



CITY COUNCIL

Friday, February 10, 2023 | 9:00 AM
Lynchburg Department of Social Services
99 9th Street, 5th Floor Training Room #539
Lynchburg, VA 24504

WORK SESSION AGENDA

- I. **Welcome** *Stephanie Reed, Mayor*
- II. **Retreat Agenda Overview** *Wynter C. Benda, City Manager*
- III. **Retreat Agenda Items** *Wynter C. Benda, City Manager*
 - III.1. An Overview of City Programs and Services
 - III.2. Analysis of the FY 2022 Unassigned General Fund Balance
 - III.3. A Comparison of the City of Lynchburg and Surrounding Counties
 - III.4. Preliminary FY 2024 Real Estate Reassessment Results
 - III.5. An Update from the City's Financial Advisor, Davenport & Company, LLC.
 - III.6. Structuring Tax Relief: City Council's Tax Levers
 - III.7. Building the FY 2024 Budget



AN OVERVIEW OF CITY PROGRAMS AND SERVICES

City Council Retreat
Friday, February 10, 2023



PRESENTATION OVERVIEW

- Review of City Council's Programs and Services Pre-work
- Analysis of Results
- Takeaways



REVIEW OF CITY COUNCIL'S PROGRAMS AND SERVICES PRE-WORK

- City Council members received a set of 78 flashcards that each listed a separate City program or service.
- Only programs supported by the City's General Fund were included
- The front of each card described basic attributes of the program or service
- The back of each card asked City Council questions about each program:
 - Is that program a core service?
 - Should that program be considered for budget reductions if necessary or additional investment if available?
- The programs and services are divided into six priority areas:
 - Public Safety, Lifelong Learning, Economic Development, Infrastructure, Quality of Life, and Support Services



REVIEW OF CITY COUNCIL'S PROGRAMS AND SERVICES PRE-WORK

PROGRAM CARD EXAMPLE


City of Lynchburg Programs - FY 2024

Priority: Support Services

Program Name: Accounting

Program Description: Administers the financial, payroll, accounts payable and fixed assets systems and processes for all funds, the largest of which is the General Fund. The Division also prepares financial analysis for City Council, administration and departments, as well as required reports for federal/State/local and other regulatory agencies, auditors, and private sector financial entities. In addition, the Division accounts for federal and/or State funded grants/projects, performs cash management/investment functions, performs internal audits of payroll and credit cards, administers the debt portfolio, and compiles all the information necessary to complete the annual independent audit.

Is there dedicated revenue associated? No




Front

City of Lynchburg Programs - FY 2024

Is this program a core service? Yes No

Should this program be considered for a funding reduction, if necessary? Yes No

Should this program be considered for additional investment, if funding is available? Yes No



Back



PRIORITIES AND PROGRAMS

Priority	Examples
Public Safety	Police, Fire, Office of the Commonwealth's Attorney
Lifelong Learning	Libraries, Local K-12 Education Funding, Law Library
Economic Development	Business Attraction, Retention, and Expansion; Destination Marketing
Infrastructure	Building Maintenance, Street Maintenance, Engineering
Quality of Life	Museums, Parks and Recreation, Planning
Support Services	Accounting, Risk Management, Human Resources



IS THIS PROGRAM A CORE SERVICE?

Public Safety

69.6%

Economic
Development

25.0%

Infrastructure

37.5%

Lifelong
Learning

0.0%

Quality of
Life

16.7%

Support
Services

29.6%



IS THIS PROGRAM A CORE SERVICE?

Business Attraction, Retention, and Expansion
Building Maintenance
Engineering
Street Maintenance
Animal Control
Blue Ridge Regional Jail Operations
Circuit Court Judges Operations
Court Service Unit (24th Judicial District)
Emergency Services
Fire Rescue Operations

General District Court
Juvenile Services
Magistrate's Office
Police Operations
Public Works – Refuse Collection
Sheriff's Office
Snow and Ice Removal
Social Services
Social Services Public Assistance
Technical Rescue Team

Planning
Public Transportation
Accounting
Application Services
City Attorney's Office
City Clerk
Horizon Behavioral Health
Lynchburg Health Department
Office of Management and Budget
Registrar's Office



SHOULD THIS PROGRAM BE CONSIDERED FOR A FUNDING REDUCTION?

Public Safety

13.0%

Economic
Development

0.0%

Infrastructure

62.5%

Lifelong
Learning

25.0%

Quality of
Life

33.3%

Support
Services

29.6%



SHOULD THIS PROGRAM BE CONSIDERED FOR ADDITIONAL INVESTMENT?

Public Safety
43.5%

Economic Development
25.0%

Infrastructure
25.0%

Lifelong Learning
0.0%

Quality of Life
8.3%

Support Services
14.8%



TAKEAWAYS

- There are no right or wrong answers
- Residents and businesses experience the City through services
- Context – The scope and breadth of City operations and City Council’s oversight responsibilities are vast
- Understanding City Council’s service priorities helps the City Manager build the proposed budget





ANALYSIS OF THE FY 2022 UNASSIGNED GENERAL FUND BALANCE

City Council Retreat
February 10, 2023



PRESENTATION OVERVIEW

- Definitions – Unassigned Fund Balance vs. Surplus Funds
- Budgeting and a Budgetary Surplus
- City Council’s Financial Management Policies
- Unassigned Fund Balance Uses
 - Rainy-Day Fund
 - Pay-as-you-go Capital
- Breaking down the \$66.4 million
- Takeaways



DEFINITIONS

- Unassigned Fund Balance

- The balance of funds in the General Fund, as recorded on June 30th of each year, that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

- Budgetary Surplus

- The balance created when a government's tax and fee revenue within a given fiscal year exceed its expenditures on goods, services or transfer payments.

- Surplus Unassigned Fund Balance

- Funds within the Unassigned General Fund Balance that exceed the combination of City Council's reserve requirements and approved and planned uses.



BUDGETING AND A BUDGETARY SURPLUS

- The City of Lynchburg does not budget to create a surplus.
 - All revenue is tied to services
- Conservative budgeting typically leads to a budgetary surplus.
 - Allowance for uncollectable taxes / fees
 - Fully funded personnel budgets
- The COVID pandemic led to large positive revenue variances and higher than usual vacancy levels.
- A return to pre-pandemic norms is expected going forward.



BUDGETING AND A BUDGETARY SURPLUS

PANDEMIC WREAKS HAVOC ON REVENUE PROJECTIONS

Historical General Fund Tax Revenue Variances

FY 2013 - FY 2022

Fiscal Year	Adopted Budget	Actual Revenue	Variance (\$)	Variance (%)
FY 2013	\$118,284,431	\$122,436,720	\$4,152,289	3.5%
FY 2014	\$120,047,571	\$125,237,029	\$5,189,458	4.3%
FY 2015	\$122,545,506	\$127,770,651	\$5,225,145	4.3%
FY 2016	\$128,753,331	\$130,022,195	\$1,268,864	1.0%
FY 2017	\$132,164,626	\$132,895,836	\$731,210	0.6%
FY 2018	\$133,065,462	\$134,835,168	\$1,769,706	1.3%
FY 2019	\$134,014,053	\$137,222,286	\$3,208,233	2.4%
FY 2020	\$138,418,252	\$139,065,653	\$647,401	0.5%
FY 2021	\$134,629,134	\$144,180,960	\$9,551,826	7.1%
FY 2022	\$142,591,640	\$157,712,379	\$15,120,739	10.6%

} COVID!



CITY COUNCIL'S FINANCIAL POLICIES

UNASSIGNED FUND BALANCE

Policy Language

- The City of Lynchburg's Unassigned General Fund Balance will be maintained at a level to provide the City with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.
- The City shall not use the Unassigned General Fund Balance to finance recurring operating expenditures.
- The City will maintain an Unassigned General Fund Balance (UGFB) equal to a minimum of 10 percent of General Fund (GF) revenues with a goal of 15 percent as the City strives to grow incrementally each year subject to revenues available. In the event the UGFB is used to provide for temporary funding of unforeseen emergency needs, the City shall restore the Unassigned General Fund Balance to the previous level within three years.
- The City will balance moving towards the 15 percent targeted fund balance with its annual "Pay-as-you-go" capital improvement requirements.

Executive Summary

- Provides for working capital and a rainy-day fund
- Sets a minimum balance (Reserve) of 10 percent of GF Revenues with a goal of 15 percent
- Balances getting to 15 percent reserve goal with investing in Pay-as-you-go capital needs



UNASSIGNED FUND BALANCE USES

RAINY-DAY FUND

- Reserves set aside for use during unexpected deficits
 - Loss of revenue
 - Large unplanned expenses
 - Natural or economic disasters / disruptions
- Also known as "Budget Stabilization Funds"
- Typically funded with annual budgetary surplus funds
- Virginia established a Rainy-Day Fund in 1993; Secretary of Finance expects combined reserves to grow to more than \$4.3 billion by FY 2024
- The City's reserves are carefully monitored by rating agencies



UNASSIGNED FUND BALANCE USES

PAY-AS-YOU-GO CAPITAL PROJECTS

Historical Use of Fund Balance

Pay-As-You-Go Capital

FY 2014 - FY 2023

<u>Fiscal Year</u>	<u>Transfer to Capital</u>
FY 2014	\$7,030,308
FY 2015	\$7,339,676
FY 2016	\$7,830,529
FY 2017	\$4,409,635
FY 2018	\$3,341,658
FY 2019	\$5,373,938
FY 2020	\$4,984,908
FY 2021	\$5,907,388
FY 2022	\$7,045,118
FY 2023	\$11,098,546
Total	\$64,361,704

- Typically funds capital maintenance projects that aren't bond financed
- Average of more than \$6.4 million/year over last 10 years
- Without pay-as-you-go investment, the equivalent of an additional 8 to 10 cents on the real estate tax rate would have been needed annually for capital maintenance



