

NOTICE OF SPECIAL MEETING

A SPECIAL MEETING OF THE CHARLOTTESVILLE CITY COUNCIL WILL BE HELD ON Monday, March 12, 2012, AT 5:00 p.m. IN THE Basement Conference Room.

THE PROPOSED AGENDA IS AS FOLLOWS:

Budget Work Session

BY ORDER OF THE MAYOR

BY Paige Barfield

BASEMENT CONFERENCE ROOM – March 12, 2012

Council met in special session on this date with the following members present: Mr. Huja, Ms. Szakos, Ms. Galvin, Ms. Smith, Mr. Norris.

Ms. Beauregard presented to Council. She gave an overview of the FY 2013 General Fund Revenue, including real estate tax, sales and use tax, meals tax, and lodging tax.

Ms. Smith asked if the utility tax rate was dictated by Virginia State Code. Ms. Beauregard said she did not think so. Ms. Galvin asked why utility tax revenue went down. Mr. Wray said we had a wet year and a warm winter, so citizens used less water and less gas. Ms. Smith said it would be good to see utilities broken out at some point.

Ms. Galvin said other communities with universities have service charges in the millions. She asked how often agreements with other entities are revisited regarding various service charges. Staff replied that they are normally revisited when either of the entities indicates interest in doing so.

Ms. Beauregard introduced the revenue team and thanked them for their work on the budget.

Currently, there is a stalemate on the budget at the state level. This impacts the schools more than it impacts the City.

Ms. Szakos asked if the City is tracking things that are on the national legislative agenda. Staff replied that it is difficult to say what the impact of national level items would be. Transportation would have the greatest impact.

Ms. Beauregard reviewed FY 2013 General Fund Expenditures, the largest portion of which goes to the schools.

Ms. Smith asked where money will go if the state comes back with funding. Mr. Jones said it would be part of a discussion we have with the School Board. Mr. Huja said he believes it should stay with the schools.

Ms. Beauregard reviewed the Council Priority Initiatives fund, which has a current balance of \$178,000. No new funds are included in the FY 2013 Proposed Budget. Ms. Szakos said we should be willing to tighten up on our funds just as staff has been asked to. Ms. Galvin said we should be more organized on what these funds would be used for. Council agreed to discuss priorities and funding at a future work session.

Ms. Beauregard reviewed new expenditure items, including the Carver Recreation Center at the Jefferson School City Center, the Fontaine Ave. Fire Station, and expanded Sunday Holiday Service. Ms. Szakos asked staff to look into bus service to the jail. Ms. Galvin said the job center on Hydraulic does not have service either. Mr. Norris asked to add CATEC to the list. Mr. Jones said we can discuss these locations with the transit consultant.

Mr. Huja said the new position at Carver should not be created; the old one should come back instead. Mr. Daly said operations among Parks departments have grown exponentially, and staff has been able to operate all facilities without additional positions until this point in time. With the reopening of Carver and expansion of that facility, an additional position is needed.

Ms. Beauregard reviewed FY 2013 General Fund Expenditures fixed costs, which include fuel, HVAC, equipment replacement, and compensation and benefits.

Ms. Szakos asked if LEED-certified building occupants are paying a lower rate because they are more efficient. Ms. Mueller said no. Mr. Watts said departments cannot pick which buildings they will be in.

Mr. Norris said he supports bonuses of a flat dollar amount instead of as a percentage of salary. Mr. Jones said the flat bonuses in the past were from a surplus fund. Ms. Szakos said she agreed with Mr. Norris. Mr. Huja said he supports giving bonuses during hard times. Ms. Szakos said if the City instead contributed more to healthcare, it could be pre-tax. Staff reminded Council that the bonus was one-time, and using it towards healthcare could be complicated.

Ms. Beauregard reviewed living wage issues. Mr. Huja asked what the basis for the \$13 living wage estimate was. Mr. Jones replied that the living wage campaign at the University is basing it on EPI estimates, who gave the UVA Living Wage campaign unofficial updated figures for 2012. Mr. Norris said we should find a commonly agreed upon formula for what the living wage index should be. Ms. Galvin said we need to be careful with our money and thoroughly study the issue because some studies show raising the wage does not necessarily help the poorest workers as much as policy changes could. Mr. Huja said we should discover what the right number is, and if that is \$13, he is supportive of making sure we are paying it to all. Ms. Smith asked for more information on temporary and seasonal employees, especially because there are so many of them. Staff will research these items further and report back to Council.

Ms. Smith asked what portion of the rates is going to providing utilities, and what portion goes towards taxes, pilot, etc. Staff said they would return an answer before the next scheduled utility rate discussion.

Public Comment

Ms. Colette Hall asked Ms. Beauregard what the annual \$330,000 payment to the new fire station includes. Ms. Beauregard said it covers operating costs for the fire station, not including salaries and benefits. Ms. Hall asked what the additional \$200,000 in revenue per year from the Carver Recreation Center was coming from. Ms. Beauregard said the funds would be generated through programming, banquets, lease payments from Martha Jefferson Hospital for their Wellness Clinic, new classes and programs, access passes, and other services. Ms. Hall asked why City assessments have not dropped when property value has declined by 32%, according to an article in *The Hook*. Mr. Barbour said assessments are also based on area sales.

Mr. Norris asked for a breakdown for the fire station payment.

A citizen asked for user-friendly non-technical language for the budget when staff disseminates information to residents. Mr. Jones said we will continue to keep this in mind. Ms. Beauregard said there are copies of the budget available in the library and in the City Manager's office for citizens who do not have web access.

Ms. Smith asked to see expenditures matched with the revenues it creates more clearly displayed in the report.