// A special meeting of the Council of the City of Lynchburg was held on the 20th day of March, 2018, at 4:00 P.M. in the Council Chamber, City Hall, Joan Foster, President, presiding. The purpose of the meeting was to conduct a work session regarding the FY 2019 Budget. The following Members were present:

Present: Dolan, Nelson, Perrow, Tweedy, Wilder, Foster 6

Absent: Helgeson 1

// Mayor Foster made the following announcement from the Governor's office: Governor Ralph Northam announces 34 new jobs in the City of Lynchburg at Tessy Plastics. Tessy Plastics to invest $9.2 million to expand plastics manufacturing operations here in Lynchburg.

// Mayor Foster mentioned that Dr. Massie will be leaving at the end of the month as Interim Superintendent of Lynchburg City Schools and stated "we can't thank you enough for what you have done in your role as interim superintendent. You are a friend to all of us, students and teachers, you are just a friend to Lynchburg and we cannot thank you enough for your service and friendship."

// Interim Superintendent of Schools Dr. Larry Massie presented the Lynchburg City Schools FY 2019 Operating Budget. Dr. Massie thanked City Council, City Manager Bonnie Svrcek and Chief Financial Officer Donna Witt for the many hours they have spent in meetings to discuss the FY 2019 Schools Funding request. He mentioned and appreciated very much the dedication of Deputy City Attorney Nora Dunn, who handles legal matters for the Schools. Dr. Massie stated that he had been asked three questions by City Manager Bonnie Svrcek on behalf of City Council. The questions are as follows:

1. Provide a history of positions, and a breakdown from FY 2010 – FY 2018 as follows:
   - Total increase in positions year-to-year broken down by
     - Instructional – Mandated
     - Instructional – Non-Mandated
     - Non-Instructional
2. Explain any restrictions on the $2 million in additional State Funding in FY 2019.
3. How many positions were added in FY 2018 that were not funded in the FY 2018 Adopted Budget?

He responded to question one (1) by providing the following information on the history of positions from School Year 2010-2011 through School Year 2017-2018.

School Year	Instructional Non-Mandatory	Instructional Mandatory	Non-Instructional
2010-2011	-3.5	-6.5	-3.5
2011-2012	+2.5	-13	+5
2012-2013	-4	+13	+6.5

2013-2014	**Level Staffing**	**+15**	**+18.5**
2014-2015	**+4**	**+9.5**	**+8**
2015-2016	**+50**	**+27**	**+6.5**
2016-2017	**+32.5**	**+27**	**+24**
2017-2018	**-4.5**	**+13**	**+15**
Total	**+77**	**+85**	**+80**

The staffing numbers that were provided have risen over the period of FY 2010 – FY 2018 (Instructional Non-Mandatory +77 positions, Instructional Mandatory +85 position and Non-Instructional +80 positions). There have been some questions about overstaffing in Schools administration. After investigating this concern, we have begun the process of analyzing every department as to what functions need to be done and what numbers of personnel are needed to perform those functions.

The answer to question two (2) is there were no restrictions placed on the $2,000,000 in additional State Funding.

The answer to question three (3) was six positions added in 2017-2018 which were not in the original budget. There were five teachers and two Instructional Assistants. One of the teachers and the two Instructional Assistants were for behavioral issues. One position was a Math teacher for Heritage High School. Two positions were elementary teachers to satisfy the K-3 class size initiative and one was a teacher to reduce the pupil-teacher ratio in a fourth grade to help with behavior issues. Dr. Massie went on to say that the Schools are requesting level funding for FY 2019 that would amount to $42,028,498. In addition we are requesting the City to purchase eight (8) school buses totaling $713,000. It is imperative that we replace our buses on a 15-year replacement cycle. As the buses age, maintenance costs rise and student safety issues rise as well. Dr. Massie further stated if level funding and funding for the eight school buses are approved, they still have to pare $750,000 from their Budget to balance. The question was asked about the approximately $2 million in State Funding for next year. It was asked if there were any restrictions on the approximately $2 million from the State and there are none. Listed below is the Schedule for Tier 1 Budget Funding requests for FY 2018 to FY 2019 Operating Budget:

- **FY 2019 State Additional Funding** — **$2,028,408**
    - **Less: Reduction in LCS Miscellaneous Revenue** — **($28,500)**
    - **Reduction in City of Lynchburg Funding** — **-0-**
    - **Add: FY 2018 Budget Savings** — **<u>$516,476</u>**
- **Net Increase in FY 2019 Funding** — **$2,516,384**
    - **Less: Total Tier 1 Budget Requests** — **($2,888,448)**
    - **Elimination of Title II Part A Federal Funding** — **<u>($377,130)</u>**

