

// A regular meeting of the Council of the City of Lynchburg was held on the 24th day of March, 2020 at 4:00 p.m. in the Council Chamber, City Hall, Treney Tweedy, President, presiding. The following members were present:

Present: Mary Jane Dolan, Jeff Helgeson, J. Randy Nelson, E. J. Turner Perrow, Sterling A. Wilder,

Beau Wright, Treney Tweedy 7

Absent: 0

// In the matter of Budget, the City Manager addressed three questions raised by Council at its May 17th meeting. Council has been provided with a five-year history of fire and EMS calls and average response times to emergency instances and the per child placement cost for foster a “worst case” scenario.

// Ms. Donna Witt gave them a first look at the adjusted projected revenues for the rest of FY2020. In the next few weeks they will present them with some figures based on assumptions on both the revenue side and corresponding expenditure reductions. Ms. Witt explained that the assumptions are obviously based on a best case scenario. For each major revenue source, there are different assumptions based on what we know today. It assumes today’s City employment. The value of each payroll day is approximately \$100,000 to \$125,000, excluding the Police Department, Fire Department, Department of Social Services, Emergency Services and Refuse Collections. It assumes hiring and nonessential spending freezes implemented on Friday, March 20, 2020. It is focused only on FY2020 available resources.

Councilmember Perrow asked for clarification on the best case scenario. Ms. Witt said it is very conservative and she is erring on the side of caution. She also explained that she is only looking at FY2020 resources as possibly replacing lost funds. She projects a net loss of \$175,586 in sales tax. July through January numbers were over projections and that is helping to buffer the projected loss. Councilmember Wright asked why they are projecting March will remain the same. Ms. Witt said it is because they already had numbers for half of March and people are stocking up a lot and buying a lot on line, so they expect March will remain the same. Councilmember Perrow asked how much of sales tax is derived from meals. She said she did not know exactly but it is not as much as you would think and it has been factored in to the projections.

The projection for the loss in meals tax is approximately \$2,170,299. She has talked to several restaurant owners and they are doing a lot of carryout. Their sales are down approximately 30 percent but people are really trying to support the local restaurants. They may have to revise these numbers because they are based on things getting back to normal in June. It was also taken into consideration that the students are not here and there will be no graduations.

The loss in lodging tax is projected to be around \$812,638. Councilmember Helgeson noted that this is bad but we can spend less because we are getting less in revenues. What is devastating is the people that are losing 100 percent of their income.

The loss in amusement tax is projected to be around \$210,464. The total loss is projected to be \$3,368,987. She outlined the potential sources to replace lost FY2020 revenue. \$700,000 in the Reserve for Contingencies; \$2,200,000 in the Managed Vacancy Savings; \$800,000 in General Fund Unassigned Fund Balance above 10 percent (FY2020 only); \$1,200,000 in the Task Force on the Future of PreK-12 Education and Beyond reserve; \$400,000 in Long-Term “On-Time Debt Financing Reserve; \$1,361,182 in the Greater Lynchburg Transit Company

Reserve for a total of \$6,661,182. Councilmember Wright asked if it is known if there will be any state or federal assistance and Ms. Witt said they do not know at this time.

Councilmember Perrow asked about other sources of revenue such as the airport. Ms. Witt said the airport stands on its own but the sources she mentioned would be possible sources of revenue if the airport needs to have general funds to be made whole. Some good news is that construction work is still rolling. Councilmember Wilder asked if the City has a “rainy day” fund for emergencies. Ms. Witt said that is what the 10 percent reserve in the general fund is for, as well as the Reserve for Contingencies. Councilmember Wright asked if there is any concern for the City being able to meet its bond payments and Ms. Witt said no. We invest for upcoming bond payments and we will be able to make the upcoming \$10 million bond payment.

Councilmember Perrow asked if she is concerned with a cash flow problem. She said she is not because the Finance staff is assuring her there is not a problem. We are looking at helping citizens with their personal property taxes due on June 5th. They are looking at what they can do and still have the resources to move the City forward.

