

AGENDA

FRANKLIN CITY COUNCIL

MONDAY, JULY 8, 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 3

PLEDGE OF ALLEGIANCE

CITIZENS' TIME

AMENDMENTS TO AGENDA

1. CONSENT AGENDA

A. Minutes from Called Meetings & Budget/Goal Work Sessions

- 1. June 10, 2013 Regular City Council Meeting
- 2. June 17, 2013 Budget/Goal Work Session
- 3. June 24, 2013 Regular City Council Meeting

2. FINANCIAL:

A. Budget Amendments General Fund FY 2013-14

3. OLD/NEW BUSINESS

- A. Consider an Amendment to the Personnel Policy Section 101 2 (b) - Part Time Employees
- B. City Manager's Report

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.

7. ADJOURN

CONSENT AGENDA

- A. Minutes from Called Meetings & Budget/Goal Work Sessions**
 - 1. June 10, 2013 Regular City Council Meeting**
 - 2. June 17, 2013 Budget/Goal Work Session**
 - 3. June 24, 2013 Regular City Council Meeting**

Regular City Council Meeting

The Franklin City Council held a regular meeting on Monday, June 10, 2013, at 7:00 p.m. in the 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.

Staff in Attendance: Randy Martin, City Manager; Taylor Williams, IV, City Attorney; Mark Bly, Director of Power & Light; Carolyn Joyner, Director of Human Resources; Melissa Rollins, Director of Finance; Dinah Babb, Treasurer; Russ Pace, Director of Public Works; Phil Hardison, Chief of Police; Vince Holt, Chief of Emergency Services, Frank Davis, Director of Parks and Recreation; Donald Goodwin, Director of Community Development; and Alan Hogge, Director of Social Services.

Other Staff in Attendance: Chad Edwards, Deputy Director of Public Works; Robert Porti, Deputy Chief of Police; Joshua DiGiorgio, Police Officer; Joe Ann Faulk, Financial Accountant, Dan Howe, Director Downtown Development and Leesa Livesay, Acting Secretary, Recording Minutes.

School Board Staff in Attendance: Dr. Michelle Belle, Franklin City Public Schools Superintendent.

CALLED TO ORDER

Mayor Johnson-Ashburn called the City Council Meeting to order at 7:01 p.m.

INVOCATION

The Invocation was offered by Vice-Mayor Cheatham.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was offered by everyone in attendance.

CITIZEN'S TIME

Citizen 1

Herman Parker who resides at 303 North High Street stated he believed there was a solution to this utility problem if we all work together. Mr. Parker did question why some of the meters are covered so they are unreadable.

Mayor Johnson-Ashburn asked Mr. Parker to discuss this matter with Mark Bly, Director of Power & Light.

Mr. Parker suggested citizens take care of the recycling themselves in order to lower the utility bills.

Mayor Johnson-Ashburn referred Mr. Parker to Russ Pace, Director of Public Works for answers to his recycling questions.

Citizen 2

Charles Grant who resides at 208 Banks Street stated it is hard enough with the state of the economy to make ends meet without the utility bills increasing.

Citizens 3

Thomas and Myrtle Patterson signed up but did not speak.

Citizen 4

Reverend Jamal Whitehurst who resides at 308 Madison Street stated the utility bill issue has become a growing problem in the City of Franklin and suggests the citizens of the City of Franklin pay their utilities straight to the provider.

Citizen 5

Bryant Robinson who resides at 612 North High Street stated his mother's bill was \$794.00 for the month of June and wants to know why this bill is so high. Mr. Robinson informed Council the meters in the house have all been changed.

Mayor Johnson-Ashburn told Mr. Robinson to contact and discuss this matter with Joyce Johnson, Utility Billing Supervisor.

Citizen 6

Councilman Greg McLemore, who resides at 204 Madison Street, thanked Mayor Johnson-Ashburn for allowing the citizens to express themselves at Citizen's Time after it had been stated they were not going to deal with the situation. Councilman McLemore stated it is a sad state of our local government when an elected official is forced to speak during Citizen's Time to comment on his concerns or notify the public regarding City related business. As to the allegations in the Tidewater News and conduct unbecoming a Councilman made by a colleague, he emphatically denied any involvement, participation, organization, orchestration or membership with any disgruntled group including the one led by Bishop Reverend Dr. Johnson claiming to represent any citizens of Franklin for personal gain or anyone planning or participating in any picketing or boycotts whatsoever. He stated he does believe in the methods of civil rights movements and the teachings of Mahatma Gandhi and non-violent passive resistance to remove oppressive government's treatment. However, the paper and its continued attempts to assassinate his character have twisted comments to serve its own purposes. On behalf of the citizens, it has been brought to his attention that a citizen or a couple of citizens have been solicited by the Franklin Police Department in conjunction with the Commonwealth Attorney to provide them with assistance to gain incriminating information.

Mayor Johnson-Ashburn then advised Mr. McLemore, that unless he had documentation he would have to take that matter to the courts, this is not the arena for that discussion.

Councilman McLemore stated he was alerting this Council with his right of free speech.

Mayor Johnson-Ashburn stated the courts were the proper venue for the concern.

Councilman McLemore stated he had not bashed anyone. He was informing Council what a citizen brought to his attention.

Mayor Johnson-Ashburn asked Councilman McLemore to please be quiet, advising him that any issue that the City Council can control is entertained. Allegations of this nature toward any Police Department is a civil issue and will have to be taken up in court.

Councilman McLemore stated well he would prefer not have to sue the city in which he sits on the board.

Mayor Johnson-Ashburn replied he could do as he pleases in that regard.

Councilman McLemore restated that he did not want to sue the City.

Mayor Raystine-Johnson stated that is his right, and asked him to move on, please.

Councilman McLemore replied he would hold off on the rest since he is not being allowed the right of free speech during his five minutes and he has not bashed anyone. Next, he wants to go on record as having been threatened with bodily harm and impending doom by the Mayor's husband on several occasions as recently as yesterday.

Mayor Johnson-Ashburn stated Mr. McLemore, Chief; please have Mr. McLemore taken away.

Councilman McLemore asked Where?

Mayor Johnson-Ashburn advised Councilman McLemore that he could take his seat on the Diaz and act in his capacity as a member of Council, but anything about any personal issues will not be discussed here. This Council cannot do anything about what he was talking about, so, please.

Councilman McLemore stated that's because she does not want the public to see.

Mayor Johnson-Ashburn asked Mr. McLemore to please leave the meeting if he was not going to control himself.

Mayor Johnson-Ashburn stated the Council has adopted Citizen Time rules and they will be adhered to in this arena.

Councilman McLemore stated he did not violate a Citizen's Time rule. He then took his seat at the Diaz.

Citizen 7

Edna King, Chairman of the School Board had mistakenly signed up for Citizen's Time. She wanted to speak at the Budget Public Hearing.

Mayor Johnson-Ashburn stated before the meeting goes any further she wanted to verify with Taylor Williams, City Attorney; that everything had been acted on accordingly.

City Attorney Williams replied in his opinion yes everything had been acted on accordingly.

AMENDMENTS TO AGENDA

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

There were no amendments to the Agenda,

CONSENT AGENDA

City Council Minutes from the May 13, 2013 and Regular City Council Meeting

Mayor Johnson-Ashburn asked if there were any corrections to the City Council Minutes from the May 13, 2013 regular City Council Meeting and the May 20, 2013 Closed Session to Interview Franklin City School Board Candidates.

Councilwoman Murphy inquired about the status of the minutes from the Budget Work Sessions.

Manager Martin replied the Work Session minutes are not complete and thus not included in this Agenda.

A motion was made by Councilwoman Hilliard to approve the minutes from the May 13, 2013 regular City Council Meeting and the May 20, 2013, Closed Session to Interview Franklin City School Board Candidates. The motion was seconded by Vice-Mayor Cheatham.

The motion was approved with the vote as follows:

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

Virginia Retirement System (VRS) Resolution

Manager Martin reviewed the VRS Resolution which stated effective July 1, 2013, the City is required to contribute an additional 1.0% towards the member contribution (the budget includes a 1.1% salary increase to offset taxes). This is the second year of the state required phase-in of the transfer of VRS funding to employees since the City elected the phase-in option over the full 5% transfer immediately.

