

MINUTES OF WORK SESSION
OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE 10th FLOOR CONFERENCE ROOM
2400 Washington Avenue
April 27, 2010
3:00 p.m.

PRESENT: Tina L. Vick (left at 4:30 p.m.); Joseph C. Whitaker; Dr. Patricia P. Woodbury; Herbert H. Bateman, Jr.; Joe S. Frank; Madeline McMillan (arrived at 3:15 p.m.) and Sharon Scott ----- 7

ABSENT: None ----- 0

OTHERS PRESENT: Neil Morgan; Stuart Katz; Mabel Washington Jenkins; Alan Archer; Cynthia Rohlf; Wanda Pierre; Lisa Cipriano; Steve Carpenter; Stephen Hawks; Chad Pritchett; Bill Keeler; Robyn Rose; Monique Warren; Cleder Jones; Charles Crowson; Pricilla Bele; Linda Kriner; Pixie Killibrew; Carol Meredith, Thomas Herbert; Alonzo Bell; Scott Leibold; Dan Curran; John Procyson, Kim Lee; Jerri Wilson; Joe Lawlor; Jennifer Walker and Pamela Foshee

I. FY 2011 Budget Discussion

• Final Revenue Estimates

Mr. Neil Morgan, City Manager, explained, in order to finalize the revenue estimates in the FY2011 Recommended Budget, he and the Budget staff had been waiting for the final decision from the veto session of the General Assembly, and the final figures on the apartment valuation from the Real Estate Assessor's Office. He explained that changes made by the General Assembly appeared to balance out and did not affect the revenue in the FY2011 Recommended Budget. City Manager Morgan reported that the property tax revenue estimate had risen by \$500,000, which was based on the apartment valuations that came in after the original recommended budget had been released. Instead of \$410.5 million in the General Fund, the final amount would be \$411 million. He reminded City Council that they had the option to restore items to the budget using that \$500,000. He recommended, if there were remaining funds, restoring some of the cash capital of \$2 million that was cut from the FY2011 budget. Restoring cash capital would prevent using reserves when the purchase of a fire truck or school bus became necessary. City Manager Morgan explained that he had approached the Department of Parks, Recreation and Tourism to inquire whether, without creating new programs or hiring new supervisors, they could hire a few more than the usual number of high school and college students to keep them productive over the summer. The cost would be \$4,000 per employee, which meant 10 additional summer employees could be hired for \$40,000. He explained that this could be accomplished without creating additional bureaucracy. He reiterated that, in his opinion, any remaining funds should be used to restore cash capital and secondly to hire additional students for the summer.

Ms. Lisa Cipriano, Director, Department of Budget and Evaluation, explained that estimates in the City Manager's FY 2011 Recommended Budget were accurate with final State revenues. She explained that after the State budget session was completed, the only reduction was \$102,000 for Juvenile Services programs. Ms. Cipriano indicated that all other revenues were holding true to projection for the 3rd and 4th quarters of FY2010. She reiterated that the revenue estimates for real estate taxes would increase by \$500,000.

Councilwoman Woodbury asked for clarification on the City Manager's suggestion that excess funds be used for cash capital and summer jobs rather, than being used to restore eliminated positions.

City Manager Morgan noted that the Commissioner of the Revenue was on the agenda to provide a presentation on the elimination of jobs in her department. He stated that his recommendation was for the use of excess funds, after City Council added, removed and adjusted other items, be placed in cash capital and used for summer jobs.

- Conference Center Marketing Funding

Mayor Frank advised that a letter was received from Mr. William Hudgins, President and CEO, Harvey Lindsay Development Services Group, outlining their views on the Marriott Conference Center annual marketing contribution (a copy of Mr. Hudgins letter dated April 23, 2010 is attached and made part of these minutes.)

Mayor Frank stated that he was involved, to some degree, when the conference center was negotiated. In order to obtain financing and to make the project viable, \$300,000, which was the difference between projected costs and projected revenues, was needed. The negotiations brought the conference center, the Marriott name brand, and a full service hotel to Newport News and resulted in a commitment to fund \$300,000 per year for marketing rather than just a transfer payment. Mayor Frank explained that the term “moral obligation” was a legal term inserted by the City Attorney because the City Council, at the time of the agreement, could not obligate a future City Council to the cost. He explained it was agreed that the City Manager would recommend the \$300,000 in his budget each fiscal year and it would be City Council’s decision whether to appropriate the funds on an annual basis. It was his belief that an obligation was made for reasons that were appropriate to facilitate the addition of a full service hotel. He felt that the advertising would benefit the larger community, not just the conference center. Mayor Frank was of the view that an obligation to pay the \$300,000 existed.

