// A regular meeting of the Council of the City of Lynchburg was held on the 10th day of June, 2025 at 4:00 p.m. in the 2nd Floor Conference Room, City Hall, Larry Taylor, President, presiding. The following Members were present:

Present: Larry Taylor, Curt Diemer, Sterling A. Wilder, Chris Faraldi, Stephanie Reed, Martin Misjuns, Jacqueline Timmer 7

Absent: 0

// In the matter of Budget, Agenda Item #1, Council conducted a work session on the FY 2026 Budget. Deputy City Manager Greg Patrick introduced the work session items, including a discussion on reducing the vehicle personal property tax rate as proposed by Councilmember Faraldi. Special Assistant to the City Manager for Data Analytics and Innovation Hollie Jennings and Data Analyst Shaun Conway provided a presentation on the tax proposal, which would reduce the vehicle personal property tax to $1.30 per $100 of assessed value and provide 100% tax relief to the first $20,000 of a vehicle's value. To offset the loss in revenue, staff considered increasing the Real Estate Tax rate to $1.025 per $100 of assessed value, increasing the Lodging Tax rate to 8.5%, and increasing the per-night lodging fee to $3.

Mr. Patrick said that the key takeaways of the plan were that more Lynchburg residents would benefit from a reduction of the vehicle personal property tax than they would from a reduction in the Real Estate Tax rate. He said that renters would benefit the most in the short-term, however, rent increases would likely slowly offset the savings. He said that homeowners, especially those who owned multiple or expensive vehicles, would see the most benefit. He said that commercial property owners and multifamily residential property owners would not see a benefit. He said that overall, the proposal shifted the tax burden from residents to commercial property owner.

Councilmember Faraldi said the proposal met the City's budget needs and provided tax relief to residents. He noted that some people had already started paying tax bills, and he asked how the proposal would impact those people. Mr. Patrick said that a challenging aspect of the proposal was related to procedural issues, specifically regarding how vehicles were assessed annually and the budget was on a fiscal calendar. He said that the City would have the opportunity to find other temporary avenues for tax relief in the FY 2026 budget to offset the additional revenue collected from people who had already paid the tax bill.

Councilmember Misjuns raised a question about whether the impact of rising property values is fully reflected in the analysis. Mr. Patrick responded that the analysis uses current property values. Councilmember Misjuns asked whether higher costs for developers could reduce the housing supply. Mr. Patrick responded that he does not believe there would be any impact on supply or demand. Councilmember Faraldi asked about how recent car tax payments might affect the plan and what opportunities that could create in the next year. Mr. Patrick explained that the car tax is based on the calendar year, but the budget uses a fiscal year. This means the city gets some car tax money early, which could help extend tax relief.

Councilmember Faraldi said that it would offer an opportunity to waive the trash fee and vehicle tag fee for the next year, resulting in estimated savings of $170.

Councilmember Timmer asked what the projected revenue would be at an equalized Real Estate Tax rate and at the proposed tax rates. Mr. Patrick said the proposed tax plan provided the same level of revenue as the proposed budget, and the equalized Real Estate Tax rate resulted in $10 million less in revenue. Councilmember Timmer asked if the proposal would impact the composite index formula to determine state funding for schools. Councilmember Faraldi clarified that the City would still receive the state funding because the generated revenue was the same. Mr. Patrick explained that the local composite index was based on the assessed value of real properties, not the tax rate, so the proposal would have no impact.

Vice Mayor Diemer asked Commissioner of the Revenue Mitch Nuckles about his perspective of the plan. Commissioner Nuckles expressed concern that changes to the car tax and possible elimination of the license fee could reduce local revenue and lead to unexpected tax bills for some vehicle owners. Vice Mayor Diemer said that there was a lot of uncertainty, especially with the upcoming gubernatorial race, so it may not be the best time to consider the proposal. He asked if changing the Real Estate Tax rate would impact the City's credit rating. Mr. Patrick said that it would not change the credit rating. Vice Mayor Diemer asked the Commissioner if now is a good time to add what he perceives as a more complicated plan that shifts the car tax to homeowners and businesses. Commissioner Nuckles said he will carry out the council’s plan but worry that lower car tax revenue could cause problems.

Councilmember Wilder said he was supportive of the proposal. He asked if it could be implemented in the necessary timeframe, before July 1. Mr. Patrick said there were some process concerns, and they needed to work with the City Attorney's office to determine a plan of action. He said that first, staff needed to determine if Council would support the proposal, after which they could work on implementation.

Councilmember Misjuns expressed concerns about shifting tax revenue away from vehicles. He noted that if people could not afford the tax bill on a vehicle, it was easier to sell the vehicle when compared to selling a house. He asked the Commissioner about whether a state-driven formula or funding could replace the $122.2 million in revenue if the tax were eliminated. Commissioner Nuckles responded that it might cover some lost car tax revenue, but finding that money is hard. He expressed concerns about the impact on renters of increasing the Real Estate Tax rate, because landlords would likely pass the increased tax burden to renters rather than absorb the cost.

Councilmember Faraldi suggested reducing the proposed Lodging Tax rate and per-night fee to accommodate the hotel industry. He said that the proposal offered an opportunity to provide relief to thousands of residents while meeting budget needs.

Councilmember Reed said she agreed with the suggestion to reduce the Lodging Tax rate and the per-night fee. She suggested reducing the Lodging Tax rate to 7.5% and the per-night fee to $2.

Vice Mayor Diemer expressed frustration with the Council's focus on massive tax increases, feeling that they had wasted too much time discussing this topic and not enough on reducing spending. He emphasized the need to have a conversation about cutting expenses, citing his own approach to managing household finances as an example.

