

MINUTES
CALLED MEETING
MAY 17, 2021, 5:30 p.m.

A called meeting of the Council for the City of Covington was held on Tuesday, May 17, 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 the following members present: Mayor Sibold, Vice Mayor David S. Crosier, Councilman Raymond C. Hunter, and Councilman S. Allan Tucker. Councilman William E. Carson, Jr. was absent. City Manager: Krystal Onaitis

The purpose of the Called Meeting was to discuss the Fiscal Year 2022 budget. Vice Mayor Crosier asked to add a Closed Session to the end of the meeting pursuant to the Virginia Freedom of Information Act Sec. 2.2-3711 (A)(8) of the Code of Virginia for consultation with legal counsel related to specific legal matters related to potential city liability, and members unanimously agreed to add it.

Water and Wastewater Budget: City Manager Krystal Onaitis and Finance Director David Bryant discussed the needs of the water and wastewater treatment plants, focusing on the big-ticket items that need rehabilitated or replaced in the next three to five years at an estimated cost of more than \$15 million. Ms. Onaitis stated that funds from the American Rescue Plan Act may be used for infrastructures, utility revenue loss, and building maintenance and repair. Revenue shortfalls have occurred in the last few years, and this year is just about breaking even. However, the FY22 budget contains \$123,586 less than last year, so the \$1.00 increase in water and sewer fees will help with maintenance projects. Some of the wastewater projects are critical to the DEQ Consent Order, and costs are programmed in the budget, including the 3.5 million gallon tank to hold untreated wastewater. These projects have prioritized based on the fee increase, and one vacant position at the plant has not been filled. Employees have managed the workload but have found it difficult to maintain, repair, and replace worn parts.

Landfill: Mr. Bryant said that the budget is \$29,451 less than last year, and no major projects, just maintenance, are scheduled for the Peters Mountain Landfill, but specialized equipment to keep it operating is expensive.

Joint Services: All budgets for the Alleghany County Sheriff's Department have been combined into two categories: law enforcement and jail services. The law enforcement portion received level funding of \$233,698, while Jail Services received a large proposed increase of \$127,735 for inmate housing. The City Manager said that inmate housing is the most critical need and will continue increasing, which also increases Social Services and CSA budgets. Currently Alleghany County pays sixty percent of the Sheriff's local budget, and Covington pays forty.

The need for a regional jail authority was discussed in-depth in order to control spiraling costs with alternative programs to imprisonment. Healthcare costs for physical and mental well-being have also increased, partly due to a large number of Department of Corrections' prisoners still housed in the Alleghany County Jail awaiting space in prisons. Ms. Onaitis said she has asked state elected officials to limit the time DOC prisoners are left in our jail. The cost of housing each prisoner is \$90 per day, which costs much more than other jails in the area. Mr. Bryant said judicial costs of courthouse security, which is required, required an additional \$14,017 for the upcoming fiscal year.

Health and Welfare Account: While the Social Services' budget received level funding, proposed funds for ADC Foster Care Social Services have increased substantially, with an additional \$160,853 in the proposed budget. Mr. Bryant said this is completely reimbursed by the state.

The Community Services Board also requested a substantial increase of \$113,000, but Mr. Bryant said the proposed budget calls for an additional \$82,566. This is due to the COVID pandemic, with an uptick in medication dispensing for addicts, mental health services, and additional needs for jail inmates.

The Economic Development Commission asked for an additional \$5,000 and received half, putting their proposed budget at \$15,000. Olde Town Covington is proposed to receive \$2,500

less, but an additional \$25,000 is earmarked for Downtown Planning and Project Sparkle for façade improvement, Main Street living capacity, and start-up incentives for new businesses.

Outside Agencies: The Alleghany Highlands Regional Library is proposed to receive \$1,278 additionally for minimum wage increases. The YMCA proposed budget may receive an added \$310 to make them level-funded pre-pandemic. Ms. Onaitis asked why the City was funding the Alleghany Highlands Arts and Crafts Center in Clifton Forge, and Mr. Bryant and Vice Mayor Crosier explained that they work with the Alleghany Highlands Arts Council on joint funding through grants which require regional support. Both organizations are supposed to receive \$2,500.

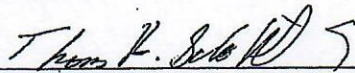
School Board: Ms. Onaitis asked members if they were satisfied with this budget with level funding because school board employees will be receiving a five percent raise, approximately \$241,000 of their budget, while city employees will not. She emphasized that last year with a ten percent budget decrease, school board had still managed to give step raises, and she hoped it wasn't at the expense of students or building maintenance. She had strongly urged school officials against the raise as this will further the gap between the salary equalization for the consolidated school system in 2023. While state Standards of Quality funds will pay most teachers' and aides' salaries until 2022, Mr. Bryant stated that all other employees' raises would be totally City funded and that the City would continue to bear the entire burden after next year when the state funds will be withdrawn. Vice Mayor Crosier asked what could be done unless members took away \$241,000. Mayor Sibold asked how much a five percent raise or a longevity bonus for City employees would cost. Mr. Bryant said it would be comparable to what was given in the 2019-20 budget except a few long-time employees had retired, but he estimated about \$125,000-\$150,000, not counting FICA and retirement contributions, with an additional twenty percent with those.

This generated much discussion and a growing list of needs looming within the next five years, including the consolidated schools' needs; employing more staff; infrastructure needs; water, sewer, and landfill necessities, particularly with two DEQ Consent Orders; what areas of the budget not mandated that could be cut; and rising costs due to inflation. With Council's consent, Mayor Sibold instructed Mr. Bryant and Ms. Onaitis to prepare figures showing both five- and ten-cent tax raises. Members agreed by consent to have a called meeting on Thursday, May 20, at 5:30 to discuss the figures they will generate.

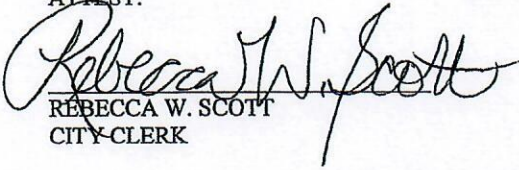
Vice Mayor Crosier made a motion to enter Closed Session pursuant to the Virginia Freedom of Information Act Sec. 2.2-3711 (A)(8) of the Code of Virginia for consultation with legal counsel related to specific legal matters related to potential city liability Mr. Tucker seconded, and members agreed by consent.

After returning from Closed Session, Vice Mayor Crosier made a motion to move for certification pursuant to Section 2.2-37112 of the Code of Virginia, that the City Council, to the best of each member's knowledge, heard, discussed or considered only public business matters lawfully exempted from open meeting requirements by the Freedom of Information Act in the closed meeting of this date, and only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the City Council of the City of Covington. Mr. Tucker made the second, and members agreed with an aye vote.

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