// A regular meeting of the Council of the City of Lynchburg was held on the 10th day of February, 2015, at 12:00 P.M. in the Council Chamber, City Hall, Michael Gillette, President, presiding. The following Members were present:

Present: Foster, Helgeson, Nelson, Perrow, Tweedy, Gillette 6

Absent: Johnson 1

// Mayor Gillette welcomed everyone attending the Council Budget Planning Work Session. An overview of the agenda was as follows:

- Presentation of Citizen and Employee Survey
- Results on Twelve Pillars
- Workforce Overview
- FY2016 Major Revenues Overview/Major Expenditures
- FY2016 - 2020 Capital Improvement Program
- Community Engagement Transition

// The presentation of Citizen and Employee Survey and results on Twelve Pillars was presented by Greg Daniels, City Assessor and Bonnie Svrcek, Deputy City Manager. An overview of the presentation was as follows:

- Follow-up from City Council's Retreat on September 29, 2014
- Review the results from Citizens and Employees surveys of the Strategic Pillars (302-on-line citizen responses, 80-on-line employee responses, 11 paper citizen responses)
- Results are not statistically valid, but a sampling
- Broad overview of Citizen comments
- General Observations
- Next Steps

Results of the Twelve Pillars were explained with results from Council, Citizens and Employees. Each of the twelve pillar ratings were discussed along with the top major theme from each pillar. When explaining the pillars, each pillar had major themes under it from the Citizens which Council discussed. Healthy and Active Living Pillar received the highest rating from Citizens and Council. Infrastructure received the lowest rating from City employees. Neighborhoods received the closest rating among Council, Citizens and Employees. The general observations of the Twelve Pillars are as follows:

- Employees generally rated pillars higher than citizens or City Council
- The highest rated pillar overall was Healthy and Active Living
- Social Equity was rated the lowest by Citizens and Council; Employees rated Infrastructure the lowest
- The average overall rating on all pillars from the three groups was 6.4

In conclusion, the next steps are to administer Biennial Citizen Survey in May 2015 and utilize Pillar results and statistically valid Citizen Survey results in FY17 Budget development.

// Workforce Overview was presented by Margaret Schmitt, Director of Human Resources. The following is a breakdown of Workforce Distribution by departments:

- Enterprise Funds – 156.43
- General Government – 133.49
- Human Services – 204.5
- Public Works, Community Development – 187.03
- Parks, Recreation & Culture – 109.03
- Public Safety – 422.85
- Total of 1213.33 FTE (Full Time, Part Time, and Hourly Employees)

Ms. Schmitt explained the Workforce Distribution Data which included the following:

- Workforce Demographics – Average Years of Service – 11.5 – Average Age - 43
- Citywide Turnover CY 2014 –

  Overall turnover rates decreased slightly –

  6.33% Voluntary (Resignations)

  10.03% Total (Resignation, Resignation in lieu of Dismissal, Release during Initial Employment Period (IEP), Dismissal and Retirement
- Public Safety Turnover Trend (Police, Fire and Emergency Services)
- Departments with Highest Turnover
- Positions with Highest Turnover
- Average Salary Trend
- Employee Salaries Below the Median – Individuals
- Market Comparison Trend
- City Average Pay to Market – Average Pay – Jobs
- Police Officer Market Data, Firefighter Market Data and Emergency Services Market Data as of January 2015

In the presentation, Ms. Schmitt explained some Market Competitiveness concerns as of January 2015 in departments such as Parks and Recreation, Social Services, Public Works and Water Resources. Ms. Schmitt explained the Strategic Focus Areas which consist of the following:

- Talent Management

  Retirement Pipeline
  - 32% of Leadership Team eligible to retire in 2015
  - 50% eligible to retire within 3 years
- Leadership Development
  - Emerging Leaders group identified
  - Multi-faceted approach to developmental opportunities
  - Designed to help our current employees be competitive as openings become available
  - Success indicators include emerging leader internal promotions, formal education completed and turnover

- Health Management Program
  - Ability to impact overall health
  - Contradictions in legal requirements
  - EEOC stance on wellness programs
  - Wellness Champions

// Donna Witt, Director of Financial Services provided the FY 2016 Major Revenues Overview. The following are the major revenues:

