

The New River City
10 Robertson St. April 15, 2019 Radford, Virginia
Regular Meeting Number 21 of Radford City Council, F.Y. 2018-2019

The work session meeting of the Radford City Council was convened at 5:30 p.m. in Council Chambers, 10 Robertson Street, Radford, VA. The Mayor of the City, Raymond David Horton, was present and presiding. Other members of City Council present were Ms. Jessie Foster, Mr. Robert P. Gropman, Dr. Richard Harshberger, Ms. Naomi Huntington

Others present were as follows:

Mr. David Ridpath, City Manager
Ms. Jenni Wilder, City Clerk
Ms. Chelista Linkous, Interim Finance Director
Ms. Dawn Diamond, Interim Human Resources Director

PUBLIC HEARING
SUBJECT: F.Y. 2019-2020 Budget

SUMMARY: Advertised Fiscal Year 2019-2020 Budget in the amount of \$59,166,280.

The following is a synopsis of the 2019 – 2020 Budgets:

| CITY OF RADFORD | Total for City |
|--------------------------|-----------------------|
| GENERAL FUND | 26,882,767 |
| STREETS MAINTENANCE FUND | 2,404,870 |
| TRANSIT | 1,734,638 |
| WATER/WASTEWATER FUND | 4,970,152 |
| ELECTRIC FUND | 20,878,294 |
| SOLID WASTE FUND | 1,549,650 |
| *INTERNAL SERVICES | 745,909 |

*Not included in total above as this fund is allocated through all other funds.

The **Radford City School Board Budget** in the amount of \$22,183,011.

The Summary is as Follows:

| RADFORD CITY SCHOOL BOARD | Total for Schools |
|----------------------------------|--------------------------|
| OPERATING FUND | 16,939,263 |
| CAFETERIA FUND | 674,641 |
| GRANTS FUND | 1,619,931 |
| TEXTBOOKS FUND | 386,392 |
| CAPITAL PROJECTS FUND | 220,000 |

Mayor Horton opened the Budget Public Hearing at 6:14 p.m.

Ms. Brittney Drake spoke in favor of the proposed Budget. She stated it provided for needed personnel, such as an IT person, as well as provided for Economic Development needs. Ms. Drake said she believes in the future of Radford as a City.

Mr. Tom Starnes complimented Mr. Ridpath and staff on the development of a good budget, with a reasonable tax rate increase.

Ms. Kate McDonnell, stated that she has no issue with the budget, except that it might be a good idea to decouple the vote from the public hearing. This would allow for enough time for deliberation.

Mayor Horton closed the Budget Public Hearing at 6:18 p.m.

Clerks note: The Public Hearing has been advertised as required.

SUBJECT: Calendar Year 2019 Tax Rate

SUMMARY: The proposed 2019 Tax Rate with Real Estate Tax Rate of \$0.82, Personal Property at \$2.44, Machinery and Tools at \$1.76, and other personal property at \$1.76.

Mayor Horton opened the Public Hearing on the Tax Rate at 6:18 p.m.

Mr. John McCandlish stated he looked over the proposed budget and Radford has not had a tax increase in years, while the cost of living has increased 12.4 percent. Mr. McCandlish recommended a 4 cent tax rate increase to help the financial state of Radford.

Mr. Tom Starnes stated the budget is balanced with a 2 cent tax rate increase. Mr. Starnes suggested that if Council goes higher than the 2 cents needed to balance the budget, they earmark those funds to go to school construction. The schools' needs are substantial and without dedicating funding to those capital projects the City will be looking at a 10-20 cents tax rate increase.

Mr. Robby Hilton Smith commented in favor of the full 6 cents increase. Ms. Smith stated that the City has the lowest rate of any independent City in Virginia and our tax rate is also well below the surrounding localities. To grow you have to invest first and Radford cannot invest without revenue.

Mr. Charlie Cusmatto talked about how in Radford we are all neighbors and our tax rate is our collection plate and we have not been putting much in. Mr. Cusmatto stated that we can do better than that, to better serve our community. Mr. Cusmatto stated that Council doesn't have the money to work with and that citizens have to pony up, apologize to your fellow neighbor with your pocket and give Council the money they need to make Radford all it can be.

Ms. Kate McDonnell said she feels like she is having déjà vu, this is a different Council with different priorities, but the problem remains the same many think Radford is not investing in our schools, and therefore we cannot attract property owners and tax payers. Increase the tax rate and earmark it for schools to make Radford the City it has always been and can continue to be.

Ms. Laurie Buchwald thanked the public for all the great comments and said that she is here to advocate for the earth and recreation. Radford needs to continue to build off of the Rive City idea and promote the Riverway and earth, as well as the schools. Let's hike that tax rate up, up, up.

Ms. Liz Alteri stated that she supports that tax increase being earmarked to the schools and also requests the Council develop a five-year plan of tax increases, so that the schools can begin construction and work on the Capital Projects. Ms. Alteri stated that we all want Radford to remain an independent City and education has to be a part of the economic development plan.

Clerks note: Notice of the public hearing has been duly advertised.

NEW BUSINESS:

SUBJECT: Consider Ordinance #1713 F.Y. 2019 Budget

SUMMARY: This ordinance will approve the F.Y.19-20 Annual Budget for the City of Radford and Radford City School Board.