CALCULATING THE SURPLUS UNASSIGNED FUND BALANCE

Description	@ 11.8 Percent Reserve (Current)	@ 15 Percent Reserve (Goal)
Unassigned GF Balance	\$66,390,000	\$66,390,000
Council's Fin. Policy Reserve	(\$25,720,000)	(\$32,700,000)
FY 2023 Pay-as-you-go Capital	(\$11,100,000)	(\$11,100,000)
FY 2023 Use of Fund Balance		
\$0.02 Real Estate Credit/Rebate	(\$1,300,000)	(\$1,300,000)
Reimburse Water Resources Fund (Fleet)	(\$2,180,000)	(\$2,180,000)
Other One-time Operating Expenses	(\$3,310,000)	(\$3,310,000)
First Quarter Adjustments	(\$1,300,000)	(\$1,300,000)
Surplus Unassigned GF Balance	\$21,480,000	\$14,500,000
Projected FY 2024 Use of Fund Balance (Estimate)	(\$12,600,000)	(\$12,600,000)
Projected Surplus General Fund Balance	\$8,880,000	\$1,900,000



TAKEAWAYS

- Unassigned Fund Balance currently exceeds City Council's goal of 15 percent of GF Revenues by \$1.9 million when adjusting for approved uses and projected future pay-go needs
 - Recommend not dropping below 15 percent reserve goal in front of uncertain economic future
- Reserve Funds are a key metric tracked by credit rating agencies
- FY 2023 tracking towards a budgetary surplus, which will help with pay-go needs in FY 2025 and beyond
- Surplus Unassigned Fund Balance amount of \$1.9 million can be used for one-time expenses now or in the FY 2024 Budget





A COMPARISON OF THE CITY OF LYNCHBURG AND SURROUNDING COUNTIES

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PRESENTATION OVERVIEW

- General Differences between cities and counties in Virginia
- Comparison of select characteristics between Lynchburg and surrounding counties
- Comparative Spending
 - Public Safety
 - Public Works
 - Health and Human Services
 - Parks and Culture
 - Total Per Capita Spending
- Takeaways



GENERAL DIFFERENCES BETWEEN CITIES AND COUNTIES IN VIRGINIA

- Cities are the economic, arts, and culture hubs for their regions.
- Cities provide a higher level of service to residents.
- There are significant differences in how the state funds cities and counties.
- Cities typically have more concentrated poverty, requiring a higher level of support for vulnerable residents.
- City infrastructure is typically older and more expensive to maintain.
- Cities are usually fully developed, which limits economic development opportunities due to land availability and site prep costs.



COMPARISON OF SELECT CHARACTERISTICS

LYNCHBURG VS APPOMATTOX, AMHERST, BEDFORD AND CAMPBELL COUNTIES

Description	Size (sq mi)	Density*	Average SFH Price	Median HH Income	Poverty Rate	Taxable AV Per Capita
Lynchburg	51	1,564	\$222,870	\$49,201	21.8 percent	\$69,638
Counties (average)	536	80	\$256,731	\$58,070	12.1 percent	\$89,888
Difference	(485)	1,484	(\$33,861)	(\$8,869)	9.7 percent	(\$20,250)

*population/square mile



COMPARISON OF SELECT CHARACTERISTICS (CONTINUED)

LYNCHBURG VS APPOMATTOX, AMHERST, BEDFORD AND CAMPBELL COUNTIES

- The Counties have, on average, 10.5 times more land than Lynchburg.
- Lynchburg's population density is 20 times greater than in the counties.
- The average single-family home in Lynchburg is worth 15.2 percent less than in the counties.
- The median household income in Lynchburg is 18 percent lower than in the counties.
- The poverty rate in Lynchburg is 80 percent higher than in the counties.
- The taxable assessed value per capita in Lynchburg is 29.1 percent less than in the counties.



COMPARATIVE SPENDING

LYNCHBURG VS APPOMATTOX, AMHERST, BEDFORD AND CAMPBELL COUNTIES

Description	Public Safety	Public Works	Health and Human Services	Parks and Culture	Overall
Lynchburg	\$753	\$356	\$694	\$126	\$3,716
Counties (average)	\$364	\$125	\$352	\$37	\$2,721
Difference	\$389	\$231	\$342	\$89	\$995

Source: Virginia Auditor of Public Accounts FY 2021 Amended Comparative Report of Local Government



LYH:
\$753/PC

PUBLIC SAFETY

Counties:
\$364/PC

- In FY 2021, Lynchburg spent more than twice as much (107 percent more) per capita than the counties on Public Safety.
- Counties do not have police departments and the Sheriff's Department is primarily funded by the state.
- Counties have limited paid fire department staff or are 100 percent volunteer.
- If Lynchburg were to adjust its FY 2021 per capita spending to match the counties, it would result in a **reduction of \$31.3 million** – from \$60.5 million to \$29.2 million.

LYH:
\$356/PC

PUBLIC WORKS

Counties:
\$125/PC

- In FY 2021, Lynchburg spent nearly three times as much (185 percent more) per capita than the counties on Public Works.
- Counties have no refuse collection so residents either must take waste to the landfill convenience center or pay for private service.
- Counties do not offer bulk and brush collection or leaf collection.
- VDOT is responsible for street and highway maintenance in counties.
- If Lynchburg were to adjust its FY 2021 spending to match the counties, it would result in a **reduction of \$18.6 million** – from \$28.6 million to \$10 million.

LYH:
\$694/PC

HEALTH AND HUMAN SERVICES

Counties:
\$352/PC

- In FY 2021, Lynchburg spent nearly twice as much (97.2 percent more) per capita than the counties on Health and Human Services.
- Lynchburg's poverty rate is significantly higher than the counties, resulting in a higher need for service.
- Most localities do not have a group home or a juvenile detention center – Lynchburg has both.
- If Lynchburg were to adjust its FY 2021 spending to match the counties, it would result in a **reduction of \$27.5 million** – from \$55.8 million to \$28.3 million.

LYH:
\$126/PC

PARKS AND CULTURE

Counties:
\$37/PC

- In FY 2021, Lynchburg spent nearly 3.5 times as much (240.5 percent more) per capita than the counties on Parks and Culture.
- The City has more than a dozen parks, while the counties average much less.
- The City has a miles-long trail system, something not found in the counties.
- The City offers an extensive array of recreation programming, which many county residents travel into the City to attend.
- If Lynchburg were to adjust its spending to match the counties, it would result in a **reduction of \$7.1 million** – from \$10.1 million to \$3 million.

OVERALL FY 2021 PER CAPITA SPENDING

- In FY 2021, Lynchburg spent 36.6 percent more per capita overall.
- If Lynchburg were to adjust its overall spending to match the counties, it would result in a **reduction of \$80 million** – from \$298.8 million to \$218.8 million.



TAKEAWAYS

- Lynchburg offers its residents more services, amenities and programming than the surrounding counties.
- Lynchburg is smaller, denser and poorer, with more vulnerable residents and older infrastructure than the counties.
- Cities and counties both have unique competitive advantages that attract residents.
- A laser focus on leveraging our competitive advantages is key.
 - The right services for our residents at the right price.





PRELIMINARY FY 2024 REAL ESTATE REASSESSMENT RESULTS

City Council Retreat
Friday, February 10, 2023



MISSION STATEMENT

The Assessor's Office values real estate every two years. The process is required by VA Code.

§58.1-3200 Code of Virginia mandates the Real Estate Assessment process - Our goal is to abide by the Laws and Procedures prescribed and outlined below:

- When we perform reassessments- biennially §58.1-3250
- Who performs reassessment- Dept. of Real Estate §58.1-3274
- Reassessment Valuation Procedures & Practice §58.1-3280
- Real Estate at 100% of Fair Market Value* §58.1-3201
- Reassessment Records/Land Book Documents §58.1-3300
- Public Disclosure/Access to Reassessment Records §58.1-3330/3332
- Rules for Administrative & Judicial Review § 58.1-3350
- Requirements for Boards of Equalization §58.1-3370/3389
- The Assessor's Office is mandated to value Ad Valorem(according to value); which facilitates the distribution of the actual tax load that is determined via the tax rate set by City Council.

*FAIR MARKET VALUE- DEFINED

“...the **most probable price** expressed in terms of money that a property would bring **if exposed for sale in the open market** in an arm’s-length transaction between a **willing seller and a willing buyer**, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.” (Property Assessment Valuation, Chicago: International Association of Assessing Officers, 1977, pg. 21)

KEY DATES

- **February 27:** Estimated 30,000 Notices of changes in assessment will be sent out to property owners.
- **March 31:** Administrative Review period deadline.
- **June 30:** Board of Equalization deadline.

2023 REASSESSMENT SUMMARY OF CHANGES

- Taxable Real Estate values increased from \$6.3 billion to \$7.5 billion due to appreciation, growth, plats and rezoning.
- Reassessment changes resulted in approximately 20 percent increase in taxable values

ALLOWABLE METHODS TO DETERMINE FAIR MARKET VALUE

▪ **Cost Approach**

- Value calculated cost to build an equivalent structure (replacement cost)
- Considers the value of land, plus costs of construction, less depreciation
- Especially useful when evaluating new construction or unique properties

▪ **Sales Comparison Approach**

- Value calculated by comparing subject property to similar properties that recently sold in the area
- Standard method used by residential real estate appraisers
- Commonly considers location, recently sold listings, features, age, condition, and size in determining value

▪ **Income Approach**

- Typically used for income producing properties (Commercial / Industrial)
- Calculated by dividing net operating income (NOI) by the capitalization rate (expected return)

2023 REASSESSMENT – PARCEL VALUES

Category	Value
Total Taxable Value of Non-Exempt City Parcels	\$7.55 billion (75 percent)
Number of Taxable Non-Exempt City Parcels	31,299
Net Tax at Current Levy Rate (\$1.11)	\$83,797,324
Total Value of Exempt City Parcels	\$2.5 billion (25 percent)
Number of Exempt City Parcels	1,625
Total Real Estate Value	\$10.1 billion

2023 REASSESSMENT – COMMERCIAL AND INDUSTRIAL PROPERTIES

- **Commercial Values: Increased** from \$1.59 billion to \$1.76 billion (**10.5 percent**).
 - Commercial Income and Expense Survey average return rate: 37 percent
-
- **Industrial Values: Increased** from \$398.7 million to \$483.2 million (**23 percent**).
 - Industrial Income and Expense Survey average return rate:
36 percent

