

// An additional scheduled meeting of the Council of the City of Lynchburg was held on the 20th day of April, 2010, at 4:00 P.M. in the Council Chamber, City Hall, Joan F. Foster, President, presiding. The purpose of the meeting was to conduct a work session regarding the FY2011 Budget. The following Members were present:

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

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Absent: Johnson

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// City Manager Kimball Payne stated that the response to the two questions that had previously been asked by Council were furnished to them. The questions included an updated list of occupied positions that would be impacted based on the adjustments that have been proposed and actually might only affect 4 or 5 people. Mr. Payne explained that there have already been some internal movements around with some of the positions that might be eliminated and will continue to work on that to minimize the impacts. Mr. Payne explained that information was also included on a bonus option in response to the question regarding the pay adjustment scenarios with a cost of 1%. Mr. Payne stated that another question that was asked was about the Tourism Program. The Tourism Report was sent to Council along with a CD that included files on the Annual Report which was due by May 1 and the compilation of all the quarterly reports from '09 up to the present. Mr. Payne went on to say that from the calendar year '09, it included Fiscal '10 Budget and the Marketing Plan with the overall description of the program. Mr. Payne stated that the program does not include two things: one is the performance measures for the program, which should be furnished to Council before July 1. Secondly, Mr. Payne explained if Council does approve the additional funding to the Tourism Program and the Tourism Program wishes to spend that money in Calendar year '10, Tourism will need to revise their '10 budget which will need to be provided to the City. Mr. Payne went on to say if the Tourism Program does not intend to spend the additional money until year '11 which is based on a calendar year, then Tourism will show Council how they would spend that additional money in calendar year '11 budget. Mr. Payne stated that the information that was furnished on the CD satisfies the requirement of the contract.

// City Manager Kimball Payne stated that direction from Council was needed to proceed and prepare the budget ordinance which will require two readings at the May 11th and May 25th meetings for the final adoption of the Fiscal 2011 Budget. Mr. Payne stated that the final decision of the Budget needed to be made so that the Budget document could be put together with a little lead time. Mr. Payne went on to say that the recommendations made seem to be accepted. Mr. Payne stated that there are still some questions unresolved about the salary adjustments, Point of Honor hours and Youth Programs. Following discussion, and on motion of Council Member Perrow, seconded by Council Member Gillette, Council by the following recorded vote accepted the staff revenue adjustments and the staff expenditure adjustments with the exception of Debt Service Reserve, Marketing Funds, the reopening of the Branch Library full time and the School Board adopted budget:

Ayes: Dodson, Gillette, Helgeson, Nelson, Perrow, Foster

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Noes:

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Absent: Johnson

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// Council Member Johnson arrived at the meeting at 4:49 p.m.

// During Council discussion Council Member Helgeson stated there are several items still in the budget that could be addressed, we need to take into consideration our taxpayers. Council Member Helgeson went on to say when we look at this different amount here with the debt service reserve plus the balance, there is a possibility we could actually lower the real estate tax rate by 3 cents this year, there is an easy possibility we could do that. Council Member Helgeson explained that last year taxes were raised \$2.4M dollars and everywhere across the country property values were declining, which put a huge burden on the backs of our taxpayers. Council Member Helgeson stated that the other element of concern that had not been addressed is consolidating services with the schools.

// Following discussion on the tax reduction Council Member Helgeson made a motion to set the tax rate back at \$1.02, seconded by Council Member Perrow and after further discussion, the motion was defeated:

Ayes: Helgeson, Perrow 2

Noes: Dodson, Gillette, Johnson, Nelson, Foster 5

// During Council discussion, Council Member Helgeson stated that his concern with the School is that taxpayers needed a tax break and that if you look at what the City is required – local funding figure is compared to what the City actually contributes there is a disparity. Council Member Perrow stated that the Schools Budget has been significantly reduced by the State and could not justify cutting the School Budget any further. Council Member Perrow made a motion to fund the schools recommended by staff and seconded by Vice Mayor Dodson. During discussion Council agreed to take each item on the list and vote on each one separately. Council by the following recorded vote agreed to fund the schools budget as recommended by staff:

Ayes: Dodson, Gillette, Johnson, Nelson, Perrow, Foster 6

Noes: Helgeson 1

// During Council discussion, Council Member Helgeson stated that in the citizen's survey one of the highest recommendations is to reduce taxes; funding the Marketing initiative would not support this citizen request. Council Member Helgeson also stated we should be looking at this as trade offs. A few items that are left to cover are two staff or unfunded police officers. The \$50,000 could actually or probably be used for two staff or police officers. Council Member Helgeson went on to say that we need to prioritize. Vice Mayor Dodson discussed the \$50,000 for the Marketing Fund. Communications and Marketing Director JoAnn Martin explained the differences between the Travel and Tourism Programs and the Marketing Program with the City. Council Member Johnson made a motion, seconded by Vice Mayor Dodson, and Council by the following recorded vote agreed to continue with the \$50,000 for the Marketing Program with the City:

Ayes: Dodson, Gillette, Johnson, Nelson, Foster 5

Noes: Helgeson, Perrow 2

// Council Member Gillette stated that the reason not to keep the branch library open on a full-time basis is because there may be some other priorities that we need to spend the extra dollars on given the

restrictions in our budget right now part time for the branch library is probably the most rational way we could use that money. Council Member Perrow stated that with the private partnership it would be good to match what they have done so he was in support of funding the branch library part-time. Council Member Gillette made a motion to maintain the downtown branch library open on a part-time basis, accepting the \$20,000 offer from the Friends of the Library and adding to that approximately \$29,000 in order to maintain the branch library on a part-time basis. Council Member Johnson seconded that motion. Council Member Helgeson stated that he will support that motion, it being a reasonable solution. After further Council discussion on the matter, Council Member Johnson made a substitute motion that the branch library be opened full time, seconded by Vice Mayor Dodson, and Council by the following recorded vote adopted the substitute motion to keep the downtown branch library open on a full time basis:

Ayes: Dodson, Johnson, Nelson, Foster 4

Noes: Gillette, Helgeson, Perrow 3

// During Council discussion, Council Member Helgeson stated he would not be supporting the Point of Honor on a full time basis because the expenditures are much more than the revenue. The museum budget total is about \$362,000 of which paid revenue, actual paid admittance for admission are about \$20,000. Council Member Helgeson went on to say it would be pretty hard to run a business that has expenditures of \$362,000 and you only get \$20,000 a year at the gate for admissions. Several Council Members also stated that with promotion of the City through Marketing and the Tourism program it is important to keep the Point of Honor open full time for potential visitors. Council Member Gillette made a motion to maintain sufficient levels of funding in order to maintain Point of Honor full time, seconded by Vice Mayor Dodson. After discussion Council by the following vote agreed to maintain funding for Point of Honor on a full time basis:

Ayes: Dodson, Gillette, Johnson, Nelson, Perrow, Foster 6

Noes: Helgeson 1

// Vice Mayor Dodson made a motion to leave the Community Market closed on Monday's, seconded by Council Member Gillette and Council by the following vote agreed to leave the Community Market closed on Monday's:

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

Noes: 0

// Council Member Johnson asked about restoring the youth program at the Main Library and made a motion to maintain the program at the current level of funding, seconded by Vice Mayor Dodson. During Council discussion, Council Member Gillette was in favor of the youth programming but had concerns about disproportionately funding the Library in comparison to other city departments. Council Member Gillette explained that this is not a vote against the youth programming but there is a compelling reason to maintain 99% percent funding for the library system in this budget year. Council Member Helgeson stated that other departments are being cut 10%, some of these items were mentioned before as good ways to

show some fiscal responsibility. Council Member Helgeson went on to say that it is counter productive to keep on spending to have less than a 1% cut in their overall budget and Council by the following vote agreed to restore the youth program at the Main Library:

Ayes: Dodson, Johnson, Nelson, Foster 4

Noes: Gillette, Helgeson, Perrow 3

// Vice Mayor Dodson discussed bonuses for city employees and made a motion to fund bonuses for City employees, seconded by Council Member Gillette who also wanted to add a friendly amendment which was not accepted by Vice Mayor Dodson. During Council discussion, Council Member Perrow was concerned about the timing of the bonuses for City employees and the best time suited may be in the second quarter of the upcoming fiscal year. Council Member Perrow went on to say that by waiting until the second quarter would see if there are changes in the Revenues and would like to see the use of the fund balance for this one time money to support the bonuses to City employees. Council Member Helgeson stated that over the past several years income has declined, cost of living also has declined and the taxes do nothing but continue to go up. Council Member Helgeson went on to say that this is the wrong time and a way should be figured out to be able to give back to some of our taxpayers. Appreciating what our city employees have done, Council Member Helgeson stated that we also have a significantly high unemployment rate right now and the unemployment rate has been increasing. Council Members Helgeson and Perrow stated they would not support this motion. After further discussion, Council by the following recorded vote agreed to give bonuses to City employees:

Ayes: Dodson, Gillette, Johnson, Nelson, Foster 5

Noes: Helgeson, Perrow 2

// Council Member Gillette made a motion that the remaining funds go into Debt Service Reserve, seconded by Vice Mayor Dodson. After discussion Council Member Helgeson requested that some of the funds be designated to filling 2 police positions. Council Member Gillette offered a friendly amendment putting \$1,000,000 into Debt Service Reserve and the remaining \$110,291 could be put into Reserve to deal with public safety positions. Council will have to act in the future to actually designate the funds to a particular position. Council Member Helgeson made a substitute motion to fill the 2 police positions allowing the cadets to attend school in July. Council Member Johnson would not agree with that motion. After further discussion Council Member Gillette made an amendment to his motion to alter the motion, that rather than say to support 2 sworn police officers that it would support 2 public safety officers and therefore leave open the possibility for City Manager to be able to discuss with the department heads. The motion was seconded by Vice Mayor Dodson. After discussion on the motion, Council by the following recorded vote agreed to amend the motion:

Ayes: Dodson, Gillette, Nelson, Foster 4

Noes: Helgeson, Johnson, Perrow 3

Council Member Gillette stated that the motion is now amended and still may end up with 2 police officers being the first to be funded. This will give the City Manager some time to discuss this with department

heads before coming back to Council with a proposal. Council by the following recorded vote adopted the motion:

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

Noes: 0

// Council Member Gillette made a motion to take the remaining \$1M dollars and put into a Debt Service Reserve, seconded by Vice Mayor Dodson. During Council discussion, Council Member Helgeson suggested that the \$1M would be better used giving citizens a tax break this year instead of setting up a Debt Service Reserve. Council by the following recorded vote adopted the motion:

Ayes: Dodson, Gillette, Johnson, Nelson, Foster 5

Noes: Helgeson, Perrow 2

// The meeting was adjourned at 7:38 P.M.

Interim Clerk of Council