Vice Mayor Whitaker agreed with Mayor Frank that a commitment was made and must be honored.

Councilwoman McMillan strongly disagreed that an obligation was made for the \$300,000 marketing costs. She felt, to give one venue money and not others, was a “slap in the face” to those who spent their own money and were struggling to survive. She agreed that an obligation to fund some of the marketing did exist because the conference center was City owned, but did not agree that \$300,000 was appropriate.

Mayor Frank reminded that the developer originally needed the \$300,000 to make the plan work, and requested a direct contribution to the enterprise. He felt that marketing the conference center would benefit others because not everyone attending a conference would stay at the Marriott, in addition to the fact that visitors spent money at restaurants and other venues. He reiterated that the term “moral obligation” came from the City Attorney’s advice that future City Council members could not be obligated to the \$300,000.

Councilwoman McMillan requested an itemization of the marketing expenses to show what was spent on print, media, promotional items, and actual direct marketing. City Manager Morgan explained that the marketing program was audited annually; however, he felt there was another level of detail beyond the audit. He stated that a portion of the funding was used for personnel to market the conference center, and a range of other activities.

Councilwoman McMillan stated that personnel costs should be part of operational costs, not marketing costs.

City Manager Morgan stated, in his FY 2011 Recommended Budget, \$200,000 of the marketing funding was in the General Fund, with the remaining \$100,000 funded by the Economic Development Authority (EDA).

Councilwoman McMillan suggested a 50/50 split between the General Fund and the EDA.

Mayor Frank responded that it would be more transparent to leave the money in the General Fund. He reminded that EDA money was City money.

Councilwoman McMillan reiterated that a base amount was obligated, but that marketing one facility should not be at the \$300,000 level. She disagreed that an obligation existed to fund marketing at the \$300,000 level.

Councilwoman Scott expressed concern that other businesses would perceive that obligations made were not being met, which would not look favorable when bringing businesses to the City. She did not agree with eliminating the funding, but thought phasing down over time should be considered.

Councilwoman Vick suggested a meeting with the Marriott and the EDA to advise all parties that funding could be reduced in the FY2012 budget.

Councilwoman McMillan stated that the \$300,000 obligation had been supported for many years, but the facility had stabilized and was well known. She suggested a base amount of \$100,000 to \$150,000. Councilman Bateman questioned the suggested base amount and inquired how the estimate was substantiated.

Councilwoman Woodbury stated that she was not on City Council when the agreement was made. She agreed that the conference center was doing well and to sustain funding at that the \$300,000 level was not right. She indicated that helping to get the conference center started was acceptable, but it should become self sufficient. She reminded that the City Manager requested all departments to make cuts; therefore, this expense should be reduced.

There was consensus among City Council to allow the \$300,000 marketing funding for FY2011. The City Manager was instructed to meet with tourism groups and Marriott representatives to discuss a new approach.

- Leaf Collection

Mayor Frank stated there were two sides to the loose leaf collection problem: 1) the cost of providing the service and 2) environmental issues. He supported retaining loose leaf collection for FY2011 and that the matter be reviewed by the City Manager, with a report on a plan for FY2012. He reminded that City Council should be sensitive to savings on one side that might add costs to the other side.

Councilwoman McMillan requested information about leaf collection in the City of Norfolk.

City Manager Morgan was unsure of the leaf collection procedures in the City of Norfolk but was aware that the City of Hampton required citizens to bag leaves, which were then sent on to a centralized mulching operation or facility. City Manager Morgan stated that he could support loose leaf collection for FY2011 and would be prepared to return in the late summer or fall of 2010 to discuss alternatives.

City Manager Morgan explained that environmental issues were a concern. He agreed that recycling was good, but proposed revisions to the Department of Environmental Quality (DEQ) stormwater permit would either prohibit or greatly complicate loose leaf collection with the theory that debris could get into the storm drains, causing environmental issues.

Councilwoman McMillan inquired about the time frame for a decision by the DEQ.

City Attorney Katz explained that a bill was in the General Assembly to delay the decision, and another bill pending, which would establish a new implementation date. He believed that the bill requiring a new implementation date had passed. He stated that the recycling and stormwater consequences could both be expensive for the citizens of Newport News.

City Manager Morgan stated that the revisions to the permit would allow for loose leaf collection in FY2011, but a plan needed to be in place by FY2012.

