// A special meeting of the Council of the City of Lynchburg was held on the 29th day of September, 2014, at 12:00 P.M. in the Community Room at GLTC Transfer Station. The purpose of the meeting was to conduct a City Council Strategic Planning Session. Michael Gillette, President, presided. The following Members were present:

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

Absent: 0

// Margaret Schmitt, Director of Human Resources, provided a team building exercise during lunch.

// Bonnie Svrcek, Deputy City Manager, provided the results of Council's Ratings of Twelve Pillars and Review of Proposed Metrics. The major accomplishments for FY 2014 (July 1, 2013-June 30, 2014), with major work in progress and critical issues/concerns for future document as well as the Proposed Metrics for each of the Twelve Pillars that support the Vision of "A Great Place to Live, Work and Play", was reviewed. Ms. Svrcek explained that the report is a board summary of accomplishments, works in progress and critical issues/concerns for the future. Council adopted the Twelve Pillars on December 10, 2013, which are:

- Arts & Culture
- Citizen Engagement and Social Capital
- Economic Development
- Healthy & Active Living
- Infrastructure
- Land Use
- Lifelong Learning
- Natural Resources
- Neighborhoods
- Safe Community
- Social Equity
- Transportation

Each Pillar was discussed at length by Council with some follow up recommendations for City staff on some of the Pillars.

// City Council took a break at 3:10 p.m.

// City Council reconvened the meeting at 3:25 p.m.

The following Members were present:

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

Absent: Johnson 1

// Donna Witt, Director of Financial Services, provided the preliminary Review of FY 2014 Year End, FY 2015 Budget Concerns and FY 2016 Budget Environment.

- Total Actual FY 2014 Non—Dedicated Revenues exceeded the Adopted FY 2014 Budget by 5.1% or $6.7 million
  - Meals Tax - $882k
  - Business License Tax - $838k

  - Personal Property Tax - $678k
  - Delinquent Real Property Tax – 652k
  - Lodging Tax - $425k
  - Local Sales Tax - $401k
  - Regional Services Authority Profit Sharing - $354k
  - Ambulance Service Fees - $302k
  - Sale of Property - $250k
- Actual FY 2014 Revenues exceed Adopted FY 2015 Revenues by 2.7% or $4.7 million.
- Major Revenue performance (Actual FY 2014 vs. Adopted FY 2015).
  - Personal Property Tax (Local Portion) ↑ $678,000
  - Local Sales Tax ↑ $242,000
  - Meal Tax ↑ $567,000
  - Business License Tax ↑ $495,000
  - Lodging Tax ↑ $325,000
- General Fund Overtime budget in FY 2015 is $425,500 (primarily Police and Public Works Departments) less than the FY 2014 actual cost.
- Reinstatement of Local Aid to the Commonwealth – early estimate is $280,324.
- Bluffwalk maintenance costs.
- Currently, the State is holding K-12 Education harmless in its efforts to rebalance its budget.

Revenues

- Strong performance by five major revenue streams in FY 2014; however, these revenues are consumer driven and susceptible to the volatility of the economy.
- Although FY 2016 is a reassessment year, early projections reflect a minimal increase in Real Property Tax assessments.
- 2nd year of Local Aid to the Commonwealth.

Expenditures

- Health Insurance.
- Reduction in State-funding for Sheriff's Deputy positions.
- Additional funds needed for Heritage High School Furniture, Fixtures, and Equipment.
- Savings from Managed Vacancy continues to decline.
- Use of FY 2015 Reserve for Contingencies may not leave as much to carry forward for FY 2016.
- Need to balance maintenance of capital assets and human assets (increased turnover due to market improvement in some employment sectors).

Capital Improvement Planning: FY 2016 and Beyond

Major Category	FY 2016
Transportation	$8.7
Parks and Recreation	0.8
Total	$9.5

Sources of Funding	FY 2016
FY 2014 Bond Issue	$2.7
State Revenue Sharing	2.0
Highway Maintenance	3.2
Contribution from Liberty University	1.0
Possible Contribution from Lynchburg College	0.6
Total	$9.5

Ms. Witt also shared the Debt Capacity, Debt Service to Expenditures and the Deferred Projects.

// City Manager Kimball Payne discussed the changes to delete from the City Code regarding policies on reimbursements to Developers for public infrastructure installed with developments. Mr. Payne further stated there are two main areas of reimbursements, residential and commercial, which can be general fund items like curb and gutter and sidewalks, or water and sewer fund items for water and sewer extensions and service connections. The residential reimbursements can sometimes be for individual homeowners or for subdivision developer: The City currently reimburses for:

- 50% of cost for Curb and Gutter installed on City residential streets. Can be from individual homeowner or developer of new subdivision. No reimbursement for commercial. (Recommended to change to only allow for individual homeowners.)
- 50% of cost of sidewalks installed on any City street to promote complete and sustainable streets. (Recommended to delete.)
- 100% of cost of sewer or water mains to get to boundary of new subdivision at rate of 100' per new lot and if economically feasible. (Recommended to delete.)
- 100% of sewer and water service connections within a new subdivision. (Recommended to delete.)
- 50% of sewer and water mains for commercial properties if feasible. (Recommended to delete.)

During Council discussion certain City Code changes were addressed. From the discussion, staff would review the City Code changes and bring back to Council for approval.

// City Manager Kimball Payne provided information on Talent Management and Succession Planning. Mr. Payne stated that in 3 to 5 years, 60% of the Leadership Team will be retiring, which is 9 out of 15 employees. Mr. Payne went on to say that on October 14 there would be a closed session on Personnel Succession Planning.

// The meeting was adjourned at 5:30 P.M.

Clerk of Council