Councilmember Timmer emphasized that a true compromise required a reduction in the request for spending, not just a reduction in the proposed increase. She highlighted the importance of evaluating spending based on policy, rather than allowing spending to drive policy decisions. She stressed the need to prioritize and assess spending, comparing it to how businesses and individuals make decisions about their own finances.

Councilmember Faraldi said that three members of the Council expressed support for this concept, two of whom indicated a lower lodging and per night bed fee. He believed that the adjustments were not traumatic. He said that if a fourth member of Council supported the proposal, a majority of Council would support moving forward.

Councilmember Misjuns said that they should take a formal vote on whether to pursue the proposal.

Councilmember Faraldi said that his suggestion was to get a consensus from Council that staff should prepare the proposal for a formal action.

Mayor Taylor said that he supported the tax proposal.

Councilmember Timmer requested that Council hear Councilmember Misjuns' presentation on proposed budget reductions.

Councilmember Reed asked staff if they had received enough direction from Council in consideration of the tax proposal given that four councilmembers supported it. Mr. Patrick said that if four members wanted to move forward with the proposal, they could determine a path forward to enact the plan.

Mayor Taylor expressed frustration with the ongoing budget discussions, stating that they had been debating for months. He emphasized the need to move forward and take care of the citizens, particularly those in low-income neighborhoods who will benefit from tax relief on vehicles. He gave Councilmember Misjuns 10 minutes to provide his presentation.

During Councilmember Misjuns’ presentation, Mayor Taylor, Councilmember Reed, and Councilmember Faraldi temporarily exited the room. Shortly thereafter, Councilmember Wilder also departed, resulting in a loss of quorum. Mayor Taylor later rejoined, reestablishing quorum. Councilmember Misjuns moved, with a second from Vice Mayor Diemer, to suspend the rules of procedure to allow consideration of the tax proposal. No vote was taken on the motion.

Councilmember Misjuns continued with his presentation on City revenue based on an equalized Real Estate Tax rate. He proposed several options to close the revenue gap from setting an equalized Real Estate Tax rate, including increasing the ambulance service fee, adjustments to the meals and lodging tax revenue projections, removing the $500,000 in funding for tax relief, delaying the 3% pay increase for City employees to January, eliminating managed vacancy savings, defunding current vacancies (excluding public safety and mission critical positions in Water Resources and Public Works), capping discretionary non-personnel spending to 110% of actual spending in 2024, and adjusting the fund balance to 10% of the general fund revenue. He said that this plan would allow the City to equalize the Real Estate Tax rate.

Councilmember Reed asked if Councilmember Misjuns' proposal was viable.

Ms. Witt said that she would not trust the presented figures until she could evaluate them herself.

Councilmember Misjuns said that he derived the figures from the proposed budget and submissions of actual costs from 2024.

Mr. Patrick said that Councilmember Misjuns' proposal would violate Council's financial policies by about $4.6 million by using one-time funds to balance an ongoing budget. He said that this would make the City's budget structurally unbalanced. He explained that if they delayed salary increases to January, it would cause issues in the next fiscal year as they would have to fund the annual cost, not just half. He said they were already projecting complications for the FY 2027 budget, and these would be exacerbated by delaying salary increases.

Mr. Patrick noted that Councilmember Faraldi asked staff one week ago to vet the vehicle personal property tax reduction. He said that staff was able to do that and spent a significant amount of time vetting the proposal. He said that this was the first time staff had reviewed Councilmember Misjuns' proposal.

Councilmember Reed noted that they had several months to review a plan, but it was only now just being presented. She asked if Councilmember Misjuns' proposal would impact the City's credit rating. Ms. Witt said that the rating agencies would not look favorably on using one-time funds to address operating needs.

Councilmember Timmer asked about the primary revenue source for the adjusted fund balance in the revised general fund revenue. Mr. Patrick emphasized that using one-time funds, or fund balance, for ongoing expenses was a violation of Council's financial policies, and it was the worst financial decision Council could make.

Vice Mayor Diemer expressed concerns about considering the tax proposal without a formal vote. He said that the hotel industry deserved an open discussion and a vote. He said that he was not able to provide spending proposals because he had not received the necessary information from staff. He said they should be open to all proposals to make the budget work, which should include spending reductions.

Councilmember Faraldi said a vote on eliminating the car tax is coming, highlighting its impact on residents, and believes staff now have direction to prepare for it.

// In the matter of Roll Call, Councilmember Wilder congratulated the recent graduates, and he expressed gratitude for the hard work of teachers, principals, and staff in helping the kids succeed. He announced the Juneteenth celebration details for June 21 from 11 a.m. to 2 p.m. at Miller Park. He thanked staff for their work during the budget session.

Councilmember Misjuns expressed concern that Council was considering a Real Estate Tax rate increase beyond the advertised rate without a public hearing or new reassessment notices to property owners, which he stated was not compliant with state law. He noted that consensus among all seven Councilmembers had not been reached to consider a rate of $1.025 per $100 of assessed value. He further stated that the Rules of Procedure required a formal vote on questions before Council, and no vote had been taken on the tax proposal. He expressed that the plan lacked transparency and public input, would shift the tax burden, and could negatively affect the local economy, particularly the real estate industry.