Councilmember Wilder asked if our investments are affected by what is happening in the market. Ms. Witt said no because state code only allows us to invest in very safe securities.

Ms. Witt told Councilmember Helgeson that the \$1.2 million in the Reserve for Contingencies for FY2021 does not count on any leftover from FY2020. Councilmember Helgeson commented that if this event had happened in February, he thinks a whole different budget document would have been presented to Council. Ms. Svrcek said the plan is to move forward with walking through the budget document and over the next few weeks they will refresh their revenues and expenditures. Councilmember Helgeson thinks their time would be better spent in a different facet than to try to tweak this proposed budget because there is now such a large projected gap in revenues. Ms. Witt said her potential revenue sources to replace lost funds are from FY2020 and FY2021 really stands alone. She said she needs about another month to see what is going to happen with the pandemic and its impact on the economy to see how much it is going to impact FY2021.

Councilmember Nelson believes it is realistic to expect the negative dynamics of this event are going to continue into FY2021. It will impact aspirational things we wanted to do for the employees and projects and the fire department. What we had a month ago is now not sustainable and he would suggest the City Manager ask departments what they can cut because we do not want to lay off people.

Ms. Svrcek agreed they need to be realistic. She would suggest they continue to walk through the proposed budget document because their reactions to what is in the budget can help inform their decisions as they come back a revised 2021 scenario. Councilmember Nelson suggested that City Council start by cutting the raises previously proposed for City Council as a token to let everyone know that everyone is in the same boat.

Mayor Tweedy commented that we are in unprecedented time but she would like to give department heads, some of whom have been waiting for quite a while, the opportunity to present their budgets. Councilmember Perrow also thought it would be helpful to continue going through the budget. He does not think they are talking about a whole new budget. They are talking about budget adjustments and it would be helpful to him to continue going through the budget to see how those adjustments will impact it. He would like to see from staff in the next

couple of weeks is a staff adjustment for revenues so we can put that on the list. That would adjust the lines in which we are able to make some changes.

Councilmember Wilder would like to continue going through the budget and be updated as they go along because the numbers are a moving target. The projected revenue numbers and possible sources for where the shortfall in funds can come from were very helpful.

// Ms. Jenny Jones presented an overview of the Parks & Recreation budget. Councilmember Helgeson asked about the community market because he has heard from some vendors that their sales have dropped 80 percent. He asked if the hourly employees are still getting paid. Ms. Jones said the market is still open but they are only doing pickup orders. They are still fully staffed because the market is considered an essential business. They are doing a lot of extra cleaning because people are still coming in to cook and use the restrooms.

Councilmember Helgeson thinks there needs to be a balance because the vendors are getting hit hard. Ms. Jones said the rents have been prorated for those that are not selling grocery items. She also mentioned that the farmer's markets are regulated by the Department of Agriculture and it was their ruling that farmer's markets were restaurants and had to close except for pickup or preorders.

Councilmember Helgeson would like any of the increases in the Parks and Recreation budget to be on "the list."

Councilmember Perrow would like the two new part-time positions to be on "the list" and the increase in other charges fund less the Miller Park pool chemicals. Mayor Tweedy noted that the other charges fund includes internet for the College Hill Center and she thinks that people out of a job may need to use the community center to apply for jobs. Ms. Jones noted that the center is closed right now and these funds are being requested for when the after school program is open again.

Ms. Jones also wanted to note that the centers are going to be used as pickup points for the free school lunches and they are helping to deliver some of the lunches as well. Councilmember Perrow clarified that it is a plan and Ms. Jones is not making an official announcement at this time. Councilmember Nelson thinks it is a great idea to collaborate but asked if the schools will be giving some funds to the Parks & Recreation department since it will be using fewer busses. Ms. Svrcek said all those details have not been worked out yet. She explained that Parks & Recreation helping with the lunches is a part of the Emergency Operations plan and it is considered an emergency services function.

