

**Galax City Council
Called Meeting
June 1, 2009**

The Galax City Council convened in a called meeting on June 1, 2009 at 7:30pm in City Council Chambers. The meeting was called to order by the mayor with the following councilpersons being present and they are as listed: Robert Lazo, Sharon Plichta, C. M. Mitchell, Derrick Davis and Bill Webb. Willie Greene and John Garner were absent from the meeting.

Councilwoman Plichta prayed the opening prayer that was followed by the Pledge of Allegiance.

Mayor Mitchell stated that the purpose of the called meeting was for public hearings on seven agenda items and they are as listed: 1. FY 10 Proposed Budget; 2. FY 10 Real Estate Tax; 3. FY 10 Personal Property Tax; 4. Amendment to City Code Chapter 135 Section 135-51 Transient Room Rental Tax ; 5. Amendment to City Code Chapter 135 Section 135- 24 Meals Tax; 6. Amendment to City Code Chapter 66 Section 66-8 Charges for Dumpster Service; 7. Amendment to City Code Chapter 153 Section 153-36 Water and Sewer Charges. He explained the public hearing process and then declared the public hearing open.

City Manager Holland presented a power point overview of the proposed FY 2010 City Budget. He advised that the total General Fund revenues and expenditures would be \$19,470,893; and the Utility Fund \$4,709,500. He also advised that if the proposed budget is adopted real estate taxes would be set at \$0.57 per \$100 based on 100% assessment; personal property \$1.68 per \$100 based on 100% loan value; machinery & tools \$1.42 per \$100 based on 50% assessment. The real estate tax represents a 2% increase and the personal property tax increases by 26 cents. Machinery and tools tax rate did not change.

- Councilman Greene arrived at 7:44pm.

Following City Manager Holland's presentation citizens were invited to speak.

Mrs. Smythers from Parkwood Drive addressed the tax increase proposal while city services seem to be going down and asked for consideration in raising taxes.

Dr. Jim Adams stated that he is in favor of the real estate tax increase but asked that Council reconsider the proposed meals tax increase. He said area restaurants are struggling to survive and he believes the increase in meals tax will add to their problems. He suggested perhaps restaurants could observe a meals tax holiday during the year. He would like for the meals tax to be reduced not increased.

Mr. Sage owner of three local restaurants was also very opposed to the proposed meals tax increase and to the increase in real estate taxes.

Stu Frazier owner of Bogey's Restaurant stated that his business has also declined noticeably and that he is requesting that the meals tax not be raised.

Mr. Sage suggested that the \$15. vehicle tax be abolished.

Scott Petersen, a downtown business owner, stated that any increase in taxes would be very detrimental to downtown businesses.

Mayor Mitchell advised that this been a very difficult year for doing the budget and that Council has spent many hours in thought and preparation of the proposed budget. He declared the public hearing closed.

Each Council member commented on the challenges of the proposed budget and that it had been done with much thought in making their decisions.

At 8:26pm the meeting was unanimously adjourned on a motion by Councilman Lazo and a second by Councilwoman Plichta.



Mayor

Clerk