Councilwoman McMillan suggested a video by Video Production Services, and displayed on Newport News TV, to demonstrate alternate methods of leaf disposal, such as composting.

City Manager Morgan suggested the creation of a team to work out different issues regarding loose leaf collection and report back to City Council.

Councilwoman Vick requested clarification on details of the \$150,000 cost to perform loose leaf collection. City Manager Morgan explained that the \$150,000 for FY2011 loose leaf collection included the cost to Vehicle Services for maintenance, and the cost to Public Works for overtime. He explained that if loose leaf collection was continued in the future, there would be a need to replace the vacuum equipment.

Councilwoman Woodbury stated that she had spoken to owners of small lawn care companies who voiced concern that they would be adversely affected by the elimination of loose leaf collection. She reminded that elderly citizens could not bag all of their leaves. She suggested that citizens would be willing to pay for the delivery of mulch, with the revenue used for the upkeep of vehicles. She also asked the City Manager to investigate waste in the form of too many employees and too many trucks sitting idle during collection.

Councilwoman Scott suggested an annual fee of \$20 to subsidize equipment costs. She felt that most citizens would agree to the nominal fee to keep the service.

There was consensus among City Council to continue loose leaf collection for FY2011, at a cost of \$150,000, and to ask the City Manager to return with suggested alternatives for FY2012.

- Commissioner of the Revenue

City Manager Morgan introduced Ms. Pricilla Bele, Commissioner of the Revenue, to provide a presentation on the role of her office.

Ms. Bele referenced a memo and position papers provided to City Council regarding the elimination of the State income tax operation in the office of the Commission of the Revenue (a copy of Ms. Bele's memo dated March 22, 2010 and the position papers are attached and made part of these minutes). She reminded the City Manager's FY2011 Recommended Budget proposed the elimination of the State Income Tax Division in the Office of the Commissioner of the Revenue. She requested that the funding be restored.

Ms. Bele informed City Council that the Commissioner of the Revenue was responsible for the assessment of more than \$125 million in revenue annually (a copy of Ms. Bele's list of taxes assessed, and services provided, is attached and made part of these minutes).

Ms. Bele explained that the Commissioner of the Revenue's office was arranged in seven divisions, or cost centers, for budgeting purposes. The divisions were:

- Administration
- Personal Property
- Business License
- Business Related Taxes
- Business Audit
- Satellite
- State Income Tax

She explained that the divisions were set up over the years as the department was tasked with additional responsibilities and taxes were assessed. The workload and responsibilities had increased; however, the divisions had not been modified.

Ms. Bele provided a brief history on the State Income Tax Division and the duties that was mandated by State Code, which were preparation of state income tax returns and resolution of citizen problems with the Department of Taxation. She indicated that the number of returns processed was greater in the past because the work was performed manually, which required a larger staff that only processed income tax returns. Due to the implementation of automated systems, such as i-file and e-file, the staff size decreased by half, leaving one deputy and two accounting technicians. She informed City Council that when the State Income Tax Division acquired the responsibility of the DMV Select, no new staff were added. The responsibility was added as a partnership with the State. Of each transaction processed, 4.5% was provided back to the City and the taxpayer was given a \$5 discount for using the DMV Select. Ms. Bele stated that the State Income Tax Division was also responsible for the Real Estate Tax Relief program (research and record keeping) to verify those who qualified received the assistance, and those that did not qualify, did not receive assistance. Ms. Bele acknowledged Ms. Linda Kriner, Deputy Commissioner of the Revenue I, for stepping out of her comfort zone to address City Council at the April 13, 2010 Regular City Council meeting. She stated that Ms. Kriner was the only administrative support to the Board of Review of Real Estate Assessments, which involved participating in administrative tasks during hearings, and throughout the year.

Ms. Bele advised that the temporary staff slated for elimination processed all mail in the department, which included business license, food and beverage, and excise tax payments. This process was critical in order to get the checks in to the Treasurer within 24 hours. This group handled personal property returns for vehicles, business property, and machinery and tools, in addition to the State Income Tax returns.

