// A special meeting of the Council of the City of Lynchburg was held on the 30th day of June, 2025 at 9:30 a.m. in the Council Chamber, 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, Vice Mayor Diemer motioned, seconded by Councilmember Timmer, to direct staff to create an ordinance to set the Real Estate Tax rate at $0.84 per $100.

Councilmember Faraldi said the point of this called meet was to set the real estate rate, not to direct staff.

Mayor Taylor said the ordinance has already been set and was included in their packets.

Vice Mayor Diemer revised his motion to state that he would like to set the Real Estate Tax rate at $0.84.

Councilmember Timmer supported the revision and stated that she has been a big proponent of equalization, which means the City would receive more revenue but is less than the proposed budget, so it is a reduction in the proposed increase. She recognized that this is a body of equals, and they all have to come to the table to determine where compromise can occur.

Councilmember Reed expressed frustration with the budget process, stating the City Manager's proposed $0.89 tax rate reflected shared priorities. She believed Council was moving toward a compromise at $0.86, preserving most citizen priorities. She was disappointed when some members pushed for an $0.83 rate and called a special meeting without broader input. She criticized the lack of transparency, exclusion of other members, and attacks on staff, saying it undermines trust and safety. She would not support the $0.84 rate due to how the process was handled and urged a return to the 86-cent compromise.

Vice Mayor Diemer stated he supports equalization for increased revenue and noted the Templeton Center's option to buy back its facility. While appreciating efforts to keep facilities open, he stressed prioritizing needs over wants. He agreed with Councilmember Reed about process issues and last-minute proposals lacking full revenue details. Despite supporting equalization, he backs the $0.84 tax rate to avoid burdening residents.

Councilmember Misjuns said he has supported equalization, noting the City received more revenue than projected in 2024. He called the original $11.2 million tax increase challenging to reduce and stated that the $0.84 rate cuts $4.5 million of it. He stated how Social Services cuts were misrepresented, pointing out most funding is from state and federal sources. He also highlighted an unjustified 14.1% salary increase in the City Manager's budget and said his questions on this and Jackson Heights revenue went unanswered. He supports the $0.84 rate as the lowest achievable to restore priorities.

Councilmember Timmer stated she supports the $0.84 rate, though she has backed equalization. She appreciated the collaboration over the weekend, especially Councilmember Misjuns' effort in restoring funding to key programs. She noted discussions about reducing the City Manager's proposed salary increase from 14.1% to 4% to help preserve the downtown library. She criticized the late timing of budget details, calling it an inappropriate process, but was glad for the time between readings to make adjustments. She will support the $0.84 rate, though she prefers option B.

Councilmember Wilder said he did not support the $0.84 nor all the other cuts from last week. He asked how much additional funding would be cut by adopting $0.84 and where those cuts would come from.

Deputy City Manager Greg Patrick explained that the $0.84 rate generates the same revenue as the first budget reading, assuming the car tax remains unchanged. He noted Councilmembers have expressed interest in restoring about $480,000 in services, including Jackson Heights, the Templeton Center, Social Services, and others.

Councilmember Wilder asked if they have identified funding sources for the additional $600,000 for the police department.

Mr. Patrick responded that it's already built into the budget as reflected in their packets.

Chief Financial Officer Donna Witt said that was done with the 2.5% instead of 3% for City staff.

Councilmember Wilder noted school staff are getting a 3% raise, while City staff get 2.5%. He listed key cuts from the latest budget, including closures of the downtown library, Jackson Heights art studio, Templeton Senior Center, the Nature Zone, the DSS burial program, two DSS Family Service jobs, juvenile services, case manager jobs, reduced museum hours, reduced advertising for tourism, and various other cuts. He emphasized Lynchburg's growth is due to past investments and that staff warned for months that reducing the tax rate would harm services. He opposed the $0.84 rate and supported 89 cents, questioning how the City can maintain services without increased funding.

Councilmember Faraldi called the question.

With no further discussion from the Council, the following vote was recorded on the motion to set the Real Estate Tax rate at $0.84:

Ayes: Taylor, Diemer, Misjuns, Timmer 4

Noes: Wilder, Faraldi, Reed 3

// In the matter of Council's advertised schedule, Councilmember Faraldi motioned to cancel the 10:00 a.m. meeting for June 30. Councilmember Reed seconded the motion. Councilmember Faraldi clarified that the agenda included the second reading of the budget. Council agreed by consensus.