Vice Mayor Diemer said he believed the tax proposal should be addressed during a public hearing to comply with state code. He read a statement acknowledging and apologizing for defamatory remarks made against Sean Hunter of the Peacemakers during the November 28, 2023 Council meeting. He requested that duplicative copies of the defamatory remarks under City control must be redacted or removed. He introduced a resolution for Council to direct City staff to take all legally permissible actions to protect the rights and dignity of Sean Hunter, including reviewing City-controlled digital content and enforcing the Council's Rules of Procedure; to formally acknowledge that defamatory statements were made against Sean Hunter at the November 28, 2023 Council meeting and violated the Council's Rules of Procedure; and to direct staff to propose updates to the Rules of Procedure to strengthen enforcement procedures regarding personal attacks and to establish ethical standards for broadcast and camera control; and the City Manager should report back to Council within 30 days of adoption with a summary of actions taken.

Vice Mayor Diemer motioned to adopt the proposed resolution.

Councilmember Misjuns called a point of order. He said that making motions during a work session were out of order.

Councilmember Misjuns made a substitute motion, seconded by Vice Mayor Diemer, to suspend the Rules of Procedure.

Mr. Freedman noted that part of the resolution included language about the Parliamentarian enforcing the Rules of Procedure. He explained that according to the Rules of Procedure, under Section 3.3, the Parliamentarian interpreted the Rules of Procedure as directed by the presiding officer or as required as a point of order. He said that it did not require the Parliamentarian to enforce the Rules of Procedure. He continued that, regarding the motion to suspend the Rules of Procedure, a two-thirds majority vote of Council was required to suspend the rules, but he had never enforced that rule because realistically, Council controlled the rules, so a simple majority could decide to suspend the two-thirds majority requirement. He said that staff should be able to review the resolution before it was adopted, because he had not had the chance to review it, nor had the Clerk.

Councilmember Misjuns called the question on the motion to suspend the Rules of Procedure.

With no further discussion from the Council, the following vote was recorded:

Ayes: Taylor, Diemer, Misjuns, Timmer	4
Noes: Wilder, Reed	2
Absent: Faraldi	1

Councilmember Misjuns motioned, seconded by Vice Mayor Diemer, to adopt the resolution proposed by Vice Mayor Diemer.

Councilmember Misjuns apologized to Sean Hunter. He said that it should not have happened.

Vice Mayor Diemer emphasized that the issue still deserved justice and respect, and they should remove any copies of the defamatory remarks from social media.

Councilmember Wilder said that over the past two years, City Council had been the talk of the country because of its behavior, and they had been anything but nice to people, including dedicated staff members. He believed the motion was out of order.

Councilmember Reed said that the City Attorney had warned about discussing this matter at all, so she was not comfortable moving forward.

Councilmember Timmer expressed concerns that there was no way for people to respond when accusations were made against them. She said she supported the resolution.

Vice Mayor Diemer called the question.

With no further discussion from the Council, the following vote was recorded:

Ayes: Taylor, Diemer, Misjuns, Timmer	4
Noes: Wilder, Reed	2
Absent: Faraldi	1

Councilmember Misjuns motioned, seconded by Vice Mayor Diemer, to direct staff to set a public hearing regarding the vehicle personal property tax proposal and send out revised assessment notices.

Councilmember Misjuns said it was important to hold a public hearing to maintain transparency.

Vice Mayor Diemer stated that raising taxes without a public hearing was a clear violation of state code and emphasized the importance of compliance with the law.

Councilmember Wilder said he believed they were only directing staff to prepare the necessary materials, not to formally adopt the proposal.

Mr. Freedman stated that he did not believe City staff intended to violate any notice laws regarding the tax proposal. He anticipated that the public hearing and potential vote on the Transient Lodging Tax would occur that evening, and if the Real Estate Tax rate was not addressed, a budget would be brought forward in the near future to comply with Virginia law, with Council adopting a budget before July 1. He said that the plan would be noticed and presented before the public on July 8 or soon thereafter.

Mr. Patrick clarified that staff was aware that it would be illegal to adopt a Real Estate Tax rate above $0.89 without proper notice. He explained that staff was asking for direction from Council to develop a plan that would meet Council's goals and the requirements of state code.

Councilmember Misjuns expressed concerns about the lack of revised assessment notices being sent to property owners. He said that they needed to resend the assessment notices with information advertising the new tax rate.

Councilmember Faraldi called the question.

With no further discussion from the Council, the following vote was recorded:

Ayes: Diemer, Misjuns, Timmer 3

Noes: Taylor, Wilder, Faraldi, Reed 4

Councilmember Faraldi motioned to stand in recess until 7 p.m.

// The meeting recessed at 6:30 p.m.

// A regular meeting of the Council of the City of Lynchburg was held on the 10th day of June, 2025 at 7:00 p.m. in the Council Chamber, City Hall, Mr. Taylor, President, presiding. The following Members were present:

Present: Larry Taylor, Curt Diemer, Sterling A. Wilder, Chris Faraldi, Stephanie Reed, Martin Misjuns, Jacqueline Timmer 7

Absent: 0

// Councilmember Misjuns led the invocation followed by the Pledge of Allegiance.

// In the matter of Consent Agenda, Agenda Item #1, copies of the minutes of the May 6, 2025 City Council meeting were previously furnished to Council, and on the motion of Councilmember Timmer, seconded by Councilmember Wilder, Council, by the following recorded vote, approved the minutes as presented:

Ayes: Taylor, Diemer, Wilder, Faraldi, Reed, Misjuns, Timmer 7

Noes: 0

// In the matter of Budget, Agenda Item #2, Council conducted a public hearing in consideration of adopting an ordinance amending Section 36-223 of the Lynchburg City Code to increase the Transient Lodging Tax to 8.5% of the total amount paid for lodging and $3.00 per room per night, excluding any other taxes levied thereon, by or for any transient to any hotel. Deputy City Manager Greg Patrick provided a summary of the request. At the request of the City Council, the City's Transient Lodging Tax on each transient is proposed to increase from 6.5% to 8.5% of the total amount paid for lodging and from $1 to $3 per room per night, excluding any other taxes levied thereon, by or for any transient to any hotel. These increases are to provide additional revenue from visitors to Lynchburg and reduce the real estate tax burden on citizens.

