

COUNCIL CHAMBERS - April 6, 2015

CALL TO ORDER

Council met in regular session on this date with the following members present: Mr. Huja, Ms. Smith, Mr. Fenwick, Ms. Galvin, Ms. Szakos.

AWARDS/RECOGNITIONS & ANNOUNCEMENTS

Mr. Huja introduced Maeve Curtain, the UVA student liaison to City Council. She thanked Council for the opportunity to serve in this position and said she looks forward to working with UVA and the City.

Mr. Huja encouraged residents to go to www.mywaterpledge.com to participate in this year's water conservation contest.

Mr. Huja announced a Budget Work Session on April 9 at 4:30 p.m. at City Space, and the Council adoption of the final budget on April 14 at 5:30 p.m. in the Second Floor Conference Room.

Ms. Szakos announced Our Town Charlottesville on April 9 from 6-8pm at City Space for the Kellytown / Rose Hill neighborhoods.

Ms. Szakos announced the new composting initiative at the City Market from April 4 - September 26. Go to www.charlottesville.org/composting for more information, or call 970-3371.

Ms. Galvin announced the Downtown Job Center Job Fair for The Graduate Charlottesville on Wednesday, April 8 from 9am - 11am at City Space for potential new hotel employees. Go to www.charlottesville.org/jobcenter for an application, or visit the Downtown Job Center in the lower level of the Downtown Library. Call Cory Demchak for more information at 970-3933.

Mr. Fenwick announced the City Market has returned in a new location downtown, temporarily located at the parking lot at 100 Water Street. The market is held Saturdays from 7:00 a.m. - noon between April and October. For more information, call 970-3371 or email citymarket@charlottesville.org.

Ms. Smith announced that CAT is launching a new fare box system in mid-May, which will use smart card technology. Outreach meetings with live demonstrations will be held on Saturday, April 18 at 1:45 p.m. and Monday, May 4 at 9:45 a.m., both at City Space.

MATTERS BY THE PUBLIC

Mr. Huja read guidelines for speakers.

Ms. Barbara Cruickshank, 324 Parkway St., said glyphosate has been listed as a class 2A carcinogen by the International Agency for Research on Cancer. She requested a moratorium on the use of chemical pesticides on City parks and schools.

Ms. Lena Seville, 808 Altavista Ave., said Charlottesville Sparkles had a kick-off campaign this past week in the Belmont neighborhood. She said the area looked wonderful after the clean-up. She asked if the City could schedule street sweepers to go through this area more regularly.

Ms. Aurora Nichols, 630 Park St., said you have to pay \$10 per bin to recycle for apartment complexes. This is counterintuitive because the trucks actually have to make fewer stops. She asked the City to look into this.

Ms. Rebecca Quinn, 104 4th St., encouraged residents to compost. She asked what it would take to continue the composting project beyond this market season, because this initiative is funded with a one-time grant.

Mr. Al Page, 806 Page St., requested Council help him ask for an apology from the Human Resources department for addressing him as "Ms." in writing. He said substitute teachers should receive \$100 / day instead of \$75 / day.

Mr. Louis Shultz, 1809 E. Market St., said this is the 37th time he has come to Council accusing staff of violating City code and civil rights statutes.

COUNCIL RESPONSE TO MATTERS BY THE PUBLIC

Ms. Szakos said she thinks the measures for success for the composting program would be the tonnage of garbage that goes out. Curbside composting is still expensive, but it is an option she and staff are still interested in pursuing. She said she will join Mr. Page in requesting a written apology from the Schools. She said she supports the effort to increase pay for substitute teachers. She said Mr. Shultz has been given an answer to his repeated requests for a hearing, and the answer is no. There is a disagreement on the facts.

Ms. Galvin asked staff to follow up on Ms. Nichols' concern. She asked how often street sweepers are running through, and what the cost would be to increase the frequency. She joined Mr. Page in asking for an apology. She said the School Board is the decision-making body that can address substitute teachers' salaries.

Ms. Smith asked for a comprehensive look at who does and does not get recycling services at apartment complexes. She said the pesticides policy is on the Council's agenda for April 20.

