

April 5, 2022



BUDGET WORK SESSION AGENDA

City Council Work Session – 4:00 p.m.

2nd Floor Training Room | City Hall, 900 Church Street, Lynchburg, VA 24504

- | | | |
|-------------|--|--------------------------------------|
| I. | Welcome | <i>MaryJane Dolan, Mayor</i> |
| II. | Budget Work Session Agenda Overview | <i>Wynter C. Benda, City Manager</i> |
| III. | Budget Work Session Agenda Items | <i>Wynter C. Benda, City Manager</i> |

1) FY 2023 Proposed Budget Reconciliation

4:05 p.m. – 6:00 p.m.



CITY COUNCIL BUDGET WORK SESSION

April 5, 2022



REAL ESTATE REBATE: \$0.08

FY 2023 PROPOSED GENERAL FUND PAY-AS-YOU-GO CAPITAL PROJECTS		
Buildings		
Concord Turnpike Landfill Cap Rehabilitation	\$400,000	
Lynchburg City Stadium Remodel for MLB Compliance	350,000	
Major Building Repairs and Improvements/Multiple Projects	2,000,000	\$1,498,500
Parking Lot Repairs and Improvements/Multiple Projects	375,000	
Roof Replacement/Multiple Projects	678,000	
Total Buildings	\$4,801,500	
Transportation		
Public Transit Improvements and Bus Replacements	\$302,838	
General Street Improvements	850,000	\$450,000
Retaining Wall Replacement/Repair Program	400,000	\$200,000
Total Transportation	\$1,552,838	
Economic Development		
Downtown Development	\$480,000	
Ivy Creek Innovation Park - Sites A and B Development	1,300,000	
Street and Utility Extensions to Promote Economic Develop	250,000	
Total Economic Development	\$2,030,000	
Parks and Recreation		
Athletic Field Maintenance	\$250,000	
Community Park Investment Fund	50,000	
Downstream Swinging Bridge	250,000	
General Park Maintenance	125,000	\$100,000
Heritage Park Improvements	75,000	
Ivy Creek Bridge (Structure #4) Replacement	250,000	
Langhorne Road East Bridge	250,000	
Miller Park Pool Assessment/Replacement	50,000	
New Dog Park	200,000	
Parks and Recreation Needs Assessment Implementation	250,000	
Parks and Trails Paving and Lighting	278,000	
Parks Tree Replacement Program	60,000	
Sustainable Infrastructure Program	75,000	
Total Parks and Recreation	\$2,153,000	
Miscellaneous		
Radio Replacement	\$211,208	
Total Miscellaneous	\$211,208	
Reserves		
Lynchburg City Stadium Capital Maintenance Reserve	\$100,000	
Snow, Street, and Bridge Reserve	250,000	
Total Reserves	\$350,000	
TOTAL GENERAL FUND PAY-AS-YOU-GO	\$11,098,546	



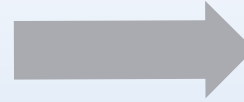
LCS FUNDING

Proposed FY 2023	
1,879,248	3% General Wage Increase
1,113,481	Funds to impact compression and living wage
2,310,051	Increase Firefighter starting pay to highest in the region
1,950,075	Sworn entry level pay increase implemented in FY 2022
531,726	Sworn pay progression plan
1,024,440	Compensation adjustments to address recruitment and retention of CDL drivers
115,351	Compensation adjustments for custodial staff to address minimum wage increase
20,361	Funds to raise the pay rate for lifeguards
8,944,733	Total



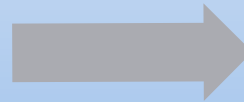
LCS FUNDING

LCS
Requested 8%

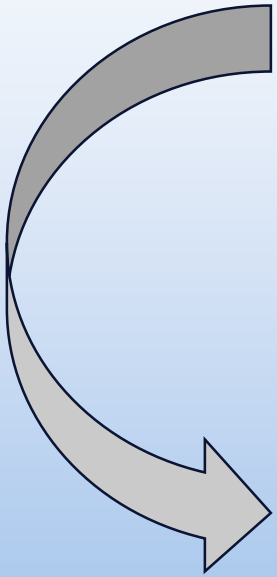


\$5.1 Million

State 5%
Match



\$966,425



INCREASES TO CURRENT RESERVES

Fund Type	Current	Increase	Proposed
Concord Tpke. Reserve	\$240,000	\$240,000	\$480,000
Fuel Reserve	\$300,000	\$200,000	\$500,000
Debt Service Reserve	\$400,000	\$700,000	\$1.1 Million
Total	\$940,000	\$1.14 million	\$2.08 million



April 5, 2022

// A special called meeting meeting of the Council of the City of Lynchburg was held on the 5th day of April, 2022, at 4:00 P.M. at the 2nd Floor Training Room, City Hall, MaryJane Dolan, President, presiding.

The following Members of Council were present:

Present: MaryJane Dolan, Beau Wright, Jeff Helgeson, J. Randy Nelson, Treney Tweedy, Sterling A.

