

EXHIBIT NO. 1

3 (b)
3-28-06

CITY COUNCIL OF ALEXANDRIA, VIRGINIA

**Special Public Hearing Meeting
Monday, March 13, 2006 - - 4:00 p.m.**

Present: Mayor William D. Euille, Vice Mayor Redella S. Pepper, Members of Council Ludwig P. Gaines, K. Rob Krupicka, Andrew H. Macdonald, Paul C. Smedberg and Joyce Woodson.

Absent: None.

Also Present: Mr. Hartmann, City Manager; Mr. Pessoa, City Attorney; Ms. Evans, Assistant City Manager; Mr. Jinks, Assistant City Manager; Mr. Johnson, Director, Management and Budget; Ms. Moore, Budget Analyst; Mr. Routt, Budget Analyst; Mr. Doku, Budget Analyst; Ms. Murphy, Budget Analyst; Ms. Padron, Budget Analyst; Ms. Salerno, Budget Analyst; Ms. Wheel, Budget Analyst; Mr. Eisinger, Budget Analyst; Dr. Gilmore, Director, Mental Health, Mental Retardation and Substance Abuse; Police Chief Samarra; Police Lt. Uzzell; Ms. Boyd, Director, Citizen Assistance; Ms. Niebauer, Director, Human Rights; Ms. Smith-Page, Director, Real Estate Assessments; Ms. Collins, Director, Human Services; Mr. Mackay, Acting Director, Office of Historic Alexandria; Ms. Baker, Director, Office on Women; Mr. Dodson, General Services; Mr. Neckel, Director, Office of Finance; Mr. Baier, Director, Transportation and Environmental Resources; and Mr. Lloyd.

Recorded by: Jackie M. Henderson, City Clerk and Clerk of Council

OPENING

1. Calling the Roll.

The Meeting was called to order by Mayor Euille, and the City Clerk called the Roll; all Members of City Council were present.

2. Public Hearing on the Proposed Annual Operating Budget for FY 2007 (including Schools) and the Proposed Capital Improvement Program (CIP) for FY 2007-2012 (including the School CIP.) Adoption is Scheduled for April 24, 2006.
3. Public Hearing on an Ordinance to Establish the Real Estate and Personal Property Tax Rates for Calendar Year 2006, and to conform the City Code to the Amendments to the Personal Property Tax Relief Act of 1998 Which Were Made

by the General Assembly in 2005. Adoption is Scheduled for April 24, 2006.
(#16.1, 2/28/06)

(A copy of the City Manager's memorandum dated February 23, 2006, is on file in the Office of the City Clerk and Clerk of Council, marked Exhibit No. 1 of Item No. 3; 3/13/06, and is incorporated as part of this record by reference.

A copy of the informal memorandum explaining the ordinance is on file in the office of the City Clerk and Clerk of Council, marked Exhibit No. 2 of Item No. 3, 3/13/06, and is incorporated as part of this record by reference.

A copy of the ordinance referred to in the above item, of which each Member of Council received a copy not less than 24 hours before said introduction, is on file in the office of the City Clerk and Clerk of Council, marked Exhibit No. 3 of Item No. 3, 3/13/06, and is incorporated as part of this record by reference.)

The following persons participated in the public hearing on this item:

1. Erika Scott, 10455 White Granite Drive, Oakton, spoke about Healthy Families Program of Northern Virginia and thanked them for their assistance to her with her pregnancy and with her daughter, with meeting and reaching goals and with getting a job. She thanked Council for supporting the Healthy Families Program.

2. Janet Van Sternberg, 10455 White Granite Drive, Oakton, volunteer with the Healthy Families Alexandria Resources Development Committee, which is a program of Northern Virginia Family Service, thanked Council for its continued support of the Healthy Families Alexandria Program, through a grant from the Children's Fund and thanked the Early Childhood Commission for its strong support of the program. Ms. Van Sternberg noted statistics of the program on those being served. She said they are asking for an additional \$60,000 to restore the capacity of the program to the level it was in 2004 and said they need help with finding a more stable funding source for the program.

3. Dr. Ivor Horn, 5249 Duke Street, said she is a volunteer member of the Board of Directors for Northern Virginia Family Services, thanked Council for its support of vulnerable first-time parents and said research has shown that for every \$1 spent on prevention programs such as Healthy Families, it saves \$4 or more in treatment costs. Dr. Horn spoke to other ways Northern Virginia Family Services invest in the services in the City.

