

**MINUTES OF THE CITY COUNCIL MEETING
DECEMBER 10, 2018 7:00 P.M.
REGULAR SESSION**

PRESENT: The Honorable W. Eugene Hunt, Jr., Mayor
The Honorable Carey L. Freeman, Vice Mayor
The Honorable Herbert R. Green, Jr.
The Honorable Thomas J. Cannella II
The Honorable David A. Hux
The Honorable Charles M. Southall III
The Honorable Jana D. Andrews

J. Randall Wheeler, City Manager
Evie Insley, City Clerk
D. Wayne Moore, City Attorney

ABSENT: NONE

MEETING CALLED TO ORDER:

Mayor Hunt called the meeting to order at approximately 7:00 p.m. and acknowledged Boy Scout Troop 54. The troop attended the meeting to get their merit badges in citizenship in the community and in communications.

INVOCATION AND PLEDGE OF ALLEGIANCE:

The Honorable Mayor Hunt rendered the invocation and led the audience in the Pledge of Allegiance.

SPECIAL PRESENTATIONS:

Introduction of Utilities Superintendent – Chad Krejcarek

City Manager, Randy Wheeler introduced the new Utilities Superintendent Chad Krejcarek; he has been with the City for 3 years after serving in the Navy for 26 years.

Fire Department – Marine Video

Marine Incident Response Team (MIRT) Chief Joseph Breeden and Lieutenant Clay Cooper presented Council with a video of the equipment that the Fire Department has that can assist in a marine incident when needed.

APPROVAL OF THE MINUTES:

1. Councilman Green moved, seconded by Councilman Cannella, to adopt the minutes of the regular session held on November 13, 2018 as submitted. Recorded vote on the motion:

YES: Councilmembers Southall, Freeman, Hux, Green, Cannella, Andrews and Mayor Hunt

NO: None

2. Councilman Green moved, seconded by Councilman Cannella, to adopt the minutes of the work session held on November 13, 2018 as submitted. Recorded vote on the motion:

YES: Councilmembers Hux, Southall, Freeman, Green, Andrews, Cannella and Mayor Hunt

NO: None

NEW BUSINESS:

1. **Resolution Authorizing the City Manager to Enter Into Contract with Warwick Plumbing and Heating Corporation for Replacement of Three HVAC Units at City Hall.**

Tonya O’Connell, Finance Director presented a resolution to authorize the City Manager to enter into a contract with Warwick Plumbing and Heating Corporation for the replacement of three HVAC units at City Hall. In Fiscal Year 2018 the City replaced three HVAC units (Unit 6 – Community Development, DMV, Engineering, Unit 7 – School Board, Unit 8 – City Manager and Finance) at City Hall by utilizing undesignated funds from the 2016 refinancing and operating budget through the General Fund.

Warwick Plumbing and Heating Corporation has provided a proposal of \$158,900 to replace three HVAC units at City Hall (Unit 1 – Library, Unit 2 – Library and Unit 3 – City Council Conference room and ½ Council Chambers).

Councilman Green moved, seconded by Councilman Cannella to adopt the resolution authorizing the City Manager to enter into contract with Warwick Plumbing and Heating Corporation for replacement of three HVAC units at City Hall. Recorded vote on the motion:

YES: Councilmembers Green, Hux, Cannella, Southall, Andrews, Freeman and Mayor Hunt

NO: None

2. **Fiscal Year 2019 Mid-Year Recommendations – Ordinance to Appropriate Funds to Various Governmental Funds for Fiscal Year 2019**

In November 2018 the City Council formally received the Comprehensive Annual Financial Plan (the Audit) for Fiscal Year July 1, 2017 – June 30, 2018. As part of the annual audit process the unrestricted General Fund Balance is calculated. The Unrestricted General Fund Balance as of June 30, 2018 was \$5,343,537, which is an improvement over the previous fiscal year by \$984,718. At the City Council’s November meeting, Council approved the re-appropriation of the School Division end of year funds which are included in the afore referenced increase in the amount of \$110,986.

Over the course of the last month staff has completed a mid-year analysis that included both a review of the current year revenue and expenditure projections, as well as a review of the Unrestricted General Fund Balance to determine if opportunities may exist to use a portion of the Unrestricted General Fund Balance to support and/or advance one or more of the City's strategic budget focus areas while still maintaining or exceeding the level of Unrestricted General Fund Balance required by the City's adopted Fiscal Management Policies and associated cash-flow needs.

The City Council recently held a Strategic Budget Retreat to discuss its priorities for the next two fiscal year budgets as well as to consider possible Fiscal Year 2019 mid-year adjustments. Following discussion at the City Council Strategic Budget Retreat the following recommendations are presented for your consideration.