Ms. Bele reminded that the City Manager had requested that all City departments perform across the board budget reductions. She complied with the request by freezing two full-time positions and eliminating one part-time position, for a savings of \$133,000. This was of particular importance because all Commissioner of the Revenue positions affect local revenue, except for the small amount of income tax services. Governor Kaine had proposed the elimination of 100% of the funding for Commissioners of the Revenue and Treasurers. The City Manager requested additional reductions, which resulted in a savings of \$54,000 by freezing an additional full time position. The savings from the Commissioner of the Revenue totaled \$187,000. The City Manager then recommended the elimination of the State Income Tax Division, which was in addition to the \$187,000 reduction. She indicated that the General Assembly had restored 85% of the funding for the Commissioners; however, the State Income Tax Division was not restored by the City Manager.

Ms. Bele stated that the elimination of the State Income Tax Division would result in the following:

- Elimination of an additional 6 full-time positions (three of which were filled)
- Elimination of one part-time position
- Elimination of temporary staff
- Reduction of office expenses such as travel, printing and telecommunications
- \$221,000 of cuts in addition to the previous \$187,000

Councilwoman McMillan inquired whether the satellite office would remain open since the State funding was restored. Ms. Bele replied that the satellite office would remain open. City Manager Morgan stated that the restored funding made it possible for the satellite office to remain in operation.

Ms. Bele explained the impact of the cuts by reminding City Council that the State Code mandated that the Commissioner of the Revenue perform certain services for State Income Tax. She indicated that the mandate could not be ignored. The elimination of the support for the Board of Review of Real Estate Assessments would be necessary with the staff reductions, as the concentration had to be on generating and collecting local revenue. She suggested that State funding would be further decreased in the future because the funding was based on staffing. The elimination of positions would result in the decrease of local tax revenue, as State mandated work would have to be reprioritized. She stated that her office could not do the most with what they did not have.

Ms. Bele referenced an article in the April 2010 issue of Governing magazine entitled "Axing the Tax Man" (a copy of the article is attached and made part of these minutes). The article discussed a community in Arizona that performed across the board cuts to their fiscal generator.

Ms. Bele once again requested restoration of the funding for the State Income Tax Division.

Mayor Frank asked for a consensus to restore the funding to the Commissioner of the Revenue's State Income Tax division.

Councilwoman McMillan inquired whether the funds could be restored without any adverse affects.

City Manager Morgan reminded, with the revised revenue estimate of an additional \$500,000, the restoration of the funding would be possible. He explained that he did have rationale for making the cut, but saw merit in the points made by the Commissioner of the Revenue.

Councilwoman McMillan inquired as to the cost to restore the division.

Ms. Cipriano stated that actual costs, with increased benefits, would be approximately \$225,000.

City Manager Morgan reminded City Council that with the restoration of both loose leaf collection and the State Income Tax division, the costs would be approximately \$375,000 of the \$500,000 of increased revenue.

There was consensus among City Council to restore the funding for the State Income Tax division in the Commissioner of the Revenue's Office.

- Community Support

City Manager Morgan reminded at the April 13, 2010 Work Session, City Council reviewed the community support budget in great detail. He requested further direction on how to proceed.

Councilwoman McMillan requested additional time to review the community support categories.

Councilwoman Woodbury agreed that additional time would be needed to review the community support allocations.

Councilman Bateman recalled discussion to make reductions across the board, with a plan to reduce support each year.

Councilwoman McMillan stated that many organizations, such as Preschool Partners, requested start up money, which then became a yearly dole. She stated that City Council needed to know who they were giving to, how much, and why.

City Manager Morgan expressed concern with delaying the discussion because of time needed to prepare legislation for adoption of the budget at the May 11, 2010 Regular Meeting of City Council.

Councilwoman McMillan reminded that the budget did not have to be approved until June of 2010.

Councilwoman Vick reminded, during the FY2010 budget process, City Council requested information be provided well in advance of the FY2011 process, to eliminate the need to rush through the process. She expressed concern that eliminating funding to some of the agencies could be detrimental to the community.

Councilwoman McMillan stated that some agencies were duplications, while others were not effective. She expressed concern about citizens relying on organizations that expected the City to fund their entire operation. The groups must be able to stand on their own without City funding. She suggested that community support be studied carefully because the first obligation of City Council was to run the municipality and support services to the taxpayers.

Mayor Frank suggested that City Council had made an obligation to pass the budget at the May 11, 2010 meeting. He felt City Council should follow through on the plan.

Councilwoman McMillan suggested that the citizens would understand the need for additional thought and options. She reminded that legally the budget did not have to be passed until June.

Councilwoman Vick suggested that community support remain level for FY2011, with notice that there would be cuts in FY2012. This would provide notice to the agencies, allowing them to prepare for reductions.

