CITY COUNCIL

Thursday, March 26, 2026 | 6:00 PM
Council Chamber- City Hall
900 Church Street
Lynchburg, VA 24504

AGENDA

I. Agenda Items

I.1. City Manager's FY 2027 Proposed Budget Presentation

FY 2027
PROPOSED BUDGET

March 26, 2026

THE CITY OF
LYNCHBURG

Maintenance, Momentum, and Celebration

Bright Lights on the Bluffwalk - Downtown

NOT A PAUSE, A COMMITMENT TO:

- Providing high-quality municipal services
- Protecting core priorities like public safety and lifelong learning
- Ensuring residents see, feel, and benefit from prior investments

THE CITY OF LYNCHBURG

OUR CITY

- Lynchburg continued to experience steady population growth
- Growth forecasted to continue through 2030
- Median household income data showed an increase from 2024 to 2025

THE CITY OF LYNCHBURG

Cherry Blossoms on Fifth Street

Lynchburg Police Officers

PUBLIC SAFETY

- Launched the implementation of a $4.4 million SAFER grant to staff our newest fire station – adding 21 fire and EMS positions
- Opened a new Police Headquarters and will soon begin construction of Fire Station #9 in partnership with Liberty University
- Initiated and completed a transparent, community-driven national search for the Chief of Police
- Beginning the same effort for hiring the next Fire Chief

THE CITY OF LYNCHBURG

INFRASTRUCTURE

- Advanced the Blackwater CSO Tunnel, protecting our waterways and the James River, the largest capital improvement project in the city's history
- Restarted the 501/221 Improvement Project
- Completed key neighborhood upgrades such as the Richland Hills sewer extension
- Began the development of a long-term refuse strategy
- Earned national recognition for excellence in fleet management

THE CITY OF
LYNCHBURG

Blackwater CSO Tunnel Project

United Jet Service Comes to LYH

ECONOMIC DEVELOPMENT

- Announced new United Express jet service to Chicago O'Hare and Washington Dulles, strengthening business and tourism connectivity
- Celebrated major expansions at Framatome, Delta Star, and Centra
- Secured more than $4 million in state funding for Ivy Creek Innovation Park
- Finalized an operating partnership that will transform Riverfront Park's amphitheater into a regional destination

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LIFELONG LEARNING & QUALITY OF LIFE

- Supported enhanced teacher compensation and capital improvements
- Advanced redevelopment planning for White Rock Elementary School
- Opened the Kiwanis Centennial Riverfront Playground and Jefferson Park Playground
- Expanded literacy outreach through a new Bookmobile through a partnership with the Friends of the Library

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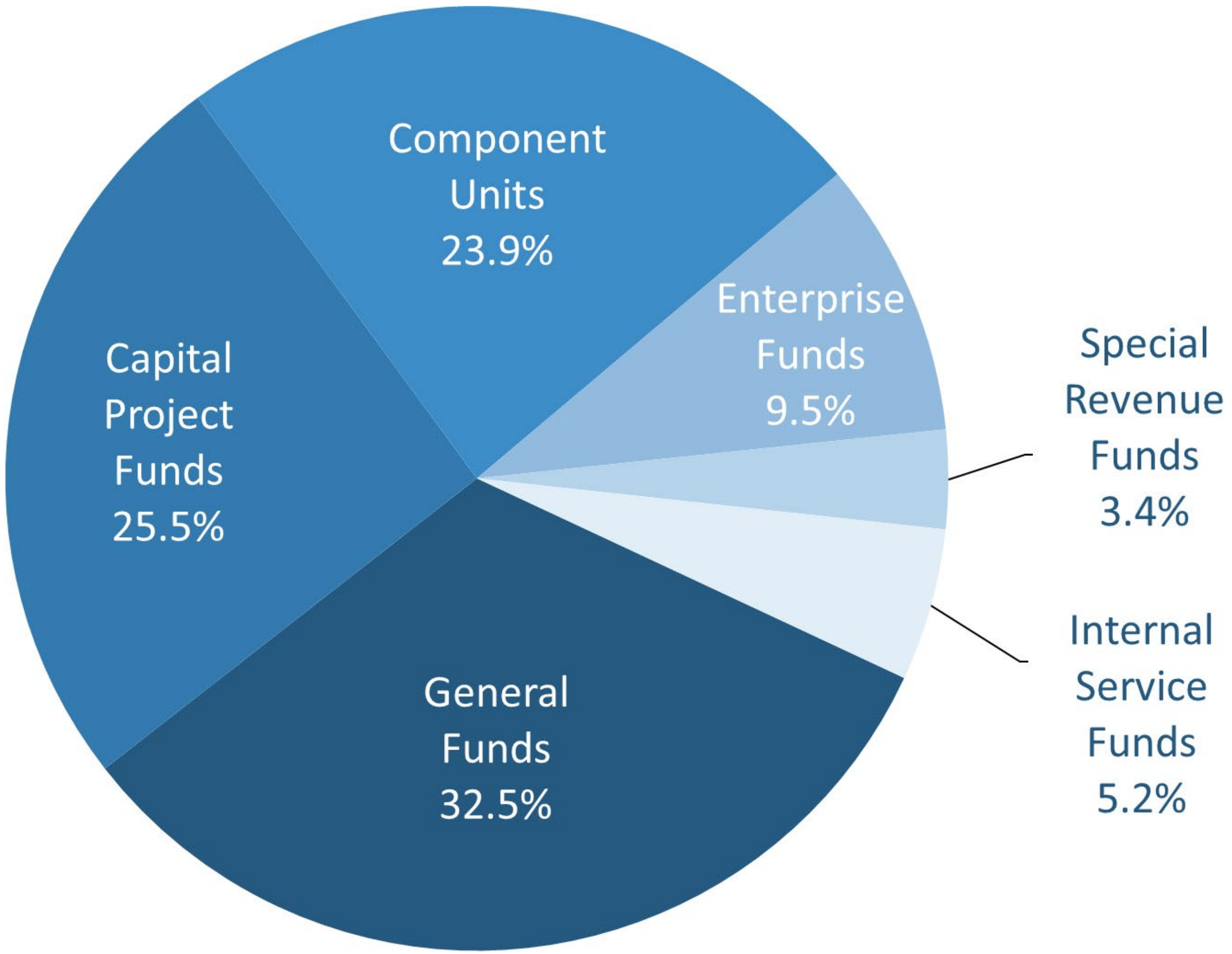
Kiwanis Centennial Rotary Park Ribbon Cutting