The attached Resolution indicates the City's election to implement the 5.0% member contribution effective July 1, 2013 at the rate of 3.0% paid by the employer (City) and 2.0% paid by the employee. The Resolution must be passed prior to July 1, 2013 and submitted to VRS prior to July 10, 2013.

A motion was made by Vice-Mayor Cheatham to approve the Virginia Retirement System Resolution. The motion was seconded by Councilwoman Murphy.

The motion was approved with the vote as follows:

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

At 7:23 McLemore stated he had an emergency phone call and asked to be excused. Councilman McLemore exited the meeting.

Approval of Contract for the Infant and Toddler Connection of Virginia between the City of Franklin and the Department of Behavior Health and Development Services

City Attorney Williams stated this is a contract that the City is asked to approve on a yearly basis. The contract provides that Franklin will serve as the Local Lead Agency to receive funding for the Children's Center for providing early intervention services.

A motion was made by Councilwoman Hilliard to approve the Contract for the Infant and Toddler Connection of Virginia between the City of Franklin and the Department of Behavior Health and Development Services. The motion was seconded by Vice-Mayor Cheatham and passed with a 5-0 vote (Councilmen McLemore and Blythe absent.)

Approval of a Donation Agreement between Hampton Roads Planning District Commission and the City of Franklin

Chief Holt presented a Donation Agreement between the Hampton Roads Planning District Commission and the City of Franklin. The Hampton Roads Planning District Commission (HRPDC) has purchased a Shelter Support Unit (SSU) on behalf of Hampton Roads jurisdictions to support the functional and medical needs of individuals in shelters during mass casualty events or disasters using funds from Department of Homeland Security Urban Areas Securities Initiatives (UASI) and Metropolitan Medical Response System (MMRS) grants. Funds are provided to the HRPDC for MMRS sustainment, and to transfer ownership of the SSU listed in Schedule 1(Contents of Shelter Support Unit) to member communities at no cost. The support being offered to the City is a trailer unit that contains supplies for use in a disaster situation. Other larger communities in the region had received assistance, but this is the first opportunity for Franklin to have access to this equipment to be located in the City.

A motion was made by Vice-Mayor Cheatham to approve the Donation Agreement between Hampton Roads Planning District Commission and the City of Franklin. The motion was seconded by Councilman Burgess and approved by a 5-0 vote (Councilmen McLemore and Blythe absent).

PUBLIC HEARINGS

Ward 6 School Board Nomination

Mayor Johnson-Ashburn opened the Public Hearing.

Mayor Johnson-Ashburn thanked Cindy Fillhart who is resigning from her position as Ward 6 Representative on the Franklin City School Board for her services.

Katherine Connor who resides at 148 Crescent Drive nominated Dawna Walton to be the Ward 6 Representative on the Franklin City Public School Board.

Mayor Johnson-Ashburn asked if there were any more nominations for the Ward 6 School Board vacancy.

There being no more nominations, Mayor Johnson-Ashburn closed the Public Hearing and opened the floor for Council discussion.

Councilman Burgess recommended scheduling another interview meeting like the one that was recently held for the Ward 2 and Ward 5 nominations.

Mayor Johnson-Ashburn asked Manager Martin to schedule a meeting with Council and Mrs. Walton.

Manager Martin recommended the meeting with Council and Mrs. Dawna Walton be scheduled for Monday, June 17, 2013 at City Hall.

City of Franklin Proposed Budget FY 2013-2014

City Attorney Williams presented the affidavit of publication and requested the notice of Public Hearing be included in the City Council Minutes.

Manager Martin presented highlights of the notice on the Proposed Budget and Tax Rates proposed for FY 2013-2014.

Mayor Johnson-Ashburn opened the Public Hearing for comments from citizens.

Linwood Johnson resides at 301 Hall Street. Mr. Johnson spoke about the electrical fund portion of the budget. Mr. Johnson suggests lowering the user tax fee and limiting to 10% the transfer to the General Fund. He stated Dominion was limited to 10% "profit" and that the City's current profit of the electric fund was 88%. He also said the City's seasonal rate fluctuated by 8 cents per kWh from winter to summer.

Cara Butler resides at 103 Barrister Lane encouraged Mayor and Council to fully fund the Franklin Library the FY 2013-2014 Budget requested by the Regional Library System.

Elaine Meredith resides at 329 Robinhood Road thanked the Mayor and Council for supporting the Franklin Library and encouraged them to fully fund the Library in the FY 2013-2014 Budget.

Linda Johnson resides at 22480 Homestead Lane is a volunteer at the Franklin Library. She thanked the Mayor and Council for their support of the Library and encouraged them to fully fund the Library in the FY 2013-2014 Budget.

Edna King who resides at 108 Kings Lane and serves as Chairwoman of the Franklin City School Board spoke on behalf of the School Board. She thanked Mayor and Council for all their support and stated the school's total proposed FY 2013-2014 budget is \$16,889,959.00 with a carryover of \$643,174.00. Mrs. King informed Council that the school's employees have not had a salary increase in over three years and this year there is an increase figured in the FY 2013-2014 proposed budget. Mrs. King also stated she is not sure why it is taking so long to adopt the budget but the teachers will be leaving on their summer break next week and she would like to be able to take something of substance back to them. Mrs. King asked Mayor and Council to act with expediency in adopting the FY 2013-2014 Budget. She also wanted the School Board Budget request fully funded or positions may be at risk.

Mayor Johnson-Ashburn closed the public portion of the Public Hearing.

Mayor Johnson-Ashburn thanked the members of the School Board, Superintendent, Chairwoman, Vice-Chairwoman, and the School Principals for attending the meeting.

Mayor Johnson-Ashburn opened Council discussion on the budget following the hearing.

Councilman Burgess commented on “gross profit” of the Electric Fund and the historical City transfer to the General Fund. He questioned the Public Hearing comment on 88% profit stating that was not accurate. He stated his quick calculations were substantially less. Councilman Burgess requests staff analyze and offer clarification on the numbers at a future meeting. Councilman Burgess also stated the City no longer has the reserves to adequately support the fund if disaster strikes and the electric fund has major expenditure needs. He noted cash reserves were depleted to keep rates lower in previous years. Vice-Mayor Cheatham also took issue with the “profit” numbers stated in the Hearing.

Mayor Johnson-Ashburn stated the Electric Fund transfer to the General Fund was designed to supplement the General Fund for City Police services, Emergency Services and the School Services.

Vice-Mayor Cheatham stated that this would equate to an increase of 26 cents in real estate tax rate if the transfer was not made at the current amount of \$1.4 million. He also stated the Council had previously reduced the transfer over several years to the current level.

Mayor Johnson-Ashburn asked what year the \$142,000 carryover included in this year’s school budget was from.

Regarding the School Budget, Manger Martin responded to the comments on the \$142,000 carryover clarifying that the one-time funds were unspent from FY 2010-2011. The proposed budget includes the \$643,174 carryover available at the end of FY 2011-2012. These funds are from end of year unspent school budget dollars which go into reserve. They are not a recurring source of funds and not part of the base budget of the School System. Only the Council can change the amount of the base budget of the schools.

Mayor Johnson-Ashburn commended the School System on their carryover efforts.

Councilwoman Murphy thanked Dr. Belle and Staff for all their efforts.

Councilwoman Hilliard thanked them as well and stated she is looking forward to working with everyone in the coming year.

FINANCIAL

April Financial Report 2013

Mrs. Rollins reviewed the following highlights of the April 2013 Financial Report.

General Fund

- As of April 30, 2013, ten months into the fiscal year, actual General Fund revenues totaled \$15.6 million of which \$1.2 million is recorded as proceeds to the General Fund from bond proceeds.
- At April 30, the City has realized \$2.51 million in current real estate tax or 49% of budget, a gain as expected over prior year collections through the same period.
- Personal property tax collections (current) were \$1.24 million or 94.8% of budget.

