// A regular meeting of the Council of the City of Lynchburg was held on the 26th day of February, 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, Gillette 6

Absent: Perrow 1

// Mayor Gillette announced that Council Member Perrow gave advanced notice that he would be late for the Council meeting.

// Council Member Perrow arrived at 4:03 P.M.

// Director of Communications and Marketing JoAnn Martin gave a demonstration of the newly redesigned City website. Ms. Martin explained that the last update was 2004. Ms. Martin stated that the new website would be more citizen friendly and the most visited site is the jobs page. Ms. Martin advised that the new site would be available for the Public on March 11, 2013. Ms. Martin thanked everyone involved in the new website design including Blair Marketing, Geographic Information Systems (GIS), Lynchburg TV 15 (LTV), Information Technology, and all pagemasters.

// Airport Manager Mark Courtney provided an Air Services update which included the results of the October 2012 passenger survey. Mr. Courtney gave thoughts about the potential impact of the US Airways/American Airlines merger on commercial air services at Lynchburg Regional Airport.

// Water Resources Director Tim Mitchell presented an overview of the FY 2014 Rate Study and Annual Report which includes information on the following:

- Water, Sewer, and Stormwater Fund operational expenses, revenues, and capital improvements
- Technology utilization for efficient operation of the water and sewer system
- Declining consumption discussion and recommendations
- Rate analysis and recommendations
- Rate comparisons
- Awards
- Water, Sewer, and Stormwater Projections
- Statistical data

Mr. Mitchell stated that the utility rate strategy developed for this year continues with the guiding principles of:

- Minimize the impact of rate adjustments on residential and other small customers
- Ensure necessary funding is provided for increases in operating and debt service costs
- Ensure compliance with the Special Order for Combined Sewer Overflow (CSO)
- Ensure compliance with adopted Fund Balance and Debt Management Financial Policies
- Provide an equitable distribution of costs based on actual services provided

Mr. Mitchell proposed increasing the monthly service charge by $2.00 per month per equivalent meter size. This charge has not been increased in at least 20 years. Increasing the fixed charge instead of the volumetric charge helps to stabilize revenues and better recover the fixed costs, such as debt service, associated with operating the water and sewer system. Mr. Mitchell stated this will result in an increase of

2.25% to 3.35% to typical water and sewer bills. The actual percent increase will vary depending upon actual consumption. Mr. Mitchell went on to say other proposed increases include a 5% increase in industrial surcharges and septic hauler charges and a 10% increase in water and sewer connection fees to more closely cover the cost of providing those services. It was consensus of Council to proceed with a public hearing regarding the rate recommendation contained within the Department of Water Resources FY 2014 Rate Study and Annual Report.

// Water Resources Director Tim Mitchell provided an overview of the Bedford County Public Service Authority plan to provide the Forest service area with water from Smith Mountain Lake, potential impact to the Water Fund and water rates for Lynchburg customers and alternative contract methodology. Mr. Mitchell explained the objectives:

- Keep Bedford as a long term customer
- Bedford currently uses 1.5 MGD (average), 13% of total water use
- Water sales to Bedford equal $1.6 million per year, almost 20% of rate base water revenue
- Very little can be done to mitigate the revenue loss if Bedford decides to go their own way.

Mr. Mitchell provided information on Bedford's plan to supply Forest and back-up supply to the Town of Bedford by 2016. Mr. Mitchell explained the issues with the current contract which will expire in 2022 and that there is no commitment by Bedford to remain a long term customer. Mr. Mitchell further stated that Amherst and Campbell County may also want a comparable lease. It was the consensus of Council that the Department of Water Resources move forward with further discussion with Bedford and keep Council updated.

// During roll call Vice Mayor Johnson mentioned that Council Member Joan Foster will be the guest speaker for the Epsilon Kappa Zeta Chapter of Zeta Phi Beta Sorority, Inc., at the Health Awareness Banquet which will be held on March 2, 2013.

// Kent White, Director of Community Development, and Marjette Upshur, Director of Economic Development, conducted a tour with Council of the renovated space on the second floor of City Hall. The tour included an overview of the new "one stop" reception and intake area in the Community Development department and the relocation of the Office of Economic Development. Mr. White stated how these changes are expected to reduce costs, improve efficiency and enhance customer service. The costs for renovation will be recovered in less than three years because of reduced operating costs and improved efficiency.

