REGULAR WEEKLY SESSION----ROANOKE CITY COUNCIL

March 1, 2004

9:00 a.m.

The Council of the City of Roanoke met in regular session on Monday, March 1, 2004, at 9:00 a.m., the regular meeting hour, in the Emergency Operations Center Conference Room, Room 159, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, Virginia, with Vice-Mayor C. Nelson Harris presiding, pursuant to Chapter 2, Administration, Article II, City Council, Section 2-15, Rules of Procedure, Rule 1, Regular Meetings, Code of the City of Roanoke (1979), as amended, and pursuant to Resolution No. 36193-010603 adopted by Council on January 6, 2003, which changed the time of commencement of the regular meeting of Council to be held on the first Monday in each month from 12:15 p.m. to 9:00 a.m.

PRESENT: Council Members C. Nelson Harris, Linda F. Wyatt, William D. Bestpitch, and M. Rupert Cutler----------4.

ABSENT: None----------0.

(Mayor Ralph K. Smith and Council Members Alfred T. Dowe, Jr., and Beverly T. Fitzpatrick, Jr., arrived late.)

OFFICERS PRESENT: Darlene L. Burcham, City Manager; William M. Hackworth, City Attorney; Jesse A. Hall, Director of Finance; and Mary F. Parker, City Clerk.

CITY COUNCIL: A communication from Mayor Ralph K. Smith requesting that Council convene in a Closed Meeting to discuss vacancies on certain authorities, boards, commissions and committee appointed by Council, pursuant to Section 2.2-3711 (A)(1), Code of Virginia (1950), as amended, was before the body.

Mr. Bestpitch moved that Council concur in the request of the Mayor that Council convene in a Closed Meeting as above described. The motion was seconded by Mr. Cutler and adopted by the following vote:

AYES: Council Members Wyatt, Bestpitch, Cutler and Vice-Mayor Harris-4.

NAYS: None----------0.

(Mayor Smith and Council Members Dowe and Fitzpatrick were not present when the vote was recorded.)

CITY COUNCIL-CITY PROPERTY: A communication from the City Manager requesting that Council convene in a Closed Meeting to discuss disposition of publicly-owned property, where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Section 2.2-3711 (A)(3), Code of Virginia (1950), as amended, was before the body.

Mr. Bestptich moved that Council concur in the request of the City Manager that Council convene in a Closed Meeting as above described. The motion was seconded by Mr. Cutler and adopted by the following vote:

AYES: Council Members Wyatt, Bestpitch, Cutler and Vice-Mayor Harris-4.

NAYS: None----------0.

(Mayor Smith and Council Members Dowe and Fitzpatrick were not present when the vote was recorded.)

PURCHASE/SALE OF PROPERTY-CITY COUNCIL: A communication from the City Attorney requesting that Council convene in a Closed Meeting to discuss acquisition of real property for a public purpose, where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Section 2.2-3711 (A)(3), Code of Virginia (1950), as amended, was before the body.

Mr. Bestpitch moved that Council concur in the request of the City Attorney to convene in a Closed Meeting as above described. The motion was seconded by Mr. Cutler and adopted by the following vote:

AYES: Council Members Wyatt, Bestpitch, Cutler and Vice-Mayor Harris-4.

NAYS: None----------0.

(Mayor Smith and Council Members Dowe and Fitzpatrick were not present when the vote was recorded.)

CITY COUNCIL: A communication from the City Attorney requesting that Council convene in a Closed Meeting to consult with legal counsel on a matter of actual litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body, pursuant to Section 2.2-3711(A)(7), Code of Virginia (1950), as amended, was before the body.

Mr. Cutler moved that Council concur in the request of the City Attorney to convene in Closed Meeting as above described. The motion was seconded by Mr. Bestpitch and adopted by the following vote:

AYES: Council Members Wyatt, Bestpitch, Cutler and-Vice-Mayor Harris-4.

NAYS: None----------0.

(Mayor Smith and Council Members Dowe and Fitzpatrick were not present when the vote was recorded.)

(Council Members Dowe and Fitzpatrick entered the meeting.)

ITEMS LISTED ON THE 2:00 P.M. COUNCIL DOCKET REQUIRIING DISCUSSION/CLARIFICATION; AND ADDITIONS/DELETIONS TO THE 2:00 P.M. DOCKET: NONE.

TOPICS FOR DISCUSSION BY THE MAYOR AND MEMBERS OF COUNCIL: No agenda items were proposed for a joint meeting of Council and the School Board on Monday, April 5, 2004, at 12:00 noon.

Council Member Cutler requested a briefing on the closure of activities at the stadium/amphitheater site on Orange Avenue/Williamson Road; whereupon, the City Manager advised that Branch Highways was instructed to proceed with the balance of excavation, erosion and sedimentation control, and it was necessary to install fencing and security lighting to secure the site and to ensure that there is no liability on behalf of the City relative to the site. She stated that all vendors have been instructed to stop work, contracts will be closed, and the City will determine the necessary payments in order to close out any work that was in progress at the site.

Question was raised in regard to the origination of the oil spill that occurred on Trout Run near the Norfolk and Western shops; whereupon, the City Manager advised that if and when the party at fault is identified, the City will take the appropriate action.

Mr. Cutler inquired about an incident that occurred over the weekend when, it is alleged that police officers entered a residence in error at 417 Bullitt Avenue, S. E.; whereupon, the City Manager advised that the investigation is ongoing and contemplated action, if any, will be reviewed by the Police Department Internal Affairs Division and the Citizens Review Panel.

BRIEFINGS:

The City Manager introduced a briefing by the Financial Application Integration Team. She advised that Council Member Wyatt previously advocated the replacement of antiquated software and the integration of various components of software within the City organization in order to interact with each other.

John A. Elie, Director of Technology, presented an update on the complete replacement/upgrade of the City's financial, human resources and tax systems. He advised that:

- Most of the City's systems are 20 - 25 years old.

- Most companies and cities in the late 1990's upgraded their systems to avoid Y2K issues.

- The overall objective and scope of the project is a complete replacement and upgrade of all of the City's major financial systems - payroll and tax systems, with the goal of providing a better integration of systems, data to be produced, and ability of staff to report quickly to Council and to the City's executive management.

- The project involves both the City and the school system.

- In terms of major applications, the financial aspect includes the following major applications: to replace the budget preparation system, to enhance payroll, human resources functionality and time entry, and to upgrade the tax system/collections.

- Key stakeholders include the Director of Finance, Director of Human Resources, representatives of the school system, the City Treasurer, the Commissioner of the Revenue and the Manager of Billings and Collections.

- The City currently uses a mainframe environment and it is unusual to have the majority of all systems on a mainframe.

- A financial package is available through a group known as AMS and the City is in the process of upgrading to the AMS web base.

- The human resources and payroll systems are provided by a separate package from GEAC.

- The City has a number of custom developed applications such as cost accounting, time entry, personal property/local taxes, revenue collections, business license, city-wide billing, and real estate, and each application stores its data in separate files that are difficult to integrate and run together.

- The City is working with AMS to plan an upgrade which will run on a stand alone server, as opposed to a mainframe, that will encompass ledger payables, receivables, purchasing, fixed assets and cost accounting.

- The team is evaluating budget preparation packages, to be followed by a separate request for proposals process for payroll function, followed by human resources and tax and treasury applications.

- Although the company will be required to go through the bid process, the AMS system has the potential of being the successful bidder across financial, payroll, and budget lines inasmuch as the system provides all of the necessary functionality.

- It will take approximately three to five calendar years to complete the project, depending on the availability of staff and funding resources.

- Phase I has been completed which is the analyses of the processes that are currently in place in the City and in the school system, evaluation of alternatives has been completed for a new financial system; Phase 2 is in process which includes planning implementation with the vendor, with a project plan under consideration that calls for a fixed price contract, clearly defined deliverables, and full scale implementation anticipated in the summer of 2004, with completion by the summer of 2005.

- Implementation of the budget process system will occur in November, 2004 and will be available for use in the next round of budget preparation.

Council Member Wyatt questioned why the tax and treasury components are listed last on the time line; whereupon, Mr. Elie advised that it is important to ensure that the financial system, or the base general ledger, is in place which is the first priority and will impact all of the systems, including payroll and the tax systems; and considerable analysis will be done prior to actual implementation to ensure that tax and treasury environments fit in with the redesigned chart of accounts. He called attention to meetings with the Commissioner of the Revenue to ensure compliance with State Code mandates, and during Phase 2, the team met with representatives of all of the main users of the system in the treasury/tax collection area to document their requirements and processes, the team gained a good understanding of their requirements, and the goal is to determine how available systems in the marketplace can be matched to meet their requirements. He called attention to numerous unique requirements in the tax/treasury collection area due to the nature of State requirements and State laws; the team is working closely with other municipalities to review their applications and no single enterprise application will accomplish all of the work.

There was discussion in regard to integrating various systems as a part of regional efforts such as the Western Virginia Water Authority; whereupon, the City Manager advised that the decision has been made to use Roanoke City's system for billing and Roanoke County's system for financial and human resources/payroll functions for the Water Authority, and there will be instances as the project moves forward when the best system of either the City or the County will be used.

Question was raised as to whether the new system could lead to additional areas of City/School cooperation, such as in the areas of purchasing and human resources, etc.; whereupon, Mr. Elie advised that there will be a number of opportunities to work closer as a result of the environment; and currently the school system uses the City's financial system for payroll purposes, the school system is interested in using the human resources component, and "piggybacking" off of the purchasing system.

Mr. Elie advised that the project will cost approximately $7 million which includes $1 million of internal staff time, with the bulk of funds to be used for hardware, software, professional services and training; the School system will contribute approximately $150,000.00 per year over the next several years; there is a significant commitment on the part of the School Board and City departments to make the new system successful, in order to be more productive and responsive in addressing requests for information; benefits will be seen in stages; once the ledger is in place, the City will have a new purchasing and accounts payable system, followed by enhanced payroll, human resources and a tax and treasury system; and the rate at which the project is sustained will be dependent upon funding availability.

Mr. Elie highlighted some of the reasons for the project;

- To enhance integration between systems that are currently in place.
- To obtain full use of the human resources functionality for both the City and the Schools.
- To improve the budget preparation system which is currently limited in terms of what it can do to create new reports.
- The new environment will allow key end users to go into the system, select the information they need, and prepare their reports in a much more timely manner, with the ultimate objective to create accurate processing of data, timely reports and easier access to key enterprise information.

(The Mayor entered the meeting and presided over the remainder of the Council session.)

Ms. Wyatt stated that when Council requested the study of an integrated system, it was for the purpose of focusing on assessing taxes and identifying those tax dollars that are not currently being collected by the City. She expressed concern that the primary concern of Council has not been addressed in the presentation.

In response, Mr. Elie requested that the team be allowed to further review timing and the approach to implementation in order to determine if there are opportunities to accelerate certain revenue generating aspects.

The City Manager responded that Council expressed a desire for the various systems to have the capability of talking with each other; there might be information available in one system that could benefit another system, which, at the present time, cannot be shared and it is believed that integrating the system will improve the revenue issue. She stated that Ms. Wyatt's concern is addressed under the category of enhanced integration between systems and if information and activities can be shared among City departments through computer systems, the end result should be improved assessment of taxes.

The Mayor inquired as to the number one factor driving the project; whereupon, Mr. Elie advised that the number one driving force would be timely reporting and the ability to respond to Council and to citizens for information requests.

The Director of Finance advised that most of the major systems that are proposed to be replaced are in the range of 20 - 25 years old, and these systems represent the City's financial infrastructure. He stated that currently, other than through a manual process, the City cannot track such things as the cost of operating a specific program, or the cost of storm drain maintenance, or position tracking, etc. He added that the City's tax system is approximately 20 years old, the personal property tax system used by the Commissioner of the Revenue was prepared in-house many years ago and has been significantly modified so as to be compatible with the Governor's no car tax program; none of the systems are as efficient as they can or should be; the accounting system and procurement system will provide opportunities for the school system to use the programs, and consolidation of programs will save money over the long term.

Council Member Bestpitch advised that City staff is positioning Council and the citizens in terms of the planning and vision of the City for the future which must be based on solid financial data from a system that will pull out numbers to demonstrate the impact of changes. He stated that to position this Council and future Councils to be able to make better policy judgments and decisions is the product that will be produced for the future and will keep the City of Roanoke moving forward in a positive direction. He requested reassurance as to how improved or how enhanced the process will be as a result of the new system; i.e.: will the end result of the functions take the City where it would like to be, or will the end result be an improvement or an enhancement over past applications in terms of the level of integration with the ability to share data and to generate various reports.

Mr. Elie responded that the team has targeted a fundamental redesign and improvement in the reporting platform that will be available to end users, with the desired goal to create an environment where in a single place, an end user can select information to respond to Council in order to support policies and procedures as opposed to today's practice which involves working with five or more systems, pulling out separate reports and compiling all of the information manually on a spreadsheet. He advised that there will be a few applications that will continue to be custom applications because a vendor product is not available for purchase, and in those situations information will be placed in a recording database which will include information from the stand alone systems in a single location.

Mr. Elie explained that there are cost benefits and components to the project that have a strong payback, particularly in the treasury/tax area, based on the consultant study prepared in Phase I; in other areas such as payroll and human resources, payback stretches out for ten to twelve years, and information will be provided to Council for review to demonstrate that the project is economically feasible, and that the City is taking the lowest cost approach and showing a payback.

Dr. Cutler requested assurance that the information will be available to not only Council and City staff, but to the public as well; whereupon, Mr. Elie advised that in addressing transaction systems, most of the financial and human resources payroll information is used primarily by staff, and there is a kind of separate category of information that is intended for public use; and the benefit of going to the web base systems will provide for that category of data to be made available on the internet to enhance the public's ability to access information and also ties in with the strategy of self-service for citizens and employees. He stated that the goal is to install systems that will allow citizens to conduct business with the City.

Robert H. Bird, Project Manager, Information Technology Division, was requested to provide input; whereupon, he advised that it is unfortunate that the time line component does not allow the tax/treasury and payroll/human resources components to be implemented first, both of which will give the City the greatest benefit. However, he stated that the City's current financial system will be unsupported on July 1, 2005, because AMS has advised that it will discontinue support on the City's main frame component as of that date. He called attention to the need to replace the budget preparation system, which is tightly integrated with the financial system and was the driving force in the decision to include that component in the early stages of the study. He added that it was necessary to make numerous trade offs, timing decisions were made that were outside of the City's control, but overall, he stated that he was comfortable with the proposed schedule.

Library Study Update:

The City Manager called upon Demetria Tucker, Acting Director of Library Services, for a briefing on the library system comprehensive study.

Ms. Tucker advised that since January 2004, four information sessions have been conducted in Roanoke's neighborhoods; whereupon, she called upon Sheila Umberger, Manager of Technical Services and Project Facilitator, to present a detailed briefing.

Ms. Umberger advised that a request for proposals was sent out in October, 2003, eight proposals were submitted in November, 2003, interviews were conducted and a vendor was selected in January 2004, and a contract was negotiated in February 2004.

She advised that nine proposals were submitted and eight were accepted for consideration; i.e.: Hillier, Phillips Swagger Associates, Lukmire Partnership, Providence Associates, Inc., Dubberly Garcia Associates, Inc., Hidell Associates Architects, David Milling and Associates, Himmel and Wilson Library Consultants; and Phillip Swagger Associates, Hillier, and Hidell & Associates Architects, were interviewed.

Ms. Umberger stated that Hidell Associates, Architects, of Carrollton, Texas, is proposed to be awarded the contract; the firm is recognized for having extensive experience in innovative library consulting, operational assessments, long-range planning, space needs and building expansion studies; locally, the firm will be working with Katz McConnell Associates and a contract will be executed within one month.

She stated that once the contract is executed, Library staff will be working with the architect to initiate the study which will include a planning workshop that will be composed of participants from the steering committee, the planning team, Library Board members, library staff and key stakeholders; other details of the study include focus groups, telephone surveys, building program and space, program collection and staff needs; and the process will include a strong emphasis on citizen input and participation.

Council Member Bestpitch asked that the consultant look at the Commonwealth of Virginia Building as a potential site for the library. He referred to the amount of square footage in the building and advised that the top two floors consist of a "U" shape, with a large space in the middle, and inquired if an addition could be designed in the open space that would provide a compatible design for the remainder of the building that could be used for library purposes.

Dr. Cutler advised that also to be considered is the library's relationship to Elmwood Park and the City's Parks and Recreation Department; whether or not the current library should remain in its present location, or renovated or razed; the relationship to Downtown Roanoke, Inc., Outlook Roanoke, the future Bullitt Avenue and the future of the Jefferson Lodge Motel. He stated that he shares the interest of Mr. Bestpitch in looking at the Commonwealth of Virginia Building as a potential location for a main library in the future, the building is an architectural landmark, it would complement the Noel C. Taylor Municipal Building and the Courthouse and build on a kind of government center that clusters municipal service buildings.

