

**MINUTES OF THE FINANCE AND ADMINISTRATION
COMMITTEE MEETING
March 17, 2009**

PRESENT: President Jeff Buettner; Vice-Mayor Michael Butler; Councilor John Hill, Milt McInturff, Les Veach and John Willingham; Vice-President Art Major; Mayor Elizabeth Minor (8)

ABSENT: Councilor Evan Clark (1)

CALL TO ORDER: President Buettner called the meeting to order at 5:29 p.m.

APPROVAL OF MINUTES: Vice-President Major moved to approve the minutes of the February 17, 2009 meeting as submitted. *The motion was seconded by Councilor Willingham then unanimously approved by voice-vote.*

ITEMS OF DISCUSSION:

Health, Education & Welfare Report – Chairman Willingham

- Winchester Public Schools – Dennis Kellison, Superintendent

Mr. Kellison stated they have investigated the Work Place Readiness program and have decided to begin a pilot in the fall. The whole program is scheduled to be revamped over the next 18 months so his staff will monitor that process during the pilot. They are also meeting with Lord Fairfax Community College to look at the Career Pathways program and other connections that will help students.

Mr. Kellison stated the option of joining the city's health insurance program has been explored and would not be beneficial to the either party. Staff is currently looking at the bids received this year for health insurance and will present a final recommendation to the School Board on March 30th as the final part of adopting the budget.

Mr. Kellison stated the school system currently runs a preschool and home bound program out of the Douglas Community Learning Center along with other programs held at the center. Although the building is historic, an evaluation needs to be done to determine the long term future of the building and what maintenance needs to be done for a safe environment. The community would like to see Adult Ed programs and an activity center in the building but renovations are needed even for the current programs in the building. At the last meeting with the North End Citizens Association, everyone agreed a feasibility study was in order to look at the structural needs and to develop a focus group to help determine the long term use of the building. This will be part of the schools capital improvement projects but more discussion and community input is needed.

Councilor Clark arrived at 5:39 p.m.

Vice-President Major recommended including Parks and Recreation Director Brad Veach in the discussion. Mr. Kellison agreed and stated he would like to include the Douglas School Alumni as well.

Mr. Kellison stated the School Board met yesterday and discussed the city's request to reduce the budget by another \$1.5 million. It is believed they can use the stimulus dollars to help with this reduction. There is \$1.1 million in stimulus dollars that is not restricted. The schools also have access to funds through Title 1 (NCLB) and Title 6 (Special Ed) that can be used but they are more restrictive. Only 1/3 of the funds can be used for operating expenses. The rest of the funds have to be spent on expenditures

of these programs. The schools have additional options in reductions in salary and further reductions in personnel. As of now, there are 15-18 positions that will be eliminated through attrition.

Councilor Veach stated he would like to see the feasibility study on the Douglas Center carried out internally if possible. Mr. Kellison stated he understood.

Chairman Willingham announced there will be a meeting on Thursday with staff to consider using the Active Living Center for nighttime GED classes with daycare as a follow up on the Adult Education discussion.

- Motion to appoint Brook Herndon as a member of the Northwestern Community Services Board to a three year ending December 31, 2011.

The motion to send the nomination forward to Council was seconded by Vice-Mayor Butler then unanimously approved by voice-vote.

- Motion to appoint Betty Curtis as a member of the Social Services Advisory Board to an unexpired four year term ending March 31, 2011.

The motion to send the nomination forward to Council was seconded by Councilor Veach then unanimously approved by voice-vote.

Finance & Administration Report – Chairman Major

- Draft FY10 Budget – Brannon Godfrey, City Manager, & Mary Blowe, Finance Director

Mr. Godfrey stated he and staff kept Council's mission statement and the core services identified by Council in mind while preparing this budget. He thanked all who served on the Budget Committee and the staff who had unlimited patience and willingness to sacrifice to make the budget work. There is still more work to do.

Mr. Godfrey summarized the changes made to get to the draft budget. He reviewed the projected revenue streams for FY10 totaling \$71,893,000.00.