Councilmember Wilder noted that the community centers are part of the fabric of our community. Most of them have heavily engaged neighbors and community partners. He commends Ms. Jones and her staff that are doing such great work to meet the needs of the communities.

// Mr. Kent White gave an overview of the Community Development budget. Councilmember Perrow noted that if you take out the increase for salary adjustments, the department's budget is actually below last year's by \$60,000. He noted the \$600,000 transfer from stormwater fees helps significantly. Councilmember Perrow noted that Mr. White said inspections are increasing but the number of permits issued seems to have flattened or decreased over the past eight years. Mr. White gave an example that one permit is issued for an apartment complex but that might entail 52 electrical inspections. They are seeing that the size of the jobs is changing. Councilmember Perrow commented that this tells him that we are not seeing single-family development and that development is somewhere

else, probably in the counties. A person who asked Councilmember Perrow about the decline in permits for the City is a materials provider and that is how they decide how to make investments.

Councilmember Helgeson asked that the new Environmental Inspector and its associated costs be added to “the list.” He would also like the \$8,300 for the short-term rental monitoring service to be on “the list.” Mr. White clarified that the cost of this monitoring service should be offset by the \$150 registration fee. Councilmember Helgeson commented that the voluntary agreement has not been worked out yet with Airbnb and he would like this item on “the list.”

// Ms. Marjette Upshur gave an overview of the Economic Development budget. Councilmember Nelson asked if she knew how Airbnbs fit in with the governor’s executive order and noted they may be doing a service but also might be bringing visitors into our neighborhoods that we do not necessarily want at this time. She acknowledged that but said she really did not know how they fit in at this point.

Councilmember Perrow asked about the \$350,000 that used to be in the CIP and Ms. Witt said it is actually \$250,000. Ms. Witt explained that every year they transferred that money to the EDA because they use that money and there was really no reason for it to be in the CIP. Ms. Witt thinks Councilmember Perrow might be referring to the \$200,000 that was going to the Academy to meet the City’s commitment and that is now back in the Economic Development budget. Councilmember Perrow said that when he looks at the total City cost, it is \$200,000 more than the previous year. If that \$250,000 had not been transferred, it would actually be a \$50,000 decrease in operating costs and Ms. Witt said that is correct.

Councilmember Perrow would like to put the \$50,000 in contractual services and the \$50,000 in rents and leases on “the list.” He would like to put the entire \$350,000 on “the list” and then they can look at pieces to put back. It would be high on his list to put back because economic development is an investment but he thinks they need to prepare for the decrease in revenues.

Councilmember Helgeson asked Ms. Upshur to explain the \$250,000 for the EDA. Ms. Upshur said it is for general development support and it is kept separate. She can provide them with a report on where that money goes. She said the majority of the money goes into a local grant that incentivizes investment in the City. Councilmember Helgeson would like to see the report.

Mayor Tweedy asked if any of the future events Ms. Upshur mentioned are part of this budget. She said she would need to check to see if they are already committed to any contracts.

Councilmember Wright would like to see a report on the economic impact of her department’s work because it is his understanding that it far outweighs the investment the City makes in the office. Ms. Upshur will provide that information for the past two years.

// Ms. Upshur presented an overview of the Museum budget. Councilmember Nelson thanked Mr. Ted Delany and his staff for the variety of exhibits and presentations that the museum offers. It is outstanding and we are fortunate to have this facility and the programming. Councilmember Wilder echoed those comments and said he is so impressed with the exhibits. He appreciates them very much and he has learned so many things. He particularly loves the Day at the Point.

Councilmember Perrow suggested that the museum could coordinate with schools and provide some virtual educational experiences to students. He also wished to hear from her at a later date about how Council could help local businesses in the near term.

// Mr. Dave Malewitz presented an overview of the Parking Management budget. Councilmember Wright asked if they have seen downtown fines change during Downtown renewal. Mr. Malewitz said they have not seen any change probably due to the free two-hour parking being provided in the Midtown parking deck.