Right-of-way Excavation Policy:

The City Manager introduced a briefing on the proposed right-of-way excavation standard which has been ongoing for approximately 18 months and came about as a result of a number of statements by Members of Council with regard to the appearance and condition of City streets, and more specifically the downtown area. She stated that many times, when a street is paved, within weeks after the pouring of the new pavement, significant utility cuts are made by major utility providers and, on occasion, by the City itself. She explained that the proposed policy is a work in progress, City staff continues to receive feedback on the proposals, and the process has reached the point where it is important to receive input from Council to determine if staff is moving in the right direction since the proposed policy will involve additional expense in the actual execution of the utility cut itself in terms of the types of materials and the kind of practices that are used in implementation and/or inspection requirements by the City. She advised that an ordinance will be submitted to Council for consideration which will officially implement the proposed changes.

Philip C. Schirmer, City Engineer, advised that the briefing would consist of two parts; i.e.: a review of past concerns and the proposed new policy. As background information, he stated that:

- Work in a public street requires a street opening permit and under current policy, City crews are exempted from acquiring permits.
- Permits cost $36.00.
- The City's authority to regulate the work in public streets is set out in Chapter 30 of the City Code.

- Approximately 2,000 permits per year are anticipated after the Western Virginia Water Authority is operational in July 2004, and currently in the range of 1300 - 1400 permits are issued per year, with the Water Authority estimated to add between 700 - 800 permits to the current load.

- Utility companies affected by the policy include American Electric Power (AEP), Roanoke Gas Company, Verizon, Cox Communications, Adelphia, KMC, and any entity with a utility interest in a public street.

He presented slides depicting what is underneath City streets, such as old water mains, sewer lines, AEP ducts, and underground wiring for street lighting purposes. He referred to a kaleidoscope of markings that currently appear on City streets and sidewalks which are color coded to indicate what is underground; i.e.: green on manholes indicate either a storm sewer or a sanitary sewer, red indicates a power line, orange indicates a telecommunications line, blue indicates a water line, and yellow indicates the presence of a gas tank.

Mr. Schirmer also reviewed slides showing what a utility cut will look like in three to five years and noted that no matter how good a repair is, once a street is cut, it is damaged and the life of the pavement is diminished. He presented examples of good and poor utility cut repairs and advised that existing problems include, no written policy or standard, the quality of repairs to the pavement, the timeliness of repairs, the coordination of utility work with the City of Roanoke's Paving Program and the warranty of repairs. He stated that the basis for the new policy is an obligation to accommodate public utilities in the public rights-of-way, a desire to maintain and maximize the life of the City's street and sidewalk infrastructure, to provide for public safety and to minimize any inconvenience to the traveling public.

Mr. Schirmer advised that the proposed new standards are the product of approximately ten months of work. He reviewed the following proposed standards, including three elements:

Proposed Trench Repair Standards:

- Compaction of backfill
- Three alternative materials
- Select material or acceptable local material
- VDOT #212 aggregate
- Flowable fill
- Certification of compaction by technician
- Match pavement to existing thickness
- Rideability tolerance is 1/4" across the width of the patch
- Pavement restoration
- Main areas of concern
  - Appearance
  - Rideability
- Restore the pavement as nearly as possible to its original condition
- Requirement for milling and overlay of pavement surface
- Criteria for mill and overlay
- Longitudinal installations - mill and leave a full lane width
- Service laterals
- Lane markings or centerline stripe
- Mill and overlay ten feet either side of the cut of the lane width
- Without lane markings
- Mill and overlay a distance of four feet from the edge of the initial repair

Coordination with the Annual Street Paving Program:

- Public paving schedules two years in advance
- Utilities can avoid the expense of milling and repaving by coordinating their work with the City's paving program
- Only initial patches are required on streets scheduled to be paved within two years

Mr. Schirmer explained that costs are more expensive with the requirement for milling and overlay of pavement, adding between $.65 and $3.75 per square foot of pavement; and increased inspection demands will occur, with three new inspection positions to be requested in fiscal year 2005 to accommodate new inspection requirements.

Council Member Wyatt made the observation that the proposed policy will not encourage developers to install cable and wires underground, and some developers have stated that they choose to build in Roanoke County because it is cost prohibitive to build in Roanoke City.

Mr. Schirmer advised that proactive inspection includes a data base to track utility cuts by utility, contractor, location and date and to the limit the number of open permits; a one year warranty will be required on repairs, with inspections at 11 month intervals, and written follow up of defective repairs through use of the City's database, and the City will make repairs if the contractor fails to respond.

He reviewed permit fees, i.e.: the current fee is $36.00, the average cost is $100.00 for approximately two hours, therefore, it is recommended that the permit fee be increased to at least $50.00, which appears to be the benchmark level of permits issued by other Virginia localities. In regard to implementation of fees, he advised that the new standard will apply to all work in the public street rights-of-way, the new standard will also apply to City crews as well as private utilities; and City crews will be required to obtain permits, meet repair standards and warranty requirements.

The City Attorney addressed legal issues and advised that in the broad context, public rights-of-way have been the field of battleground, particularly at the national level, since Congress believes that streets are owned by the public, therefore, they can regulate the terms under which the streets are used; Congress has been pressured by the telecommunications industry to enact broad powers giving cart blanche access to telecommunications companies to public rights-of-way; localities have fought back because they cannot have companies at will tearing up public streets; and the General Assembly also seems to think that streets are public streets, that the General Assembly can dictate the terms under which the streets are used, rather than local government which actually owns the streets and is responsible for maintaining the rights-of-way for public use. Because the City of Roanoke has a rudimentary street opening ordinance which is approximately 40 years old, in adopting the proposed policy, he proposed certain amendments to the City Code; and when adopting standards for utility cut repairs the City will most likely hear from some of the utility companies that actually use the public rights-of-way, particularly those that have franchise agreements with the City. He stated that his legal advice to City engineers has been that the City can avoid legal issues with most Federal and State laws and franchise agreements, if any action taken by the Council is applied uniformly and not strictly to private industries, but to the City of Roanoke as well.

Council Member Fitzpatrick referred to the condition of Elm Avenue between Fourth and Fifth Streets, and the irony is that the citizens of Roanoke are paying to repair the streets; the City Engineer has offered a comprehensive review of the problem which indicates that the City should render better inspections and if the City does its job well, it can have greater expectations of others. He called attention to the importance of parity and the need to reach the point where the level of the streets and the quality of the ride is good for Roanoke's citizens, therefore, he encouraged City staff to continue moving forward with the proposed excavation policy. He inquired as to the amount of funds expended by the City on the repair of potholes as a result of poor utility cuts.

Council Member Cutler expressed support of the proposed utility cut standards and encouraged City staff to move forward with the new policy as expeditiously as possible. He referred to the remarks by Mr. Schirmer earlier in his presentation that 700 additional permits will be issued because of the Western Virginia Regional Water Authority, and inquired if they will become Water Authority operations as opposed to City operations. The City Engineer responded that on July 1, 2004, the Water Authority will have to apply for permits which will be a new class of utility cuts to be addressed by the City.

Mr. Cutler referred to the different colors of paint markings and questioned whether there could be a coordination of repaving and utility cuts; whereupon, the City Engineer advised that utility systems that contractors are required to follow provide that the markings must remain in place for 90 days. Mr. Cutler questioned if there are problems with utility cuts across open land where improper filling and lack of reseeding could create an erosion/sedimentation problem; whereupon, Mr. Schirmer advised that the matter will be addressed in the proposed policy to include grassy areas between the private property line and the pavement, as well as compaction and restoration standards.

Mr. Bestpitch alluded to a previous discussion with regard to encouraging more co-location of telecommunication lines, etc., and noted that if the City is changing to a requirement to repave an entire lane width, this concern may be eliminated; whereupon, the City Engineer advised that it is hoped that the incentive to offer a two year review of the City's street paving program will identify all parties who are interested in disturbing a street who could then be encouraged to share trenches; and the great influx of telecommunication companies desiring to lay lines is a thing of the past.

Mr. Bestpitch advised that no matter how good the utility cut is, there will be some diminished life of the pavement; whereupon, he questioned whether there is a way to build in some type of compensation to the City as a part of the process; i.e.: depending on the number of years since the street was last paved, an additional fee could be imposed which would not be intended to increase revenue, but to encourage affected parties to work within the street repaving plan, or the two year window. The City Engineer responded that the idea was reviewed earlier in the study and rejected because many of the telecommunications providers are currently challenging such a fee in court on the basis that they currently pay a right-of-way use fee, and from a national perspective, many communities that have gone toward that type of fee are currently being challenged by the utility provider, primarily the telecommunications companies who believe that they are being taxed twice for the same service. He stated that based on the advice of the City Attorney's Office, at least for the initial cut, the City should move away from imposing a fee, and review the matter once again in the future. Mr. Bestpitch suggested a future review as to whether the fee is providing the necessary revenue, or if there is a need for adjustment, because if utility providers argue the point in court, the City should collect a sufficient amount of revenue through that mechanism to address actual costs.

Mr. Bestpitch referred to previous discussion in regard to ensuring that the appearance of a street is returned as closely as possible to the way the street looked prior to commencement of the work, and expressed special interest in the historic overlay districts that have unique characteristics such as granite curb stones, brick sidewalks, etc. He asked if contractors will be required to replace those areas with similar types of materials, in order to preserve the historical texture of their appearance; whereupon, the City Engineer advised that whatever was in place originally will be replaced in kind which includes all rights-of-way, alleys, streets, sidewalk, etc.

Mayor Smith referred to asphalt on sidewalks in many areas of the City; whereupon, the City Engineer advised that most of the asphalt represents repairs that are done quickly to eliminate any hazard associated with tripping and falling; and there has been some progress with the curb, gutter and sidewalk program, and the $5 million that was approved by Council several years ago has improved the situation.

With regard to the utility cut fee increase from $36.00 to $50.00, the Mayor raised the following question: if a contractor makes window cuts eight times in a block, would the contractor pay eight times $50.00? The City Engineer responded that currently, individual permits are required per window cut, and on a longitudinal project, it is likely that only one permit would be required. The Mayor expressed concern with regard to the same fee for one window cut and a trench that could be as much as a block or more long; whereupon, the City Engineer advised that under the new policy, a cut or repair larger than 12 x 12 inches would require a permit. Following discussion, the Mayor suggested that the fee should be based on square footage; whereupon, the City Engineer advised that there would be a problem in determining up front the site of the cut, therefore, one fee appears to work better.

The Mayor requested information on the amount of revenue from rights-of-way payments made by utility providers, and whether the funds are earmarked for street maintenance.

The City Manager advised that over the next several years, Council gave support to the City Administration to build the amount of funding in the operating budget for technology, for the annual allocation for street paving to provide for a regular and ongoing schedule, for an improvement to the Capital Equipment and Replacement Program (CMERP) so that vehicles and other equipment can be replaced on a more regular basis, and on building the City's infrastructure which has been seriously neglected in the past. She stated that each item will grow to the extent possible over the next several years so that on a recurring basis there will be sufficient funds for normal street paving and other items, therefore, it is important that the City adhere to a street paving schedule as it looks at applying the utility cut policy.

Mr. Cutler stated that the Regional Water Authority will provide an incentive to conserve water in terms of water rates, and questioned if the City could provide an economic incentive to use the same cut in order to co-locate utilities; whereupon, the City Engineer advised that the incentive exists, and if the two utilities share the same utility cut, they will also share the cost of restoration.

The City Manager advised that in the past, the City has not been as aggressive in its inspection performance as would be desired; whereupon, she assured Council that the City administration will be very aggressive in the inspection of utility cuts and will hold affected parties to their responsibilities. She added that the issue of non-compliance will also be addressed in the utility cut policy ordinance that will be submitted to Council for consideration.

At 11:30 a.m., the Mayor declared the meeting in recess for a Closed Session.

At 11:40 a.m., the Council convened in Closed Session in the Council's Conference Room, fourth floor, 215 Church Avenue, S. W., Noel C. Taylor Municipal Building.

The Closed Session was declared in recess at 12:30 p.m., for lunch.

At 1:05 p.m., the Council reconvened in Closed Session in the Council's Conference Room.

At 1:40 p. m., the Council meeting reconvened in the City Council Chamber, fourth floor, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, with all Members of the Council in attendance and Mayor Smith presiding.

COUNCIL: With respect to the Closed Meeting just concluded, Mr. Dowe moved that each Member of City Council certify to the best of his or her knowledge that: (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act; and (2) only such public business matters as were identified in any motion by which any Closed Meeting was convened were heard, discussed or considered by City Council. The motion was seconded by Mr. Bestpitch and adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

NAYS: None----------0.

ADVISORY COMMITTEE, LEAGUE OF OLDER AMERICANS: The Mayor advised that the term of office of Vickie F. Briggs as a member of the Advisory Committee, League of Older Americans, will expire on February 28, 2004; whereupon, he opened the floor for nominations.

Mr. Bestpitch placed in nomination the name of Vickie F. Briggs.

There being no further nominations, Ms. Briggs was reappointed as a member of the Advisory Committee, League of Older Americans, for a term ending February 28, 2005, by the following vote:

FOR MS. BRIGGS: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

At 1:45 p.m., the Mayor declared the meeting in recess until 2:00 p.m., in the Council Chamber.

At 2:00 p.m., on Monday, March 1, 2004, the Council meeting reconvened in the City Council Chamber, fourth floor, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, Virginia, with Mayor Smith presiding.

PRESENT: Council Members Alfred T. Dowe, Jr., Beverly T. Fitzpatrick, Jr., C. Nelson Harris, Linda F. Wyatt, William D. Bestpitch, M. Rupert Cutler, and Mayor Ralph K. Smith ----------7.

ABSENT: None----------0.

OFFICERS PRESENT: Darlene L. Burcham, City Manager; William M. Hackworth, City Attorney; Jesse A. Hall, Director of Finance; and Mary F. Parker, City Clerk.

The meeting was opened with a prayer by The Reverend Scott McLucas, Pastor, Church of the Holy Spirit Orchard Hills.

The Pledge of Allegiance to the Flag of the United States of America was led by Mayor Smith.

PRESENTATIONS AND ACKNOWLEDGEMENTS:

ACTS OF ACKNOWLEDGEMENT-SCHOOLS: The Mayor presented Honorary Citizenship Certificates to students from Kasei University and Kawaguchi Junior College who are participating in a Virginia Western Community College Cultural Exchange Program.

DECEASED PERSONS: Mr. Bestpitch offered the following resolution expressing sympathy upon the passing of Lee B. Eddy, former Member of the Roanoke County Board of Supervisors on February 11, 2004:

(#36630-030104) A RESOLUTION memorializing the late Lee B. Eddy, a resident of the Roanoke Valley and former member of the Roanoke County Board of Supervisors.

(For full text of Resolution, see Resolution Book No. 68.)

Mr. Bestpitch moved the adoption of Resolution No. 36630-030104. The motion was seconded by Mr. Cutler and adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

NAYS: None----------0.

DECEASED PERSONS: Mr. Dowe offered the following resolution expressing sympathy upon the passing of Greta Evans, a long time resident of the City of Roanoke, on February 22, 2004:

(#36631-030104) A RESOLUTION memorializing the late Greta Evans, a longtime resident of the City of Roanoke.

(For full text of Resolution, see Resolution Book No. 68.)

Mr. Dowe moved the adoption of Resolution No. 36631-030104. The motion was seconded by Mr. Harris and adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

NAYS: None----------0.

PROCLAMATIONS-ACTS OF ACKNOWLEDGEMENT: The Mayor presented a proclamation declaring Monday, March 1, 2004, as "Star City Spirit Cheerleaders Day".

CONSENT AGENDA

The Mayor advised that all matters listed under the Consent Agenda were considered to be routine by the Members of Council and would be enacted by one motion in the form, or forms, listed on the Consent Agenda, and if discussion was desired, that item would be removed from the Consent Agenda and considered separately.

MINUTES: Minutes of the regular meetings of Council held on Tuesday, January 20, 2004; Monday, February 2, 2004, and recessed until Tuesday, February 10, 2004, were before the body.

(For full text, see Minutes on file in the City Clerk's Office.)

Mr. Fitzpatrick moved that the reading of the minutes be dispensed with and that the minutes be approved as recorded. The motion was seconded by Mr. Cutler and adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler and Mayor Smith----------7.

NAYS: None----------0.

APPALACHIAN POWER COMPANY-SPECIAL PERMITS-LICENSES: A communication from the City Manager requesting that Council authorize a public hearing to be held on Monday, March 15, 2004, at 7:00 p.m., or as soon thereafter as the matter may be heard in the City Council Chamber, on the proposed encroachment into public right-of-way of a proposed sign and awning at 22 Campbell Avenue, S. E., Official Tax No. 4010316, was before the body.

Mr. Fitzpatrick moved that Council concur in the request of the City Manager. The motion was seconded by Mr. Cutler and adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

NAYS: None----------0.

APPALACHIAN POWER COMPANY-SPECIAL PERMITS-LICENSES: A communication from the City Manager requesting that Council authorize a public hearing to be held on Monday, March 15, 2004, at 7:00 p.m., or as soon thereafter as the matter may be heard, on the encroachment of a proposed sign into the public right-of-way at 22 Campbell Avenue, S. W., was before the body.

