

UNAPPROVED MINUTES
COUNCIL MEETING
April 22, 2011

A special and regular meeting of the Council of the City of Salem, Virginia, was held in Council Chambers, City Hall, 114 North Broad Street, on April 22, 2011, at 8:00 a.m., there being present all the members of said Council, to wit: Byron Randolph Foley, John C. Givens, Jane W. Johnson, William D. Jones, and Lisa D. Garst; with Byron Randolph Foley, Mayor, presiding; together with Kevin S. Boggess, City Manager; Krystal M. Coleman, Deputy Clerk of Council; Frank P. Turk, Director of Finance; Melinda J. Payne, Director of Planning and Economic Development; Charles E. VanAllman, City Engineer; Mike Stevens, Communications Director; Tammy Todd, Assistant Director of Finance; and Stephen M. Yost, City Attorney, and the following business was transacted:

NOTE: DUE TO A COMPUTER MALFUNCTION, THIS PORTION OF THE MINUTES WAS PREPARED WITHOUT THE ASSISTANCE OF AUDIO RECORDING EQUIPMENT

The April 11, 2011, work session and regular meeting minutes were approved as written, and the April 14, 2011, special meeting minutes were approved as amended.

Mayor Foley requested that Council receive a presentation from Sally Southard, Chair of the Salem School Board, regarding the 2011-2012 budget; and

WHEREAS, Sally Southard, Chair of the Salem School Board, appeared before the Council to present the balanced budgets for FY 2012 consisting of the School Fund budget in the amount of \$41,396,614 and the Cafeteria Fund budget in the amount of \$1,624,042 for a total budget of \$43,020,656 which was unanimously approved by the school board on March 22, 2011; the FY 2012 budget is \$985,058 or 2.3 percent over the FY 2011 adopted budget of \$42,035,598; she stated that state revenue represents the majority of the increase in the total budget because it increases by \$1.2 million; however, \$448,000 of the increase is federal ARRA funds in FY 11 being paid again as state General Fund revenue in FY 2012 instead of as "federal revenue"; she stated that increased state funding for higher VRS costs and one time state "supplemental support" fund account for the remainder of the state revenue increase; she stated that federal revenue increases overall by only \$32,000, but represents a one-time increase for federal Jobs Bill stimulus funds of \$788,000 saved from last year and a decrease in permanently expiring ARRA stimulus funds of about \$800,000; local revenue from the City of Salem is expected to be budgeted as level funding at \$18.4

ITEM 1 PRESENTATION FROM SALLY SOUTHARD, CHAIR OF THE SALEM SCHOOL BOARD REGARDING THE 2011-2012 BUDGET

million with debt service paid 100 percent by the City, decreasing by \$210,000; she further stated that miscellaneous revenue is flat next year at \$1.2 million; The FY 12 School Fund budget is funded with 43% state funds, 6% federal funds, 49% local funds and 2% other funds. (In the FY11 adopted budget as a comparison, the state funding was 41 %, federal 5%, local 51% and other 3%); There are no proposed changes to the non-resident tuition next year since it was increased from \$300 to \$500 in the current year (\$150 for employees) resulting in an increase in non-resident tuition of \$45,630; however, we also have 23 fewer non-resident students this year resulting in a decrease in state revenue of \$3,875 per student (totaling \$89,125) for a net loss of non-resident tuition funds of \$43,495; she further stated that balancing the budget was accomplished by: buying no new buses from the operating budget next year; adding no new locally funded initiatives or programs; maintaining the same funding as last year for textbooks; level funding individual school instructional supplies and equipment; continuing to fund the Distinguished Scholar Program (\$22,000) and the International Baccalaureate program (\$58,900 excluding teachers); level funding utilities overall and increasing the fuel budget by \$25,000; funding for a possible 11% increase in health insurance and \$130,000 for GASB 45 Other Post Employment Benefits liability; fully funding the continuation of the Retirement Extended Work Incentive program (REWIP) for 58 participants, which is similar to FY10 at \$506,598; funding an increase in VRS employer pension costs due to higher rates of 11.93% for teachers (\$498,490); budgeting for all current locally funded positions; and continuing to support National Board Certification for teachers. Mrs. Southard stated that the Cafeteria budget, also a balanced budget of \$1.63 million, is very challenging with the cost of food increasing and lunch revenue decreasing; she stated there has been a trend of more students qualifying for free and reduced lunches and fewer full pay lunches; she stated that the schools will continue to participate in a regional food consortium to maximize buying power; will also eliminate two cafeteria positions through attrition next year; she further stated that to balance the Cafeteria budget, there will be a ten cent increase in student and adult lunch prices with no change in milk or breakfast prices; she noted that the last increase in lunch prices was in September 2009; on behalf of the Salem City School board and employees she thanked Council for the local funding the City provides to the school division, and the importance Council places in the education of our youth; she asked that Council appropriate the funding and approve all necessary budget adjustments as noted in the complete budget presented to you by Mr. Turk; she further thanked Dr. Seibert, Mr. Crew, Mr. Turk and the school division employees for their patience and hard work in developing this year's budget during such a difficult economic time; she stated that she, Dr. Seibert, Mr. Crew and Mr. Turk will be glad to answer any questions;

