicly owned property. It also allows signage opportunities in locations that would not otherwise be allowed by VDOT. The only Highway 58 interchange that has received significant focus in terms of beautification from the City of Franklin is the interchange of Highway 58 and Armory Drive (Route 671). Participation in this program allows our community to leverage private dollars to beautify all the interchanges on 58 in or near the City and allows additional signage opportunities for businesses in our community. There is no cost to the City of Franklin for participation in this program and all of the costs for maintenance and planting are obtained through the private donations.

This project is also effective in storm water control. Donations are for five year periods at which time they can be renewed if desired. Mr. Harvey provided other examples of Virginia cities that had great success in this program since it began. He noted that VDOT requires the community publicize it is considering the program to get public input before VDOT will authorize the program to begin locally. Mr. Harvey presented an aerial map depicting potential locations for garden spots throughout the City including the Highway 58 corridor.

Mayor Johnson-Ashburn opened the Public Hearing for comments at 8:07 p.m.

Amanda Jarratt, President of Franklin Southampton Economic Development, Inc. spoke in favor of this program which will allow continued efforts to beautify our City at no taxpayer cost and will benefit businesses to advertise their businesses in a way that otherwise would not be permitted.

Dan Howe, Director of Downtown Franklin Association; also spoke in favor of this project. He stated this program offers great promise; it doesn't cost our citizens to beautify our city and will make our City attractive for new businesses, visitors or new residents. Mr. Howe also stated it's a very positive action to be taken by our City.

Mayor Johnson-Ashburn asked if anyone else wished to speak on this matter. There being no one, Mayor Johnson-Ashburn closed the public hearing portion and requested Council discussion.

Councilman Burgess asked for a description of how the process is done to get businesses to participate.

Mr. Harvey answered typically, the process begins with development of a promotional book. The process usually takes about six months to get donations; sometimes participation in fundraisers or events is helpful in getting the information out to the community. Once you get a few gardens and signs installed, more will come.

Councilman Burgess asked who determines the contribution amount?

Mr. Harvey answered the minimum contribution amount is established by the State. The minimum donation is \$7500 if you want a sign on the site and there can be two donors per site to split the cost. The sign design and dimensions are also established.

Vice-Mayor Cheatham asked what determines which site is used and how these gardens are maintained?

Mr. Harvey responded the donor can pick his or her site. As far as keeping the sites up, sometimes the sponsor is a Landscaping Contractor who will donate their time in maintaining these gardens instead of donating a monetary figure.

Councilman Burgess asked do the businesses have the opportunity to donate man power instead of funds in order to have and maintain a garden?

Mr. Harvey stated the City would have to make that decision. He did caution that safety along the Highway 58 corridor and other affected right-of-ways would limit who the candidate for doing the work should be.

Mayor Johnson-Ashburn asked for any desired action from Council.

Manager Martin advised that the staff felt the City should take advantage of this opportunity and he highly recommended approval of this Resolution.

A motion was made by Vice-Mayor Cheatham to allow the public comment period to remain open for an additional fourteen days to meet VDOT requirements and to adopt the proposed Resolution. The motion was seconded by Councilman Burgess and passed with a 5-0 vote (Councilmen McLemore and Blythe absent).

Virginia Public School Authority (VPSA) Capital Project Financing Resolution

Manager Martin reviewed the actions required for the City on behalf of the Schools to participate in this Capital Funding opportunity. The Manager noted the Council's role was to consider whether to issue the bonds. Manager Martin reminded Council the School's capital needs and financing options including this bond proposal have been discussed in detail at previous Council meetings including Joint Work Session meetings between the Council and School Board over the last several months. Manager Martin then recognized Finance Director Melissa Rollins to make additional comment.

Mrs. Rollins gave a review of the proposed VPSA Capital Project Financing Resolution. This Resolution states that the City Council of the City of Franklin has determined that it is necessary and expedient to borrow an amount not to exceed \$2,020,000 and to issue general obligation school bonds for the purpose of financing certain capital projects for school purposes. The School Board approved the capital projects included in the proposed borrowing.

Mayor Johnson-Ashburn opened the Public Hearing for comments at 8:25 p.m.

There being no comments or questions Mayor Johnson-Ashburn closed the public hearing.

Councilman Burgess asked if there was any flexibility in this Capital Project Financing Resolution in terms of the capital project items listed.

Mrs. Rollins answered that she would not go as far as saying there is no flexibility, but there certainly would be some specifications and limitations on any changes.

Manager Martin added that an example of flexibility might be instead of buying one bus VPSA would possibly allow the City to buy two buses if all projects could still be completed within available funds. Manager Martin added the key is to have accomplished the entire list of capital items included in the borrowing. He also added this could result if items come in under budget.

Manager Martin reviewed the projects listed for the VPSA Capital Project Financing Resolution. He stated any change would likely require VPSA approval.

Councilman Burgess stated he appreciates all the work that was put into this financing project, but wants to make sure this was not rushed into without thought about future needs.

Councilwoman Murphy as a former member on the School Board stated the items on this list of projects are definitely needed improvements which had been considered for a long time.

Chairwoman King stated there are far more needs but this list of needs are priority.

Councilman Burgess asked about the potential impact this Financing Project will have on the future needs for classrooms which were included in the Schools Capital Improvement Program (CIP) but deferred to a future year.

Manager Martin stated he does not believe this will effect or prohibit the City from considering funding of that project when the schools complete planning and request funding in the next few years.

A motion was made by Councilman Burgess to approve the Resolution authorizing the issuance of not to exceed \$2,020,000 General Obligation School Bonds of the City of Franklin, Virginia, Series 2013A, to be sold by the Virginia Public School Authority and providing for the form and details thereof. The motion was seconded by Councilwoman Hilliard and passed with a 5-0 vote (Councilmen McLemore and Blythe absent).

Mrs. Rollins asked if Council needed to make a separate motion on authorizing the Bonds Sale Agreement.

City Attorney Williams stated that execution of the Bonds Sale Agreement is covered within the motion approving the Resolution as outlined in the Resolution.

OLD/NEW BUSINESS

Memorandum of Understanding for the Virginia Volunteer Workforce Solutions

Fire Chief Vince Holt gave a brief summary of the Memorandum of Understanding for City participation in the Virginia Volunteer Workforce Solutions. The program is seeking twenty departments interested in taking advantage of research related to their own jurisdiction and leveraging turnkey marketing solutions for enhancing their volunteer recruitment strategies and efforts. VWS benefits include:

- Leadership support through the development and/or delivery of training and tools focused on the needs of volunteer and combination departments
- Recruitment and retention support, including development of unique recruitment strategies based on the features and characteristics of the community
- Department review to identify issues and challenges influencing the recruitment and retention of volunteer firefighters
- Strategic planning to increase department's visibility, viability and community support
- Customized printed recruitment materials and multimedia support
- GIS Tapestry reports to enhance the marketing and recruiting strategies of your department

The program is designed to be very low cost to localities. The only costs the City would incur are costs to attend two required meetings. The meetings are set in central locations across the Commonwealth and typically you can go to the meeting and return to your locality in the same day. The only investment is staff time in the meeting and the fuel cost for traveling. This is a great opportunity to maintain the City's combination Department, which consists of career staff and volunteers. We also think it would be a very cost-effective way to get additional volunteers.

A motion was made by Vice-Mayor Cheatham to enter into a Memorandum of Understanding for the Virginia volunteer workforce solutions. The motion was seconded by Councilwoman Murphy and passed with a 5-0 vote (Councilmen McLemore and Blythe absent).

City Manager's Report

Electric Utility Update

Manager Martin presented this update report as a supplement to the Electric Utility Customer Concern Report that was presented at the March 25 meeting. The City billing staff have received over forty inquiries from customers. These inquiries range from questions about activities reported in the media that elevate bills to tips for energy conservation to concerns that some landlords were not being responsive to tenant electrical issues. Staff have counseled with customers, made referrals to the Power & Light Department for energy audits and, in the case of those concerned about the condition of their property, referrals were made to the Community Development Department to arrange for housing condition and code compliance inspections. The Power & Light Department has received five requests within the last week from customers for energy audits with two scheduled but remaining to be completed. The Department has received ten additional meter reread requests since March 25th with no errors found. The Power & Light Staff and the City Manager have given three separate demonstrations of the City's meter reading equipment to members of the City Council including the Mayor, to local newspaper officials and to the Concerned Citizen Group. On Thursday, March 28, 2013, the meter and reading equipment was demonstrated to concerned citizens at the Martin Luther King, Jr. Center. Approximately, forty concerned citizens attended and participated. After the demonstration, the City Manager spoke directly to the group and reiterated the desire of the Mayor, City Council and staff to address their concerns and encouraged them to make an effort to contact the City for assistance with their concerns. The Community Development Department has contacted the Southeastern Tidewater Opportunity Program, Inc. (STOP) representatives to request their assistance in outreaching to both homeowners and landlords to inform qualifying customers of funds available for weatherization and energy efficiency enhancements to residences needing these improvements to obtain information on assistance programs and help applying for funds. The update included follow up analysis of information submitted at the last meeting by representatives of the Concerned Citizens Group during citizen's time. This information clearly shows how competitive the City's rates are regionally and locally. The City Manger pledged to keep the Council involved and to further inform citizens on how they can assist the City and help themselves by utilizing all available resources to spread the word on energy saving tips to City utility customers in the hope that customer usage and thereby electric utility bills will be reduced going forward.

Manager Martin asked if there were any questions.

Mayor Johnson-Ashburn commended Mr. Martin and staff for the efforts taken to address citizen concerns in an attempt to resolve this issue and also stated that she, Philip Page, Director of Franklin Redevelopment and Housing and Manager Martin have met to see what kind of resources are available to assist the citizens.

Councilwoman Murphy, referring to Dr. Linwood Johnson, III's statement that there were about a thousand citizens that are in jeopardy of being put out of their homes which are considered public housing; asked Manager Martin if he was aware of this issue.

Manager Martin answered that he was not aware of this.

Mayor Johnson-Ashburn requested some clarification on this matter.

Manager Martin answered he would research this matter.

