Please bring:
Proposed FY 2021 Budget Document

CITY COUNCIL MEETING
MAY 5, 2020
4:00 – 6:00 P.M.
COUNCIL CHAMBER
CITY HALL

AGENDA

1. Continued Discussion regarding the FY 2021 Proposed Budget

   - Presentation and Discussion Regarding the Future Financial and Operating Structure of Refuse Collection – Reid Wodicka, Deputy City Manager and Gaynelle Hart, Director of Public Works

   - Continued discussion regarding Balancing the FY 2021 Operating Budget (aka "The List")

2. Update on City Actions regarding COVID-19

3. Roll Call

4. Consideration of a closed meeting for the discussion and consideration of prospective candidates for the position of City Manager pursuant to Section 2.2-3711(A.)(1) of the Code of Virginia.

Decisions Regarding the Future Financial and Operating Structure of Refuse Collection

City Council Work Session

May 5, 2020

Purpose and Outline

- Purpose: Discuss the future financial and operating structure for refuse collection
- Outline:
  - Council-approved changes to the refuse program
  - Remaining decision points and alternatives
  - Revised Timeline

Prior Council Decisions

- Transition to monthly billing structure (but not necessarily the proposed new rate), beginning January 1, 2021
- Bulk and Brush Schedule
- Continuation of multiple cart sizes
- Continuation of six recycling centers, no curbside recycling at this time
- Remove exceptions to billing (SNAP, Tax Relief, Tyreeanna/Pleasant Valley)

Remaining Council Decisions

- Refuse collection fee structure
- Addition of one Bulk and Brush Education and Enforcement FTE
- Revisions to the Refuse Ordinance (tentatively scheduled for May 12, 2020)

Refuse Collection Fee

- Original staff recommendation is $15.02 per month per trash cart for all sizes
  - This fee rate would be in effect for 18 months (January 1, 2021 – June 30, 2022)
  - If a household desires/needs multiple cans, the fee multiplies by the number of trash carts – the more you throw away, the more you pay
- Present rate is $9.17 for the larger cart ($110/12 – 64 gallon cart)
- At this rate, the service still requires a $1.67 million subsidy from the General Fund

Additional Options and Revised Staff Recommendation

- Given economic changes due to COVID19, staff has developed additional options and a revised staff recommendation for City Council's consideration

Options and Revised Staff Recommendation

	Option A	Option B	Option C
Option Title	Original Staff recommendation	Revised Staff Recommendation	Status Quo – Annual Decals
Fee	$15.02/month on utility bill	$9.17/month on utility bill	$55 or $110/year
Timeframe	Begin Jan 1, 2021, fee good for 18 months	Beginning Oct 1, 2020, will require additional fee increase in FY 2022	Decals must be purchased by September 30, 2020; would require additional fee increase in FY 2022
FY 2021 Financial Impact	$0.00	Creates a $140,415 deficit	Creates a $262,644 deficit
Cons	Increase in fee	Does not allow for an appropriate inventory	No progress on improving Refuse situation

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FY 2021 Financial Impact	$0.00	Creates a $140,415 deficit	Creates a $262,644 deficit
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Looking Forward

- If Option B (revised staff recommendation) is adopted in FY 2021 we will
  - Begin monthly billing
  - Complete the trash cart inventory
  - Update accounts with the correct number of trash carts per account
- In Fiscal Year 2022, we recommend:
  - Beginning the slow process towards revenue self-sufficiency

Bulk and Brush Education and Enforcement Employee

- The present condition of brush and bulk collections is not acceptable to Council and projects a negative image for the City
  - Lack of structure leads to excessive and unpredictable set outs, primarily with bulk items
  - Building a system that everyone can understand will allow us to continue to provide service, while cleaning up our community
- This position is critical to solving this issue


TIDY CATS

Bulk and Brush Education and Enforcement Employee Role

- This employee's role is the following:
  - First, provide education to residents regarding bulk and brush collection system rules
  - Inspect properties throughout the City to ensure compliance with the Solid Waste Ordinance requirements
  - When necessary, enforce the provisions of the Solid Waste Ordinance to ensure compliance and the cleanliness of the City

Bulk and Brush Education and Enforcement Position

- Position cost $49,740 for salary, benefits, and uniforms, etc. (Item 21 on "The List")
- Addressing brush and bulk issue is both a logistical and a regulatory challenge
  - Public Works is establishing new collection procedures that it will communicate, but not enforcing the rules will lead us to the same condition we are in
  - Doing one without the other will not work
- Absolutely critical to the improvement of our bulk and brush collections