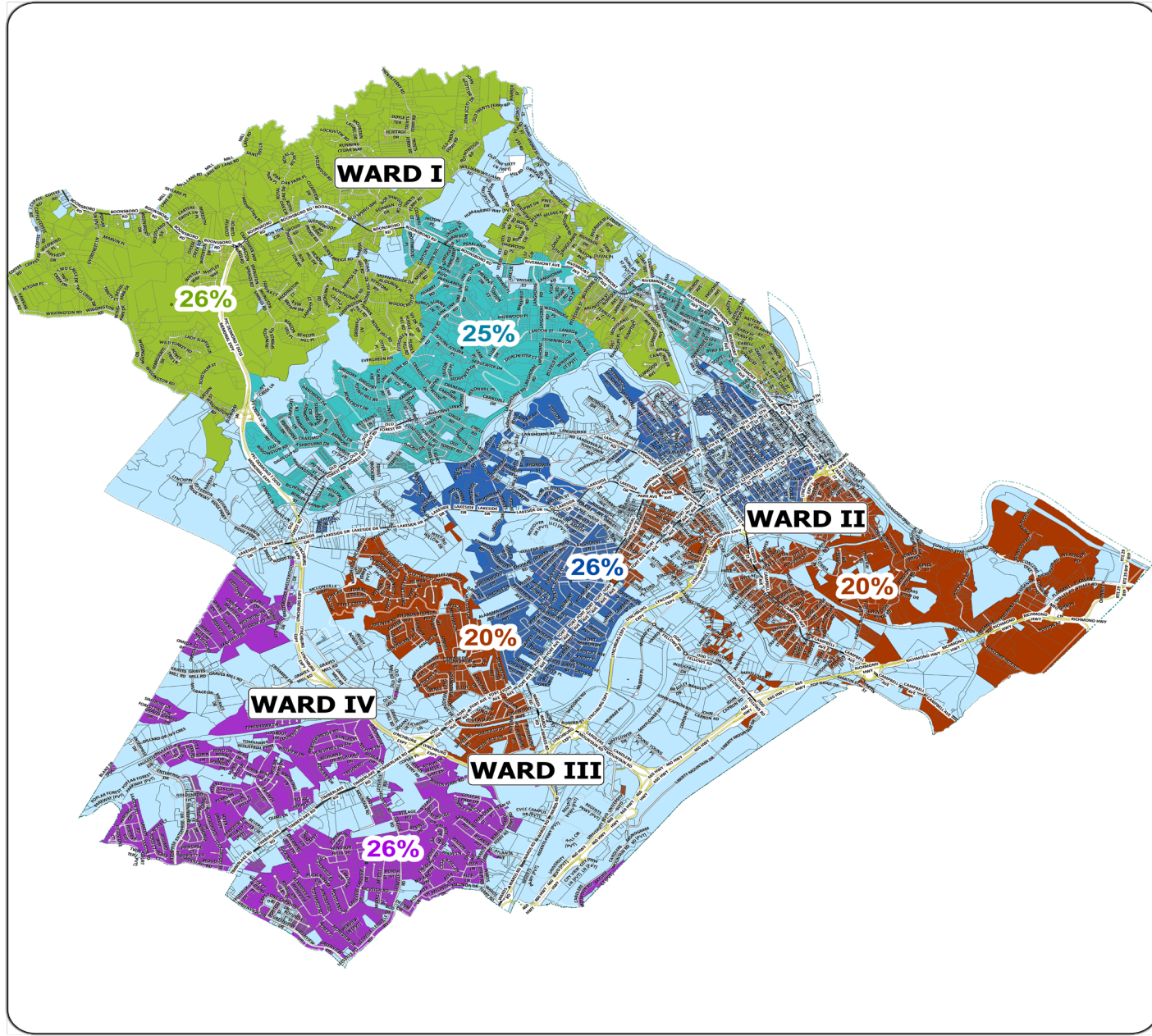
2023 REASSESSMENT – MULTI-FAMILY PROPERTIES

- **Multi-Family Values: Increased** from \$620.8 million to \$761.2 million (23 percent).
- Multi-Family Income and Expense Survey average return rate: 23 percent
- There has been significant multi-family sales activity over the last two years.
- The main drivers of value are historic increases in rents and a lack of affordable single-family product, which has driven multi-family vacancies below 5 percent.

2023 REASSESSMENT – SINGLE-FAMILY PROPERTIES

- **Single-Family Values: Increased** from \$3.65 billion to \$4.54 billion (24.5 percent).
- Key factors driving single-family property prices:
 - The supply of new homes is less than demand in most parts of the City.
 - The pandemic created a supply chain bottleneck, causing a shortage of lumber/materials; additionally, there is a skilled labor shortage in the building trades.
 - We are running out of land for new development.

2023 PROJECTED ASSESSMENT CHANGE



LEGEND

- Parcel Area
- Corporate Limit

Percent Changes

- Non-Residential

NBHD

- RIVERMONT/PEAKLAND
- TIMBERLAKE/GRAVES MILL
- CAMPBELL AVE/ SANDURKY
- BOONSBORO
- FORT HILL/ HISTORIC



NOTES: THIS MAP IS BASED ON PUBLIC RECORDS THAT ARE A QUARTER MILE AND NOT INTENDED TO BE USED AS SUCH. THE INFORMATION ON THIS MAP IS A COMPARISON OF RECORDS, INFORMATION, AND DATA. THE CITY OF LYNCHBURG IS NOT RESPONSIBLE FOR ITS ACCURACY OR ANY CONSEQUENCES THEREOF.



1 inch = 1,895 feet

CREATED: 12/20/2022



2023 MEDIAN RESIDENTIAL VALUE COMPARISON – MEDIAN SINGLE-FAMILY DETACHED

Year	Value
2020	\$130,600
2021	\$142,600
2022	\$143,700
2023	\$182,300

2023 MEDIAN RESIDENTIAL VALUE COMPARISON – TOWNHOME

Year	Value
2020	\$103,700
2021	\$113,050
2022	\$118,300
2023	\$141,400

2023 MEDIAN RESIDENTIAL VALUE COMPARISON – CONDO

Year	Value
2020	\$111,700
2021	\$128,000
2022	\$128,000
2023	\$156,100



SALE-RESELL DATA: NEIGHBORHOOD (NBHD) 341- CEDAR RIDGE

- 05/10/2019: \$223,000
- 03/11/2022: \$291,000

- Value Change: 30.49%
- Annual Appreciation: 16.63%





SALE-RESELL DATA: NBHD 515- BOXWOOD

- 05/31/2019: \$355,400
- 12/15/2021: \$505,000

- Total Change: 24.69%
- Annual Appreciation: 10.22%





SALE-RESELL DATA: NBHD 517- IRVINGTON PARK

- 12/13/2019: \$473,500
- 05/31/2022: \$810,000

- Total Change: 71.07%
- Annual Appreciation: 47.38%





SALE-RESELL DATA: NBHD 502- WILDWOOD

- 07/01/2021: \$430,000
- 05/13/2022: \$540,000

- Total Value Change:
25.58%
- Annual Appreciation:
27.91%





SALE-RESELL DATA NBHD 305- CORNERSTONE

- 08/14/2020: \$284,000
- 08/15/2022: \$365,000

- Total Change: 28.52%
- Annual Appreciation: 14.26%





SALE-RESELL DATA NBHD 612- NEW SANDUSKY

- 09/11/2019: \$212,000
- 01/15/2021: \$260,000

- Total Change: 22.64%
- Annual Appreciation: 17.02%





SALE-RESELL DATA NBHD 357- SOUTHLAND/VISTA ACRES

- 07/20/2020: \$166,000
- 11/04/2022: \$244,000

- Total Change: 46.99%
- Annual Change: 20.17%





SALE-RESELL DATA NBHD 616- FORT HILL- NORTH

- 12/20/2019: \$205,000
- 04/19/2022: \$282,500

- Total Change: 37.80%
- Annual Change: 16.23%





SALE-RESELL DATA NBHD 616- FORT HILL- NORTH

- 05/29/2020: \$173,500
- 12/17/2021: \$215,000

- Total Change: 23.92%
- Annual Change: 15.94%





SALE-RESELL DATA NBHD 609- WESTOVER

- 07/30/2020: \$169,900
- 03/25/2022: \$204,000

- Total Change: 20.07%
- Annual Change: 12.04%





SALE-RESELL DATA NBHD 621- CHESTNUT HILL- WEST

- 08/24/2020: \$123,900
- 11/16/2022: \$175,000

- Total Change: 41.24%
- Annual Change: 18.33%



2023 REASSESSMENT – ADMINISTRATIVE REVIEW PROCESS

- Administrative Reviews will occur from February 27- March 31
- Administrative Review Forms can be filed electronically online
- All residential property owners will receive a sales list for every residential notice mailed
- Parcel Viewer is a great resource for additional sales data. Tips to look at when doing research:
 - Look up your property mailing address to confirm address is correct.
 - Look at the sketch and supporting info to confirm data is correct.
 - Check the advance search option to do detailed research.
 - How does your home value compare to the sale comparable?

City of Lynchburg, Virginia

Retreat Presentation



February 10, 2023

Davenport & Company LLC Introduction



- Davenport & Company LLC (“Davenport”) has served as Financial Advisor to the City of Lynchburg, Virginia (the “City”) for approximately 18 years dating back to 2005.
- The Financial Advisory relationship with the City has been continuously managed by David P. Rose, Senior Vice President and Manager of Davenport’s overall Public Finance practice, and Courtney E. Rogers, Senior Vice President who have worked together for over 30 years.
- Since serving as the City’s Financial Advisor, Davenport has had the privilege to serve the City in a variety of engagements and act as a resource to help the City maintain its very strong financial condition.