- Other General property taxes comprised of penalty and interest on delinquent taxes, public service corporation taxes and machinery and tools taxes reflect a 12% decrease over the previous year.
- Other local taxes collected through April, were \$4.40 million, or 84.8% of budget.
- Sales and use and cigarette tax revenue increased over the prior period by 4.7% and 34.7% respectively.

General Fund (Continued)

Revenue Analysis Highlights

- Lodging Taxes – Revenue of \$128,901 represents a 6% decrease from revenue received during the same period in the prior year.
- Restaurant Meals Taxes – Revenue collected at April 30 is nearly 84% of budget and is tracking less, (3.77%) than revenue received at the same period in the prior year.
- Cigarette Taxes - Revenue of \$292,000 at April 30 surpasses prior year period revenues of \$227,000 over vendor purchases in FY 2012-13.
- Local Sales Taxes – Revenue collected at April 30 was \$1.44 million, or nearly 87% of budget.
- Business Licenses Taxes – Revenue of \$912,000 is in line with prior year collections at this time and represents 97% 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.

Other Local Revenue

- Permits - received at April 30 are less than the previous year period while court fines reflect an increase.

State & Federal Revenue

- Revenue from state aid at April 30 was \$2.97 million and consists of non-categorical aid: recordation taxes, rolling stock, auto rental tax, PPTRA taxes, and communication taxes.

Expenditure Analysis Highlights

- Expenditures of \$10.6 million (73% of budget) are over \$238,000 less when compared to prior year.
- Fire and Rescue reflects an increase of \$86,000 as a result of increased payroll expenditures in fire and rescue for the new staff hired during the year.

Water & Sewer Fund

Revenue Analysis

- Revenue from the sale of water and sewer service charges of \$2.5 million at April 30 is in line with budgeted projections.

Expenditure Analysis

- Expenditures of \$1.95 million at the end of the month reflect a decrease from the \$2.44 million spent at this time in FY 2011-12.

Airport Fund

- Fuel sales at April 30 were \$86,000 increasing \$7,000 in the prior month.
- Revenue from jet fuel sales are 45% of budget compared to 52% for aviation fuel sales.

Electric Fund

- Tracking close to budget at 81% revenue in the Electric Fund totaled \$11.93 million at April 30.

Cash Balance

- Cash in the Electric Fund at April 30 was \$412,409, an increase of \$42,000 or 11% from March, 2013. A review of prior year history revealed a reduction in cash of \$172,000 between March 2012 and April 2012.

Councilman Burgess asked Mrs. Rollins if the City had established a target figure in the Electric Fund for cash reserves in case of emergencies.

Manager Martin stated Mrs. Rollins has compiled a historical chart on this subject that will be presented at the next Budget & Goals Work Session along with policy requirements.

OLD/NEW BUSINESS

School Board Appointments for Ward 2 and Ward 5

Mayor Johnson-Ashburn asked Council for a discussion or motion for the School Board Appointments for Ward 2 and Ward 5.

A motion was made by Councilman Burgess to appoint Nancy Godwin as the Ward 2 School Board Representative and Jeanette Austin as the Ward 5 School Board Representative for three year terms beginning July 1, 2013 and ending June 30, 2016. The motion was seconded by Councilwoman Hilliard and passed with a 5-0 vote (Councilmen McLemore and Blythe absent).

City Manager's Report

Manager Martin gave an update on the City's Stormwater and Flooding Hazard Mitigation program activities and the benefits of the recently installed river gauges which provide an upstream Early Warning System for potential flooding that may affect the city. The City is working with the U. S. Army Corps of Engineers (USACE) to take additional steps to mitigate effects of flooding and identify potential next steps to further the program which will require Council action to consider a Resolution in the future.

Manager Martin recognized Chief Holt for an update on the Early Warning Program and the USACE meeting recently held. Chief Holt informed Council that the City has completed a project sponsored by multiple agencies and local governments to install additional grant funded rain and river gauges which will keep the City more informed on how the river is doing in terms of flood stages after significant rain events upstream.

Chief Holt reported on a recent meeting with the USACE. He stated the next step would be to do a Feasibility Study of future actions to reduce or mitigate flooding. The last Feasibility Study was done in 1979 and the most current report was completed in the early 1980's. A Resolution or letter of support would be needed from Council in order to move forward with the Feasibility Study. The letter will be nothing binding or obligate the City but would give the Corps permission to move forward to determine scope, costs, etc.

Chief Holt stated that where our Water Treatment Plant is located, it is guaranteed to flood. He reminded Council there has been some discussion with County Officials about studying a project to convert the Treatment Plant into a Pump Station and pumping City wastewater to Southampton County's regional treatment facility in Courtland.

Vice-Mayor Cheatham asked if it was a possibility of Isle of Wight joining into this project.

Chief Holt replied this is a possibility.

Manager Martin stated he and Mayor Johnson-Ashburn participated in the USACE meeting and Corps Officials were optimistic about the possibility of federal and state assistance to the City.

Mayor Johnson-Ashburn stated she left the meeting feeling very optimistic as well.

Manager Martin advised a Resolution will be drafted for Council consideration at the next meeting.

COUNCIL/STAFF REPORTS ON BOARDS AND COMMISSIONS

Mayor Johnson-Ashburn, Councilwomen Hilliard and Murphy and Councilman Burgess attended the 100 year celebration of the Boy Scouts of America, which Troop 17 organized. Councilman Burgess, who was an Eagle Scout, presented Troop 17 with a letter of support from the City Council and signed by Mayor Johnson-Ashburn.

Mayor Johnson-Ashburn spoke at the St. Luke AME Zion Church on Sunday, June 9, 2013, for their Youth Day; she thanked the Pastor and Church for their support of the City.

Mayor Johnson-Ashburn announced Southampton Memorial Hospital's 50 year celebration to be held on Wednesday, June 12, 2013, and stated she could not attend. She stated Manager Martin would be attending in her stead since Vice-Mayor Cheatham is not able to attend and encouraged other Council Members to attend.

Vice-Mayor Cheatham stated he and Councilwoman Murphy attended the First Baptist Church for a special appreciation service on Sunday, June 9, 2012, to honor Franklin City Officials for their dedication and outstanding service to the community.

Vice-Mayor Cheatham stated that he, Mayor Johnson-Ashburn and Manager Martin attended another Shared Services Meeting for discussion about joint inspection services with Southampton County and about the future possibility of the City contracting with Southampton for access to their Regional Wastewater Plant.

Vice-Mayor Cheatham informed Council about the Business Friendly Meeting, where again joint services were discussed. Downtown Franklin was also discussed with some of the other topics of discussion being supplying additional trashcans on the sidewalks and also the Farmer's Market operations.

Councilman Burgess informed Council about the Franklin's Present Committee Meeting. The committee agreed to invite Smart Beginnings and the Children's Center Headstart Organization to send representatives to the next meeting to give insight on their programs which are offered to the community.

Mayor Johnson-Ashburn asked Chief Holt to inform everyone about the Blood Drive that was going to be held on Thursday, June 13, 2013.

Chief Holt advised that the Mayor's Challenge Blood Drive will be held at the City's Downtown Fire Station and he encouraged all to participate.

Manager Martin announced that the Chamber of Commerce and the Rotary Club are sponsoring a luncheon at which Congressman Randy Forbes will be recognized with an award on Friday, June 21, 2013.

Mayor Johnson-Ashburn requested the Staff's PTO/Health Insurance Committee meet in the near future to be followed by a future Work Session on the topic with Council.

Mayor Johnson-Ashburn also reminded Council to review their Goals Manual and if there was anything they would like to discuss, please bring these topics to the upcoming June 17, 2013, Budget & Goals Work Session for review.

CLOSED SESSION

A motion was made by Vice-Mayor Cheatham to meet in closed session to consider appointments to boards and commissions and for the evaluation of the performance of personnel where such evaluation will necessarily involve discussion of the performance of specific individuals as permitted by Virginia Code Section 2.2-3711 (A) (1). The motion was seconded by Councilwoman Hilliard and passed with a 5-0 vote (Councilmen McLemore and Blythe absent).

Mayor Johnson-Ashburn thanked everyone for attending and reminded all that every City Council Meeting except Closed Session is open to the public.