Adam Hall, Ward 4, speaking in opposition, said he was a small business owner in the City. He expressed concern that a proposed transient occupancy tax hike would hurt local businesses, deter tourism, and penalize the short-term rental industry, which employed his family. He questioned why the City was targeting one industry to make up for budget shortfalls, rather than exploring ways to decrease spending. He urged Council to vote no on the proposal and work towards a sustainable solution for Lynchburg's future.

Ed Virtue, representing Cornerstone Hospitality and speaking in opposition, wanted to remind Council that 3,000 of their constituents depended on hospitality and tourism in Lynchburg, with 7.9% of the workforce directly related to the industry. He noted that that Lynchburg was a declining occupancy town, with a 56% decline in occupancy compared to other cities like Roanoke, Charlottesville, and statewide. He said the proposed tax would put an undue burden on average daily rates and reduce the competitiveness of the City. He asked Council to work with the hospitality industry to find a solution that benefitted both the constituents and the industry.

Eric Terry, President of the Virginia Restaurant, Lodging, and Travel Association and speaking in opposition, said the proposed tax increase would put an undue burden on the hospitality industry, which was already struggling with below-average occupancy rates. He emphasized the importance of tourism marketing and noted that the industry had not been adequately studied for its potential impact. He highlighted the high cost of credit card fees and the potential for out-of-state visitors to take business elsewhere. He asked Council to reconsider the proposal and engage with the industry to find a solution that would not harm the local economy.

Cam Colquitt, Ward 1, speaking in opposition, presented two reasons why voting no was the best course of action for the City and its citizens. He argued that the proposed tax increase would not generate the expected revenue, as other cities had failed to achieve similar results. He estimated that the City would only collect 5% of the projected $13 million, and this revenue would be offset by a 15% reduction in short-term rental properties, a 10% reduction in prospective short-term guests, and a 5% reduction in prospective hotel guests. He projected that this would result in a $4 million reduction in local tourism.

Blair Godsey, owner of the Virginian Hotel, speaking in opposition, expressed concern about the proposed increases to the lodging and occupancy taxes. The new proposal to raise the lodging tax from

6.5% to 8.5% and the occupancy tax from $1 to $3 would make the City one of the most heavily taxed markets in Virginia. He said the proposal risked losing lodging, restaurant, retail, and tourism revenue. He offered a compromise, suggesting that Council set the lodging tax at 7.5% and the occupancy fee at $2, which would keep the City competitive with other markets.

Shelley Waldeck, Director of Sales and Marketing at the Virginian Hotel, speaking in opposition, cautioned against raising lodging taxes, citing the challenges facing downtown Lynchburg, including construction and vacant storefronts, and warned that a tax hike could risk deterring visitors and harming the local economy.

Michael Nevarez, representing the Parry Restaurant Group and speaking in opposition, said that any measure that discouraged overnight stays, such as the proposed lodging tax increase, jeopardized the meals tax revenue. He urged Council to reconsider this proposal. A significant increase in hotel taxes risked making Lynchburg less attractive to visitors, which will have a direct and damaging impact on the broader hospitality economy, including restaurants, retail businesses, and the City's own tax base.

David Marple, speaking in opposition, said these visitor taxes may seem harmless, but they carried real consequences. He said that when they raised lodging taxes, they risked driving those visitors elsewhere and hurting the local hotels, short-term rentals, restaurants, and shops.

Grayson Ferguson, speaking in opposition, said he owned a woodworking operation which helped build the Virginian Hotel's interiors. He was concerned about the taxes he pays, including personal property tax on his aging equipment, water runoff on his 80,000 square foot roof, and insurance costs. He said it had been difficult to find qualified staff.

Andrea Hurtt, speaking in opposition, expressed frustration and concern about the proposed tax increase, stating that it would have a significant impact on residents' lives and would be nearly 40% higher than the current rate. She questioned the lack of public notice and a public hearing, and felt that the City was not addressing the issue of waste, fraud, and abuse. She also highlighted the disparity in salaries, comparing the City Manager's salary to that of the Vice President of the United States.

Megan Lucas, representing the Lynchburg Regional Business Alliance and speaking in opposition, urged reconsideration of the proposed lodging tax increase, citing its impact on business travelers and the potential to discourage travel, limit growth, and increase costs for employers, which could jeopardize the regional economy and compromise fiscal responsibility.

Clerk of Council Alicia Finney stated there were eight voicemails.

Rebecca Neese, via voicemail and speaking in opposition, said she was a staff member at the Virginian Hotel, and she cited concerns that the proposed tax increase would deter guests and groups from staying at the hotel.

Britt Burney, via voicemail and speaking in opposition, said she was the General Manager of the Craddock Terry Hotel. She expressed concern about the lodging cost increase, citing the hotel's slow season and the impact it had on staff, who have struggled to get by during previous slow periods. She questioned the accuracy of projected revenue numbers, suggesting they may be based on outdated data and ignoring the potential for diminishing occupancy and a higher tax rate. She asked Council to consider the concerns of hospitality professionals and to listen to their warnings about the potential negative impact on the community and businesses.

Vicki Runk, via voicemail and speaking in opposition, expressed concerns that the proposed tax rates would harm the City's hospitality industry and deter future development. She pointed to Campbell County's more favorable tax environment, which had attracted new hotel projects, and argued that Lynchburg's proposed tax increase would create a competitive disadvantage and accelerate the relocation of new hospitality development outside the City.

