// A regular meeting of the Council of the City of Lynchburg was held on the 12th day of March, 2013, at 4:00 P.M. in the Council Chamber, City Hall, Michael Gillette, President, presiding. The following Members were present:

Present: Cary, Foster, Helgeson, Johnson, Nelson, Perrow, Gillette 7

Absent: 0

// Mayor Gillette announced that the Budget Public Hearing will be held on April 2, 2013. He also announced that two budget workshops will be held prior to the budget hearing to hear from citizens. The first workshop is Saturday, March 16th, from 10:00 a.m. to 12:30 p.m. at E. C. Glass High School in the lobby/cafeteria and the second workshop will be held Tuesday, March 19th from 6:30 p.m. to 9:00 p.m. at Sandusky Middle School in the lobby/cafeteria.

// City Manager Kimball Payne presented an overview regarding the Proposed FY 2014 Budget, stating this year's overall budget totaled $318.1 million. The increase is mainly attributable to an increase in spending for capital projects, fleet expenditures and in the General Fund. Mr. Payne stated that the Proposed FY 2014 Budget is quite different from those in the past, characterized more by what it can do than by what it cannot. For the first time since 2008 the proposed budget supports an across-the-board pay increase for City and Schools employees. The Budget also supports the implementation of the comprehensive school improvement plan introduced by the new School Superintendent, continues to set aside ongoing revenues to fund the debt service that will be required for the new Heritage High School, and funds for other important infrastructure projects. The Proposed FY 2014 Budget does not include any significant cuts in City services and complies with the fiscal policies adopted by City Council. This Budget does not include any recommendation for tax increases and proposes only a modest increase in the cost of water and sewer services. Mr. Payne concluded by saying that the Proposed FY 2014 Budget is offered for City Council consideration, deliberation, amendment, and adoption. Over the next several weeks, Council will have the opportunity to hear from and question the representatives of the various departments and agencies seeking funding in the FY 2014 Budget.

// Schools Superintendent Scott Brabrand presented an overview of the Proposed FY 2014 Schools Budget. Dr. Brabrand provided information celebrating financial success which included the change in audit findings from largest ever to smallest in years, no major findings, and financial accountability and operations have strengthened. Dr. Brabrand explained what is new this year- the new budget process is tied to the division's Comprehensive Plan and includes greater stakeholder engagement and tiered budgeting by the School Board to determine priorities for this year and beyond. Dr. Brabrand stated that the budget ties directly to the implementation of the division's Comprehensive Plan which consists of the three following:

Vision – A tradition of Excellence for All Students

Mission – Every Child, By Name and By Need, to Graduation

Goal – Excellence in Achievement, Behavior, Culture, Operations and Personnel

Dr. Brabrand explained the funding sources with a Total Operating Revenue of $81,581,096 and Total Operating Expenditures of $84,181,096 for the FY 2013-14 Proposed Budget, resulting in a funding gap of $2.6 million. The Schools are requesting the City fund this gap. In conclusion Dr. Brabrand stated, "We have a plan, the plan is working. Right Plan, Right People, Right Organization, Right Resources, Right Path to Go from Good to Great".

// City Assessor Greg Daniels presented an overview of the 2013 General Reassessment of Real Property. The 2013 Real Property reassessment has been completed and notices were mailed to 9,800 parcel owners. Mr. Daniels stated that notices are only sent if the value has changed since July 2012. All general reassessments shall be made at 100% of fair market value. Mr. Daniels further stated the taxable value changed by 0.7% based on permits and plats. It was also noted that the change, due to the reassessment, was -1.2%, which yielded an overall taxable value change of -0.5% since July 2012. Mr. Daniels went on to say that he projected an overall -1.0% change for budget projections to allow room for appeal changes and pending court cases.

// City Manager Kimball Payne went over the Budget calendar stating that on March 19th from 2:00 p.m. to 5:00 p.m. Council would discuss the FY 2014 Revenues and review/walk-through the FY 2014 Proposed Budget General Fund. On March 26th the work session will start at 3:00 p.m. with Schools Budget Proposal and Capital Improvement Plan and the 7:30 p.m. meeting will have one public hearing.

// During roll call Council Member Cary stated two items: 1) the sidewalk on Polk and Fifth Streets needs a bollard because people keep running over the curb; and 2) proper signage should be displayed during road construction.

// Council Member Foster stated she had received a call from a citizen stating that a "porta-potty" had been left on the sidewalk after construction work was completed and asked about the time line for having this removed after the work has been completed.

// Council Member Helgeson stated he had concern with the $85 million that it would cost for the proposed Heritage High School; the risk is very great and the impact on the citizens could be very severe. He also asked the City Manager to find out the procedure for initiating a referendum. If the decision is solid, if the decision is good, then we will hear from our citizens.