Motion Upon Returning to Open Session

A motion was made by Vice-Mayor Cheatham 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 Councilman Burgess and approved by a 5-0 vote (Councilmen McLemore and Blythe absent).

Action 1

A motion was made by Vice-Mayor Cheatham to appoint Philip Page to the Paul D. Camp Community College Local College Board. Mr. Page will be replacing Patrick Newman, a retiring Board Member, who is ineligible for reappointment. The term of appointment will be from July 1, 2013, to June 30, 2017. The motion was seconded by Councilwoman Hilliard and approved by a 5-0 vote (Councilmen McLemore and Blythe absent).

ADJOURN

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

The Regular City Council Meeting Adjourned at 10:21 p.m.

**CITY COUNCIL MEETING TO DISCUSS
WARD 6 SCHOOL BOARD CANDIDATE**

The Franklin City Council held a Meeting to discuss the Ward 6 School Board Candidate Monday, June 17, 2013 at 6:00 p.m. in the Council Chambers, 207 West Second 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).

Staff in Attendance: Randy Martin, City Manager and Taylor Williams, IV, City Attorney.

Others in Attendance: Dawna Walton, Ward 6 School Board Vacancy Nominee.

CALL TO ORDER

Vice-Mayor Cheatham called the meeting to order.

Mayor Johnson-Ashburn arrived before any further action was taken. She stated one of the purposes of this Called Meeting as indicated in the notice was to conduct an interview of the lone nominee for the Ward 6 School Board vacancy recently created by the resignation of Cindy Fillhart. Mrs. Dawna Walton, nominee was present to be interviewed.

CLOSED SESSION

A motion was made by Councilman Burgess to meet in Closed Session to interview a perspective candidate for a School Board vacancy pursuant to Virginia Code Section 2.2-3711(A) (1). The motion was seconded by Councilwoman Hilliard and passed with a 5-0 vote (Councilmen McLemore and Blythe absent).

Motion upon Returning to Open Session

A motion was made by Vice-Mayor Cheatham 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).

ADJOURNMENT

The City Council Meeting to discuss the Ward 6 Candidate adjourned at 6:30 p.m.

RECONVENED BUDGET & GOALS WORK SESSION (#6)

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

Staff in Attendance: Randy Martin, City Manager and Taylor Williams, IV, City Attorney; Carolyn Joyner, Director of Human Resources; Russ Pace, Director of Public Works; Melissa Rollins, Director of Finance; Brenda Rickman, Commissioner of Revenue and Mark Bly, Director of Power & Light.

Others in Attendance: Chad Edwards, Deputy Director of Public Works.

Mayor Johnson-Ashburn reconvened the Work Session (#6) on the proposed budget & goals for FY 2013-14. She stated this is the last scheduled Work Session on the budget prior to adoption, so she wanted to address any outstanding issues and receive all requested updates from City Staff.

Mayor Johnson-Ashburn then recognized the City Manager for reports/updates and to review remaining issues on the proposed FY 2013-14 Budget and Goals/Priorities.

ELECTRIC FUND

Manager Martin advised that the staff had several updates concerning the Electric Fund. Handouts were distributed to Council and then reviewed by staff.

Mark Bly, Director of Power & Light reviewed the historical analysis of the City's Electric Fund transfer to the General Fund which showed that the percentage of the operating budget was less than 10% this year and in the proposed budget as well. This information was gathered in response to citizen comments during the public hearing on the proposed budget at the June 10th Council meeting that the City Electric Fund had a profit of 88% and it should be 10% like Dominion Virginia Power's profit margin.

Manager Martin noted that the staff would present this information again at the next Regular Council Meeting so that the public would be informed of the facts as well.

Melissa Rollins, Director of Finance; then reviewed a historical trend analysis handout on the Cash Balances in the Electric Fund.

City Manager Martin then reviewed the applicable policies previously established by the Council on the percentage of transfer to the General Fund and concerning Cash Balances in the Electric Fund.

Manager Martin and Mr. Bly then gave an update on what is believed to be the final decision from Dominion Virginia Power and VMEA regarding the proposed rate increase for wholesale power effective July, 2013. Information of late had led city officials to believe the rate increase would be 3.6% as projected several months ago. The latest updated information indicates the expected increase will be 2.0%. The difference between the two rate increase amounts would equal approximately \$70,000 - \$80,000 annually.

In discussion, Vice-Mayor Cheatham again expressed concern about the cash reserves and at the current rate, how long it will likely take to replenish cash to policy required levels.

Councilman Burgess questioned the options if the City and specifically the Electric Fund experienced significant damages from weather events. He was concerned with having sufficient available cash reserves to fund repairs and for capital funding needs as the system continues to age.

Vice-Mayor Cheatham offered a compromise suggestion that the City Council, especially with the rate increase uncertainty, split the difference and consider a 2.8% rate increase effective July, 2013, to fund the wholesale power cost increase from Dominion with the additional funds earmarked for the cash reserves until cash increases to acceptable levels. Members of Council discussed the options with members expressing differing opinions.

Mayor Johnson-Ashburn stated she could not agree to doing the originally proposed 3.6% if the Dominion increase was only going to be 2.0%, but she acknowledged she too was concerned about the Cash Reserves and the City's exposure if weather related damages or capital needs required quick action to ensure uninterrupted service to customers.

Following lengthy discussion the Council deferred further consideration of establishing Electric Fund rates until budget adoption.

Manager Martin concluded the Electric Fund discussion by reporting on a recent MEPAV meeting that he and Mr. Bly attended at which electric rates and municipal electric utilities were the focus. The MEPAV Board of Directors committed to assist the City of Franklin as necessary with marketing information and staff assistance with a budget allocation of up to \$15,000 to assist in several areas including conservation and energy efficiency efforts, research and public relations.

GENERAL LIABILITY, PROPERTY & VEHICLE INSURANCE QUOTES & BUDGET UPDATE

Manager Martin and Mrs. Rollins presented a summary of insurance renewal quotes finally received for the City's General Liability, Property, Vehicle and miscellaneous other insurance coverage's. Local Insurance agency Manry Rawls, in a broker capacity, had been getting quotes on the City's behalf from various provider agencies. The City Staff had also received a comparative quote for all except the airport liability coverage from the Virginia Municipal League (VML) Risk Management provider. Manager Martin and Mrs. Rollins had met with both VML Representatives and Manry Rawls Representatives and evaluated the quotes. The City Manager advised that the quotes were very competitive but for several reasons, staff recommended all the insurance coverage's be renewed through Manry Rawls. Manager Martin concurs with the staff recommendation and will proceed with binding coverage's effective July 1, 2013. The good news from a budget perspective is that the budget as proposed is within approximately \$2,000 of the quotes so no significant impact on the budget will occur.

SCHOOL SYSTEM APPROPRIATION UPDATE

Mrs. Rollins presented a historical analysis of the City's base appropriations since 2005 and the instances that carryover funds were appropriated. Manager Martin reviewed with Council details and Council Members discussed the carryover appropriation aspect. The Council was interested in what factors contributed to the significantly increased FY 2011-2012 carryover of \$643,000 that is proposed for appropriation to the schools in the FY 2013-2014 budget. Mrs. Rollins agreed to inquire of the Franklin City Public Schools Finance Supervisor, Rachel Yates regarding any insights on this question.

CUMULATIVE ADJUSTMENTS TO THE CITY MANAGER'S PROPOSED FY 2013-2014 BUDGET

Mrs. Rollins distributed the cumulative adjustments resulting from budget reviews and Work Sessions in the form of a summary handout. Manager Martin commented on the detailed adjustments then asked for questions or concerns so that the final budget adjustments could be made and presented to Council for action at the June 24, 2013, Regular Council Meeting as previously scheduled.

Council Members reviewed the list with no objections expressed on the listed adjustments.

Manager Martin noted, of course, this listing does not address the outstanding issues related to the final electric rate information nor any final adjustments related to personnel salary and benefit changes and other related personnel adjustments previously discussed.

Mayor Johnson-Ashburn asked Council Members to be prepared to address any outstanding items before final action on the budget adoption.