4. Mary Riley, 202 E. Alexandria Avenue, Chair, Alexandria Community Services Board, which oversees the Department of Mental Health, Mental Retardation and Substance Abuse, spoke of the nursing shortage in the CSB's 5 mental retardation group homes. At present, one 10-hour per week nurse is responsible for coordinating the delivery of 200 different medications to 43 consumers with more than 50 diagnosed serious medical conditions. She said consumers are at risk and they urge Council to

approve the funding recommended in the budget, and if reduced to 6 percent, the funding is eliminated. She said they also requested two additional nurses at the detox unit and these are not included in the budget. She said they are turning away 100 people per year from the detox unit and Police estimate that another 400 plus drunk in public cases could be served. Ms. Riley said on the issue of staff's salary increases, they urge Council to accept the City Manager's recommendations, as the pay is lagging behind every jurisdictions except Prince Georges County. She said Council has heard citizen complaints about the lack of management audits and performance based planning, and she said the CSB has met strict standards for national accreditation and licensing in many areas, and recent Office of Inspector General reviews have been glowing. Ms. Riley urged Council to retain funding for the one nurse position that has been recommended in the budget and to seriously consider the impact of reducing staff salaries and benefits.

5. Michael Wenk, 1007 Beverly Drive, member of the board in ParkFairfax, said he is very appreciative of what Council did by sending the budget staff and City Manager into the neighborhoods to explain the budget and he hoped Council would adopt the new procedures permanently. He said assessments and tax rates affect him, as he is retired and on a fixed budget. He said that he personally would support the six percent, as he did not believe it should be done on the backs of the employees, and he likes the way the City is being run. He said if it comes to paying one percent point more, he is happy to do it means the City can retain the people and experience it has. He spoke about soliciting for different health care firms. He said he is interested in a reduction of the tax rate, but whatever is necessary to do the six percent. Mr. Wenk said he is concerned about the School budget increase and asked Council to look at it closely.

6. Rosalind Bovey, 2603 Valley Drive, president, Friends of Carlyle House, spoke about the Carlyle House and said the Museum is owned by the Northern Virginia Regional Park Authority. She said the museum receives 20,000 visitors a year, and the visitors are taken through the house by carefully trained docents, and the staff and docents also give tours to 1,500 school children. She said the house is over 250 years old and all the systems - the roof, the heating and air conditioning and fire suppression systems are 30 years old and need to be replaced. She said the burden of the capital expenditures are beyond what the NVRPA can do on its own, and she asked Council to fund the NVRPA appropriately.

7. William Dickinson, 805 N. Quaker Lane, the City's representative and chair to the Northern Virginia Regional Park Authority, thanked Council for fully funding their request. He gave Council a copy of its newly released annual report. He said the NVRPA is primarily a land agency and secondarily provide cultural and historical sites and recreation to supplement what the City is.

8. Amy W. Flenniken, 2034 Eisenhower Avenue, said she manages the budget and fleet in the Police Department, and said she is speaking on behalf of the general employees. She said the COLA's awarded have averaged below the rate of

inflation and for eight of the last ten years, the City's COLA's have been among the lowest in the region, and the average merit pay steps are also among the lowest in the region. She said general City employees normally receive a lower pay raise than employees in the Schools and than those in public safety jobs. She spoke of the rising costs of co-pays for medical care, and she spoke of the discussions of having employees share the cost of health insurance and said she personally is willing to pay part of her health insurance, but she couldn't afford it when her COLA doesn't cover the inflation most of the time. She said the general employees need an across-the-board pay increase to help them remain competitive and to make ends meet. She said inflation is four percent and asked Council to not reduce the COLA below the City Manager's proposal.

9. James Boulton, 2181 Jamieson Avenue, Unit 1809, said he lives in Carlyle Towers, and he asked Council to take a hard look at the galloping increases in property tax rates. He said he and his wife moved to the City five years ago, and he has seen assessments go up and actual property taxes go up in the 10-15 percent range. He said he saw an article in the newspaper that stated that in real wages and salaries over the past five years, for middle income and middle to upper income people, have declined. He asked why it was able to live with a 3-4 percent increase in 1995-2000 and suddenly the City has the increases in assessment and assume that unrealized capital gains is a means to pay more taxes.

10. Laurie Kusek, 100 N. Washington Street, Suite 234, member of ARC of Northern Virginia, speaking on behalf of ARC, said they support the City Manager's seven percent budget increase, which includes \$63,000 in new money for psychiatric nursing services for their residential programs.

11. Joseph Seskey, 3010 Colvin Street, president of the Alexandria Police Association, spoke in support of the City Manager's budget. He said that in response to the three percent COLA, they support at a minimum maintaining the increase to remain competitive within the region. He said the current rate of inflation is four percent--Fairfax has proposed 4.25 percent adjustment for Police and an additional two percent for firefighters, and Arlington is considering five percent for Police. He said the last pay adjustments for public safety were made to keep them in the middle, and if Council fails to fund it, the City will be last. He said that on health care, he said they are willing to work through the process and asked Council to be patient with the process and allow it to take its course and said they will come back to Council. He asked Council to not make hasty decisions and that are not well thought out.