Linda Furry, via voicemail and speaking in opposition, said she was a business owner, and she expressed concern about the potential tax increase on business owners, particularly those in the hotel and short-term rental industries. She said it would hinder business growth and opportunity in the City.

Charles Grant, via voicemail and speaking in opposition, expressed concerns about the proposed tax rates.

Liz McCormack, via voicemail and speaking in opposition, said she owned an Airbnb, and she expressed concern about taxes going up. She mentioned that her business was barely making any money.

Tom Brizzolara, via voicemail and speaking in opposition, said he owned two short-term rental properties. He expressed concern about the proposed tax increase, stating that there was no precedent or data to support it. As a business owner with two properties and another business in Lynchburg, he feared that the tax will hinder his ability to rent his properties, and he may be forced to relocate his business to a different location.

Emily Grant, via voicemail and speaking in opposition, argued that increasing taxes would negatively impact her long-term goals, including fixing up properties and providing for her children's retirement. She urged the consideration of keeping taxes the same.

Councilmember Timmer encouraged fellow councilmembers to review Natasha Cohen's email because she was planning a lodging project in Ward 4. She said that Ms. Cohen suggested a more moderate proposal of a 7.5% Lodging Tax rate and a $2 nightly fee. She said that Ms. Cohen encouraged Council to consider reducing spending and the long-term impact on the City.

There was no one else wishing to speak, so the public hearing was closed and the matter rested with Council.

Councilmember Faraldi asked if the revenue generated from the increased tax could be allocated specifically to the Office of Economic Development or other tourism related projects. He noted concerns that were expressed regarding the City's lack of tourism investment. Mr. Patrick said that they could earmark the funds for economic development or tourism projects, however, it would not help to address the funding gap.

Councilmember Faraldi motioned, seconded by Councilmember Reed, to increase the Transient Lodging Tax to 7.5% of the total amount paid for lodging and $2.00 per room per night.

Councilmember Reed asked if there was a way for the City to offer incentives to the hospitality industry. Mr. Patrick said that staff could follow up with that information at a later meeting.

Councilmember Timmer expressed concerns over raising the Lodging Tax rate. She emphasized the importance of trusting the community's growth and investment, and not confiscating more than necessary, in order to maintain Lynchburg's prosperity.

Councilmember Misjuns said he did not support the increase to the Lodging Tax rate because of the impacts on the hotel industry.

Councilmember Misjuns made a substitute motion, seconded by Councilmember Timmer, to deny the proposed lodging taxes.

Councilmember Misjuns said that Council needed to be cautious with the tax rates. He said they needed to decrease spending instead of increasing taxes.

Councilmember Reed said the work session discussion centered on the lodging tax, with the goal of working together as good stewards of the community. She said a counteroffer was presented, which some stakeholders felt could lead to an agreement, and that was the proposal offered by Councilmember Faraldi.

Vice Mayor Diemer said they needed to support the tourism industry because it brought business and outside revenue. He questioned why they would burden one industry rather than propose spending cuts. He noted that there had been no serious spending cuts proposed during the budget process, and he finally heard some suggestions at the work session. He said he would not support the proposed Lodging Tax rate increases.

Councilmember Wilder said he did not support the substitute motion, and he did support the main motion. He emphasized the need to consider all of the revenue streams available to the City to ensure a certain quality of life for residents.

Mayor Taylor called the question on the substitute motion.

With no further discussion from the Council, the following vote was recorded on the substitute motion:

Ayes: Taylor, Diemer, Misjuns, Timmer	4
Noes: Wilder, Faraldi, Reed	3

Vice Mayor Diemer called the question.

With no further discussion from the Council, the following vote was recorded on the motion to deny the proposed Lodging Tax rates:

Ayes: Taylor, Diemer, Faraldi, Reed, Misjuns, Timmer	6
Noes: Wilder	1

// In the matter of Budget, Agenda Item #3, Council conducted a public hearing in consideration of adopting an ordinance amending Section 5-6 of the Lynchburg City Code to make technical changes, increase rates, and create a new rate for Ambulance and Related Services offered by the City of Lynchburg's Fire Department. Chief Financial Officer Donna Witt provided the presentation to Council.

Medicare allows for ambulance billing of up to 150% of Medicare rates. The City of Lynchburg has not changed ambulance rates since 2018 and currently charges well below the 150% allowed. These rate changes were provided by the third-party billing company contracted by the Lynchburg Fire Department and are being provided at the request of members of the City Council. Additional minor technical/grammatical changes have been made to the proposed ordinance since May 27, 2025.

Rise Hayes, Ward 1, speaking in opposition, shared her personal experience of having to weigh her health against the cost of medical care due to unaffordable ambulance services. She contracted COVID-19 twice, developed a sinus infection, and caught RSV, resulting in permanent damage to her vascular system and the development of POTS. She emphasized that increasing ambulance rates would make it even more likely for people her age to prioritize money over their health, citing a personal experience of having to pay $1,500 for a one-block ambulance ride in 2012.

There was no one else to speak in favor or opposition, either by phone or in-person, so the public hearing was closed and the matter rested with Council.

Councilmember Wilder motioned to adopt the ordinance.

The motion failed due to a lack of a second.

Councilmember Faraldi asked why the matter was on the agenda if Council was not going to vote on it. He noted that Councilmember Misjuns requested to consider the item.

Councilmember Misjuns said he had questions, but the motion was made before he could ask them.