Mr. Fenwick said he supports an apology to Mr. Page from the School Board. He thanked the young people in the audience for coming.

Mr. Huja said he supports the composting experiment.

CONSENT AGENDA

Mr. Huja said item e has been pulled for discussion. Ms. Smith also pulled item f for discussion.

On motion by Ms. Smith, seconded by Ms. Szakos, the remaining consent agenda items passed. (Ayes: Ms. Galvin, Ms. Smith, Ms. Szakos, Mr. Fenwick, Mr. Huja; Noes: None.)

- a. **Minutes for March 16**
- b. **APPROPRIATION: USDA Local Food Promotion Program Grant - \$25,000 (2nd reading)**

USDA Local Food Promotion Program Grant

WHEREAS, the City of Charlottesville has received a grant from the United States Department of Agriculture to support the development of new markets for lightly processed and flash frozen Virginia grown,

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Charlottesville funding is hereby appropriated in the following manner:

Revenues

\$25,000 Fund: 209 Internal Order: 1900232 G/L Account: 431110 Federal Grant

Expenditures

\$25,000 Fund: 209 Internal Order: 1900232 G/L Account: 530550 Contract Serv.

BE IT FURTHER RESOLVED, that this appropriation is conditioned upon the receipt of \$25,000 from the USDA Local Food Promotion Program.

- c. **APPROPRIATION: Central Library Restroom Renovation and A.D.A. Improvements Project - Albemarle County Reimbursement - \$19,330.77 (2nd reading)**

Central Library Restroom Renovation

WHEREAS, Albemarle County was billed by the City of Charlottesville in the amount of \$19,330.77;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that \$19,330.77 from Albemarle County is to be appropriated in the following manner:

Revenues - \$19,330.77

Fund: 426 Funded Program: CP-013 (P-00726-01) G/L Account: 432030

Expenditures - \$19,330.77

Fund: 426 Funded Program: CP-013 (P-00726-01) G/L Account: 599999

BE IT FURTHER RESOLVED, that this appropriation is conditioned upon the receipt of \$19,330.77, from Albemarle County.

- d. APPROPRIATION: Preston-Morris Building Envelope Restoration Project - Albemarle County Reimbursement - \$1,300 (2nd reading)**

Preston-Morris Building Envelope Restoration

WHEREAS, Albemarle County was billed by the City of Charlottesville in the amount of \$1,300;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that \$1,300 from Albemarle County is to be appropriated in the following manner:

Revenues - \$1,300

Fund: 426 Funded Program: CP-014 (P-00785-02) G/L Account: 432030

Expenditures - \$1,300

Fund: 426 Funded Program: CP-014 (P-00785-02) G/L Account: 599999

BE IT FURTHER RESOLVED, that this appropriation is conditioned upon the receipt of \$1,300, from Albemarle County.

- e. APPROPRIATION: CDBG & HOME Funds for FY 2015-2016:**
pulled for discussion
Fund Appropriation for 2015-16 CDBG Block Grant - \$884,059.82 (carried)
Fund Appropriation for 2015-16 HOME Funds - \$59,652 (carried)
Amendment to CDBG Account: Reprogramming Funds for FY 15-16 (carried)
Amendment to HOME Account: Reprogramming Funds for FY 15-16 (carried)

CDBG & HOME Funds for FY 2015-2016

- f. RESOLUTION: Critical Slopes Waiver for Kroger** *pulled for discussion*

Critical Slopes Waiver for Kroger

- g. RESOLUTION: Fund Transfer to the Smith Aquatic & Fitness Center Project Account - \$231,547**

Fund Transfer to the Smith Aquatic & Fitness Center

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that the following is hereby transferred in the following manner:

Transfer From

\$50,000 Fund: 426 WBS: P-00599 G/L Account: 599999
 \$72,690 Fund: 426 WBS: P-00769 G/L Account: 599999
 \$3,857 Fund: 426 WBS: P-00588 G/L Account: 599999
 \$25,000 Fund: 426 Project: CP-070 G/L Account: 599999
 \$80,000 Fund: 107 Project: FR-001 G/L Account: 561426