- Real Property Tax – Projected the FY 2016 reassessment will result in a 1.0% increase in value.
- Personal Property Tax – The projected FY 2016 revenue reflects a 3.0% increase from FY 2015 to FY 2016.
- Motor Vehicle License – This revenue stream has experienced increases between 1.6% and 2.3%.
- Public Service Corporation – There are no known improvements or equipment purchases anticipated in FY 2016; tax collected is projected to decrease by 1.9%.
- Business License Tax – FY 2014 reflects a significant increase from FY 2013, FY 2015 will see some growth offset by previously private medical practices/services shifting to non- profit status.
- Local Sales Tax – Over the first 5 months of FY 2015, Sales Tax revenue is $340,000 or 6.2% ahead of FY 2014 Actual.
- Meal Tax – Over the first 5 months of FY 2015, Meals Tax collections exceed FY 2014 by an average of $42k per month, or 4.0%.
- Lodging Tax – Over the first 5 months of FY 2015, Lodging Tax assessments are approximately $12K, or 1.4%, ahead of FY 2014 Assessed.
- Amusement Tax – Year to date (through November 2014) FY 2015 Amusement Tax revenues are approximately $10k, or 4.0%, behind FY 2014.
- Communications Sales and Use Tax – Communication Sales and Use Tax continues to decline; the reduction in land line use and the lower cost for telecommunication services has affected the revenue generated through this stream.
- Consumer Utility Tax – Electric – The Electric and Gas Utility consumption tax revenue collected in FY 2015 has been less than FY 2014 due to relatively mild weather prior to December.
- Ambulance Service Fees – The Ambulance Service Fees are collected for the City by EMS-MC; the City pays the company 5.75% of total collections for this service.
- Bank Stock Tax – The Bank Stock Tax has mostly reflected a steady decrease since its peak in FY 2011.
- Tobacco Tax – The first half of FY 2015 has seen a reduction in revenue of approximately $33,500 from the same period last year.

// Council took a break at 2:10 P.M. and reconvened at 2:20 PM

// The following Members were present:

Present: Foster, Helgeson, Nelson, Perrow, Tweedy, Gillette	6
Absent: Johnson	1

// City Manager Kimball Payne provided the FY 2016 Major Expenditure Overview Requests. Mr. Payne stated that the expenditure requests listed below would appear in his budget message.

- 11 New Full-Time Positions Requested
- Compensation Adjustment of 2% - $1.2 million
- City Schools Request over FY 2015 – $1.2 million
- Public Works Request over FY 2015 - $1.3 million
- New Voting Machines - $300,000
- Police Overtime over FY 2015 - $250,000
- New & Replacement Vehicles over FY 2015 - $413,000
- Furniture, Fixtures and Equipment for Heritage High School - $1.7 million

Mr. Payne also discussed FY 2016 Pay-As-You-Go Projects which are Buildings, Transportation, Economic Development, Parks and Recreation, Miscellaneous and Reserves. The General Fund Pay-As-You-Go total is $7,098,325. Schools Pay-As-You-Go which is for school bus replacements total $950,000. The General Fund and Schools Pay-As-You-Go total $8,048,325. Mr. Payne went on to say additional use of Pay-As-You-Go Funds included Jefferson Park Landfill clean-up ($500,000) and an increase in the Heritage High School Furniture, Fixtures and Equipment reserve ($779,471). Mr. Payne further stated that the Budget is preliminarily balanced.

// Vice Mayor Johnson arrived at the meeting at 3:30 p.m.

// City Manager Kimball Payne provided information on the FY 2016 – 2020 Capital Improvement Program (CIP). Mr. Payne provided information on the five-year proposed appropriations to be financed by the City: Buildings (new construction and maintenance), Transportation (new construction), Economic Development (new construction), Parks and Recreation (new construction and maintenance), Schools (new construction and maintenance). Mr. Payne further stated the projects that will be deferred beyond FY 2020. These projects included Aquatics Assessment/Miller Park Pool Replacement, Firing Range Training Facility, Community Market Interior Renovation, Elementary School Gymnasiums, Linkhorne Elementary School Renovation, Paul Munro Elementary School Renovation and Sandusky Elementary School Renovation. The deferred projects total $35,350,000.

// City Manager Kimball Payne discussed the Big Issues/Projects/Opportunities with Council and asked if additional items should be added to the list. After Council reviewed the items on the list there were additional big issue items that Council stated should be added to the list including Public Wi-Fi, Clay Street Reservoir, War Memorial, 2 Way Street (Church Street, 5th and 9th Streets), Pay-As-You-Go, Inventory of the Centers that have been upgraded, Poverty (citizen engagement), Academy Restoration, Affordable Housing, Pay down the City's debt, Parks and Recreation and Human Services.

// City Manager Kimball Payne and Deputy City Manager Bonnie Svrcek discussed the Community Engagement Transition. The following are questions and concerns that were discussed in moving forward with Community Engagement Transition:

1. What degree of Community Engagement to have with Citizens.

2. Utilizing Community Development Block Grant (CDBG) Funds.

3. Have a conversation in the Fall with the Community on Poverty.

4. One informal budget meeting in late Summer or early Fall.

// On motion of Council Member Helgeson, seconded by Council Member Foster, Council by the following recorded vote elected to hold a closed meeting for discussion and consideration of the City Manager, City Attorney and Clerk of Council performance evaluations, pursuant to Section 2.2-3711(A)(1) of the Code of Virginia, 1950, as amended:

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

Noes: 0

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

// Council Member Helgeson 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: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette 7

Noes: 0

// City Council recessed the meeting at 5:15 p.m.

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

The following Members were present:

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

Absent: 0

Council Member Foster gave the Invocation, followed by the Pledge of Allegiance led by Boy Scout Troops 1910 and 50.

// Mayor Gillette and Council Member Nelson presented certificates to Lynchburg College Women's Soccer Team for winning the first National NCAA Division III Championship.

