// A special meeting of the Council of the City of Lynchburg was held on the 12th day of February, 2019 at 2:00 P.M. in the 2nd floor training room of City Hall, Treney Tweedy, President presiding. The purpose of the meeting was to conduct a Council Budget retreat and Work Session. The following members were present:

Present: Dolan, Nelson, Wilder, Wright, Tweedy

Absent: Helgeson, Perrow

// Mayor Tweedy welcomed everyone and provided an overview of the Budget Retreat/Work Session.

// The City of Lynchburg's Finance Department and Budget Team were recognized for receiving the Government Finance Officers Association (GFOA) Budget Excellence Award.

--Councilmember Helgeson arrived.

// In the matter of Finance – Budget, City Council Report #1 was considered to participate in the FY 2020 Operating and FY 2020-FY 2024 Capital Improvement Plan Work Session and discuss the recruitment for the Clerk of Council Position. Chief Financial Officer, Donna Witt provided an overview of citizen feedback from and online survey and "Budget Pop-up Meetings" held within the community. Mrs. Witt presented a summary of information through a PowerPoint presentation entitled "Lynchburg is Listening." Budget Pop-up Locations included Boonsboro Kroger, Greater Lynchburg Transit Company transfer station, Daniel's Hill Community Center and the Lynchburg Community Market. There were 99 respondents from Pop-ups and 100 respondents from the online survey. Council was previously furnished with all citizen responses. Encompassed in the next steps to increase citizen engagement were a desire to become more fiscally transparent, educate citizens regarding revenues, and reduce "Magical Budgeting" (service provision without adequate funding). Mrs. Witt introduced "Balancing Act" which is a cloud-based fiscal transparency application that allows the public to interact directly with the City's financial statements and budgetary documents online. Financial Professional, Starlette Early assisted Mrs. Witt with the overview of Balance Act. This tool will be populated with the proposed and adopted budgets and will be available for public use. Council members shared comments and questions on the benefit of communicating with citizens through such applications.

--Councilmember Perrow was teleconferenced into the meeting

Councilmember Nelson posed a question regarding complaints from citizens concerning lack of internet access, which was addressed by Assistant City Manager Hughes and CFO Witt. The Balancing Act software will cost $6,750 per year.

// CFO Donna Witt presented a review of preliminary major FY2020 revenues instructions to departments regarding budget submissions, identification of major issues for FY 2020, and future years budget calendar overview. Mrs. Witt utilized a PowerPoint format for this presentation entitled FY 2020 Projected Revenues and Challenges with an overview as follows:

1. FY 2020 Economic-related revenue projections
2. Current and future challenges
3. Budget submission instructions

4. Guiding Principles for budget balancing

FY 2020 Major Revenue Highlights

- Increase of 6.7% over actual FY 2018 in Net Real Property Tax revenue
- Decrease of 1.8% below actual FY 2018 in Net Personal Property Tax revenue
- Increase of 1.5% over actual FY 2018 in Motor Vehicle Licenses Tax
- Increase of 2.1% over actual FY 2018 in Net Local Sales and Use Tax
- Decrease of 1.7% below actual FY 2018 in Net Business License Tax
- Increase of 3.3% over actual FY 2018 in Net Lodging Tax
- Increase of 1.4% over actual FY 2018 in Net Meals Tax
- Increase of 6.2% over actual FY 2018 in Amusement Tax

FY 2020 Operating Budget Challenges

- Funding Phase II and Phase III Implementation of the Salary Study
- Cost of Living adjustments to stay current with the market
- Debt Service for Capital Projects
- Rising Medical Insurance claims and premiums
- Schools rising costs/State mandated increases for Standards of Quality (SOQ) positions
- General Assembly Action - especially regarding Schools
- Citizen Engagement that represents all voices

FY 2020 Capital Budget Challenges

- Police Headquarters
- College Lake Lakebed Improvements, Bridge Construction, and Dam Removal
- Downtown Water Main Replacement and Streetscape Improvements
- Implementation of Downtown 2040 Plan
- Ongoing Building Maintenance (Boilers, Chillers, Roofs, etc.)
- City Schools Building Replacements and Renovations

Mrs. Witt continued her presentation by providing details concerning departmental budget instructions, budget balancing principles and the FY 2020 budget calendar.

// Council took a break at 3:15 P.M. and reconvened the meeting at 3:26 P.M.

//Deputy City Manager, Reid Wodicka presented a review of the FY 2020-FY 2024 Capital Improvement Plan (CIP) to provide Council with a complete overview of the CIP funding plan and receive feedback on assumptions.

Capital Improvement Plan (CIP) Overview Highlights

- The CIP should have a "Big Picture" focus
- Council is tasked with reaffirming and expanding CIP budget policy, discussing most appropriate focus areas, providing feedback, and advising staff if there is a need for specific conversation to consider on projects.

