// A special called meeting of the Council of the City of Lynchburg was held on the 29th 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, Treney Tweedy, Sterling A. Wilder, Chris Faraldi 7

Absent: 0

//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 that Lynchburg City Schools (LCS) originally asked for a 5% increase in their budget equating to $3.1 million dollars. Since then, LCS has revised their request to an 8% increase equating to $5.1 million dollars. He stated that for LCS to increase their teacher salary to the highest starting salary in close by municipalities, it would take approximately $6.7 million dollars.

Councilmember Faraldi noted that questions about LCS enrollment and graduation rates will be answered in the reconciliation phase. In regards to total school age children in the City, he asked what the ADM would be if LCS did not offer PreK. In regards to taxes, he stated that the real estate tax rebate can still be done in conjunction with addressing compression and cost of living salary increase.

Councilmember Helgeson stated that they must rectify the real estate rate equalization from last year.

Vice Mayor Wright stated that the tax value went up because City land is more valuable. He asked what it would take to equalize the real estate tax rate. Chief Financial Officer Ms. Donna Witt stated it would cost $4.8 million dollars. Mr. Benda stated that if Council would like to implement this rebate, he can present different options.

Councilmember Helgeson asked if this is something that Council would like to move forward. Mayor Dolan noted that the public has a right to know what may be cut from the budget in order to fund a real estate tax rebate. Vice Mayor Wright clarified that he is not advocating for the proposal of cutting from the budget but simply wants to have the information as to what could be cut if Council decided to move forward with this. Mayor Dolan stated her agreement.

Councilmember Helgeson stated that giving raises across all City employees has an impact on the local economy. Mr. Benda responded that the 3% increases are to keep recruitment competitive and are directed at municipal services. He noted that the 3% increase is working against the issue of compression. Councilmember Helgeson asked what the total increase in compensation will be. Mr. Benda replied he will get that information.

Councilmember Wilder stated that in regards to real estate taxes, the rate did not increase but the value of property increased. He asked if the personal property tax rebate was being implemented. Mr. Benda replied yes, it has been voted on. Councilmember Wilder asked what the total amount will be. Ms. Witt replied it will be approximately $5.5 million that citizens will not pay and will reduce their assessments and this amount will not be coming to the City. Councilmember Wilder stated that the needs of the City outweighed the need to change the tax rate from last year.

Councilmember Nelson stated the tax assessments are going to be reflected in coming years. He would like to rectify the overpayment by lowering the tax rate to equalize or refunding citizens. A complication of doing this through a refund is that wealthy homes will be getting a substantial refund while the average home will get a moderate refund. Councilmember Nelson noted that the impracticality and the cost verses the reward to the taxpayer will not offset. He stated that inflation is going up as well as cost of living and is a burden on taxpayers and he would like to mediate this. He also noted that the City will also suffer from inflation.

Councilmember Tweedy referred to the chart in Council's materials labeled "All Residential Properties" noting the largest amount of single family detached homes would get an average rebate of $103. The average car rebate would be approximately $115. Councilmember Tweedy asked if this would be per car; Ms. Witt replied yes, that is correct. She stated that the potential savings of a citizen with several cars could average out to more than the $103 average real estate rebate. The car tax relief would give more relief to families based on the number of cars in the City. The greater real estate refund would go to those with single family homes ranging from $850,000 – $1.7 million, which is approximately 40 homes in the City. These would get the larger average rebate of $770.96. Those who have more affluent homes will get the greater rebate.

Vice Mayor Wright noted that if the majority of the tax rebate goes to wealthy people as opposed to the working class, it matters. Presumably, the personal property tax relief would impact more people than would the real estate tax rebate. Vice Mayor Wright replied that the question council should be asking is how they can do the greatest good for the most amount of people. He also noted he would like to discuss additional funds for education.

Mr. Benda replied that Lynchburg City Schools had asked for a 5% increase which is $3.1 million and subsequently asked for an 8% increase which is $5.1 million. They also asked for an additional $1 million to meet the local match that will ensure the 5%. The number to get to the highest paid salary will be approximately $6 million.