Transfer To

\$231,547 Fund: 426 WBS: P-00858 G/L Account: 599999
 \$80,000 Fund: 426 WBS: P-00858 G/L Account: 498010

h. RESOLUTION: Loan Extension Request for The Lewis & Clark Exploratory Center of Virginia, Inc. - \$130,000

Loan Extension Request for The Lewis & Clark Exploratory Center

BE IT RESOLVED by the City Council of the City of Charlottesville that the due date for funds previously transferred from the City's Strategic Investment Fund to the Charlottesville Economic Development Authority (CEDA) for the purpose of a loan to The Lewis & Clark Exploratory Center of Virginia, Inc.; be extended to October 31, 2015.

BE IT FURTHER RESOLVED by the City Council of the City of Charlottesville that once the funds have been repaid to CEDA, \$130,000 will be returned to the City's Strategic Investment Fund.

PUBLIC HEARING / ORDINANCE: Amendment to City Code - Meals Tax Ordinance Change (carried)

Meals Tax Ordinance Change

Mr. Jones said the proposed major tax rates, including the real estate tax rate (no change) and the meals tax rate (proposed increase from 4% to 5%), will be discussed tonight.

Ms. Beauregard reviewed the City Council's amendments to the FY 2016 proposed general fund budget. She reviewed amendments to FY 2016 expenditures and the Council Strategic Initiatives fund. Outstanding issues include the CORR program at the regional jail and the proposed BAR staff position.

Ms. Smith asked for clarification on the revised school figure. Mr. Jones said the Schools realized a savings of \$185,000 related to their health care plan, and they have requested to keep \$85,000 of the \$185,000 to address reading level issues. Ms. Smith said Council should discuss whether the City should retain the funds to address literacy issues. Mr. Jones suggested inviting the schools to attend the budget work session on Thursday.

Ms. Smith asked if there is a legal reason Council must vote on the budget on April 14. Mr. Jones said the City's code requires Council to pass a balanced budget by April 15, but we will likely not penalize ourselves if we do not meet that deadline. Ms. Beauregard said for

practical reasons, a final budget needs to be in place so that bills can go out in time for the July 1 fiscal year, and staff can prepare to go into the bond market.

On motion, the public hearing was opened.

Mr. Ben Clore, Cherry Ave., owner of Oakhart Social, said 316 businesses collected \$10 million in meals taxes. City saw a 9% increase in meals tax revenue over projected income. He said the current Council has spent \$1.2 million on consultants, which is more than any previous Council has ever spent. He said this is a tax on the elderly and people who have more than one job and are forced to disproportionately buy prepared meals.

Ms. Laura Galgano, owner of Blue Moon Diner, said the meals tax is regressive and is not a good source for funding. Restaurants rely on regulars to pay their bills, not tourists. Lower income residents pay a disproportionately larger percentage of their income to eat out as a necessity.

Ms. Jaclynn Dunkle, owner of Fellini's #9 and Tin Whistle, said the sustainability of this proposed tax will worsen losses, and the restaurant industry is very unpredictable. Local restaurants lose money when construction projects affect their foot traffic. She said this is not just a luxury tax; for many people, it is a tax on necessities.

Mr. Roy Vandoorn, owner of City Select, a company that facilitates information to visitors, said he is here to speak for the 1 million people who stay in lodging every year and who cannot be here to speak for themselves. They represent about 3 million dining trips a year.

Mr. Mark Han, owner of Harvest Moon Catering, said the meals tax increase is unnecessary, and Council should look for another solution. His organization gives back to the community, and taking an additional percentage from their bottom line will erode their ability to do so.

Mr. Eric Terry, President of Virginia Hospitality and Travel Association, said he is speaking on behalf of restaurants and urged Council to take a hard look at this tax. Restaurants have low profit margins and high fail rates. They will also have to absorb additional credit card fees on the increased tax rates. This is singling out businesses that are the fabric of the City and affect people of the lowest economic brackets.

Mr. Peter Castiglione, Maya restaurant, said this Council has claimed the only way to balance the budget is with a meals tax. This Council has used money to fund their political agendas and is passing their responsibility on to the small businesses and taxpayers for spending more money than was brought to the table. This will affect the restaurant industry and those in the lowest economic brackets. He gave a petition against the meals tax increase with over 3,000 signatures to the Clerk.