// Vice Mayor Johnson stated he received a letter from a citizen regarding Bee Line Towing.

// City Council recessed the meeting at 6:19 p.m.

// City Council reconvened the meeting at 7:30 p.m.

The following Members were present:

Present: Cary, Foster, Helgeson, Johnson, Nelson, Perrow, Gillette	7
Absent:	0

Council Member Nelson gave the Invocation, followed by the Pledge of Allegiance.

// Mayor Gillette and Vice Mayor Johnson presented Certificates of Recognition to The Distinguished Young Women of Virginia, Class of 2013.

// The minutes of the February 26, 2013 meeting were pulled from the agenda to make clerical corrections.

// In the matter of Public Works – General, Resolution #R-12-028 amending the FY 2013 City Capital Project Fund budget and appropriating $1,212,137 with resources from the sale of property at 3901 Old

Forest Road to make improvements to transportation infrastructure for two projects – Whitehall Road/Lakeside Drive Traffic Improvement ($500,000) and Greenview Drive Phase II Improvements ($712,137), laid over from the February 26, 2013 meeting, was again presented and read, and on motion of Council Member Cary, seconded by Council Member Foster, Council by the following recorded vote adopted the Resolution:

Ayes: Cary, Foster, Helgeson, Johnson, Nelson, Perrow, Gillette 7

Noes: 0

// In the matter of Public Works – General, Resolution #R-12-031 amending the FY 2013 City Capital Projects budget and appropriating $182,250 with resources from the General Fund Reserve for Contingencies to fund repairs to the Holiday Inn Parking Deck, laid over from the February 26, 2013 meeting, was again presented and read, and on motion of Council Member Cary, seconded by Council Member Foster, Council by the following recorded vote adopted the Resolution:

Ayes: Cary, Foster, Helgeson, Johnson, Nelson, Perrow, Gillette 7

Noes: 0

// In the matter of Public Works – General, a public hearing was held on City Council Report #8 regarding granting a lease agreement to Mid-Atlantic Broadband Cooperative (MBC) to place fiber optic cable from Hangar Road to Wards Road on City-owned property located at the Lynchburg Regional Airport. Steve Lawson, Real Estate Manager, gave an overview of the request. A representative from Mid-Atlantic Broadband Cooperative spoke in favor of the request and asked approval of the lease agreement. There was no one else present who wished to speak to this item, and the public hearing was closed. Council Member Perrow, Chair of the Physical Development Committee (PDC) stated that this matter came before the PDC and they recommended approval of the lease. This motion does not require a second. Council by the following recorded vote adopted Resolution #R-13-032, as presented, granting a lease agreement to Mid-Atlantic Broadband Cooperative (MBC) to place fiber optic cable from Hangar Road to Wards Road on City-owned property located at the Lynchburg Regional Airport:

Ayes: Cary, Foster, Helgeson, Johnson, Nelson, Perrow, Gillette 7

Noes: 0

// In the matter of Public Works – General, a public hearing was held on City Council Report #9 regarding executing a license agreement with Mid-Atlantic Broadband Cooperative (MBC), to install fiber optic cable from the MBC hut located on Hangar Road on City of Lynchburg Airport property to Wards Road Route 29. Steve Lawson, Real Estate Manager, gave an overview of the request. There was no one else present who wished to speak to this item, and the public hearing was closed. Council Member Perrow, Chair of the Physical Development Committee (PDC) stated that this matter came before the PDC and they recommended approval of the license agreement. This motion does not require a second. Council by the following recorded vote adopted Resolution #R-13-033, as presented, executing a license agreement with Mid-Atlantic Broadband Cooperative (MBC), to install fiber optic cable from the MBC hut located on Hangar Road on City of Lynchburg Airport property to Wards Road Route 29:

Ayes: Cary, Foster, Helgeson, Johnson, Nelson, Perrow, Gillette 7

Noes: 0

// In the matter of Community Development – CDBG, a public hearing was held on City Council Report #10 regarding receiving public input regarding the 2013/14 Allocation of Community Development Block Grant (CDBG) and HOME Program Funds. Melva Walker, Grants Manager, gave a summary of the FY 2013/14 allocations for CDBG and Home Program Funds with recommendations from the Community Development Advisory Committee (CDAC). Five individuals spoke and thanked Council for their past support and asked Council to continue supporting their programs. There was no one else present who wished to speak to this item, and the public hearing was closed. No action was required at this time. This item will be discussed at the March 26, 2013 Work Session.