// In the matter of the Consent Agenda, Council conducted a second reading and adopted Ordinance #O-25-048 appropriating the FY 2026, Discretionary External Service Providers Budget. On motion of Councilmember Faraldi, seconded by Councilmember Reed, Council by the following recorded vote approved the motion:

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

Noes: 0

// In the matter of Consent Agenda, Ordinance #O-25-050 appropriating the FY 2026 Schools Operating Budget by major classification. On motion of Councilmember Faraldi, seconded by Councilmember Reed, Council by the following recorded vote approved the motion:

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

Noes: 0

//In the matter of Budget, Council conducted a second reading and adopted Ordinance #O-25-047 appropriating the FY 2026 General Fund Operating Budget (excluding Discretionary External Service Providers and Schools Operating Budget).

Councilmember Faraldi asked if staff had recommendations on how to reconcile some of the differences.

Mr. Patrick said that staff's recommendation at this point would be that Council adopt the second reading of the budget at the same level of expenditure and the same level of revenue and include these services for restoration, then allow staff to come back on August 26 with recommendations to either lower expenditures at that point or look at revenue increases to fit them within the budget, which will allow these services to be restored in the budget beginning July 1.

Councilmember Faraldi said his recommendation would be to do an offset on the cost of living to whatever is needed for the Jackson Arts Center and the Templeton Center at bare minimum, if that is an approach that could still be included on August 26.

Mr. Patrick responded that it could not, and they would need to make adjustments to the cost of living adjustment prior to today because it would go into effect on July 2; if they want to lower the cost of living adjustment, they would have to do so today. He said what they would recommend on August 26 would not include adjustments to personnel, only non-personnel savings, and they are currently at a difference of less than half a million dollars. He clarified that the items listed would be held over for now, and in August they would come back and find ways to keep them going in the future.

Councilmember Faraldi motioned that Council adopt Ordinance #O-25-047 appropriating the FY 2026 General Fund Operating Budget (excluding Discretionary External Service Providers and Schools Operating Budget).

Councilmember Reed seconded the motion.

Councilmember Misjuns offered a substitute motion to adopt Option A, which has been shared with all members and reviewed by staff. He noted that staff confirmed its viability in an email earlier that morning, stating it offers a workable way to balance the budget. He emphasized that Option A clearly outlines what is included and excluded, and ensures restoration of funding for the Jackson Heights Art Center, Templeton Senior Center, and key Social Services positions.

Vice Mayor Diemer seconded the motion.

Councilmember Misjuns said what he had provided to staff over the weekend was intended to ask them first if it was viable, prior to it coming before Council. He noted that staff had confirmed in their memorandum response earlier that morning that this would work at $0.84.

City Attorney Matthew Freedman asked for clarification of the changes reflected in the ordinance before them in the substitute motion.

Mr. Patrick stated that it was what Councilmember Misjuns outlined and includes restoration of Jackson Heights, the Templeton Center, and human services positions and social services administration.

Councilmember Misjuns confirmed that and noted that he had provided a copy of this to the clerk to include for the record, reflected in Option A.

Councilmember Misjuns asked if he could incorporate the email and memorandum response from staff this morning to include that with the record.

Vice Mayor Diemer voiced support for preserving the Jackson Heights facility and its equipment, expressing hope for a future public-private partnership. He clarified he did not propose cutting the program. He also visited the Templeton Center and noted that, under the MOU, the center could purchase the building for $1 if the City relinquishes it – an option some board members might prefer. He emphasized that Option A keeps the center open and restores Social Services cuts. While he wished these issues had been addressed sooner, he supports the substitute motion.

Councilmember Reed noted the proposed 2% cost of living adjustment rather than 3% and begins in January instead of July. She emphasized that the City Manager did not make cuts to the departments; when he found out that the proposed rate of $0.89 was going to be lowered, he had to ask department heads to submit what they would cut if equalization became a reality. She said that in an effort now to save what some of those cuts will need to be, some of her colleagues are advocating for lowering the pay raises. She stated that she would be supporting the original motion, which is to give staff the full increase or at least the 2.5%.

Councilmember Timmer voiced strong support for Option B, which restored the Templeton Senior Center, Jackson Heights Art Studio, Social Services positions, and the downtown library. She noted it achieved this through a 3% cost-of-living adjustment, aligning with inflation and benefiting pensions. She explained the additional revenue would come from under-projected meals and lodging taxes and new development not factored into equalization. She also highlighted the City Manager's Office proposed 14.1% salary increase, suggesting reducing it to 4% to help fund the library. While she preferred Option B due to her involvement, she supported the substitute motion for Option A.