Mr. Fitzpatrick moved that Council concur in the request of the City Manager. The motion was seconded by Mr. Cutler and adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

NAYS: None----------0.

REGULAR AGENDA

PUBLIC HEARINGS: NONE.

PEITIONS AND COMMUNICATIONS: NONE.

REPORTS OF OFFICERS:

CITY MANAGER:

BRIEFINGS: NONE.

ITEMS RECOMMENDED FOR ACTION:

ROANOKE CIVIC CENTER: The City Manager submitted a communication advising that JAM Theatricals, Ltd. (JAM) has brought many high quality Broadway type events to the Roanoke Civic Center that were well received by audiences; JAM wishes to enter into a multi-year Co-promotion Agreement with the City for the purpose of presenting a subscription series and stand alone presentations for Broadway type events at the Roanoke Civic Center; and co-promotion would enable JAM to bring larger and popular events to the facility, maximize profitability, and minimize any loss for the events.

It was further advised that entering into the proposed Agreement with JAM would enable the City to achieve its goals of promoting quality events and increasing its revenue base; it would also enable JAM to bid on events far in advance of each season; JAM would be required to present a minimum of four events on average in each season under the terms of the Agreement; the Agreement would be for three years, with a two year option to extend; and the season would run from September 1 through May 31 of the following year; however, two remaining events for the current season would be included in the Co-promotion Agreement.

It was explained that both parties would share any profits or losses for any of the events on a 50/50 basis; revenues to be shared include: all ticket receipts, net subscription handling fees and service charges, net merchandise sales from productions and corporate sponsorships directly related to productions booked by the promoter; merchandising would be shared 50/50 by the promoter and the City; the City would retain 100 per cent facility surcharges, concessions, catering, and admissions tax; and net profits and net losses derived from the series would be determined on a show-by-show basis.

It was further explained that each event presented under the terms of the Agreement would be subject to the Civic Center's standard License Agreement; the promoter would be responsible for obtaining insurance in accordance with the terms of the License Agreement for each of the events; the City's potential liability for losses pursuant to the Agreement is unlimited, however, any loss under terms of the agreement would be subject to appropriations by Council; in the event that funds are not appropriated, the City would be relieved of any further responsibility to the promoter for such loss; and either party may terminate the Agreement, with or without cause, upon 60 days written notice to the other party.

The City Manager recommended that she be authorized to execute a Co-promotion Agreement between the City and JAM Theatricals, Ltd., with all documents necessary to implement terms of the Agreement to be approved as to form by the City Attorney; and that the City Manager be further authorized to take such actions and to execute such documents as may be necessary to implement and administer the Agreement, including an option to extend the Agreement.

Mr. Dowe offered the following ordinance:

(#36632-030104) AN ORDINANCE authorizing the proper City officials to enter into a multi-year Co-promotion agreement with JAM Theatricals, Ltd. ("JAM"), for the purpose of presenting a subscription series and stand-alone presentations for Broadway type events at the Roanoke Civic Center, upon certain terms and conditions; and dispensing with the second reading of this ordinance by title.

(For full text of Ordinance, see Ordinance Book No. 68)

Mr. Dowe moved the adoption of Ordinance No. 36632-030104. The motion was seconded by Mr. Harris and adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

NAYS: None----------0.

BUDGET-HUMAN DEVELOPMENT-GRANTS: The City Manager submitted a communication advising that Social Services, through the Foster Care Program, provides out-of-home placements for children who are in need of protection and can no longer live at home; for those children who are deemed eligible for Title IV-E funding, the Federal and State governments will reimburse localities for the costs of out-of-home placements at 100 per cent of the maintenance, day care and visitation-related transportation; and Federal and State funding is also available to assist adoptive families with the cost of maintenance and special needs for children requiring services outside of the usual living expenses.

It was further advised that as part of the mid-year review process, the City of Roanoke received additional funding for Foster Care, Adoption Subsidy, and Special Needs Adoptions for fiscal year 2004 in the amount of $645,000.00, which is based on expenses for the first six months of fiscal year 2004; Social Services currently maintains over 600 children who are in Foster Care, or receive some type of adoption assistance and the cost of providing services to these children continues to increase; and many of the children have difficulties which require special needs payments.

The City Manager recommended the following:

- Increase the General Fund Revenue estimate by $645,000.00 in revenue Account No. 001-110-1234-0675 (Foster Care).
- Appropriate funding in the amount of $645,000.00 to the following accounts:

001-630-5314-3115	(ADC Foster Care)	$400,000.00
001-630-5314-3130	(Special Needs Adoption)	175,000.00
001-630-5314-3155	(Subsidized Adoption)	70,000.00

Mr. Dowe offered the following budget ordinance:

(#36633-030104) AN ORDINANCE to appropriate funding for the Foster Care Program, amending and reordaining certain sections of the 2003-2004 General Fund Appropriations and dispensing with the second reading by title of this ordinance.

(For full text of Ordinance, see Ordinance Book No. 68.)

Mr. Dowe moved the adoption of Ordinance No. 36633-030104. The motion was seconded by Mr. Harris and adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

NAYS: None----------0.

POLICE DEPARTMENT-BUDGET: The City Manager submitted a communication advising that in 1991, the Virginia General Assembly passed State legislation allowing local law enforcement to seize and have forfeited property connected with illegal narcotics distribution; the law also makes it possible for police departments to receive proceeds from the forfeited properties; application for an equitable share of the property seized by local law enforcement must be made to the Department of Criminal Justice Services, Forfeited Asset Sharing Program, and certified by the Chief of Police; property, including funds shared with State and local agencies, may be used only for law enforcement purposes; program requirements mandate that the funds be placed in an interest bearing account and that the interest earned be used in accordance with program guidelines; and revenue totaling $42,872.00 has been collected and is available for appropriation in Grant Fund (Account No. 035-640-3302-3300).

It was further advised that in 1986, Congress authorized the transfer of certain Federally forfeited property to State and local law enforcement agencies that participated in the investigation and seizure of the property; application for an equitable share of property seized by local law enforcement must be made to the U. S. Department of Justice and certified by the City Attorney; the property, including funds shared with State and local agencies, may be used only for the purpose stated in the application, i.e., narcotics investigations related to law enforcement; participation in Federally forfeited property enhances the effectiveness of narcotics investigations by providing necessary investigations equipment, investigative funds, and offsets the costs that would otherwise have to be borne by taxpayers; the Police Department receives funds periodically from the Federal government's asset sharing program; grant requirements mandate that the funds be placed in an interest bearing account and that the interest earned be used in accordance with program guidelines; and revenue totaling $66,278.00 has been collected and is available for appropriation in Grant Fund Accounts 035-640-3304-3305 and 035-640-3304-3306.

The City Manager recommended that Council increase the Grant Fund revenue estimate for Account No. 035-640-3302-3300 by $42,872.00 and appropriate $42,872.00 to the Grant Fund - Overtime Wages, Account No. 035-640-3302-1003; and increase the Grant Fund revenue estimate in Account No. 035-640-3304-3305 by $65,849.00 and Account No. 035-640-3304-3306 by $429.00 and appropriate $66,278.00 to the Grant Fund - Investigations and Rewards, Account No. 035-640-3304-2150.

Mr. Dowe offered the following budget ordinance:

(#36634-030104) AN ORDINANCE appropriating funds for the Federal and State Asset Forfeiture grants, amending and reordaining certain sections of the 2003-2004 Grant Fund Appropriations, and dispensing with the second reading by title of this ordinance.

(For full text of Ordinance, see Ordinance Book No. 68.)

Mr. Dowe moved the adoption of Ordinance No. 36634-030104. The motion was seconded by Mr. Cutler and adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

NAYS: None----------0.

CITY CODE-HOUSING/AUTHORITY: The City Manager submitted a communication advising that in late 2002, the City of Roanoke's Fair Housing Board undertook an amendment to existing fair housing regulations and a revision of the responsibilities of the Fair Housing Board; on July 7, 2003, at a Council work session, a proposed revised ordinance was presented to Council for consideration; a decision was made to focus locally on education and to not duplicate services now offered by the State; the revised ordinance was presented to the Fair Housing Board on August 5, 2003, and the Fair Housing Board expressed concerns pertaining to the protected class categories as well as adjudicatory powers and invited Council Members to attend its meeting to discuss their concerns; on October 7, 2003, Council Members Bestptich and Cutler met with the Board and heard their concerns; Council Member Bestpitch presented an update from the meeting to Council at its November 3, 2003 work session, and explained that the ordinance was revised to be in compliance with Federal and State laws, to remove the adjudicatory powers of the Board, and to place Board emphasis on education and outreach. Councilman Bestpitch also advised the Council that the Fair Housing Board felt strongly that the adjudicatory powers should not be eliminated from the ordinance; Council agreed to leave in these functions for the time being and the ordinance was revised to include these powers.

The City Manager recommended that Council adopt an ordinance amending and reordaining Division I, Generally, and Division 2, Fair Housing Board, of Article III, Fair Housing Administration, Chapter 16, Human Rights, of the Code of the City of Roanoke (1979), as amended, by amending and adding certain definitions and sections to effect amendments to the City's fair housing ordinance in order to be consistent with current Federal and State fair housing regulations, and revising responsibilities of the Fair Housing Board.

Mr. Bestpitch offered the following ordinance:

(#36635-030104) AN ORDINANCE amending and reordaining Division 1, Generally, and Division 2, Fair Housing Board, of Article III, Fair Housing Administration, of Chapter 16, Human Rights, of the Code of the City of Roanoke (1979), as amended, by amending and adding certain definitions and sections to effect amendments to the City's fair housing ordinance in order to be consistent with current federal and state fair housing regulations, revising the responsibilities of the Fair Housing Board, and dispensing with the second reading by title of this ordinance.

(For full text of Ordinance, see Ordinance Book No. 68.)

Mr. Bestpitch moved the adoption of Ordinance No. 36635-030104. The motion was seconded by Mr. Cutler.

Brenda Hale, President, Roanoke Branch NAACP, 3595 Parkwood Drive, S. W., expressed concern in regard to those revisions pertaining to the responsibilities of the Secretary to the Fair Housing Board. She stated that such authority should not rest solely with the position of Secretary, but with the decision of the full Fair Housing Board. She advised that at issue is the autonomy of the position of Secretary as related to how the position functioned in the past, and if discriminatory issues arise, the Fair Housing Board should evaluate the issue, as opposed to one individual who could be a City employee, or other appointed person.

Brenda Walker, Chair, Housing Committee, Roanoke Branch NAACP, 3012 Cove Road, N. W., advised that it has been stated to the Fair Housing Board that only one housing complaint was received by the City approximately 20 years ago, which would lead persons to think that there is no housing discrimination in the City of Roanoke, or that persons do not know where to go when they believe they are the victims of housing discrimination; however, studies have shown that the former statement is incorrect. She stated that studies and reports of discrimination received by the Roanoke Branch NAACP and others substantiate that housing discrimination is still prevalent in the Roanoke Valley, and housing discrimination has manifested itself because of the inactivity of the Fair Housing Board in educating the public as to their rights and how to file a complaint when necessary. She added that another reason for the lack of housing discrimination complaints is that persons do not know when they are being discriminated against, and unless there is blatant discrimination, complaints are rarely filed; the United States Department of Housing and Urban Development estimates that 80 per cent of those persons who are discriminated against because of race, color, or national origin do not know they have been discriminated against, and the lack of documentation of complaints has also been a major reason for the low number of complaints. She asked, if a person does not know that he or she is a victim of discrimination, does that relieve the Fair Housing Board, or the City of Roanoke of its obligation to ensure that all people of Roanoke have the right to live where they desire. She stated that if the Fair Housing Board has not received a complaint of discrimination in 20 years, the question is, why. She inquired as to why the City would want to relieve the Fair Housing Board of these adjudicatory powers and the fact that the Board has not heard complaints does not justify precluding the Board from doing so in the future. She added that the Roanoke Branch of the NAACP believes that the powers and duties of the Fair Housing Board should be strengthened.

Mr. E. Duane Howard, 508B Walnut Avenue, S. W., spoke as a former member of the City of Roanoke and the City of Alexandria Fair Housing Boards, and commended the City Manager and City staff on the proposed ordinance which required a great deal of work and brings the City of Roanoke 10 to 15 years up to date. He stated that the remarks of the previous two speakers are on target; as a former member of the Fair Housing Boards, he participated in housing testing programs in both the City of Roanoke and the City of Alexandria, and he can attest to the fact that not only has he been a victim of housing discrimination, but housing discrimination does exist and is a serious issue in the City of Roanoke. He explained that the Housing Code states that a landlord cannot discriminate against a tenant for having complained, or for having started a tenant's association, however, to discriminate, the landlord may ask for the return of their property at the end of the lease, or the landlord can raise the rent. On behalf of the disadvantaged population, senior citizens, and the physically and mentally disabled, he implored Council to place the issue on the City's legislative agenda for consideration by the Virginia General Assembly. He questioned whether the poor and the disadvantaged should be forced to move every year because they live in inferior housing which is a serious problem and will not improve. He stated that the proposed new ordinance is a step in the right direction, and the City should request the General Assembly to strengthen any laws that enforce the rights of tenants against discrimination.

Mr. Charles Harlow, 4375 Stoutamire Drive, S. W., a former City employee, advised that when he left the City's employment approximately two years ago, the document presently before the Council was ready to be submitted to Council; when comparing the previous Fair Housing ordinance to the present document, not a great many changes have been made, therefore, he questioned why it has taken two years to bring the ordinance to Council for consideration. He expressed concern that the public was not notified of the proposed changes in order to provide input prior to adoption of the measure by Council.

Ordinance No. 36635-030104 was adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

NAYS: None----------0.

CITY ATTORNEY:

VIRGINIA TRANSPORTATION MUSEUM: The City Attorney submitted a written report advising that the City of Roanoke has been requested to confirm that the Virginia Museum of Transportation, Inc., has the right to license to others, for commercial use, the likenesses of the 611 and 1218 steam locomotives, which are owned by the City but maintained by the Transportation Museum.

It was further advised that although the 611 was donated to the City many years ago, no records regarding the donation could be found; the 1218 was donated to the City in 2001 by the Shenandoah-Virginia Corporation, subject to a provision that the City would not sell, transfer or cancel its rights to the 1218 for a period of ten years after the date of donation; whereupon, the City Attorney advised that a measure has been prepared for consideration by Council which will accomplish the request of the Virginia Museum of Transportation.

Mr. Cutler offered the following resolution:

(#36636-030104) A RESOLUTION confirming that the Virginia Museum of Transportation, Inc., has the right to license to others for commercial use the likenesses of the 611 and 1218 Class A steam locomotives.

(For full text of Resolution, see Resolution Book No. 68.)

Mr. Cutler moved the adoption of Resolution No. 36636-030104. The motion was seconded by Mr. Bestpitch and adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

NAYS: None----------0.

EASEMENTS-BRIDGES-HOSPITALS-LICENSES: The City Attorney submitted a written report advising that on June 16, 2003, Council approved a request of Carilion Health System for conveyance of certain City-owned property containing .017 acre, located on Hamilton Terrace, S. E., along with temporary construction easements and a revocable license, to allow encroachment into the right-of-way of Hamilton Terrace, S. E., in connection with construction of a pedestrian bridge over the Roanoke River.

It was further advised that Carilion Health System has requested that conveyance of the .017 acre on Hamilton Terrace, S. E., and the encroachment be done in the name of Carilion Medical Center; and in order to comply with the request, two measures are submitted to Council for consideration which change the name from Carilion Health Systems to Carilion Medical Center.

Mr. Harris offered the following ordinance:

(#36637-030104) AN ORDINANCE authorizing the City Manager to execute the necessary documents providing for conveyance of a .017 acre portion of City-owned property known as the utility lot identified as New Parcel C of Official Tax No. 4050101, located along Hamilton Terrace, S. E., and temporary construction easements to Carilion Medical Center ("CMC"), upon certain terms and conditions; repealing Ordinance No. 36406-061603, adopted on June 16, 2003, in order to change the name of the grantee; and dispensing with the second reading by title of this ordinance.

(For full text of Ordinance, see Ordinance Book No. 68.)

Mr. Harris moved the adoption of Ordinance No. 36637-030104. The motion was seconded by Mr. Fitzpatrick and adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

NAYS: None----------0.

Mr. Dowe offered the following ordinance:

(#36638-030104) AN ORDINANCE granting a revocable license to permit the encroachment of a retaining wall, sidewalk and canopy, with all necessary appurtenances thereto, encroaching approximately .063 acre into the public right-of-way of Hamilton Terrace, S. E., upon certain terms and conditions; and repealing Ordinance No. 36407-061603, in order to provide for a change in the name of the Licensee; and dispensing with the second reading by title of this ordinance.

(For full text of Ordinance, see Ordinance Book No. 68.)

Mr. Dowe moved the adoption of Ordinance No. 36638-030104. The motion was seconded by Mr. Harris and adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

NAYS: None----------0.