Background / Davenport's Role as Financial Advisor



Davenport role as Financial Advisor to the City has included:

- Assisting with the development of major capital funding strategies for both City Capital and School Capital Projects as well as the City's Utility projects;
- Executing the City's capital funding strategies by helping the City undertake debt financings when needed including issuances in the Public Market as well as Direct Bank Loans;
- Consulting as requested on budget development strategies with regards to the City's cash flows;
- Playing a principal role in the development as well as ongoing monitoring, updating, and amending of the City's Financial Management Policies; and
- Serving as a liaison between the City and the National Credit Rating Agencies (i.e. Moody's, S&P, and Fitch) in connection with both formal rating reviews tied to new debt issuances as well as ongoing surveillances/updates.

2023 G.O. Bonds



- The City is preparing to sell its 2023 G.O. Bonds (the “2023 Bonds”) in February.

- The 2023 Bonds will provide funding for projects appropriated in previous years including:
 - The new Police Headquarters;
 - Other City, School and Fleet capital projects;
 - Water Fund capital projects;
 - Sewer Fund capital projects;
 - Stormwater Fund capital projects; and
 - Airport Fund capital projects.

- The City, School, and Fleet Capital projects total \$45.4M while the Enterprise projects total \$25.9M.

Estimated Cash Flow Impact - General Fund



Fiscal Year	Existing Debt Service	2023 General Fund GO Bonds Projected Debt Service	Total Estimated Debt Service	FY 2023 Debt Service Budget ⁽¹⁾	Additional Recurring Revenues Needed	Resulting Revenues	Additional Recurring Revenues Available for Debt Service
2024	\$16,139,198	\$2,775,068	\$18,914,266	\$17,717,707	\$1,196,559	\$18,914,266	\$-
2025	15,492,743	3,404,950	18,897,693	17,717,707		18,914,266	16,573
2026	15,285,307	3,402,950	18,688,257	17,717,707		18,914,266	209,436
2027	13,995,216	3,407,200	17,402,416	17,717,707		18,914,266	1,285,840
2028	12,100,421	3,407,450	15,507,871	17,717,707		18,914,266	1,894,545
2029	11,811,294	3,408,575	15,219,869	17,717,707		18,914,266	288,003
2030	10,700,859	3,410,325	14,111,184	17,717,707		18,914,266	1,108,685
2031	9,895,735	3,407,575	13,303,310	17,717,707		18,914,266	807,874
2032	9,705,082	3,405,200	13,110,282	17,717,707		18,914,266	193,028
2033	9,321,326	3,407,825	12,729,151	17,717,707		18,914,266	381,131

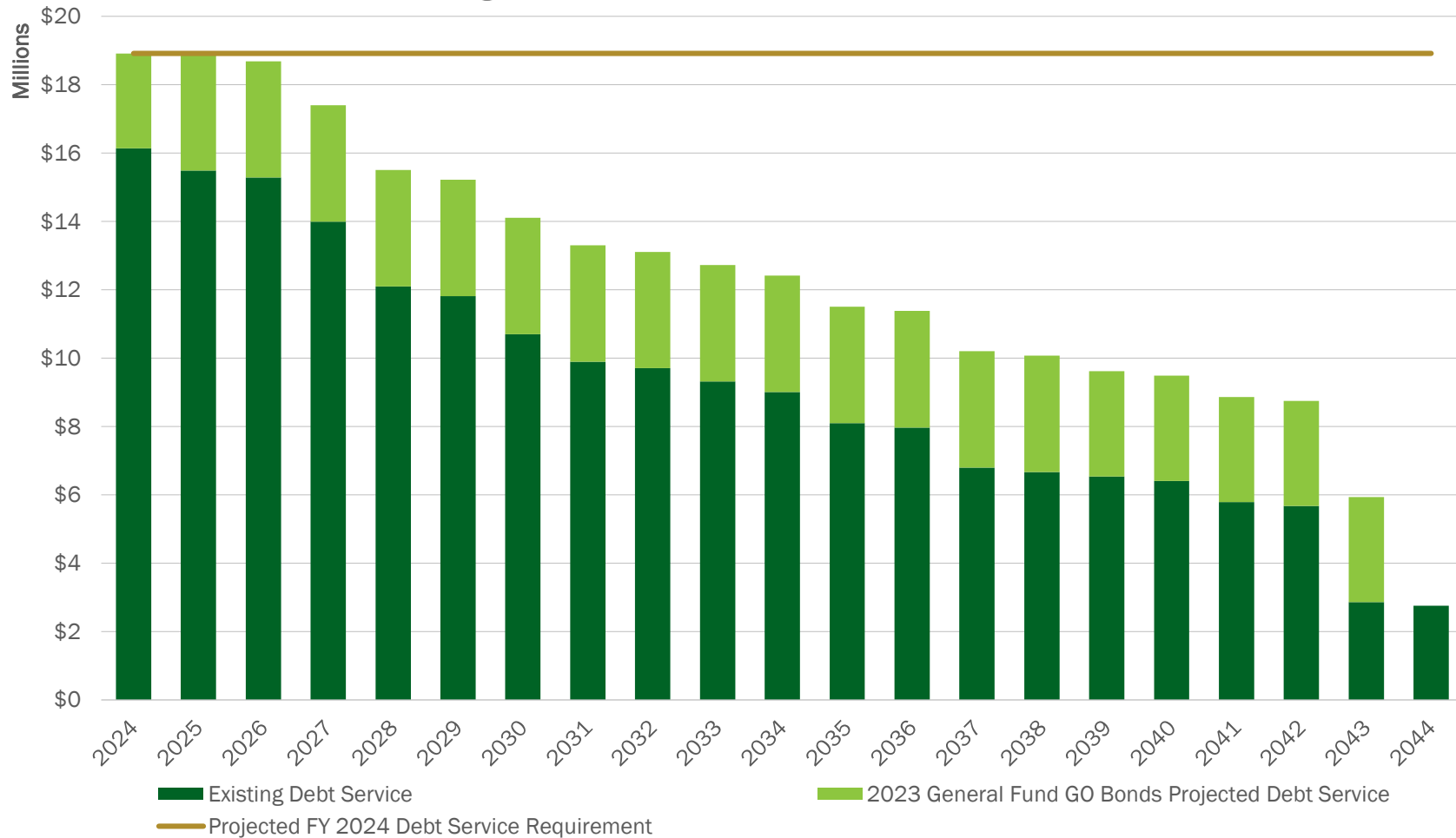
- The Enterprise Funds are expected to produce sufficient revenues to pay for the debt service on their portion of the 2023 Bonds.
- For the City, Schools and Fleet projects the City is projected to need an additional \$1.2 million of recurring revenues to cover increased debt service costs associated with the 2023 Bonds over the next few years. This figure was estimated using a very conservative interest rate. Assuming a good interest rate market this figure will be reduced.
- This would increase the City’s debt service budget to approximately \$18.9 million.

(1) Includes debt service payments from the FY 2023 Adopted Budget for the General Fund, Schools (exclusive of debt service charge), Fleet Services and the Detention Home Fund.

Estimated Cash Flow Impact - General Fund (cont.)



Existing & Projected Tax-Supported Debt Service



Note: Projected FY 2024 Debt Service Requirement includes FY 2023 budgeted debt service payments for the General Fund, Schools (exclusive of debt service charge), Fleet Services and the Detention Home Fund plus projected FY 2024 payment on the tax-supported portion of the 2023 Bonds.

Future Debt Capacity Within Projected FY 2024 Requirement



- If the City maintains its debt service budget at the projected requirement of \$18.9 million for FY 2024, it could undertake approximately \$77 million in debt over the next 10 years.
 - This assumes future borrowings are undertaken utilizing a level debt service structure at 5.00% over 20 years.

- The City’s capacity increases as existing debt service payments decrease.

Projected Remaining Debt Capacity - 5.00% Future Interest Rate			
Fiscal Year	Additional Recurring Revenues Available for Debt Service	Remaining Available Capacity Per Period	Cumulative Additional Capacity
2024	\$0	\$0	\$42,450,000
2025	16,573	205,000	
2026	209,436	2,610,000	
2027	1,285,840	16,025,000	
2028	1,894,545	23,610,000	
2029	288,003	3,590,000	\$34,625,000
2030	1,108,685	13,815,000	
2031	807,874	10,065,000	
2032	193,028	2,405,000	
2033	381,131	4,750,000	
10-Year Total			

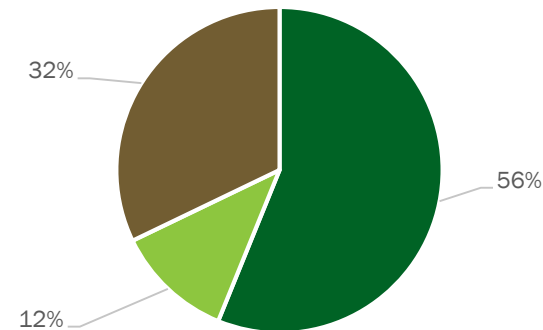
Capital Improvement Program – General Fund



Summary of Appropriations (City Capital and Schools) - FY 2023 - FY 2027 Capital Improvement Program						
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Year Totals
City Capital						
Buildings	\$47,774,711	\$7,875,980	\$11,657,500	\$16,165,000	\$16,568,000	\$100,041,191
Transportation	22,968,864	19,971,913	24,950,500	25,979,324	31,394,002	125,264,603
Public Transit	4,730,000	4,781,100	490,100	531,100	1,230,000	11,762,300
Economic Development	7,461,459	6,755,000	3,470,000	6,600,000	2,570,000	26,856,459
Parks and Recreation	5,243,000	1,663,000	6,948,000	5,255,000	3,505,000	22,614,000
Miscellaneous	12,785,208	1,830,000	200,000	200,000	200,000	15,215,208
Reserves	350,000	350,000	350,000	350,000	250,000	1,650,000
Total City Capital	\$101,313,242	\$43,226,993	\$48,066,100	\$55,080,424	\$55,717,002	\$303,403,761
School Capital						
Schools	\$ -	\$2,501,000	\$4,620,000	\$4,595,000	\$35,020,000	\$46,736,000
Total School Capital	\$ -	\$2,501,000	\$4,620,000	\$4,595,000	\$35,020,000	\$46,736,000
Total Uses	\$101,313,242	\$45,727,993	\$52,686,100	\$59,675,424	\$90,737,002	\$350,139,761
Sources						
Bond Funding	\$29,733,140	\$18,809,913	\$41,549,750	\$33,411,658	\$73,068,001	\$196,572,462
General Cash Fund	9,798,546	9,718,484	6,105,012	7,295,952	8,106,800	41,024,794
Other Funding	61,781,556	17,199,596	5,031,338	18,967,814	9,562,201	112,542,505
Total Sources	\$101,313,242	\$45,727,993	\$52,686,100	\$59,675,424	\$90,737,002	\$350,139,761

5-Year Capital Improvement Plan Sources

The future Bond issues are within City debt guidelines. However, depending upon the timing of the projects, additional revenues will be needed to cover future debt service over the 2024 budgeted debt service.