Councilmember Faraldi said he would be voting against the substitute motion.

Mr. Freedman clarified that the motion on the table is to adopt Ordinance #O-25-047 appropriating the FY 2026 general fund operating budget, excluding discretionary external service providers and schools operating budget, with the caveat that Option A is now included which has been made part of the record; Option A reduces City staff cost of living cost of living adjustment to 2% effective January 1, 2026 to achieve significant savings: $1,068,816 balances the budget by fully funding public safety and judicial administration, restoring social services administration cuts, and reinstating the Jackson Heights Art Studio; $68,499 and Templeton Senior Center, $92,860, contingent on finding; $40,034 in addition to revenue or savings.

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 Faraldi stated that he would be supporting his initial motion and asked that they vote on that and move onto the next item.

Councilmember Misjuns said he would vote against the motion, expressing concern over the lack of written financial details. He emphasized the need for assurance that funding for public safety would not be reduced to cover other priorities.

Mayor Taylor asked Mr. Patrick to make every effort to preserve key programs and jobs following the budget vote.

Mr. Patrick confirmed that a vote in favor of the motion would keep the listed programs intact and that none of the recommendations for cuts were coming from public safety.

Councilmember Misjuns offered an amendment to the motion, including the restoration of the items as mentioned but reducing the increase in the City Manager's office that was proposed at 14.1% increase down to 4%, totaling $123,202.

Vice Mayor Diemer seconded the amendment to the motion.

Councilmember Misjuns supported reducing the City Manager’s Office increase to align with other departments as a fair way to recover funds.

Vice Mayor Diemer stressed that it is Council’s responsibility to decide how money is spent. He urged voting on the amendment now and taking full responsibility for the final budget.

Councilmember Reed urged trust in staff’s plan to keep programs open, with final approval by Council in August. She opposed cutting worker pay and rejected the “witch hunt” motion.

Councilmember Timmer clarified that the funding change for the City Manager’s Office involves reducing a 14.1% salary and benefits increase down to 4%.

Councilmember Faraldi asked staff to confirm the salary increase percentage if Council approved a 2.5% raise. City staff confirmed it would be 2.5%.

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 Faraldi asked that the Mayor call the question on the original motion.

Councilmember Timmer expressed support for restoring the list items but opposed the motion due to the lack of clear funding path.

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

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

// In the matter of Budget, Council conducted a second reading of Ordinance #O-25-049 appropriating the FY 2026 Operating Fund Budgets for all other funds.

Councilmember Faraldi motioned to adopt the ordinance #O-25-049 appropriating the FY 2026 Operating Fund Budgets for all other funds.

Councilmember Reed seconded the motion.

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

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

Noes: 0

// In the matter of Budget, Council conducted a second reading of Ordinance #O-25-051 adopting the FY 2026–2030 Capital Improvement Program and appropriating the FY 2026 Capital Budget.

Councilmember Misjuns offered a motion to adopt the school improvements portion of the FY 2026–2030 Capital Improvement Program and associated budget.

Vice Mayor Diemer seconded the motion.

Councilmember Misjuns said he wanted to go on record for his support of school infrastructure and wanted to vote on this as a standalone item.

Vice Mayor Diemer said he agreed it should be a standalone vote, as they definitely need to support their schools and repair their crumbling infrastructure, which has been neglected for years.

Councilmember Faraldi offered a substitute motion to approve the capital improvement program as a whole.

Councilmember Reed seconded the motion.

Councilmember Faraldi said those wanting a separate schools vote missed negotiation chances and should simply vote against the entire budget if opposed. He criticized last-minute presentations blamed on staff and urged Council to decide and vote on the full package.

Councilmember Reed pointed out that the first reading—which included the schools, the pool, and the library—was what they voted on and agreed to do. She said in the second reading, they also included the Wiggington Road project, and whether that was broken out or not, they should consider the CIP as a whole based on what they've already discussed.

Councilmember Misjuns opposed the substitute motion, supporting the $10.95 million school infrastructure funding, which matches both the budget and the ordinance. He highlighted a $6 million discrepancy between the CIP ordinance ($68.3 million) and proposed budget ($62.6 million) for total City capital projects. He read into the record matching amounts for the airport ($4.5 million), water ($12.8 million), sewer ($11.6 million), and stormwater ($2.9 million). He urged opposing the substitute to vote separately on schools first, then the rest of the CIP.