Bulk and Brush Education and Enforcement Employee

- The Bulk and Brush Education and Enforcement employee will be accountable for the improvement of the bulk and brush conditions through:
  - Documentation all citizen education contacts
  - Tracking of violations and resolutions
- Program will be evaluated through
  - Spot checks by department leadership
  - Reduction in bulk and brush complaints
  - Number of Complaints from Council members

Timeline

- May 5, 2020 – Council decision on refuse collection structure and review recommended changes to Solid Waste Ordinance
- May 2020 to September 2020 – Execute Communications plan
- October 1, 2020 – New billing, rate, and brush and bulk procedures go into effect

- Questions, comments, or concerns

Appendix A

Review of Prior Discussions

- Public Works Solid Waste Task Force Report - July 10, 2018 City Council Work Session
- Solid Waste System Evaluation - November 12, 2019 City Council Regular Meeting
  - City Council asked staff to get additional feedback from the community and return with recommendations.
- February 11, 2020 – Further Council discussion and various decisions (reviewed later in this presentation)
- March 10, 2020 – Council decided to eliminate exemption for Tyreeanna/Pleasant Valley refuse collections fees

Appendix B

First Cities Benchmark

CITY	POPULATION 2019	BILLING METHOD	ANNUALIZED FEE	MONTHLY EQUIVALENT*	CURBSIDE RECYCLING by LOCALITY
Lynchburg (current)	82,126	32 Gallon Bag and 32 & 64 Gallon Decals for Carts	$2.00/$55/$110	$2.00/$4.58/$9.17	No
Lynchburg (proposed)	82,126	32 Gallon Bag and 32 & 64 Gallon Decals for Carts	$2.00/ $180.24	$2.00/$15.02	No
Danville	40,693	Monthly Fee Utility Bill	$181-$200	$15.08 - $16.67	Yes
Hampton	134,313	Monthly Fee Utility Bill	$300	$25.00	Yes
Newport News	178,626	Monthly Fee Utility Bill	$293.28-$366.60	$24.44 - $30.55	Yes
Staunton	24,453	Monthly Fee Utility Bill	$181-200	$15.08 - $16.67	Yes
Norfolk	244,076	Bi-monthly Fee Utility Bill	$324.12	$27.01	Yes
Charlottesville	48,117	13 & 32 Gallon Tags	$1.05/$2.10 and $94.50/$283.50	$1.05 / $2.10 and $7.88/$23.63	Yes

*for localities with other than monthly billing, the equivalent monthly rates have been shown

Other Localities Benchmark

CITY	POPULATION 2019	BILLING METHOD	ANNUALIZED FEE	MONTHLY EQUIVALENT*	CURBSIDE RECYCLING by LOCALITY
Lynchburg (current)	82,126	32 Gallon Bag and 32 & 64 Gallon Decals for Carts	$2.00 per bag /$55/$110	$2.00 per bag/$4.58/$9.17	No
Lynchburg (proposed)	82,126	32 Gallon Bag and 32 & 64 Gallon Decals for Carts	$2.00 per bag/ $180.24	$2.00 per bag/ $15.02 flat fee	No
Roanoke	99,920	Real Estate Bill	$96 Single $192 Multi-Dwelling $144 Business	$8.00 Single $16.00 Multi-Dwelling $12.00 Business	Yes
Blacksburg	44,678	Individual Solid Waste Bill	$281.76	$23.48	Yes
Town of Amherst	2,218	Water/Utility Bill	$81 - $100	$6.75-$8.33	Yes
Town of Bedford	6,585	Electric Bill	$216.00	$18.00	No
Bedford County	78,747	Not Applicable Citizen can: take trash to collection centers or contract out.	Private Collection Est. $240 -$264	Private Collection Est. $20.00 to $22.00	No

*for localities with other than monthly billing, the equivalent monthly rates have been shown