Mayor Johnson-Ashburn clarified the types of meetings that are held by the City Council; stating there are three types of meetings:

- Work Sessions
- Regular City Council Meetings
- Closed Session Meetings

Councilman Burgess stated that the concerned citizens electric issues seems to be a moving target; with comments of electrical arcing now. His concern is that he keeps hearing complaints of increasing usage. He noted we need to determine if the City has an increased usage problem. He stated regardless, the City has a problem with some citizens of Franklin being unable to pay their utility bills; he suggests a committee be established to research available resources to assist the citizens in finding other resources that could possibly help solve this problem.

Councilwoman Murphy is in agreement with Councilman Burgess' statement.

Vice-Mayor Cheatham is in agreement with this statement, but he also added that this citizen established utility committee has made a media circus out of this situation while stating a desire to cooperate with the City to address concerns.

Councilwoman Hilliard agrees there is a problem but this is an individual problem not a problem that a committee can solve.

Mayor Johnson-Ashburn stated she is pursuing possible dates available to set up a meeting along with the City Manager and Delegate Tyler at her request to discuss the utility problem. The Mayor requests Dr. Linwood Johnson, III and one other member of this committee meet with herself and the City Manager when this date is established.

Councilwoman Murphy appealed to the individual citizens to come forward if they have questions with their utility bills so that Council can address their concerns.

Councilwoman Hilliard asked Manager Martin could she bring utility bills from other localities for comparison analysis. The City Manager said yes.

Mayor Johnson-Ashburn has also submitted utility bills from another utility company for comparison.

Manager Martin made a statement that the City is very limited in the customer information that can be revealed as far as customer accounts are concerned, but the facts are not agreeing with some of the statements being made by certain customers. The City Staff and Council are trying our best to understand and address customer concerns about utility bills.

City Health Insurance Rate Report for FY 2013-2014

Manager Martin reviewed the City of Franklin Health Insurance Plan Renewal information with Council. The plan is reviewed annually at this time of year to determine if cost coverage and adjustment is required to continue the existing services. City employee claims were higher this year than last year, therefore we received an increase in cost. The increase received for FY 2013-2014 will be 9% vs. the 5.9% decrease in FY 2012-2013. Council's existing policy as prescribed in the plan agreement indicates the City will assume 80% of the single employee coverage cost of the plan and an additional 20% of the cost of dependent coverage as required to continue existing coverage. The renewal for the fiscal year was April 1, 2013. The City of Franklin was granted an extension until April 30, 2013 to accept the proposed plan for the new year beginning July 1, 2013. The City Manager noted that the provider provided guidelines on how the city and employee percentage of rate responsibility is supposed to be calculated and staff recommended this procedure be followed to properly apply the Council's policy.

Vice-Mayor Cheatham stated he thought this was a reasonable increase.

A motion was made by Councilwoman Murphy to approve the increase rate adjustment for the Key Advantage Expanded and the Key Advantage 500 Plans and allow for the continued coverage for health services for the employees of the City of Franklin FY 2013-2014 as recommended. The motion was seconded by Vice-Mayor Cheatham and passed with a 5-0 vote (Councilmen McLemore and Blythe absent).

HB 2313 Legislation Report

Manager Martin briefly commented on recent media reports and information he had shared with Council by e-mail since the last meeting regarding recent state transportation funding legislation referenced as HB 2313 and its impact on the City of Franklin. He advised Council this would be a topic at an upcoming Hampton Roads Transportation Planning Organization Meeting that is scheduled for April 18, 2013. He will report further to Council on next steps regarding this legislation at the next meeting.

COUNCIL/STAFF REPORTS ON BOARDS AND COMMISSIONS

Councilman Burgess reported on the most recent meeting of the Franklin's Present Committee. He stated the committee is starting to see where the gaps are in terms of agency support for the schools and starting to fill those gaps and get direction in terms of a mission for the committee going forward.

Vice-Mayor Cheatham reported on the recent Annual Chamber Meeting that was well planned and was a pleasant evening.

Mayor Johnson-Ashburn requested reactivation of the staff's Health Insurance Review Committee by the Manager to deal with future Health Insurance options and Personal Time Off (PTO) policies. The PTO policy has been in place for some time and employees have indicated they would like to have this policy reviewed. She advised she had discussed this in advance with the City Manager.

CLOSED SESSION

A motion was made by Vice-Mayor Cheatham that Franklin City Council meet in closed session to consider appointments to boards and commissions and to discuss a prospective business or industry locating in the area where no previous announcement has been made pursuant to Virginia Code Section

2.2 – 3711 (A) (1), and (5). The motion was seconded by Councilwoman Murphy and passed with a 5-0 vote (Councilmen McLemore and Blythe absent).

The Franklin City Council went into Closed Session at 9:38 p.m.

The Franklin City Council returned to Open Session at 10:12 p.m.

Motion Upon Returning to Open Session

A motion was made by Councilwoman Murphy that the only matters discussed during the Closed Session were those lawfully exempted from open meeting requirements and identified in the motion by which the Closed Session was convened. The motion was seconded by Vice-Mayor Cheatham and approved by a 5-0 vote (Councilmen McLemore and Blythe absent).

Action 1

A motion was made by Vice-Mayor Cheatham to appoint Blake Blythe as the Chamber's representative to the Business Friendly Committee replacing Mary Lilley and to approve Tim Bradshaw to replace Jack Novell on the committee. The motion was seconded by Councilwoman Hilliard and approved by a 5-0 vote (Councilmen McLemore and Blythe absent). The appointment of Mr. Blythe is contingent upon receipt of a letter from the Chamber stating they concur with Mr. Blythe's representation.

Adjournment

A motion was made by Councilwoman Murphy to adjourn the City Council meeting. The motion was seconded by Vice-Mayor Cheatham and approved by a 5-0 vote (Councilmen McLemore and Blythe absent).

The Franklin City Council regular meeting adjourned at 10:15 p.m.

FINANCIAL

A. School Board Budget Amendments FY 2012-13

B. Financial Report (March 2013)



DEPARTMENT OF FINANCE

April 16, 2013

To: Randy Martin
City Manager

From: Melissa D. Rollins *Melissa D. Rollins*
Director of Finance

Re: FY 12-13 Budget Amendments

Attached is a request from Franklin City Public Schools to amend the current FY12-13 budget to reflect the award of a local and state grant.

FUND	PURPOSE	ALLOCATION
250- School	Receipt of local grant from Franklin Educational Foundation	\$1,000
250-School	Receipt of state grant for Mentor Teacher Program	\$2,698

Supporting documentation has been reviewed and is attached for your reference. The required action from City Council would be to authorize the amendment of \$3,698 to the FY12-13 School Operating Budget and to appropriate the funds for expenditure.

BUDGET AMENDMENT 2013-21

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRANKLIN, VIRGINIA that the 2012-2013 School Fund Budget is hereby amended to recognize additional grant awards:

EDUCATION FUND

	2012-2013 Budget		Amended Budget		Increase (Decrease)
232 Mentor Teacher Grant	\$ -	\$	2,698	\$	2,698
1800 Donations-Franklin Education Foundation	\$ 78,438	\$	79,438	\$	1,000
TOTAL REVENUE				\$	3,698

EDUCATION FUND

0001 Instruction	\$ 10,071,786	\$	10,074,484	\$	2,698
0001 Instruction	\$ 10,074,484	\$	10,075,484	\$	1,000
TOTAL EXPENSES				\$	3,698

To reflect additional state and local grant award amounts as per attached award letters.

*Certified copy of resolution adopted by
Franklin City Council*

Clerk to the City Council



FRANKLIN CITY PUBLIC SCHOOLS

207 West Second Avenue
Franklin, Virginia 23851-1713
(757) 569-8111 • Fax (757) 569-8078

TO: Mr. Randy Martin, City Manager

FROM: Dr. Michelle Belle, Superintendent

RE: FY 2013 Authorization to Request Appropriation

DATE: March 22, 2013

At the Franklin City Public Schools Board meeting on March 21, 2013, the following authorization requests for appropriations were approved:

- Mentor Teacher Programs grant in the amount of \$2,698.06
- Franklin City Educational Foundation, Inc. award in the amount of \$1,000.00.

In order to correctly account for these funds, the FY2012-2013 school budget must be increased by \$3,698.06. The amendments should be to the following revenue and expenditures:

Revenues

- Fund 250-24000-⁰²³²~~0202~~ \$ 2,698.06
- Fund 250-18990-1800 \$ 1,000.00

Expenditures

- Fund 250-60000-0001 \$ 2,698.06
- Fund 250-60000-0001 \$ 1,000.00

Please add the appropriation increase to the next City Council meeting agenda. As always, my staff and I are available to you if you have any questions.

Cc: Melissa Rollins, Finance Director
Rachel Yates, Supervisor of Finance - FCPS

COPY



C. Carl
RECEIVED

FEB 15 2013

Office of the Superintendent
Franklin City Public Schools

COMMONWEALTH of VIRGINIA

DEPARTMENT OF EDUCATION

P.O. BOX 2120
RICHMOND, VA 23218-2120

February 8, 2013

TO: Dr. Michelle Belle, Division Superintendent
Franklin City Public Schools

FROM: Patty S. Pitts, Assistant Superintendent
Division of Teacher Education and Licensure

SUBJECT: 2012-2013 Funding for Mentor Teacher Programs

Enclosed is the Notification of Grant Award in response to the affidavit you submitted to obtain funding to implement and enhance mentor teacher programs for the 2012-2013 school year. This mentor program funding for your school division has been approved in the amount of \$2,698.06. Funds allocated are based on the number of teachers reported with zero years of experience contained in a affidavit submitted by your school division to the Department of Education for the 2012-2013 school year. The state share of funds for this program is based on \$245.28 per each of 11 first-year teachers. Payments to school divisions are based on the number of teachers in participating school divisions. Funds will be transmitted to your school division electronically once they are processed by our budget office, and thereafter on a semi-monthly basis. Funds are retroactive to July 1, 2012. The program will be funded at the level noted, contingent upon availability of funds.

School divisions receiving funds are required to complete the Mentor Teacher Programs Report, due on Friday, June 7, 2013. The 2012-2013 *Mentor Teacher Programs Report*, will be collected through the Department of Education's Single Sign-on for Web Applications Systems (SSWS). Access to the application, *Mentor Teacher Programs Report*, for school division personnel should be requested through the school division's SSWS account manager. The report format will be available no later than March 29, 2013. The mentor teacher program coordinator should work in collaboration with the Human Resources representative to complete the report.