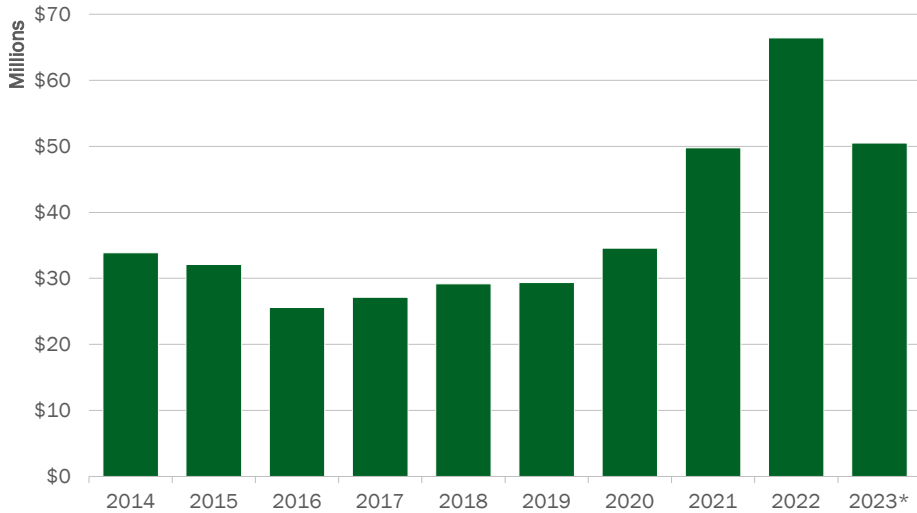
■ Bond Funding ■ General Cash Fund ■ Other Funding

Source: City of Lynchburg 2023 Adopted Budget.

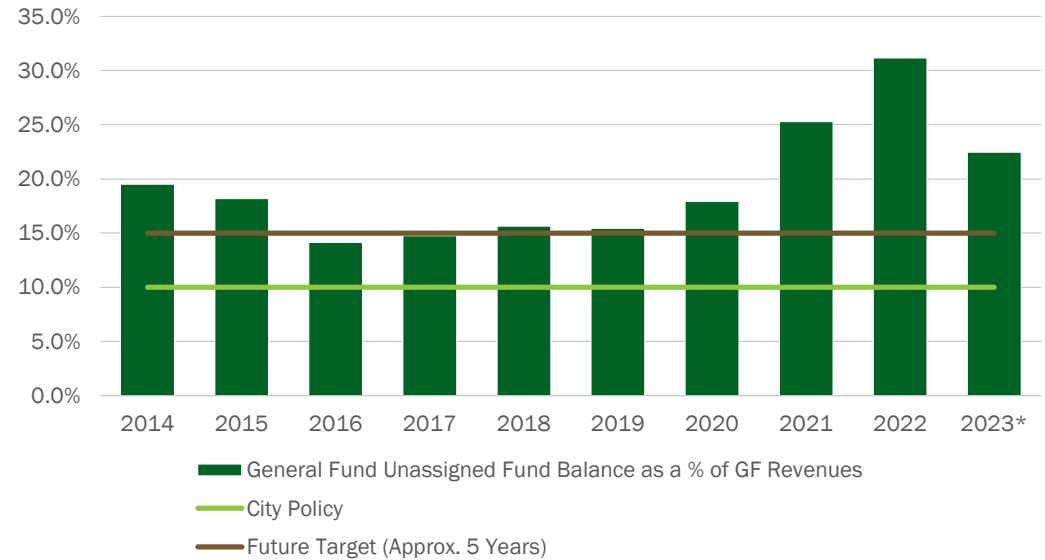
Estimated Available Unassigned Fund Balance Beyond Council Financial Management Policy



Unassigned General Fund Balance (In Dollars)



Unassigned General Fund Balance (As a % of Revenues)



Fiscal Year	General Fund		General Fund Unassigned Fund Balance as a % of GF Revenues		Future Target (Approx. 5 Years)
	Unassigned Fund Balance	General Fund Revenue	City Policy		
2014	\$33,878,501	\$173,619,523	19.5%	10.0%	15.0%
2015	32,089,924	176,615,630	18.2%	10.0%	15.0%
2016	25,589,098	180,853,471	14.1%	10.0%	15.0%
2017	27,147,729	184,021,445	14.8%	10.0%	15.0%
2018	29,197,526	186,818,862	15.6%	10.0%	15.0%
2019	29,364,685	190,091,362	15.4%	10.0%	15.0%
2020	34,579,844	192,770,975	17.9%	10.0%	15.0%
2021	49,771,343	196,982,499	25.3%	10.0%	15.0%
2022	66,394,917	213,188,870	31.1%	10.0%	15.0%
2023*	50,498,359	224,877,781	22.5%	10.0%	15.0%

The City revised its fund balance policy on December 10, 2019 to maintain its minimum Unassigned General Fund Balance (UGFB) target at 10% of General Fund revenues while also establishing a goal of 15% as the City strives to grow it incrementally each year subject to revenues available. The City plans to balance moving towards the 15% targeted fund balance with its annual "Pay as you go" capital improvement requirements.

*Note: 2023 Unassigned Fund Balance represents a preliminary estimate from City Staff. Source: City of Lynchburg ACFRs, and 2023 Adopted Budget.

Challenges Over the Next Three to Five Years



- In order to maintain the City's position of financial strength from a credit rating perspective, Davenport and City Staff recommend the following are taken into consideration during the development of the FY 2024 Budget:
 - The continued impact of inflation on the City's operating expenditures and capital project costs;
 - Inflation reached a 40-Year high of 9.1% during FY 2022, and remains above 7% today.
 - Additional pressure on the City's operating expenditures from onboarding new employees and retaining existing staff – particularly police officers and other emergency personnel;
 - The potential impact of an economic downturn on the City's operating revenues; and,
 - Increases in debt service related to the financing of future capital projects.

Rating Agency Commentary – 2009 (Post Economic Downturn)



Agency	Year	Excerpt
Moody's	2009	<i>"Fiscal 2009, ended June 30, proved to be a challenging year for many issuers due to the economic recession. Management reports economically sensitive revenues, primarily sales, meals and personal property performed \$2.75 million under budget."</i>
Moody's	2009	<i>"Given this shortfall and the budgeted use of \$16.2 million of reserves, which other favorable budgetary variances only partially replenished, General Fund balance is projected to decrease by approximately \$11 million to \$23.7 million..."</i>
Moody's	2009	<i>"Moving forward, Moody's believes that slowed revenue growth will likely impact the city's ability to fund pay-as-you-go capital projects at historically strong levels, but reserve levels will remain consistent with policy objectives given the city's conservative management practices."</i>
Fitch	2009	<i>"Hiring freezes, a two-and-a-half day furlough, and departmental reductions were implemented in fiscal 2009 in response to projected revenue declines, and the city anticipates a general fund balance reduction of \$7.6 million, inclusive of \$5.9 million of pay-as-you-go capital financing."</i>
S&P	2009	<i>"On the expenditure side, the city implemented a hiring freeze and reductions in departmental spending and projects a \$1.9 million decrease from the amended budget."</i>

Rating Agency Commentary – Last Published Ratings



Agency	Date	Excerpt
Moody's	Dec. 2019	"Lynchburg has a history of maintaining healthy reserve levels because of long-term financial forecasting and adherence to prudent fiscal policies. Fiscal 2019 marked the city's third consecutive year of positive operations, which contributed to a year end general fund surplus of \$4 million, despite allocating \$6.8 million to the city and school capital project funds for one-time capital expenditures"
Moody's	Dec. 2019	"Total fund balance equaled \$68.4 million or an ample 35.9% of revenues, and available (unassigned, assigned, committed) general fund balance was \$54.4 million, or 26.6% of general fund revenues over the past five years. The city's reserves, while stable, fall below the national Aa2 reserve median (total general fund balance of 44% of revenues)."
S&P	Dec. 2019	"Lynchburg's budgetary performance has been strong overall, in our view, benefitting from conservative budgeting practices and several formal fiscal policies. These practices have allowed for the generation of surpluses over the past three fiscal years, which have in turn, increased reserves; keeping them at very strong levels."
Fitch	Dec. 2019	"Fitch expects that in the event of an actual revenue decline of this magnitude (moderate economic decline), the city would maintain reserves at or above its policy level (an unassigned general fund balance equal to no less than 10% of revenue) through active expenditure management."

