

The regularly scheduled meeting of the Norton City Council was held on Tuesday, March 1, 2016, at 6:00 p.m. in the Municipal Council Chambers with Mayor William Mays presiding.

Present: Mark Caruso, Robert Fultz, Jr., William Mays, Joseph Fawbush and Dee Belcher

Also Present: Fred L. Ramey, Jr., City Manager and Bill Bradshaw, City Attorney

The invocation was given by the City Manager Fred Ramey and was followed by the Pledge of Allegiance led by Sergeant Russell "Rusty" McReynolds.

Upon a motion by Councilman Fawbush, seconded by Councilwoman Belcher, and passed by the following vote: YES – Caruso, Fultz, Fawbush, Belcher, Mays, NO – None, ABSENT – None, ABSTAIN – None, Council moved to adopt the minutes of the February 16, 2016 meeting as presented. 25821

During the Mayor's call for visitors, Mr. Bill Harris, Chairman of the Library Art Gallery Board came before Council to request financial support for the Charles W. Harris Exhibit Room located in the Lonesome Pine Regional Library in Wise, Virginia. Mr. Harris advised the gallery does not receive financial support from the library but the library provides cleaning and some maintenance for the gallery. The gallery has one paid part-time staff member who is the gallery director. The gallery provides a quality space for local and regional artists to display and sell their artwork. He stated the board is asking for City funding to continue to provide various programs at the gallery. He advised the Virginia Commission for the Arts will match any funding the City contributes to the gallery through a grant prepared by the Pro-Art Association. 25822

Mayor Mays asked Mr. Harris if there was a timeline for the matching funds.

Mr. Ramey explained the grant Mr. Harris is referring to is the same grant the City recently completed on behalf of the Pro-Art Association which is the Challenge Grant that is due April 1, 2016.

Mayor Mays thanked Mr. Harris and asked him to complete the Request for Funding Form and return to Mr. Ramey as soon as possible.

A public hearing was held on the proposed property tax increase due to an increase in the general reassessment of real property which will increase the equalized real estate tax levy from \$0.764 cents per \$100 of valuation to \$0.90 cents per \$100 of valuation.

Mr. Ramey, via a PowerPoint presentation, advised Council that the real estate tax rate was increased from \$0.80 cents to \$0.90 cents for the FY2016 budget. Council foresaw several years ago that a rate increase might be necessary due to the continued decrease in revenue and the repayment of the \$10 million school debt undertaken in 2009 to renovate Norton Elementary and Middle School (NEMS). Council has made budget cuts, delayed capital projects, and increased revenue through augmentation of the Vehicle License Tax, Personal Property Tax, Cigarette Tax, and other revenue. In July 2016, the first debt payment of \$662,000 on the \$10 million NEMS renovation is due. Once Council sets the 25823

real estate tax levy it will take effect for the real estate taxes due May 2016 and for the FY2017 budget.

There were no comments from Council prior to the public hearing.

At this time, Mayor Mays opened the public hearing.

Walter Crouse, of Wise, Virginia came before Council on behalf of a Wise resident who owns rental property in the City of Norton. Mr. Crouse stated the property owner cleaned up the property and the reassessment of real property had increased the value of the property by 42.5 percent. The proposed tax increase would increase the total property value to 57 percent. Due to current economic conditions the property has set empty. Mr. Crouse advised he had reviewed Wise County's budget and he would like to review the City's budget.

There being no further public comment, Mayor Mays closed the public hearing.

Councilman Caruso stated he is concerned about the impact a tax increase will have on city taxpayers. The City needs revenue but he is not satisfied Council has given careful attention to what these monies should be used for because the City does not have a strategic plan or a vision for the future. He believes Council needs to continue with the development of a strategic plan and a vision to budget the allocation of these monies so he would not vote for the tax increase.

Councilman Fultz advised this responsibility is not to be taken lightly. An important part of Council's responsibility is the determination of taxation and how to spend these monies. Council decided last year to increase the real estate levy to \$0.90 cents per \$100 of valuation but due to the general reassessment the rate had to be equalized. As a result, Council must once again reset the real estate tax rate. When the City was considering the NEMS project several years ago, Councilman Fultz was not on City Council but voiced his opinion as a resident to Council that he would be willing to pay higher taxes to pay for the renovation of NEMS. At that time, the economy was in a better state on every governmental level and Council did not have to increase taxes to pay for the newly incurred school debt. However, the renovation has been done and the payment on the debt is due. As a resident he agreed to pay for the debt and as a Councilman he will not contradict his previous decision as a property owner. In his opinion, Council needs to reaffirm its \$0.90 cent per \$100 of valuation decision from 2015.

Councilwoman Belcher concurred with Councilman Fultz on the debt obligation, stating that she too as a resident agreed to pay higher taxes and is ready to pay for the school debt she agreed to at that time.

Councilman Fawbush concurred with Councilman Fultz and Councilwoman Belcher. He stated the renovation of NEMS was agreed upon and the tax increase should have been done several years ago. The City's fund balance is dropping and capital improvement projects are not being done. The City Manager and Director of Finance Jeff Shupe have done an excellent job cutting the budget. He believes the citizens expect a certain level of service and he does not want that service foregone due to budget issues. During the public hearing on school consolidation 18 citizens spoke with only six of the 18 owning property inside the City of Norton. He believes it is time to increase the City's fund balance and continue moving forward.

Mayor Mays said he wanted to note that an email was sent to Council from resident Tim Cassell urging Council to keep the real estate tax rate at \$0.90 per \$100 of valuation.

Councilman Fultz had the electronic copy of the email from Mr. Cassell and Mayor Mays asked Councilman Fultz to read the correspondence.

Councilman Fultz read the email and then thanked Mr. Ramey and Mr. Shupe for their hard work in finding money through grants to do some capital projects.

Upon a motion by Councilman Fawbush, seconded by Councilwoman Belcher, and passed by the following roll call vote: YES – Fultz, Fawbush, Belcher, Mays, NO – Caruso, ABSENT – None, Council moved to set the tax rate at \$0.90 cents per \$100 of valuation.

In their packets, Council had one transfer to be confirmed. The transfer was to Norton City Schools dated February 9, 2016, in the amount of \$100,000 to cover accounts payable.

25824

Upon a motion by Councilman Fawbush, seconded by Councilwoman Belcher, and passed by unanimous roll call vote, Council moved to confirm the transfer to Norton City Schools as stated above.

In comments from the City Manager, Mr. Ramey advised that:

Former Councilman and Vice Mayor Dude McElroy passed away and flowers were sent on behalf of City Council and our citizens.

A letter from the Lonesome Pine Regional Library was placed at your desks inviting Council to participate in its National Library Week activities planned for April 10th – 16th. The Parks and Recreation March Calendar of Events have been placed at your desks.

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There were no comments from the City Attorney.

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There were no comments from City Council.

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There being no further business to come before Council, the meeting adjourned.

CITY OF NORTON, VIRGINIA



William Mays, Mayor

ATTEST:



Clerk of Council