May 5, 2020

Balancing the FY 2021 General Fund Budget

	Proposed FY 2021 Revenues and Use of Fund Balance	**$200,513,026**
	Staff Adjustments to Revenues and Use of Fund Balance:	
1	*Updated Revenue Projection following April 1st review including COVID-19 residual effects*	*($6,446,138)*
2	*Use of Reserve Committed/Assigned Fund Balance Projection for COVID-19 residual effects*	*$380,043*
	Subtotal Staff Adjustments to Revenues and Use of Fund Balance:	***($6,066,095)***
	Total Revised Revenues and Use of Fund Balance	**$194,446,931**
	Proposed FY 2021 Expenditures, Reserves, and Transfers	**$200,513,026**
	Staff Adjustments to Expenditures, Reserves, and Transfers:	
1	*Expenditure Reduction Projection following April 1st review including COVID-19 residual effects*	*($6,066,095)*
	Subtotal Staff Adjustments to Expenditures, Reserves, and Transfers:	***($6,066,095)***
	Total Revised Expenditures, Reserves, and Transfers	**$194,446,931**
	Preliminary Balance after Staff Adjustments	**$0**

Striked-out - Adjustments have been used to rebalance as noted above.

The "LIST" - Budget Adjustments for Council Discussion:

		Proposed Budget	**Budget Adjustments to Discuss**	**Council Decision**
~~1~~	~~Non-Departmental~~	~~2,962,433~~	~~3% General Wage Increase and Phase II Salary Study Implementation *(Helgeson)*~~	Future List
~~2~~	~~Council/Manager Offices~~	~~30,142~~	~~Increase in City Councilmember salaries from $10,000 to $14,000 and from $12,000 to $16,000 for the Mayor based on Council action on December 10, 2019 (salary + benefits) *(Nelson)*~~	
~~3~~	~~Non-Departmental~~	~~50,000~~	~~Health Benefits Education and Advocacy *(Helgeson)*~~	
~~4~~	~~Economic Development and Tourism~~	~~75,000~~	~~Reallocated funds for implementing the Downtown 2040 plan due to no longer making payments to the Academy Center of the Arts *(Perrow)*~~	Future List
5	Parks and Recreation	37,148	During Staff Rebalancing - reduced to start 10/01/2020 Two (2) new part-time positions starting 10/01/2020, a Senior Recreation Specialist and a Recreation Aide, to reopen College Hill Recreation Center ($34,911~~46,548~~ - salary + benefits), internet service ($795~~1,060~~), and supplies ($1,442~~1,923~~) *(Helgeson)*	0
6	Non-Departmental	50,000	During Staff Rebalancing - reduced by $75,000 $50,000~~125,000~~ Safety and Security Task Force *(Helgeson)*	(50,000)
7	Council/Manager Offices	$93,789	Chief Talent Development Officer full-time position transferred to the Council/Manager Offices from Human Resources (salary + benefits) *(Helgeson)*	0
8	Council/Manager Offices	68,074	Youth Futures Coordinator full-time position transferred to the Council/Manager Office from Human Services - Juvenile Services (salary + benefits) *(Helgeson)*	0
~~9~~	~~Human Resources~~	~~0~~	~~NeoGov Onboarding software *(Wright) - $12,000*~~	
~~10~~	~~Human Resources~~	~~0~~	~~NeoGov iLearn access for 200 part-time employees *(Wright) - $6,500*~~	
11	Registrar	0	Voting Booths ($600), Early Voting line management supplies ($120), off-duty officer ($360) *(Wright) - $1,080*	Funded in FY 2020 with Manager's Discrectionary funding
12	Registrar	0	Two laptops *(Perrow) - $1,563*	Funded in FY 2020 with Manager's Discrectionary funding

The "LIST" - Budget Adjustments for Council Discussion *(continued)* :

