

March 19, 2024

// A special meeting of the Council of the City of Lynchburg was held on the 19th day of March 2024, at 4:00 p.m. in the Second Floor Training Room, City Hall, Stephanie Reed, President, presiding. The following Members were present:

Present: Stephanie Reed, Martin Misjuns, Jeff Helgeson, Larry Taylor, MaryJane Dolan,

Sterling A. Wilder, Chris Faraldi 7

Absent: 0

// City Manager Wynter Benda provided an overview of the work session agenda to City Council. Mr. Benda noted that absent from the meeting was Timothy Mitchell, Director of Water Resources.

// In the matter Water Resources, Agenda Item #1, Council was briefed on the Water, Sewer, and Stormwater FY 2025 Budget Overview and Rate Recommendation. Deputy City Manager Greg Patrick presented an overview of the FY 2025 Proposed Water, Sewer, and Stormwater Funds budgets including rate recommendations which are as follows: Water proposed rate of \$3.29 per Hundred Cubic Feet (HCF) up from \$2.93 per HCF; Sewer proposed rate of \$8.30 per HCF up from \$8.10 per HCF; Stormwater proposed rate of \$4.93 per Single Family Unit (SFU) up from \$4.48 per SFU. These rate increases total an average of \$3.22 bill increase per month based on 4.95 HCF average use.

Councilmember Helgeson asked if it was possible to streamline operating costs and focus more on capital costs. Mr. Patrick answered that debt service cost increases were rising due to inflation, so the only way to reduce those costs was to reduce the amount of work being done. Councilmember Helgeson stated that regarding stormwater management issues, rather than focusing on the College Park project, funds should be utilized to focus on current problems such as on Oakley Avenue where pipes were overwhelmed with water, causing manhole covers to pop off. Deputy Director of Water Resources Mr. Greg Poff, said that fixing that issue was going to take millions of dollars and would have to be decided in a few years. Mr. Patrick said

that he would return with further information regarding the current stormwater issues at College Park.

Vice Mayor Faraldi stated that he knew from personal experience that the stormwater issues at College Park were legitimate.

Councilmember Wilder asked for clarification regarding Option 3, which recommended \$3.29 per hundred cubic feet (HCF). Mr. Patrick answered that the \$3.29 would be the new rate per HCF, amounting to \$1.78 for the average residential user. Councilmember Wilder asked if the \$3.22 was per household. Mr. Patrick said yes, that was the cost of all fees combined per household. Councilmember Wilder stated that he trusted the expertise of the water resources staff and the system outlined in the master plan, which would allow them to strategically maintain their infrastructure without wasting money. He noted that this was an area where expertise was needed, so they must at least maintain a 3% salary increase in this department. He added that by cutting costs and putting off this necessary work, it would only compromise their infrastructure and lead to increased costs in the future, which he firmly opposed.

Vice Mayor Faraldi stated that regarding College Park, by doing the strategy proposed by staff, it would require increasing rates down the line. Vice Mayor Faraldi said that he would not be opposed to that if the rates would roll off once the project was paid for, in order to avoid the City from holding onto the rate to fund future projects. Mr. Patrick answered that the rate increase would cover the debt service on the capital investment, which would not roll off for 20 to 30 years. He said that eventually, yes, but it would be difficult to determine when or how the rate increase rolled off. Vice Mayor Faraldi stated that he was unsure if \$2 million was worth 20 to 30 years of debt service.

Councilmember Misjuns asked if there was a priority list for the pipes that were scheduled to be replaced. Engineering Manager Mr. Scott Parkins stated that they were currently working with an engineering firm, RWA, to develop a master plan that is going to take them through various phases through the year 2050, and their highest priority projects had

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already been slated for 2035 and would be done first. Councilmember Misjuns asked if staff could provide the portions of expenditures and revenues that are variable versus those that are fixed. Mr. Benda said that it could be included in the memo as early as next week and they could discuss it on April 9. Councilmember Misjuns asked if he could see information regarding how many hundred cubic feet did they produced over time.

Councilmember Helgeson asked if most of the debt service was covering the new capital projects. Mr. Poff said that they took a list of projects, had a cash flow that went into the debt service, which goes into the operating budget. Mr. Patrick clarified that the projects were funded according to which was the next scheduled investment. Mr. Parkins stated that the 2030 water master plan list had 49 different projects, which were spread out throughout the entire City.

Councilmember Taylor asked how much in savings they could achieve if they stopped using multiple mail envelopes for the same address. Chief Financial Officer Ms. Donna Witt said that she could not provide that information at this time. She said that she would look into why the water bills were not combined when going to the same address.

// In the matter of Budget, Agenda Item #2, Council was briefed on the FY 2025 Proposed Budget. Deputy City Manager Greg Patrick provided information regarding recent and planned engagements in the budget reconciliation process, including review of the Lynchburg City Schools funding request.

Vice Mayor Faraldi asked if Lynchburg City Schools had requested funds to cover the \$17 million shortfall of funding. Mr. Patrick said no, they did not request the full \$17M. The administration asked for \$3M of the \$17M, and the School Board asked for \$8M.

Councilmember Misjuns requested information regarding the true vacancy of positions in the school system in order to determine how many positions could be eliminated without affecting currently-filled positions.

Councilmember Dolan asked if information could be provided as to what types of positions would be eliminated based on the proposed reductions. Mr. Patrick said that he was

unsure if the school system knew yet where the reductions would come from, but they could provide a breakdown of positions and vacancies for the proposed division-level reductions. Councilmember Dolan asked if there was a plan regarding the placement of the 600 children whose schools had been proposed to be closed. City Manager Mr. Wynter Benda said that he could request information regarding the strategy for that. Mr. Patrick said that the rezoning plan they were working on had assumed an expansion of W.M. Bass Elementary, so they may have to revisit that entire plan at this point.

Councilmember Helgeson noted that CARES Act funding was for specific purposes that was not meant to be replaced with City revenue. He stated that the \$5 million requested from the School Board was ad hoc. Councilmember Helgeson asked for information clarifying the enrollment and average daily membership. Mr. Benda said that he would follow up on that. Councilmember Helgeson said that he would like to see data regarding the City's population and the enrollment numbers for schools over time.

Councilmember Wilder asked for information regarding the City's investment in the schools over the past five years, as well as data for the non-SOQ positions. He stated that he would like to know the plan for the students of the two schools that they discussed closing, because he did not think that Bass could be prepared within 6 months. He said that he would also like to know what the effects of this proposal would be on the class sizes of their schools. He stated that it should be kept in mind that they were an urban school system with different challenges from that of schools in the surrounding counties.

Mayor Reed asked if information regarding the costs associated with Individualized Education Program (IEP) positions in the school system could be provided, as she understood that there were many children in Lynchburg Schools who required IEPs.

Councilmember Wilder asked if information regarding the suspension rates of children in the City schools versus those of County schools in order to give context to the challenges faced by the school system. Mr. Patrick said that he would look into that information.

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Councilmember Misjuns stated that the policy regarding violent and threatening behavior in the classroom should be addressed district-wide to ensure there were less fights in their schools.

Councilmember Helgeson stated that it was inappropriate for the schools to request \$1M in one-time funding to cover ongoing costs. Ms. Witt clarified that the \$1M was to cover insurance claims that surpassed the budgeted amount, and they planned to raise insurance premiums to offset this as well.

Councilmember Taylor asked what the cost was of the increase in claims. Ms. Witt said that there was an upcoming meeting this week with their health insurance advisor, which schools would be part of as well, so she would ask that question then.

// The meeting adjourned at 5:47 p.m.

Clerk of Council