12. John Vollmer, 4600 Duke Street, #429, president, Alexandria Firefighters Local 2141, representing firefighters, medics, fire marshals, dispatchers and inspectors, spoke to employee compensation and the possible cut in monies from the Fire Department's CIP budget. He said salaries for employees have lagged behind those of neighboring jurisdictions for many years and health care premiums have risen to all time highs, and the City has managed to stay competitive by paying 100 percent of premiums for basic HMO coverage, and now there seems to be a shift in philosophy to

have the employees pay a share of those premiums. He said they are not necessarily opposed to that, but asked that Council not implement it until the employee committee can research and present a solid plan that would benefit employees, retirees and the City, and he didn't think it could be done before April 23. He urged approval of the three percent COLA for employees. Mr. Vollmer spoke to the current projects in the FY07 CIP and said many of the stations are in need of major repairs and partial renovations, and he spoke to the cost of the repairs to the stations.

13. Sean McGowan, 2003 Mill Road, representing the Alexandria Committee of Police, the Police Union, said one of the driving factors that causes the Alexandria Police pay to lag behind the other jurisdictions has been inadequate COLA adjustments and urged fully funding the COLA. He said they acknowledge the increase in the cost of health care and welcome the invitation to discuss possible cost saving programs.

14. John Morehead, Jr., 2804 Woodhollow Place, Ft. Washington, Maryland, president, Black Fire Service Professionals of Alexandria, spoke in support of the seven percent budget. He said the employee health plan needs to remain affordable for all employees. He said he feels that all employees should have affordable health care and said it is also a recruiting tool to recruit a professional workforce. Mr. Morehead spoke to the set aside for the employee salary adjustments and said it has to be competitive to attract the best employees. He said it needs to ensure the budget for the fire department facilities remain intact.

15. Lonnie Rich, 801 N. Fairfax Street, chair of the Alexandria Chamber of Commerce, said they urge Council to limit growth of the budget to five percent. One way to do that is by accepting the recommendations in the City Manager's alternative budget, by having employees contribute to the cost of health care at the rate of one percent of salary, and that it get the remaining one-third of a percent reduction from across-the-board cuts. He said a seven percent increase in the budget would result in a 10 percent increase in the average homeowners tax bill, and a six percent increase in the budget would still result in the homeowner having an eight percent increase in their tax bill. He said small businesses are hurt by the increases. He urged Council to set four percent as a goal for the increase in the budget next year.

16. Rick Dorman, 801 N. Fairfax Street, speaking for the Alexandria Chamber of Commerce, said the City should tighten its belts, but to keep the City vibrant in the long-run, it must develop new sources of revenue. He said the logical source for the new revenue is business growth and smart economic development. He said the PTO tax revenue was more than \$8 million in this budget, which is two and a half cents off this year's real estate tax rate. He said density bonuses should become a matter of course in every new development to make room for other uses like ballfields and for a new stock of workforce housing. He said they must make the right decisions about development on the waterfront, and Landmark Mall redevelopment. He said they encourage Council to focus on addressing the issues and the opportunities facing the City related to expanding the tax base.

17. John Rennor, 801 N. Fairfax Street, member of the Board of Directors for the Alexandria Chamber of Commerce, said about half the City's tax and non-tax revenue comes in because business takes place in the City. He said revenue does not have to come from real estate tax from their homes. He said if it didn't have the tax revenue coming in from commercial sources, the real estate tax on homes would be doubled. For the three year period from 2002-2004, the sales tax revenue didn't grow at the rate of inflation. He said it needs to continue the revitalization of King Street and keep the business areas competitive with neighboring jurisdictions, and it must maintain a business friendly atmosphere in all City departments. He said some of the business license tax rates are not comparable with other jurisdictions, and if not comparable, businesses will be discouraged from locating in the City.