CITY CLERK:

SCHOOLS: The City Clerk submitted a written report advising that on June 30, 2004, the three-year terms of office of Alvin L. Nash and Ruth C. Willson as Trustees of the Roanoke City School Board will expire; and pursuant to Chapter 9, Education, of the Code of the City of Roanoke (1979), as amended, establishing a procedure for the election of School Trustees, Council must hold certain meetings and take certain actions during the months of March, April and May to conform with the selection process; whereupon, the City Clerk requested the concurrence of Council in establishing the following dates:

(1) On Monday, March 15, 2004, at 2:00 p.m., or as soon thereafter as the matter may be heard, Council as a Committee of the Whole, will review and consider all candidates for the position of School Trustee. At such meeting, Council shall review all applications filed for the position and Council may elect to interview candidates for such positions.

(2) On Monday, April 5, 2004, at 2:00 p.m., or as soon thereafter as the matter may be heard, Council will, by public vote, select from the field of candidates, those candidates to be accorded the formal interview and all other candidates will be eliminated from the School Trustee selection process. The number of candidates to be granted the interview shall not exceed three times the number of positions available on the Roanoke City School Board, should there be so many candidates.

(3) On Monday, April 19, 2004, at 7:00 p.m., or as soon thereafter as the matter may be heard, Council will hold a public hearing to receive the views of citizens.

(4) On Thursday, April 22, 2004, at 4:30 p.m., Council will hold a meeting for the purpose of conducting a public interview of candidates for the position of School Trustee.

(5) On Monday, May 3, 2004, at 2:00 p.m., or as soon thereafter as the matter may be heard, Council will hold an election to fill the two vacancies, for terms commencing July 1, 2004, and ending June 30, 2007.

Mr. Bestpitch moved that Council concur in the proposed dates. The motion was seconded by Mr. Dowe and unanimously adopted.

DIRECTOR OF FINANCE:

AUDITS/FINANCIAL REPORTS: The Director of Finance submitted the Financial Report for the City of Roanoke for the month of January 2004.

There being no questions and without objection by Council, the Mayor advised that the Financial Report for the month of January 2004 would be received and filed.

REPORTS OF COMMITTEES: NONE.

UNFINISHED BUSINESS: NONE.

INTRODUCTION AND CONSIDERATION OF ORDINANCES AND RESOLUTIONS:

CITY COUNCIL: Mr. Dowe offered the following resolution:

(#36639-030104) A RESOLUTION rescheduling the regular meeting of City Council scheduled to be held on Monday, May 17, 2004, to Thursday, May 20, 2004, at 2:00 p.m., and 7:00 p.m., and amending Resolution No. 36414 070703, which established the meeting schedule for the Fiscal Year commencing July 1, 2003, and terminating June 30, 2004.

(For full text of Resolution, see Resolution Book No. 68.)

Mr. Dowe moved the adoption of Resolution No. 36639-030104. The motion was seconded by Mr. Harris and adopted by the following vote:

AYES: Council Members Dowe, Fitzpatrick, Harris, Wyatt, Bestpitch, Cutler, and Mayor Smith----------7.

NAYS: None----------0.

MOTIONS AND MISCELLANEOUS BUSINESS:

INQUIRIES AND/OR COMMENTS BY THE MAYOR, VICE-MAYOR AND MEMBERS OF CITY COUNCIL:

POLICE DEPARTMENT-FIRE DEPARTMENT-ACTS OF ACKNOWLEDGEMENT: Council Member Wyatt commended Roanoke City Firefighters and Police Officers who participated in a hockey game at the Roanoke Civic Center on Sunday, February 29, 2004, "Guns and Hoses", to raise money for the Muscular Dystrophy Association.

ACTS OF ACKNOWLEDGEMENT-SCHOOLS: Council Member Dowe called attention to recent publicity regarding the state of affairs in Roanoke's schools, and expressed a special note of appreciation to all educators who are a part of the Roanoke City Public School System.

HEARING OF CITIZENS UPON PUBLIC MATTERS: The Mayor advised that Council sets this time as a priority for citizens to be heard, and matters requiring referral to the City Manager will be referred immediately for any necessary and appropriate response, recommendation or report to Council.

HOUSING/AUTHORITY-CITY EMPLOYEES: Mr. Robert Gravely, 729 Loudon Avenue, N. W., called attention to nine vacant houses in northwest Roanoke that are assessed in the range of $80,000.00 - $90,000.00 which is excessive for this area of the City, because most people living in a depressed neighborhood cannot afford to purchase a $40,000.00 house, much less an $80,000.00 to $90,000.00 home. He advised that the cost of housing should be reduced so that the average City worker can afford to purchase a house. He stated that taxpayers' dollars have been used by the City to promote business interests, rather than to address the needs of Roanoke's poor and disadvantaged citizens who live on a fixed income in the inner City. He encouraged Council to improve Roanoke's neighborhoods, to help Roanoke's citizens by creating more jobs, and to employ City staff who care about people.

BRIDGES: Mr. E. Duane Howard, 508B Walnut Avenue, S. W., addressed a growing concern by citizens of Roanoke with regard to the First Street Bridge project. He referred to his Letter to the Editor which appeared in the December 9, 2000, edition of *The Roanoke Times* stating that, "These projects are making everyone rich except the citizens who can see the future and what we have without spending millions to get there. Let's hope through the process of osmosis that other Council Members will question the timing of this expenditure and its need." He stated that *The Roanoke Times* blames Roanoke's critics for dividing the City, but it is Council and the City administration that is dividing the City, because Roanoke's critics are bringing specific issues to light. He advised that the First Street Bridge has a significant history, there is a growing sentiment that the bridge is an historic landmark, and the public is not aware of plans to raze the present bridge and construct a new bridge. He questioned why the First Street Bridge cannot be left in its present condition to honor the memory of Dr. Martin Luther King, Jr., and to the glory of what the bridge represents in regard to various aspects of history.

Council Member Wyatt advised that the issue is not one of not wanting to save the First Street Bridge, but a safety issue inasmuch as a consultant engaged by the Dr. Martin Luther King, Jr. Memorial Committee has reported that the bridge is not safe for vehicular or pedestrian use. She stated that to raze the bridge and to reconstruct the structure in its present state would be financially astronomical and the technology to rebuild in its present condition may not exist today. She advised that portions of the First Street Bridge will be saved for posterity because of its significance to the community and the Dr. Martin Luther King, Jr. Memorial Committee will provide opportunities for public input.

Council Member Bestpitch concurred in the remarks of Ms. Wyatt and advised that the difference between iron and steel may not be easily recognized by the average person, but iron deteriorates in ways that steel does not, and the First Street Bridge will fall down of its own accord if something is not done. He stated that the proposed design of the new bridge will replicate as closely as possible the existing bridge, and once construction is complete, most persons will not be able to tell the difference.

CITY MANAGER COMMENTS:

HOUSING/AUTHORITY: The City Manager expanded on the remarks of a previous speaker with regard to the need for fair housing education. She called attention to a number of announcements/advertisements that speak to the issue of fair housing, and advised that it is recognized at the State level that there is a need to educate citizens on the issue of fair housing, and it is hoped that these kinds of educational efforts will continue, both at the State and local level, by the Fair Housing Board.

EMERGENCY SERVICES-CLEAN VALLEY COUNCIL-ENVIRONMENTAL POLICY: The City Manager advised that earlier in the day, Council engaged in a discussion with regard to litter and the need for the City to become more aggressive in its litter enforcement. She pointed out that there is an opportunity for all citizens to become a part of cleaning up City streets and neighborhoods throughout the Roanoke Valley on Clean Valley Day, which will be observed on April 3. She encouraged all persons to do their part to clean up the City of Roanoke and the Roanoke Valley, and that citizens visit the City's web site which contains information on environmental and emergency management issues in order to learn more about litter prevention tips.

Council Member Bestpitch advised that the Roanoke Kiwanis Club will participate in a project to clean up a significant section of Jefferson Street and Reserve Avenue on Saturday, March 6, 2004, at 9:00 a.m.

The Mayor declared the Council meeting in recess until Friday, March 5, 2004, at 8:30 a.m., in the Emergency Operations Center Conference Room, Room 159, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., for the Council's Financial Planning Session.

The Council meeting reconvened on Friday, March 5, 2004, at 8:30 a.m., in Room 159, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, Virginia, for the Council's Financial Planning Session, with Mayor Ralph K. Smith presiding.

PRESENT: Council Members Alfred T. Dowe, Jr. (arrived late), Beverly T. Fitzpatrick, Jr., C. Nelson Harris, Linda F. Wyatt, William D. Bestpitch and Mayor Ralph K. Smith----------6.

ABSENT: Council Member M. Rupert Cutler---------- -1.

OFFICERS/STAFF PRESENT: Darlene L. Burcham, City Manager; William M. Hackworth, City Attorney; Jesse A. Hall, Director of Finance; Mary F. Parker, City Clerk; Drew A. Harmon, Municipal Auditor; Evelyn D. Powers, Treasurer; George C. Snead, Jr., Assistant City Manager for Operations; Rolanda B. Russell, Assistant City Manager for Community Development; Ann H. Shawver, Deputy Director of Finance; and Sherman M. Stovall, Acting Director, Management and Budget.

The Mayor relinquished the Chair to Vice-Mayor Harris, Chair, Budget and Planning Committee.

COUNCIL-BUDGET: The Chairman advised that each Member of Council was allocated $3,000.00 and the Mayor was allocated $4,000.00 in the fiscal year 2004 budget to be used for travel reimbursement; the City Clerk provides monthly updates to the Members of Council on the status of their accounts; some Members of Council have either exceeded, or are about to exceed, their budgeted allocations; whereupon, he requested input by the Mayor and Members of Council on how to address those instances when Council Members exceed their travel allotment.

It was noted by Council Member Bestpitch, past Chair of the Budget and Planning Committee, that when the procedure was initially established for fiscal year 2004, it was intended to begin each fiscal year with an established amount of funds, with the understanding that at the end of the fiscal year, if unspent funds remained in individual Council Member accounts, those funds could be transferred to the account of a Council Member who may need additional funds.

The City Manager advised that additional funds may be transferred from the City Manager's Contingency Account to the Council's budget, and the request could be made by the City Clerk on behalf of the Council.

Following discussion, the Chairman summarized that the consensus of the Council is that if an individual Member of Council needs additional funds for travel reimbursement, a request will be made through the City Clerk to the City Manager for transfer of funds from the City Manager's Contingency Account.

In setting the ground rules for the Financial Planning Session, the Chair requested that: (1) staff not read information on the power point slides; and (2) that Council Members allow City staff to complete their presentation on each power point slide before raising questions.

The City Manager advised that the Council's Financial Planning Session provides the opportunity for staff to share challenges as they prepare a proposed operating budget for the City of Roanoke for fiscal year 2005, which proposed budget will be formally presented to the Council in mid April, and an opportunity for staff to provide a financial forecast for the future. She called attention to background information which is included in an appendix to the work book for the Financial Planning Session. She commended the work of Sherman M. Stovall, Acting Director of Management and Budget.

Mr. Stovall advised that when staff shared the revenue/expenditure forecast with Council at the first meeting of the Budget and Planning Committee in November 2003, it was projected that the City's expenditures would exceed revenue by slightly more than $4 million in fiscal year 2005, and it was also projected that the gap would grow slightly more than $10 million by fiscal year 2007. He referred to the Council's Financial Planning Session which was held last year at which time it was suggested that the City would need to identify a new revenue source at the time that the second high school project gets underway; and as the budget development process was begun this year, a key assumption was that there would be no changes or increases in the City's current local tax rate.

Ms. Shawver referred to appendix pages at the back of the Financial Planning Session work book (Pages 20 - 29). She advised that as staff began the budget process this year, two revenues were identified that would affect multi year planning for fiscal year 2005, or the outer years, one of which is the revenue received in the City's General Fund for indirect services provided through the Water and Sewer Fund, which will begin to change on July 1, 2004, with creation of the Western Virginia Water Authority. She further advised that in making plans for creation of the Water Authority, certain cash balances will be retained by the City which were generated from Water and Sewer funds that will help to mitigate the revenue impact for the next approximately two years based on services that have been provided from City General Fund departments, and beginning in fiscal year 2008 there will be a revenue impact of the loss of $.5 million and $1.1 million in fiscal year 2009 to the City's General Fund which have been incorporated into the City's multi-year plan. She

called attention to a change in the State's methodology for jail per diems which has a $700,000.00 impact for the City beginning in the current year and affects the outer years as well. With regard to Capital Planning, Phase II, Civic Center expansion, she stated that the City had planned to issue bonds this past fall for the Civic Center Phase II project, but at this point, it is hoped to issue bonds in the fall of 2004. She added that funding of approximately $1,050,000.00 of annual debt service for the Civic Center facility would be coming from the stadium/amphitheater project, and approximately $550,000.00 of annual debt service was to be generated from the stadium/amphitheater facility which should be kept in mind as the City moves forward with the knowledge of what may become of the stadium/amphitheater project. She advised that a key point to be considered is that by the time the City issues bonds for the second high school project, an additional stream of revenue will have to be identified to support debt service on the project.

At this point, Council Member Dowe entered the meeting (9:00 a.m.).

The City Manager advised that some payment will occur from the Western Virginia Water Authority to both Roanoke City and Roanoke County for those services and activities that were previously suggested that should be managed by the City and the County, rather than to create totally different activities, although the total amount is not significant in terms of balancing the budget; i.e.: payment for technical services to be provided by the City and use of the County's financial management system.

Ms. Shawver advised that key financial assumptions-multi-year revenue estimates are:

- Fiscal year 2005 real estate estimate developed using January 1, 2004 assessment data; and growth in future years is estimated at four to five per cent.

- Local tax estimates such as personal property and business license reflect very slight growth; as due dates on the taxes arise, staff will re-evaluate fiscal year 2005 projections; and the annual growth of two to three per cent is projected in development of future years' estimates.

- Other local tax estimates are based on recent trends; prepared food tax and transient room tax indicate promising growth trends of approximately five per cent in the current year.

- Permits and fees increase in fiscal year 2005 based on current year growth.

- Revenues from the Commonwealth of Virginia in fiscal year 2005 are based on current information from the State; no growth is anticipated in future years; current projections include growth in HB599 of $426,000.00; and State estimates will be closely monitored in the upcoming weeks.

- An annual review of charges for services enables adjustments to be made where appropriate; and an average growth of two per cent is assumed.

Ms. Shawver advised that included in the appendix is the actual numerical data for fiscal years 2005 - 2008. She stated that growth of approximately two per cent occurs in most of the years, and for 2005, growth is about three and one-half per cent and two to two and one-half per cent in the outer years.

Mr. Stovall spoke to the expenditure side of fiscal year 2005 budget development, and reviewed the following priority funding needs for fiscal year 2005:

- Continued sharing of local tax revenues with the Roanoke City Public Schools based on the current formula of 36.42 per cent of local taxes.

- Increased contribution rate for the Employees Retirement System (7.59 per cent to 9.56 per cent - $ 1 million.

- Increased contribution rate for Sheriff/Jail employees in the Virginia Retirement System (11 per cent to 16.46 per cent) - $421,000.00.

- Increased cost of employee health insurance - $392,000.00 subsequent annual increases.

- Increased local operating expense for new Health and Human Services Building - $252,000.00.

- Increased operating expense for the Regional SPCA - $158,000.00.

- Continue progress in providing competitive employee compensation.

There was discussion in regard to the duties and responsibilities of the City's Billings and Collections Department, which include management of the City's accounts receivable, lease fees, inspection fees, building fees, and administration of local taxes, such as admissions tax, transient room occupancy tax, and franchise tax, etc. The Director of Finance advised that 13 staff persons oversee the billings and collections function for water and sewer collection and ten staff persons administer all other functions performed by the department.

Upon question, the City Manager advised that last year, the City Treasurer requested and the Council authorized, a locally funded position to assist in the collection of delinquent taxes prior to officially transferring a delinquent account to the Billings and Collections Department, the goal of which was to reduce the volume of delinquencies that were transferred to the Department of Billings and Collections.

Council Member Wyatt expressed concern that there may be a duplication of services between the City Treasurer's Office and the Billings and Collections Department, and asked that the matter be reviewed to determine if any cost savings would occur due to consolidation of certain services.

Mr. Stovall addressed employee compensation which is approximately 40 per cent of the total City budget, or approximately $64 million, and the benefits component which includes the retirement plan, ICMA, health insurance, and life insurance totaling approximately $17 million. He advised that the total cost is $10.7 million (City share - $6.5 million, employee share - $1.5 million, and Health Insurance Reserve - $2.7 million); the City's share/contribution is based on approximately 85 per cent of the cost for a single subscriber (employee only coverage); and plan design and coverage is similar to other local governments in the Roanoke Valley.

He called attention to a request by some City employees that the City consider increasing its level of funding for family health insurance coverage. He stated that the request will present a challenge and will be reviewed over the next several months.

The City Manager advised that it would be helpful to receive input from Council in regard to the City's current practice of funding for employee health care. She stated that currently, the role of the City is to ensure that employee health care is covered to the maximum extent possible, and the City has not moved toward covering a greater proportion of participation in family coverage, or other coverages that are available through the City's health plan. She explained that the majority of City employees are registered under the single employee category due to their personal preference or because that is the coverage they can afford; and as City staff reviewed the benefits structure between Roanoke City and Roanoke County in regard to creation of the Western Virginia Water Authority, it was discovered that the City of Roanoke has a competitive health care package and provides numerous benefits for City employees that are not provided for County employees.