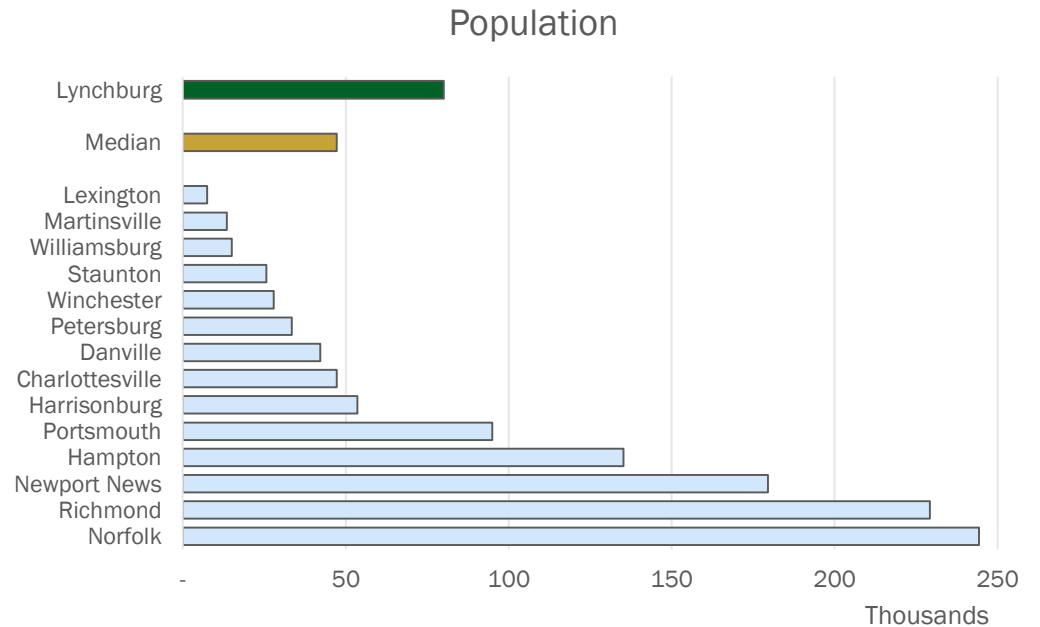


Virginia First Cities Comparison

Population



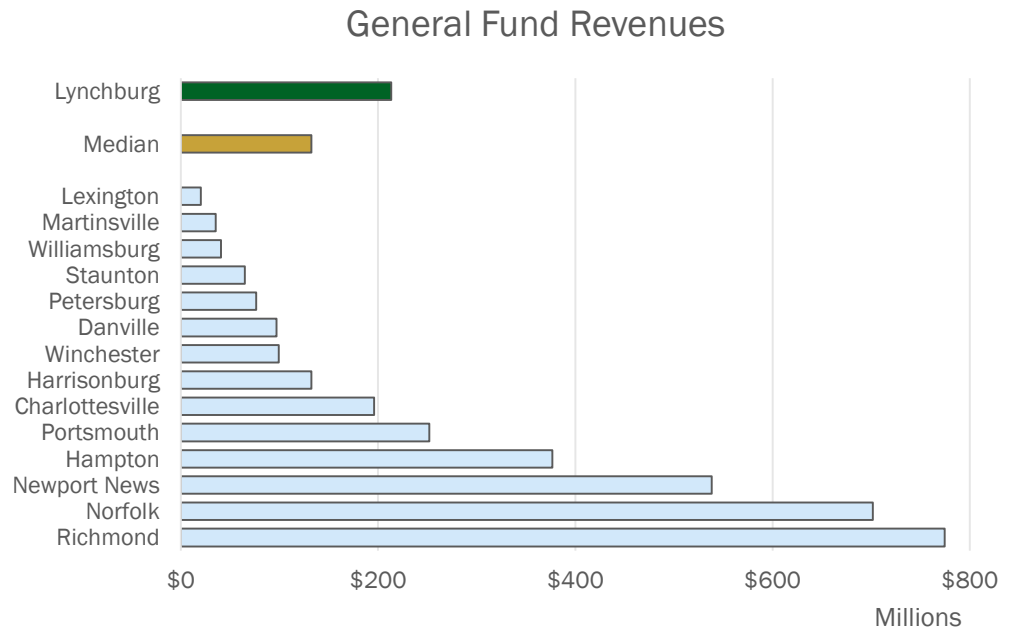
Virginia First Cities	Population
Lynchburg	80,054
Median	47,217
Lexington	7,456
Martinsville	13,517
Williamsburg	15,034
Staunton	25,661
Winchester	27,912
Petersburg	33,429
Danville	42,215
Charlottesville	47,217
Harrisonburg	53,558
Portsmouth	94,961
Hampton	135,169
Newport News	179,582
Richmond	229,233
Norfolk	244,300



General Fund Revenues



Virginia First Cities	General Fund Revenues
Lynchburg	\$213,189,000
Median	132,281,000
Lexington	20,322,000
Martinsville	35,626,221
Williamsburg	40,723,000
Staunton	64,979,887
Petersburg	76,275,000
Danville	96,931,000
Winchester	99,387,000
Harrisonburg	132,281,000
Charlottesville	195,892,000
Portsmouth	252,075,000
Hampton	376,852,000
Newport News	538,152,000
Norfolk	701,607,000
Richmond	774,248,000

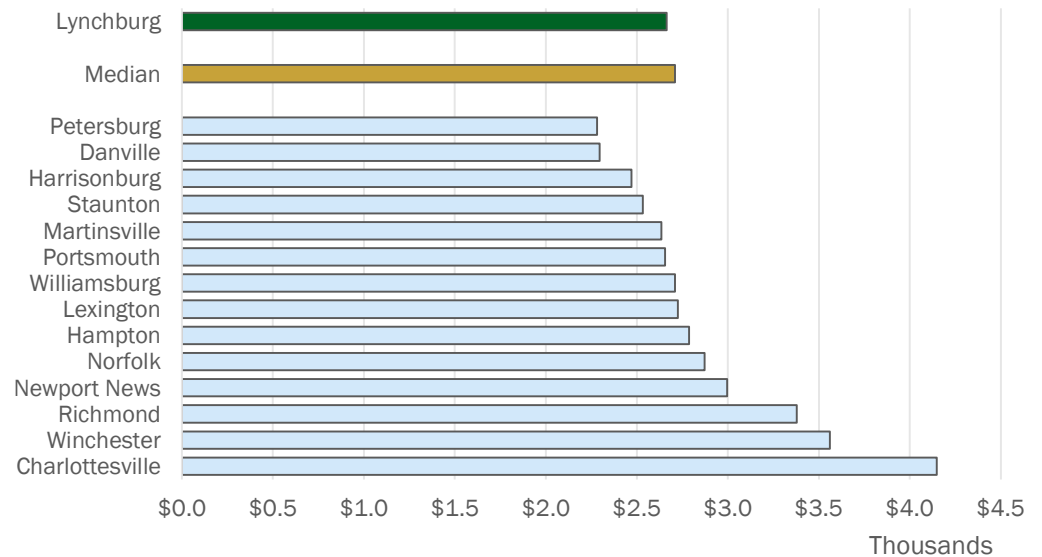


General Fund Revenues Per Capita



Virginia First Cities	General Fund Revenues per Capita
Lynchburg	\$2,663
Median	2,709
Petersburg	2,282
Danville	2,296
Harrisonburg	2,470
Staunton	2,532
Martinsville	2,636
Portsmouth	2,655
Williamsburg	2,709
Lexington	2,726
Hampton	2,788
Norfolk	2,872
Newport News	2,997
Richmond	3,378
Winchester	3,561
Charlottesville	4,149

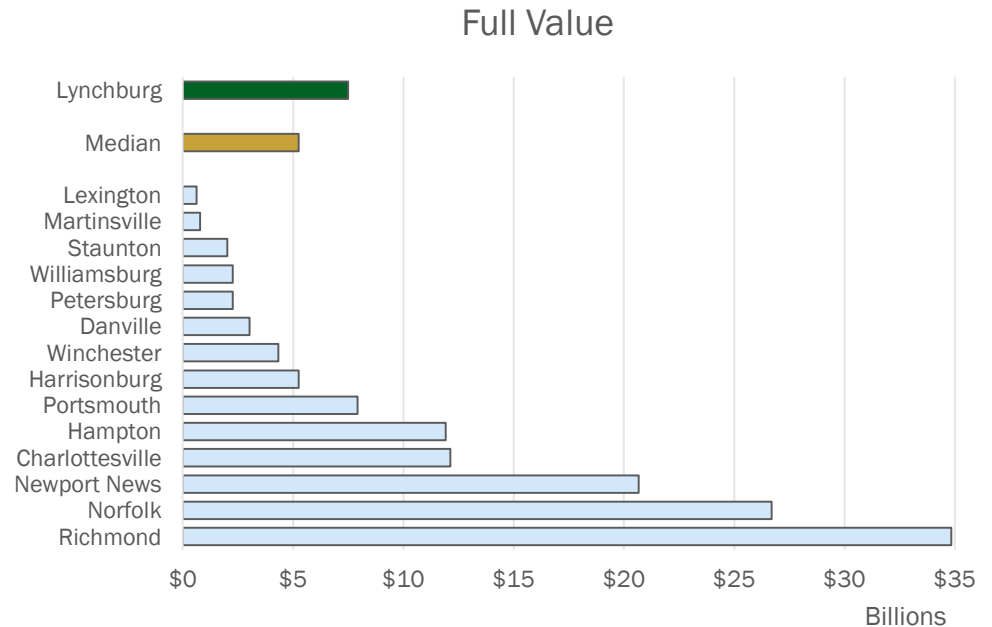
General Fund Revenues per Capita



Full Value (Real Property, Personal Property, and Machinery & Tools)



Virginia First Cities	Full Value
Lynchburg	\$7,503,768,786
Median	5,255,074,000
Lexington	619,321,000
Martinsville	792,510,000
Staunton	2,024,971,000
Williamsburg	2,272,142,000
Petersburg	2,274,552,000
Danville	3,024,543,000
Winchester	4,331,995,000
Harrisonburg	5,255,074,000
Portsmouth	7,924,166,000
Hampton	11,925,859,000
Charlottesville	12,130,799,000
Newport News	20,673,643,000
Norfolk	26,681,757,000
Richmond	34,840,857,000