PERSONNEL SALARY & BENEFIT DISCUSSION

Manager Martin reviewed highlights of the previous Work Session discussions of Council on options for increasing employee compensation. Mrs. Rollins distributed a handout requested at the last Work Session detailing the complete list of employees in all funds with less than one year of service and other relevant data including salary information. The Council Members debated at length pros and cons of the across the board COLA option and the tenure based options previously discussed. No consensus was reached among the Council; therefore, the budget amounts set aside in the proposed budget were not adjusted at this time.

Mayor Johnson-Ashburn requested that Council be prepared to finalize the budget on June 24th including funding for salary adjustments.

Manager Martin distributed an overtime summary for information in response to previous questions from members of Council.

CLOSED SESSION

A motion was made by Vice-Mayor Cheatham to go into Closed Session to discuss employment and salary of personnel. The motion was seconded by Councilman Burgess and approved with a 5-0 vote (Councilmen McLemore and Blythe absent).

Motion upon Returning to Open Session

Vice-Mayor Cheatham moved 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. Councilman Burgess seconded the motion. The motion passed with 5-0 vote (Councilmen McLemore and Blythe absent).

ADJOURNMENT

There being no further discussion for this Called Budget & Goals Work Session, Mayor Johnson-Ashburn requested a motion to adjourn.

A motion was made by Councilman Burgess to adjourn the Called Budget & Goals Work Session. The motion was seconded by Vice-Mayor Cheatham and passed with a 5-0 vote (Councilmen McLemore and Blythe absent).

Mayor Johnson-Ashburn declared the meeting adjourned at 9:39 p.m.

Regular City Council Meeting

The Franklin City Council held a regular meeting on Monday, June 24, 2013, at 7:00 p.m. in the Council Chambers, 207 West Second Avenue.

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

Staff in Attendance: Randy Martin, City Manager; Taylor Williams, IV, City Attorney; Russ Pace, Director of Public Works; Donald Goodwin, Director of Community Development; Jen Maynard, Registrar; Vince Holt, Chief of Emergency Services; Dan Howe, Director of Downtown Development; Carolyn Joyner, Director of Human Resources; Dinah Babb, Treasurer; Brenda Rickman, Commissioner of Revenue; Mark Bly, Director of Power & Light; Frank Davis, Director of Parks & Recreation; Melissa Rollins, Director of Finance and Phil Hardison, Chief of Police.

Other Staff in Attendance: Bob Porti, Deputy Chief of Police; Chad Edwards, Deputy Director of Public Works; Joshua DiGiorgio, Police Officer; Joe Ann Faulk, Financial Accountant; and Leesa Livesay, Acting Secretary, Recording Minutes.

INVOCATION

The Invocation was offered by Councilwoman Hilliard.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by everyone in attendance.

Vice-Mayor Cheatham announced Mayor Johnson-Ashburn's absence due to a death in her extended family.

CITIZEN'S TIME

Citizen 1

Herman Parker who resides at 303 North High Street stated he had a complaint with a City Employee.

Vice-Mayor Cheatham informed Mr. Parker he was not allowed to specifically name an individual in Citizen's Time and he should take this matter to the Director of the City Employee's Department or the City Manager who is responsible for personnel matters.

Citizen 2

Ronald McClenny, who resides at 1440 Clay Street, stated he is a retired Police Officer of the City of Franklin. Mr. McClenny who also owns several rental properties throughout the City stated his concerns on how the City spends the taxpayer's money. Mr. McClenny had several questions for the City Manager's Office: related to employee work schedules, leave policies and approvals, abuses of leave with pay, department work schedules and Manager Approval of leave.

Mr. McClenny stated apparently City Council is not concerned about how the City's money is spent and maybe the citizens can pay just a little more on their electric bills and make up the loss.

Citizen 3

Patti Rabil who resides at 125 Crescent Drive is the Lead Teacher/Gifted Program Teacher at J. P. King Middle School. She is also Coach of the Project Pollution Preventers Team that is working on a project called Ocean Soup. Members of this team are Patti Rabil, Coach; Maura Zurfluh, Assistant Coach; Angela Bird, Joel Kreider, Cindy Mitrovic, NyJey Pope, and Summer Winston. This group is thinking globally but acting locally.

Citizen 4

Cindy Mitrovic, an eighth grade student of J. P. King Middle School explained the Ocean Soup Project. This project is to make people aware of the amount of trash that has amassed in our oceans and is consumed by ocean life which ultimately ends up on our dinner plates. Eighty percent of pollutants come from landfills and thirty percent come from the people of the United States.

Citizen 5

Summer Winston, resides at 200 South High Street explained that the Project Pollution Preventer Team would be helping to prevent this problem through enhanced awareness and encouraging communities to recycle.

AMENDMENTS TO AGENDA

Vice-Mayor Cheatham asked if there were any amendments to the Agenda.

A motion was made by Councilman Burgess to remove the Closed Session from the Agenda. The motion was seconded by Councilwoman Hilliard and passed with a 5-0 vote (Mayor Johnson-Ashburn and Councilman Blythe absent).

Vice-Mayor Cheatham asked for a motion to accept the Agenda as amended.

A motion was made by Councilwoman Hilliard to accept the Agenda as amended. The motion was seconded by Councilman Burgess and approved with a 5-0 vote (Mayor Johnson-Ashburn and Councilman Blythe absent).

CONSENT AGENDA

Minutes from the May 22, 2013; May 28, 2013; May 30, 2013; June 5, 2013 and June 10, 2013 Called Meetings & Budget Goal Work Sessions

Vice-Mayor Cheatham called for action on the minutes from the May 22, 2013; May 28, 2013; May 30, 2013; June 5, 2013 and June 10, 2013 Called Meetings & Budget Goal Work Sessions.

Councilman Burgess requested a correction to the Tuesday, May 28, 2013, Called City Council Meeting on page, 7th paragraph to add the word minute after the word ten to read: Mayor Johnson-Ashburn declared a ten minute recess at 8:58 p.m.

Councilman Burgess also requested a correction to page 4, 7th paragraph, 1st sentence, to remove the space between whole and sale.

Councilman Burgess requested a correction to the Thursday, May 30, 2013, Called City Council Minutes on page 6, 6th paragraph, 7th word should read: Riverkeeper not River Keeper.

Councilman Burgess also requested a correction to the Wednesday, June 5, 2013, Called City Council Meeting on page 1, 8th paragraph, 2nd sentence should read each expressed appreciation for the attendance of citizens present.

Councilwoman Hilliard requested a correction to the Wednesday, June 5, 2013, Called City Council Meeting on page 5, second paragraph, 2nd sentence, remove 5 from 505 and add a % sign to read 50%.

Vice-Mayor Cheatham asked if there were any more corrections or amendments to the minutes of the called meetings/Work Sessions. There being none he asked for a motion to approve with the stated corrections.

A motion was made by Councilman Burgess to approve the minutes from the May 22, 2013; May 28, 2013; May 30, 2013; June 5, 2013 and June 10, 2013 Called Meetings & Budget Goal Work Sessions with the requested corrections. The motion was seconded by Councilwoman Murphy.

The motion was approved with the vote as follows:

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

Departmental Reports for May 2013

Vice-Mayor Cheatham asked if there were any questions concerning the Departmental Reports. There being none he asked for a motion of acceptance of the May 2013 Departmental Reports as presented.

A motion was made by Councilwoman Hilliard to accept the May 2013 Departmental Reports as presented. The motion was seconded by Councilwoman Murphy and passed with a 5-0 vote (Mayor Johnson-Ashburn and Councilman Blythe absent).

FINANCIAL

May, 2013 Financial Report

Mrs. Rollins reviewed the following highlights of the May 2012 Financial Report:

General Fund

- As of May 31, 2013, eleven months into the fiscal year, actual General Fund revenues totaled \$17.67 million of which \$1.2 million is recorded as proceeds to the General Fund from bond proceeds. The difference of \$16.5 million represents 85% of FY 2013 budget revenue.
- At May 31, the City has realized \$3.6 million in current real estate tax or 72% of budget.
- Personal property tax collections (current) were \$1.259 million or 95.8% of budget.