She advised that the bond rating agencies that visited the City in November, 2003 were impressed that the City's increased health insurance rates have remained in the single digits because they have observed double digit increases across the country, sometimes as high as 2.5 per cent in a single year, and bond rating agency representatives requested that the City provide background information on how it has managed health care costs. She stated that a significant element that has helped the City to hold down health care costs has been implementation of the Occupational Health Program, which has recently been supplemented to include a full time nurse practitioner, in addition to a part-time physician.

The Mayor advised that it may be appropriate to request input from City employees as to whether they would prefer to compromise in one area to gain a benefit in another area. He inquired if there has been a comparison of the City's cost of employee compensation with cities of comparable size to Roanoke.

The City Manager responded that the City engages in an annual survey of salaries for the majority of job classifications within the organization, which would indicate that the City of Roanoke is falling behind in regard to employee compensation.

The Mayor clarified that he was referring to a comparison with other comparable size cities in terms of the percentage of the overall fiscal year budget which is applied to employee compensation; whereupon, Mr. Stovall advised that the information would be forthcoming within one week.

The Mayor also requested a comparison of retirement/jail costs and the cost of operating the Sheriff's Department, as compared to comparable size cities in the State of Virginia within one week.

Council Member Fitzpatrick advised that in looking to the future, it will be important to share the load with regard to employee benefits, particularly health care; therefore, the City should, as much as possible, continue to provide employee coverage and allow the employee to address family coverage.

Council Member Wyatt expressed concern that the wages of many City employees are at the bottom tier of employment and they cannot afford health care insurance for their family. She inquired as to how many families of City employees receive health care through the Social Services Department, or the Health Department, and how many City employees are absent from work due to sick children which equals hidden costs to the City. She stated that the City might be better off by supplementing the family health care plan in some way.

Ms. Wyatt advised that Anthem Blue Cross/Blue Shield offers a health care plan for the employee, plus a minor child, and the Roanoke City Public School system offers a level of coverage that includes the employee and spouse, which is less expensive than the family plan for those subscribers who do not have children, or for those who are beyond the child bearing years. In those instances where the City employee is enrolled in the single employee health care plan and their spouse is covered by another insurance plan, she inquired if the City employee's contribution to the single employee health care plan could be applied toward the family plan of the spouse that is covered by another plan, which would not affect the dollar amount paid by the City. She stated that another concern of City employees is the high cost of prescription medicine and asked that City staff review methods to curtail prescription costs.

In the interest of time, the City Manager advised that she would prepare a written response to the Council in regard to the ideas that were referenced by Ms. Wyatt inasmuch as City staff has previously reviewed some of the suggestions.

Council Member Dowe spoke to the importance of taking care of existing employees, but also of importance is the attraction of the employment package in terms of recruiting new employees. He inquired as to whether potential job applicants have provided any input with regard to fringe benefits offered by the City.

The City Manager responded that at the mid management and department head level, the City's total employment package has not been evaluated as being deficient, and the biggest challenge for mid management and above is the actual salary; and some time ago Council approved portability within Virginia which has helped to attract persons who are already vested in another private retirement system, or VRS, which enables them to move their benefits without difficulty. She advised that everyone is concerned about the rising cost of health care which affects people with less income more than those persons at the middle or above income level; the City has a very competitive health insurance package when compared to other jurisdictions; and the cost of health care on an annual basis is out stripping any kind of annual compensation increase and has long since surpassed inflation on an annual basis.

Council Member Bestpitch advised that all City employees are offered $275.00 per month to be used toward health insurance; however, employees in the lower tiers are experiencing a greater impact than those employees at the higher level. He inquired if the Council would be willing to consider a kind of graduated system to provide that at some point an employee below a certain level in the salary scale would receive greater than $275.00 per month.

The Mayor encouraged the City to be as flexible in the variation of its health care plan as possible, and for future years, he spoke to the merits of mirrowing the action taken by the private sector for its employees. He expressed concern with regard to paying an entry level City employee a higher amount of dollars for health care insurance coverage than other City employees.

Vice-Mayor Harris advised that when City employees are treated differently, problems are created and an edge of competitiveness exists; and the fact that the City offers an occupational health care program demonstrates that the City is trying to provide an opportunity for employees to mitigate health costs.

Mr. Stovall advised that the total cost of the pension plan is $4.9 million ($4.1 million - City retirement and $.8 million State retirement); and the City's pension plan is competitive when compared to other jurisdictions and the State.

Mr. Bestpitch expressed concern with regard to recent news that responsibility for the State Retirement System could fall to the localities for funding, therefore, the issue should be considered in future budget projections.

The City Manager advised that currently and for a number of years the City has funded the school system by sharing in local revenue growth at a specific percentage and if, in fact, the State does not meet its fair share, it will be necessary for the City to review the funding formula. She stated that the school system advises that fiscal year 2005 will most likely be one of the best years for the schools in terms of State revenue growth, and during the past several years the City has made the lion's share of the net increase available to the schools.

Ms. Wyatt advised that for some time retired teachers have worked to obtain a State stipend of $75.00 to be used toward the cost of health insurance, provided that the locality will fund an additional $30.00, which amounts to approximately $213,000.00 from the City of Roanoke. She inquired as to the feasibility of the City funding one half of the cost and the schools funding the other one half, and advised that she has requested that the item be included on the April 5, 2004, joint meeting of Council and the Roanoke City School Board.

The City Manager advised that Council has discussed the request of retired teachers in the past and Council has indicated a level of support, but Council has also indicated that the request should be made by the School Board inasmuch as the Council cannot dictate to the School Board how to spend its annual allocation of funds. She added that the School Board has not indicated a desire, or made a request for additional funding from the City, which would place Council in a position to respond, and in discussing the issue with a representative of the retired teachers group, she advised that the Council needs to hear from the School Board before attempting to address the matter.

Following discussion, it was the consensus of Council that the item would be included on the April 4, 2004, joint meeting of Council and the Roanoke City School Board.

At this point, Vice-Mayor Harris left the meeting and the Mayor presided (10:05 a.m.).

Mr. Stovall advised that other priority funding needs for fiscal year 2005 to 2007 are:

- Council's priority to budget recurring funding in the operating budget for equipment replacement, building maintenance, paving and technology needs.

- Equipment Replacement:
  Funding goal - $2.5 million by fiscal year 2007
  $150,000.00 increase in fiscal year 2005 to $1,650,000.00
  Supplemented with anticipated revenue from sale of surplus vehicles using E-surplus

- Capital Maintenance of Buildings:
  Funding goal - $750,000.00 by fiscal year 2007
  $100,000.00 increase in fiscal year 2005 to $550,000.00

- Paving program:
  Funding goal - $2.5 million by fiscal year 2007
  $323,969.00 increase in fiscal year 2005 to $2,398,952.00

- Technology - Financial Systems Replacement Project:
  Funding goal - $1.0 million by fiscal year 2007
  $165,000.00 increase in fiscal year 2005 to $676,247.00

The City Manager advised that the above referenced targets are the result of the Council's direction to reduce reliance on CMERP at the end of the year funding, and to place the necessary items in the ongoing budget so as to address issues in a planned way and not be dependent upon using year end funds leading to performance of better service. She stated that there will continue to be some CMERP for those one time, non recurring items such as the Grandin Theater, Dumas Center, etc., but the goal is to discontinue the use of CMERP funds for those items that should be a part of the regular operating budget.

Mr. Stovall reviewed the use of revenue growth over the past three years:

- Local share of funding for the schools - $5 million
- Employee compensation and benefits - $6 million
- Additional debt capacity for capital projects - $1.7 million
- Technology, capital maintenance of buildings, fleet replacement - $2 million
- Tipping fees for Solid Waste Management program - $200,000.00
- Weed and trash abatement - $115,000.00
- Code enforcement - $138,000.00
- Social Service programs - $500,000.00 (reimbursed by the State)
- Youth programs - $150,000.00
- Community Service Agencies - $300,000.00
- Tourism marketing (Roanoke Valley Convention and Visitors Bureau) $288,000.00

The City Manager advised that it is important to point out that employee compensation of $6 million and the sharing of local funding with the schools at $5 million have been the City's largest areas for increase over the past several years, all of which demonstrate that Council is placing City funds in the highest priorities.

Mr. Stovall reviewed the amount of funding provided to human and cultural service agencies in the fiscal year 2004 budget:

- Center in the Square - $200,000.00
- Roanoke Arts Commission - (Cultural Services) - $322,482.00*
- Human Services Committee - $540,149.00*
- Blue Ridge Behavioral Health - $417,617.00*
- Virginia Cooperative Extension - $68,989.00*
- Total Action Against Poverty - $224,742.00*

Total - $1,773,979.00

*In past years, the allocation has increased based on the percentage increase of the General Fund budget.

Mr. Stovall advised that over the last four years, as City departments have experienced budget reductions, human and cultural service agencies have been held harmless, and funds allocated to the Roanoke Arts Commission, Human Services Committee, Blue Ridge Behavioral Health Care, Virginia Cooperative Extension and Total Action Against Poverty have increased based on the percentage of growth of the City's General Fund budget.

The City Manager advised that the question is: as operating budgets and other activities of various City departments are being reduced to fund City activities, should certain outside organizations also be asked to bear some of the impact. She stated that the opposite has been happening inasmuch as the budgets of outside organizations have been growing at the rate that the overall operating budget has increased, as opposed to submitting the impact of a five per cent budget reduction. She requested input from Council as to whether the practice as it relates to outside organizations should be modified.

The City Manager was asked to provide a recommendation; whereupon, she proposed that individual requests of organizations be reviewed and that such organizations be required to justify their current allocation of funds as to effectiveness and demand for service, etc., rather than automatically increasing a request for funds, with the exception of the Roanoke Arts Commission and the Human Services Committee, both of which are charged with the responsibility of evaluating and submitting recommendations on applications for funding.

Question was raised as to whether the City has a statutory obligation to fund Blue Ridge Behavioral Health Care; whereupon, the City Manager advised that she was not aware of a minimum amount of required funding, but she would confer with the appropriate officials and advise Council accordingly.

Question was raised as to why the City administration has instructed City departments that are currently operating at a minimal level to review the impact of another five per cent reduction in their budgets when the overall General Fund budget is growing by only three and one-half per cent.

The City Manager responded that the City does not have a true three and one-half per cent revenue growth; 36.42 per cent of all local revenue growth is immediately taken off the top and passed over to the schools; when adding the City's costs to do business, it will involve more than the amount that is generated by the three and one-half per cent to meet all expenses, therefore, in order to meet expenses and to provide for various elements that have been requested, it is necessary to reduce expenses in one area in order to make up for increased costs in another area.

Mr. Stovall added that based on the funding formula for the schools, the schools would receive approximately $2.3 million of the $7.2 million in revenue growth, $1 million of anticipated revenue increase is associated with social service programs and additional revenues from the Commonwealth of Virginia, therefore, the discretionary revenue increase available to the City would total approximately $3.7 million.

Mr. Bestpitch made the observation that the City should look at real growth in the City's local revenues and provide for increases based on that percentage.

The City Manager advised that when the State provided its fair share of funding, it was easier for the City to pass on these same kinds of percentages, but over the last four years, the State has rapidly withdrawn its support, but at the same time, the City has tried to maintain fairly progressive policies relative to outside agencies and organizations. She stated that the question is: can the City afford, not just financially, but philosophically and otherwise, to grow some budgets at the sacrifice to others within the City organization.

Mr. Bestpitch requested that Council be provided with additional calculations during fiscal year 2005 budget study as to the City's true growth percentage that should be passed on to outside agencies and organizations.

Mr. Stovall reported that true growth revenue would be somewhere between one and two per cent.

The City Manager advised that staff is required by law to provide Council with a balanced budget; the initial budget is the City Manager's recommendation which includes a series of proposals; each year Council has the opportunity to review the proposals and make changes, but if Council believes that the City's financial situation is such that it should not continue a policy in the proposed 2005 fiscal year budget to grow the budgets of community service agencies automatically by the percentage of the increase of the overall budget, City staff would prefer to have that direction from Council at this time so that the direction of Council can be incorporated into the overall fiscal year 2005 budget proposal. She added that the procedure would allow Council an opportunity, through the public hearing process, to make a different decision if an agency provides sufficient justification for additional funds. She stated that it is important for Council to understand the foundation on which some of the funding elements are built, because fiscal year 2005 will be a challenging budget, with a number of unknown issues that will need to be addressed.

There was discussion in regard to the percentage of reductions that City departments have been instructed to absorb over the past four years; whereupon, Mr. Stovall advised that in the aggregate, City departments have taken reductions of approximately 11.5 per cent and at the time that the balanced budget was submitted to Council, funding was restored for certain programs that were initially reduced.

The City Manager responded that reduction percentages correspond closely to the kinds of impact that the City has experienced in State reductions.

Mr. Stovall was asked to provide the actual percentage of discretionary funds; whereupon, he reported that the actual amount is 1.8 per cent.

The Mayor inquired if the City Manager had sufficient guidance from the Council; whereupon, she summarized that her interpretation of the discussion by Council is that City staff is not expected to adhere to the current practice of holding human and cultural service agencies harmless, City staff may use its discretion in submitting recommendations to the Council that are appropriate, while allowing the Council full discretion in addressing the recommended budget and to request that staff make adjustments as necessary.

Mr. Stovall reviewed the following capital projects that require funding via issuance of bonds or cash funding:

- Art Museum/IMAX Theater
- Police Building, Phase II
- Fire-EMS facilities
- Riverside Centre for Research and Technology
- Patrick Henry High School Improvements
- William Fleming High School Improvements
- Multi-Purpose Recreation Center
- Roanoke River Flood Reduction
- Civic Center Improvements Phase II
- Downtown West Parking Garages

Question was raised as to the status of funding for the Art Museum/IMAX Theater project; whereupon, Mr. Stovall stated that the Executive Director advises that the plan is to abide by the existing schedule which provides that construction will begin in fiscal year 2005, however, he did not receive specific information with regard to the status of fund raising.

The City Manager advised that she would discuss the matter with the Executive Director of the Art Museum because if the construction schedule takes place in the latter part of 2005, funding would fall into a subsequent fiscal year. She stated that the City should honor its commitment, but when to sell bonds is predicated on when construction begins, therefore, if the Art Museum were to complete its fund raising, Council could accelerate its commitment by taking an official action. Until she confers with the Executive Director of the Art Museum, the City Manager advised that the Art Museum/IMAX Theater project should remain on the capital projects list.

Mr. Stovall reviewed the following current approved capital projects that require funding via issuance of bonds or cash funding:

- Public Works Service Center
- Municipal North Renovation
- Grandin Theater
- Dumas Center
- Roanoke River Greenway
- YMCA

He advised that funding of the Public Works Service Center and renovations for Municipal North are anticipated to be funded from excess debt capacity in fiscal year 2005; the City has a contractual obligation to contribute to the Grandin Theater and the Dumas Center which will be funded from CMERP; the City has a commitment of $2 million for the Roanoke River Greenway and the YMCA over ten years and both items will be funded from capital fund interest earnings.

An observation was made that approximately $200,000.00 is included in T-21 enhancement funds to the Roanoke River Greenway project which is pending, in order to "piggyback" the flood reduction project and Federal funding; whereupon, Mr. Stovall advised that he would check on the status of funds with the Executive Director of the Roanoke Valley Greenway Commission.

Upon question by the Mayor, the City Manager responded that the $200,000.00 per year for ten years was intended for strictly greenway development, and the funds were included in the budget three to four years ago in an effort to demonstrate the City's ongoing commitment to greenways. She stated that there is another greenway allocation of approximately $5 million for the Roanoke River that has to do with the actual Roanoke River Flood Reduction project and the direct efforts of Congressman Bob Goodlatte for inclusion of the greenway, however, the funds were included in a budget that will not go forward this year because Congress has decided that the Roanoke River Flood Reduction program will not advance during this calendar year. Therefore, she stated that the City can successfully move that $5 million out for

several years. She advised that the funds should be generic money for any and all greenway development and it may be necessary to request that Council take official action to revise certain documents so as to ensure that the funds are not specific to any one specific river.