Wilder, Chris Faraldi 7

Absent: 0

// In the matter of Budget, Agenda Item #1, City Council continued the reconciliation of the FY 2023 Proposed Budget. City Manager Mr. Wynter C. Benda noted that the items before Council are the potential Real Estate Tax rebate as well as the potential increase of financial resources to Lynchburg City Schools (LCS).

Vice Mayor Wright asked for clarification if the proposed budget includes the Real Estate Tax rebate as an option or a recommendation. Mr. Benda replied that he obtained this information from one-on-one discussions with Councilmembers and potentially mirroring the rebate that Henrico County implemented. Vice Mayor Wright asked for clarification that the budget was not proposing a Real Estate Tax rebate; Mr. Benda replied that is correct.

Councilmember Wilder stated he is not in favor of the Real Estate Tax rebate but is in favor of Personal Property Tax relief because of the City's competing demands.

Councilmember Faraldi asked if there is any additional revenue coming in from the Personal Property Tax adjustment that is incorporated into this budget; Mr. Benda replied no. Councilmember Faraldi stated that the ratio that was adopted was 75%; staff is projecting that will bring in a net revenue for Personal Property Tax. He asked if this is the same as the previous budget. Chief Financial Officer Ms. Donna Witt replied that it still allows historical growth but there is always additions and subtractions of vehicles throughout the year so it will not remain the same. Councilmember Faraldi stated that because values have gone up, he will be paying approximately the same amount. He asked if this is accurate. Ms. Donna Witt replied yes however, there will be some growth in that revenue. Councilmember Faraldi stated that the adjustment of Personal Property Tax is no net savings for the tax payer right now. He stated he

April 5, 2022

believes the budget can offer everything for law enforcement, front line workers, a 3% employee general wage increase, and can incorporate credit that will be utilizing ARPA as a means to do it. He also stated that the funds exist for Lynchburg City Schools to meet the \$1 million need for 5% State match.

Councilmember Helgeson stated that the budget surplus was due to the City taxing more than needed and since there are ARPA funds available for one-time capital improvements, Council can give back something to the citizens.

Mayor Dolan stated she is in favor of giving back to the citizens by way of a Personal Property Tax rebate.

Councilmember Tweedy asked if the Personal Property Tax rebate is eligible per vehicle or per household; Mr. Benda replied per vehicle. Councilmember Tweedy asked for clarification on the average Real Estate Tax credit would be per household; Mr. Benda replied that it depends on the valuation of the house. He stated that in a particular assessment category it would be approximately \$12.80 per household. Councilmember Tweedy stated she wanted to ensure the public is aware of the average of the two and where the best value is.

Councilmember Wilder stated he is in support of Lynchburg City Schools and trail systems as well as the needs in the community. He noted that Council must be fiscally responsible and investing in the community.

Vice Mayor Wright noted \$1.5 million was cut from Major Building Repairs and Improvements category in order to achieve the new proposals. He asked for specifics on the line items that were being cut. Deputy City Manager Dr. Reid A. Wodicka replied that improvements to the Circuit Court, to City Hall for HVAC, fire station improvements, modernization of the service elevator at the Human Services building, etc. had been removed from the budget. Dr. Wodicka noted that these are smaller projects, but are critical. Vice Mayor Wright asked for further explanation on the \$375,000 cut in parking lot repairs. Dr. Wodicka replied these repairs would include City wide lighting and paving in the lot on Court Street as well as light upgrades to the Riverfront Park lot. Vice Mayor Wright stated that they will also be giving up \$400,000 in general street improvements. He asked for further explanation on this item. Dr. Wodicka

April 5, 2022

replied this will be paving and street repair work. Vice Mayor Wright stated they will also be giving up \$1.3 million for preparing site pads at Ivy Creek Park. He asked for clarification on the \$50,000 Community Park Investment Fund. Dr. Wodicka replied this fund is when the City matches community organizations that say they would like to improve City parks in various ways. He stated there were recently two projects in this category at Miller Park. Vice Mayor Wright stated that \$75,000 will go to Heritage Park. Dr. Wodicka replied that this park has not been invested in and what was planned for this is the development of a pavilion and playground. Vice Mayor Wright posed the question if a one-time rebate in which 60% of households will receive fewer than \$175, will this money offset the needs? He asked where Council should be investing; returning money to people or investing in these projects. Vice Mayor Wright stated he will not be supporting a rebate.

Councilmember Helgeson stated that getting a site ready in hopes that someone will want it is costing \$1.3 million. He stated Council can spend much less and hire an engineer to document all that must be done to a site if a developer wants it. In reference to the Riverfront Park improvements, \$3.875 million in ARPA funding has been allocated for a new park in the floodplain that is also in the Downtown 2040 plan. He stated this can be put off. He also noted that the existing dog park funding was raised by the Friends of the Dog Park and maintained by City. This year \$200,000 is being proposed for the dog park.

Mayor Dolan replied that businesses are enticed to come when there are site ready pads.

