

A Retreat of the Chesapeake City Council was held Tuesday, October 30, 2007, at 4:15 p.m. a.m., at the Towne Bank, 137 Mt. Pleasant Road, Chesapeake.

Present: Council Member Rebecca C. W. Adams
Council Member Bryan L. Collins
Mayor Dalton S. Edge
Council Member Clifton E. Hayes, Jr.
Council Member Alan P. Krasnoff (arrived at 4:23 p.m.)
Vice Mayor Dwight M. Parker
Council Member Ella P. Ward
Council Member Patricia Pritchard Willis

Absent: Council Member John M. de Triquet (excused)

Present from Administration: City Manager William Harrell, City Attorney Ron Hallman, Deputy City Manager Wanda Barnard-Bailey, City Clerk Dolores Moore, Budget Director Betty Meyer, Finance Director Nancy Tracy, Acting Director of Economic Development Tom Elder, Director of Human Resources Mary Bullock, Senior Budget Analyst Judy Fox, Executive Director of Community Services Board Candace Waller, Management Analyst Anna D'Antonio, Chief Deputy City Clerk Beverly Pender, Small Development Manager Ben White, and Debt Manager Pamela Hardesty.

Also Present: Chesapeake Public Schools Assistant Superintendent for Budget and Finance Victoria Lucente.

Mayor Edge called the meeting to order and welcomed everyone present before introducing City Manager William Harrell.

Mr. Harrell provided a binder of materials outlining his strategic plan for the City of Chesapeake. He provided an overview of the discussion for the evening and shared the Vision Statement of the City, as well as the Council's two-year goals adopted in January 2007 before introducing Finance Director Nancy Tracy.

Ms. Tracy addressed the fiscal trends and an update on the preliminary year-end operating results for FY 2007. The final audit results will be discussed at the December 18, 2007 Work Session. Staff recommended that the City refrain from using year-end monies until the audit is finalized in December, 2007.

This concluded the fiscal update portion of the session.

City Manager Harrell called on Budget Director Betty Meyer to address the economic environment in the current fiscal year. Dr. Meyer provided the five-year forecast, and reviewed the Summary of Economic Environment and Needs. She noted that the proposed Homestead Act Legislation could impact the Real Estate Tax revenue by \$42 million in Chesapeake.

Council Member Collins inquired about the Homestead Act. Dr. Meyer advised that there is nothing embedded in the City's budget because 2010 would be the first year it would actually have an impact if it is adopted by Constitutional amendment.

Council Member Krasnoff asked about the business aspect of the Homestead Act. Ms. Meyer stated that it applies to owner occupied residences.

City Manager Harrell stated that the budget process for Fiscal Year '09 would be different and he would bring back an update in late January on department needs, the cutbacks for some departments and the increased funding in some departments where needed.

Council Member Willis requested clarification of the reduction of \$14 million by departments. Budget Director Meyer explained the Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis being done by departments. The departments look at all programs and services and tell the City Manager what services they can stop doing or providing, and what needs to be done. All departments are given a goal to reach in this effort.

Council Member Collins asked if schools would receive the data and know the challenges. City Manager Harrell stated that the schools were aware as he had already met with Schools Superintendent W. Randolph Nichols and Assistant Superintendent of Budget and Finance Vicki Lucente about the upcoming challenges.

This concluded Dr. Meyer's review of the budget.

City Manager Harrell introduced Human Resources Director Mary Bullock. Ms. Bullock, along with Community Services Board Executive Director Candace Waller, reviewed the pay plan information compiled by the Pay Plan Task Force.

There was dialogue between Council Members Parker, Ward, Willis, Ms. Bullock and Mr. Harrell relative to the findings of the task force.

Council Member Willis inquired about the cost to hire a consultant. Ms. Bullock stated that the process was not at the same scales as before and don't have the study; the funding would be used for expertise to help formulate the recommendations for a new plan and is a small amount.

Council Member Collins commented on the Pay Plan Task Force and expressed that he would like to see the plan move forward; he requested that staff keep Council updated on the progress. Mr. Collins asked what would happen with the Task Force from that point forward. Human Resources Director Bullock stated that would depend on the feedback from the City Manager to the report.

City Manager Harrell offered comments.

City Council recessed at 6:00 p.m. and reconvened at 6:10 p.m.

City Manager Harrell reviewed the City Wide Strengths, Weaknesses, Opportunities and Threats (SWOT) initiative. In doing so, he addressed eight areas of framework that would be evaluated during the budget process. The areas included Mission, Council's Vision and Goals, Competitiveness, Efficiencies, Mandates, Shared Services, Technology and Human Capital.