Vice Mayor Wright replied that Lynchburg City Schools have outlined a number of different needs and requested additional funds to accomplish 1) get state money that requires a local match 2) hire more PreK teachers, counselors, and others. He stated that Council is prioritizing real needs in the proposed budget. He noted that Lynchburg has not scaled its City services to meet the growth in the community. He stated that this budget request is an investment in the future of the city and that the schools need funding to meet their needs. He would like to see a comparison of what the City would need to cut to meet the request of the schools. He stated his primary concern is that Lynchburg City Schools not lose the state matched funds. Mr. Benda replied that the school has more employees than the City, to get to living wage for schools there is a larger number by scale. Vice Mayor Wright replied that if Council entertained equalizing the tax rate based on the 2019 assessment which is an ongoing cost to the City, they must also talk about funding schools based on what they need and have requested.

Councilmember Wilder referred to the 2017 school budget and noted the difference in that budget and the current budget is approximately $1.5 million. He stated that enrollment has declined but the need for services has continued to increase. He would like possible options as to where the money can come from to fund these things.

Councilmember Tweedy stated that she has spoken with individuals in the community and an issue that has been raised is if the City can fund and prioritize certain things but not fund education. She noted that if $1 million is what it takes to get the education match, she is open to that. She stated she wants to invest and build in education. She stated she would like to see the options the City Manager will propose.

Mr. Benda replied that the school construction piece will be outside of this budget process. He noted he will have ways in which other municipalities have gotten to the $1.5 million and will bring in examples of school funding formulas.

Councilmember Faraldi stated that an increase for the fire department would be $9,000 per individual. The response from previous questions is that every firefighter will receive increase based on their certification level. He asked what an increase looks like for a 20-year employee as opposed to an entry level employee. He would like a bit more information. Mr. Benda replied that to get to the highest starting salary it will equate to be $9,000 for each person in department. Chief Financial Officer Witt stated that it does not address compression. Councilmember Faraldi asked for a breakdown on specific scenarios and detail on this increase carrying through the ranks. Chief Financial Officer Witt asked for clarification if he means the average for a Captain, Battalion Chief, etc. Councilmember Faraldi noted he is concerned about the 5, 10, 15-year employees. Mr. Benda replied that a piece of this is also compression. He stated that they will get Council those models but it will not address what he is referring to. Councilmember Faraldi stated that more information would be helpful.

Councilmember Faraldi stated that in reference to the Downtown Library data, the data is great but some context on how to interpret the data would be helpful. He stated he is not opposed to closing the downtown library, but if there is a need downtown for public space what does that look like. Mr. Benda replied a physical location is important for people looking to apply and obtain jobs. There is also a workforce development component to this library. He stated he will bring options on at Council's meeting on March 31, 2022. Councilmember Faraldi asked when they were planning to open the downtown branch. Mr. Benda replied that they are holding off until conversations and budget season is done. He noted he has heard quite a bit of support of the downtown branch.

Councilmember Wilder asked what the salary is for library personnel and asked if it was a part-time position. Mr. Benda replied it is a full-time position with approximately $30,000 for salary and approximately $50,000 with benefits. Councilmember Wilder asked if the City is utilizing other resources with the library such as resources from the local colleges. He stated that the Liberty University School of

Law library may help support this to offset some of the costs. He also noted that utilizing college interns to support the library may be feasible to offset those salaries.

Councilmember Tweedy asked if personal usage of the main library numbers were received before the pandemic. She stated they received a report from the library that noted there was heavy computer/internet usage. There were talks about upgrading computers in community centers. She stated Council might need to invest in technology in other locations. She stated that the downtown library computers were consistently full before the pandemic.

Vice Mayor Wright asked if there are any downsides to the River Ridge branch library. Mr. Benda responded that a downside may be the closure of one library, provided that is the direction Council decides. He stated there is a quality-of-life component to downtown library. Another downside could be if the venture does not succeed. He stated there is a 5-year option with a leaseholder. Vice – Mayor Wright asked if there is data of other localities undertaking this. Mr. Benda replied that information is forthcoming. Vice Mayor Wright asked for clarification that this would be a 5-year lease with a 5-year option which would mean the City is locked in for 5 years. Mr. Benda replied that this is correct.

Councilmember Helgeson responded that the north end of the City has had a library branch near the plaza. He noted that River Ridge is a bit more of the center of the city. Geographically, the proposed library makes sense. Mr. Benda replied the expectation would be that they would be pulling from other counties and not just for city residents. It would provide more access for more people.