Mr. Robert Smith, 100 Ridge St., asked how the founders of this country managed without consultants.

Having no further speakers, the hearing was closed.

Ms. Galvin offered a motion that retires the meals tax upon future conditions being met. She said if meals tax revenue declines 10% or more from levels recorded prior to July 1, 2015, subsequent to the passage of the 1% meals tax, Council shall retire the 1% meals tax increase, effective midnight on June 30, 2017. She said she did agree to the 1% meals tax at the April 26 work session.

Ms. Szakos agreed to second the motion with the added phrase, "in a way that cannot be attributed to other causes", such as economic decline.

Ms. Smith said this is not scientific, and there is no way to possibly know. She said we should just put a point blank sunset on the tax increase, especially since we have all sorts of potential tax revenues pending.

Ms. Szakos said we need to have a sustainable funding tool for our schools and our budget. She said she supported a property tax increase, but there was not support on Council for it. She said it is important to know that this is going towards schools, and cuts would affect students most at risk. This additional revenue is for public safety, more police, and the need for relational policing. These are things that will benefit restaurants. A one cent meals tax increase will not affect the number of people who eat out, but a thriving economy will.

Mr. Fenwick said he likes the idea of a sunset, but the wording is important. He said a majority of the Council did not have an idea they were up against a time limit for noticing a lodging increase. He said we could advertise for a lodging increase and would not put it into effect but would give the public time to comment on it.

Ms. Galvin accepted Ms. Szakos' amendment to her original motion. The motion carried for a second reading.

Ms. Smith said she is opposed to this increase, and it is not sustainable funding. It is a stop gap for one year. She said Council stopped looking for another way to close the gap as soon as there were three votes for the increase. There are myriad places where we could find the money for this year, including the fact that we are budgeting for police officer positions that have very little chance of actually being filled as of July 1. She said Council should approve the additional police positions with the expectation that we will fund them if and when we get them; we have several pots of money in reserves. She said a real estate tax is not any more progressive than a meals tax, and she does not support that either.

Mr. Fenwick said we could pass a budget now and give ourselves extra time to find funding elsewhere, or consider a lodging tax.

Ms. Galvin reiterated that her measure will retire the meals tax if it is considered to be ineffective, and we can charge the City Manager and Economic Development to examine revenues and trends. She said we must consider our school system as the backbone of our community and economy. Funding our public schools is a real need. The time has come to make a decision, and we need to pass our budget. She said Mr. Fenwick and Ms. Smith did not support

an increase in tax lodging when it could have been properly advertised, and now it is no longer on the table.

Mr. Huja said we started this process with a \$3 million shortfall, which affected the most important aspects of our City operations: education and security. This meals tax makes sense. He supports the motion on the floor as amended by Ms. Szakos.

Ms. Smith said we could at least get down to half a cent with relative ease.

PUBLIC HEARING: City Council's Proposed FY 2016 Budget

City Council's Proposed FY 2016 Budget

Ms. Smith asked what the reserve balance was. Ms. Beauregard said it is now at 17%. We went from 12% to 14%, and there is an additional 3% in the economic downturn fund, with rules about when we can access those funds.

Ms. Smith asked for clarification on page 15 of the City's financial statements on our website. Mr. Huja asked her to speak with the City Manager after the meeting.

On motion, the public hearing was opened.

Ms. Marta Keane, CEO of JABA, thanked the City for their past support and encouraged them to support the JABA staff's proposed budget. She reminded Council of the many services JABA offers.

Mr. Peter Castiglione said the restaurants employ many of the parents who send their kids to school. If we do not have jobs for them, the schools will not have those students. He asked Council to find a way to fund the budget without putting the restaurant industry at risk.

Ms. Colette Hall, 101 Robertson Ln., said a headline from the March 26 Daily Progress said "Legal Aid, PHAR Likely to See Big Budget Cuts". These programs received fair ratings for the second year in a row, which do not get recommended for funding according to the ABRT policy. However, the very next day, the paper reported that Council reversed agency cuts. She asked why Council has a rating system at all.