- Delinquent personal property tax collections are less than the previous year as anticipated and are 67% of budget.
- Collection of delinquent real estate taxes continue to perform very well with 127% of the budget.
- Other general property taxes comprised of penalty and interest on delinquent taxes, public service corporation taxes and machinery & tools taxes reflect a 12% decrease.
- Other local taxes collected through May, were \$4.83 million, or 93% of budget.
- Sales and use and cigarette tax revenue increased over the prior period by 6.0% and 44.3% respectively.
- Lodging taxes – Revenue of \$140,070 represents a 12.5% decrease from the prior year. (Budget = \$140,000 – \$150,000 projected for June 30, 2013 or 107% of budget).
- Restaurant Meals Taxes – Revenue collected at May 31 is 92% of budget. (Budget = \$1,250,000 – Projections for June 30, 2013 - \$1,275,000 or 102% of budget). This is a 3.6% decrease from the prior year.
- Sales and use and cigarette tax revenue increased over the prior period by 6.0% and 44.3% respectively.
- Cigarette Taxes – Revenue of \$328,000 at May 31. (Budget = \$262,900 – Projections for June 30, 2013 - \$328,000 or 132% of budget).
- Local Sales Taxes – Revenue collected at May 31 was \$1.62 million, 97% of budget. (Budget = \$1,670,000 – Projections for June 30, 2013 - \$1,725,000 or 103% of budget).
- Business License taxes – Revenue of \$917,000 which represents 98% of the total budget. (Budget - \$940,000 – Projections for June 30, 2013 – 930,000 or \$10,000 less than budget).
- Consumer Utility Taxes – A 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.

Other Local Revenue

- Permits & Fees – Received at May 31 are less than the previous year period while court fines reflect an increase. Permit and related planning fees total \$39,900, Court fines are \$61,000 at May 31, 2013.
- Charges for Services – Charges for services primarily consist of payments from ambulance recovery charges and waste collection and disposal fees. Revenue from waste collections and disposal revenues are at \$1,308,000 collected (89% of budget). Revenue from ambulance charges increased to \$241,000. The City received \$59,325 from Southampton County and other miscellaneous revenue.

State & Federal Revenue

- Revenue from state aid at May 31 was \$3.13 million which consists of non-categorical aid: recordation taxes, rolling stock, auto rental tax, PPTRA taxes, and communication taxes.

Expenditure Analysis Highlights

- Various categories of general fund expenditures reflect decreases in the current fiscal year at May 31 and most all are within the 92% range of total budgeted expenditures. Fire and Rescue reflects an increase of \$165,000 as a result of increased payroll expenditures. Elections, Courts & Sheriff category is \$43,000 more in FY13 due to timing of joint services payments and additional detention costs; Streets reflect an increase primarily as a result of a capital equipment purchase; Planning & Beautification increased as a result of payment for professional services in the current fiscal year; Library increased due to a higher local contribution in the current fiscal year.

Water & Sewer Fund

Revenue Analysis

- Revenue from the sale of water and sewer service charges of \$2.75 million at May 31 is in line with budgeted projections (88% of budget).

Expenditure Analysis

- Expenditures of \$2.14 million at the end of the month reflect a \$465,000 decrease from the \$2.60 million spent at this time in FY 2011-12, due to sewer system improvement projects that were completed in the prior year.

Airport Fund

- Fuel Sales at May 31 were nearly \$90,000. Revenue from jet fuel sales are 45% of budget compared to 55% for aviation fuel sales. Other local revenue consists primarily of airport rental fees and tie down fees, and revenue collected of \$59,000 is currently 94% of the total budget.

Electric Fund

- Tracking close to budget at 88%, revenue in the Electric Fund totaled \$12.89 million at May 31.

Cash Balance

- Cash in the Electric Fund at May 31 was \$672,000, an increase of \$260,000 or 63% from April.

FY 2012-13 Budget Amendments

Budget Amendment #2013-24

Mrs. Rollins reviewed Budget Amendment #2013-24 which reflects the few line items in the City's FY 2012-2013 operating budget requiring additional appropriation alongside the line items where excess appropriations were available to cover the expected over expenditures.

1. General Fund #100

District Court – Court Appointed Attorney Fees – The Clerk of Court is requesting additional funds to cover the cost of court appointed attorney fees. According to State Code, localities are responsible for these fees. An additional \$3,000 is requested for FY 2012-2013.

Public Works VDOT Urban Renewal Project – The requested amendment of \$16,958 reflects the appropriation of funds to cover the City's cost (2.0%) to VDOT for its share of the Hunterdale Road widening project. Funds are available from drainage appropriations to cover this cost (which is VDOT eligible).

Merchant Card Fee Payments – As discussed, the current year budget did not contain sufficient funds to cover the cost of accepting merchant cards from customers. A supplemental appropriation is needed in the amount of \$37,028 to cover current fiscal year costs estimated at \$48,000. The required funds will come from available revenues not budgeted and available funds not spent from departmental budgets.

Police Salaries – Overtime in the police department is estimated at approximately \$220,000 for the fiscal year; however, \$170,000 was budgeted. A transfer is requested from regular salaries and wages to cover the costs.

Fire & Rescue – The budget for Fire and Rescue requires amendment to reflect additional federal revenue for the SAFER grant positions anticipated in the current fiscal year in the amount of \$75,186. Additional appropriation is also requested from various line items within the budget and from available funds in Civil Defense to help cover the cost of overtime that has exceeded the budget.

2. Economic Development Fund

The cost for maintenance service contracts and electrical utilities exceeded the current year budget and additional funds are required to cover these costs. Funds are available through revenue from rents and incubator fees (not budgeted) to cover the additional cost estimated at \$18,200.

3. Neighborhood Stabilization Fund

The request is to amend the Neighborhood Stabilization budget to reflect funds not spent in the prior year. The appropriation of funds each year is required by the Virginia Department of Housing and Community Development (DHCD). The request for \$37,443 reflects the carryover of funds from FY 11-12 that were not amended to the current year budget.

Vice-Mayor Cheatham asked for a motion to approve Budget Amendment #2013-24.

Councilman McLemore reminded Vice-Mayor Cheatham to ask for discussion.

Councilman McLemore asked who oversees overtime and who determines justification.

Manager Martin answered the Department Head is primarily responsible for approving and managing overtime and there are a number of checks and balances. The City Manager is responsible for oversight for all departments.

Councilman McLemore asked whether overtime is incurred by police for the Downtown “We Be Jammin” events.

Chief Hardison answered a specific event such as “We Be Jammin” is paid by the event holder directly to off duty officers. The City does not incur overtime. Chief Hardison stated there are some situations that call for overtime that are beyond our control.

Councilman Burgess confirmed that management of overtime is the responsibility of the Departments but requires City Council budget approval just to transfer line item amounts to cover costs.

A motion was made by Councilwoman Murphy to approve Budget Amendment #2013-24. The motion was seconded by Councilman Burgess.

The motion was approved with the vote as follows:

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

Budget Amendment #2013-25

Mrs. Rollins reviewed Budget Amendment #2013-25 which is an amendment that requires appropriating funds received from the 2012 New Money Issuance for Capital Projects.

A motion was made by Councilman Burgess to approve Budget Amendment #2013-25. The motion was seconded by Councilwoman Hilliard.

The motion was approved with the vote as follows:

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

FY 2013-14 Proposed Budget Action Items:

Resolution for the Adoption of the FY 2013-14 Budget

Manager Martin briefly reviewed the previously identified adjustments to the proposed FY 2013-2014 operating budget which resulted from the Work Sessions.

Vice-Mayor Cheatham asked for a motion to adopt the FY 2013-14 Budget Resolution as amended and presented for action by management.

A motion was made by Councilwoman Hilliard to adopt FY 2013-14 Budget Resolution as amended and presented. The motion was seconded by Councilman Burgess.

The motion was approved with the vote as follows:

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

Amendment to City Code Section 25.7-7

A motion was made by Councilwoman Murphy that the Franklin City Council amend Section 25.7-7 (C) of the Stormwater Management ordinance as set forth in its entirety on pages 57 through 59 of the agenda for June 24, 2013, and that such amendment be effective as of July 1, 2013. The motion was seconded by Councilwoman Hilliard and approved with a 5-0 vote.