Vice Mayor Parker inquired about the Community Input meetings on the City's budget. He asked how closely inline were the priorities with the priorities City Council established in January 2007. Mr. Harrell referred back to the overview of the January 2007 two-year goals to answer Mr. Parker's question.

City Manager Harrell addressed Operational and Capital Projects strategic issues. The Operational Strategic Issues included the tax rate, unfunded federal and state mandates, comprehensive plan update, commercial/residential mix, public safety staffing levels, partnership with schools, assessment of Mosquito Control, overtime management, solid waste program/expansion of recycling program, immigration, stormwater program updating of fleet, technology investments needed and records management.

Capital projects, Strategic Issues included policy to address rehabilitation of aging facilities versus new facilities, jail expansion, Animal Control facility, Parks and Recreation Development and a Transportation Plan.

Council Member Ward inquired about the funding of Mosquito Control. Budget Director Meyer reviewed the consolidation of Mosquito Control and advised that there had been discussions with Mosquito Control on funding; she stated that there were other models that could be considered.

Council Member Willis stated that staff had recommended in the past to have Mosquito Control independent as it was more advantageous to services. She asked City Manager Harrell if he thought it would be better to place the facility under City management. Mr. Harrell stated that he would provide a written recommendation back to Council for a decision.

Council Member Adams spoke to the merger of the Mosquito Control Commission and the need to look at the whole picture long term before making a decision.

City Manager Harrell addressed other items listed under the Strategic Issues, noting there will be a work session on immigration in the future.

Council Member Ward inquired about the status of the Western Branch High School expansion. Budget Director Meyer responded that the design had been approved by Council and construction would begin in 2009. Assistant Superintendent of Finance and Budget Vicki Lucente advised that the project was currently in the Engineering and Design phase.

Council Member Willis asked about a future high school in the Greenbrier area. Ms. Lucente stated that the School Board's Capital Improvement Plan proposal was presented October 29 and would be a topic of discussion at the Board's November 1 meeting. She noted that the referenced high school was in the plan. Council Member Willis also inquired about the design funding in the Capital Improvement Plan for the school. Assistant Superintendent of Finance and Budget Lucente advised that the design monies for the new high school was in the FY 2008-09 or FY 2009-2010 budget year along with two elementary schools and one middle school.

City Manager Harrell asked whether high school students could be moved to utilize existing capacities.

Council Member Ward offered remarks on moving students and addressed the capacity of Grassfield High School. Ms. Lucente responded to the comments. Council Member Ward also inquired about the enrollment numbers for the current

school year. Ms. Lucente stated that there was an increase of 100+ students more than expected, but the numbers were still down from the previous year.

Council Member Collins spoke on the movement of students to facilities with capacity locations of the new schools. He asked to see the data electronically rather than on paper.

City Manager Harrell reviewed his recommendations to the City Council. He stated that he planned to meet with Council in late January 2008 after the final audit numbers were in and would be updating Council at that time.

Council Member Ward thanked City Manager Harrell and staff on the meeting and the information provided. She noted that the feedback from staff on issues had been very good and handled quickly. Dr. Ward expressed her concerns about commercial development and asked how the staff would increase that for the tax base.

Mayor Edge responded to Dr. Ward's concerns. He advised that part is because of the huge increases in residential housing values.

City Manager Harrell stated that staff had been very aggressive in pursuing businesses and would bring information back to Council on plans for new industrial park sites.

Council Member Hayes noted the numbers of new relocations regionally by individuals retiring from other states and coming here where taxes are much lower.

Council Member Collins stated his appreciation for the work done by Human Resources on the pay study. He also commented on business parks and commercial/residential ratios, and stressed the need to look at developing the City's waterfront areas.

Council Member Willis asked for a re-evaluation of the Comprehensive Plan, noting that zoning changes could be made during comprehensive plan studies and adoptions and asked if that was possible. City Manager Harrell stated that it could be done. City Attorney Hallman also stated it could be done and is more of a planning decision rather than a legal issue as long as it is not a down zoning of property noting that commercial zonings are considered more intense uses than residential zonings.

Council Member Hayes stated that it should be looked at cautiously.

Council Member Willis asked City Manager Harrell why permission was needed to hire nine (9) police officers. Mr. Harrell stated that in the past budget cycle, City Council took funding from the Police Operational Budget for the nine (9) positions to fund a new Emergency Management System group. Budget Director Meyer, Human Resources Director Bullock and City Manager Harrell spoke on the issue and Ms. Bullock addressed the new recruiting efforts and the reasons for the small Academy classes.

Mayor Edge thanked City Manager Harrell and staff for the presentations.

The Retreat adjourned at 7:25 p.m.

/blp