BUDGET BACKDROP

THE CITY OF LYNCHBURG

PROPOSED FY 2027 ALL FUNDS $620,708,303



GENERAL FUND REVENUE HIGHLIGHTS

- Consumer taxes (Sales, Meals, Lodging, Amusement) are projected to reflect a slight increase based on early 2026 collections
- Refuse collection and motor vehicle license fees resume after a three-year waiver (use of one-time funding adopted by City Council)
- Real estate tax revenue growth is based on new construction
- Personal Property tax revenues are projected to reflect a moderate increase based on vehicle values

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GENERAL FUND EXPENDITURE HIGHLIGHTS

- Ongoing expenditures associated with inflationary and contractual costs to maintain current levels of service continue to increase
- $1.3M use of the Greater Lynchburg Transit Company (GLTC) Reserve (one-time funds) address current transit needs and initiate a comprehensive multi-modal transportation plan that includes evaluating existing bus routes and future mobility options
- $3.2M decrease in Virginia Retirement System (VRS) employer contribution rates for retirement and group life
- VRS savings as well as early revenue projections are key to the proposed investment in the workforce and City schools

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PERSONNEL HIGHLIGHTS

Ongoing investment in workforce recruitment and retention:

- 2.5 percent cost of living adjustment for non-sworn personnel
- Continued pay progression plan for sworn police and fire positions
- A $2.1 million increase in the City’s local contribution to Lynchburg City Schools to cover the City’s share of the proposed State compensation actions
- No new positions

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BUDGET HIGHLIGHTS

- $30M for year two of a three-year capital commitment for School facility infrastructure projects, an overall investment of $60M
- $3M for Fire Station #1 renovations with a total of $8.6M programmed in the five-year CIP for renovations at various Fire Stations

Lynchburg City Schools Superintendent and Students

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BUDGET HIGHLIGHTS

Water Fund
Proposed rate is $3.62/hcf - Supports goal of 1% annual waterline replacement to address aging infrastructure, invests in critical Abert Water Plant upgrades, meets requirements of revised Lead & Copper Rule

Sewer Fund
No rate increase proposed, remains at $8.65/hcf - Meets financial requirements of CSO consent order; invests in remaining CSO projects, supports rehabilitation of existing sewer infrastructure

Stormwater Fund
Proposed rate is $5.40/sfu - Invests in significant stormwater infrastructure needs, funds growing debt service costs, maintains compliance with MS4 Permit requirements

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BUDGET HIGHLIGHTS

- Increase in Water and Stormwater funds totaling $1.06 on the average monthly residential water bill
- Fixed monthly charge of $7.69 remains far below area localities

DESCRIPTION	ADOPTED FY 2026	PROPOSED FY 2027	RESIDENTIAL AVG. INCREASE/MONTH
Water Volume Charge/hundred cubic feet (hcf)	$3.45	$3.62	$0.81*
Sewer Volume Charge/hundred cubic feet (hcf)	$8.65	$8.65	$0.00
Stormwater Single Family Unit Rate	$5.15	$5.40	$0.25
TOTAL			**$1.06**

**This calculation uses the FY 2025 average monthly residential water volume use of 4.78 hcf.*

City View of Downtown

BUDGET CALENDAR

Date	Time	Meeting	Location
April 3rd	9:00 a.m.	Budget Retreat	LPD Community Room
April 14th	2:00 p.m. 4:00 p.m.	Joint GLTC Board Meeting Joint School Board Meeting	IT Training Center
April 16th – 18th	Varies	Budget Pop-Ups	Varies per Ward
April 23rd	6:00 p.m.	Public Hearing	Council Chambers
April 28th	4:00 p.m.	Budget Work Session	2nd Floor Training Room
May 12th	7:00 p.m.	First Reading	Council Chambers
May 26th	7:00 p.m.	Second Reading	Council Chambers

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Maintenance, Momentum, and Celebration