Councilmember Faraldi said the updated proposed CIP was dated March 11, 2025, and it is right there on the website.

Ms. Witt confirmed the Wiggington Road projects were added, as well as a signal on Enterprise Drive based on a new development in that area

Councilmember Misjuns said he has not seen all of this together in the proposed CIP.

Vice Mayor Diemer urged the Mayor to allow separating the CIP votes as in the first reading, expressing concern about rushing to combine them. He supports voting on schools separately due to issues with the full CIP.

Councilmember Timmer supporting keeping the pool open but opposed the $10.4 million repair cost, citing alternate, cheaper repair estimates around $3 million. She agreed with reducing debt service for budget flexibility and fully backed the $60 million school CIP allocation and operating budget. She emphasized the importance of separating votes for clarity, especially on Wiggington Road improvements, which she supported due to increased traffic and past CIP plans. She urged those who approved the development to support road safety improvements and appreciated voting on items individually to show clear positions.

Councilmember Reed said when it comes to the library project in the CIP and the Miller Pool project, they have not sent out RFPs for either one of those projects, and the figure they are working with is a projected cost for improvements and could come in less for that. She said she supported the substitute motion, to do what they said they were going to do and keep moving forward.

Vice Mayor Diemer opposed the CIP plan, calling the pool projects costly rebuilds rather than improvements. He emphasized the need for clearer details and refused to approve funding without more thought.

Councilmember Faraldi renewed his substitute motion to approve the CIP and asked that it be put on the table for a vote.

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

Ayes: Taylor, Wilder, Faraldi, Reed 4

Noes: Diemer, Misjuns, Timmer 3

The substitute motion becomes the main motion. With no further discussion from the Council, the following vote was recorded on the original motion:

Ayes: Taylor, Wilder, Faraldi, Reed 4

Noes: Diemer, Misjuns, Timmer 3

// In the matter of Budget, Council conducted a second reading of Ordinance #O-25-052 appropriating $50,000 of the FY 2026 Reserve for Contingencies for use by the City Manager.

Councilmember Misjuns made a motion to deny Ordinance #O-25-052 appropriating $50,000 for the reserve for contingencies for use by the City Manager.

Vice Mayor seconded the motion. He said the significant increase in the City Manager's Office budget is his reason for voting to deny.

Councilmember Faraldi asked Mr. Patrick about last year's reserve for contingencies in the manager's budget, which was $50,000 – the same as this year. He said he would not submit a substitute motion, preferring to vote against the current motion.

Councilmember Timmer opposed the 14.1% increase but supported the $50,000 contingency, criticizing inflated budget numbers for reducing spending accountability.

Councilmember Reed did not support the motion to deny, believing there is a valid reason to appropriate the funds and will support the appropriation.

Councilmember Misjuns confirmed that the $50,000 contingency fund budgeted last fiscal year was not spent during the year.

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

Ayes: Diemer, Misjuns 2

Noes: Taylor, Wilder, Faraldi, Reed, Timmer 5

Councilmember Faraldi made a motion to approve Ordinance #O-25-052 appropriating for the $50,000 reserve for contingencies for use by the City Manager.

Councilmember Reed seconded the motion.

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

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

// In the matter of the City Council's meeting schedule and rules of procedure, Councilmember Faraldi motioned to affirm that the special meeting for today was warranted related to budgetary matters.

Mr. Freedman stated that this action was not warranted because the meeting was not called within 12 hours of the meeting convening; it had been announced the previous Friday.

Councilmember Faraldi withdrew his motion.

// In the matter of Budget, Council conducted a first reading of Ordinance #O-25-056 setting the Personal Property Tax Relief Rate at 30.64% for January 1, 2025 through December 31, 2025. This Resolution shall apply retroactively as of January 1, 2025.

Councilmember Faraldi motioned to adopt Ordinance #O-25-056, setting the Personal Property Tax Relief Rate at 30.64% for January 1, 2025 through December 31, 2025, applying it retroactively.

Councilmember Misjuns seconded the motion.

Ms. Witt clarified that this action is for the 30.64%, which is based on a $3.80 personal property tax rate.

Councilmember Reed clarified that during the first reading, the potential car tax rate was going down from $3.80 to $3.00, and that rate will now be staying at $3.80.

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

Ayes: Taylor, Diemer, Wilder, Faraldi, Reed, Misjuns, Timmer	7
Noes:	0

// The meeting adjourned at 11:15 a.m.

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Clerk of Council