FY 2019 Budget Funding Gap — **<u>($749,194)</u>**

The information below reflects the Total Tier 1 Budget Funding requests from FY 2018 to FY 2019 Operating Budget Summary:

Item Description	**FTE**	**Total**
Medical cost increase		**$1,603,850**
SPED Teachers	**7**	**$393,816**
SPED Instructional Assistants	**8**	**$200,002**
Transportation Bus Assistants	**6**	**$173,466**
Regular Instructional Teachers	**4**	**$211,160**
Regular Instructional Assistants	**2**	**$47,754**
Operational Items		**$258,400**
Total	**27**	**$2,888,448**

Dr. Massie went on to say the teachers and staff are no doubt concerned about salaries. Our teachers and staff deserve a salary increase. Lynchburg City Schools (LCS) should strive to be the highest paid school district in the area in order to attract and retain the best and brightest teachers and staff. He stated he noticed that the surrounding localities are proposing salary increases but Lynchburg City Schools are not. The funding for a salary increase is not present but even a modest 1% salary increase would require a $710,000 increase in local funding. To implement a salary increase it will require additional funding. He suggested the scenario of a $1.1 million cut of local funding.

Listed below is the Schedule of Tier 1 Budget Funding requests for FY 2018 to FY 2019

Operating Budget:

• **FY 2019 State Additional Funding**	**$2,028,408**
o **Less: Reduction in LCS Miscellaneous Revenue**	**($28,500)**
o **Reduction in City of Lynchburg Funding**	**($1,100,000**
o **Add: FY 2018 Budget Savings**	**$516,476**
• **Net Increase in FY 2019 Funding**	**$1,416,384**
o **Less: Total Tier 1 Budget Requests**	**($2,888,448)**
o **Elimination of Title II Part A Federal Funding**	**($377,130)**
FY 2019 Budget Funding Gap	**($1,849,194)**

The personnel cuts required by level funding can be made through attrition of staff and personnel transfers. To balance a Budget with a reduction in local funding of $1,100,000 means a reduction in personnel amounting to $1,849,194. This is a severe cut, and it cannot be guaranteed that attrition and personnel transfers will cover that amount. Dr. Massie requested the opportunity to make the substantial cuts that will be required by level funding, and not the draconian cuts that will be required by the reduction in local funding of $1,100,000.

After the presentation of the Schools Budget Council had the following questions and concerns:

- **Tier 1 Budget request, regarding the medical cost ($1,603,850) is that an additional cost over the cost from last year and the Transportation cost ($173,466) is that also an additional cost over last year? 1% increase going to the Schools for FY 2018 to FY 2019.**
- **What cuts the Schools will do in order to meet the gap?**
- **What impact will be seen in services and programs to meet the gap?**
- **The possibility of dramatically rethinking Lynchburg's education system in order to do more with less.**
- **How to deal more effectively with increased reports of problems with behavior and mental health crises in students.**
- **ADM (Average Daily Membership) has declined.**
- **In regard to the additional $2 million coming from the State, are those funds already allocated?**
- **What percent of the School's budget is contributed to poverty with the poverty rate in the City at 24%?**
- **What amount of the Schools budget is for unfunded mandates?**
- **Special education Student needs are being met on services and programs.**
- **Since FY 2017 the cost per Student has increased.**
- **How many children in private schools are receiving special education services provided by Lynchburg City Schools?**
- **What are the alternative programs at each level (elementary, middle, high school) and the cost of each?**
- **How much is spent on parent engagement?**

In conclusion, Dr. Massie was asked to respond with a memorandum to the questions and concerns that were proposed by City Council.

// City Manager Bonnie Svrcek continued reviewing the FY 2019 Proposed Operating Budget and began this work session with Human Resources.