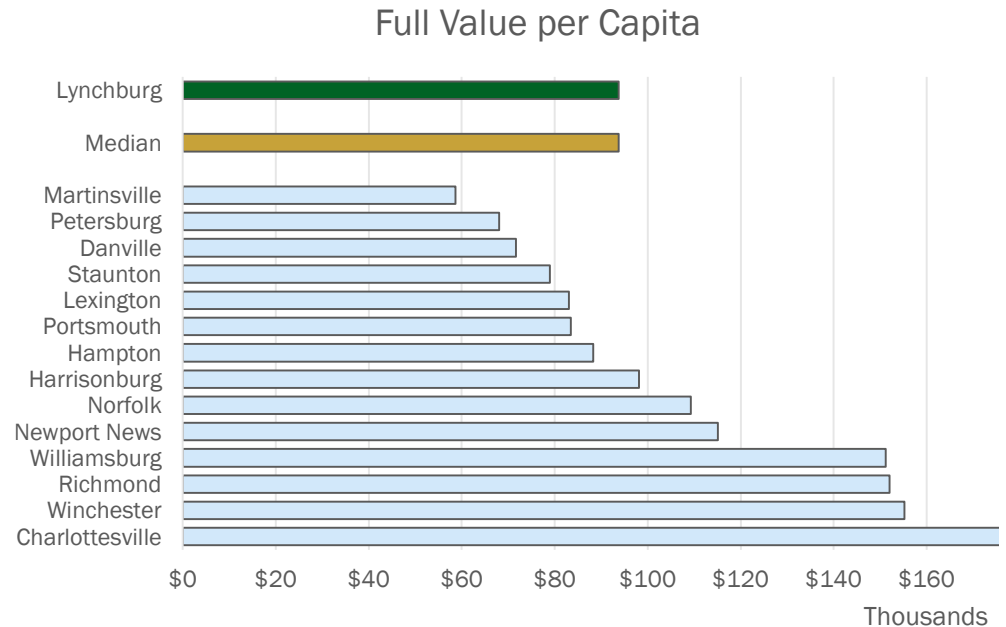


Note: Moody's calculates Full Value as the total value of all Real Property, Personal Property, and Machinery & Tools. This is also equal to the Total Taxable Assessed Value of the City.
Source(s): MFRA and Locality Audits.

Full Value per Capita



Virginia First Cities	Full Value per Capita
Lynchburg	\$93,734
Median	93,734
Martinsville	58,631
Petersburg	68,041
Danville	71,646
Staunton	78,912
Lexington	83,063
Portsmouth	83,447
Hampton	88,229
Harrisonburg	98,119
Norfolk	109,217
Newport News	115,121
Williamsburg	151,134
Richmond	151,989
Winchester	155,202
Charlottesville	256,916



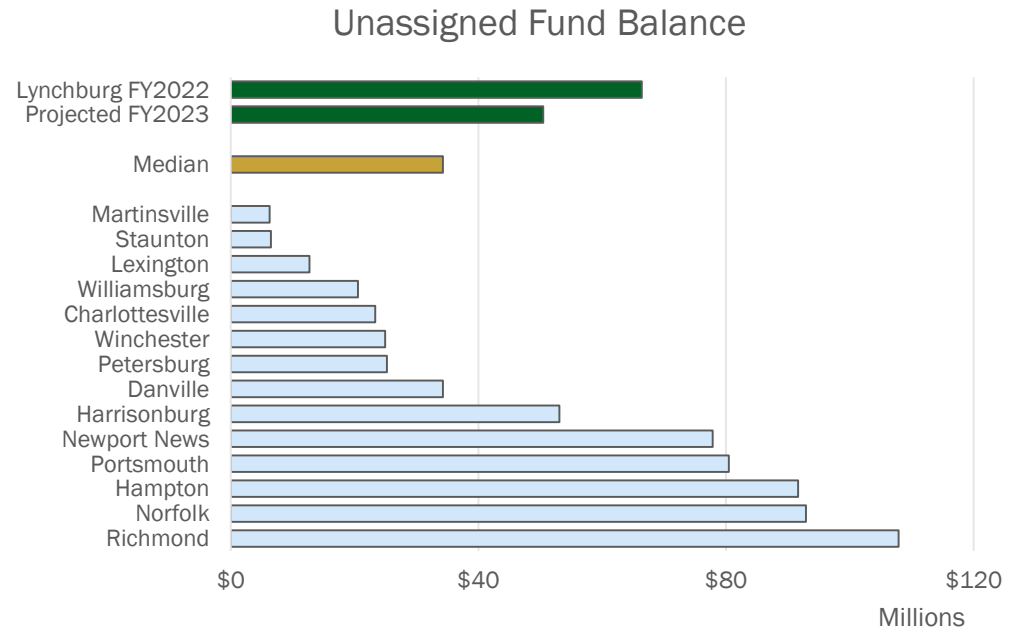
Note: Moody's calculates Full Value as the total value of all Real Property, Personal Property, and Machinery & Tools. This is also equal to the Total Taxable Assessed Value of the City.
 Note: X-Axis is truncated at \$175,000.

Source(s): MFRA and Locality Audits.

Unassigned Fund Balance



Virginia First Cities	Unassigned Fund Balance
Lynchburg FY2022	\$66,394,917
Projected FY2023	50,498,359
Median	34,237,458
Martinsville	6,286,060
Staunton	6,479,724
Lexington	12,738,990
Williamsburg	20,541,513
Charlottesville	23,337,260
Winchester	24,951,839
Petersburg	25,232,435
Danville	34,237,458
Harrisonburg	53,108,748
Newport News	77,812,968
Portsmouth	80,433,488
Hampton	91,650,181
Norfolk	92,920,042
Richmond	107,862,492

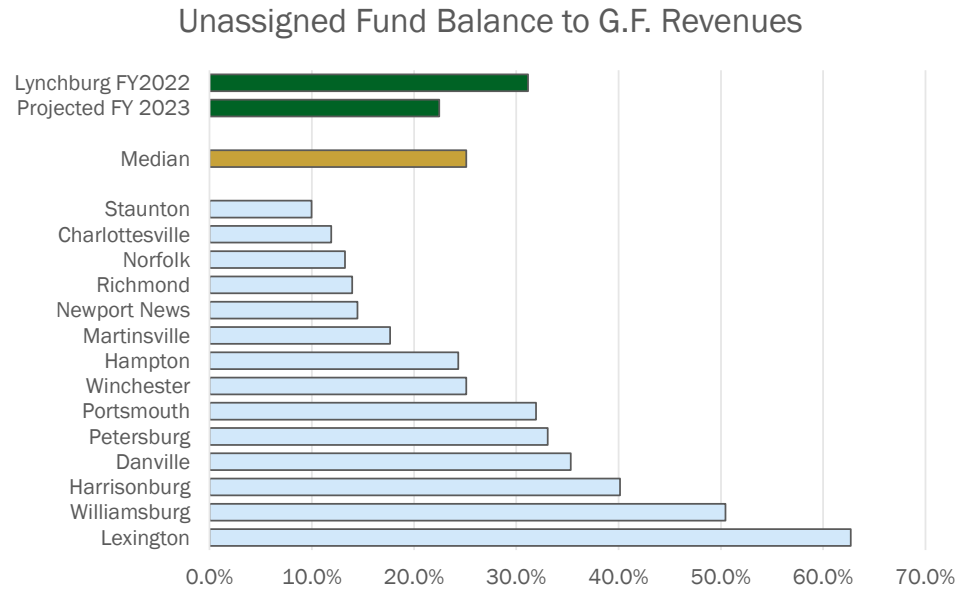


Note: Median calculation does not include Lynchburg FY2023 Projected.
Source(s): MFRA and Locality Audits.

Unassigned Fund Balance to G.F. Revenues



Virginia First Cities	Unassigned Fund Balance to G.F. Revenues
Lynchburg FY2022	31.1%
Projected FY 2023	22.5%
Median	25.1%
Staunton	10.0%
Charlottesville	11.9%
Norfolk	13.2%
Richmond	13.9%
Newport News	14.5%
Martinsville	17.6%
Hampton	24.3%
Winchester	25.1%
Portsmouth	31.9%
Petersburg	33.1%
Danville	35.3%
Harrisonburg	40.1%
Williamsburg	50.4%
Lexington	62.7%



Note: Median calculation does not include Lynchburg FY2023 Projected.

Source(s): MFRA and Locality Audits.

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Version 01/01/2023 AA/SG/CR/DR



STRUCTURING TAX RELIEF: CITY COUNCIL'S TAX LEVERS

City Council Retreat
Friday, February 10, 2023



PRESENTATION OVERVIEW

- Who are our Taxpayers
- Council Tax Levers and the Revenue Rules of Thumb
- Comprehensive Look at Taxes, Rates, and Revenue
- Discussion Questions



WHO ARE OUR TAXPAYERS?

- Citizens
 - Businesses
 - Visitors
 - Real Property Owners
- Some taxpayers fall into more than one group
 - Not all citizens or businesses own real property
 - Meals, Transient Occupancy, Amusement and Tobacco taxes are paid by buyers and held in trust and ultimately remitted by businesses



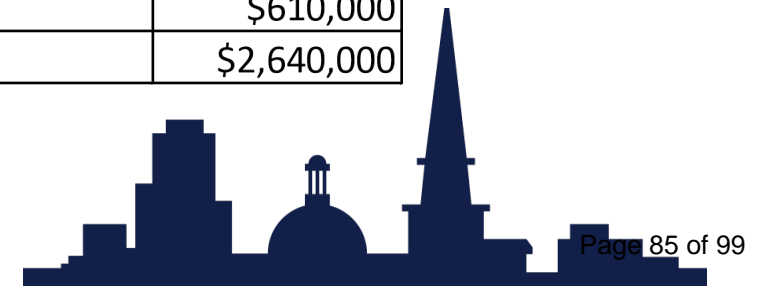
COUNCIL TAX LEVERS – RULES OF THUMB

Estimated FY 2024 Tax Rate Change Projections

Revenue Source	Current Tax Rate	Basis of Change	Revenue Generated (rounded to nearest ten thousand)
Real Estate Tax	\$1.11	One cent (\$0.01) per \$100 assessed value	\$750,000
Personal Property Tax*	\$3.80	Ten cent (\$0.10) per \$100 assessed value	\$610,000
Motor Vehicle Licenses	\$29.50/\$34.50	One dollar (\$1.00)	\$50,000
Meals Tax	6.5%	One percent (1.0%)	\$3,080,000
Lodging Tax	6.5%	One percent (1.0%)	\$560,000
Lodging Tax	\$1/per room per night	One dollar (\$1.00)/per room per night	\$350,000
Amusement Tax	7.0%	One percent (1.0%)	\$120,000
Tobacco Tax	\$0.35	Five cent (\$0.05) per pack	\$110,000
Business License Tax (BPOL) **	Varies	Ten percent (10.0%)	\$1,000,000
Consumer Utility - Electric	Varies	maintain or eliminate tax	\$3,500,000
Consumer Utility - Gas	Varies	maintain or eliminate tax	\$610,000
Refuse Collection Fee	\$10 per cart	maintain or eliminate tax	\$2,640,000