If you should have questions regarding the funding allocation for the implementation of the Mentor Teacher Program requirements, please contact Dr. JoAnne Y. Carver, director of teacher education, at (804) 371-2475 or by email at: JoAnne.Carver@doe.virginia.gov.

PSP/ahw
Enclosure

c: Mrs. Beverly Rabil
Dr. JoAnne Y. Carver

Franklin City Educational Foundation, Inc.

FEB 15 2013

P. O. Box 96
Franklin, VA 23851

James D. Jervy, Jr., President
Brenton D. Burgess, Treasurer
Jennifer C. Stephenson, Secretary

COPY

February 8, 2013

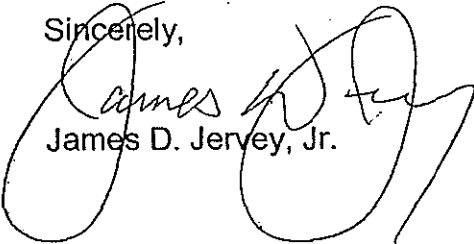
Kelley Conaway
Interim Director of Instruction
Franklin City Public Schools
W Second Ave
Franklin, VA 23851

Dear Kelley,

Attached is a check from the Franklin City Educational Foundation Inc. The donation is designated as \$500 for Franklin High School Robotics and \$500 for SP Morton Elementary School's first Lego League team.

The money was received into the Foundation designated for these two school groups. Please pass along our congratulations and support to both the Robotics and Lego League teams for their efforts this past year.

Sincerely,


James D. Jervy, Jr.

*Kelley,
Thanks for all
you and your
staff do!
Jim*



DEPARTMENT OF FINANCE

April 16, 2013

TO: Mr. Randy Martin
City Manager

FROM: Melissa D. Rollins 
Director of Finance

RE: **FY 12-13 Monthly Financial Report (Unaudited)**
For the 3rd Quarter Ending March 31, 2013

Attached is the financial report for the 3rd Quarter of Fiscal Year 2012-2013 ending March 31, 2013. Please advise if you have any questions.



**Monthly Financial Report Summary (Unaudited)
for the 3rd Quarter of FY 2012-2013 Ending March 31, 2013**

As of March 31, 2013, nine months into the fiscal year, actual General Fund revenues totaled **\$14.5 mil** of which \$1.2 million is recorded as proceeds to the General Fund from bond proceeds. The difference of **\$13.10 mil represents 68% of our FY 2013 budget**. Last year, at this time, the City had collected \$12.96 mil, or 65% of budget, after excluding the \$900,000 revenue sharing payment from Isle of Wight County.

At March 31, the City has realized \$2.49 million in current real estate tax or 48.6% of budget, a gain as expected (tax rate increase) over prior year collections of \$2.35 million (a 6.8% increase). Personal property tax collections (current) were \$1.20 mil or 92% of budget, and relatively in line with prior year receipts at the end of the quarter; delinquent personal property tax collections are less than the previous year as anticipated. Collection of delinquent real estate taxes continue to perform very well with over 100% of the budget realized at the end of March. Other general property taxes comprised of penalty and *interest on delinquent taxes* and *public service corporation* and *machinery & tools* taxes reflect a 13% decrease over the previous year but is expected to meet budgeted revenue projections by year end. Revenue from penalties and interest on delinquent taxes is tracking less than the prior year with \$112,000 realized at March 31 (92% of budget) compared to \$153,000 realized in the prior year period.

Other Local taxes collected through February (cash basis), were \$4.02 million, or 77.5% of budget. This is a gain of \$572,000 over the previous month largely due to the collection of business license taxes which became due March 1st. Sales and use and cigarette taxes sales increased over the prior period by 5% and 34% respectively. Meals and lodging taxes reflect lesser gains of 1.7% and 2.8% respectively. Vehicle license tax collections are \$10,000 or nearly 7% less than the prior year period.

Charts 1-4. Compares revenue received for selected local taxes in the period ending March 31, 2013 to revenues received at March 31, 2012.

Chart 1

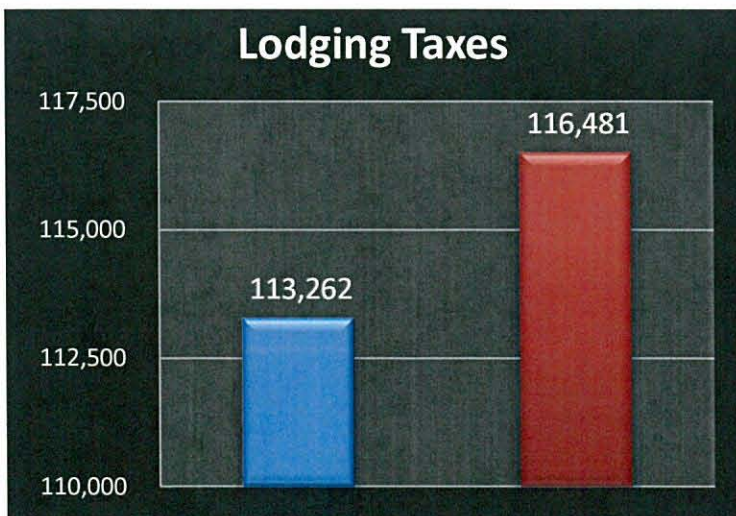


Chart 2



Cigarette Taxes

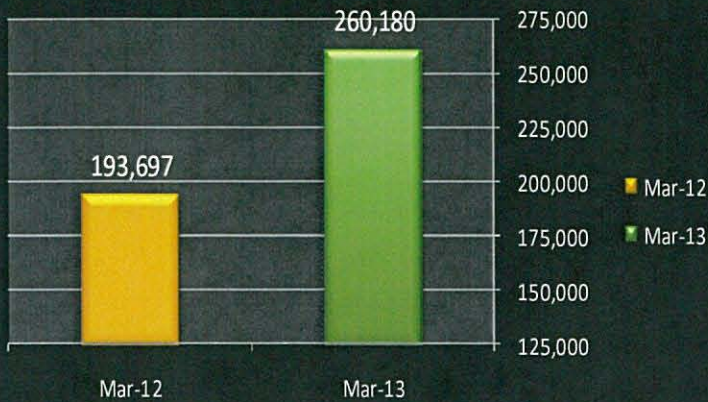


Chart 3

Sales Taxes



Chart 4

GENERAL FUND

REVENUE ANALYSIS HIGHLIGHTS

- ✓ Local Sales taxes – Revenue collected at March 31 was \$1,320,000 78% of budget; when compared to the prior year period, *this is a 5% increase*. Of this amount two months or \$301,879 is recorded on a **cash basis** and was posted to the prior fiscal year).
- ✓ Cigarette Taxes – Revenue of \$260,000 at March 31 *surpasses prior year period revenues of \$194,000 by 34%* as vendor purchases of FY 2012-13 far exceeded the prior year period; the 10 cents per pack increase in the cigarette tax rate also contributed to the increase.
- ✓ Restaurant Meals Taxes – Revenue collected in the first half of the fiscal year amounted to \$938,000 or 75% of budget and is *slightly higher, (1.7%) than revenue received at the same period in the prior year*. Of this amount (one month or \$104,186 is recorded on a **cash basis** and was posted to the prior fiscal year).
- ✓ Lodging Taxes – Revenue of \$116,000 *represents a 2.84% increase from revenue received during the same period in the prior year*. (Of this amount, one month or \$23,361 is recorded on a **cash basis** and was posted to the prior fiscal year).
- ✓ Business Licenses taxes – Revenue of \$898,000 is slightly less than prior year collections at this time and represents 95.5% of the total budget.



- ✓ Consumer Utility Taxes - The decline in this revenue source from the prior year is primarily attributed to an accounting change in the remittance of Consumer Utility taxes due to outside cities/counties. In the prior year, payments were applied to a utility payable's account and reconciled at year end. This year, payments to localities are posted against monthly revenue. Revenue also reflects a 45 day accrual in which July and some August revenue has been accrued to the prior year. Lastly, refund of taxes paid to Enterprise Zone designee in the current year attributed to some reduction from the prior year.

Other Local Revenue:

- ✓ Permits received at March 31 are less than the previous year period while court fines reflect an increase (last year reimbursement due to a State reporting error adversely impacted receipts). Permit and related planning fees total \$30,000 when compared to \$46,000 received in the prior year period. Court fines are \$53,000 at March 31, 2013 compared to \$29,000 at March 31, 2012.
- ✓ Charges for Services - Charges for services primarily consists of payments from ambulance recovery charges and waste collection and disposal fees. Revenue from waste collections and disposal is slightly less than the prior period revenues at \$1,063,000 collected (72% of budget), revenue from ambulance charges increased to \$162,000 up \$10,000 from the prior month compared and is less compared to \$170,000 received at the same time last year. Revenue received as of March 31 represents eight months of collections. Also included in this source is revenue from Enterprise Funds for administrative services charges.
- ✓ Miscellaneous & Recovered cost – comprised of revenue from sale of surplus items, donations, sale of cemetery lots, insurance recoveries, inspection services recovered costs from Southampton County and other miscellaneous revenue. Revenue from most of these sources, since contingent upon such factors as proceeds from auctions or insurance reimbursements, tends to fluctuate from month to month or year to year.
- ✓ Proceeds from Loans/Bonds – comprised of the proceeds received from the new money borrowing to complete certain general fund capital projects.

State & Federal Revenue:

Revenue from state aid at March 31 was \$2.91 mil which consists of *non-categorical aid*: recordation taxes, rolling stock, auto rental tax, PPTRA taxes, and communication taxes. Recordation taxes on deeds trend less than the prior year, while communication taxes reflect a \$14,000 or 4% gain from the prior year. (Revenue from this source reflects seven months of collections). Categorical aid consists of shared expense revenue from state supported offices, streets and highway maintenance revenue, Wireless 911 payments and state support for law enforcement and grants (i.e. Litter Control and EMS). Shared expense



revenue reflects eight months of revenue and is consistent with prior period collections. Wireless payments trend less than the prior year due to a reimbursement of a prior year overpayment.