Amendment to City Code Section 8-14 (A)

A motion was made by Councilman Burgess that the Franklin City Council Council amend Section 8-14 (A) of the Electric ordinance setting the residential electric rate as set forth in its entirety as outlined in the revised ordinance based on a 2.0% rate increase effective July 1, 2013 and a .8% increase effective January 1, 2014. The motion was seconded by Councilwoman Hilliard.

The motion was approved with the vote as follows:

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

Adoption of the Mission Statement and the City Council Priorities FY2013/2014

A motion was made by Councilwoman Murphy that the Franklin City Council readopts the amended 2020 Mission Statement as set forth on page 64 of the June 24, 2013, agenda and adopt the City Council priorities, FY 2013/2014 as set forth on pages 65 through 68 of the June 24, 2013 agenda. The motion was seconded by Councilwoman Hilliard.

The motion was approved with the vote as follows:

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

Councilman Burgess stated in the future he hopes Council can schedule some Goal Session Meetings primarily to tweak the priorities to focus on further improving the School System.

Adoption of Fee Schedule

A motion was made by Councilwoman Murphy that Franklin City Council adopt the Fee Schedule as set forth on pages 70 through page 87 of the June 24, agenda (with the approved changes to the electrical rates and stormwater fees) and adopt the proposed fee increase in Yard Sale Permits from \$1.00 to \$5.00 to be listed on page 9 of the Fee Schedule and the proposed fee decrease in Residential Waste Collection from \$42.24 down to \$39.74 to be listed on page 10 of the Fee Schedule effective July 1, 2013. The motion was seconded by Councilwoman Hilliard.

The motion was approved with the vote as follows:

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

Award Roof Repair/Replacement Bids

A motion was made by Councilwoman Hilliard that the Franklin City Council accepts the bid of Revelle Builders for IFB #2013-05 in the amount of \$104,437 and the bid of Frett's Construction for IFB #2013-04 in the amount of \$160,000 and authorizes the City Manager to execute contracts for the work to be performed. The motion was seconded by Councilman Burgess.

The motion was approved with the vote as follows:

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

Electric Fund

Manager Martin reviewed the electric rates and price per 1,000 kWh as Mrs. Rollins gave a Power Point Presentation. The report primarily focused on responding to erroneous public comments made during the Budget Public Hearing on June 10th. Specifically, the report gave historical information on the percentage of the Electric Fund Budget that is transferred annually to the General Fund. The percentage this year and proposed for FY 2013-2014 is less than 10% not 88% as stated by a citizen at the hearing. The City's rate is actually less than the Dominion rate of "profit" of 10%. The Manager also commented on the differences of a municipal owned electric utility that does not have "profit" as compared to an investor owned utility like Dominion that pays its shareholders dividends and generates a true profit.

Manager Martin introduced Mr. Bly to review the following rate information correcting erroneous information on rates also stated at the Public Hearing:

Residential Summer vs. Winter Rates

Summer	Winter	Weighted Average
As of April 1, 2013 when the new fuel adjustment took effect:		
11.59 cent per kWh	10.98 cent per kWh	11.18 cent per kWh
The Proposed 2.0% Increase to the base rates and including the fuel adjustment charge		
11.78 cent per kWh	11.16 cent kWh	11.37 cent per kWh
The Proposed 0.8% beginning January 1, 2014 would be as follows:		
11.86 cent per kWh	11.23 cent kWh	11.41 cent per kWh

Retail Price per Kilowatt Hour Comparison

	Jan 2012	Jan 2013	Jul 2013	Jan 2014
Community Electric	\$117.46	\$118.75	\$118.75	\$118.75
Dominion Va. Power	\$112.31*	\$107.22*	\$110.75*	\$110.75*
City of Franklin	\$107.99*	\$109.37*	\$113.67*	\$114.41*
**Weighted Average		*Proposed 2.0% Increase		*Proposed 0.8% Increase

Vice-Mayor Cheatham stated over a three year span the City of Franklin’s rates are lower than the comparables illustrated.

Mr. Bly replied our goal is to keep our rates lower than our nearest peers.

OLD/NEW BUSINESS

Ward 6 School Board Appointment

A motion was made by Councilwoman Murphy to appoint Dawna Walton as the Ward 6 School Board Representative to fill the vacancy created by resignation. This appointment would become effective beginning June 24, 2013 and end June 30, 2015, at which time the appointee would be eligible for appointment. The motion was seconded by Councilman Burgess.

The motion was approved with the vote as follows:

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

Consideration of a Resolution Authorizing a Letter of Intent to the U.S. Army Corps of Engineers for a Study to Determine the Feasibility of a Flood Risk Management Project in the City of Franklin

The City Manager reminded Council that this topic was discussed at length at the last meeting with action recommended for this meeting. A motion was made by Councilwoman Hilliard to approve a Resolution authorizing a letter of intent to the U. S. Army Corps of Engineers for a study to determine the feasibility of a flood risk management project in the City of Franklin. The motion was seconded by Councilwoman Murphy and passed with a 5-0 vote (Mayor Johnson-Ashburn and Councilman Blythe absent).

City Manager's Report

Manager Martin introduced Donald Goodwin to give a summary of the status of an application for a Stormwater Grant to assist with the costs of implementing new state mandated stormwater regulations.

Mr. Goodwin reported to Council that his office was in the process of submitting a Request for funding from the 2013 Virginia Locality Stormwater Program Development Phase II Program. The grant will be from the Virginia Department of Environmental Quality and the Virginia Department of Conservation and Recreation. He advised that the funding limit is \$75,000 per locality and may be used for salary to fund the new positions for the implementation of the new Virginia Stormwater Management Program as mandated by the state. He further explained that due to the merging of Southampton County Community Development office with the City's Community Development office he felt like the application had merit as a more regional approach. At this time, the request is set at \$91,000 and the deadline for submission of the RFP is July 15, 2013.

Councilwoman Hilliard commented on the state mandated program and asked if the grant would be for one year.

Mr. Goodwin confirmed the grant was for the first year to hire new staff and cover expenses.

COUNCIL/STAFF REPORTS ON BOARDS AND COMMISSIONS

Manager Martin updated Council on the status of the City being added to the Hampton Roads Transportation Planning Organization (HRTPO) as previously discussed. He attended a meeting of the Hampton Roads Planning District Commission (HRPDC). Since funds for transportation from HB2313 will not be available until August of 2013, the HRTPO delayed action until July on including City representation.

Councilwoman Murphy reported on the Tidewater Regional Jail Board Meeting and informed Council that new officers were selected. Vice-Mayor Cheatham was elected Chairman of the Jail Authority Board of Directors. She also informed Council that Western Tidewater jail was featured on a program called Scared Straight.

Councilman Burgess reported on a recent Franklin's Present Committee Meeting and informed Council this meeting was a continuation of the previous meeting. The Committee met with representatives from Smart Beginnings and the Head Start Program who had been invited to attend the meeting. The focus was Pre-K resources in Franklin.

Vice-Mayor Cheatham stated he also attended the HRPDC Meeting and reported that there was a report given on keeping Virginia more green.

Vice-Mayor Cheatham also reported on the Groundbreaking at the Village. He stated this was a very nice event and was excited about new business coming to the area.

Councilman Burgess also commented that he thought the Village Memory Care Unit would be great for the community.

Manager Martin commented on the recent agreement of an announcement to open the Franklin Lumber Mill on the International Paper Property. He advised the City would benefit from Isle of Wight revenue sharing dollars as a result plus the other economic impacts of the jobs being created.

Taylor Williams, IV, City Attorney, announced the SPSA Meeting that was scheduled for June 26, 2013. He also announced that Everett Williams who is the Franklin Representative on the SPSA Board has been filling this position for three and a half years and December will be the time that the City must pursue reappointment to continue to have Mr. Williams represent Franklin or find someone else to represent the City.

ADJOURN

A motion was made by Councilwoman Murphy to adjourn the Regular City Council Meeting. The motion was seconded by Councilman McLemore and passed with a 5-0 vote (Mayor Johnson-Ashburn and Councilman Blythe absent).