18. Joan Rennor, 801 N. Fairfax Street, past Chair, Alexandria Chamber of Commerce, said to get the increase in the budget down to five percent, the Chamber recommends that the City reduce costs in two areas--health insurance premiums and a modest, across the board cut. She said the Chamber supports the recommendations in the City Manager's alternative budget, including reduced COLA's and other reductions in operating costs. She said additional cuts should be made beyond the alternative budget, which is health insurance, as no private employers pay the entire cost of family health insurance coverage. She said employees are asked to pay for a portion of their health insurance and asked that the employee contribution be in the amount of one percent of salary, which would cost the average employee about \$20 per pay period and would save \$1.9 million, which would get the budget growth to about 5.3 percent. For future years, they would encourage Council to address more creative ways to address increases in health insurance and pension costs. She said in the CIP, they support continuing the policy of balancing the use of cash capital and debt financing to finance needed capital improvements, and it is imperative that the City maintain its Triple A bond rating. She said the Chamber supports the recommendations for reducing the CIP by \$3.8 million, and many are deferrals that can be reconsidered next year. The Chamber supports the preservation of the historic structures and creative ways to fund that preservation, and some ideas include the potential for additional revenue from admission charges and contributions from visitors and like the idea of exploring a foundation or endowment to accept donations from those who appreciate their history and understand the need to preserve it.

19. Ken Moore, 801 N. Fairfax Street, president, Alexandria Chamber of Commerce, said they encourage the City to explore means to achieve cost savings through increasing efficiency of existing systems, processes and programs, and the Chamber commends the management audits the City is conducting to seek opportunities for greater efficiency and effectiveness. He said the Chamber supports tax relief to low income homeowners; encourages measures that may be possible to increase affordability for middle income homeowners; supports a public safety budget that promotes a safe City; supports the increase in fees, such as ambulance, trash and DASH, that are needed to keep up with inflation; and supports a school budget that supports excellence in educational programs. Mr. Moore said the Chamber has three points: limit the increase in the growth of the annual budget to five percent; do that in

part with an employee contribution to the cost of health insurance at the rate of one percent of salary; and seek the remaining third of a percent reduction from across-the-board cuts.

20. Sinan Kalay, 117 E. Raymond Avenue, spoke in favor of providing domestic partner benefits to same sex partners of City employees, and he said hundreds of town and counties in other states already provide domestic partner benefits. Several cities and counties in Maryland and the District of Columbia also offer domestic partner benefits. He said domestic partner benefits are not marriage benefits. He asked Council to adopt the benefits for employees and treat all employees equally.

21. Mr. Robert D'Sylvia, 1715 Price Street, spoke about the tax increases on his home, as he is retired and on a limited income.

22. Bonnie Fairbank, 1600 Ivanhoe Court, spoke about Carlyle House and said they need to help and support the Carlyle House, as it is a treasure and brings in revenue.

23. Ken Nasier, executive director of ALIVE, noted the individuals and families that are served by ALIVE at the three locations in the City. He said the Department of Human Services and other City agencies refers thousands of people in need to them each year. He said they use Cora Kelly School once each month for several hours on a Saturday morning and ALIVE was told by the School system that rent will increase to \$300 a month, which is 13 percent of the total program budget for all three sites. He said he hoped the facility would be available rent free, but that has not yet happened. Mr. Nasier said they do not think they should pay rent to help feed the City's hungry, anymore than they should charge a fee each time a social worker calls them for help. He said one solution that has been discussed is to let them use the Recreation area of Cora Kelly, which is under City and not school system control.

24. Mary Clark, 630 Kings Cloister Circle, a member of St. Martins Senior Center, said she supports their directors request for additional funding, brought to a head by the threatened loss of three key positions. St. Martins is a haven for seniors and find respect and dignity, and she said the center caters to from 65 to 100 people and the seniors find companionship and stimulation and for many, it's the one warm meal they have that day. She spoke about the professional help they get through their social worker, their receptionist, and their kitchen worker. She said that without the City's bus program, many couldn't leave their homes.

25. William Sun, 205 Yoakum Parkway, spoke for St. Martins Senior Center, and said as a senior citizen, St. Martin Senior Center is an extraordinarily good one. Mr. Sun said they have four employees to serve them and many volunteers, but because of a budget cut, they only have three, and he asked Council to support the program.

26. Pearl McCray, 5340 Holmes Run Parkway, said she is a senior at St.

Martins, and she said St. Martins has done a lot for her. She asked Council to please consider St. Martins and don't let them down. She said they have one of the best centers around.

27. Mary Ursitti, 4314 Vermont Avenue, said an employee might not make as much money working for Alexandria, but the benefits outweigh Arlington and Fairfax Counties. She said she works for the Police Department and they are petitioning and working on being reclassified under a three-tier system, and inclusion under the public safety scale is one of the goals as well. Currently, several police employees have been offered positions in Prince Georges County, with starting salaries 10 percent higher than Alexandria, but they opt to stay for the 100 percent coverage on their family medical plans, and they live in Prince Georges County. She said the employees have said it is doubtful they will continue a commute to Alexandria to make less money and pay a health insurance premium should that occur. Ms. Ursitti said that if it wants to continue to attract and retain qualified and competent staff, 100 percent health care coverage is a must.