Councilman Bateman stated that the City Manager had made cuts that were not brutal and felt sure that the agencies knew the cuts were imminent.

Mayor Frank expressed support for the City Manager's decision to cut either 3, 5 or 7% from community support agencies.

Councilwoman McMillan inquired whether any agencies had not received cuts.

Ms. Cipriano replied that the Foodbank and the Red Cross had not received funding cuts.

City Manager Morgan stated that the Boys and Girls Club funding was not cut, but An Achievable Dream funding was.

Councilwoman McMillan inquired whether any agencies had funding in any other category besides the City's community support contribution. City Manager Morgan stated that the Boys and Girls Club received Community Development Block Grant (CDBG) funding, but was unsure whether others received additional funding.

Ms. Cipriano stated that the Office of Human Affairs overlapped and received other funding.

Councilwoman Scott inquired whether agencies reported on the percentage of funding that was not provided by the City. Ms. Cipriano stated that the information provided by the agencies was very comprehensive. Community Support application documents were available on the web site. In 2009, a notice was placed on the web page to notify agencies that they should expect some level of reduced funding. She explained that part of the application process was to disclose additional funding.

Councilwoman McMillan suggested a community support board, such as the City of Hampton. She indicated that all agencies were probably deserving, but if discussion about cuts continued and no cuts were made, nothing would be accomplished. City Manager Morgan responded that the CDBG process was somewhat of a community support board.

Mayor Frank requested that the City Manager obtain more information on the process used by the City of Hampton for discussion in the FY2012 budget process.

Councilman Bateman suggested a matching funds component be tied to the support.

City Manager Morgan suggested that the cost of review could be greater than the grant given. Audits could cost \$5,000.

Councilwoman Vick stated that the regional efforts contained duplications and did not demonstrate a cost benefit.

Councilwoman McMillan suggested that citizen input would be welcomed as often times citizens knew more about an agency's performance than City Council. She also requested more oversight on the Boys and Girls Club.

Councilwoman Scott inquired whether an organization should be required to obtain a percentage of their funding from other sources.

City Manager Morgan stated that most of the information for agencies was readily available.

Mayor Frank reminded that the School Board budget needed to be passed at the May 11, 2010 meeting.

There was consensus among City Council to accept the City Manager's FY2011 recommended community support budget, with a review of the community support budget in advance of the FY2012 budget process.

- Other

Waterworks Rate Increase

Mayor Frank reminded that the City Manager's Recommended FY2011 Operating Budget included a 6.9% increase in the second tier water rate, leaving the first tier unchanged.

Councilwoman Vick suggested a 5% increase in the second tier rate rather than the proposed 6.9%.

Councilwoman McMillan reiterated that she did not support summer conservation rates.

City Manager Morgan stated that the bi-monthly change for the average customer would go from \$1.47 to \$1.20 with the proposed 5% second tier rate increase.

Councilwoman Vick indicated that such a large increase in FY2011 seemed as though Waterworks was trying to make up for the lack of an increase in FY2010.

City Manager Morgan stated that a modest incremental increase would be best. He reported that Waterworks did have some reserves, which made the precise amount less important. He explained that the philosophy of the summer rate would be open to discussion.

Mayor Frank reminded that the rationale for the summer conservation rate was to encourage citizens to conserve water during the summer and protect the surge capacity. Water consumption was down and had been trending down. He questioned the need for a rate differential.

Councilwoman McMillan stated that citizens were encouraged to conserve water because of the total water bill; however, in the summer they conserved less water and were more concerned with the need for additional showers. A summer conservation rate gave the appearance of taking advantage of citizens.

Mayor Frank agreed that the City Manager should revisit the summer rate, as it had lost some of its rationale. He explained that water rates went to an enterprise fund rather than to the General Fund. The cost to maintain the systems and treat the water increased each year.

City Manager Morgan reminded that data reviewed in January of 2010 demonstrated that the water rate had risen annually with the cost of living over an extended number of years.

Councilwoman McMillan agreed that rates needed to increase with costs; however, having so many rates was confusing to citizens.

Vice Mayor Whitaker stated that chemicals were very expensive. City Manager Morgan stated that chemical costs were down in the past few months, but the overall cost of operation had risen. He agreed that launching in a new direction to create a new rate structure system would be possible.

Mayor Frank suggested the 5% increase in the second tier, with no increase in summer rates, with direction to the City Manager to revisit the overall water rate structure prior to next year's budget.

There was consensus among City Council to raise the Waterworks second tier rate 5%.