- CIP policy should be one of Council's major policy statements; represent true balance and address tough decisions; have a clear long-term funding path; lead to proactive maintenance of existing assets; avoid one-off projects (though planning); and support targeted private sector development through partnerships.

Councilmember Nelson suggested having the statement on proactive maintenance of existing buildings near the top of this policy listing if ranked in order of importance. Councilmember Helgeson noted that urgent safety matters should have the primary focus and that certain items should be removed from the CIP if there is less utilization or declined use of the asset. Councilmember Wright requested that the current CIP policy be provided to Council. Once the policy is drafted, staff will bring proposed updates to the Finance Committee.

Project focus areas and matters of importance on the CIP include:

1. Major City Asset Renewal & Construction
2. City Building & Facility Maintenance – including school facilities
3. City Transportation Projects
4. Neighborhood Reinvestment Projects
5. City Recreation Amenities Improvements
6. Perpetual Maintenance Funds

Deputy City Manager Wodicka reviewed the Focus Areas individually with example projects related to each area. Councilmember Nelson noted the benefit of ranking focus areas in order of priority. Councilmember Helgeson stated that some of these items (related to transportation projects) are a function of funding and further requested that allocations be considered on a priority basis. City Manager Bonnie Svrcek commented that the CIP is reviewed annually, therefore reallocations may be done during the CIP reevaluation process.

Financial Plan Highlights

- Funding all projects as they have been requested and Council has adopted creates a major funding gap beginning in FY 2020 and peaking in FY 2023, with a needed $12.7 million
- Lakeside Drive Bridge/Dam, coupled with other projects, makes the adopted plan financially unsustainable
- Changing the timing of the major projects can close the gap to some extent
- Make every effort to keep maintenance projects on time; begin Annual Capital Maintenance funding ($0.5M in FY 2020, add $250k each year)
- Use $6.0 million unallocated from 2016 bond issue
- Use operating capital reserve to help fund projects, rather than growing the reserve further
- Lengthening term of debt to align with useful life of asset
- In order to create a fundable financial plan
    - Dedicate $800,000 of new revenue in FY 2020 to CIP

    - FY 2021-2024 dedicate first new revenue to CIP - even years $1.0 million (re-assessment years); odd years $0.5 million
- Two Points of Caution
    - Limits funds available for operating budget
        - Pay and other issues
    - If revenue doesn't grow over the next several years, City would likely have to increase tax rates or make more significant cuts to cover debt

Deputy City Manager Wodicka presented scenarios that hypothetically allowed for a smaller deficit. Councilmember Helgeson suggested that tax rates would not have to increase if there were reductions in expenses.

--Councilmember Perrow entered the meeting room at 4:20 P.M.

Mayor Tweedy mentioned that there is an opportunity for development of housing within the $100,000 to $150,000 range in Lynchburg and this should be considered as part of the financial plan. Council discussed the proposed timeline for a new Police Headquarters and for construction/improvements related to the Lakeside Dr. Bridge and Dam projects. Councilmember Perrow stated that projects with a positive economic impact should include this information in their assessment and also asked why storm water funds could not be used for culverts.

Financial Plan Considerations Going Forward

- Keep all projects in the plan, but Consider delaying some major (debt intensive) projects and keep maintenance-type projects on target
- Appoint a City-Schools community task force to assess and recommend future school facility needs Redistricting, school consolidation, updated facilities, etc.
- Consider dedicating a portion of new revenue in the next 5 years to CIP
- Consider revenue increase dedicated to CIP

Feedback from Council is requested within a week or so along with suggestions for leaders of the Long Range Schools Facility Task Force. Councilmember Helgeson noted that elected officials should be a part of this task force. Mayor Tweedy stated that a good cross-section of citizens would be important members as well. Councilmember Wilder agreed that a diverse representation of citizens would be appropriate for such a task force. Council and staff thought it appropriate for the proposed task force to have around 15 members maximum. Council will email City Manager Svrcek with additional suggestions for the task force.

//Council Report #2 – Roll Call. Councilmember Perrow mentioned that the Virginia Municipal League conference in Richmond, VA was a good experience. Councilmember Perrow has been in touch with Senator Newman and Delegate Scott Garrett and acknowledged $5 million may be available from the State for Lakeside Dr. Bridge and Dam projects.

//In the matter of Human Resources - Clerk of Council Recruitment Update. City Manager Bonnie Svrcek advised Council that the job opening for Clerk of Lynchburg City Council was open until 12:00 A.M. on

Monday February 11, 2019. Eighteen (18) applications were received and six (6) of these met minimum qualifications. Director of Human Resources, James Lowe provided Council with the applications and Council is asked to review the applications and send their top three of four candidates to Mr. Lowe before February 26, 2019. Mr. Lowe will contact the candidates to advise that City residency is a requirement.