// Mayor Gillette introduced and welcomed Josh Baker, the new General Manager for Greater Lynchburg Transit Company (GLTC)

// Mayor Gillette announced the State of the City Address will be held on Monday, February 23, 2015 at 7:00 p.m. in Council Chamber.

// Copies of the minutes of the December 9, 2014 meeting, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Foster, seconded by Council Member Helgeson, Council by the following recorded vote approved the minutes as presented:

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

Noes: 0

// Copies of the minutes of the January 13, 2015 meeting, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Foster, seconded by Council Member Helgeson, Council by the following recorded vote approved the minutes as presented:

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

Noes: 0

// In the matter of Community Development - Zoning Amendments, a public hearing was held regarding City Council Report # 3 outlining the petition of Adams Investment Properties, LLC to rezone approximately ninety-three hundredths (0.93) of an acre at 7708 Timberlake Road from B-1, Limited Business District to B-2, Local Neighborhood Business District to allow the use of an existing building for a bakery. Zoning Administrator Kevin Henry provided a summary of the request. Representative Ernest W. Adams with Adams Investment Properties, representing the petitioner asked Council for approval for the rezoning petition. 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, Council by the following recorded vote adopted Ordinance #0-15-006, as presented, granting the petition of Adams Investment Properties, LLC to rezone approximately ninety-three hundredths (0.93) of an acre at 7708 Timberlake Road from B-1, Limited Business District to B-2, Local Neighborhood Business District to allow the use of an existing building for a bakery:

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

Noes: 0

// In the matter of Public Works – Street Vacation, a public hearing was held regarding City Council Report #4 concerning the petition of Irvington Properties, LLC to vacate a portion of right-of-way known as Waterton Drive located in between 109 and 111 Waterton Drive. The area is approximately sixty-nine thousandths (.069) of an acre. The area to be vacated is approximately fifty (50) feet wide. Zoning Administrator Kevin Henry provided a summary 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 item came before PDC and recommended the item be considered by City Council. The motion did not require a second. Council by the following recorded vote adopted Ordinance #O-15-007, as presented, regarding the petition of Irvington Properties, LLC to vacate a portion of right-of-way known as Waterton Drive located in between 109 and 111 Waterton Drive:

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

Noes: 0

// In the matter of Fire – General, City Council Report #5 was considered. Council Member Helgeson, Chair of the Finance Committee (FC) stated that this item came before FC and recommended approval and made a motion to approve the request. The motion did not require a second. Council by the following recorded vote introduced and laid over to a later meeting for final action Resolution #R-15-008, as presented, to amend the FY 2015 City/Federal/State Aid Fund budget and appropriate $52,542 with resources from the 2014 State Homeland Security Program (SHSP) grant from U.S. Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA) for the Lynchburg Fire Department's CBRNE (Chemical, Biological, Radiological, Nuclear, Explosive) Equipment project:

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

// In the matter of Economic Development – General, City Council Report #6 regarding the proposal to restore the Historic Virginian Hotel was considered. City Manager Kimball Payne provided an outline of the proposed agreement. Mr. Payne stated the developers, Blair Godsey and George Stanley, propose to purchase the historic Virginian Hotel, at 712 Church Street, and restore it for operation as a branded hotel. The hotel would have 115 rooms and a conference center with restaurant space and would be planned to open in 2017. The $25 million project has a funding gap of $5 million. Mr. Payne went on to say that the proposed gap financing would come through a $2 million loan from the Lynchburg Economic Development Authority (LEDA) and a $3 million conduit loan, through the LEDA, from a commercial bank. Payments on both loans would be through a grant from the LEDA, over a 17.5 year amortization period, funded by annual tax revenues from the project and its tenants, less $100,000 that would remain with the City. The developers would guarantee both loans and the LEDA would have a lien on the property as security. Mr. Payne further stated if Council approves the proposal in concept the matter will be taken to the Lynchburg Economic Development Authority for its approval, and a formal performance agreement will be drafted and presented to Council for approval at a future meeting. The estimated revenues from all taxes, real property, personal property, lodging, meals, sales and business license, are projected to be $300,000 to $700,000 annually. The proposed financing agreement guarantees a minimum of $100,000 a year to the City. During Council discussion several Council Members were in favor of the concept to restore the Historic Virginian Hotel. Council discussion included return on investment, increased tax base, increase in income from the property once the project is complete, and this would be a win-win in terms of economic dollars for the City.

Council Member Helgeson opposed approving the proposal for developers to pursue "gap financing" of $5 million from the LEDA in hopes of opening the renovated hotel at 712 Church Street in 2017. He also stated that he appreciated the developers' vision but could not support the City financially backing the plan. A motion was made by Council Member Perrow, seconded by Vice Mayor Johnson to accept the conceptual agreement proposal to restore the Historic Virginian Hotel. Council by the following recorded vote agreed to approve the proposal to restore the Historic Virginian Hotel:

Ayes: Foster, Johnson, Nelson, Perrow, Tweedy, Gillette	6
Noes: Helgeson	1

// The meeting was adjourned at 9:23 P.M.

Clerk of Council