// In the matter of City Code/Community Development – Zoning, a public hearing was held on City Council Report #11 regarding the consideration of adopting Section 35.1-38.2, Institutional District (IN-1) and Section 35.1-38.3, Institutional District (IN-2) as part of the Zoning Ordinance and amending various sections for consistency.

Mayor Gillette deferred to Council Member Perrow before presenting the public hearing. Council Member Perrow made a statement that his company, WW Associates, has a contract with Liberty University for engineering services, "I have been advised that because of my company's contract, I should abstain from discussing and voting on the ordinance to amend the zoning ordinance to provide for the creation of institutional districts; therefore, I will abstain from discussing or voting on the ordinance". City Planner Tom Martin gave an overview of the request of the Zoning Ordinance. Two individuals spoke in favor of the zoning ordinance. There was no one else present who wished to speak to this item, and the public hearing was closed. Before Council discussion, Council Member Perrow made a brief comment that he liked the concept of IN-1 for institutions like Lynchburg College and Randolph College and it is a good plan. He suggested, if possible, separating IN-1 from IN-2.

During discussion Council Member Nelson had certain concerns but noted that the sole justification for the IN-1 and IN-2 designations is that campuses are self-contained communities, with common infrastructure, and an integrated purpose that does not impact interest outside their boundaries. As such, he questioned the following: (1) whether campus boundaries must be indivisible and drawn to include only land owned by the institution and whether interior parcels could be sold to others after the boundary is drawn; (2) the reason for increasing the area of signage on taller buildings in an IN-1 and IN-2 campus since it increases the impact of these campus features on off-campus interests; and (3) why a business use that has no direct relationship to the purpose of the institution would be allowed by-right within a campus. After discussion, Council Member Nelson made a substitute motion, seconded by Vice Mayor Johnson to add language to proposed 35.1-38.4(c)(2) to require business uses within an IN-2 campus to be "<u>reasonably related to the stated purpose of</u>" the institution. After further discussion, the substitute motion failed by the following recorded vote:

Ayes: Nelson	1
Noes: Cary, Foster, Helgeson, Johnson, Gillette	5
Abstention: Perrow	1

On motion of Council Member Helgeson, seconded by Council Member Cary, Council by the following recorded vote adopted Ordinance #O-12-034 as presented adopting Section 35.1-38.2, Institutional District (IN-1) and Section 35.1-38.3, Institutional District (IN-2) as part of the Zoning Ordinance and amending various sections for consistency:

Ayes: Cary, Foster, Helgeson, Johnson, Gillette	5
Noes: Nelson	1
Abstention: Perrow	1

// In the matter of City Council, City Council Report #12 was considered, authorizing the City Manager and City Attorney to sign a subordination agreement between the City of Lynchburg, Central Virginia United Soccer, Inc., (CVU) and the Bank of the James to facilitate the installation of lights at its soccer complex on Route 501 in Campbell County. Mayor Gillette deferred to Council Member Nelson who made a statement that while he did not have a legal conflict of interest, he was a co-founder of the CVU club, and had promoted the development of its Regional Soccer Complex. Council Member Nelson also stated he volunteered as a coach and club officer and believed that lights at the complex would benefit the budgets and programs of the City's high schools and Parks and Recreation department. As such, his bias required him to abstain from discussions and voting on this matter. City Manager Kimball Payne gave an overview of the request that the CVU is asking the City to agree to this modification and to reaffirm the subordination of its first lien on the property to the Bank of the James. The CVU will have been in compliance with the agreement for one year and on July 21, 2013 the first $50,000 of the $500,000 debt to the City on the facility will be forgiven. During Council's discussion, several Council Members would not support the subordination agreement. After hearing from representatives from CVU, Council Member Perrow offered a substitute motion seconded by Council Member Cary, to defer action on this item until such time as the CVU Board could come back with some type of written agreement for field usage. After further discussion, the substitute motion failed by the following recorded vote:

Ayes: Cary, Perrow	2
Noes: Foster, Helgeson, Johnson, Gillette	4
Abstention: Nelson	1

After the substitute motion failed several Council Members still had some concern that it would weaken the City's position without some type of written agreement to allow the playing time on the fields. On the original motion made by Council Member Foster, seconded by Vice Mayor Johnson, Council by the following recorded vote adopted Resolution #R-13-035, as presented, authorizing the City Manager and City Attorney to sign a subordination agreement between the City of Lynchburg, Central Virginia United Soccer, Inc., and the Bank of the James to facilitate the installation of lights at its soccer complex on Route 501 in Campbell County:

Ayes: Cary, Foster, Johnson, Gillette	4
Noes: Helgeson, Perrow	2
Abstention: Nelson	1

// The meeting was adjourned at 10:05 P.M.

Clerk of Council