28. Richard Moose, 317 S. St. Asaph Street, said he shares concerns about the manner in which the Council and staff are going about this year's budget process. He said his first concern is Council's reluctance, bordering on refusal, that citizens cannot sustain the level of spending that Council imposes on them. He said requests from others last and this year for serious alternative budgets have been denied. Mr. Moose said spending must be reigned in. He said his other concern is the numbers game that obscures the realities of the budget and impairs sound decision making. For the operating year 2005, there was an approved budget of \$432.9 million for the general fund. At budget time last year, the spending number for 2005 was \$439.9 million, which is an increase of \$7 million. He said actual expenditures in 2005 were \$475 million. He said the budget book projects a current year expenditure of \$483 million, which is \$15 million more than being used by Council and staff as a base for its only seven percent increase.

29. Ernest Lehmann, 621 N. St. Asaph Street, commended Council on how to get rid of the Mirant Plant. He said the rate of growth must be contained. He said he prepared a sheet, which outlines the increases and welcomes staff to work on that. He said he would like to see the staff directed to prepare a 103 percent of the last year's operating budget, so it can see what that looks like and see what it means to have a three percent increase. He said that as for the property tax, it should look at the tax amount and not the percent and asked that they look at seeing that the tax amount doesn't raise more than three percent.

30. Sherry Brown, 1600 Prince Street, Unit 603, said seven people had a tour of the jail operations and she asked Council to approve the funding increase for the Sheriff's Department, which is needed for reorganizing the space. She said staff members are working in hallways and former holding cells. She asked Council to support the requested three full time staff positions, which would allow deputies to provide perimeter security during normal shifts, which eliminates overtime. It also would

let the Sheriff hire a civilian to do administrative tasks currently performed by a deputy, who could return to doing core Sheriff functions. She said they want to continue the adult education position, which the schools used to fund, and to continue the department's contract with mental health services, and they want to make the technological improvements that will save resources.

31. Margaret Lorber, 17 West Cedar Street, said she is a recovered parent of two graduates of Alexandria City Public Schools and is a very brand new employee of the Alexandria Public School System. She said her children and family have benefitted from the school system. She said they have caring teachers, principals, staff, music program, art program and athletics, who shape her children and helped the community grow and prosper. She said one area that should not be cut is the school system budget. She said they must keep salaries competitive with other communities.

32. Molly Chrine, 711 Fontaine Street, said she represents McArthur Elementary PTA, and asked that Council keep in mind the long process and number of public hearings already taken place before the School budget is submitted. She asked Council to fully fund the schools. She said they support pay raises for teachers that have masters degrees, would like comparable health coverage for the teachers, and they support efforts to add time to the school day.

33. Monique Edwards, 2001 Mill Road, member of the Sheriff's Office and chair for the Sheriff's Employee Advisory Committee, said the budget submission efforts do not go unnoticed and it is comforting to know that the City has some of the most qualified and talented staff overseeing the day-to-day operations. She said members of the Sheriff's Office share concerns raised by several speakers representing their sister public agencies in police and fire. She said it is imperative that the City recognize the necessity to continue to provide sufficient compensation in pay and benefits for public safety. Ms. Edwards said they have been invited to participate in the labor management discussions and the committee to discuss health care costs and benefits. She said she does not have the answers to the budgetary challenges, but believed that together they can work to arrive at the best course of action for all.

34. Kathryn Medina, 3810 Dominion Mill Drive, president of the board of directors of Towns at Cameron Park, said that as an Eisenhower Avenue resident and as a representative of her community, they encourage Council to keep the Eisenhower West End Study in the budget for next year and said that it could perhaps provide affordable housing units. She said that as a housing action committee member, she asked that all of those who stood in support of affordable housing at the Thursday evening Housing Action meeting follow through with that in terms of support during the next budget year.

35. Janet Gregor, 2121 Eisenhower Avenue, executive director, Eisenhower Partnership, spoke on behalf of the partnership in support of funding for the Eisenhower West Study. She said the Eisenhower West Study has been promised for years, the Eisenhower East Small Area Plan was completed in 2003, and the City intended to start

on the Eisenhower West study shortly thereafter. She said their residents want the study to proceed as soon as possible. She said the Van Dorn Metro Station is the only Alexandria station without an updated small area plan.