Mr. Stovall reviewed the following potential new capital projects:

- Dumas Center/Harrison Museum - $400,000.00
- Streetscapes and Traffic Calming - $250,000.00
  (Per Year) Beginning in fiscal year 2006 - fiscal year 2011
- Library facility
  Planning study to be conducted
- Courthouse Renovation

He advised that if Council wishes to move forward with projects that are currently approved, it is suggested that bond issues be staged in the following manner:

- Fiscal year 2004-05 - $58,201,000.00
  Art Museum/IMAX Theater - $3,700,000.00
  Project is anticipated to move forward as planned (may be pushed out a few more years)

- Police Building Phase II - $6,670,000.00

- Fire-EMS Facilities - $4,431,000.00
  Debt service funded from EMS fees

- Riverside Centre for Research and Technology - $5,400,000.00
  Initially planned for fiscal year 2006-07 (moved forward as a result of possible acquisition of the Mennell property)

- Patrick Henry High School Improvements - $38,000,000.00
  Revised cost estimate of $46.7 million
  School Board will meet with Council on March 15
  Plan to begin the project in June 2004 as scheduled
  Extend time line for completion to three years

Mr. Stovall advised that planned Enterprise Fund bond issues include:

- Fiscal year 2004-05 - $18,010,000.00
  Civic Center Improvements Phase II - $14,410,000.00
  Initially planned for fiscal year 2003-04
  Debt service partially funded ($553,000.00) from admissions tax revenue, facility surcharge revenue, and increased net revenues from additional events held at the stadium/amphitheater

- Downtown West (Campbell and Salem) Parking Garage
  $3,600,000.00
  Initially planned for fiscal year 2005-06
  Funded from parking fees

A statement was made that in essence approximately $500,000.00 has been given up in revenue that was anticipated from the stadium/amphitheater project to service the debt for Civic Center Phase II improvements; therefore, how will the $500,000.00 be raised since the stadium/amphitheater project is on hold until the new Council takes office on July 1, 2004.

The Director of Finance advised that the Civic Center Phase II project was predicated on the development of a stadium/amphitheater, or operational part of the new stadium/amphitheater; however, with the stadium/amphitheater project currently on hold, funding sources will need to be identified if the decision is made to proceed with the Civic Center Phase II project, or the Civic Center project will be placed on hold until a decision is made on the stadium/amphitheater issue.

The City Manager called attention to a third alternative which is to modify improvements to a level commensurate with available funding for Civic Center Phase II improvements. She stated that the past practice of the City with regard to the Civic Center has been to provide an annual subsidy to the facility that has remained fixed for a significant number of years, with the understanding that the Civic Center will fund all of its expenses and any minor or major capital improvements from the funds. She added that it will be necessary to look at planned improvements, estimated cost and, current revenues for the Civic Center to determine what can be afforded within the current policy. She advised that the decision of Council to hold in abeyance the stadium/amphitheater project is relatively recent and City staff has not had an opportunity to engage in a total evaluation, and City staff would not submit a project to Council that does not have adequate revenues to support debt service.

Council Member Bestpitch made the observation that Council cannot ignore the fact that it voted to give up $500,000.00 in revenue, therefore, some other funding source will have to be identified if the Civic Center project is to continue to the point where the City will recognize additional revenues in the future. He stated that a good business plan does not include scaling back on the project and constructing only what the City can afford, and thereby giving up the opportunity to generate additional revenues in the future.

Council Member Fitzpatrick advised that if the City does not currently have the resources to complete Phase II of Civic Center Improvements, he would prefer to wait and do the project right, rather than a scaled down version at this time. He stated that the project represents an economic investment for the taxpayers of the City of Roanoke that will provide a rate of return on their money.

Council Member Wyatt advised that to delay Phase II Civic Center Improvements is self defeating; and if the City cannot afford Phase II in its entirety, staff should review funding to complete at least one of the Exhibit Halls and the kitchen area in order to begin to generate sufficient revenue to address some of the other needs. She stated that completion of one of the Exhibit Halls will free up days in the Coliseum for concerts and sporting events.

The City Manager advised that her personal belief is that the City should proceed with improvements to the facility for a number of reasons; the City should move away from the practice of fixing a subsidy for the Civic Center and challenge the Civic Center to come up with a recommendation on how much it can afford and then look to the City's General Fund to assist in making up the necessary difference so that the entire project can move forward inasmuch as it has significant revenue implications for the City of Roanoke. She called attention to long standing activities and events that have been held at the Civic Center in past years, and representatives of those events have stated that they will not come back to Roanoke if significant improvements are not made to the Civic Center. She added that currently, significant events are turned away because the Civic Center does not have sufficient room for the activity which is sometimes required to spill over into the Exhibit Hall or the Coliseum. She advised that the Civic Center has significant revenue generating potential, and the City's initial estimates were conservative in terms of revenue, both for the Civic Center and the stadium/amphitheater. She requested the opportunity to further review the project and to submit a recommendation to Council that could involve the City providing approximately a $200,000.00 subsidy.

The Mayor expressed concern over the inference that because the stadium/amphitheater project is on hold, there will not be sufficient revenue for Civic Center Phase II improvements. He stated that the $18 million that was identified for the stadium/amphitheater project has not been spent and is currently generating interest earnings on the bond money.

The Director of Finance advised that the bonds that were issued have an interest rate of approximately four and one half per cent and the City is earning approximately two per cent or less on unspent bond funds.

The Mayor advised that when remarks are made that Victory Stadium has never been profitable, it should also be noted that no one has ever projected that the Civic Center and the new stadium/amphitheater on their own would be profitable. He stated that no one who has advocated the renovation of Victory Stadium has said that the facility will be profitable.

The City Manager explained that as the Civic Center project was prepared, City staff presented a plan for financing of the debt of approximately $15 million for Civic Center expansion, and, because of the way the City finances the Civic Center, the recommendation showed numbers both for increased revenues at the Civic Center itself through expansion improvements, as well as the facility surcharge and the admissions tax. She added that there is a differential on the admissions tax for the Civic Center facility to help fund improvements and there was an expectation of revenues from the stadium/amphitheater project, primarily based upon the amphitheater component of the facility, which revenues were applied to financing the debt service. She pointed out that a portion of debt service revenues that were to come from the stadium/amphitheater are not currently available based upon the Council's policy to hold the project in abeyance, therefore, it will be necessary to make adjustments and staff is requesting direction from Council on how the adjustments should be made. She reiterated that there are multiple ways to address the issue; i.e.: (1) to place the project on hold, (2) to reduce the size of the project, or (3) to give City staff direction to look for a combination of facility revenues, such as Civic Center revenues, admissions tax revenues and General Fund revenues in order for Civic Center Phase II Improvements to continue at the described level.

Mr. Fitzpatrick suggested that the City Manager consider the Private Build option. He stated that there is a significant difference between the Victory Stadium situation and revenue for the Civic Center; and the Civic Center does not lose money, but creates a revenue stream as a result of those people who visit the facility, spend the night in the City, eat in the City's restaurants, and shop in the City's stores. He advised that it is the charge of Council to create investments that provide returns for the City and maintain the City's tax base, and if Civic Center improvements do not proceed, the City will experience a significant loss of potential revenue.

Mr. Bestpitch advised that based on prior information provided by the City Manager to Council, the projections on operating profitability of the stadium/amphitheater project were very conservative showing the minimum number of events that would be required at the stadium/amphitheater on an annual basis for the facility to operate in the black; i.e.: projections provided to Council included five events per year, however, the real number is most likely in the range of five to ten events annually. He added that if the City hosts a larger number of events each year, the City is not only giving up $550,000.00, but the added revenue from any additional events that most likely would have come to the facility. He advised that to pretend that no budgetary implications will occur and that citizens will be saving money by not making this investment in the future is not substantiated by the information that was previously presented to the Council, in writing, by the City Manager.

The Mayor advised that the consensus of Council is that the City Manager be directed to proceed with Civic Center Phase II Improvements, with a follow up report to the Council.

Mr. Stovall advised that General Fund supported planned bond issues include:

- Fiscal year 2007-08 - $56,000,000.00

  Multipurpose Recreation Center - $7,000,000.00
  Initially planned for fiscal year 2004-05

  Roanoke River Flood Reduction - $5,000,000.00
  Initially planned for fiscal year 2006-07

Fire-EMS Facilities - $4,000,000.00
Initially planned for fiscal year 2006-07
Debt service funded from EMS fees

William Fleming High School Improvement - $40,000,000.00
Initially planned for fiscal year 2006-07.

With regard to William Fleming High School improvements, Ms. Wyatt advised that the cost was initially $38 million, and inquired at what point did the construction project increase to $40 million.

The City Manager responded that at the time the schools updated the $35 million to $38 million for construction of Patrick Henry High School, a decision was made to add an additional $3 million for the William Fleming project, thus bringing the project to $40 million, the idea being that construction costs for William Fleming High School will be more several years out.

Council Member Wyatt expressed concern about the process which did not allow for input by Council, yet the City is expected to fund its share of total costs. She stated that schools should be provided that are equipped to take Roanoke's students into the future, but it may not be necessary to include the kinds of amenities that are proposed by the school system, especially given the fact that construction costs continue to multiply.

The City Manager advised that while the discussion at the joint meeting of Council and the School Board on Monday, March 15, 2004, is intended to address improvements to Patrick Henry High School, it would also provide an opportunity for Council to discuss the William Fleming High School project.

Ms. Wyatt advised that originally Council committed to fund one-half of the cost of high school improvements; however, it appears that Council has no control over what its one-half will be, therefore, it may be necessary to advise the School Board that Council will contribute a certain number of dollars and anything over a specific dollar amount should be funded by the school system.

The Mayor proposed that Council honor its word insofar as what the City committed to fund when the cost of construction was $35 million and the City committed to fund one-half of the cost.

The City Manager advised that the City has yet to identify a funding source for construction of William Fleming High School and several options are available, such as an increase in an existing fee, imposition of a new fee, a tax rate increase, etc.

At this point, Chairman Harris returned to the meeting and presided over the remainder of the session.

Mr. Stovall advised that planned Enterprise Fund bond issues include:

- Fiscal year 2007-08 - $3,600,000.00
  Downtown West (Jefferson Center Area) Parking Garage
  $3,600,000.00
  Initially planned for fiscal year 2005-06
  Funded from parking fees

- Future
  Storm Water Management Program - $11,000,000.00
  Funded from a proposed user fee

The City Manager advised that some of the numbers are preliminary and the City should do a better job of planning projects so that when the project is closer to the actual construction phase, a more accurate number is available with regard to total construction cost. She called attention to the need to split projections to provide for the planning phase before Council actually commits to a specific amount of money for construction, which also provides an opportunity to modify plans prior to construction, if necessary.

Ms. Shawver reviewed outstanding debt as of March 1, 2004:

City General Obligation Bonds	$111,729,375.00
Enterprise Fund Debt:	
General Obligation Bonds:	
Water Fund	$ 20,565,000.00
Water Pollution Control Fund	15,080,000.00
Civic Center Fund	2,045,000.00
Parking Fund	6,846,945.00
Virginia Resource Authority Loan	
Water Pollution Control Fund	17,511,051.00
Total Enterprise Fund Debt	61,687,996.00

Capital Expenses	2,013,737.00
School General Obligation Bonds	24,843,610.00
Qualified Zone Academy Bonds (QZAB)	1,564,252.00
Virginia Public School Authority (VPSA) Bonds	34,047,080.00
Literary Fund Loans	5,974,000.00
Total Schools	66,428,942.00
Section 108 Loan	3,825,000.00
Total Debt as of March 1, 2004	245,685,050.00
Less: Enterprise Fund Debt	(61,687,996.00)
Less: Section 108 Loan	(3,825,000.00)
Outstanding Tax Supported Debt	$180,172,054.00

Ms. Shawver advised that assumptions on debt and funding of debt service are:

The City has traditionally funded debt service on General Obligation Bonds, Water or City or School projects.

The Schools have traditionally funded debt service on VPSA Bonds and Literary Fund Loans.

Capital Leases are considered tax supported debt of the City and are typically funded by the General Fund.

In analyzing the tax burden, all such debt is considered tax supported debt of Roanoke due to vesting of taxing authority in the City.

Generally, debt of Proprietary Funds (Water, Water Pollution Control, Civic Facility, Parking) is considered self-supporting and excluded from debt burden calculations.

General Obligation and Virginia Public School Authority bonds were amortized using level principal and an interest rate of six per cent.

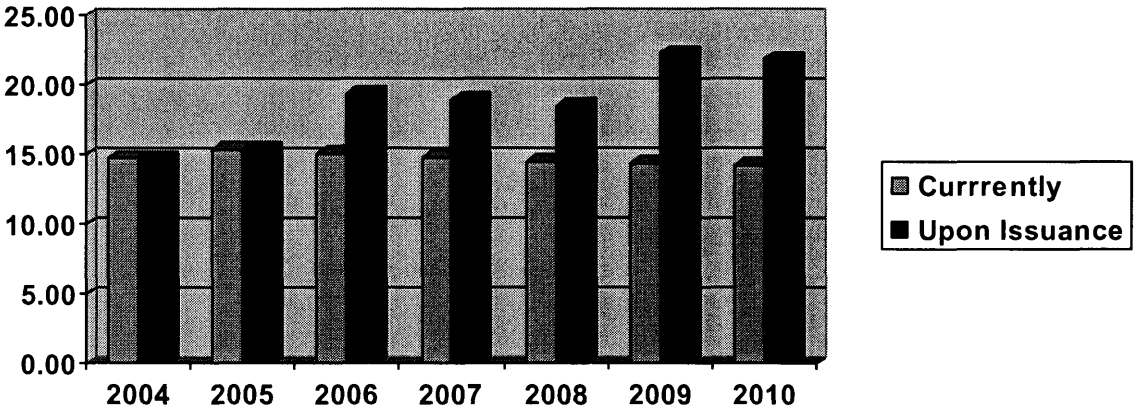
Literary Loans were amortized at an interest rate of three per cent.

All debt amortized over 20 years.

Funding for debt service increases based on the following assumptions:

Increased funding of debt service of an additional $370,000.00 per year through fiscal year 2009.
Dedication to debt service funding of incremental increases in EMS fees through fiscal year 2007.

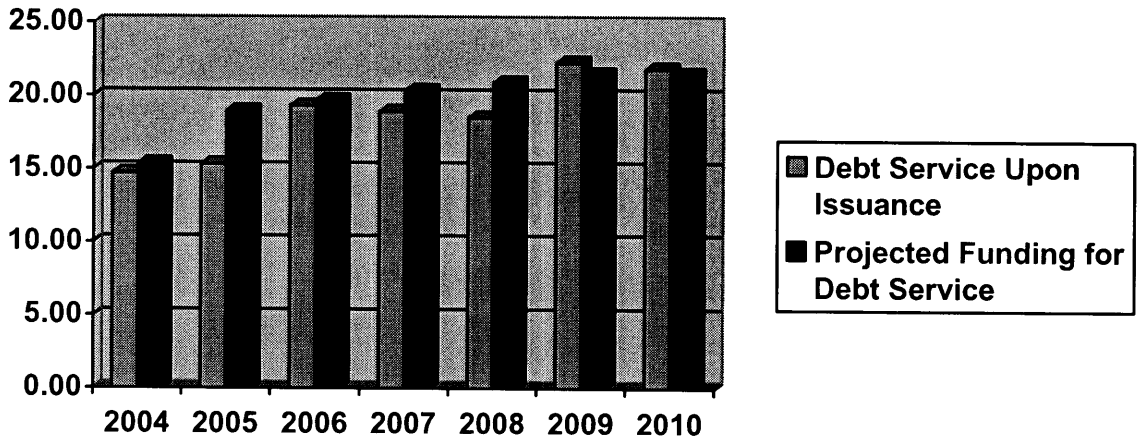
Ms. Shawver reviewed the following charts:
Current and Future General Fund Debt Service



	2004	2005	2006	2007	2008	2009	2010
Currently	14.705	15.328	15.01	14.724	14.446	14.360	14.167
Upon Issuance	14.705	15.328	19.323	18.919	18.523	22.279	21.860

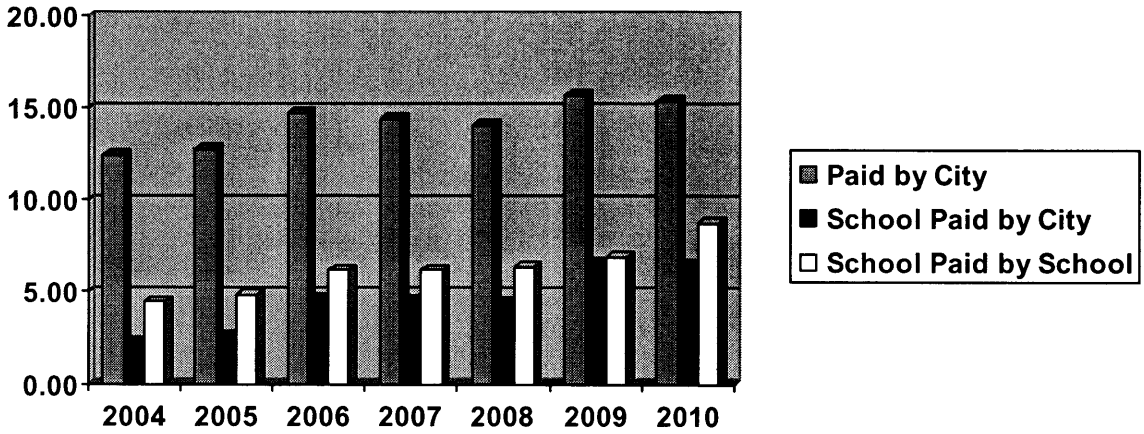
Includes all debt funded by the General Fund (City, School, Leases).