// In the matter of Community Development, Agenda Item #4, Council conducted a public hearing in consideration of adopting Resolution #R-25-041 to approve the 2025-2029 Five-Year Community Development Block Grant and HOME Program Consolidated Plan and Program Year 2025 Annual Action Plan. Grants Manager Melva Walker provided a summary of the request. The Department of Housing and Urban Development (HUD) requires local governments, which receive federal community development funds, to prepare a five-year Consolidated Plan and an Annual Action Plan. The plans outline the City's needs, goals, and objectives for community development (both housing and non-housing areas). The City's 2025-2029 CDBG and HOME Program Consolidated Plan and Program Year 2025 (Fiscal Year 2026) Annual Action Plan consists of the following:

1. A housing and homeless needs assessment that describes the affordable housing needs of very low-income and low-income households, homeless families and individuals, and others with special needs.

2. A housing market analysis which profiles existing housing options and facilities to assist the homeless, identifies barriers to affordable housing, and reviews institutional and governmental capacities to develop and implement the Plan.

3. A Strategic Plan for addressing priority needs, including the priority non-housing community development needs eligible for assistance under the CDBG Program.

4. An Annual Plan which identifies the activities that will be undertaken to address priority needs and local objectives. The City will receive $750,979 in CDBG entitlement funds and $320,517.96 in HOME entitlement funds for the Program Year beginning on July 1, 2025.

Two public notices were placed in The News and Advance on Friday, May 9, 2025, for the 30-day public comment period, and on Sunday, May 25, 2025, for the 15-day public hearing notice and through social media. In accordance with the Council-adopted Citizen Participation Plan, the Community Development Advisory Committee (CDAC) conducted a public meeting on May 20, 2025, to review and discuss these two Plans. CDAC recommended that the documents be approved by the City Council.

City staff did not receive any public comments prior to, or after, the CDAC meeting. City Council and citizen comments received at the public hearing regarding the contents of the Consolidated Plan and Annual Action Plan will be incorporated into the final document and submitted to HUD for approval.

There was no one to speak in favor or opposition, either by phone or in-person, so the public hearing was closed and the matter rested with Council.

Councilmember Wilder motioned, seconded by Councilmember Timmer, to adopt Resolution #R-25-041.

Councilmember Wilder expressed gratitude for CDAC's work, particularly in involving community members in the distribution of CDBG funds. He acknowledged the efforts of numerous non-profits in the community, providing a range of services including housing, job training, and resources to combat poverty and homelessness.

Councilmember Timmer said she was excited about the funds being applied to homeownership programs.

With no further discussion from the Council, the following vote was recorded:

Ayes: Taylor, Diemer, Wilder, Reed, Misjuns, Timmer 6

Noes: Faraldi 1

// In the matter of Public Comment, Agenda Item #5, Citizen Cynthia Via addressed Council regarding Lynchburg City Schools Board and Lynchburg City Schools health. She expressed her concerns about the safety and well-being of students at LCS schools, stating that the schools were not safe and that the current School Board was uncaring. She shared her daughter's near-death experience which had left her disabled, and she highlighted the need for the School Board to prioritize the schools' safety and well-being.

// In the matter of Public Comment, Agenda Item #6, Citizen Greg Berry, representing City Elders, addressed Council regarding the rainbow. He said that the rainbow belonged to God, and he encouraged everyone to share the true meaning of the rainbow and God's love. He asked Council to support the School Board's decision in banning a citizen from meetings for not following the rules of public comment.

// In the matter of Public Comment, Agenda Item #7, Citizen Tabatha Sprouse, representing GLTC, addressed Council regarding the GLTC Board of Director feedback on 2026 budget planning. She urged Council to read the submitted letter and expressed deep concern over the proposed 40% budget reduction, which would severely impact the community that GLTC served. She said the proposed cuts would result in a budget of roughly $7.7 million for 2026, leading to longer wait times, fewer routes, increased travel costs, and loss of access for residents. She emphasized that public transportation was an essential investment in the City's economy, health, and future.

// In the matter of Public Comment, Agenda Item #8, Citizen Amanda Smithson addressed Council regarding the School Board candidates. She advocated for the appointment of April Watson to the School Board. She emphasized the importance of experienced individuals, particularly those with a background in child development and social work.

// In the matter of Public Comment, Agenda Item #9, Citizen Peter Cefaratti addressed Council regarding doing the math. He expressed frustration over the last-minute revelation of a potential tax increase, which he felt was unfair and confusing. He questioned why the discussion about the tax rate had not occurred earlier, and why it was being presented at the last minute. He also criticized the lack of discussion about cutting spending and being more efficient, suggesting that a group of rational citizens could have come up with solutions. He felt that the councilmembers were abandoning their responsibilities to the citizens of Lynchburg.

// In the matter of Public Comment, Agenda Item #10, Citizen Gary Taylor, representing Citizens for a Better Lynchburg, addressed Council regarding Bridges to Progress. He discussed the importance of reviving Bridges to Progress, a holistic approach to addressing poverty that was active in Lynchburg from 2013 to 2023. He said that Council should appropriate $25,000 to $50,000 to revive the program

// In the matter of Business, Agenda Item #11, Council considered adopting an ordinance to set the Real Estate Tax rate effective July 1, 2025. City Attorney Matthew Freedman provided the presentation to Council. Following the April 22, 2025 Public Hearing and further discussions during City Council work sessions, City Council will vote to set the Real Estate Tax rate effective July 1, 2025.

Councilmember Faraldi motioned, seconded by Councilmember Reed, to amend the agenda and approve the following: direct staff to present a budget at a June 17 special meeting with the no-car tax plan as discussed during the work session and including $1.4 million in budget cuts.

Councilmember Faraldi explained that the proposed tax rate discussed at the work session worked mathematically and resulted in a tax cut for most people. He said it incorporated $1.4 million in spending reductions, a tax relief, and funding for increased teacher pay, saving schools, and increased step-pay for firefighters, police officers, and other public safety personnel.