Councilwoman Scott opposed cuts to the Police Department with gangs and crime plaguing the City. She recommended no cuts to the Police Department in the FY2011 budget.

City Manager Morgan explained that the operational budget was reduced, eliminating vacant civilian positions. Twenty new uniform positions, with eight filled, had been authorized. Twelve unfilled positions were frozen in the FY2010 recommended budget.

Mayor Frank suggested that the twelve positions be frozen but retained in the budget, in the event that other funding sources could be located, such as a COPS grant. This would provide the flexibility needed to fill the positions quickly when funding became available.

City Manager Morgan explained that police academy slots were often over filled because not every applicant completed the academy.

Councilwoman McMillan suggested that the twelve positions should be patrol officers. She expressed concern that there were three officers on night duty for the Denbigh area. Councilwoman McMillan inquired as to the length of the COPS grants and expressed concern about the cost of the officers when the grants ended. Chief James Fox, Police Department, explained that a COPS grant was not available for FY2011; however, the traditional length was three years. He explained that most agencies received three or four positions due to the number of requests across the country.

Chief Fox explained that City Council authorized five positions for the Police Department for gang intervention. He explained that there was a gang in Newport News that was responsible for two or three homicides, possibly more. The gang unit that previously was responsible for being on the streets was now involved in a Federal investigation which took them off of the streets. It took two years to get the Dump Squad off the streets, which reduced crime, fear and intimidation in that area of the City. He suggested that gang elimination needed to be a strategy for the future. He referenced a recent burglary in which a police officer's home was robbed and his gun was stolen.

Mayor Frank inquired if the twelve positions were reinstated but not funded, would they be filled without General Fund commitments. Chief Fox stated that reinstating the positions would allow flexibility.

Councilwoman Woodbury inquired about the police academy location and the use of marked police cars. Chief Fox replied that the academy was operated in Newport News and was no longer part of the State academy. He explained that marked police cars could be used within the City of Newport News but could not be taken outside of the City. This policy provided police presence when officers were participating in off-duty positions. The policy did not allow family members to ride in the police car.

There was consensus among City Council to reinstate the vacant police officer positions in the event that funding should become available.

Councilwoman Woodbury inquired about the number of Fire positions eliminated. City Manager Morgan replied that three civilian positions were eliminated.

Councilwoman Woodbury requested that the recently eliminated program that paid Fire personnel a stipend for obtaining a degree be reinstated. City Manager Morgan stated that the program had been phased out in some other localities and indicated that the stipend was not a factor in retention. He explained that no officer would lose their stipend. Tuition reimbursement was eliminated for all employees, which gave Fire and Police an advantage over others. Councilwoman McMillan explained that she had suggested the change due to personnel equity issues. Councilwoman Woodbury explained that tuition reimbursement and education costs were important for employees.

City Manager Morgan indicated that advancement was possible in public safety. When an employee obtained a degree there was a good chance that they would have an opportunity for promotion.

Mayor Frank reminded that \$125,000 of the increased \$500,000 revenue remained unbudgeted. He stated that he had sent letters to local businesses asking them to voluntarily employ more students over the summer. He explained that the letter was sent to approximately 800 businesses. His idea was that much value could be gained by employing students and keeping them off of the streets during the summer. He reminded that the City Manager stated students could be added for \$4,000 per

employee. He recommended using a portion of the remaining \$125,000 for the purpose of hiring additional student employees.

Councilwoman McMillan stated that there may be a greater priority for \$125,000.

City Manager Morgan stated that cash capital had been reduced by over \$2 million.

Councilwoman Woodbury expressed concern about those positions affected by the reduction in force. City Manager explained that the funds could cover one or two positions, but he reminded that position elimination did not occur just for fiscal purposes.

Councilwoman McMillan explained that, while she understood the concern with the students being employed, there were many small items that had been put on hold for some time, such as landscaping of intersections at the entrance to the City on Route 60.

Councilwoman Woodbury suggested filling pot holes on Jefferson Avenue.

Councilwoman McMillan suggested that the business community be given a chance to respond to Mayor Frank's letter and help share the load.

There was consensus among City Council to employ ten additional students during the summer at a cost of \$40,000, with the remaining \$85,000 returned to cash capital.

THERE BEING NO FURTHER BUSINESS,
ON MOTION, COUNCIL ADJOURNED AT 4:40 P.M.

Pamela L. Foshee
Deputy City Clerk

Joe S. Frank
Mayor
Presiding Officer

A true copy, teste:

City Clerk