// City Council recessed the meeting at 6:20 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 Cary gave the Invocation, followed by the Pledge of Allegiance.

// Copies of the minutes from the February 12, 2013 meeting, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Foster, seconded by Vice Mayor Johnson, Council by the following recorded vote approved the minutes as presented:

Ayes: Cary, Foster, Helgeson, Johnson, Nelson, Perrow, Gillette	7
Noes:	0

// In the matter of Courts – General, Resolution #R-13-015 amending the FY 2013 City/Federal/State Aid Fund and appropriating $5,631, fully reimbursable, to preserve three Marriage Register books with records dated 1853 to 1909 at the Lynchburg Circuit Court Clerk's Office, laid over from the February 12, 2013 meeting, was again presented and read, and on motion of Council Member Foster, seconded by Vice Mayor Johnson, Council by the following recorded vote adopted the Resolution:

Ayes: Cary, Foster, Helgeson, Johnson, Nelson, Perrow, Gillette	7
Noes:	0

// In the matter of Fire – General, Resolution #R-13-016 amending the FY 2013 City/Federal/State Aid Fund budget and appropriating $161,406, fully reimbursable, for Staffing for Adequate Fire and Emergency Response (SAFER) grant to hire nine (9) full-time firefighters for the Fire Department, laid over from the February 12, 2013 meeting, was again presented and read, and on motion of Council Member Foster, seconded by Vice Mayor Johnson, Council by the following recorded vote adopted the Resolution:

Ayes: Cary, Foster, Helgeson, Johnson, Nelson, Perrow, Gillette	7
Noes:	0

// In the matter of Community Development – General, Resolution #R-13-021 for the sale of approximately four hundred twelve thousandths (0.412) of an acre located at 2400 Lakeside Drive to allow for retail development, laid over from the February 12, 2013 meeting, was again presented and read, and on motion of Council Member Foster, seconded by Vice Mayor Johnson, Council by the following recorded vote adopted the Resolution:

Ayes: Cary, Foster, Helgeson, Johnson, Nelson, Perrow, Gillette	7
Noes:	0

// In the matter of Registrar, Resolution #R-13-023 amending the FY 2013 City/Federal/State Aid budget and appropriating $24,327, with resources of $7,600 from the State Board of Election and $16,727 from the General Fund Reserve for Contingencies to replace 53 electronic pollbook laptop computers and carrying cases, laid over from the February 12, 2013 meeting, was again presented and read, and on motion of Council Member Foster, seconded by Vice Mayor Johnson, Council by the following recorded vote adopted the Resolution:

Ayes: Cary, Foster, Helgeson, Johnson, Nelson, Perrow, Gillette	7
Noes:	0

// In the matter of Schools – General, Resolution #R-13-024 amending the FY 2013 General Fund Budget and appropriating $993,862 with the following Committed Fund Balance Reserves hereby authorized: $300,000 for school health insurance; $372,862 for school textbooks and $321,000 for Special Education

Disproportional reserve, laid over from the February 12, 2013 meeting, was again presented and read, and on motion of Council Member Foster, seconded by Vice Mayor Johnson, Council by the following recorded vote adopted the Resolution:

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

Noes: 0

// In the matter of City Code/Registrar, a public hearing was held regarding City Council Report #13 regarding amending the <u>City Code</u> relating to the designation of a new polling place in the First Precinct of the City's Fourth Voting Ward. Mr. John Falcone, Electoral Board Member, gave a summary of the request. There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Perrow, seconded by Vice Mayor Johnson, followed by discussion, Council by the following recorded vote adopted Resolution #R-13-027, as presented, to amend the <u>City Code</u> relating to the designation of a new polling place in the First Precinct of the City's Fourth Voting Ward:

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

Noes: 0

// In the matter of Public Works – General, City Council Report #14 was considered. Mayor Gillette deferred to Council Member Perrow, Physical Development Committee Chair (PDC) and Council Member Nelson, Finance Committee Chair (FC), both stating that the item came before their Committees which recommended approval. This motion does not require a second, and Council by the following recorded vote introduced and laid over to a later meeting for final action Resolution #R-13-028, as presented, 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):

