

// A special meeting of the Council of the City of Lynchburg was held on the 29th day of January, 2013, at 9:00 A.M. in the Second Floor Training Room, City Hall, Michael Gillette, President, presiding. The purpose of the meeting was to conduct City Council's Annual Budget Retreat. The following Members were present:

Present: Cary, Foster, Nelson, Perrow, Gillette 5

Absent: Helgeson, Johnson 2

// City Manager Kimball Payne reviewed the agenda and expectations for the retreat. The majority of the morning agenda focused on relevant information about the FY 2014 Budget including: Budget Overview, Introduction to Priority Based Budgeting and Overview of Department Budget Submissions. The afternoon focused on FY 2014 - 2018 Capital Improvement Program Outlook, Employee Benefits discussion and thoughts on Citizen Engagement.

// Vice Mayor Johnson arrived at the meeting at 9:15 A.M.

// Council Member Helgeson arrived at the meeting at 9:17 A.M.

// City Manager Kimball Payne presented a letter to Council for approval requesting State funding for half the cost of the revised Combined Sewer Overflow (CSO) Long Term Control Plan. Mr. Payne stated that this revised plan is designed to comply with all Federal and State CSO requirements at significantly less cost than the existing plan. The estimated cost to complete the revised plan is \$60 million instead of nearly \$300 million required under the existing plan.

After Council discussion, and on motion of Council Member Cary, seconded by Vice Mayor Johnson, Council by the following recorded vote approved the funding request letter for the revised Combined Sewer Overflow (CSO) Long Term Control Plan:

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

Noes: 0

// City Manager Kimball Payne presented the Budget Overview with an explanation of other budget drivers: economy, General Assembly, compensation and Schools. He advised Council members that priority is on delivering services to the citizens and budget considerations should link dollars to direct service delivery.

// Financial Services Director Donna Witt presented the FY 2014 Preliminary Revenue Highlights, which included:

- Real Property Tax
- Personal Property Tax
- Public Service Corporation (PSC) Tax
- Business License Tax
- Meals Tax
- Local Sales Tax
- Lodging Tax
- Ambulance Services Fees
- Communications Sales & Use Tax
- Consumer Utility Tax – Electric

// City Manager Kimball Payne discussed other budget drivers: economy, General Assembly, Schools, employee compensation and jail spending.

// Council took a break at 10:40 A.M. and reconvened at 10:55 A.M.

// City Manager Kimball Payne gave an Introduction to Priority Based Budgeting.

// City Manager Kimball Payne and Deputy City Manager Bonnie Svrcek reviewed the Department Budget Submissions. Each department was requested to reduce their budget by 5%. They discussed each department individually, highlighting their priorities, the service impacts it would have on their departments, and the consequences.

// City Council took a lunch break at 12:00 noon and reconvened the meeting at 12:45 P.M.

The following Members were present:

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

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Absent: Helgeson

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// Council Member Helgeson arrived at 12:55 P.M.

// Financial Services Director Donna Witt presented the FY 2014-2018 Capital Improvement Program Submissions which total \$25.3 million. The largest projects are Transportation at \$13.8 million, which consists of Greater Lynchburg Transit Company (GLTC), Timberlake Road at Logans Lane/Wards Ferry Road, and the Street Overlay Program. Another large project is the City Football Stadium Restoration (\$7 million). The \$8.7 million requested pay-as-you-go projects consist of major building repairs, roof replacements and downtown redevelopment (part of \$5 million commitment).

// City Manager Kimball Payne presented the FY 2014 Schools Capital Submission totaling \$86.4 million, which consists of funds for Heritage High School and pay-as-you-go projects such as building repairs and roof replacements.

// City Attorney Walter Erwin gave a legal perspective of the City's rights with regard to making changes to benefit programs, advising that the employer has the right to reduce the level of benefits as communicated in the Employee Handbook.

// Human Resources Director Margaret Schmitt shared information about the healthcare benefits program for current employees and retirees as well as options to consider.

Council discussed the City's health management plan regarding retired employees. City Manager Kimball Payne outlined questions for Council to consider:

- Why do we offer health benefits?
- How do we benchmark it?
- What are we comparing?
- Where is the flexibility?
- Does the category of employment matter (full-time, part-time, temporary, and retired)?

// Director of Communications and Marketing JoAnn Martin presented ideas for Citizen Engagement on the budget. Ms. Martin recommended that the citizen engagement process be multi-faceted and include the use of citizen survey results, public meetings and social media. She also stated that the National

Research Center presentation of citizen survey results would be given to City Council during the March 26, 2013 meeting.

// Council Member Helgeson left the meeting at 3:35 P.M.

// The meeting was adjourned at 3:38 P.M.

Clerk of Council