

// An additional scheduled meeting of the Council of the City of Lynchburg was held on the 3rd day of August, 2009, at 10:00 A.M., in the Second Floor Training Room, City Hall, Joan F. Foster, President, presiding. The purpose of the meeting was to conduct City Council's Annual Retreat. The following Members were present:

Present: Dodson, Garrett, Gillette, Helgeson, Perrow, Foster

6

Absent: Johnson

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// City Manager Kimball Payne reviewed the agenda and expectations for the day long retreat.

// The majority of the morning session focused on pre-planning for the FY2011 Budget development, which included a power point presentation entitled "The Impacts of a Shrinking State Budget", Virginia Municipal League Finance Policy Committee, July 23, 2009. The presentation focused on additional FY2010 state budget cuts due to a likely \$300 million General Fund revenue shortfall in FY2009, plus lower revenue growth than forecasted in the current budget.

// Financial Services Director Donna Witt provided an overview regarding the nine major FY2011 budget drivers that are used by City staff in preparing for the upcoming budget, i.e., debt service—\$866,161 increase; health insurance—9% increase in premiums/\$574,013; Virginia Retirement System (VRS)—4% increase/\$1.7 million; potential aid to the Commonwealth—consistent with FY2010/\$500,000; electric utility rates—16% increase/\$182,719; natural gas—5% increase/\$16,776; Capital Improvement Program—increase pay as you go/\$4,321,843; fleet replacement--\$1,700,500; other post employment benefits--\$128,000 based on 10 year phase in plan; and employee compensation—1% salary increase equals \$524,000. Council Member Gillette suggested that the City should look at its street light policy to determine if savings could be achieved by reducing the number of street lights or replacing the bulbs with energy efficient lights. Council Member Helgeson commented that any reduction in the number of street lights should not be to the detriment of safety.

// Senior Human Resources Manager Beth McDaniel provided an overview regarding four high level workforce issues, i.e., retention, compensation, benefits and regulation.

// City Manager Payne stated that forty-two employees have taken the retirement package, with the majority of them leaving at the end of the year. Mr. Payne explained that a list of questions has been developed and will need to be answered before any vacancy can be filled. Mr. Payne noted that it is anticipated that some of the positions may be eliminated or the responsibility fulfilled by alternative means.

// City Manager Payne provided a brief overview regarding a FY2011 cost savings initiative whereby each department was asked to identify potential cost savings initiatives. Mr. Payne explained that the departments were asked to provide information in three phases with the Statement of Purpose and Guiding Principles developed by the Leadership Team serving as guidance for the process. Mr. Payne stated that each department has been asked to rebuild their budget for FY2011 based on information gathered during this process and to assume that resources equal to 90% of FY2010 allocations. Mr. Payne went on to say that the process will incorporate opportunities for citizen and employee engagement.

// Communications and Marketing Director JoAnn Martin provided an overview regarding a Citizen Engagement Proposal intended to create an avenue to engage citizens in the development of the FY2011 budget. Ms. Martin explained that it is also intended to be the first step in the ongoing process of citizen engagement and community building. Ms. Martin noted that the purpose will be to listen to citizens regarding their priorities for City services and to begin an ongoing conversation with citizens regarding their City. Ms. Martin went on to say that participants will be required to attend four sessions and actively participate in the discussions. Ms. Martin did note that the four sessions will coincide with the Citizens Academy and questioned if the Citizens Academy should either be postponed this year or moved to a later date. Council Members indicated that they did not want to cancel the Citizens Academy and that moving the date would be okay. The majority of Council Members also indicated that staff should move forward with the Citizen Engagement Proposal.

// City Council took a brief lunch break and reconvened the meeting at 1:03 p.m.

// Council Member Helgeson rejoined the meeting at 1:55 p.m. towards the end of the discussion regarding the City/Schools Consolidation Initiative.