36. Francis Chase, 4600 Duke Street, art teacher at Maury Elementary, and president of EEA, said they are proud that the ACPS budget came in on time and on-target. He said they were shocked to hear that the City Manager is proposing cuts. He said the School Board acted in good faith in preparing the budget and hoped that Council not support the City Manager's cuts. Mr. Chase passed out a chart showing what the benefits contributions are compared to other jurisdictions and said the City had the smallest contribution. He said a comment was made that the budget is tight, but he wanted to forget what is tight and do what is right.

37. Ellen Stanton, 2600 King Street, chair, Historic Alexandria Resources Commission, said the Godspeed will arrive in Alexandria in three months. She said they have an opportunity in the CIP to show in a concrete way what the history means to the citizens. She said the HARC has long advocated for a budget that provides for the maintenance of the historic structures owned by the City and the historic community strongly supports the CIP budget in which money is allocated yearly through 2012 for maintenance of the structures totalling \$150,000 per year, and in which money is allocated to Gadsby's Museum for major infrastructure repairs. Ms. Stanton said the historic community endorses the CIP budget for the preservation of the historic structures and urged Council to adopt the historic preservation portion of the CIP budget as recommended.

38. Susan Price, 2903 Mayer Place, said she is a school counselor and a member of the Alexandria Public School System. She spoke in support of the School Board's budget and its proposal to increase salaries for all teachers. She said over 75 percent of the teachers have masters degrees, and they cannot afford to dedicate the majority by treating them as less valued members. She said that if an across-the-board pay increase isn't granted, it will hurt the morale of ACPS's educational backbone and will punish the best and brightest for being the most loyal employees.

39. Lynda Gallagher, 8029 Wellington Road, said she is a third grade teacher at Samuel Tucker Elementary School, and she urged support of the School Board's budget in its entirety, and especially in keeping the proposed salary increases for all teachers. She said it would be so easy for her to teach in one of the many neighboring schools in the surrounding suburbs and she spoke about those teachers who already have masters degrees. She asked those teachers in the audience to stand, to which approximately 25 people stood.

40. Annabelle Fisher, 6161 Edsall Road, said she has worked in non-profit and a for-profit field, and she never had her health insurance premiums paid 100 percent. She said it is unfortunate it is coming up now and looking at it rather than having it as part of the budget that was initially submitted. She said an 80/20 contribution is helpful. Ms. Fisher spoke to parking tickets and Police revenue. She

said it's time for the City to take the revenue for parking tickets and other related matters out of the general fund and put in into the Police budget, so they would hopefully have more of what they need and will ask for less next year. She said on transportation monies, the revenue needed for transportation and DASH could be off-set with the \$16 million being held by the State for the Connector. She said she supports a COLA increase for employees. She said it is important for the Council to stop bailing out non-profits, because if programs can't make it, then its time to say no. She said the teachers need to question their School Board members on why there isn't enough money for them, as they deserve it. She said it is important to not compare last year's amended budget with this year's budget and future budgets.

41. Tim Dickinson, 2003 Mill Road, president, Alexandria Police Commanders Association, said he represents the sworn and civilian senior police commanders, and he spoke about the negative impact the current and past City pay practices, i.e., COLA, merits, lack of longevity pay and bonuses, have in terms of attracting and retaining employees. He said senior commanders in Fairfax are receiving a 17 percent market adjustment rate, and in Alexandria, some of the commanders received a four percent with the rest of the sworn staff, but the deputy chiefs and chief received zero, as well as the civilian commander. Mr. Dickinson asked for help to resolve the issues with a committed long-term approach. He said they need COLA's that are equal with the real rate of inflation, pay scales and merit raises with less steps and greater percentages, frequent and relevant reviews for compensation and longevity pay and bonuses. Mr. Dickinson asked Council to look at pay for masters degrees for all City employees.

42. Kathy Clarke, 2604 Cameron Mills Road, president, George Mason Elementary School PTA, said they have 270 members on the PTA, and she thanked Council for its strong support and attention given to the public education system in the past. She said the School administration set the budget at the target range Council requested. She said the Schools budget does not contain any new initiatives, but does contain increases in teachers salaries and an increase in health benefits. She said the increases are of vital importance to the teachers and children, and the quality of the schools is highly dependent on attracting and retaining high quality teachers to the system. She said it's also important that the increase in health benefits stay in place.

43. Scott Price, 1100 Quaker Hill Drive, unit 407, board member, Friends of the Carlyle House, said the Carlyle House is visited by over 20,000 individuals each year, and the staff members and docents are extremely knowledgeable in teaching visitors. He said the education curator gears material for school children to the requirement for the SOL's. He said the Carlyle House is now over 250 years old, was restored in 1976, the roof, heating, ventilation and air conditioning system, along with the fire suppression systems, are 30 years old and need to be replaced. He said the Northern Virginia Park Authority has been generous in supporting the operating costs of the House, but the burden of the capital expenditures is beyond what the Park can do. He asked Council to fund the NVPA appropriately.