Councilmember Faraldi stated that CIP improvements have totaled approximately $6.7 million in ARPA dollars. The need of extending sewer line is profound. He asked if there is a direction the City can go in utilizing the $6.7 million. He stated he would like to see those projects again for sewer and potentially those projects may be able to trade off from projects such as extending trails at Ivy Creek and Riverfront Park improvements. Mr. Benda replied that Ivy Creek is taken care of by the state. If there is interest in offsetting the expense of public safety headquarters, there will be information forthcoming at the next meeting.

Councilmember Nelson stated that restrooms at Riverfront Park is a good improvement. However, other funds for improvements to the park may be directed elsewhere. In a conversation with Parks and Rec, they indicated that connection of Ivy Creek Park and Peaks View will solve a practical problem for residents who want to use Peaks View but can't get on roads if they do not have a car. This trail may be a huge asset to quality of life for the citizens.

Councilmember Helgeson stated that the increase in Meals Tax can be attributed to inflation on the cost of food. He stated that Council should consider lowering this tax, commenting that this may help other restaurants invest in Lynchburg.

Councilmember Nelson stated that this is an artificially increased revenue source. The meals tax is an optimal tax because it is optional. However, some individuals with more than one job do not have much of an option than to eat out in getting to and from multiple jobs.

Councilmember Faraldi replied if the City eases tax, it may be an incentive for people to continue eating out.

Vice Mayor Wright asked when was the last time the City raised meal tax. Chief Financial Officer Witt stated it went up by a half of a percent in 2005, from 6% to 6.5%. Vice Mayor Wright stated that Council should continuously revisit the tax rates but he has not been hearing concern on meals tax from citizens.

//The meeting was recessed at 6:04pm.

// City Council reconvened the meeting at 7:00 p.m. in Council Chamber, City Hall, 900 Church Street. The following members were present:

Present: MaryJane Dolan, Beau Wright, Jeff S. Helgeson, J. Randy Nelson, Treney Tweedy, Sterling A. Wilder, Chris Faraldi 7

Absent: 0

// In the matter of the FY 2023 Water and Sewer Volume Rates, Sewer Only Rate and Stormwater Fee, a public hearing was held to hear from the public; no vote was requested from City Council at this time.

Deputy City Manager Dr. Reid A. Wodicka provided Council with an overview of the proposed rate and fee changes, which include the following: (1) Water volume rate increase from $2.68 to $2.77 (2) Sewer volume rate increase from $6.14 to $7.22. (3) Monthly sewer only rate from $49.35 to $56.91 (4) Stormwater single family unit (SFU) from $4.00 per month to $4.17 per month. Since 2012 when the rate was established, there has not been a stormwater rate increase. The last water rate increase was July 1, 2017. There has been one sewer rate increase in the past 6 years. With these increases, the City will increase capital expenditures throughout the funds, replacing approximately half the amount of water line that should be replaced every year. It will also invest in frontline employee's salary increase. The stormwater fund will cover multiple smaller projects within the city.

Councilmember Nelson asked Dr. Wodicka to explain what a consent order is. Deputy City Manager responded that for many years Lynchburg was a combined sewer overflow city which meant stormwater and sewers were combined. Waste was being pumped into the river. In 1994 the city came to an agreement with the Commonwealth to rectify this problem. The city must set its rates so that it has resources to make the repairs.

Mayor Dolan opened the public hearing for citizen input.

Mr. Downs Little stated that he is concerned about the 14 vacancies within the Department of Water Resources. He explained that frontline employees are under paid and leaving for better paying jobs. He is in favor of increasing the budget to fill these vacancies. He noted that other municipalities have adopted tiered water rates which allows low-income households to access affordable water and has higher rates for those who are greater consumers. He also noted that residential and commercial water rates should be separate because industrial businesses have more hardscapes and chemicals to treat and because of this, should pay more or treat their chemicals in house.

There was no one to speak in favor or opposition, either by phone, email, or in-person, so the public hearing was closed.

Councilmember Helgeson asked if the average user increase of $6.14 is per household or per person. Dr. Wodicka replied that this is the average per account.

// The meeting adjourned at 7:18 p.m.

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Clerk of Council