The Regular City Council Meeting adjourned at 8:54 p.m.

FINANCIAL

A. Budget Amendments General FY 2013-14



DEPARTMENT OF FINANCE

July 1, 2013

TO: Randy Martin
City Manager

FROM: Melissa D. Rollins 
Director of Finance

RE: **FY 2013-2014 Budget Amendment**

Attached please find the request from Ellen Couch, Executive Director of Smart Beginnings, to appropriate the FY 2013-2014 budget in the amount of \$285,700. This amount does not include any prior year carryover funds; these funds will be amended at a later date upon reconciliation and or/audit of financial reports.

Required Action by City Council

Amend the FY 2013-2014 Budget to include the budget as approved for Smart Beginnings (Fund 204) and appropriate the funds for expenditure.

BUDGET AMENDMENT 2014-01

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRANKLIN, VIRGINIA that the 2013-2014 City Budget is hereby amended to recognize revenues and to appropriate such revenue for expenditure.

<u>REVENUE</u>			<u>SMART BEGINNINGS</u>		
			2013-2014 Budget	Amended Budget	Increase (Decrease)
204	18990	99 Miscellaneous Income	\$ -	\$ 169,700	\$ 169,700
204	18990	100 Grant - VECF	\$ -	\$ 5,000	\$ 5,000
204	18990	101 Grant - Obici Health Foundation	\$ -	\$ 16,000	\$ 16,000
204	18990	105 Grant-Franklin Southampton Charities	\$ -	\$ 45,000	\$ 45,000
204	18990	103 Grant VSQI/DSS Funds	\$ -	\$ 50,000	\$ 50,000
204	41050	200 Prior year (FY13) Carryover	\$ -	\$ -	\$ -
TOTAL REVENUE			\$ -	\$ 285,700	\$ 285,700

<u>EXPENSES</u>			<u>SMART BEGINNINGS</u>		
204	53110	1101 Salaries & Wages-Regular	\$ -	\$ 81,974	\$ 81,974
204	53110	1300 Salaries & Wages -Part Time	\$ -	\$ 48,000	\$ 48,000
204	53110	2100 FICA	\$ -	\$ 23,425	\$ 23,425
204	53110	2210 Retirement -VRS	\$ -	\$ 15,500	\$ 15,500
204	53110	2400 Group Life Insurance - VRS	\$ -	\$ 975	\$ 975
204	53110	2720 Workmen's Compensation	\$ -	\$ 100	\$ 100
204	53110	3160 Professional Services	\$ -	\$ 5,000	\$ 5,000
204	53110	3500 Printing & Binding	\$ -	\$ 5,000	\$ 5,000
204	53110	3600 Advertising	\$ -	\$ 1,000	\$ 1,000
204	53110	5210 Postal Services	\$ -	\$ 1,000	\$ 1,000
204	53110	5230 Telecommunications	\$ -	\$ 2,500	\$ 2,500
204	53110	5421 Rental	\$ -	\$ 15,000	\$ 15,000
204	53110	5550 Travel	\$ -	\$ 10,000	\$ 10,000
204	53110	5560 Mileage	\$ -	\$ -	\$ -
204	53110	5810 Dues & Memberships	\$ -	\$ 1,500	\$ 1,500
204	53110	5840 Miscellaneous	\$ -	\$ 30,726	\$ 30,726
204	53110	6001 Office Supplies	\$ -	\$ 3,000	\$ 3,000
204	53110	6013 Education supplies	\$ -	\$ 5,000	\$ 5,000
204	53110	6030 Public Awareness	\$ -	\$ 3,000	\$ 3,000
204	53110	6031 Food Services & Supplies	\$ -	\$ 3,000	\$ 3,000
204	53110	6032 Special Projects	\$ -	\$ 30,000	\$ 30,000
TOTAL EXPENSES			\$ -	\$ 285,700	\$ 285,700

*Certified copy of resolution adopted by
Franklin City Council*

Clerk to the City Council

Hello Ms. Rollins,
 Attached you will find our FY'14 Smart Beginnings WT budget that has been approved by our board of directors. Please let me know if you have any questions.
 Sincerely,
 Ellen D. Couch



Ellen D. Couch, Ed.S.
Executive Director
 Smart Beginnings Western Tidewater
 601 North Mechanic Street, Suite 203
 Franklin, VA 23851
 (757) 562-8511
ecouch@franklinva.com
www.smartbeginningswt.org

Smart Beginnings WT

FY 2014 Budget

Budget Items	Amount Budgeted :
Salaries:	
1101 Executive Director	64974
1300 Exe. Asst.	17000
1300 Mentors (4)	40000
1300 Outreach Worker (1)	8000
Benefits:	
5210 Postage:	1000
3600 Advertising	1000
5421 Rent/Utilities:	15000
5840 MISC	30726
5230 Phone/Telecommunication:	2500
6013 Educational Supplies	5000
3500 Printing:	5000
6030 Public Awareness	3000
5550 Travel:	10000
6031 Food/Meeting Supplies	3000
6001 Office Supplies:	3000
5810 Dues:	1500
3160 Consultants	5000
6032 Projects: (QRIS,Raising a Reader Wkshps,Trainingetc.)	30000
Total Budget: 7/1/13-6/30/14	285700
Revenue 7/1/12-6/30/13	
Obici Foundation	16000
VECF Sustaining Funds	5000
Locality Funds (3) {IW: 31250}	29700
Locality Funds (3) {Southampton}	25000
Locality Funds Franklin	15000
MISC	100000
F/S Charities	45000
VSQI/DSS Funds	50000
Total Revenue	285700

OLD/NEW BUSINESS

A. Consider an Amendment to Personnel Policy Section 101 2 (b) -Part Time Employees

B. City Manager's Report



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

July 3, 2013

FROM: H. Taylor Williams, IV
TO: Members of City Council
RE: Amendment of Personnel Policy 101, Paragraph 2 (B), Part-Time Employment

The Affordable Health Care Act requires part-time employees averaging 30 hours of work a week to be offered an affordable policy of health insurance coverage as a benefit of employment. At the present part-time employees are not offered health insurance coverage as a benefit of employment. Personnel Policy 101, Paragraph 2 (B) does not address how many hours of work in an average week constitutes part-time employment. The proposed amendment is to address specifically the number of hours per week part-time employees will work before becoming eligible for health insurance coverage.

H. Taylor Williams, IV
City Attorney

Copied below is that portion of Personnel Policy 101, Employment Categories, dealing with Full Time Employees and Part-Time Employees:

2. Full-Time/Part-Time Employment

A. Full-Time Employment- Full-time employment status shall require a minimum of 37 ½ hours per week, or 1950 hours per year. The City Manager shall prescribe hours of work for each position.

B. Part-Time Employment- Part-time employment status shall be deemed to exist whenever a position is assigned fewer hours per pay period than a comparable full-time position. Unless expressly authorized, part-time employees are not eligible for benefit programs other than legally mandated benefits such as worker's compensation insurance, Social Security, legal holidays **and Family Medical Leave in certain circumstances. However, part-time employees are subject to WORK RULES AND POLICIES as set forth in Sections 601 through 609, EMPLOYEE STANDARDS OF CONDUCT as set forth in Sections 701 through 710 and DISCIPLINARY GRIEVANCE PROCEDURES as set forth in Sections 801 through 802.**

Below are the suggested amendments to the policy describing Part-Time Employment:

B. Part-Time Employment- Part-time employment status shall be deemed to exist whenever a position is **scheduled to work an average of less than 30 hours per week.** ~~assigned fewer hours per pay period than a comparable full-time position.~~ Unless expressly authorized, part-time employees are not eligible for benefit programs other than legally mandated benefits such as worker's compensation insurance, Social Security, legal holidays **and Family Medical Leave in certain circumstances. However, part-time employees are subject to WORK RULES AND POLICIES as set forth in Sections 601 through 609, EMPLOYEE STANDARDS OF CONDUCT as set forth in Sections 701 through 710 and DISCIPLINARY GRIEVANCE PROCEDURES as set forth in Sections 801 through 802.**