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Council took a break from 6:16 to 6:35 p.m.

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44. Paul Wilson, 1402 Orchard Street, speaking on behalf of the Historic Alexandria Resources Commission, said that in the State of the City address, point two under missions said that historic preservation was critically important to the City and they agree. He thanked the City Manager for taking a professional approach to quantifying the needs of each of the 12 historic structures, as it was professionally done. Council now has a tangible list of real improvements and cost numbers associated with those improvements that are needed for the 12 historic structures. He said the budget submitted tackles the urgent needs and they urged Council to adopt the City Manager's budget for historic preservation. He said HARC made a commitment to come back to Council and help with the funding needs and they are committed to doing that. Mr. Wilson said it is important to fix old buildings because the 12 historic structures are the embodiment of the City's image.

45. Diane Blair, 711 East Timber Branch Parkway, asked her three neighbors to stand, who also live on Timber Branch Parkway, and said they are all in support of funding for a replacement of the foot bridge from one side of their neighborhood to another. She said Timber Branch Park is an official dog walking area and is used by joggers, bikers, birders and children, and the foot bridge crossing the stream connects the two parts of the neighborhood and it connects and gives access to a trail system. She said recent high water and storm uprooted tree trunks have damaged the underpinnings of the stream and have damaged the paths accessing the bridge. Ms. Blair said they earnestly request that the City provide a new bridge and path to allow safe access to the park and to keep the Timber Branch neighborhood connected.

46. Van Van Fleet, 26 Wolfe Street, proposed that they adopt a taxpayers bill of rights to drop the property tax rate to a reasonable level, so the middle class, those on fixed income and the handicapped can still call Alexandria its home. He said it needs to conduct an independent audit of the Schools, the general budget and the CIP. He said the Schools agreed to a Governor's audit next year in order to ensure taxpayer dollars are being spent in the classroom to improve student improvement. He said the current School budget reflects the highest dollars per pupil, \$19,500 per student, the highest administrative costs and the highest legal costs per pupil compared to the Virginia peer group, which consists of 13 other school districts within the State. He said the general fund and the CIP programs need to be performance audits similar to what the Wilder Commission did for the Governor. He said his initiative to conduct the audit was half-heartedly adopted by the City - two departments to start with - Transportation and the Fire Department. But, he said, they will not audit all the Transportation Department or all the Fire Department, and both departments will have different consultant companies inspecting them. He said the only way they will know what the budgetary baseline or start point is is to conduct the audits. Mr. Van Fleet said the City's out of control spending needs to be capped at three percent. He said that this

year, Council is intending to spend 9.3 percent more than it approved in last year's budget, not the seven percent as proposed by the City Manager. Performing the audit and reducing spending will allow the City to reduce the property tax far below what it is currently, and this should be done without degrading citizen services, and will have to suffice until such time as the State passes legislation freezing assessments.

47. Vincent Argiro, 801 N. Pitt Street, said the City has not come close to meeting his needs. He said he is retired on a fixed income and his income increases 2 1/2 to 3 percent a year, and the taxes in the City from 2003 to 2005 went up 200 percent. He said he paid \$1,117 in 2003 and \$3,375 in 2005. This year, he said, his assessment went up and the increase will be another 20 percent to \$4,052. He said Council has no sense of reality of what people feel about the way the City has been spending money, and Council should concentrate on spending less.

48. Lou Cordia, 904 Vicker Lane, speaking on behalf of Alexandrian's For a Three Percent Compromise, asked Council to vote for a three percent spending increase, which is a compromise between last year's Council approved budget and this year's City Manager's proposed budget. It provides \$17 million more for a total of \$580 million. After eight years of an average of an eight percent spending increases each year, they are asking for one lean year after eight fat years. He said families figure out ways to live within their means and they are asking the City to do the same. He said the property tax bills have doubled since 2000 while personal income has risen only 2-3 percent each year. Mr. Cordia asked Council to immediately direct staff to prepare a budget that calls for three percent more spending than last year's Council approved all-funds budget and put it alongside the three staff prepared budgets of seven percent more and six percent more, prepared by the City Manager, and the one percent less City staff's worst case scenario budget that they annually prepare as an internal document each year. Mr. Cordia asked Council to see how staff would spend and spread out the additional \$17 million over the all-funds budget. He asked that they don't have staff prepare a negative impact analysis of what is virtually a 103 percent budget and talk instead of an increase of cutting the largest budget on the table. He said he second's Ernie Lehmann's request earlier to ask staff and Council to talk about the 100 percent of the budget, not the 82 percent.