Future General Fund Debt Service and Projected Funding for Debt Service



	2004	2005	2006	2007	2008	2009	2010
Debt Service Upon Issuance	14.705	15.328	19.323	18.919	18.523	22.279	21.860
Projected Funding for Debt Service	15.343	18.982	19.689	20.350	20.920	21.490	21.490

Future City and School Debt Service



	2004	2005	2006	2007	2008	2009	2010
City Paid by City	12.432	12.789	14.686	14.364	14.038	15.667	15.394
School Paid by City	2.273	2.539	4.637	4.555	4.485	6.612	6.467
School Paid by School	4.462	4.837	6.208	6.216	6.379	6.918	8.747

She advised that debt policies are:

- Non-proprietary general obligation debt service will not exceed ten per cent of General Fund expenditures.
- Net bonded debt will not exceed five per cent to the assessed value of real estate Net Bonded Debt is general obligation debt for the City and the School Board, exclusive of Enterprise Fund debt and the amount available in the Debt Service Fund.
- Tax-supported debt will be structured such that not less than 50 per cent of aggregate outstanding debt will be retired within ten years.

Note: Ratios that follow include all non-Enterprise Fund debt - GO Bonds, VPSA, Literary Loans, QZAB and Capital Leases

Ratio of Debt Service to General and School Fund Expenditures (10%)

	City Projects	School Projects	Overall
FY 2001	4.2%	2.4%	6.6%
FY 2002	4.1%	2.3%	6.4%
FY 2003	5.9%	3.0%	8.8%
FY 2004	4.7%	2.5%	7.2%
FY 2005	4.6%	2.7%	7.3%
FY 2006	5.1%	3.8%	8.9%
FY 2007	4.8%	3.6%	8.4%
FY 2008	4.6%	3.5%	8.0%
FY 2009	4.9%	4.2%	9.0%
FY 2010	4.6%	4.5%	9.1%

Note: Assumes annual expenditure growth of 4%.

Ratio of Net Bonded Debt to Assessed Value of Real Estate (5%)

	City Projects	School Projects	Overall
FY 2001	2.0%	1.6%	3.6%
FY 2002	2.8%	1.7%	4.5%
FY 2003	2.1%	1.5%	3.6%
FY 2004	2.4%	1.6%	3.7%
FY 2005	2.1%	2.3%	4.5%
FY 2006	2.2%	2.2%	4.2%
FY 2007	2.0%	2.1%	3.8%
FY 2008	1.7%	2.6%	4.4%
FY 2009	1.8%	2.4%	3.9%
FY 2010	1.5%	2.1%	3.4%

Note: Assumes growth of 4% in assessed value of Real Estate

Reduction of Aggregate Debt Within Ten Years (50%)

(Reflects Issuance of Planned Future Debt)

	City	Schools	Overall
FY 2004	69%	65%	67%
FY 2005	68%	60%	65%
FY 2006	70%	61%	66%
FY 2007	72%	64%	68%
FY 2008	71%	56%	63%
FY 2009	74%	65%	69%

Debt Statistics of Urban Cities

- Source: 6/30/03 CAFRs

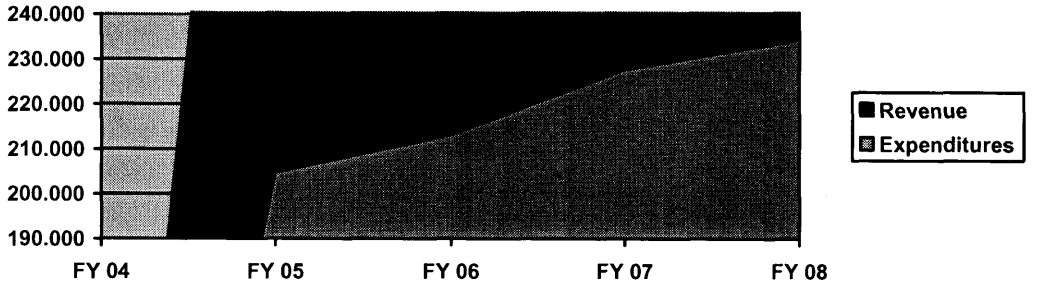
Locality	General Obligation Bond Rating	Debt Service To General Fund Expenditure	Net Bonded Debt To Assessed Value Real Estate	Net Bonded Debt Per Capita
Roanoke	AA	6.45%	4.40%	$1,916.00
Richmond	AA/A1	6.81%	3.35%	$2,029.00
Hampton	AA	5.32%	2.73%	$1,104.00
Lynchburg	AA	7.85%	2.38%	$1,328.00
Newport News	AA	7.37%	5.20%	$2,235.00
Norfolk	AA/A1	8.71%	3.37%	$1,545.00
Portsmouth	AA-/A3	6.80%	6.39%	$2,002.00
Roanoke Co.	AA	5.24%	1.49%	$1,040.00

The City Manager advised that some citizens have appeared before Council and stated that the City of Roanoke has enjoyed a AAA bond rating in the past, but the AAA rating has now been reduced. She pointed out that the City of Roanoke has never had a AAA bond rating, the City's current AA is a strong rating, and when the City sells bonds, it oftentimes sells as a AAA entity. She advised that the State of Virginia's bond rating has the potential to affect the City of Roanoke in the future, the City of Roanoke has been fortunate to be located in a State that has enjoyed a AAA bond rating for many years which has helped the City to ride the crest when it sells bonds, but recent indications are that the State's AAA bond rating may be in jeopardy. She added that it will not affect the City's bond rating, but could affect the City's ability to sell bonds at the better rate.

There was discussion in regard to how a locality achieves a AAA bond rating; whereupon, the Director of Finance advised that factors include the average personal wealth of a locality's citizens, investment in their homes and personal income; and part of the Council's strategic policy is to address such issues as increasing the value of homes in the City of Roanoke, more upscale housing, and creating higher paying jobs in the City.

Ms. Shawver advised that the City has engaged in three different bond refinancings this year, at savings of approximately $325,000.00 per year.

Mr. Stovall reviewed the following chart on revenue and expenditure forecasts gap analysis:



	FY 04	FY 05	FY 06	FY 07	FY 08
Expenditures	204.801	213.169	220.676	227.678	234.322
Revenue	204.801	212.033	217.486	222.292	226.656

In terms of closing the gap, Ms. Shawver advised that the following are under consideration:

- Revenues

  Fiscal year 2005:

  Increase street opening permits to more fully recover the cost of inspections of street repaving following street cuts.

  Implement annual inspection of cross connection devices to recover some of the costs of the program; inspection services would be provided by staffing currently in place.

Fiscal year 2006 and beyond:

Examine fees for services annually to ensure that revenues are adequate to cover cost of providing services.

Implement new or increased revenue stream if needed to fund debt service when the second high school project begins.

Revenue Options include:

Tax	Current Rate	Maximum Rate	Rate Change Impact
Real Estate	$1.21	None	01= $ 480000.00
Personal Property	3.45	None	$.01=$ 67000.00
Utility Consumer	12%	20%	1% = $1100000.00
Cigarette (20 per pack)	27	None	$.01=$ 70000.00
Transient Occupancy	7%	None	$ 1% =$322000.00
Admissions	5.5.%	None	1% = $ 70000.00
Prepared Food & Beverage	4%	None	1%= $1935000.00
E-911	2.00	$3.00	$.01=$ 8000.00
Motor Vehicle License	$20.00	28.50	1 = $ 89000.00
Cable TV Utility		7%	1% = $ 209000.00
Storm Water Management Fee		None	1/month=500000.00+

Mr. Stovall advised that budgetary options under consideration to close the gap include:

Expenditures to fiscal year 2005:

Use savings from bond refinancing to reduce the net cost of employee compensation.

Reduce the planned increase in funding for capital building maintenance, equipment replacement and paving.

Mr. Stovall invited input from Council Members with regard to other options that the Council would like for City staff to consider in balancing the fiscal year 2005 budget.

Mr. Bestpitch called attention to a request by retired City employees for a pay increase and a supplement toward health care insurance for retired employees 65 years of age and older, and asked that the matter be included on the 2005 Fiscal Year Budget Study agenda.

Council Members Fitzpatrick and Dowe expressed appreciation to staff for the clarity of their presentations.

The Mayor requested a brief summary on revenue sources, as opposed to the traditional pie chart and summary of expenditure commitments, both in percentage of the overall budget and dollar amounts for fiscal year 2005.

Ms. Wyatt advised that as City staff prepares the proposed 2005 fiscal year budget, it is suggested that they look at the luxury taxes such as the cigarette tax, transient room occupancy tax, prepared food tax, cable television tax, etc., as opposed to those kinds of taxes that are considered to be basic services for Roanoke's citizens, such as the real estate tax and the E-911 tax, etc.

The City Manager advised that no fee or tax increases will be proposed in order to balance the fiscal year 2005 budget.

The City Manager advised that the next meeting of the Budget and Planning Committee will be held on Monday, April 5, 2004; Council will receive briefings on the proposed 2005 fiscal year budget in mid April; and there is a scheduling conflict in regard to the site for the proposed 2005 fiscal year budget public hearing on Thursday, April 29, 2004, at 7:00 p.m., which is typically held in the Exhibit Hall at the Roanoke Civic Center.

Following discussion, it was the consensus of Council to hold the proposed fiscal year 2005 budget public hearing in the City Council Chamber, fourth floor, Noel C. Taylor Municipal Building, on April 29, 2004, at 7:00 p.m.

With reference to those items referred to the Council's Financial Planning Session and in the interest of time, the Chairman advised that a grant to the Roanoke Higher Education Center for property taxes paid would be deferred until the April 5, 2004, meeting of the Budget and Planning Committee.

Mr. Stovall called attention to a request from the Commissioner of the Revenue for additional funding in the amount of $19,000.00, approximately $2,500.00 of which will be used to implement the short term rental tax which was approved in the fiscal year 2004 budget, with the remainder of the appropriation to be used for day to day operation of the office. He stated that the Commissioner of the Revenue indicates that if additional funding is not forthcoming, it may be necessary to adjust operating hours in order to serve all citizens who are in line to transact business so as not to incur overtime expenses. He pointed out that the budget reduction for the Office of Commissioner of the Revenue for fiscal year 2004 was approximately $19,000.00.

The City Manager advised that if approved by Council, the $19,000.00 could be transferred from the City Manager's Contingency account to the budget of the Commissioner of the Revenue.

Following discussion, it was the consensus of Council to authorize appropriation of an additional $19,000.00 to the budget of the Commissioner of the Revenue for fiscal year 2004.

The City Manager called attention to recent events regarding adoption of the State's budget, and advised that some persons have suggested that the General Assembly may not recess on time and there may be a need to continue to meet in order to reach a balanced budget; whatever the compromise, the budget will be different from either of the two budgets as presented by the House and the Senate; and the City can expect certain budgetary impacts whether they be in constitutional offices, or education, or law enforcement, or social services, or general revenues to be shared with the localities. She invited Council Members to view the RVTV-Channel 3 showing of a press conference that was held on Thursday, March 4, 2004, in Richmond, Virginia, by the Virginia First Cities Coalition, the essence of which reflects the sentiments of the City of Roanoke relative to the need for the General Assembly to recognize its obligations to Virginia's localities. On behalf of the Virginia First Cities Coalition, she stated that the press conference indicates support of the Senate version of the budget which overall represents the best interest of localities.

Ms. Wyatt inquired if it would be advantageous for the Council to go on record in support of the Senate version of the budget; whereupon, the City Manager advised that as a member of the Virginia First Cities Coalition, the position of the City of Roanoke was communicated as a part of the entire group, but Council Members, individually, could contact the City's legislative representatives.

The City Manager stressed that the next several weeks may change some of the information that was shared with the Council during today's Financial Planning Session, and expressed appreciation to Council for the seriousness with which it deliberated the topics of discussion.

The Chairman concluded the Financial Planning Session and turned the meeting over to the Mayor.

The Mayor referred to a previous discussion by Council in regard to cleaning up I-581 intersections within the City of Roanoke, and advised that the Roanoke Kiwanis Club will engage in a community project to remove debris in the Jefferson Street/Walnut Avenue I-581 area on Saturday, March 6, 2004.

Upon question by a Member of Council, the City Manager advised that City staff has not heard from Virginia Department of Transportation officials in regard to I-581 private property, and staff will coordinate a request of the Mayor to ride along portions of I-581 with appropriate City staff.

There being no further business, the Mayor declared the Council meeting in recess until Monday, March 15, 2004, at 11:30 a.m., at which time Council will meet jointly with the Roanoke City School Board to review information on construction costs for Patrick Henry High School.

The regular meeting of the Roanoke City Council which convened on Monday, March 1, 2004, at 9:00 a.m., which meeting was declared in recess until Friday, March 5, 2004, at 8:30 a.m., which meeting was declared in recess until Monday, March 15, 2004, at 11:30 a.m., was called to order on Monday, March 15, 2004, at 11:30 a.m., by Vice-Mayor C. Nelson Harris and School Board Chairperson Gloria P. Manns in Room 159, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, Virginia, for a joint meeting of the Roanoke City Council and the Roanoke City School Board. The purpose of the meeting was to review plans for the Patrick Henry High School Replacement Project.

COUNCIL MEMBERS PRESENT: Beverly T. Fitzpatrick, Jr., Linda F., Wyatt, William D. Bestpitch, M. Rupert Cutler, Alfred T. Dowe, Jr., and Vice-Mayor C. Nelson Harris----------6.

ABSENT: Mayor Ralph K. Smith----------1.

SCHOOL TRUSTEES PRESENT: William H. Lindsey, Alvin L. Nash, Robert J. Sparrow, Kathy G. Stockburger, David B. Trinkle, and Ruth C. Willson and Gloria P. Manns, Chair ----------7.

ABSENT: None----------0.

STAFF PRESENT: Darlene L. Burcham, City Manager; William M. Hackworth, City Attorney; Jesse A. Hall, Director of Finance; Mary F. Parker, City Clerk; E. Wayne Harris, Superintendent of Roanoke City Schools, Richard A. Kelley, Assistant Superintendent of Operations for Roanoke City Schools; and Cindy Lee, Clerk, Roanoke City School Board.

SCHOOLS: The meeting was called at the request of the School Board to present proposed plans for the Patrick Henry High School Replacement Project.

On behalf of the Council, the Vice-Mayor welcomed the School Board and staff to the meeting.

Chairperson Manns expressed appreciation to Council for taking time from their schedule to meet with the School Board to discuss plans for the Patrick Henry High School Replacement Project. She introduced Richard A. Rife, representing Rife & Wood Architects; and Lee Wilhelm, Mike Farris and Doug Childess, representing J. M. Turner Construction Company.

Chairperson Manns advised that the School Board has engaged in numerous discussions regarding the Patrick Henry High School Replacement project (Patrick Henry) and the School Board is present to reaffirm its commitment to both the Patrick Henry and the William Fleming High School projects. She stated that following significant community input throughout all phases of the planning process, the School Board has voted to proceed with the Patrick Henry High School Replacement Project, commencing in June 2004, at a cost of $46.7 million, which will allow for completion of the Patrick Henry project and commencement of the William Fleming High School Replacement Project in June 2007. She advised that the School Board will assume the increase in debt service from $38 million to $46.7 million; and noted that the original budget of $38 million, which was developed in 2001 for the Patrick Henry project, was based on the School Board's debt service capacity in 2005 and was not based on specific design plans. To provide Council with an overview of the Patrick Henry project, including planned academic concepts, final design, site plans and a revised timeline for debt service requirement, she called upon Superintendent Harris and Assistant Superintendent Kelley.

Superintendent Harris advised that the last time Council received information regarding the Patrick Henry project was in May 2003 during fiscal year 2004 budget study at which time Mr. Kelley provided information that was

based on preliminary design; however, today's briefing would include a complete review of the final design plan, including the academic program and debt service requirements.

Mr. Kelley advised that:

- Ten buildings will be removed over the next three years in order to make room for a new main classroom building.

- Gibboney Technical and Education Center will be renovated to facilitate the business and academic program.

- The Governor's School will remain on the site.

- The building will be elevated six feet above the present level of the parking lot.

- The community has stressed the importance of constructing a building that is visible from Grandin Road and looks like a school with a designated front entrance.

- The main building will have three floors: ground floor, second floor and third floor.

- The second and third floors will house academic classrooms, or learning communities, and administrative situations associated with each learning community.

- The ground floor will house community oriented and support types of uses such as the library/media center, cafeteria area and administrative office space for staff.

- Any student entering the building will pass the administrative office before proceeding to the academic portion of the building.

- All doors will operate on an electronic lock system, similar to that used in hotels, using a swipe card.

- Community groups using the auditorium will be issued a swipe card which will allow for entry to the auditorium area only.

- The library/media center will be located across from the administrative suite, the area is significantly larger than the present library media center, and will include state-of-the-art technology and technology-based systems.

- The food court will be located behind the library/media center, the cafeteria area will be arranged so that students will not be required to go through one serving line, but visit food kiosks located at various points throughout the cafeteria in a food court type arrangement.

- External courtyards will be located off the cafeteria and off the library/media center.

- The cyber café will be located adjacent to the library/media center with significant soundproofing of the wall.

