

CHARLOTTESVILLE CITY COUNCIL
Community Budget Forum and FY24 Budget Public Hearing
March 22, 2023, at 6:00 PM

In person: CitySpace, 100 5th Street NW
Electronic: Zoom, www.charlottesville.gov/zoom

The Charlottesville City Council met on Wednesday, March 22, 2023, to hold a community budget forum and budget public hearing regarding the Fiscal Year 2024 City Budget. The meeting was held in hybrid format with Council members and public seating in CitySpace and electronic participation on the Zoom webinar platform. Mayor Lloyd Snook called the meeting to order and Clerk of Council Kyna Thomas called the roll, noting the following councilors present: Michael Payne, Brian Pinkston, Lloyd Snook, and Juandiego Wade. Councilor Leah Puryear was absent and gave advance notice that she had a scheduling conflict prior to being appointed to City Council.

Interim City Manager Michael C. Rogers summarized the purpose of the meeting and acknowledged the public input that his office and City Council continue to receive regarding proposed allocations for the FY24 City Budget. He emphasized the tough decisions that City Council will need to make.

Kevin Rotty (PFM Financial Advisors Managing Director), the city's financial advisor, reported on the condition of the City's finances. He began with a review of U.S. economic trends and then shared information specific to Charlottesville, stating that the City's tax sensitive revenues are performing well and solid FY 2023 financial results are projected. The City is targeting early June for its annual bond issuance and staff will host the rating agencies for a visit in May. Mr. Rotty stated that rating agencies will inquire about potential financial impacts of Collective Bargaining on Virginia issuers. Mr. Rotty concluded:

- City leadership should continue exercising financial discipline.
- A majority of economists forecast an economic slowdown is coming.
- The City still has a significant Capital Improvements Program ahead.
- Hopefully slower economy will result in lower interest rates for the majority of the school financing and favorable future construction bids.
- Although internal forecasts are showing that the City does have capacity to fund the proposed CIP and stay within its debt ratios, the City will need to maintain its focus on affordability (i.e., fitting the debt service expense within the City's overall budget).

Council asked clarifying questions.

Mr. Rogers encouraged Council to be aware of future projects and to continue the financial practices that have kept the city's finances strong.

FY2024 Budget Public Hearing

Mayor Snook opened the public hearing.

- Kristin Szakos, city resident, spoke in support of funding for AHIP (Albemarle Housing Improvement Program).
- Ashley Palmer, local realtor, small business owner and former resident of Charlottesville spoke in support of funding for Child Health Partnership.
- Lisa Larson-Torres, city resident, thanked Council for budget support for city schools. She acknowledged how taxes will help with the revitalization of schools. She spoke in support of funding for affordable housing, housing rehabilitation and other housing support, as well as funding and space to support youth programs.
- Mark Rylander, member of the Charlottesville Tree Commission, requested reinstatement of \$75,000 to mitigate invasive plant species.
- Larry Brown, Charlottesville Police Foundation, spoke in support of funding for police. He listed specific needs.
- Holly Lafferty, member of the Charlottesville Tree Commission, requested reinstatement of \$75,000 to address invasive plants.
- Scott Williams, city resident, spoke in support of funding for the Charlottesville Police Department, in particular to address the increase in gun violence.
- Annie Kim, city resident, spoke in support of funding for the police department, and acknowledged the nationwide struggle to hire police officers.
- Benjamin Heller, city resident, asked that tax projections not be overly conservative.
- Toya Trager, city resident, spoke in support of funding for Child Health Partnership.

With no additional speakers coming forward, Mayor Snook closed the public hearing.

In response to Mr. Heller's comment, Mr. Rogers described the makeup of the City's Revenue Team and stated that revenue projections are fair and evaluated throughout the year.

In response to questions from Councilor Payne, Budget Director Krisy Hammill provided an explanation of revenue growth rates.

Mayor Snook asked for clarity about funding for Therapeutic Drug Court. Ms. Hammill stated that she would follow up with Human Services, and that Council would need to consider a policy for establishing payment practices for these types of programs with Memoranda of Understanding.

Councilor Payne asked for Council to agree on how to categorize Charlottesville Redevelopment and Housing Authority for funding. He also asked about the budget for LED street lighting. Mr. Sanders stated that the discussion is ongoing, and he will get an update from Kristel Riddervold

regarding feasibility and any climate budget availability.

Council and staff discussed establishing by Council resolution a figure for “affordable housing”. The Zoning Rewrite Project Module 2 will preview the recommendation.

Vice Mayor Wade left the meeting at 7:19 p.m.

Regarding annual funding housing rehabilitation, Mr. Sanders stated that the new Housing Program Coordinator will begin in May and will begin work on assessments. He also stated that making changes to the affordable housing targets will require City Council to endorse a change to the Affordable Housing Plan.

Councilor Payne listed his additional areas of priority and Mayor Snook expressed concerns about housing subsidies in the Inclusionary Zoning program. Councilor Payne suggested that Council consider sustainable ways to increase future funding of the Vibrant Community Fund.

Deputy City Manager Ashley Marshall explained the difference in competitiveness for this year’s Vibrant Community Fund process, causing certain applicants to receive different funding from prior years.

Staff discussed the CAHF funding considerations still in process.

Councilor Pinkston requested to participate electronically at the March 30 Budget work session.

Mayor Snook adjourned the meeting at 7:43 p.m.

BY Order of City Council

BY Kyna Thomas, Clerk of Council