EXPENDITURE ANALYSIS HIGHLIGHTS

Various categories of general fund expenditures reflect decreases in the current fiscal year at March 31 and all are within the 75% range of total budgeted expenditures. *Expenditures of \$9.6 mil* (66% of budget) were over \$242,000 less when compared to prior year *expenditures of \$9.88 mil* and results from decreases primarily in Legislative, General and Financial (\$81,000 related to Assessor and higher audit fees paid in FY12), Law Enforcement (\$15,000 – vacancies), Garage (\$30,000), and Refuse Collection & Disposal (\$312,000 – primarily tipping fee savings).

Fire and Rescue reflects an increase of \$61,000 as a result of increased payroll expenditures in fire and rescue. (Note: Budgeted expenditures increased from the prior year). Elections, Courts & Sheriff category is \$50,000 more in FY13 due to timing of joint services payments and additional detention costs; Planning & Beautification increased as a result of payment for professional services in the current fiscal year.

WATER & SEWER FUND

REVENUE ANALYSIS

Revenue from the sale of water and sewer service charges of \$2.2 mil at March 31 is in line with budgeted projections (72% of budget), and for the month of March, 5.0% less than the prior year revenue.

EXPENDITURE ANALYSIS

Expenditures of \$1.80 mil at the end of the month reflect a decrease from the \$2.23 mil spent at this time in FY 2011-12, largely due to sewer system improvement projects that were completed in the prior year. However, expenditures for the Water Division in the current fiscal year reflect an increase over the prior year due to current year capital outlay expenditures. This is typical as projects in this Fund sometimes cross fiscal years. Further, debt service transfer requirements were less.

AIRPORT FUND

Fuel sales at March 31 were 77,000, increasing just a little over \$4,000 in the prior month. Revenue from jet fuel sales are 41% of budget compared to 47% for aviation fuel sales. Typically, these revenues perform better in the spring. Other local revenue consists primarily of airport rental fees and tie down fees, and revenue of \$48,000 and is tracking consistently with the previous year. Total revenue is higher



due to federal grant funds received for the airport runway/lighting/taxiway project. Consequently, on the expenditure side, capital outlay expenses increased due to expenditures associated with the project. Operating expenditures reflect a decrease over the prior year due to less fuel purchases in the current fiscal period.

ELECTRIC FUND

Tracking close to budget at 74%, revenue in the Electric Fund totaled \$10.86 mil at March 31. Compared to the same period in FY 2011-2012, this is a 13% increase (\$1.13 mil) in the sale of energy which is mostly offset by a decrease (\$793,000 or 43%) in the fuel adjustment charges. As a result, the expenditures associated with the sale of energy/fuel adjustment decreased \$811,000 or 43% while expenditures for the sale of energy increased \$401,000 or 5.9%.

Expenditures are less than the prior year at March 30th in other operating expenses, capital outlay, and personnel.

CASH BALANCE

Cash in the Electric Fund at March 31 was \$370,727, an **increase of \$83,000** or 28% from February (chart 5). A review of prior year history revealed a **reduction in cash** of \$67,000 between February 2012 and March 2012. Below is a history of the cash balance in the Electric Fund for FY2012-13 (current year – table 1) with a prior year comparison (FY 11-12 – table 2). Chart 6 provides additional analysis as to revenue that has been billed in the Fund versus payments collected year to date.

CURRENT YEAR (Table 1)

Month	FY12-13	Revenue	Expenses	Month to Month Variance	Cash Balance
					\$ 365,374
July		\$ 1,010,040	\$ (1,143,237)	\$ (133,197)	\$ 232,177
August		\$ 1,281,182	\$ (1,333,420)	\$ (52,238)	\$ 179,939
September		\$ 1,289,437	\$ (1,197,113)	\$ 92,324	\$ 272,263
October		\$ 1,170,681	\$ (1,096,168)	\$ 74,513	\$ 346,776
November		\$ 972,947	\$ (960,696)	\$ 12,251	\$ 359,027
December		\$ 1,084,084	\$ (1,155,921)	\$ (71,837)	\$ 287,190
January		\$ 1,276,135	\$ (1,173,339)	\$ 102,796	\$ 389,986
February		\$ 1,268,293	\$ (1,370,515)	\$ (102,222)	\$ 287,764
March		\$ 1,392,237	\$ (1,309,274)	\$ 82,963	\$ 370,727
TOTAL		\$ 10,745,036	\$ (10,739,683)	\$ 5,353	

In the current fiscal year, cash in the fund has increased since July 30 by \$138,000.
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PRIOR YEAR COMPARISON (Table 2)

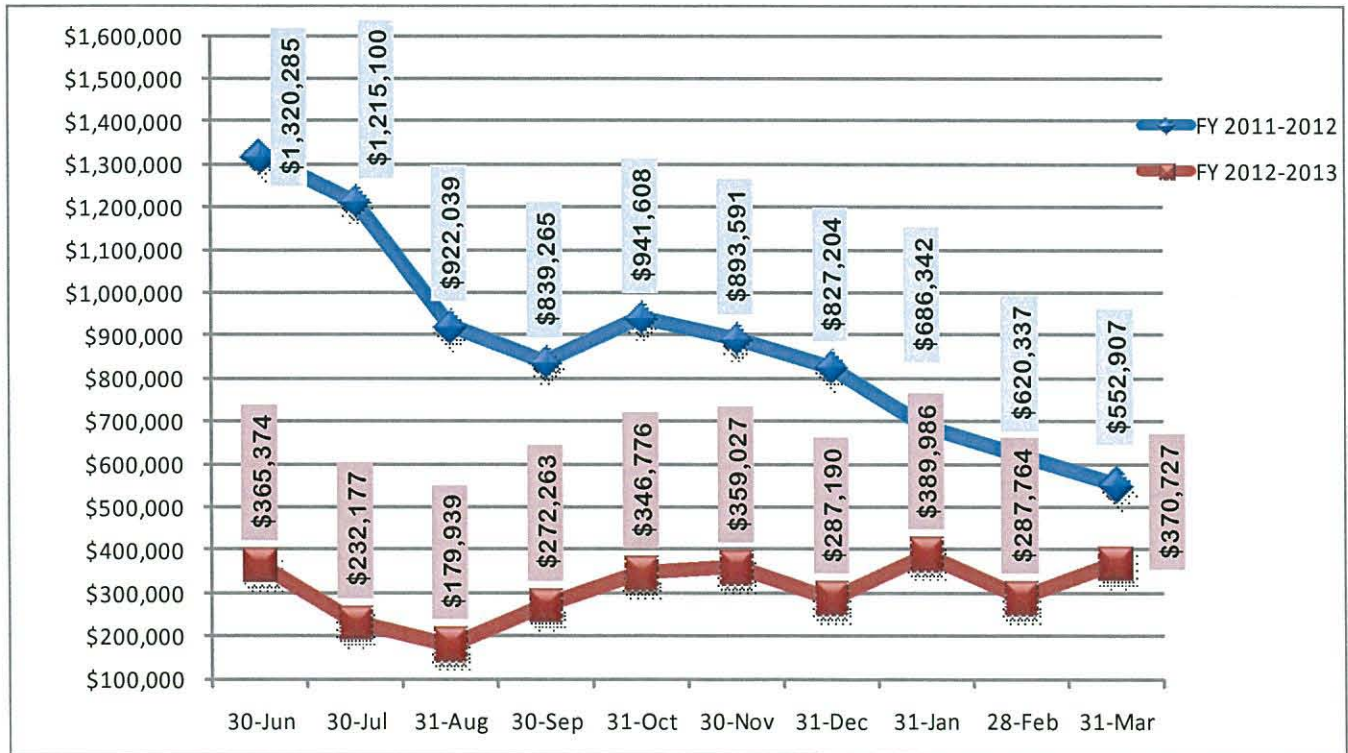
Month	FY11-12	Revenue	Expenses	Month to Month Variance	Cash Balance
					\$ 1,320,285
July		\$ 1,204,963	\$ (1,310,148)	\$ (105,185)	\$ 1,215,100
August		\$ 1,187,003	\$ (1,480,064)	\$ (293,061)	\$ 922,039
September		\$ 1,273,718	\$ (1,356,492)	\$ (82,774)	\$ 839,265
October		\$ 1,190,431	\$ (1,088,088)	\$ 102,343	\$ 941,608
November		\$ 993,593	\$ (1,041,610)	\$ (48,017)	\$ 893,591
December		\$ 1,047,090	\$ (1,113,477)	\$ (66,387)	\$ 827,204
January		\$ 1,134,851	\$ (1,275,713)	\$ (140,862)	\$ 686,342
February		\$ 1,344,764	\$ (1,410,769)	\$ (66,005)	\$ 620,337
March		\$ 1,292,352	\$ (1,359,782)	\$ (67,430)	\$ 552,907
TOTAL		\$ 10,668,765	\$ (11,436,143)	\$ (633,943)	

In Fiscal Year 2011-2012, cash in the fund had declined \$663,000 from \$1.2 mil to \$620,000.

FISCAL YEAR COMPARISON

chart 5.

CASH BALANCE TREND ANALYSIS



Cash in the fund increased by \$138,000 or 59% from \$232,000 at July 30 to \$370,000 at March 31.



Chart 6.