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

Noes: 0

// In the matter of Finance – General, City Council Report #15 was considered. Donna Witt, Director of Financial Services, gave a summary of the request, noting several revisions in the City's Financial Management Policy. The noted changes on pages 2 and 5 under Committed Fund Balance and Process clarify that the City's Budget is adopted by Resolution instead of Ordinance. The other change is on page 4 (Tax-Supported Debt #6) which states: The 10-Year Principal Payout Ratio shall not be less than 60% <u>at the end of each adopted five-year Capital Improvement Program</u> for Tax-Supported General Obligation Indebtedness.

During Council discussion there was some concern with the change on page 4. Council Member Helgeson stated he would not support the change on page 4, item #6, but would support the word change on pages 2 and 5 from "Ordinance" to "Resolution". Mayor Gillette referred to Council Member Nelson, Chair of the Finance Committee (FC). He stated that this item came before the FC regarding the "payout ratio" on page 4 which was discussed, the FC recommended approval. This motion does not require a second.

Council Member Helgeson made a substitute motion, seconded by Council Member Perrow, to support the wording changes in the City's Financial Management Policy as presented except for the item on page 4. Several Council Members were in opposition of separating the item, since the recommendation came from the FC to approve this item as presented. Council by the following recorded vote adopted Resolution #R-13-029, as presented, regarding the City's Financial Management Policies with Amendments:

Ayes: Cary, Foster, Helgeson, Nelson, Perrow, 5

Noes: Johnson, Gillette 2

Mayor Gillette called for a motion for the item on page 4. Council Member Helgeson stated he would not support the change on page 4. He advised that the financial policies are put in as a safeguard and that we should stay as cautious as possible. On motion of Council Member Nelson, seconded by Council Member Foster, Council by the following recorded vote adopted Resolution #R-13-030, as presented, regarding the City's Financial Management Policies with Amendments on page 4, which states the 10-Year Principal Payout Ratio shall not be less than 60% <u>at the end of each adopted five-year Capital Improvement Program</u> for Tax-Supported General Obligation Indebtedness:

Ayes: Cary, Foster, Helgeson, Johnson, Nelson, Perrow, Gillette 5

Noes: Helgeson, Perrow 2

// In the matter of Public Works – General, a City Council Report not included on the agenda regarding the repairs to the Holiday Inn Parking Deck was submitted. Mayor Gillette asked that this item be added to the agenda due to the fact that the item was presented at the Finance Committee, and bids from the contractor are good for 60 days. Council Member Helgeson was opposed to adding this item to the agenda to allow more time to digest the financial information. On motion of Council Member Cary, seconded by Council Member Foster, followed by discussion, Council by the following recorded vote agreed to add this item to the agenda:

Ayes: Cary, Foster, Johnson, Nelson, Perrow, Gillette 6

Noes: Helgeson 1

Council Member Nelson, Finance Committee Chair (FC), stated that this item came before FC which recommended approval. This motion does not require a second. Council by the following recorded vote introduced and laid over to a later meeting for final action Resolution #R-13-031, as presented, 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 with anticipation of reimbursement from the at-fault party's insurance company:

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

Noes: 0

// On motion of Council Member Cary, seconded by Council Member Foster, Council by the following recorded vote elected to hold a closed meeting for consultation with legal counsel and briefings by staff members regarding a specific legal matter requiring the provision of legal advice, specifically, the legal issues involved in the creation of a public-private partnership under the Virginia Public-Private Transportation Act, pursuant to Section 2.2-3711(A.)(7) of the Code of Virginia,1950, as amended:

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

Noes: 0

// The meeting was re-opened to the public.

// Vice Mayor Johnson made the following motion:

WHEREAS, the Council of the City of Lynchburg has convened a closed meeting on this date, pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by City Council that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Lynchburg certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by Council.

The Motion was seconded by Council Member Nelson, and Council by the following recorded vote adopted the motion:

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

Noes: 0

// The meeting was adjourned at 9:17 P.M.

Clerk of Council