Councilmember Nelson asked if there can there be any credit applied if Council cannot agree on full credit. He asked if it could be done to take the \$1.3 million toward the site readiness of Ivy Creek and move the project to next year. Mr. Benda replied that it can be done but there may not be support in the future from Council as this is an election year. Councilmember Nelson stated he had previously asked if there is there an immediate need being voiced by the constituency that anyone will purchase and build on this site. The answer at that time was that there was not. He noted that this item could be postponed until next year.

Councilmember Tweedy stated she attends Lynchburg Regional Business Alliance meetings as well as attends business, workforce, and job development conferences. Other localities have pad ready

April 5, 2022

sites. She stated this conversation started before the pandemic due to Lynchburg losing out on potential jobs and business coming into the City. She also noted she is in support of postponing the dog park funding and investing that money into education. Mr. Benda replied that there is a difference between ongoing expenses and one-time expenses.

Councilmember Wilder thanked the administrative team for their efforts in developing this budget. He stated Lynchburg needs foresight to build a beautiful city.

Councilmember Helgeson stated he is concerned about the citizens right now rather than the future. He noted he is not in favor of spending funds to achieve a pad ready site.

Councilmember Tweedy stated that there is a potential to cut the River Ridge Library as this is a new project. She stated if they are going to be considering cutting pad ready sites as an ongoing expense then the new library should also be on the list.

Councilmember Faraldi posed the idea of using temporary ARPA funding to offset a credit on property taxes in Lynchburg.

Mr. Benda showed the Lynchburg City Schools funding slide. He stated that Lynchburg City Schools has requested an 8% increase which equates to \$5.1 million. The state match of 5% would equate to \$966,423. He noted that they can meet the 5% with their level funding but it will depend on timing of the average rebate.

Councilmember Helgeson stated that he cannot justify supporting an ongoing expense to Lynchburg City Schools if the City cannot support one-time expenses for its own budget.

Councilmember Nelson stated he supports level funding because if not, the City will be jeopardizing critical projects and other areas that Council has noted as important.

Councilmember Wilder asked for clarification of where the Lynchburg City Schools funding is coming from as well as the amount that it would be. Mr. Benda replied that it would come from the proposed increase to the current reserves. Councilmember Wilder stated he is not comfortable with

April 5, 2022

funding the 8% pay raise for Lynchburg City Schools employees but is comfortable with the 5% increase. He stated he would like to see a funding formula in the future.

Mayor Dolan asked if the \$966,425 is an ongoing expense. Mr. Benda replied yes. Mayor Dolan stated if they approve this then it would be in next year's budget. Mr. Benda replied that next year they would start at \$39.8 million.

Councilmember Helgeson stated in reference to the increase to current reserves, they probably should not be cutting their fuel reserves. Mr. Benda replied that the remaining funds after the \$966,425 has been taken out, they will be put back into the fuel reserves. He stated they will not be reducing current reserves to zero, simply just not increasing them.

Councilmember Tweedy stated she would also like to see a funding formula for Lynchburg City Schools. Mr. Benda replied there are steps being made in determining the necessary updates needed for Lynchburg City Schools buildings.

Councilmember Nelson asked Mr. Benda in regards to the state match that the city is required to provide, is this amount of investment necessary in order for the State to provide matching funds for Lynchburg City Schools; Mr. Benda replied yes. Councilmember Nelson asked if the City Manager was aware of these contingencies when he formulated the original budget; Mr. Benda replied he did know of the potential match. Councilmember Nelson asked if he would have proposed these cuts if he was aware of the funding requests before; Mr. Benda stated he did consider the year-to-year Return to Fund Balance. He stated in looking to meet the match and the way to do so, this is the way he would do so. Councilmember Nelson noted he is in favor of the adjustment of the original recommendation to the budget.

Councilmember Helgeson stated his concern that if the City cannot give money back to tax payers but can find a way to spend \$1 million each year on salary increases. He stated that the Lynchburg citizens are tired of the taxing. He noted his opposition to the budget not giving back to the citizens.

April 5, 2022

Vice Mayor Wright noted his thanks to City staff in preparing this budget. He stated that there are two competing visions amongst Council of what this budget is. Some feel it is lowering the tax burden. Others feel that we must keep tax rates low but also investing in the services and living experience of Lynchburg that will keep people attracted to the City. He stated Lynchburg is growing but the City has underfunded municipal investments, services, and the organization. He stated that Lynchburg City School staff deserves consideration of investment and support.

Councilmember Wilder stated his support of giving more to Lynchburg City Schools. He stated there are challenging in the schools and he regrets not being able to give more to the school system.

Councilmember Helgeson stated that money will not solve the education issue. He stated doing a citizen survey would be beneficial.

Councilmember Faraldi made a motion to adjourn. The motion was seconded by Councilmember Helgeson and the following vote was recorded:

Ayes: Dolan, Wright, Helgeson, Nelson, Tweedy, Wilder, Faraldi	7
--	---

Noes:	0
-------	---

// The meeting adjourned at 5:51 p.m.

Clerk of Council