FY 2012-2013 REVENUE BILLED VERSUS PAYMENTS COLLECTED ANALYSIS

	July	August	September	October	November	December
BILLING	\$ 1,326,194	\$ 1,311,511	\$ 1,031,082	\$ 878,274	\$ 1,187,308	\$ 1,148,472
TOTAL PAYMENTS*	\$ 980,728	\$ 1,259,910	\$ 1,253,148	\$ 1,129,249	\$ 935,061	\$ 1,060,843
VARIANCE	\$ (345,466)	\$ (51,602)	\$ 222,066	\$ 250,975	\$ (252,247)	\$ (87,629)

	January	February	March
BILLING	\$ 1,294,486	\$ 1,414,622	\$ 1,196,897
PAYMENTS	\$ 1,214,002	\$ 1,225,110	\$ 1,358,200
VARIANCE	\$ (80,484)	\$ (189,512)	\$ 161,303

***Payments applied are for any month, current or past due.**

ANALYSIS

- *In the months of July, August, November, December, January and February, payments received on the electric portion of utility bills were less than the total billed revenue for that month.*
- *September, October and March were the only months in which the Electric Fund received payments in excess of the billed revenue for those months.*
- *Collectively, \$10.78 million has been billed for the eight months noted; however, total payments collected for the nine month period is \$10.41 million. In essence, this leaves approximately \$372,000 in billed revenue that has not been collected.*

MARCH 31, 2013
FINANCIAL REPORT

CITY OF FRANKLIN							
FISCAL YEAR 2012-13							
LOCAL TAX REVENUES							
	2012-2013	ACTUAL	BUDGET	2011-2012	ACTUAL	BUDGET	vs
REVENUE SOURCE	BUDGET	3/31/2013	%	BUDGET	3/31/2012	%	FY 12
Real Estate Taxes-Current	\$ 5,141,289	\$ 2,497,870	48.6%	\$ 4,927,933	\$ 2,355,846	47.8%	6.03%
Real Estate Taxes-Delinquent	175,000	192,237	109.8%	100,000	227,116	227.1%	-15.36%
Personal Property Taxes-Current	1,314,394	1,208,087	91.9%	1,257,892	1,205,070	95.8%	0.25%
Personal Property Taxes-Delinquent	95,000	52,598	55.4%	83,598	86,724	103.7%	-39.35%
Other General Property Tax	241,000	234,801	97.4%	252,520	270,656	107.2%	-13.25%
GENERAL PROPERTY TAX	\$ 6,966,683	\$ 4,185,593	60.1%	\$ 6,621,943	\$ 4,145,412	62.6%	0.97%
Local Sales & Use Tax (2 month accrual	\$ 1,670,000	\$ 1,302,180	78.0%	1,617,000	\$ 1,238,507	76.6%	5.14%
Consumer Utility Tax- Elec. & Water	645,000	325,652	50.5%	683,000	376,237	55.1%	-13.44%
Business License Tax	940,000	897,711	95.5%	940,000	909,922	96.8%	-1.34%
Motor Vehicle Licenses	167,000	134,908	80.8%	166,418	144,913	87.1%	-6.90%
Cigarette Tax	262,900	260,179	99.0%	239,000	193,697	81.0%	34.32%
Restaurant Meals Tax (1 month accrual)	1,250,000	937,615	75.0%	1,300,000	921,939	70.9%	1.70%
Lodging Taxes	140,000	116,481	83.2%	150,000	113,262	75.5%	2.84%
Additional Local Taxes	122,400	54,482	44.5%	131,812	57,154	43.4%	-4.68%
OTHER LOCAL TAXES	\$ 5,197,300	\$ 4,029,208	77.5%	\$ 5,227,230	\$ 3,955,631	75.7%	1.86%
TOTAL TAXES & LICENSES	\$ 12,163,983	\$ 8,214,801	67.5%	\$ 11,849,173	\$ 8,101,043	68.4%	1.40%

FINANCIAL REPORT AS OF MARCH 31, 2013 - 9 Months = 75%						
	2012-2013	ACTUAL	BUDGET	2011-2012	ACTUAL	BUDGET
REVENUES:	BUDGET	3/31/2013	%	BUDGET	3/31/2012	%
Taxes; Licenses	\$ 12,163,983	\$ 8,214,801	67.53%	\$ 11,849,173	\$ 8,101,043	68.37%
Permits, Fees, Fines	125,225	86,771	69.29%	120,847	78,894	65.28%
Use of Money & Property	251,026	210,159	83.72%	261,258	209,882	80.34%
Service Charges	2,625,187	1,817,244	69.22%	2,669,552	1,828,448	68.49%
Misc & Recovered Costs	185,750	270,813	145.79%	201,530	202,226	100.35%
Isle of Wight Rev. Sharing	202,251	238,835	118.09%	1,100,000	900,000	81.82%
State Aid	3,815,620	2,912,585	76.33%	3,765,712	2,918,299	77.50%
Federal Aid	22,966	6,311	27.48%	91,961	33,273	36.18%
Proceeds Loans/Bonds(New Money)	-	1,207,000	0.00%	-	-	0.00%
Total Current Revenue	\$ 19,392,008	\$ 14,964,519	77.17%	\$ 20,060,033	\$ 14,272,065	71.15%
EXPENDITURES:						
Operating Expense:						
Legislative, General & Financial	\$ 2,134,834	\$ 1,382,404	64.75%	\$ 2,030,105	\$ 1,464,268	72.13%
Elections, Courts, Sheriff	1,069,122	981,771	91.83%	991,431	931,352	93.94%
Law Enforcement	3,531,339	2,463,958	69.77%	3,598,685	2,479,150	68.89%
Fire and Rescue	1,608,758	1,197,998	74.47%	1,439,469	1,136,666	78.96%
Community Development	371,387	269,065	72.45%	364,188	263,057	72.23%
Streets	1,983,665	1,066,794	53.78%	1,911,742	1,026,655	53.70%
Garage	195,169	136,725	70.05%	229,140	165,793	72.35%
Refuse Collection & Disposal	1,401,916	669,288	47.74%	1,585,229	981,563	61.92%
Buildings and Grounds	967,715	672,098	69.45%	932,323	652,986	70.04%
Health	166,173	82,500	49.65%	160,173	92,949	58.03%
Parks and Recreation	585,077	403,483	68.96%	584,986	407,435	69.65%
Library	283,723	212,681	74.96%	270,679	205,901	76.07%
Planning & Beautification	82,451	37,154	45.06%	91,421	13,776	15.07%
Downtown Development	105,516	71,091	67.38%	105,516	67,699	64.16%
Subtotal- Operating Expenses	14,486,845	9,647,010	66.59%	14,295,087	9,889,250	69.18%
			2			

GENERAL FUND CONT'D	2012-2013	ACTUAL	BUDGET	2011-2012	ACTUAL	BUDGET
EXPENDITURES:	BUDGET	3/31/2013	%	BUDGET	3/31/2012	%
Payments to Southampton Co.	\$ 650,000	\$ 644,894	99.21%	\$ 600,000	\$ 427,500	71.25%
Non-Departmental Miscellaneous	10,322	28,019	271.45%	30,000	21,352	71.17%
Non-Departmental Capital	242,151	-	0.00%	1,038,254	-	0.00%
Other Debt Expenses	-	17,694	0.00%	-	-	0.00%
Total Operating Expense	\$ 15,389,318	\$ 10,337,617	67.17%	\$ 15,963,341	\$ 10,338,102	64.76%
Net Operating Income	\$ 4,002,690	\$ 4,626,902	115.59%	\$ 4,096,692	\$ 3,933,963	96.03%
TRANSFERS - IN:						
Transfer from Unappr Surplus	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Transfer from Electric Fund	1,409,891	1,057,418	75.00%	1,409,891	1,057,418	75.00%
Use of Prior Year Fund Balance	475,222	-	0.00%	372,846	-	0.00%
Use of Fund Bal Reserve for Debt	876,222	-	0.00%	-	-	0.00%
Transfer W/S Debt Reserve	157,915	118,436	75.00%	430,901	323,176	75.00%
Use of Restricted Fund Balance	132,213	-	0.00%	136,157	-	0.00%
Transfer Electric Debt Reserve	80,175	60,131	75.00%	77,975	58,481	75.00%
Total Transfers In	\$ 3,131,638	\$ 1,235,986	39.47%	\$ 2,427,770	\$ 1,439,075	59.28%
To General Debt	\$ 543,689	\$ 494,989	91.04%	\$ 493,965	\$ 464,550	94.05%
To School Debt	727,579	-	0.00%	358,435	\$ -	0.00%
To Water Fund	6,503	-	0.00%	1,284	\$ -	0.00%
To Electric Fund	8,215	-	0.00%	1,262	\$ -	0.00%
To Airport Fund	88,122	86,897	98.61%	89,854	\$ 89,683	99.81%
To Education Fund	4,980,153	3,735,115	75.00%	4,837,395	\$ 3,489,669	72.14%
To Social Services Fund	464,989	168,011	36.13%	411,175	\$ 204,882	49.83%
To Comprehensive Services Act	151,584	38,727	25.55%	172,734	\$ 172,734	100.00%
To Economic Dev Incubator	63,494	63,038	99.28%	58,358	\$ 58,272	99.85%
To Economic Dev Joint Fund	100,000	100,000	100.00%	100,000	\$ 100,000	100.00%
Total Transfers Out	\$ 7,134,328	\$ 4,686,776	65.69%	\$ 6,524,462	\$ 4,579,790	70.19%
NET INCOME	\$ -	\$ 1,176,112		\$ -	\$ 793,248	
			3			

WATER AND SEWER FUND									
	2012-2013	ACTUAL	BUDGET	2011-2012	ACTUAL	BUDGET			
REVENUES:	BUDGET	3/31/2013	%	BUDGET	3/31/2012	%			
Sale of Water	\$ 1,300,000	\$ 928,835	71.45%	\$ 1,400,000	\$ 970,119	69.29%			
Sewer Service Charges	1,750,000	1,235,642	70.61%	1,900,000	1,311,855	69.05%			
Treatment Fees - Counties	70,000	67,547	96.50%	70,000	62,461	89.23%			
Other Revenues	500	15,624	3124.80%	500	17,639	3527.80%			
Total Current Revenue	\$ 3,120,500	\$ 2,247,648	72.03%	\$ 3,370,500	\$ 2,362,074	70.08%			
EXPENDITURES:									
Operating Expense:									
Water System	\$ 1,254,500	\$ 724,320	57.74%	\$ 1,246,115	\$ 554,785	44.52%			
Sewer System	890,955	199,683	22.41%	1,028,673	611,667	59.46%			
Treatment Plant	729,232	482,925	66.22%	723,270	490,253	67.78%			
Transfer to Gen Fund-Services	346,361	259,771	75.00%	314,874	236,156	75.00%			
Transfer to Gen Fund In Lieu Taxes	26,460	19,845	75.00%	26,460	19,845	75.00%			
Transfer to Gen Fund Debt Restruc	157,915	118,436	75.00%	430,901	323,176	75.00%			
Total Operating Expenses	\$ 3,405,423	\$ 1,804,980	53.00%	\$ 3,770,293	\$ 2,235,882	59.30%			\$ 430,902
Net Operating Income	\$ (284,923)	\$ 442,668	-155.36%	\$ (399,793)	\$ 126,192	-31.56%			
TRANSFERS:									
Use of Prior Year Fund Balance	\$ 416,481	\$ -	0.00%	\$ 537,000	\$ -	0.00%			
Transfer from Unappropriated Surplus	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%			
Transfer from General Fund	6,503	-	0.00%	1,284	-	0.00%			
	422,984	-		538,284	-				
Debt Service	\$ 138,061	\$ 130,303	94.38%	\$ 138,491	\$ 102,890	74.29%			
NET INCOME	\$ -	\$ 312,365		\$ -	\$ 23,302				
			4						