Councilmember Faraldi clarified that the change in tax rate did not require a second notice to property owners under state code, but a publicly posted announcement of a hearing on the proposed new rate and an opportunity for citizens to speak was still required. He said the proposed tax rate would enable the largest investment in public safety in the City's history, the largest investment in LCS in years, tax relief for the middle class, no additional burden on lodging, and a reduction in overall spending. He asked for someone to come up with a better proposal. He asked staff if the public hearing had to be held on the coming Tuesday or the following.

Mr. Freedman said state code required advertisement for seven days before the public hearing.

Councilmember Faraldi amended his motion to hold the special meeting on June 19. Councilmember Reed agreed to the amendment.

Councilmember Reed explained that the proposed changes would benefit households by eliminating the car tax for those with cars valued at $20,000 or less and reducing the rate for those with higher-valued cars, while also bringing back credits on the trash fee and DMV registration fee for a year. This, combined with $1.4 million in cuts, would meet the targets they had discussed, delivering on promises and providing relief to both renters and homeowners, with 91% of households seeing a benefit.

Mr. Freedman said that Ms. Witt reminded him of an administrative waiting period required by the newspaper, which was typically three or four days in advance of the initial publication date.

Ms. Witt explained that if they submitted the advertisement by June 12 at 3 p.m., it would be published in the paper on June 14.

Mr. Freedman said they would be able to hold the public hearing on June 23 or June 24 if they advertised by June 14.

Councilmember Faraldi amended the motion to hold the public hearing on June 23. Councilmember Reed agreed to the amendment.

Councilmember Misjuns asked what Real Estate Tax rate would be advertised.

Mr. Patrick said that they would advertise a Real Estate Tax rate of $1.025 per $100 of assessed value.

Councilmember Misjuns said that a landlord in Ward 4 with 225 units would likely increase rent by $50 a month per unit, which would be unsustainable for many renters. He expressed concerns about the need for new notices to be mailed and a new public hearing to be held on the budget.

Mr. Freedman said he believed that a public hearing was not required on the budget since the revenues and expenditures were not changing, only the rates were adjusted. He said that he could not speak to the notice requirements at this time.

Councilmember Misjuns said that property owners should be notified of the proposed Real Estate Tax rate increase because it was so significant, from $0.89 to $1.025. He noted that the proposal was not a tax decrease because they were just shifting the burden around. He said that the tax increase would drive up rents and mortgage payments, and for him personally, he would pay more in taxes. He said that personal property was a luxury, and if the taxes were too high, people could easily trade in a vehicle, but people could not easily trade in a house.

Councilmember Faraldi said that for a home assessed at $250,000 and two cars assessed at $15,000, the property owners would receive a $147 tax cut, or a 5.47% reduction. He said for himself, he would receive a $37 tax reduction. He noted that at an equalized rate, property owners would still pay more in taxes. He also noted that Councilmember Misjuns had stated numerous times, on the record, that he wanted to eliminate the car tax. He said the proposal reduced taxes for more people in the City and reduced spending.

Councilmember Timmer said that policy should drive spending, not the other way around, and it was traditional to set rates before approving the budget. She said it was essential to address deferred maintenance for schools. She also suggested pursuing public-private partnerships to address the pool renovations. She said that if they wanted to achieve a tax cut, they should set the Real Estate Tax rate to the equalization rate and then consider reducing the personal property tax on vehicles. She expressed concerns about the impact on renters of increasing the Real Estate Tax rate.

Vice Mayor Diemer made a substitute motion, seconded by Councilmember Timmer, to set the Real Estate Tax rate at $0.767 per $100 of assessed value.

Vice Mayor Diemer said that the proposed tax rates would only benefit government and City Hall and they should set an equalized tax rate.

Councilmember Misjuns said that the proposal did not get rid of the car tax, and it only relocated the revenue source. He said that affordability was what brought events and attractions to the City, not its services or name. He pointed out that a 1% tax rate increase can reduce home values by 0.7% to 1.2%. He said that the proposal would negatively impact renters. He expressed concerns about the potential impact on the real estate market, citing the need for a more stable tax policy, and ultimately stated that he would support the motion for equalization.

Councilmember Timmer said she supported equalization throughout the budget discussion, citing her mission to address housing instability in the community. She emphasized the need for a sustainable approach to budgets, considering the economic realities.

With no further discussion from the Council, the following vote was recorded on the substitute motion:

Ayes: Diemer, Misjuns, Timmer 3

Noes: Taylor, Wilder, Faraldi, Reed 4

Councilmember Misjuns motioned to amend the original motion.

Councilmember Faraldi called a point of order. He stated that a motion could be amended twice or substituted once, but not both.

Mayor Taylor called a recess. Council recessed at 9:57 p.m. and reconvened at 10:03 p.m.

Councilmember Misjuns motioned to amend the original motion.

Councilmember Faraldi called a point of order. He stated that a motion could be amended twice or substituted once, but not both.

Mr. Freedman explained that under Rule 8 of Section 6.7 of the Rules of Procedure, if the substitute motion failed, the original motion can then be voted upon, and he believed the reason was to maintain efficiency.

Councilmember Misjuns stated that the Rules of Procedure did not prevent an amendment to a motion after a substitute motion was made. He said that since his amendment would not change the substance of the original language, it would not count as a substitute motion, so the amendment was in order.

Councilmember Misjuns motioned to amend the motion to change the amount in spending cuts to $11.2 million and send out revised reassessment notices to property owners.