Councilwoman Woodson asked staff to consider how much value they are losing in Eisenhower because they don't have a connector.

Councilman Macdonald said he would like to see staff compare Arlington and other surrounding jurisdictions to see if they have been able to reduce their burden of taxes on residential by all the development they have had.

49. Mariella Posey, 915 Second Street, ask Council to be sure to provide full funding for employees health care and pension benefits. She said if the City wants to retain its employees, it has to make sure it has good benefits, among them health care, pension and a decent COLA. She also asked Council to provide adequate funding for the Planning Department to provide the services that are needed, such as consultants

and outside professional services to ensure Alexandria builds quality developments.

50. Wanda Allen, 6847 Matthews Road, Bryans Road, Maryland, said she is a teacher in the City, speaking on behalf of the teachers of ACPS who are dedicated, loyal, hardworking, talented and valuable assets to the City. She said teachers adhere to all requests by the State and City to keep them highly qualified by having advanced degrees, attending staff developments, workshops, conferences and meetings to keep them updated on what effects the children of the City and to keep them ready for what the teachers face on a daily basis. She asked Council and the City Manager give credence to the value of the City and educate all the children by making sure their value of the teachers is shown and the resources provided to educate the children, but also by increasing all teachers benefits and salaries.

51. Wolfhard Ramm, 15 East Alexandria Avenue, chair of the Schools Budget Advisory Committee, said that although the spending per student in Alexandria appears high, it is not the highest among neighboring divisions, and educational challenges are more demanding in Alexandria. Among local jurisdictions, Alexandria ranks at or near the top in the portion of students that speak English as a second language, qualify for free or reduced lunch, or need special education services. He said the grade school student mobility rate is 35 percent, or about double the Fairfax rate, and the No Child Left Behind Act does not provide allowance for student mobility and the Act standard requires Alexandria to provide more value added per student than most other area jurisdictions. Mr. Ramm said that adding further to costs is the fact that teacher recruitment and retention tends to be more costly. He said the Schools 2007 budget was developed with the need to improve compensation, as well as the City's 7.3 percent budget target in mind. He said they are disappointed that the City Manager has chosen to interpret the \$1.8 billion health insurance allocation in the budget as applying only to premium increases, as the clear intent of the Board was to have the allocations apply irrespective of any premium increases.

52. John Starcher, 3000 Mt. Vernon Avenue, said that in the 2006 approved budget, there is an item that allots for \$350,000 to be used in FY2007 to provide drainage improvements in the public alley behind Mt. Vernon Avenue, and he said he found there is nothing in the proposed relating to the \$350,000, and he asked what has happened to that fund. He said that every time it rains, every home on Mt. Vernon Avenue floods.

53. Thomas Shimkin, 2205 Ivor Lane, suggested there are two ways to looking at a budget. He said his way is how much money does he have, and then decide what he can do. He said the City seems to do the opposite, which is what does it need and all those things identified are good, but it is the complete opposite way of doing a budget. He said the tax increase cost him \$700. He encouraged Council to start with what it has and then move on to what it can do. He said his few suggestions are: the new Police building is crazy; T.C. Williams is done; they don't need to renovate Minnie Howard and Chinquapin; and there is a lot in the CIP budget that can be left out. He said it is the job of staff to go through it and he hoped Council would request staff to

go back and look at budget cuts. He said on the process, there has been one hearing on the budget, but he thought one more hearing and some more time, as it is a lot to go through in a few weeks.

WHEREUPON, upon motion by Vice Mayor Pepper, seconded by Councilman Smedberg, City Council closed the public hearing. The voting was as follows:

Pepper	"aye"	Gaines	"aye"
Smedberg	"aye"	Krupicka	"aye"
Euille	"aye"	Macdonald	"aye"
	Woodson	"aye"	

Mr. Jinks noted that the State aid St. Martin's Senior Center gets directly got reduced, and the City dollars will go up three percent next year in the budget, and he will get a memo explaining the State dollars they no longer are eligible for.

* * * * *

THERE BEING NO FURTHER BUSINESS TO BE CONSIDERED, upon motion by Vice Mayor Pepper, seconded by Councilman Krupicka and carried unanimously, the special public hearing meeting of March 13, 2006, was adjourned at 7:30 p.m. The voting was as follows:

Pepper	"aye"	Gaines	"aye"
Krupicka	"aye"	Macdonald	"aye"
Woodson	"aye"	Smedberg	"aye"
	Woodson	"aye"	

APPROVED BY:

WILLIAM D. EUILLE MAYOR

ATTEST:

Jacqueline M. Henderson, CMC City Clerk