ELECTRIC FUND						
	2012-2013	ACTUAL	BUDGET	2011-2012	ACTUAL	BUDGET
REVENUES:	BUDGET	3/31/2013	%	BUDGET	3/31/2012	%
Sale of Energy	\$ 13,080,084	\$ 9,657,669	73.83%	\$ 11,393,334	\$ 8,519,078	74.77%
Sale of Energy Fuel Adj	1,346,515	1,035,114	76.87%	2,550,040	1,827,978	71.68%
Other Revenue	236,000	172,191	72.96%	236,000	230,913	97.84%
Proceeds Loan/Bonds	-	-	0.00%	-	-	0.00%
Total Current Revenue	\$ 14,662,599	\$ 10,864,974	74.10%	\$ 14,179,374	\$ 10,577,969	74.60%
EXPENDITURES:						
Energy for Resale (9 months)	\$ 9,095,800	\$ 7,201,522	79.17%	\$ 7,800,000	\$ 6,800,044	87.18%
Energy - Fuel Adj (9 months)	1,359,260	1,090,055	80.19%	2,687,880	1,901,648	70.75%
Other Expenses	1,498,768	901,874	60.17%	1,388,070	977,996	70.46%
Capital Outlay	798,646	113,882	14.26%	546,100	191,049	34.98%
Transfer to Gen Fund-Services	325,945	244,459	75.00%	296,314	222,232	75.00%
Transfer to Gen Fund In Lieu Taxes	59,282	44,462	75.00%	59,282	44,465	75.01%
Transfer to Gen Fund Debt Restruc	80,175	60,131	75.00%	77,975	58,481	75.00%
Total Operating Expenses	\$ 13,217,876	\$ 9,656,384	73.06%	\$ 12,855,621	\$ 10,195,915	79.31%
Net Operating Income	\$ 1,444,723	\$ 1,208,590	83.66%	\$ 1,323,753	\$ 382,054	28.86%
TRANSFERS:						
Transfer to General Fund	\$ 1,409,891	\$ 1,057,418	75.00%	\$ 1,409,891	\$ 1,057,418	75.00%
Transfers from Unappropriated	-	-	0.00%	\$ 40,100	0	0.00%
Use of Unreserved Net Assets	-	-	0.00%	\$ 120,100	0	0.00%
Use of Prior Year Fund Balance	59,059	-	0.00%	\$ -	0	0.00%
Transfer from General Fund	8,215	-	0.00%	\$ 1,262	0	0.00%
	\$ 1,477,165	\$ 1,057,418	71.58%	\$ 1,571,353	\$ 1,057,418	67.29%
Debt Service	\$ 102,106	\$ 50,539	49.50%	\$ 75,324	\$ 51,204	67.98%
NET INCOME	\$ -	\$ 100,632		\$ -	\$ (726,568)	
			5			

AIRPORT FUND						
	2012-13	ACTUAL	BUDGET	2011-12	ACTUAL	BUDGET
REVENUE:	BUDGET	3/31/2013	%	BUDGET	3/31/2012	%
Fuel Sales	\$ 177,232	\$ 78,713	44.41%	\$ 178,000	\$ 96,491	54.21%
Other Revenue	64,700	53,334	82.43%	64,700	49,498	76.50%
State Grants	35,043	9,373	26.75%	15,725	5,554	35.32%
Federal Grants	511,359	134,490	26.30%	307,960	3,524	0.00%
Total Current Revenue	\$ 788,334	\$ 275,910	35.00%	\$ 566,385	155,067	27.38%
EXPENDITURES:						
Operating Expenses	\$ 308,832	\$ 164,068	53.13%	\$ 315,607	\$ 183,589	58.17%
Capital Outlay	\$ 571,431	\$ 169,733	29.70%	\$ 344,168	\$ 39,921	11.60%
Total Operating Expenses	\$ 880,263	\$ 333,801	37.92%	\$ 659,775	\$ 223,510	33.88%
Net Operating Income	\$ (91,929)	\$ (57,891)	62.97%	\$ (93,390)	\$ (68,443)	73.29%
TRANSFERS:						
Transfer from Other Funds	\$ 88,122	\$ 86,897	98.61%	\$ 89,683	\$ 89,683	100.00%
Use of Prior Year Fund Balance	\$ 6,029	\$ -	0.00%	\$ 6,483	\$ -	0.00%
Transfer to Other Funds	\$ 2,222	\$ 1,667	75.00%	\$ 2,020	\$ 1,515	75.00%
Debt Service	\$ -	\$ -	0.00%	\$ 927	\$ 309	33.33%
NET INCOME		\$ 27,340			\$ 19,416	
			6			

CITY OF FRANKLIN
 FISCAL YEAR 2012-13
 CASH BALANCES - MARCH 2013

FUND	CURRENT YEAR	PRIOR YEAR
General Fund	\$ 5,226,112	\$ 2,841,597
Fund SNAP Proceeds	\$ 1,324,360	\$ -
Total General Fund	\$ 6,550,472	\$ 2,841,597
Water & Sewer Fund	1,460,086	1,518,864
Fund SNAP Proceeds	482,628	-
Total Water & Sewer Fund	1,942,714	1,518,864
Electric Fund	370,727	1,693,390
Fund Snap Proceeds	835,864	-
Airport Fund	(32,054)	(128,449)
TOTAL CASH FOR OPERATIONS	\$ 7,024,872	\$ 5,925,402
TOTAL CASH FOR CAPITAL PROJECTS	\$ 2,642,852	\$ -
TOTAL CASH	\$ 9,667,724	\$ 5,925,402

OLD/NEW BUSINESS

- A. Village at Woods Edge Tax Exempt Bond Resolution Request**
- B. City Manager's Report**
 - 1. Update on Budget for FY 2013 – 2014**
- C. Update on House Bill 2313 (HRTPO Memorandum of Agreement)**



*Office Of The City Attorney
H. Taylor Williams, IV*

April 17, 2013

From: H. Taylor Williams, IV, City Attorney

To: Members of City Council

Re: The Village At Woods Edge
Tax Exempt Bond Financing for the Construction of a Memory Unit

The Franklin Industrial Development Authority Board of Directors will meet on April 17, 2013 at 6 pm to hold a public hearing on the request made by the Village at Woods Edge to obtain tax exempt bond financing in the amount of \$3 million dollars for the construction of a new memory unit to provide a new service in the community. The Village at Woods Edge has received assistance in the past from the Franklin Industrial Development Authority for construction and refinancing beginning in 1988 and again in 1994, 2002 and 2006.

Assuming the Franklin Industrial Development Authority approves the request of the Village at Woods Edge for construction financing in the amount of \$3 million dollars, the City will be asked to approve the attached Resolution authorizing the sale of tax exempt bonds for financing through SunTrust Bank. The City will not incur any debt liability or obligation as a result of this authorization of the use of a portion of its tax exempt bond capabilities.

H. Taylor Williams, IV
City Attorney



The Village

at Woods Edge

Small town charm. Engaging senior living.

March 21, 2013

The City of Franklin
Attn: Mr. Randy Martin
207 W. Second Avenue
Franklin, VA 23851

Dear Randy,

The Board of Directors of The Village at Woods Edge has approved a plan to build a new memory care unit as an addition to our Assisted Living services to care for residents with advancing Alzheimer's disease and other forms of dementia. The Village has seen an increasing number of residents whose dementia requires a higher level of care than The Village can currently provide. In fact in 2012, The Village had to send 13 residents out of the area for memory care services. This is difficult for us at The Village, but it is especially difficult for the residents and their families who have to move out of the area for this type of memory support care. Realizing this situation is only expected to worsen with the aging baby boomer population, The Village developed a plan for memory care support and has received financing approval with SunTrust Bank for this project.

The memory care plans are in the development phase now for the unit which will be attached to the assisted living wing of the existing facility. With 50% drawings completed, the guaranteed maximum cost to build is \$3 million. The Village is seeking tax free financing for the construction of the ward issued through the Industrial Development Authority of the City of Franklin in order to hold down the cost of the building.

The current design plans for the memory care unit will allow The Village to accommodate 17 residents needing assistance as a result of memory loss. There will be 16 apartments in the wing with one designed to house two residents allowing for 17 seniors to be in our care at any given time. It is estimated that the new unit will result in a creation of 14 new employment opportunities in the City of Franklin.

Your support of this project would be greatly appreciated, and we hope you can allot IDA funding up to \$3 million to support The Village's memory care unit project.

Sincerely,


Rhonda Stewart
Executive Director

**RESOLUTION OF THE
CITY COUNCIL OF THE CITY OF FRANKLIN, VIRGINIA**

WHEREAS, the Industrial Development Authority of the City of Franklin, Virginia (the “Authority”), has considered the request of The Village at Woods Edge (the “Corporation”), for the issuance of the Authority’s revenue bonds in an amount estimated not to exceed \$3,000,000 (the “Bonds”), to finance (1) the construction, equipping and furnishing of a new memory care unit, including 16 apartments, indoor and outdoor community living space, and kitchen and dining facilities, (2) the construction of a storm drainage system and (3) routine capital expenditures (collectively, the “Project”) at the Corporation’s facility for the residence and care of the elderly located at 1401 North High Street, in the City of Franklin, Virginia;

WHEREAS, the Authority on April 17, 2013, held a public hearing on the issuance of the Bonds and the financing of the Project as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and Section 15.2-4906 of the Virginia Industrial Development and Revenue Bond Act, as amended (the “Act”);

WHEREAS, the Authority has requested the City Council (the “Council”) of the City of Franklin, Virginia (the “City”), to approve the issuance of the Bonds to comply with Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and Section 15.2-4906 of the Act, and to concur with the Authority’s expectation that the City, the Authority and all subordinate issuing entities or authorities do not reasonably expect to issue in calendar year 2013 any other tax-exempt obligations (not including “private activity bonds” other than “qualified 501(c)(3) bonds,” as those terms are defined in the Code), that when aggregated with the Bonds for purposes of Section 265(b)(3)(B) of the Code will be in excess of \$10,000,000, in order that the Authority may designate the Bonds as “qualified tax-exempt obligations” under Section 265(b)(3)(B) of the Code; and

WHEREAS, a copy of the Authority’s resolution of April 17, 2013, approving the issuance of the Bonds, a record of the public hearing and a fiscal impact statement with respect to the issuance of the Bonds have been filed with the Council;

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

1. The Council hereby approves the issuance of the Bonds by the Authority for the benefit of the Corporation, to the extent required by Section 147(f) of the Code and Section 15.2-4906 of the Act, to permit the Authority to issue the Bonds for the purposes set forth above.