NOTE: THE REMAINDER OF THE MINUTES WERE PREPARED WITH THE ASSISTANCE OF AUDIO RECORDING EQUIPMENT

WHEREAS, Councilwoman Garst questioned if a survey was performed to determine if an economic driver was the reason for the decline in non-resident students; and

WHEREAS, Mrs. Southard stated that a survey was not done; and

WHEREAS, Councilwoman Garst questioned the student population as a whole; and

WHEREAS, Mrs. Southard stated that the population is steady; she stated that the same ADM membership figures this year as last year; and

WHEREAS, Mayor Foley questioned what percentage fuel costs make up the transportation/bus budget; and

WHEREAS, Mike Crew stated that it is unknown how fuel prices will fluctuate; he stated that the budget was increased from \$90,000 to \$123,000 to proactively be prepared for fuel cost increases; and

WHEREAS, Councilwoman Garst questioned the current condition of the bus fleet; and

WHEREAS, Dr. Seibert stated that capital reserve has been used to keep the bus fleet up-to-date; he stated that bus purchases were removed from the operating budget two years ago; and

WHEREAS, a discussion was held regarding state and federal funding, employee benefits, etc.;

THEREUPON, said presentation was received.

Mayor Foley reported that this date and time had been set to hold a public hearing to consider the request of John S. and Barbara S. Krzysko, property owners, for the issuance of a Special Exception Permit to allow a single-family or two-family dwelling on the property located at 1410 Eddy Avenue (Tax Map #201-1-4); notice of such hearing was published in the April 6 and 13, 2011, issues of The Roanoke Times, a newspaper having general circulation in the City of Salem; and

ITEM 2
SPECIAL
EXCEPTION
PERMIT
APPROVED TO
ALLOW A SINGLE
OR TWO-FAMILY
DWELLING ON THE
PROPERTY
LOCATED AT 1410
EDDY AVENUE
(T/M 201-1-4)

WHEREAS, the Planning Commission at its April 13, 2011, regular meeting recommended approval of said request; and

WHEREAS, staff noted the following: the subject property consists of one parcel, located on the south side of Eddy Avenue, west of West Riverside Drive; it is approximately .34 acres and is currently occupied by a house containing two apartments; there are several multi-unit houses as well as single family houses surrounding the property; this block of Eddy Avenue has been zoned for commercial use for a number of years; the property owners purchased the property in the 1970s; they recently listed the property for sale and discovered that the residential use was grandfathered; when potential buyers tried to obtain financing, lenders denied their request based on the non-conforming use of the property at 1410 Eddy Avenue; single-family and two-family dwellings are permitted in the TBD Transitional Business District zoning with the approval of a Special Exception Permit; this request is for a Special Exception Permit to allow the existing structure to be used for either a single-family or two-family dwelling; and

WHEREAS, the Director of Planning and Economic Development appeared before the Council to explain the petitioners' request; she stated that the block of Eddy Avenue the property is located has been zoned for commercial use for a number of years; she stated that when the property owners placed the property for sale, it was determined that lenders would not loan money on the property because the residential use of the property is a non-conforming use; she stated that the property owners are requesting a Special Exception Permit to allow a single-family or a two-family dwelling on the property to bring the property into compliance; and

WHEREAS, a discussion was held regarding the lenders requirements regarding zoning, etc. on a property before they will approve a loan; and

WHEREAS, it was noted that the Special Exception Permit is for the property itself, not the property owner; and

WHEREAS, no other person(s) appeared related to said request;

ON MOTION MADE BY COUNCILWOMAN JOHNSON, SECONDED BY COUNCILWOMAN GARST, AND DULY CARRIED, a Special Exception Permit to allow a single-family or two-family dwelling on the property located at 1410 Eddy Avenue (Tax Map #201-1-4) was hereby approved -- the roll call vote: Lisa D. Garst – aye, William D. Jones – aye, Jane W. Johnson – aye, John C. Givens –

aye, and Byron Randolph Foley – aye.

Mayor Foley requested that Council receive a presentation from the City Manager regarding the 2011-2012 budget; and

ITEM 3 FY 2011-2012 BUDGET PRESENTATION
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WHEREAS, the City Manager thanked James E. Taliaferro, II, Assistant City Manager; Frank P. Turk, Director of Finance; Tammy Todd, Accounting Supervisor; the entire Finance Department; and all Department Directors for their work in the preparation of the budget for the fiscal year 2011-2012; he then presented the budget for the fiscal year 2011-2012 to Council and explained the following letter highlighting certain aspects of the budget:

(HERE SET OUT CITY MANAGER BUDGET LETTER)

THEREUPON, said budget for the fiscal year 2012-2012 was received as presented by the City Manager.

A Budget Work Study Session was hereby set for May 9, 2011, 5:30 p.m., in the Council Chambers, City Hall, 114 North Broad Street, prior to the regular meeting agenda, and will continue immediately following the regular meeting, if necessary to complete the remainder of the Budget Work Study Session for the 2010-2011 budget.

There being no further business to come before the Council, the same on motion adjourned at 8:46 a.m.