Mr. Freedman explained that according to the Rules of Procedure, an amendment was improper if it would have the same effect as rejecting the original motion, leaving it up to the Mayor to determine if the amendment was a rejection of the original motion.

Mayor Taylor ruled that the amendment was improper because the substance was a rejection of the original motion.

Councilmember Misjuns appealed the ruling.

With no further discussion from the Council, the following vote was recorded on the appeal.

Ayes: Diemer, Misjuns, Timmer 3

Noes: Taylor, Wilder, Faraldi, Reed 4

The appeal was rejected.

Councilmember Misjuns motioned to amend the main motion, seconded by Vice Mayor Diemer, to send out revised notices of reassessment to property owners.

Councilmember Misjuns said they needed to notify property owners of the changes.

Vice Mayor Diemer said that the proposal was a sneaky tax increase, and it was only fair to notify property owners.

Councilmember Timmer said she was interested in a motion to divide the question.

Mayor Taylor called the question on the motion to amend.

With no further discussion from the Council, the following vote was recorded on the motion to amend:

Ayes: Diemer, Misjuns, Timmer 3

Noes: Taylor, Wilder, Faraldi, Reed 4

Councilmember Faraldi called the question on the original motion.

With no further discussion from the Council, the following vote was recorded on the motion to amend the agenda:

Ayes: Taylor, Wilder, Faraldi, Reed 4

Noes: Diemer, Misjuns, Timmer 3

// In the matter of City Code, Agenda Item #12, Council considered adopting Ordinance #O-25-042 amending Lynchburg City Code Section 11-160.1 to make technical changes and to allow the civil penalties described thereunder to apply to both residential and non-residential derelict structures. Clerk of Council Alicia Finney stated that the item was previously discussed by Council during the May 27 Business Item Briefings. Community Development Director Tom Martin provided the presentation to Council. The City of Lynchburg's 2025 Legislative Agenda requested that the General Assembly amend the Code of Virginia (§15.2-907.1) to remove the civil penalties exemption for derelict commercial or industrial buildings. Delegate Wendell Walker introduced HB2128 Derelict Buildings, removing the exemption for derelict commercial and industrial buildings and allowing cities to impose a civil penalty of $500 per month as is currently allowed for residential properties. The Bill was passed by the General

Assembly and signed by Governor Glen Youngkin. The amendments will become effective July 15, 2025, and technical changes were made to the proposed ordinance since 05/27/2025.

Councilmember Misjuns motioned to deny adopting Ordinance #O-25-042.

The motion failed because it did not receive a second.

Councilmember Faraldi motioned, seconded by Councilmember Reed, to adopt Ordinance #O-25-042.

Vice Mayor Diemer asked about the current penalties, what they are changing from, and what they are changing to. Mr. Martin replied that homes without utilities for a year can be fined $500 a month to encourage repairs. This doesn't apply to businesses.

With no further discussion from the Council, the following vote was recorded:

Ayes: Taylor, Diemer, Wilder, Faraldi, Reed, Timmer	6
Noes: Misjuns	1

// In the matter of Business, Agenda Item #13, Council considered approving a standard procedure for voting on School Board appointments. Clerk of Council Alicia Finney stated that the item was previously discussed during the May 27 Business Item Briefings.

Current Method: Motion / Second / Substitute Motion / Vote

• A Councilmember makes a motion to appoint a nominee.

• Another Councilmember must second the motion.

• The Council then votes on the motion.

• Only one substitute motion may be made at a time.

Proposed Method: Ballot Voting

• Councilmembers nominate candidates.

• Discussion is held among Councilmembers.

• Each member casts a single written ballot vote.

• Ballots are read aloud, and each member's vote is publicly announced.

• A majority of votes is required to appoint a candidate.

• If no candidate receives the necessary majority in the initial ballot, a runoff is initiated. The runoff includes the top two candidates with the highest vote counts. If there's a tie for the second-highest votes, all tied candidates proceed to the runoff of their own before going up against the candidate with the first-highest votes.

Councilmember Faraldi motioned, seconded by Councilmember Reed, to approve the current procedure.

Councilmember Reed said that the procedure had worked in the past, so there was no need to change it.

Councilmember Misjuns believed that School Board appointments, and all Council appointments, should be made transparently during open session, including setting salaries for Council appointees. He said he supported a process similar to how they elected the Mayor and Vice Mayor.

Councilmember Misjuns made a substitute motion to approve the proposed ballot voting procedure.

The motion failed because it did not receive a second.

Mayor Taylor called the question on the main motion.

With no further discussion from the Council, the following vote was recorded on the main motion:

Ayes: Taylor, Diemer, Wilder, Faraldi, Reed, Timmer 6

Noes: Misjuns 1

// In the matter of Business, Agenda Item #14, Council considered finalizing the list of School Board candidates to interview for appointments, or reappointments, to vacancies that will exist June 30, 2025, in School Board Districts I, II, III. At its May 27th meeting, City Council began its selection of candidates to interview. The list will be finalized and interviews will be conducted ahead of the June 24th City Council meeting where appointments will ultimately be made.

Councilmember Misjuns motioned, seconded by Vice Mayor Diemer, to adopt the list of School Board candidates.

Councilmember Misjuns said he was excited about the slate of candidates.

Clerk of Council Alicia Finney announced that interviews were scheduled for June 12, from 9 a.m. to 1:15 p.m. and on June 13, from 4 p.m. to 8:45 p.m.

With no further discussion from the Council, the following vote was recorded:

Ayes: Taylor, Diemer, Wilder, Faraldi, Reed, Misjuns, Timmer 7

Noes: 0

// The meeting adjourned at 10:44 p.m.

____
Clerk of Council