2. The approval of the issuance of the Bonds does not constitute an endorsement of the Bonds or the creditworthiness of the Corporation. As required by Section 15.2-4909 of the Act, the Bonds shall provide that neither the City nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and moneys pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia, the City or the Authority shall be pledged thereto.

3. Having not previously issued in calendar year 2013 tax-exempt obligations (not including “private activity bonds” other than “qualified 501(c)(3) bonds,” as those terms are defined in the Code), in an amount greater than \$7,000,000, which are required to be aggregated with obligations issued by the Authority for purposes of Section 265(b)(3)(B) of the Code, and

with the City, the Authority and all subordinate issuing entities or authorities not reasonably expecting to issue in calendar year 2013 any other such obligations that when aggregated with the Bonds will be in excess of \$10,000,000, the City concurs with the Authority's intention to designate the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3)(B) of the Code.

4. The officers of the City are hereby authorized and directed to take all action reasonably requested by the Corporation or the Authority in connection with the issuance of the Bonds, including, without limitation, certification or confirmation of the expectations of the City set forth in Section 3 above.

5. This Resolution shall take effect immediately upon its adoption.

CERTIFICATE

The undersigned Clerk of the City Council of the City of Franklin, Virginia (the “Council”), hereby certifies as follows:

1. A regular meeting of the Council was held on April ____, 2013, at which meeting the following duly elected members were present or absent:

PRESENT:

ABSENT:

2. Attached hereto is a true, correct and complete copy of a resolution adopted by a majority of the members of the Council present and voting at such meeting.

3. The resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on this date and constitutes the only resolution adopted by the Council relating to the issuance by the Industrial Development Authority of the City of Franklin, Virginia, of its revenue bonds for the benefit of The Village at Woods Edge.

WITNESS the following signature this ____ day of _____, 2013.

(SEAL)

Clerk, City Council of the City of Franklin,
Virginia



R. Randy Martin
City Manager

April 17, 2013

TO: Mayor & City Council

RE: HB2313 Transportation Funding

Enclosed is the report submitted by Hampton Roads Planning District Commission (HRPDC), Director Dwight Farmer for the April 18, 2013, Hampton Roads Transportation Planning Organization (HRTPO) meeting. I will be in attendance. The proposed Memorandum of Agreement (MOA) is included in the report.

I have also included herewith another copy of my previous e-mail to each of you containing extensive background on HB2313 and the April 4, 2013 Secretary of the Virginia Department of Transportation (VDOT) memorandum previously forwarded to you by e-mail. If the HRTPO approves the MOA on Thursday, I hope to be prepared to recommend action by the City Council to ensure our input and participation in the process unless some question arises that needs resolution before Council action. Southampton County Administrator Mike Johnson is also planning to present the MOA to the Board of Supervisors on Monday, April 22, 2013. I do not know at this time what is planned in Surry County to address the situation, but I will likely find out at tomorrow's HRTPO meeting.

I will reserve further comment for the April 22, 2013, Council meeting. The City Attorney is still reviewing the MOA as well.

Respectfully Submitted;

R. Randy Martin, City Manager

ITEM #6: HB 2313 TRANSPORTATION REVENUES

Attached is a letter from Secretary Sean T. Connaughton, dated April 4, 2013, to the HRTPO Executive Director regarding the regional taxes found in HB 2313 (Attachment 6-A). The Governor recommended, and the General Assembly approved, amendments to redefine their applicability. Specifically, rather than the regional taxes only applying in certain named localities, the amendments broaden the applicability to any Planning District that meets certain population, registered vehicle, and transit ridership criteria. Numerous technical changes were also made to ensure that associated language reflected these changes, such as requiring that revenues deposited into the Hampton Roads Transportation Fund be used on projects in all regions of Planning District 23.

The legislation will impose taxes on three localities that are members of the Hampton Roads Planning District Commission (HRPDC) but not the Hampton Roads Transportation Planning Organization (HRTPO). They include the City of Franklin and the Counties of Southampton and Surry.

The Secretary suggests two possible alternatives:

“Develop an agreement among the HRTPO member and non-member localities that guarantees representation and voting rights for the non-members on matters involving the planning, programming, and funding of projects supported by the HB 2313 revenue;”

or

“The HRTPO could amend the boundaries of the HRTPO to include Southampton, Franklin, and Surry”.

The HRTPO staff recommends approving an interim agreement among the HRTPO members and the three non-member localities that guarantees representation and voting rights to the non-members on matters involving the planning, programming, and funding of projects supported by the state revenues in HB 2313. Attached is a Memorandum of Agreement between the HRTPO and the City of Franklin and Counties of Southampton and Surry in accordance with the Secretary’s suggestion.

This item is under the Consent Agenda for approval; see Item #13-G.

Mr. Dwight Farmer, Executive Director, and/or legal counsel will brief the HRTPO Board on a recommended action.

Attachment 6-A

Attachment 6-B



COMMONWEALTH of VIRGINIA

Office of the Governor

Sean T. Connaughton
Secretary of Transportation

April 4, 2013

Dwight L. Farmer
Executive Director
Hampton Roads Transportation Planning Organization
723 Woodlake Drive
Chesapeake, VA 23320

Dear Mr. Farmer:

As you are aware, this past General Assembly session, the legislature reached an historic, bi-partisan compromise to provide much needed revenues to address the Commonwealth's transportation funding challenges. While much of the legislation (HB2313) focuses on addressing statewide transportation needs, certain provisions impact the Hampton Roads region and the Hampton Roads Transportation Planning Organization (HRTPO). I write to request the HRTPO have in place by July 1, 2013, a process to ensure that all the localities of the Hampton Roads Planning District have a vote on the planning, programming and funding of projects supported by HB2313 revenues.

The Conference Report for HB2313, as adopted by the General Assembly, imposed an additional 0.7 percent sales and use tax, as well as an additional 2.1% sales tax on motor fuel, in the Hampton Roads region. The Hampton Roads region was defined as those localities embraced by the HRTPO. Revenues generated by these taxes were to be deposited in the Hampton Roads Transportation Fund and used on road projects within the localities where the taxes were imposed.

Based on legal concerns regarding these regional taxes, the Governor recommended, and the General Assembly approved, amendments to redefine their applicability. Specifically, rather than the regional taxes only applying in certain named localities, the amendments broaden the applicability of the taxes to any Planning District that meets certain population, registered vehicle, and transit ridership criteria. Numerous technical changes were also made to ensure that associated language reflected these changes, such as requiring that revenues deposited into the Hampton Roads Transportation Fund be used on projects in all regions of Planning District 23.

While these amendments strengthened the constitutionality of the legislation, the enumerated criteria set forth in the legislation will impose the regional transportation taxes on three localities that are members of the Hampton Roads Planning District Commission but not

currently members of the HRTPO. Specifically, Planning District 23 includes the County of Southampton, the City of Franklin and the County of Surry, which are not members of the HRTPO.

Consequently, the HRTPO must develop and implement a method to ensure that Southampton, Franklin and Surry have a vote on the planning, programming and funding of projects supported by HB2313 revenues. We assume that as a practical matter, inclusion of these additional jurisdictions should not be difficult. The Hampton Roads Transportation Planning Organization and the Hampton Roads Planning District Commission have generally the same localities as members and work hand in hand to achieve the long-term planning goals for the region. In addition, both organizations share the same offices and staff, with you serving as the Executive Director for both entities.

Given this, we believe that the HRTPO could quickly develop an agreement among the HRTPO member and non-member localities that guarantees representation and voting rights for the non-members on matters involving the planning, programming and funding of projects supported by HB2313 revenues. As an alternative, the HRTPO could amend the boundaries of the HRTPO to include Southampton, Franklin and Surry. It is my understanding that such a change requires the approval of the Federal Highway Administration and the Federal Transit Administration. We are committed to working with you to effectuate such an amendment, if that is the desired course of action.

Since a workable solution needs to be in place on or about July 1, 2013, which is the date on which revenues will begin to accrue to the Hampton Roads Transportation Fund, we request that the HRTPO immediately begin the process of providing Franklin, Southampton and Surry representation and voting rights for the non-members on matters involving the planning, programming and funding of projects supported by HB2313 revenues. The transportation challenges facing the Hampton Roads region are among the most severe in the Commonwealth. The new regional revenues will go a long way to helping address these challenges and improving the region's economic competitiveness and quality of life. However, in implementing the new revenue streams, it is imperative that we ensure that every locality wherein the revenues are generated has a seat at the table in deciding how the revenues are spent.

I look forward to working with the HRTPO and the local governments in Hampton Roads as we address this critical issue. Please do not hesitate to contact me at your convenience if you would like to further discuss this matter.

Sincerely,



Sean T. Connaughton



**Memorandum of Agreement
Between
The Hampton Roads Transportation Planning Organization
And
The City of Franklin and Counties of Southampton and Surry, Virginia**

This Memorandum of Agreement is executed as of _____, 2013, by and among the Hampton Roads Transportation Planning Organization (“HRTPO”), the City of Franklin, Virginia (Franklin”), Southampton County, Virginia (“Southampton”); and Surry County, Virginia (Surry”). Franklin, Southampton and Surry are sometimes hereinafter referred to as “the Localities.”

WHEREAS, Chapter 766, 2013 Virginia Acts of Assembly, effective July 1, 2013, codifies the enactment of HB 2313, establishing new revenues for transportation projects, a portion of which will be deposited to a newly established Hampton Roads Transportation Fund (the “Fund”) to be expended for projects in the Hampton Roads area; and

WHEREAS, HB 2313 imposes certain new and increased taxes in those cities, counties and towns comprising Virginia Planning District 23 that will be deposited into the Fund, and requires that monies in the Fund be used for transportation projects in all regions of that Planning District 23; and

WHEREAS, the Localities are within Planning District 23 but not within the designated Hampton Roads Metropolitan Planning Area or members of the HRTPO, which is designated by HB 2313 to identify those transportation projects for which monies in the Fund may be expended, and

WHEREAS, the Commonwealth of Virginia and the parties hereto desire to establish a mechanism by which the Localities will be entitled to vote on the planning, programming and funding of projects supported by HB 2313 revenues.