Having no further speakers, the hearing was closed.

FY 2016 BUDGET ORDINANCE: Tax Levy Ordinance (carried)
APPROPRIATION: F.Y. 2016 Budget Appropriation (carried)

Ms. Szakos made a motion for the tax levy and the budget as written. Mr. Huja seconded the motion.

Ms. Galvin requested that Council discuss funding for the African American Teaching Fellows at Thursday's work session, because the decision may have been made based on misinformation.

Ms. Smith asked if Council will see a plan for increased police force on Thursday. Mr. Jones said staff will bring that to the work session.

Ms. Smith said we got a windfall this year for affordable housing, and this may offset other funds we have dedicated to affordable housing.

OTHER BUSINESS: Resolution to Secure Cost Savings & Secure Efficiencies in Local Government

Ms. Galvin read a proposed resolution to secure cost savings in efficiencies in local government. Mr. Jones said this will effect budget negotiations for Fiscal Year 2018.

Mr. Huja said Council can discuss this at Thursday's work session.

Ms. Szakos said she would like an estimate for what this would cost. Mr. Jones said staff will not have that figure ready in time for Thursday's budget work session, but staff will commit to bringing this back to Council at a later date.

APPROPRIATION: CDBG & HOME Funds for FY 2015-16 (item e.) (carried)

Ms. Smith asked for clarification on how the new funds from the Levy building would affect this, and how funds may be spent. Ms. Creasy said funds have to be spent by one and a half times the entitlement allocation by each May, or a percentage of funds is taken away. Ms. Smith asked for clarification on existing home versus land. Ms. Creasy said she will look into this.

Ms. Smith moved to amend the resolution to address that these funds would be used only for existing City residents. Ms. Creasy said all programs except down payment assistance are required to be for City residents. The down payment assistance program allows for applicants who live or work in the City for at least six months.

Ms. Szakos said she is in favor of this but wants to make sure the requirements are not too rigid so we can help those we are trying to reach.

On motion by Ms. Smith, seconded by Ms. Szakos, the appropriation carried.

RESOLUTION: Critical Slopes Waiver for Kroger (item f.)

Ms. Smith said she is concerned about invasive vines being planted next to the park on the retaining wall. Ms. Creasy said the representatives from Kroger have been working with Hearthwood to determine what type of plantings would be best to provide year-round screen.

Ms. Galvin asked what the ultimate follow-up was with the neighborhood association and asked if there was further discussion. Ms. Creasy said there was additional correspondence, and they have not gotten any further comments at this time.

Mr. Fenton Childers, Real Estate Manager for Kroger, addressed Council.

Ms. Smith said she would be happy if they would pass their plant choices through the Tree Commission and John Mann with the Parks and Recreation department. Ms. Creasy said they will be required to use plantings from the City's local species plant list. Alternatives all go through Tim Hughes. Ms. Smith said the Tree Commission should look at this too, because the City list is outdated.

Ms. Szakos asked if it will be possible to reach the store from behind. Mr. Childers said he does not think there is a way for residents on the other side of the creek to get up to the property. There has been discussion about improving the pathway through the apartment buildings behind Kroger.

Ms. Szakos asked how many more jobs they estimate will be generated. Mr. Childers said they are anticipating about 75 additional jobs.

On motion by Ms. Szakos, seconded by Ms. Galvin, the resolution passed with the seven amendments as proposed by the Planning Commission. (Ayes: Ms. Galvin, Ms. Smith, Ms. Szakos, Mr. Fenwick, Mr. Huja; Noes: None.)

Mr. Huja asked Ms. Smith to speak with Ms. Creasy after the meeting with any further questions.

MATTERS BY THE PUBLIC

Ms. Nancy Carpenter, Albemarle County, spoke about the CARES allocation. Homelessness starts with a crisis, and she asked Council to support the ABRT recommendation. She thanked Council for their support and funding for the homelessness crisis.

COUNCIL RESPONSE TO MATTERS BY THE PUBLIC

Ms. Szakos said there is money in the budget for emergency assistance program support.

Meeting adjourned.