Councilmember Helgeson noted that his benefits have increased more than the salaries. Ms. Witt said that is because his department is small and the increase for health care and VRS is more evident and is more than the salary increase. Councilmember Perrow agreed it seemed higher than another small department such as Communications and Public Engagement. Ms. Svrcek said they can look into it to be sure it is correct for Parking Management.

Councilmember Helgeson thought Mr. Malewitz needs to look at his expenditures because there will be less revenue because of construction and businesses closed due to the pandemic. He would like Mr. Malewitz to make some adjustments and would like this on “the list.”

// Ms. Joann Martin presented an overview of the Communications and Public Engagement budget.

Councilmember Helgeson would like to look at some of the salary increases in departments as some of them are quite significant. He understands some of it because of the Korn Ferry study. Ms. Svrcek noted they will be looking at the three percent raise proposed as they look at revenues and expenditures.

Councilmember Nelson noted that Ms. Martin’s department is certainly the face of the City and perhaps the first department a person encounters. He thanks her for what appears to be an efficiently operated department. It is streamlined in many ways and the figures show it.

Mayor Tweedy thanked her for the name change because it is a better reflection of what the department does. Councilmember Wilder thanks her for the great communication her department does to keep the citizens informed.

// In the matter of Roll Call, Councilmember Wright applauded the City for the mammoth amount of work to keep City functions responsive and doing business as usual such as refuse collection and public safety. He appreciates what they are doing to keep the City safe and healthy.

Councilmember Wilder thanks the employees as well. During budget time, he can really appreciate what our employees do for the City because he can see what each department does.

Councilmember Nelson echoes what has been said about the employees. He appreciates the citizens following what everyone knows to do in order to deal with the current crisis.

Councilmember Perrow just received an email from Virginia First Cities. They are sending a series of proposals to the governor. He will discuss that with the Mayor before the emergency meeting that has been called for on Thursday. He noted that everyone is struggling with this pandemic and how it is affecting them individually. He watches the numbers closely and he thinks there is hope because the numbers seem to indicate that the social distancing is an effective policy. He encourages the Lynchburg citizens to work hard to make this a successful cessation of the pandemic. He has enjoyed supporting local businesses and he commends business owners that are trying to figure out how to do business in a different way. He is really impressed by all of them.

Councilmember Helgeson would like to thank the citizens and businesses. It is hard to see businesses and people that have lost 100 percent of their income. He would like them to recognize their peril as they come up with a budget. He would like them to make some good strides to cut out what is not essential. It is not good message to hear from the governor that a business is non-essential because all businesses are essential. He hopes they will put their boots back on and get back to work. He wants to see us continue to thrive.

Vice Mayor Dolan wanted to thank the City leadership and the Lynchburg City Schools leadership. They deserve a big pat on the back. She hopes the citizens do not become complacent and continue to do what is recommended by the CDC and our leaders.

Mayor Tweedy read a press release that she issued earlier today regarding the return of students to the Liberty campus and how it was not supported by her or the City Manager. This ended the work session and Council moved on to the regular meeting agenda. Councilmember Perrow gave the invocation followed by the Pledge of Allegiance.

// Copies of the minutes of the February 18, 2020 and February 25, 2020 meeting, having been previously furnished Council, reading was dispensed with, and on motion of Councilmember Perrow, seconded by Councilmember Helgeson, by the following recorded vote approved the minutes as presented:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
Noes:		0

// In the matter of Engineering, Council considered approving the attached resolution requesting VDOT to increase the official City Street lane mileage for reimbursement of highway maintenance funds for FY 2021. Mr. Newland explained this is a routine item. The City added a total of 2.2 lane miles making the additional funds approximately \$28,000. Councilmember Wright made a motion to approve the resolution, which was seconded by Councilmember Perrow and the motion passed by the following vote:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
Noes:		0