NOW, THEREFORE, the parties hereby agree as follows:

1. Effective July 1, 2013, each of the Localities shall be entitled to one vote at meetings of the HRTPO on any matter involving the planning, programming and funding of projects supported by HB 2313 revenues.
2. Each of the Localities shall appoint one individual to represent it, and exercise the right of the Locality to vote, on the designated matters before the HRTPO. The representative shall be an elected official appointed by the governing body of the City or County. Each of the Localities shall designate an alternate authorized to act in the absence of the appointed representative of the Locality, who shall also be an elected official.

3. The representatives of the Localities shall be invited to attend all meetings of the HRTPO, shall be given notice thereof, shall be allowed to participate in the discussions of the HRTPO, and shall be given all communications given by the HRTPO to the voting representatives of the HRTPO members.
4. This Agreement may be amended or revoked only by further written instrument executed by all parties hereto. This Agreement shall remain in effect until such time as it is revoked by the parties hereto.

In Witness Whereof, the parties have caused this Memorandum of Agreement to be executed by their duly authorized officers as of the date first set forth above.

Hampton Roads Transportation
Planning Organization

By: _____
Chair

City of Franklin

By: _____
Title:

Southampton County

By: _____
Title:

Surry County

By: _____
Title:

From: [Robert Randy Martin](#)
To: [Leesa Livesay](#)
Subject: FW: HB2313
Date: Wednesday, April 17, 2013 3:37:20 PM

[This will be the second item to go after my memo.](#)

From: Robert Randy Martin
Sent: Tuesday, April 02, 2013 8:28 PM
To: 'Sean.Connaughton@governor.virginia.gov'
Cc: FranklinCity Mayor; 'Raystine Johnson'; ward 1; 'Barry Cheatham'; ward 2; 'benny@bco-cpa.com'; Ward 3; ward 4; 'monalisa22@charter.net'; ward 5; ward 6
Subject: HB2313

To: Honorable Secretary of Transportation Sean Connaughton
Commonwealth of Virginia

On behalf of the City of Franklin, Virginia, as City Manager I am writing to express our concern about the proposed revised version of HB2313 to be considered by the General Assembly in the veto session this week. I became aware of the impact on Franklin earlier today in communication with Southampton County officials who will likewise be impacted. I am in receipt of your response to County Administrator Mike Johnson related to his concerns. I appreciate your comments about the state's intent to ensure that every jurisdiction that is a member of Planning District 23 has representation and a vote on matters involving policy, planning and programming of HB2313 funds. One of my concerns is that in a conference call today with HRPDC Director Dwight Farmer, he indicated that apparently there are federal guidelines that would not allow our jurisdictions to be included in the TPO and actually have a vote on the HRTPO.

I am also encouraged by the revised language in the legislation that you referenced which "shall ensure that the moneys shall be used for such construction projects in all localities comprising Planning District 23". My concern is that the TPO has no authority according to Dwight to set priorities outside their jurisdictional boundaries. Other than the revised language in the bill, if there are complications to giving us an equal voice on the HRTPO which we currently do not have, I am concerned that we will see our jurisdictions included in the tax collections, but not ensured fair treatment on the receipt of funds to meet our needs. I would hope that the other TPO jurisdictions would do the right thing if legally authorized to do so and give us the funds collected in our jurisdictions to meet our transportation needs that we prioritize currently on our own, but I am uncomfortable with having to rely on their fair treatment in the years to come unless we are protected in some manner by the law.

I know this legislation is of great importance to the state as a whole and I congratulate the Governor, General Assembly and you as Secretary of Transportation for this landmark legislative achievement. I also believe I understand what prompted the need for this amendment especially the need to pass muster with any future judicial review that might be forthcoming. That said and given the timetable, I fully expect the legislature to approve the amended language this week. I am primarily writing to express our desire that our concerns will be addressed either as you suggest by TPO actions or in some tweaking of legislation in 2014. I am glad that you recognize the need for subsequent action, but I remain concerned that the actions taken will be done after the legislation is adopted and becomes law. We will need the state to take the lead in seeing this situation is addressed in a fair and just manner.

Sincerely,
R. Randy Martin
Franklin City Manager

Cc: Honorable Mayor & City Council members

From: [Robert Randy Martin](#)
To: [Leesa Livesay](#)
Subject: FW: HB 2313
Date: Wednesday, April 17, 2013 3:38:09 PM

This is the third and final document for the agenda item after my memo.

From: Robert Randy Martin
Sent: Tuesday, April 02, 2013 7:16 PM
To: FranklinCity Mayor; 'Raystine Johnson'; ward 1; 'Barry Cheatham'; ward 2; 'benny@bco-cpa.com'; Ward 3; ward 4; 'monalisa22@charter.net'; ward 5; ward 6
Cc: Taylor Williams
Subject: HB 2313

Mayor & City Council members:

Greetings. I hope everyone had a pleasant Easter holiday and weekend. I am writing ahead of the agenda to get out some information I just became aware of this morning before it is published in the newspaper. I was notified earlier today by County Administrator Mike Johnson to advise me he had just been made aware of a change to legislation adopted by the General Assembly before they adjourned that would impact the City of Franklin, Southampton and Surry Counties. I advised him that I was also not aware of the action. He and I have been exchanging emails throughout the day on the topic. He and I also had a conference call earlier today with Hampton Roads Planning District Commission (HRPDC) Director Dwight Farmer on the topic. Mike has also been in contact with the State Secretary of Transportation about the topic. I plan to send him a comment on his response to Mike's inquiry tonight before I leave.

These are the relevant facts as I know them at this time:

As widely published, the General Assembly before adjournment of their recent session adopted sweeping landmark legislation to address funding needs statewide for transportation. The compromise legislation significantly modified the funding sources and formula for financing state transportation needs. This included changes to the state gasoline tax and to a portion of the sales tax formula applied to retail sales. Without getting into the details excessively, this was a major change that received bipartisan support and is considered a landmark accomplishment for the Governor and General Assembly.

Fast forward and a subsequent question is raised by the State Attorney General about the constitutionality of at least one aspect of the compromise legislation adopted. This involves the provision to institute an additional sales tax levy of .7 percent additional tax only in specified urbanized areas such as Northern Virginia and the Hampton Roads region. This was deemed necessary to fund the major priority capital project transportation needs in these areas without levying the additional tax on the entire state.

When the General Assembly adjourned, as is the standard practice, a special reconvened session was scheduled for the legislators to revisit any changes such as vetoes that are necessary before the Governor would sign legislation into law. This veto session is scheduled to begin tomorrow and end by Thursday as I understand the schedule (essentially a one day session). In an effort to prepare for this veto session, apparently the Governor and designated legislative leadership have been addressing any issues basically under the radar for the past couple of weeks. One issue has been to make the transportation bill as strong as possible to withstand any potential legal challenge and particularly any constitutional challenge. A change to the transportation legislation in the form the Governor is sending to the General Assembly for action tomorrow (to borrow language from Mike Johnson) has the effect of subjecting "the people of Southampton County to imposition of an additional retail sales tax at the rate of 0.70 percent." Likewise, the people of Franklin and Surry County are also affected by this change.

This occurs because the modified legislation would impose the tax on the full limits of Planning District 23 (the HRPDC) of which our City and these two counties are members.

This change could be seen as fair if the HRPDC was somehow going to have a voice in the prioritization of transportation projects that the new taxes would be used to fund since Franklin and these two Counties have representation on the HRPDC Board, but that is not the case. Instead, the organization that is currently charged with transportation planning in the Hampton Roads region is the Hampton Roads Transportation Planning Organization (HRTPO). The HRTPO will continue to be the responsible party for transportation planning as they should be in the region. The problem is that neither Franklin, Southampton or Surry have representation on the HRTPO Board. According to Director Farmer, the HRTPO is established under federal guidelines which do not allow inclusion of our three jurisdictions as official voting members of the HRTPO. The situation is obviously very complicated, but the bottom line is the legislation will as written leave this situation essentially unresolved with the tax scheduled to begin being collected effective July 1, 2013. The response received by Mike Johnson from the Secretary of Transportation is quoted as follows: "we intend to request the TPO ensure that every jurisdiction that is a member of the Planning District has representation and a vote on matters involving policy, planning and programming of HB2313 funds. This can be done administratively, and options include adding Southampton and the other jurisdictions to be full or partial members of the TPO. To ensure your projects are eligible for funding, we amended HB2313 to read: 'The Hampton Roads Transportation Planning Organization shall give priority to those projects that are expected to prove the greatest impact on reducing congestion **and shall ensure that the moneys shall be used for such construction projects in all localities comprising Planning District 23.**'

The addition of the language in bold could be helpful, but the concern remains as raised by Mr. Farmer on how this is to be accomplished by HRTPO. All members of the legislative delegation representing Franklin and Southampton have been made aware of the concern by email. I have already been contacted by the Tidewater News about the situation for comment. I am not hopeful that anything can be changed at this late stage. Mike and I are very disappointed that no one contacted local officials about this. We in essence had to learn it from the street. I will continue to advise Council of significant developments, but realistically, I expect the General Assembly to approve the legislation as revised this week. We will then have to pursue getting a voice either by a subsequent amendment to legislation in 2014 and/or getting the HRTPO to pursue getting us a legitimate voice in the process going forward. Based upon what I know at this time, I would prefer they give us our share of the funds raised from the new additional sales tax for our use in meeting transportation needs locally. I do not feel comfortable leaving our fate to the hands of the members of the HRTPO to do the right thing, but that may be the situation we face for the near term. I do not know how much money our share could be, but Dwight Farmer said he could get his staff to provide an estimate for us. This is it for now.

If you have questions on this situation, let me know. Sorry for the lengthy comments, but I wanted each of you to know what I know at this time.

Randy

COUNCIL/STAFF REPORTS ON BOARDS AND COMMISSIONS