

MINUTES  
CALLED MEETING  
MAY 10, 2021, 5:30 p.m.

A called meeting of the Council for the City of Covington was held on Tuesday, May 10, 2021, at 5:30 p.m. from the Council Chambers of City Hall located at 333 W. Locust Street, Covington, Virginia.

Mayor Thomas H. Sibold, Jr. called the City Council meeting to order with all members present as follows: Mayor Sibold, Vice Mayor David S. Crosier, Councilman William E. Carson, Jr., Councilman Raymond C. Hunter, and Councilman S. Allan Tucker.  
City Manager: Krystal Onaitis

The purpose of the Called Meeting was to discuss the Fiscal Year 2022 budget. City Manager Krystal Onaitis and Finance Director David Bryant discussed the General Fund Revenue Projections of \$19,126,160, an increase of \$1,352,881 from the FY 2021 budget. Mr. Bryant said this was mostly driven by vehicle values and sales as some used vehicles have increased tremendously because of a shortage of available vehicles. Other increases are in the Machinery and Tools Tax due to projects that have recently been completed and the Restaurant and Meals Taxes as the COVID recovery continues.

Mr. Bryant also discussed the increase in the Welfare State Funds of \$227,944 and Children at Risk (CSA) increased \$74,443 due to significant increases in new clients added and the demand for service. The state of Virginia partially reimburses according to programs used, but the city's yearly portion runs between \$525,000 and \$625,000.

They highlighted changes to the fee schedules, focusing on the dangerous dog registration fee which was \$5.00 last year, a typographical error that Mr. Bryant discovered recently and changed to \$50.00 as required by city code. Mr. Hunter asked if dangerous dogs were determined by breed. Police Chief C.J. Smith explained that any animal that has attacked a person or another animal and deemed by the court to be dangerous requires owners to pay the fee. It is not determined by breed.

A major concern in discussion centered on the new "soft" billing fees to be charged for services by the Covington Fire Department. Vice Mayor Crosier questioned whether equipment and personnel and supply fees would be added to the base fees ranging from \$300 to \$700 per call. Mr. Crosier emphasized he was fine with the base fees but not the additional equipment and personnel fees. He is uncomfortable with charging for equipment fees for services such as pumping basements and response for detectors and alarms. Ms. Onaitis stated that those calls would not be billed unless there is a property loss such as vehicle accidents or residential or business fires. Fees for firefighters on the scene will not be charged. The citizen's insurance will be billed, and costs will be adjusted for the insurance company's allowable fees. The City will not aggressively pursue billing the citizen or people who aren't residents of the City for those costs. If mutual aid companies assist the Covington Fire Department with the call, insurance companies will be billed for those as well for allowable charges only. Vice Mayor Crosier was emphatic that public education is needed to reassure citizens the City isn't trying to make money, only recoup some of the funds necessary for running the fire department. Mr. Carson wanted to know if this information had been shared with the fire department. Ms. Onaitis said she was not fully aware of what Chief Andrew Baker had discussed with fire department members, but Chief Smith, who is also Public Safety Officer, meets quarterly with those department heads. Chief Smith stated he will meet with the fire department this month to discuss the soft billing aspect. Mr. Bryant explained the fees were calculated on an estimated 35 percent of recovery costs of the yearly average 250 calls came from figures submitted by LifeQuest Services, which currently does soft billing for EMS calls.

While fees for services in parks and recreation have increased for softball tournaments, meeting rooms, pool parties and individual pool fees, Ms. Onaitis emphasized that costs for spectators and other services have not gone up. This is in an effort to offset the new minimum wage of \$11.00 going into effect on July 1 as several seasonal employees are paid minimum wage. The budget for the Alleghany Highlands Regional Library was increased \$1,278 for the minimum wage increase.