Councilor Willingham asked if reducing the projected sales tax revenue by \$400,000 was enough. Ms. Blowe stated she believes it is conservative enough based on the average of \$600,000 a month the city has been receiving.

Mr. Godfrey stated the expenditure requests began at \$80,685,456 but that number has been reduced. The proposed increases in the expenditures include 3 firefighter positions and the Business Development Incentive program totaling \$297,762. He reminded Council that some of the firefighter positions may be funded through the Fee for Service program. He reviewed the following budget cuts totaling \$4,932,217.00:

- Department operation cuts \$871,854
- Outside agencies \$467,491
- Schools transfer \$2,500,000
- Jail \$267,872

Mr. Godfrey stated staff has discussed a Storm Drainage Fee and Refuse Collection Fee as possible revenue sources for the city. By looking at the number of billable stops the city collects refuse from, a \$10 a month charge would generate \$1million in revenue and could be added to the utility bills. Ten dollars would be less than the actual cost to pick up the refuse. The current budget can be balanced without alternative revenues but he would like to keep them in the tool box for future use.

President Buettner stated the committee has been given a lot of information tonight and he doesn't know if he wants to make a decision tonight. He suggested doubling up the discussions on the first and third Tuesdays.

Mr. Godfrey stated historically Council has adopted the budget in June but a public hearing will need to be held beforehand. The equalized tax rate does not require a public hearing.

President Buettner stated he would like to have a public hearing with the adoption since this is the most confusing part for the citizens.

City Attorney Anthony Williams stated there are minor differences in the notices with an equalized rate. He reminded the committee that they would not be able to increase the tax rate once it is advertised.

Mr. Kellison stated it would be helpful to the schools to have a number by the end of May for locking in contracts. President Buettner stated the committee will work as quickly as possible. He would like to get that done for him.

Councilor Willingham stated the general fund balance is currently at \$23,900,000 and asked if staff knew what the deficit will be for FY09. Ms. Blowe stated it could be as much as \$4 million. Councilor Willingham pointed out that the fund balance could prospectively be \$19,000,000 at the end of FY10.

Chairman Major thanked everyone for the hard work and long hours spent on the Budget Committee, especially staff. The work is not done though.

- Future Funding Strategies for Joint City/County Funded Outside Agencies

Mr. Godfrey stated this item was put on the agenda about 6 weeks ago but he did not have any information to present tonight.

- Motion to convene into closed session for discussion of a personnel matter pursuant to Virginia Code §2.2-3711.A(1).

Mr. Williams asked that consultation with legal counsel be included in the motion under the same section under the Virginia Code.

President Buettner moved to convene into closed session for the discussion of personnel matters and consultation with legal counsel. *The motion was seconded by Vice-President Major then unanimously approved by voice-vote.*

Upon returning at 7:15 p.m., each member certified that only public business matters lawfully exempted from open meeting requirements of the Virginia Freedom of Information Act were discussed during the closed meeting, and that only those public business matters identified in the motion which convened the closed meeting were heard, discussed, or considered during the closed meeting.

A roll call vote was taken, the ayes and nays being recorded as shown below:

MEMBER	VOTE
Vice-Mayor Butler	Aye
Councilor Clark	Aye
Councilor Hill	Aye
Vice-President Major	Aye
Councilor McInturff	Aye
Mayor Minor	Aye
Councilor Veach	Aye
Councilor Willingham	Aye
President Buettner	Aye

- Position Classification Amendment for Police Department Administrative Services Division Manager. – Brannon Godfrey

Mr. Godfrey recommended the Manager of Administrative Services position be reclassified to a non-sworn officer position and that the recommendation be sent to Council for approval.

A brief discussion followed where Vice-Mayor Butler and Vice-President Major expressed their opposition. A motion to leave the position as a sworn captain and to direct staff to take all appropriate action to fill the position appropriately was seconded and unanimously approved.

OTHER ITEMS:

- Finance Committee Monthly Summary Report – The summary report was included for information purposes.

ADJOURN:

Mayor Minor moved to adjourn the meeting at 7:20 p.m. *The motion was seconded by Councilor Willingham then unanimously approved by voice-vote.*