- Special education classes will be held on the first floor with a drop off point for disabled students and a covered walkway at the rear of the building.

- Additional classrooms can be added to the rear of the building if there is a need for expansion, and the main academic building can be connected to the business and technical education center.

- Design of the academic component of the second and third floors is identical.

- Space is available above the gymnasium on the second floor for a health and physical education center, wrestling room, training room, and ROTC classrooms; and the gym will seat 1500 in a bleacher type setting and 2200 if chairs are placed on the floor.

- The gymnasium can be used as a regulation 94 foot varsity style basketball court, or set up as two side by side courts for physical education activities.

- No classrooms are planned to be located above the fine arts wing housing the auditorium and the black box theater.

- Learning communities and basic classrooms will be located on the second floor along the side with administrative offices in the center; laboratory space that can be broken down into science labs, health, business and technology education labs, and laboratories will have the basic infrastructure to allow for connection to the necessary utilities.

- During a seven period day, a student will remain in the learning community for four to five periods of instruction, with one to three periods outside the learning community in fine arts, music, or physical education classrooms.

- Two learning communities will be located on the third floor identical to the learning communities on the second floor.

- Use of Blenheim Road will be limited to deliveries and custodial and food service employees in order to reduce the amount of traffic in the area.

- Plans include a regulation softball field and practice fields that can be used for soccer, football, or band practice.

- Total parking will exceed 600 parking spaces.

- Ten buildings are currently located on the Patrick Henry site, when the ten buildings are eliminated, the footprint of the building will be substantially reduced to free up space for softball, soccer and football practice fields.

- Academic concepts include: a seven period day beginning in August, 2004, smaller learning communities, an advanced placement high school, a fine arts center, and all programs will be technology based.

- Design concepts include: four self-contained learning communities, a new auditorium and "black box" theater that will seat 450 students, an arts and music center, a gymnasium with a health and fitness center, food courts with a "cyber café", technology based library/media center, exterior courtyards, and new athletic practice fields for softball, football and soccer.

- The Modular Master Plan allows for continued operation of the school. Phase I - classrooms, media center and cafeteria; Phase II - construction of the fine arts wing and gymnasium complex; and Phase III - construction site for practice fields and gymnasium.

- The campus plan will be replaced by a consolidated/courtyard plan that provides for natural light, secure outdoor gathering spaces and internal circulation.

- The consolidated footprint allows for reorganization of the school into small learning communities, more land for athletic fields, improves energy efficiency, provides for a defined front door, full ADA compliance in terms of elevators, ramps and restrooms, and an overall new image.

- The cost estimate for Patrick Henry High School for school and site improvements is $40,101,613.00.

- Adding in other project costs such as:

Architectural/Engineering Fees	$	2,150,000.00
Construction Manager Fees		2,570,000.00
Testing, Legal Ads and Printing		50,000.00
Furniture and Equipment		1,875,000.00
Subtotal	$	6,645,000.00
Total Project Budget	$	46,746,613.00

- The School Board has held pubic hearings with regard to reducing the scope of the project and deferring several of the following support functions to future years; i.e.: beyond 2010: Defer construction of the auxiliary gymnasium - $885,000.00, defer construction of band and orchestra rooms - $815,000.00, build a new 1500 seat gym and physical education locker room - $3,517,000.00, defer construction of new athletic locker rooms, training room, fitness center, wrestling room, ROTC classrooms, for a subtotal of $5,217,000.00. The above referenced deferrals of support functions would reduce total cost of the project to $41,529,613.00.

- The following represent Virginia averages for construction costs for new high schools:

Construction Beginning:	2000-01	2001-02	2002-03
Nos. of schools	4	7	2
Cost/square foot with site improvements	$130.36	$120.83	$131.62

Patrick Henry High School:
Entire building with site improvements $118.17 square foot

Roanoke Academy for Math and Science:

New building with site improvements 123.67 square foot
Hidden Valley High School (1999, adjusted for inflation):

New building with site improvements 124.65 square foot

- A revised time line has been prepared showing that Patrick Henry High School is scheduled to begin construction in June 2004, to be substantially complete by July 2007 (main part of the building, and classrooms, library/media center, the cyber café will be completed by January 2006, construction of the front portion of the building consisting of the fine arts wing and gym will be completed during the next 12 - 18 months, and the site for the auxiliary gym will be completed by July 2008.

- Construction on the William Fleming High School project will start in June 2007 for completion by July 2010.

- The School Board has increased debt service since 2001 on the average of about $605,000.00 per year; if debt service accumulation is increased to $675,000.00 annually by the year 2006, the School Board will have accumulated enough debt service in the School Board budget to fund the additional cost of the Patrick Henry High School project, at $46.75 million.

- Debt service for William Fleming will be accumulated between 2007-2010, using the average annual accumulation of $675,000.00 through fiscal year 2010.

- The School Board is not projecting any major school capital projects after fiscal year 2010, and all elementary school projects will have been completed by this date.

- All middle school projects will have been completed by 2010, plus significant improvements to Madison and Ruffner Middle Schools, which were not included in the original renovation schedule for middle schools; and after 2010, the School Board's debt service will begin to decline at the rate of $200,000.00 to $300,000.00.

- Following completion of the Patrick Henry and William Fleming High School Replacement projects, there will not be a need for additional high school projects for the next 50 years.

- Following completion of the high school projects and several elementary school projects that are currently on the drawing board, all major capital improvement requirements will have been completed through the year 2020.

- The School Board will accumulate $675,000.00 per year through fiscal year 2010, or approximately $5 million to address the high school debt by fiscal year 2010.

- A contingency fund of $2 million will be developed by virtue of the fact that the debt service that the School Board has accumulated has been used to fund architects and construction management fees for the Patrick Henry project.

- The School Board will complete the remaining elementary school projects by 2007-2008 (Westside, Fallon Park, Monterey and Raleigh Court Elementary Schools will be completed over the next two to three years).

- The School Board is requesting that Council maintain its original commitment of $39 million for both high school projects, which was the original 50 per cent share of a $78 million budget, and approve the appropriate debt issuance resolution(s) for the high school projects and other capital projects.

- Council previously approved a debt resolution for the Patrick Henry High School project which would need to be increased to meet new project budget requirements of $46.75 million.

In summary of Mr. Kelley's remarks, it was advised that:

- The main difference in the debt service requirements of the high school projects between the new and the old project budgets is that the debt service accumulation schedule is extended by two years from fiscal year 2008 to fiscal year 2010.

- The average rate of accumulation per year of $675,000.00 is not significantly different, but accumulation occurs over a period of six years, rather than four years.

- Once the School Board completes William Fleming High School by 2010, no significant capital projects in excess of $2.5 million are on the horizon, except the possible replacement of the central administration building. The School Board will have remodeled or replaced all elementary schools and four of the six middle schools and roofs and HVAC systems will have been replaced at two other middle schools.

- Debt service will start to decline after the year 2010 at the rate of $200,000.00 to $300,000.00 per year.

- The new high schools will help to retain families in the City of Roanoke who have the financial capacity to move to another Roanoke Valley community. Not only will this help the City with its population base, but each student retained equals approximately $3,000.00 annually in State aid.

- Real estate values, particularly in the more affluent areas of the City, will be positively affected leading to increases in tax collections without an increase in taxes.

- The City's economic development activities will be enhanced by attracting "clean" industries to the City with two progressive high schools - one with an AP focus and one with an IB focus.

- The quality of the City's workforce will be improved through better education for the City's high school graduates, both college bound and career oriented.

- Both high school campuses will become community centers for health, physical fitness, the arts and other important civic programs.

- The design of the new campuses will have important environmental and aesthetic benefits for the neighborhoods in which they are located.

Chairperson Manns reiterated the School Board's commitment to the Patrick Henry and William Fleming High School replacement projects and advised that in order to complete both projects, the School Board will accumulate $5 million in high school debt service by fiscal year 2010; the School Board will develop a contingency fund of $2 million for the high school project by fiscal year 2005; remaining elementary school projects will be completed by 2007-2008; and, in order for the School Board to successfully accomplish these projects for the children of Roanoke City, it is requested that Council maintain its original commitment of $39 million for each of the two high school projects and approve the appropriate debt service issuance resolution(s).

Comments/questions by the Vice-Mayor and Members of Council:

- Did community needs create anything that can be quantified?

Superintendent Harris responded in the affirmative and advised that as the community provided input during a number of public meetings in regard to programs, their wishes and desires have been reflected in the increase in square footage of the main school building and a more complete high school in terms of fine arts and athletics. He stated that the voice of the community was listened to very carefully.

- How much, if any, will other schools be affected by the increase in debt service?

Dr. Harris advised that the increase in debt service will not impact the capital improvements plan in terms of completing those school projects that are in progress.

- What is the definition of a learning community?

Dr. Harris explained that the concept of a learning community is: ninth grades at both Patrick Henry and William Fleming High Schools have been arranged in a group setting which allows all ninth grade students to spend much of their time together in a smaller setting in order to build relationships between staff and students by offering the opportunity for students to study together for the core subjects such as math, science, and social studies.

- An observation was made that it will soon be time to begin the process of renovating elementary schools.

Mr. Kelley responded that it will not be necessary to gut elementary school buildings and start over, and the School Board will continue to monitor the buildings on a regular schedule in terms of capital maintenance items such as roof replacement, flooring, etc., that may need to be replaced.

- How much of increased debt service funds will come from school employee salaries?

Dr. Harris responded that none of the funds will come from employee salaries, the School Board has used the increase in revenue each year and set aside a portion of the funds to be devoted exclusively to debt service which has not impacted the ability of the school system to provide pay increases for school employees.

- What is the average class size at Patrick Henry High School?

Dr. Harris advised that with construction of the new high school, the average class size will not change from a ratio of 25 to 1, some classes have a larger ratio and some of the advanced classes have a smaller ratio than 25 to 1.

- It would appear to be redundant to have a library/media center in the Patrick Henry facility and the Raleigh Court Branch Library on the same property. Has any consideration been given to using the school library as the Raleigh Court Branch Library?

Dr. Harris called attention to discussions early in the process to determine if the new library/media center at Patrick Henry High School could serve the entire community. He also called attention to discussions with the City Manager with regard to using the Patrick Henry facility as not only a high school, but a community facility which has proven to be successful at the Roanoke Academy for Mathematics and Science. Council Member Fitzpatrick requested that the City Manager and the Superintendent of Schools continue to pursue the concept of consolidating the library media center in Patrick Henry High School and the Raleigh Court Branch Library.

- Is the front entrance handicap accessible?

Mr. Kelley responded that the front entrance will be ramped, although handicapped access to the building will be more user friendly through the rear entrance.

- Where will the adolescent health center be located?

Mr. Kelley advised that the facility will be located on the first floor adjacent to the cafeteria.

- Will all of the services/programs that are now provided at Patrick Henry be continued in the new school?

Mr. Kelley responded in the affirmative and stated that the architect made a thorough evaluation to ensure that all programs/services are included in the new facility.

- What is the status of the removal of modular classrooms from all elementary schools?

Dr. Harris explained that previous discussion pertained to approximately 57 modular classrooms and advised that considerable progress has been made to replace the modulars with permanent additions; and ten modulars will be added to Patrick Henry High School to accommodate students during the construction period. Mr. Kelley clarified that about 33 mobile units are located at elementary schools, none of which are used as classrooms and some have been left in place at certain schools that are used for other purposes; mobile classrooms still exist at Westside Elementary School, and a building design plan has been prepared, with construction projected to be completed in the summer of 2005. He advised that the goal is to eliminate all individual mobile classrooms that are being used as classrooms by the year 2008.

- An observation was made by a Member of Council that improvements are needed at the two high schools; however, if it became necessary to prioritize faculty and staff against materials, equipment and capital projects, faculty and staff would be the number one priority. The City of Roanoke will be more successful in terms of student achievement if the City attracts the very best educators who may have to work in classrooms that are in need of repairs and/or improved equipment.

- Excitement was expressed that upon completion, the City of Roanoke will have two world class high schools that will be open to the public in six years, which will lead to improved economic development and stability of those families who choose to live in Roanoke because of the quality and competitiveness of its school system.

- What has been learned from the Columbine High School experience that was incorporated in the Patrick Henry High School building plans?

Mr. Kelley advised that the security consultant stressed the need to limit access to the school by including one point of entry where students will be required to pass when entering the main school building; construction of a building that is of one footprint, with surveillance cameras incorporated into the facility, both internally and externally; installation of an electronic key in system, with swipe cards; and academic communities will be located on the second and third floors of the building which will limit the ability of the public to access those areas during the school day, therefore, any persons on the second and third floors will be confined to students, teachers and staff and not the public at large.

- Where will track and field athletes practice outdoors?

Mr. Kelley advised that Patrick Henry will maintain its present track and no significant funds have been devoted to improve the track facility.

- How has "green architecture" been incorporated into the design in terms of energy efficiency and recycling?

Mr. Rife advised that the fact that rebuilding will occur on an existing site is a "green architecturally-oriented" way to proceed; consolidating the building, or de-suburbanizing, will decrease water run off on the site and any flooding conditions that might be created; an increase in the green area of the site will provide air quality improvements, with substantial tree plantings in the parking areas; and the heating and air conditioning system will be designed as a variable air volume system that will be responsive to individual room needs, in order to heat or cool individual rooms as needed, with a system that is highly programmable and allows for the heating/air conditioning system to be controlled at lower levels when the building is not in use.

- To what extent will the career and technical education setting be upgraded?

Mr. Kelley advised that technical education classes without space use requirements will be located in the learning community in the main building to provide laboratory space for business and technical education courses; and courses such as cosmetology, or culinary arts, etc., will be located in Gibboney Center due to space requirement needs for equipment or access, etc.

- Will an attempt be made through decoration, painting, etc., to make the Gibboney Technical Center blend with the new school?

Mr. Rife advised that the Gibboney Center will be connected with a covered canopy to physically tie the structure in with the main building and some of the programs currently taught at Gibboney will be moved to the main building.

- As construction unfolds, how will student traffic be managed on campus?

Dr. Harris advised that a position has been established to serve as liaison/coordinator between construction activities and the school population, with safety being the paramount concern; a safety liaison construction committee has met on two occasions and developed a plan to ensure that the construction site is cordoned off; an additional security officer has been approved by the School Board whose primary responsibility will be to patrol the area for safety; the City Manager has responded to a request to ensure traffic control in and around the entrance to Patrick Henry during construction; and the liaison construction committee is looking at ways to shuttle students throughout the school campus during construction, all of which should be finalized well in advance of the time that students return to school in August, 2004.

- How will the new building enhance curriculum and academics?

Dr. Harris responded that the goal is that Patrick Henry will become a world class high school; when looking at schools that are currently listed in USA Today as the top high schools, the one common thread is that they offer a wide range of AP courses; the School system is working with Virginia Western Community College to increase the number of AP classes to be offered next year, with a goal that by the time the new facility is open, all 31 AP classes will be offered, and successful completion of the courses will be recognized as college credit; and final discussions are

underway with officials of the Roanoke Symphony Orchestra to provide for Patrick Henry High School to serve as the future home of the Roanoke Symphony.

- A summary was requested of citizen input at community meetings where cost reduction options for Patrick Henry High School were reviewed.

Chairperson Manns called attention to widespread attendance at the meetings at which time the public clearly proposed the cost reduction items at Patrick Henry High School. Dr. Harris advised that two meetings were held and additional information type meetings are scheduled to be held with parents of elementary and middle school students; and some citizens have voiced concerns with regard to the expenditure of these kinds of funds to replace Patrick Henry, but the predominate view of the public is that the project should move forward, therefore, the School Board took action to not eliminate the fine arts facility, or to reduce the athletic facility, and to move forward with the project.

- Will the health and fitness center be open to the public?

Mr. Kelley advised that it is proposed to enter into an agreement with the City's Department of Parks and Recreation that will add the Patrick Henry health and fitness center to the other school fitness center facilities.

- Will the auditorium continue to be known as the Clara Black Auditorium?

Mr. Kelley advised that the School Board has not made a decision in regard to naming the facility.

An observation was made by a Member of Council that "Clara Black" is an important name and should continue to be used with the new building, therefore, the School Board should be encouraged to carry on the tradition because of Ms. Black's theatrical experience and the opportunities that she created for Roanoke's young people that would not otherwise have occurred.

Dr. Harris commended the cooperation of the City Manager in responding to various requests/concerns of the School Board, i.e.: security and a location for band and sports teams to practice. He advised that there will be times of upheaval, turmoil and inconvenience for students, and parents must be assured that their children will be safe. He added that he will continue to work with the City Manager as construction proceeds.

The City Manager advised that the Council's next Budget and Planning Committee meeting is scheduled to be held on Monday, April 5, 2004, and at that time, City staff will be prepared to review information with regard to the impact of bond issuance at the higher level as staff finalizes its recommendations regarding a capital and operating budget for the City of Roanoke for fiscal year 2005.

There being no further business, the Vice-Mayor declared the Council meeting adjourned at 1:25 p.m.

APPROVED

ATTEST:

Mary F. Parker
City Clerk

Ralph K. Smith
Mayor

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