The proposed \$1.00 increase to both water and sewer bills will be used for maintenance projects at both plants. The City Manager stated that the DEQ Basin Project will require mandatory rate increases in two years of approximately \$10.00. Ms. Onaitis said most enterprise funds have yearly rate increases to allow rates to sustain operational costs. Otherwise, operational costs must



be pulled from the General Fund, which causes the City's bond ratings to go down and results in higher interest rates. Mayor Sibold asked how long it will take before the City will require water meters because the flat rate for single individuals is really unfair as they require much less water than families. Ms. Onaitis estimates in five years it will be necessary and said meters help staff with things like finding water main leaks, production rates, and chemical costs. Covington is only one of two Virginia localities without water and sewer meters.

In discussing personnel, Ms. Onaitis told Council that the Public Works Director position had been advertised on websites for the VML, VACO, American Public Works Association and LinkedIn, with a closing date of June 10. As well, she asked for a part-time administrative assistant who will work 780 hours to cover vacancies and assist Development Services so that staff can do more inspections and property maintenance. Ms. Onaitis said the only personnel receiving raises were school board employees due to state funding for teachers in the Standards of Quality. However, the school board asked only for level funding and was able to give all other employees raises without receiving more money from the City despite her "strong advisement" about salary equalizations for school consolidation and the challenges additional raises will present. She and Mayor Sibold warned that with the new state minimum wage rates coming in the next two years, salary equalization, and the skeleton staff already in place, a tax increase is very likely.

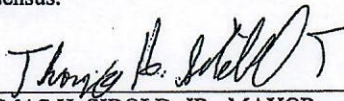
Mr. Carson asked why funding for the Children's Safety Act was in the City budget instead of the school board's, and Ms. Onaitis said the money had to be provided anyway. In Alleghany and Franklin counties, the schools pay the difference of what is allocated and what is spent, which causes constraints on the school systems while all struggle to meet the specialized needs of those students. Vice Mayor Crosier stated that all CSA funds are not just for schools but also Social Services. Then it becomes difficult to split funds to cover all needs.

For infrastructure, Ms. Onaitis said \$50,000 of the Sidewalk Fund would go to Thacker Avenue leading to Walmart as that wooden sidewalk was not ADA compliant and is a liability. The remaining \$25,000 will cover emergency repairs and maintain what is already in place. She placed an additional \$100,000 for preventive maintenance to bridges, with a list of prioritized needs already identified. Mr. Bryant added the budget will not cover all needs but is a good start on the most needed repairs. She added \$111,000 of the \$400,000 needed for the Rayon Bridge was added to the proposed budget, and hopefully construction will start in 2023. VDOT erred on the side of caution and estimated a total replacement cost of \$17.5 million. The paving budget received level funding, with local funds used for mill and overlay for critical thoroughfares such as Route 18 and Carpenter Drive. Mayor Sibold asked why city funds were being used when VDOT should cover those as state highways. Mr. Bryant said Route 18 wasn't deteriorated enough and didn't score low enough to warrant a grant from VDOT like Alleghany Avenue was.

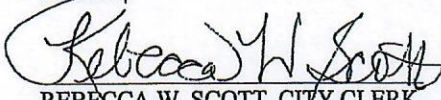
The Drone Zone grant requires \$100,000 to match the Appalachian Regional Commission grant, which has been submitted a second time for the old Edgemont School. The leases are set to expire soon, and if the grant isn't received, she recommends reallocating the money to cover maintenance of the building.

The Stream Restoration Project in Dry Run requires \$105,000 to complete, and then the road pavement will be assessed. The bridge is not part of the VDOT system, so no state funds will be provided to replace it. Two major drainage projects are proposed, with one covering 240 linear feet on Phillip Street and the other on Hemlock Street covering 60 linear feet.

With no other business to conduct, Vice Mayor Crosier made a motion to adjourn at 7:39 p.m., seconded by Mr. Tucker, and agreed upon by consensus.

  
THOMAS H. SIBOLD, JR., MAYOR  
PRESIDENT OF THE CITY COUNCIL AND,  
AS SUCH, EX-OFFICIO OFFICER OF THE  
CITY OF COVINGTON, VIRGINIA

ATTEST:

  
REBECCA W. SCOTT, CITY CLERK