		Proposed Budget	Budget Adjustments to Discuss	Council Decision
~~13~~	~~Office of the Commonwealth's Attorney~~	~~0~~	~~In-House Investigator full-time position (salary + benefits) *(Nelson) - $48,228*~~	
~~14~~	~~Office of the Commonwealth's Attorney~~	~~0~~	~~Legal Support Receptionist position change from part-time to full-time (salary + benefits) *(Nelson) - $15,881*~~	
~~15~~	~~Police~~	~~0~~	~~5 Sworn Officers and 3 Vehicles *(Wilder) - $523,000*~~ ~~The total cost includes salary/benefits ($285,805) and uniforms/equipment ($38,935) for 5 officers. It also includes the cost of 3 fully outfitted police vehicles ($198,000).~~	
~~16~~	~~Police~~	~~0~~	~~Recruitment Advertising *(Perrow) - $4,800*~~	
~~17~~	~~Police~~	~~0~~	~~GrayKey software *(Perrow) - $18,075*~~	
~~18~~	~~Police~~	~~0~~	~~Quantum Tape Library Back up *(Perrow) - $11,685*~~	
19	Fire - Option 1 9 full-time Firefighters	0	9 full-time Firefighters (salary + benefits) *(Wilder) - $529,623*	
19	Fire - Option 2 9 full-time Firefighters		Begin 01/01/2021 9 full-time Firefighters (salary + benefits) *(Wilder) - $264,812* **(FY 2022 Impact $529,623+)**	
19	Fire - Option 3 6 full-time Firefighters		6 full-time Firefighters (salary + benefits) *(Wilder) - $353,082*	
19	Fire - Option 4 6 full-time Firefighters		Begin 10/01/2020 6 full-time Firefighters (salary + benefits) *(Wilder) - $264,812* **(FY 2022 Impact $353,082+)**	
20	Option A Original Staff Recommendation Public Works - Refuse REVENUE	262,644	Refuse fee revenue *(Perrow)* ***$15.02/month*** *on utility bill* *Begin January 1, 2021; fee good for 18 months* *FY 2021 Financial Impact $0* *Cons - increase in fee*	
20	Option B Revised Staff Recommendation Public Works - Refuse REVENUE		Refuse fee revenue *(Perrow)* ***$9.17/month*** *on utility bill* *Begin October 1, 2020;* *will require additional fee increase in FY 2022* *FY 2021 Financial Impact creates a $140,415 deficit* *Cons - Does not allow for an appropriate inventory*	
20	Option C Status Quo - Annual Decals Public Works - Refuse REVENUE		Refuse fee revenue *(Perrow)* ***$55 or $110/year*** *Decals must be purchased by September 30, 2020;* *would require additional fee increase in FY 2022* *FY 2021 Financial Impact creates a $262,644 deficit* *Cons - No progress on improving Refuse situation*	
21	Option 1 Public Works - Refuse	49,740	Brush/Bulk Enforcement full-time position ($48,540) (salary + benefits) and uniforms ($1,200) *(Perrow)*	
21	Option 2 Public Works - Refuse		Begin 10/01/2020 *(FY 2021 savings of $12,435)* Brush/Bulk Enforcement full-time position ($36,405~~$48,540~~) (salary + benefits) and uniforms ($900~~1,200~~) *(Perrow)*	
22	Parks and Recreation	6,000	Increase in Miller Pool staff pay (May 2021) to help attract and retain staff (salary + benefits) *(Helgeson)*	
23	Parks and Recreation	4,600	Annual **maintenance contract** for RecPro software for program registration, fees, etc. *(Helgeson)*	
24	Parks and Recreation	1,000	Increased chemical costs (May 2021) for Miller Park Pool *(Helgeson)*	
25	Parks and Recreation	50,000	Furniture and kitchen equipment for Fairview and Yoder Recreation Centers *(Helgeson)* ***Funded with Pay-As-You-Go***	

The "LIST" - Budget Adjustments for Council Discussion *(continued)* :

		Proposed Budget	Budget Adjustments to Discuss	Council Decision
26	Parks and Recreation	3,900	Rentals of portable toilets in the park and trail system *(Helgeson)*	
27	Community Development	88,194 *would need to remove the offsetting revenue as well*	One (1) new full-time Environmental Compliance Inspector position in the Zoning and Natural Resources Division ($61,594 salary + benefits). Additional costs associated with the new position a computer, software, phone, and training ($3,600) and a vehicle ($23,000). **The cost is 100% funded through the Stormwater Fund.** *(Helgeson)*	
28	Community Development	7,000	Estimated costs of hiring a monitoring service to implement the Short-Term Rental Registration program *(Helgeson)*	
29	Economic Development and Tourism	250,000	Transfer to the Economic Development Authority (EDA) of the City of Lynchburg providing funds for implementation of business development, expansion and retention. Prior to FY 2021 these funds were budgeted in the Capital Improvement Program but are better suited in the operating budget per Finance staff. *(Perrow)*	
30	External Service Providers	12,167	Virginia Legal Aid Society *(Helgeson)*	
31	Non-Departmental	0	Poverty Initiative *(Wright)*	
32	Schools Operating	39,828,498	School Funding reduced $2.2m from Schools FY 2021 Request $42,028,498 Schools Request $40,528,498 Manager's Proposed $39,828,498 Manager's Proposed Revised	
			Total Balancing:	**($50,000)**
	Balance after Council Decisions			**$50,000**