// A special called meeting of the Council of the City of Lynchburg was held on the 31st day of March, 2022, at 4:00 P.M. in the 2nd Floor Training Room, City Hall, MaryJane Dolan, President, presiding. The following Members were present:

Present: MaryJane Dolan, Beau Wright, Jeff Helgeson, J. Randy Nelson, Sterling A. Wilder, Chris Faraldi 6

Absent: Treney Tweedy 1

//In the matter of Budget, Agenda Item #1, City Council continued the reconciliation of the FY 2023 Proposed Budget. City Manager Mr. Wynter C. Benda stated he would like to look through the budget and find resources to fund the Real Estate Rebate. He stated it would be a one-time expenditure and the Lynchburg City School funding would be an ongoing expense.

Councilmember Helgeson stated that the $1.3 million preparation of the Ivy Creek Innovation site could be to hire an engineer to do a study of where infrastructure must be located. Mr. Benda responded that those who may potentially develop in this area expect areas of potential relocation to be built out prior to developing.

Councilmember Nelson asked what category the Riverfront Park improvements fell into. Mr. Benda replied they are in ARPA funds. Councilmember Nelson asked for clarification on the Ivy Creek Innovation parts A and B. He stated he was under the impression that this was also going to be paid for by ARPA funds. Mr. Benda clarified that it is funds for implementation. Councilmember Nelson stated that the Parks and Recreation Needs Assessment Implementation has been done. He asked if this will cost $250,000 to implement; Mr. Benda replied that it is a start. Councilmember Nelson asked if there is a way to easily describe what is being taken out and what is left to gauge the prioritization of whether or why to cut certain projects. Mr. Benda replied that there were large amounts of money to cut but will follow up with specifics. Councilmember Nelson stated he would like to see this information before voting. Mr. Benda stated that if there is a consensus among Council on whether or not to move forward on the rebate, it would be helpful.

Councilmember Faraldi stated he is interested in pursuing a process of offsetting ARPA funding with key projects that Council has noted are important. He stated he would also like to leave approximately $1.7 million of ARPA funding to complete some of the smaller impactful projects.

Vice Mayor Wright stated that last year's revenues exceeded projections. He stated the surplus was due to the federal dollars coming to the City, Sales Tax revenues were high, and the Real Estate Uncollectible amount was incorrect. Chief Financial Officer Ms. Donna Witt replied that staff doubled the Real Estate Uncollectible fund from 2.5% to 5% due to the unknown factors of the pandemic but collections actually came in as normal. Vice Mayor Wright replied that there is no real estate surplus, citizens simply paid what they owed and did not pay more than they owe. Ms. Witt confirmed that if a citizen does pay more than they owe, the City issues a refund.

Councilmember Helgeson stated that there was a conservative estimate made and now Council there is a surplus of money that Council should decide what to do with it.

Vice Mayor Wright asked if they are discussing equalizing the rate going forward or discussing a credit.

Councilmember Faraldi replied he is interested in knowing more about using ARPA funding to create a basis for a credit. He would like to demonstrate to the public that they are exploring ways in which they can rectify the situation.

Vice Mayor Wright replied that his concern with the credit is that it will disproportionally benefit the wealthier homeowners. He stated he has not heard from any citizens about rebates but has received feedback about the proposed projects being cut.

Councilmember Nelson stated that the personal property tax rebate will be more impactful. He stated that when Council speaks of a credit it is not in consideration of changing the tax rate.

Councilmember Faraldi stated that a one-time credit is a concern for him. He stated that he is unable to overcome the concern of the tax burden on the citizens.

Mr. Benda replied that there is a finite amount of money that can be manipulated to do different things. He stated he does not know if the City has properly resourced municipal services. The greatest form of revenue that the City has is real estate. He stated that revenues and investments are important to take the City to the next level.

Councilmember Helgeson stated that every year there is more being asked than being spent. He stated there are funds coming in making it easy this year to give a rebate to citizens. He noted that there are policies about tax rates. He stated this is the perfect year to give back to citizens. He noted the projects that can be postponed and get the necessary funds for the one-time rebate. Mr. Benda replied that when the gaps are extrapolated the City ends up with less municipal services. He noted that he will get the information for what ARPA funding can be used.

Councilmember Wilder stated he is not in favor of the rebate because of the current needs of the community. He stated that putting projects off will be a worse for the City in the future. He noted that they must trust the City management.

Councilmember Nelson stated that in regards to the Riverfront Park, there should be restrooms constructed to make the park a better asset.

Councilmember Faraldi asked in regards to the Lynchburg Fire Department pay, regardless of what the certification is that employees would receive the associated increase in salary. Mr. Benda replied this is correct.

Councilmember Helgeson asked if they are moving forward with the rebate. Mr. Benda stated that since there is a councilmember absent and there is a question of how ARPA funds can relate, they can postpone that vote/discussion until the next meeting so that the City Manager can obtain this information.

Mayor Dolan stated she is currently not in favor of the credit or rebate due to the needs within the community.

Mr. Benda reviewed the Lynchburg City Schools (LCS) 8% increase in funding which equates to $5.1 million.

Vice Mayor Wright asked if the $5.1 million covered the entirety of LCSs request; Mr. Benda replied that was correct. Vice Mayor Wright asked if that would include the amount needed to meet the state match; Mr. Benda replied that was correct. He stated if Council supports meeting the state match, the reserve is where they can pull funds to move forward.

Councilmember Faraldi asked for clarification on ongoing revenues and the Debt Service Reserve. He stated the reserve will be smaller eventually and the additional revenue will be needed for the CIP. Ms. Witt replied that Council will still need to make an effort to put funds into the Debt Service Reserve to address impending debt service increases, depending on how the CIP moves forward. Councilmember Faraldi noted that this would mean it would be earlier in which they would put additional revenue into this reserve. Ms. Witt stated that it depends on which projects move forward first. She stated they are funded with recurring revenues and there are one-time additional funds for the Debt Service Reserve.

Councilmember Helgeson stated that eventually they need a funding formula for schools and they should begin with that thought in mind.

Vice Mayor Wright stated that it seems that there is a robust explanation as to how the City would fund the rebate and would like to see the same consideration into fully funding the schools. Mr. Benda replied that in order to fund the schools' full amount, there will be no general wage increase for City employees, there will be no funds to impact compression, and there will be no funds to increase firefighters starting pay. Vice Mayor Wright stated he would like something more concrete.

// The meeting adjourned at 5:55 p.m.

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Clerk of Council