DISCUSSION:

Mayor Horton stated that it has been a long process to get to this point today and there are a lot of requests coming into the City. Mayor Horton stated that while the City has done a good job of cutting and saving over the past five years, a lot has been put on hold. The budget funds something for everyone and that Council is in the process of working with the schools to move forward on capital funding. The goals this year are to stabilize where we are, invest in education and school infrastructure.

Ms. Huntington thanked citizens for coming out to speak and share thoughts. Ms. Huntington stated what she likes about this year's budget including the funding for economic development, support for tourism and support of employees to name a few. However, Ms. Huntington believes the City has dueling goals, we need to build up reserves, while also needing to invest in schools and capital needs. Ms. Huntington suggested removes \$162,000 from the budget, which is the 2 cents needs to balance the budget and that way the tax increase can all be earmarked to go to the schools.

Mr. Gropman shares similar thoughts to Ms. Huntington and while he likes Mr. Ridpath's Budget, would also like to see the 162,000 dollars cut and funds earmarked towards school capital needs.

Dr. Harshberger stated that without talking to anybody before coming here he believed the additional four cent tax rate increase needed to be earmarked towards school construction. The schools pressing needs currently trump other needs. Dr. Harshberger talked about the quality of life in Radford and that we are a bargain to live here, but right now we need to address our schools, we need to have room to invest and need to grow revenues.

Ms. Foster mentioned that Council is talking about two separate issues that intertwine. The current budget is modest and there is no room for any cuts; however, Radford might not be a bargain because we need to increase taxes to invest in our community. If citizens are leaving Radford for entertainment and dining, then we are not a bargain. Currently Radford is getting what it pays for, in order to see improvements to schools and bring in businesses we have to invest. The problem is how do we balance all these things, we need additional revenue streams, such as an amphitheater, as well as a tax increase, which will not make everyone happy, but has to happen. Ms. Foster stated she wants the community she lives in to be happy and health and continue to thrive and in order to do that we need to invest. Ms. Foster advised citizens to buckle in because this will not be the last tax increase.

Mayor Horton summarized Council's comments by stating that they all have a similar thought process and similar values, but tax increases impact people in different ways, which is why Council wants to do gradual increase and smaller bites as they go.

ACTION: Ms. Huntington made a motion to move the first reading of Ordinance #1713 to the April 22, 2019, the motion was seconded by Mr. Gropman.

VOTE:

Ms. Foster: No
Mr. Gropman: Yes
Dr. Harshberger: No
Ms. Huntington: Yes
Mayor Horton: No

ACTION: Dr. Harshberger made a motion to approve the first reading of Ordinance #1713, the motion was seconded by Ms. Foster.

VOTE:

Ms. Foster: Yes
Mr. Gropman: Yes
Dr. Harshberger: Yes
Ms. Huntington: No
Mayor Horton: Yes

ACTION: Mr. Gropman made a motion to amend the budget to have a 2% raise for employees instead of 3%.

ACTION: Ms. Huntington made a motion to amend the budget to cut out 162,000 from the budget, the motion was seconded by Ms. Gropman.

VOTE:

Ms. Foster: No
Mr. Gropman: Yes
Dr. Harshberger: No
Ms. Huntington: Yes
Mayor Horton: No

SUBJECT: Consider Ordinance #1714: Establishes the 2019 Tax Rate

SUMMARY: This ordinance will approve the 2019 Tax Rate with Real Estate Tax Rate of \$0.82, Personal Property at \$2.44, Machinery and Tools at \$1.76, and other personal property at \$1.76.

DISCUSSION:

Dr. Harshberger commented he would like to see the tax rate increase by 6 cents because the advisors laid out a penny analysis for what would be needed to fund the schools and it is

certainly going to be more than the 6 cents this year, rather than kicking the can down the road again we need to go ahead and raise taxes.

Mr. Gropman stated that every time we talk about taxes he reads the Tortoise and the Hare.

Ms. Foster stated that if we are the tortoise we are very far behind, these are important, but tough decisions that must be made to get the job done. Ms. Foster said she fully supports the 6 cents increase.

Mayor Horton stated that he knows how challenging it can be on citizens when Council makes adjustments to taxes, but it is time for taxes to increase and go into unrestricted reserves to be available for future capital needs.

ACTION: Dr. Harshberger made a motion to place Ordinance #1714 on its first reading, seconded by Ms. Huntington.

VOTE:

Ms. Foster: YES
Mr. Gropman: NO
Dr. Harshberger: YES
Ms. Huntington: YES
Mayor Horton: YES

ACTION: Ms. Huntington made a motion to earmark the revenue generated from the 4 cents tax rate increase to capital projects for schools, seconded by Dr. Harshberger.

VOTE:

Ms. Foster: NO
Mr. Gropman: YES
Dr. Harshberger: YES
Ms. Huntington: YES
Mayor Horton: NO

Dr. Harshberger made a motion to adjourn the meeting at 7:19 p.m., seconded by Ms. Huntington

VOTE:

Ms. Foster: YES
Mr. Gropman: YES
Dr. Harshberger: YES
Ms. Huntington: YES
Mayor Horton: YES

ATTEST:

Jennifer G. Wilder, City Clerk