// In the matter of City Council, Council considered adopting a resolution approving an amendment to the May 1, 2017 Law Enforcement Regional Mutual Aid Agreement. The City Attorney explained that none of the terms of the agreement are changing. It is being amended to add the names of new sheriffs in various counties. Councilmember Perrow made a motion to approve the resolution, which was seconded by Councilmember Nelson and the motion passed by the following vote:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
Noes:		0

// In the matter of City Council, Council considered adopting an ordinance confirming the declaration of a local emergency and disaster for the City of Lynchburg and implementing certain emergency procedures for public meetings and public hearings to ensure the continuity of City government. The City Attorney stated that the pandemic is making it difficult for localities to do things according to the law because it contradicts what health officials are telling us to do. The Attorney General confirmed that there is nothing in the Freedom of Information Act that allow localities to hold electronic meetings except to discuss emergency items. The state code allows a

local government to declare a disaster and adopt a continuity of government ordinance. It may trump the FOIA for public meetings and allow Council and its boards and commissions to hold electronic meetings. No one is 100 percent this will work but it is recommended by the Attorney General and other locality attorneys to be the best option. He would like to add the Lynchburg City School as well to cover it.

Councilmember Wright made a motion to approve the resolution and seconded by Vice Mayor Dolan. Councilmember Perrow asked if this applies to the Housing Authority and Airport Commission, for example, and they do not have to a quorum physically present. Mr. Erwin said all the boards and commissions can use this ordinance for the basis for holding electronic meetings. Ms. Svrcek said it is the City's plan to continue operating in this social distancing format in person until we are no longer able to do it, if that situation should arise. Councilmember Perrow asked if the City could provide some guidance to the points of contact for the boards and commissions. Mr. Erwin said the local government attorneys formed a task force and came up with some guidance for boards and commissions. The individual entities such as the EDA and the Housing Authority will have to come with their own policy. Those entities, as well as Council, need to make other avenues available for the public to still be able to view the meetings and to be able to make comments. In the case of Council's public hearings, telephone comments and email comments will be options for the public. Some boards and commissions may want to hold off on having meetings because the City is not able to provide the resources for them to have electronic meetings.

Councilmember Nelson commented that transparency is very important to him. He has no problem approving this to have this tool in our tool belt. Before they implement it though, he would want it to be a matter of compelling public interest and not just for our convenience.

Councilmember Helgeson does not want to have this tool in our tool belt until there is a compelling reason because sometimes we like to use a tool because we have it. He does not like that one person can declare an emergency and then lots of things can happen. It does not think it is needed.

Mr. Erwin said he feels this is important and they should vote on it tonight. Usually he tries to defer to Council but there is a possibility Councilmember might have to self-quarantine and they might not be able to get together to vote on this at a later date. He thinks it is important to adopt it tonight so they have the option of electronic meetings if they need it. He does not think Council will use it to trample on people's rights. Things are changing so quickly and they need to think of giving the School Board the option of having electronic meetings.

Councilmember Wright asked if this ordinance would sunset when the crisis is over. Mr. Erwin said it will end when the governor declares it is over or if the crisis goes on for more than six months, they will have to adopt another ordinance. It cannot last any longer than six months. Councilmember Wright thinks it is reasonable and should be adopted, as long as they continue to notify the public that there are other ways to participate. Councilmember Wilder thinks it is wise because things are changing daily and we need to be prepared. Councilmember Perrow thinks Councilmember Helgeson makes a good point because you can see how this could be abused. He thinks there are safeguards built into the ordinance and it is very specific that it applies to this pandemic only. He thinks that mitigates any challenges. He would be concerned if it were more broad.

The motion passed by the following vote:

Ayes: Dolan, Nelson, Perrow, Tweedy, Wilder, Wright

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March 24, 2020

AGENDA ITEM #: 6

Noes: Helgeson

1

// The meeting was adjourned at 6:13 p.m.

Clerk of Council