*assuming 100% ratio

**round up to whole cent for rate change



REAL ESTATE TAX

A TAX ON REAL PROPERTY THAT IS CALCULATED ACCORDING TO PROPERTY'S FAIR MARKET VALUE AND A TAX RATE SET BY CITY COUNCIL



Tax Rate

\$1.11

Per \$100 of Assessed Value



Revenue

\$83,040,000



Taxpayers

Real Property Owners



Tax Accounts

30,463



Increment

\$0.01

Per \$100 of Assessed Value



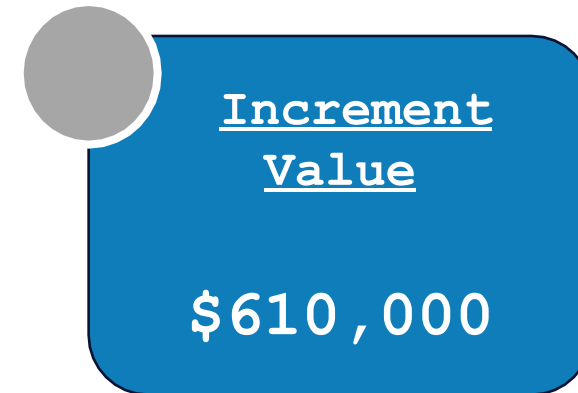
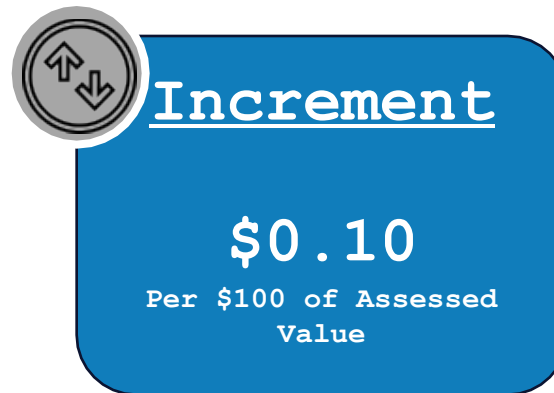
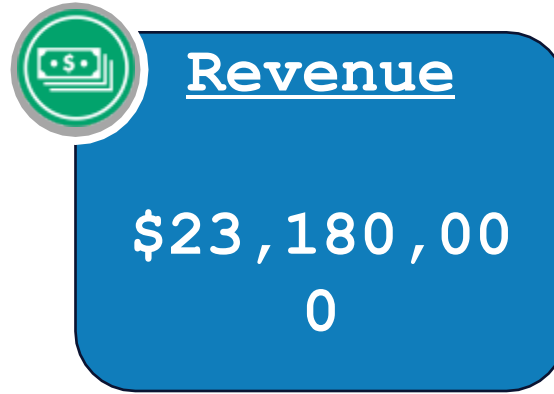
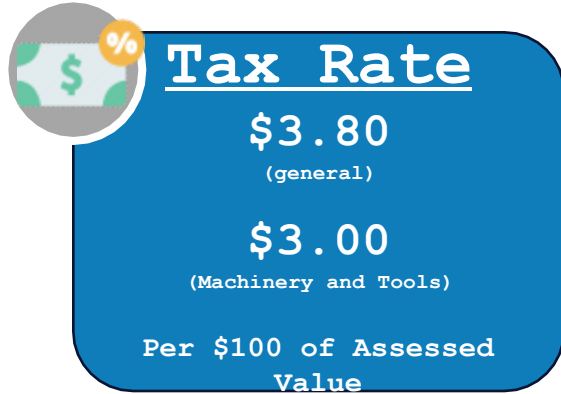
Increment Value

\$750,000



PERSONAL PROPERTY TAX

A TAX ON THE VALUE OF ANY VEHICLE NORMALLY GARAGED IN THE CITY AND ANY TANGIBLE BUSINESS PROPERTY THAT IS NOT REAL PROPERTY TO INCLUDE MACHINERY, EQUIPMENT, FURNITURE, FIXTURES, CERTAIN COMPUTER HARDWARE AND ANY OTHER TANGIBLE PROPERTY USED IN A BUSINESS UNLESS SPECIFICALLY EXEMPTED



MOTOR VEHICLE LICENSE FEE

A FEE CHARGED TO REGISTER ANY MOTOR VEHICLE, MOTORCYCLE, TRAILER, OR SEMI-TRAILER IN THE CITY.



Tax Rate

\$29.50/
\$34.50

Depending on GVW



Revenue

\$1,550,000



Taxpayers

Citizens &
Businesses



Tax Accounts

57,514



Increment

\$5.00



Increment Value

\$250,000



MEALS TAX

A TAX, IN ADDITION TO SALES AND USE TAX, CHARGED ON THE PURCHASE OF PREPARED FOOD.



Tax Rate

6.5%



Revenue

\$20,000,000



Taxpayers

Visitors,
Citizens &
Businesses



Tax Accounts

N/A



Increment

1%



Increment Value

\$3,060,000



LODGING TAX

A TAX ON THE RENTAL OF ROOMS THAT IS CALCULATED BASED ON THE PRICE OF THE ACCOMMODATION



Tax Rate

6.5%



Revenue

\$3,640,000



Taxpayers

Visitors



Tax
Accounts

N/A



Increment

1%



Increment
Value

\$560,000



BED TAX

A TAX ON THE RENTAL OF ROOMS THAT IS CALCULATED BASED ON A PER NIGHT AMOUNT



Tax Rate

\$1

Per Room Night



Revenue

\$350,000



Taxpayers

Visitors



Tax Accounts


N/A



Increment

\$1

Per Room Night



Increment Value

\$350,000



AMUSEMENT TAX

A TAX ON THE AMOUNT PAID FOR THE PRIVILEGE OF ADMISSION TO PLACES OF AMUSEMENT OR ATHLETIC EVENTS



Tax Rate

7.0%



Revenue

\$850,000



Taxpayers

Citizens &
Visitors



Tax
Accounts

N/A



Increment

1%



Increment
Value

\$120,000



TOBACCO TAX

A TAX IMPOSED ON TOBACCO PRODUCTS



Tax Rate

\$0.35

Per Pack of 20
Cigarettes



Revenue

\$800,000



Taxpayers

Citizens &
Visitors



Tax
Accounts


N/A



Increment

\$0.05

Per Pack of 20
Cigarettes



Increment
Value

\$110,000



BUSINESS AND PROFESSIONAL AND OCCUPATIONAL LICENSE TAX (BPOL)


A TAX ON THE GROSS RECEIPTS OF A BUSINESS



Tax Rate

\$0.20 - Retailer Merchant
\$0.16 - Contractors
\$0.36 - Business/Personal Svcs
\$0.58 - Professional Services

Per \$100 of Gross



Revenue

\$10,500,000




Taxpayers

Businesses



Tax Accounts


1,800



Increment

10%

Of Total Tax




Increment Value

\$1,000,000



CONSUMER UTILITY TAX - ELECTRICITY


A TAX ON THE USE OF ELECTRICITY PER KILOWATT HOUR



Tax Rate
It's
Complicated
(See Footnote)




Revenue
\$3,500,000




Taxpayers
Citizens and
Businesses



Tax
Accounts
N/A



Increment
Maintain or
Eliminate Tax



Increment
Value
\$3,500,000

Residential Rate: The greater of: \$0.0046 for the first 1,000 kwh (or a fraction thereof plus \$0.0026 for each kwh over the first 1,000 kwh or 7% of the minimum monthly charge


Commercial Rate: The greater of: \$0.0048 for the first 1,000 kwh (or a fraction thereof plus \$0.0092 for each kwh over the first 1,000 kwh or 7% of the minimum monthly charge

Industrial Rate: The greater of: \$0.00375 for the first 1,000 kwh (or a fraction thereof plus \$0.0026 for each kwh over the first 1,000 kwh or 7% of the minimum monthly charge



CONSUMER UTILITY TAX - GAS


A TAX ON THE USE OF NATURAL GAS PER CENTUM CUBIC FEET



Tax Rate
It's
Complicated
d
(See Footnote)




Revenue
\$610,000




Taxpayers
Citizens and
Businesses



Tax
Accounts
TBD



Increment
Maintain or
Eliminate Tax



Increment
Value
\$610,000

Residential Rate: \$0.86 per month plus \$0.05088 on each CCF or fraction thereof delivered monthly

Commercial Rate: \$1.63 per month plus \$0.02689 on each CCF or fraction thereof delivered monthly

Industrial Rate: \$1.63 per month plus \$0.00256 on each CCF or fraction thereof delivered monthly



REFUSE COLLECTION FEE

A FLAT MONTHLY FEE CHARGED BY THE CITY FOR RESIDENTIAL REFUSE COLLECTION



Tax Rate


\$10

Per Month



Revenue

\$2,640,000



Taxpayers

Citizens




Tax Accounts

TBD



Increment

Maintain or Eliminate Fee



Increment Value

\$2,640,000



WHO ARE OUR TAXPAYERS?

Revenue Source	Citizens	Visitors	Businesses	Real Property Owners
Real Estate Tax				X
Personal Property Tax	X		X	
Motor Vehicle Licenses	X		X	
Meals Tax	X	X		
Lodging Tax		X		
Amusement Tax	X	X		
Tobacco Tax	X	X		
Business License Tax (BPOL)			X	
Consumer Utility - Electric	X		X	
Consumer Utility - Gas	X		X	
Refuse Collection Fee	X			



DISCUSSION QUESTIONS

- Which classification of taxpayers need tax relief the most?
- Which classification of taxpayers need tax relief the least?
- Would you substitute a higher tax rate in one area for a lower tax rate in another?