//On motion of Councilmember Helgeson, seconded by Councilmember Perrow, Council by the following recorded vote elected to hold a closed meeting to consider appointment of Acting Clerk of Council pursuant to Section 2.2-3711(A)(1) of the Code of Virginia, 1950, as amended:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Wilder, Wright, Tweedy	7
Noes:		0

// City Council recessed the meeting after closed session.

// City Council reconvened the meeting at 7:30 P.M.

// A regular meeting of the Council of the City of Lynchburg was held on the 12th day of February, 2019, at 7:30 P.M. in the Council Chamber, City Hall, Treney L. Tweedy, President, presiding. Council Member Wilder gave the Invocation, followed by the Pledge of Allegiance. The following Members were present:

Present:	Dolan, Helgeson, Nelson, Perrow, Wilder, Wright, Tweedy	7
Absent:		0

// Copies of the minutes from the two December 11, 2018 meetings, and two January 8, 2019 meetings, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Helgeson, seconded by Council Member Perrow, Council by the following recorded vote, pulled these minutes from the consent agenda to be approved at a later date, and voted to approve additional items Resolution #R-19-006, Resolution #R-19-007, and Resolution #R-19-009 as follows:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Wilder, Wright, Tweedy	7
Noes:		0

// In the matter of Community Development – Zoning, a public hearing was held regarding City Council Report #8 concerning the petition of Victoria's Inventory, LLC to rezone approximately four hundred seventeen (0.417) thousandths of an acre at 301 Rivermont Avenue from B-1, Limited Business District, to B-4(C), Urban Commercial District (Conditional) to allow an existing building to be converted into a 30-unit apartment building. City Planner Rachel Frischeisen provided a brief summary regarding the request. Council Member Nelson noted a conflict of interest and abstained from the vote citing his legal representation of Victoria's Inventory, LLC. Mr. Tony West came forward to speak on behalf of Victoria's Inventory, LLC and described the project as turning a building with 22 units into a building with 30 townhouses. There was no one else present who wished to speak on this item and the public hearing was closed. Council Member Wilder questioned the issue of available parking spaces. This question was addressed by Ms. Frischeisen. Council Members Perrow, Helgeson and Dolan voiced their appreciation for the work Mr. West has done and on motion of Council Member Perrow, seconded by Council Member Helgeson, Council by the following recorded vote adopted Ordinance #O-19-011, as presented, granting the zoning request:

Ayes: Dolan, Helgeson, Perrow, Wilder, Wright, Tweedy 6

Noes: 0

Abstentions: Nelson 1

// In the matter of Community Development – Zoning, a public hearing was held regarding City Council report #9 concerning the petition of Fieldstone Manor, LLC, to obtain a conditional use permit at 110 Aaron Place to allow fill in the floodplain to facilitate the construction of a new entrance to the previously approved townhouse development. The property is zoned R-3, Medium Density Residential. City Planner Rachel Frischeisen provided a brief summary regarding the request including a reminder that the planning commission recommended approval of the conditional use permit. Council Member Nelson noted his legal representation of parties who own parcels of land adjacent to the area discussed in this public hearing, and that he is able to be objective in any decision surrounding this matter. Mr. Jamey White with White Engineering and Design provided a presentation to Council as a representative of Fieldstone Manor, LLC. in a manner favorable to the project. Mr. Dan O'Neil, developer for Fieldstone Manor, LLC rose to speak in favor of the project. Mr. O'Neil reiterated the intent of the project is to build in the floodplain so that a road may be built across the tributary. Ms. Latonya Carter, Mr. Larry Simons, and Mr. Richard White spoke in opposition to the project. Mr. Jamey White provided a rebuttal to the opposition by reiterating that access was originally approved for the last phase of this development prior to changes made to the floodplain by the Federal Emergency Management Association (FEMA). After questions from Council concerning the project, Council Member Helgeson moved to deny the Resolution requesting a conditional use permit to fill the floodplain. This motion was seconded by Council Member Perrow, and discussion germane to the motion followed. Council Member Perrow noted photos from Google Earth indicated there appeared to be problems in the culvert due to water and sediment flow. Councilmember Perrow also suggested there may be alternatives to building in the floodplain, such as spanning the floodplain. Councilmember Nelson commented on the possible issues upstream on City property if the floodplain rises in this area. Council Member Wright requested details from Mr. O'Neil on the possibility of using land in the vicinity as addressed by Mr. Simon earlier. Mr. O'Neil offered that obtaining this property would not solve the issue as presented as the floodplain is larger on that portion of land. Council Member Wilder asked if City staff had issues with the current suggestion of filling in the floodplain, and Ms. Frischeisen explained that the planning division is confident in what has been submitted by the developers on this matter. Ms. Frischeisen also noted that planning staff was not in support of an additional access point from Wards Ferry Rd in response to Vice Mayor Dolan's comment on lack of traffic study and the high traffic in this area. Council, by the following recorded vote denied granting a conditional use permit to fill in the floodplain at 110 Aaron Place, as presented:

Ayes: Dolan, Helgeson, Perrow, Nelson, Tweedy 5

Noes: Wilder, Wright 2

// In the matter of Community Development, Zoning, a public hearing was held regarding City Council report #10 concerning the petition of Lynchburg Investment Company, Inc. to rezone approximately six and forty-five hundredths (6.45) acres at 2820 and 2842 Linkhorne Drive from B-3C (Conditional) to B-3C, (Conditional) to amend previously approved proffers to allow the construction of a one hundred twenty-seven (127)-space parking area. City Planner Rachel Frischeisen provided a brief summary regarding the request including a reminder that this proposal is supported by the City's Comprehensive Plan and that the planning commission recommended approval as well. Councilman Nelson noted that he has a conflict of interest on this matter due to ongoing litigation on behalf of his father with a contractor who is alleging problems of storm water runoff from this site. Mr. Trent Warner with Hurt and Proffitt provided a presentation as developer of this project on behalf of the tenant, Convergys, in support of construction that would allow for additional parking spaces. There was no one else present who wished to speak on this item and the public hearing was closed. Council Member Perrow questioned Mr. Warner concerning possible storm runoff issues. After a motion to approve the resolution by Council Member Perrow, seconded by Council Member Helgeson, discussion was held. Council Member Helgeson noted that the planning commission recommended support of the project 7-0. Council Member Wilder questioned details of the parking area, which were addressed by Ms. Frischeisen. On motion of Council Member Perrow, seconded by Council Member Helgeson, Council by the following recorded vote approved Ordinance # O-19-012, as presented:

Ayes:	Dolan, Helgeson, Perrow, Wilder, Wright, Tweedy	6
Noes:		0
Abstentions:	Nelson	1

// In the matter of Emergency Services - General, City Council Report #11 was considered regarding adopting a Resolution naming the Emergency Service (E-911) building in honor of Barry K. Martin. Ms. Melissa Foster provided a brief summary of the request. On motion of Council Member Wright and seconded by Council Member Wilder, brief discussion was held with questions by Council Member Wilder, and comments by Council Member Perrow and Council Member Helgeson. Council by the following recorded vote, approved Resolution #R-19-013, as presented:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Wilder, Wright, Tweedy	7
Noes:		0

// In the matter of Schools – General, City Council Report #12 was considered regarding introducing a Resolution to amend the FY 2019 General Fund budget and appropriate $1,755,030 resources from unexpended FY 2018 Schools Operating Fund appropriations for transfer to the FY 2019 Schools Operating Fund ($350,000) and to the Schools Capital Fund ($1,405,030) to fund needs as approved by the School Board. Mrs. Donna Witt, Chief Financial Officer (CFO) provided a brief summary of this request to approve the resolution. Council Member Wright moved to approve the resolutions, seconded by Council Member Wilder and the discussion on the matter was held. Council Member Nelson noted that his wife is an employee of Lynchburg City Schools, however this does not constitute a conflict of interest and he is able to be unbiased on this matter. Council member Wilder asked if this action aligned with the City's policy, and CFO Witt acknowledged that it is in order and in line with policy. Council Member Perrow asked clarifying fiscal questions, which were addressed by Mrs. Witt and by Mr. Anthony Beckles, Chief Financial Officer of Lynchburg City Schools (LCS). Council Member Helgeson noted his support of the action with the continued acknowledgement of future fiscal impacts. Lynchburg City Schools (LCS) Superintendent Dr. Crystal Edwards also noted the work of the School Board and LCS to cover the 3% salary increase to LCS staff through level funding. Council Member Nelson commended LCS for having a positive fund balance, directing resources toward capital assets, and problematic fiscal areas of concern. Council member Helgeson requested information on the student to teacher ratio in LCS. Council by the following recorded vote, approved Resolution #R-19-014, as presented:

Ayes: Dolan, Helgeson, Nelson, Perrow, Wilder, Wright, Tweedy 7

Noes: 0

// In the matter of General Fund budget, Council Report #13 was considered concerning adoption of Resolution #R-19-010 that the FY 2019 General Fund budget is amended and $4,976 is appropriated with resources from the Citywide Salary Study and Implementation Plan Reserve to support moving the City Manager closer to the minimum of the new pay range for such position. On motion of Council Member Dolan, seconded by Council Member Wilder, Council by the following recorded vote adopted Resolution #R-19-010, as presented:

Ayes: Dolan, Nelson, Perrow, Wilder, Wright, Tweedy 6

Noes: Helgeson 1

// The meeting was adjourned at 9:05 P.M. until February 26, 2019 at 4:00 P.M., to conduct a work session regarding several items.

Acting Clerk of Council