The first recommendation is to increase the City's Fiscal Stability Reserve by ten percent of the net increase to the Unrestricted General Fund Balance in the amount of \$87,373. The Council has previously established an aspirational goal as part of the City's fiscal management guidelines of setting aside \$1,000,000 in a fiscal stability reserve to serve as contingency against unanticipated emergency expenditures as well as unanticipated decreases in revenue. Currently, this fund has balance a of \$600,000.

The second recommendation is utilize ten percent of the net increase of the Unrestricted General Fund Balance (\$87,373) to increase the City's OPEB (Other Post-Employment Benefits) Trust Fund. This Fund was established by the City Council in 2016 to help the City manage its long-term costs associated with retiree health insurance.

The third recommendation is to utilize ten percent of the Unrestricted General Fund Balance to add pay-as-you-go local funding to the Capital Projects Fund in the amount of \$87,373. As the City Council is aware, the City does not currently have any on-going local funding designated to support the Capital Projects Fund.

The fourth recommendation is to utilize \$154,000 in Unrestricted Fund Balances from the General Fund and the Utilities Fund to accelerate by a half year the planned compensation increases for all of the City's permanent employees. The main purpose of this recommendation is to address salary compression which has been identified by the Senior Staff Leadership Team as its number one budgetary priority and has been identified by the City Council as a high priority for the upcoming budget process. This recommendation has three components which are as follows:

1. A lump sum bonus of \$500 for all Full-Time Permanent Employees to be given on or before December 14, 2018. This bonus shall become part of the employee's regular salary effective July 1, 2019.
2. A differentiated compression adjustment for Permanent Full-Time employees of 0.2% for each completed, continuous year of service as of January 1, 2019 with a maximum number of years of creditable service for this calculation of thirty.
3. A lump sum bonus of \$250 for all Permanent Part-Time Employees to be given on or before December 14, 2018.

Councilman Green moved, seconded by Vice Mayor Freeman to adopt an ordinance to appropriate funds to the various governmental funds of the City of Poquoson, Virginia for fiscal year 2019.

Recorded vote on the motion:

YES: Councilmember Freeman, Andrews, Southall, Cannella, Hux, Green and Mayor Hunt

NO: None

COMMENTS OF THE CITY MANAGER:

City Manager Randy Wheeler thanked Council on behalf of the City Employees for the action that was voted on this evening affecting compensation.

COUNCIL DIRECTIVES:

Councilman Hux stated that he had an enjoyable time at the very well managed Christmas Parade. He thanked everyone involved in the Wythe Creek Road repaving and expressed it was done very efficiently with little disruptions and a very nice end result. Councilman Hux is thankful that Council was able to take the action this evening in support of the City Employees.

Councilman Green reminded everyone that the mobile food pantry is the third Tuesday of this month on December 18th and will be hosted by Kirkwood Presbyterian Church.

Councilman Cannella thanked Chief Breeden and Lieutenant Clay Cooper for the job well done on the Marine video. The equipment highlighted in the video are an asset to the community and surrounding areas.

Councilman Southall welcomed Chad Krejcarek into his new position with the City and stepping up to accept the responsibility. Councilman Southall also thanked the Boy Scout Troop 54 for attending and learning more about the City. He wished everyone a Merry Christmas and Happy New Year.

Councilwoman Andrews wished everyone a Happy Holiday and Happy New Year.

Vice Mayor Freeman wished everyone a Merry Christmas.

Mayor Hunt expressed his hope that everyone would look around in their communities and find those in need, even though we live in the finest City we still have those citizens that may have pockets of needs and hopes everybody would reach out for those in this situation this holiday season. Mayor Hunt thanked Council, City Attorney Wayne Moore, City Manager Randy Wheeler and City Clerk Evie Inasley for all they do for the City.

CLOSED SESSION:

Councilman Green moved, seconded by Councilman Cannella to go into closed session pursuant to section 2.2-3711(A)(7) of the Code of Virginia (1950), as amended to discuss a specific legal matter requiring the advice of legal counsel.

YES: Councilmembers Canella, Andrews, Green, Freeman, Southall, Hux and Mayor Hunt

NO: None

RECONVENEMENT:

Upon reconvening from Closed Session, Councilman Green moved, seconded by Vice Mayor Freeman to adopt a resolution certifying that only the legal matter in regarding seeking legal counsel was discussed in Closed Session. Recorded vote on the motion:

YES: Councilmembers Andrews, Cannella, Southall, Freeman, Hux, Green and Mayor Hunt

NO: None

ADJOURNMENT:

There being no further business, Councilman Green moved, seconded by Vice Mayor Freeman to adjourn the meeting. Recorded vote on the motion:

YES: Councilmembers Southall, Freeman, Hux, Green, Cannella, Andrews and Mayor Hunt

NO: None

The meeting was adjourned at approximately 7:40 p.m.