// City Manager Kimball Payne provided an update regarding the City/Schools Consolidation Initiative. Mr. Payne stated that both he and Dr. McKendrick are meeting on a regular basis and have identified the following areas to examine -- Finance, Buildings & Grounds, Capital Projects Management, Information Technology, Fleet Management, Procurement, Human Resources, Communications & Marketing, Parks & Recreation, Transportation, Food Service, Libraries, Energy Management and Youth Programs. Council Members discussed the importance of this effort and indicated that they are still expecting to see some progress by the next budget process. Council also indicated that they would like to continue to receive updates regarding this effort.

// City Council reviewed the job description of the Clerk of Council, who is retiring at the end of the year, including some proposed changes to reflect the duties currently performed by that individual.

// On motion of Council Member Gillette, seconded by Council Member Perrow, Council by the following recorded vote elected to hold a closed meeting for the discussion and consideration of prospective candidates to serve as the interim Clerk of Council pursuant to Section 2.2-3711(A)(1) of the Code of Virginia, 1950, as amended:

Ayes: Dodson, Garrett, Gillette, Helgeson, Perrow, Foster	6
Noes:	0
Absent: Johnson	1

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

// Council Member Perrow 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 Gillette, and Council by the following recorded vote adopted the motion:

Ayes: Dodson, Garrett, Gillette, Helgeson, Perrow, Foster 6

Noes: 0

Absent: Johnson 1

// City Manager Payne stated that the next three items on the agenda, Update on Community Dialogue on Race and Racism, Review Plan for Revising the Zoning Ordinance and Sustainable City Update, could be deferred. Mr. Payne noted that each of those items did have a written report.

// City Manager Payne requested and Council agreed that the Heritage High School timeline would be the next item for discussion. Mr. Payne explained that at last year's retreat a date of 2018 was discussed regarding Heritage High School completion, which would mean that the preliminary planning work would need to commence as early as 2014. Mr. Payne went on to say that before any preliminary work begins, the public needs an opportunity to comment and provide input regarding this project and suggested that sometime after July 1, 2010, that some sort of community discussion occur to receive public input regarding the Heritage High School project. Several Council Members agreed that public input was important, especially when it comes to the financing of this project, and agreed with the City Manager's suggestion to begin that process next year. It was also suggested that a task force be appointed comprised of Council Members, School Board members, and citizens to help guide the process.

// Utilities Director Tim Mitchell presented a power point presentation regarding major issues and challenges facing the City relating to water quality. Mr. Mitchell explained that managing issues related to water quality is becoming increasingly more challenging and costly and as a result, the City needs to work towards a way to address water quality in the most efficient and effective manner possible. Mr. Mitchell went on to say that the issues related to water quality are extremely complex and intertwined and that there are a number of regulatory efforts currently underway which will impact many existing programs. Mr. Mitchell stated that efforts underway include the Chesapeake Bay Nutrient Total Maximum Daily Load (TMDL) report which is scheduled to be completed in December 2010. Mr. Mitchell noted that the water quality in the Bay and this TMDL are overarching and will drive many of the issues such as stormwater permits, water quality standards, stormwater regulations, wastewater treatment plant permits, etc. Mr. Mitchell stated that in addition to the nutrient issues with the Bay, in December 2007 the Environmental Protection Agency approved a bacteria TMDL for seven streams in Lynchburg including the James River and Blackwater Creek, and the State is currently revising its Stormwater Management regulations. Mr. Mitchell stated that the challenge will be to develop an approach that meets the various regulatory

requirements, is the most cost effective, and achieves the greatest water quality benefit with the limited resources available. City Manager Kimball Payne presented several ways that the City could use to address future regulations and the funding that will be necessary, i.e., keep current structure but seek a dedicated funding source, such as a stormwater utility fee; reorganize to enhance accountability but still keep funding the same; stormwater responsibilities and accountability spread throughout the organization and funded from the General Fund and Enterprise Funds, or seek a watershed approach involving the surrounding counties.

// Prior to adjournment, Mayor Foster reminded Council Members regarding the Sandusky Middle School tour, which is scheduled to begin at 6:00 p.m.

// The meeting was adjourned at 5:17 p.m.

Clerk of Council