- **Human Resources – The Department Submitted FY 2019 Human Resources and**

- **Occupational Health budget of $915,718 represents a 3.1% decrease of $28,884 compared to the Adopted FY 2018 budget of $944,602.**
- **Registrar – The Department Submitted FY 2019 Registrar budget of $186,968 represents a 2.2% decrease of $4,125 compared to the Adopted FY 2018 budget of $191,093. The Submitted FY 2019 Electoral Board budget of $103,061 represents a 2.0% decrease of $2,063 compared to the Adopted FY 2018 budget of $105.124. (The Registrar and Electoral Board Budgets are the same as the prior year).**
- **State Treasurer – The Department Submitted FY 2019 State Treasurer budget of $169,985 represents a 1.2% decrease of $2,063 compared to the Adopted 2018 budget of $172,048. (Budget is the same as the prior year).**
- **Circuit Court Clerk (24th Judicial District) – The Department Submitted FY 2019 Circuit Court Clerk budget of $867,404 represents a 1.2% decrease of $10,837 compared to the Adopted FY 2018 budget of $878,241.**
- **Circuit Court Judges (24th Judicial District) – The Department Submitted FY 2019 Circuit Court Judges budget of $159,917 represents a 2.5% decrease of $4,125 compared to the Adopted FY 2018 budget of $164,042.**
- **Office of the Commonwealth's Attorney – The Department Submitted FY 2019 Office of the Commonwealth's Attorney budget of $1,674,222 represents a 1.1% decrease of $18,564 compared to the Adopted FY 2018 budget of $1,692,786.**
- **General District Court – The Department Submitted FY 2019 General District Court budget of $58,173 represents a 14.9% decrease of $10,150 compared to the Adopted FY 2018 budget of $68,323.**
- **Juvenile and Domestic Relations (J&DR) District Court – The Department Submitted FY 2019 Juvenile and Domestic Relations (J&DR) District Court budget of $15,024 represents no change compared to the Adopted FY 2018 budget.**
- **Magistrate – The Department Submitted FY 2019 Magistrate budget of $3,977 represents no change compared to the Adopted FY 2018 budget.**
- **Sheriff's Office – The Department Submitted FY 2019 Sheriff's Office budget of $2,069,370 represents a 0.2% increase of $3,186 as compared to the Adopted FY 2018 budget of $2,066.184.**

- **Police Department including Range Operations, Off-Duty, and Animal Control Unit Budget - The Department Submitted FY 2019 Police Department budget of $17,508,903 represents a 1.8% decrease of $328,627 compared to the Adopted FY 2018 budget of $17,837,530. The City Manager stated in response to her request for each department to submit a 2% reduction the Police Department submission included the following:**

- **Community Action Team (CAT) unit**
- **Crisis Intervention Team (CIT) Coordinator hourly position**
- **two full-time Animal Control Officers, one part-time Animal Control officer and two hourly wildlife management positions and animal control overtime funding in the Animal Control Division**
- **$22,304 increase in Contractual Services**
- **$44,981 increase in Internal Service Charges reflecting Fleet Services**
- **$4,375 increase in Other Charges reflecting historical costs and laptops for the School Resource Officers**
- **$2,970 increase in Rentals and Leases reflecting a new contract for the asset forfeiture storage facility in the Police Division**
- **$88,910 increase in Capital Outlay reflecting the replacement of the in-car camera system and network and storage servers in the Police Division**

Ms. Svrcek stated in her Proposed Budget the following items were restored back to the Police Department:

- **Restored the Community Action Team and the positions in the Animal Control Division**
- **Funded the reclassified Police Administrative Manager position**
- **Increase of $10,512 in Internal Service Charges due to restoring the positions in the Animal Control Division**
- **Increase of $12,860 in Other Charges due to restoring the positions in the Animal Control Division**
- **Decrease of $79,710 in Capital Outlay due to not funding the replacement of the in-car camera system in the Police Division**

After Council's discussion regarding the Police Department it was asked to put the In-Car Camera Replacement on "The List".

- **Emergency Services – The Department Submitted FY 2019 Emergency Services budget of $2,618,695 represents a 2.8% decrease of $74,255 compared to the Adopted FY 2018 budget of $2,692,950.**
- **Fire Department including Technical Rescue Team/Partners in Emergency Response Program – The Department Submitted FY 2019 Fire Department budget of $15,412,914 represents a 3.0% decrease of $480,598 compared to the Adopted FY 2018 budget of $15,893,512. The Manager's Proposed budget includes the following changes from the Department submission:**
- **Restore the eight (8) Firefighter/EMT positions and fund a recruit school in FY 2019.**
- **$6,515 increase in Internal Service Charges to restore funding to Fleet Services estimates.**

// Due to time constraints Council will continue the review of the FY 2019 Proposed Operating Budget on March 27, 2018 beginning with Public Works.

// During roll call Council Member Nelson mentioned he received a concern about the rerouting of the HOPPER that mainly serves downtown. Since there will be work in the area of 5th and Federal Streets and there are several businesses in that area, could the HOPPER make a loop in that area because the businesses stated the work that will be happening there will hurt their business. Would it be possible to have the HOPPER travel to the roundabout that is located on 5th and Federal Streets and then return to Downtown?

// Council Member Wilder mentioned he had a water break in front of his residence and he wanted to thank the employees of Water Resources. He mentioned how kind and polite they were keeping him informed of what was going on with the water situation and he went on to say they worked long into the night until the water situation was resolved. He appreciates the extra efforts that City employees go to on a daily basis.

// Vice Mayor Tweedy thanked City Staff for hosting the meeting at Fifth Street Baptist Church last evening, and mentioned people seemed engaged in asking questions.

// The meeting was adjourned at 6:18 P.M.