// A special meeting of the Council of the City of Lynchburg was held on the 9th day of April, 2018, at 7:00 P.M. in the Council Chamber, City Hall, Joan Foster, President, presiding. The following Members were present:

Present: MaryJane Dolan, Jeff S. Helgeson, J. Randy Nelson, E. J. Turner Perrow,
Treney Tweedy, Sterling A. Wilder, Joan F. Foster 7
Absent: 0

// Mayor Joan Foster welcomed everyone to the public hearing on the FY 2019 Proposed Operating Budget and the Proposed FY 2019 – 2023 Capital Improvement Program for the City of Lynchburg.

// City Manager Bonnie Svrcek provided introductory remarks on the FY 2019 Proposed Operating Budget and the Proposed FY 2019-2023 Capital Improvement Program for the City of Lynchburg. The Proposed FY 2019 Operating Budget and Capital Improvement Program funds include the General, Fleet, Airport, Water, Sewer, Stormwater and other minor funds and totals $375.4 million, an increase of $1.1 million or 0.3% over the Adopted FY 2018 Operating Budget. The FY 2019 – 2023 Capital Improvement Program funds total $383.1 million with a FY 2019 investment of $57.3 million. The budget proposal was built on the following "Guiding Principles" and fully complies with City Council's Adopted Financial Management Policies:

- Balance the budget with no new revenue requirements
- Preserve funding for public safety
- Use City Council focus areas (Poverty Reduction, Economic Development, Workforce Infrastructure) as cornerstones for budget development
- Preserve quality of life programs
- Focus on outcomes
- Identify strategic initiatives with long-term outcomes
- Utilize technology to reduce expenditures wherever possible

The General Fund Operating Budget, including Schools, is proposed to be funded with ongoing revenues. The highlights for the General Fund include:

- Maintains current services with no tax increase for services in the General Fund
- $2.2 million increase in expenditures, reserves and transfers
- Preserves funding for Police Department, Fire Department, Sheriff, Animal Control and Emergency Services
- Reduces Schools Operating fund request by $748,500; funds replacement of four (4) school buses

Significant changes from the current year in the proposed General Fund budget include the following:

- A decrease in local funding for the operation of Lynchburg City Schools ($748,465) is proposed. Of this amount, $1,104,965 is a reduction in the operating budget, which is offset by $356,500 for school buses. With the end of the General Assembly session, Lynchburg City Schools are slated to receive approximately $2.0 million in additional funding from the Commonwealth in FY 2019.
- Decrease of $604,196 in funding for the Blue Ridge Regional Jail Authority based on projected population
- Increase of $98,577 for Horizon Behavioral Health
- Increase of $146,000 for a Chief Information Security Officer in Information Technology
- Additional funding for health benefits of $470,594 based on prior year claims experience
- Additional funding for the Line of Duty Act payments of $110,000
- Increase in Fleet Vehicle Depreciation of $344,177
- Increase in Long-Term "On-Time" Financing Reserve of $500,000 for Capital Improvement Programs
- Decrease of $175,000 for the Employee Health Clinic offset by $50,000 for a Workplace Safety and Wellness Program
- Increase of $548,909 in Debt Service for General Fund and Schools, including the Line of Credit interest.

In Personnel changes there were four (4) additional Full-Time Equivalent (FTE) positions in the General Fund, two (2) FTEs in the Water Fund, three (3) FTEs in the Sewer Fund and one (1) FTE in the Stormwater Fund proposed in Water Resources. There were eight (8) FTE positions in the General Fund proposed to be eliminated. Human Resources Highlights were: no general wage increase proposed, no increase in medical premiums, slight increase in Virginia Retirement System contributions and continued concern with recruitment and retention throughout the City. Pending the results of the Citywide Salary Study and Implementation Plan and due to a lack of available funding, a general wage increase is not proposed in this Proposed Budget. A one-percent (1.0%) general wage increase in the General Fund equals $623,000. Local funding of $50.7 million is proposed for Schools Operations ($41.3 million, including $356,500 for school bus replacements) and Debt Service ($9.4 million). The proposed budget includes a decrease of $748,465 in local funding for Schools Operations. With a projected enrollment of 7,922 students in FY 2019, local per student support for operations would decrease from $5,265 to $5,211.

The Proposed FY 2019 Budget includes new or additional funding for the following major reserves:

- General Fund Reserve for Contingencies
- Other Post-Employment Benefits Reserve
- Long-Term “On-Time” Debt Financing Reserve
- Citywide Salary Study and Implementation Plan Reserve

Ms. Svrcek also mentioned the Airport Fund, Fleet Services Fund, and Water Resources. The Water Fund highlights include: no rate or service charge increase proposed, increased consumption from contract customers, recognizes decreased water sales to Amherst, Bedford and Campbell counties and two new positions, a Utility Line Technician and a Utility Line Locator. The Sewer Fund highlights consists of no change in sewer volume rate or monthly service charge, increase in contract revenues and three new positions, a Utility Line Technician, a Utility Line Locator, and a Plant Mechanic. The Stormwaer Fund highlights are: no change in the monthly stormwater management fee, complies with City Council’s fund balance policy, investment in stormwater capital projects continue and one new position, a Utility Line Technician. Ms. Svrcek stated in looking ahead, the soon to open Virginian Hotel and the opening of the Academy Center of the Arts are sure to be game-changers for our City. The Main Street Bridge will reopen this calendar year. Design will be completed for Phase II of the Downtown Water Main Replacement and Streetscape Project. Design will be underway for a new Police Department.

In closing, Ms. Svrcek stated that with this Budget Proposal she has two major concerns:

- Resources are not available to propose a general wage increase for employees in FY 2019 (a one percent (1.0%) general wage increase in the General Fund equals $623,000).

- Reducing funding for Lynchburg City Schools was a very difficult decision to make (education is a foundation for future success in life and is a key determinant in whether a person will move towards a life of poverty).

Lastly, while the Proposed FY 2019 Budget is challenging to balance due to constrained revenue sources and the growing list of much need capital projects, we were able to balance our delivery of services with ongoing revenues and generally comply with Council’s Guiding Principles.

// Two individuals spoke at the public hearing on the FY 2019 Proposed Operating Budget. The first speaker, Mr. Kevin Smith, spoke on behalf of the Lynchburg City Schools Education Foundation, about the importance of maintaining strong public education to both attract businesses to Lynchburg and to build a quality workforce. He requested continued level funding for Lynchburg City Schools. The second speaker, Mr. Michael Vari, praised the City for its fine public schools but requested programming not be eliminated. Yes, there is room for improvement but if there are programs in the school system that are being used by students and staff, none of these programs should be cut. Mr. Vari stated he was in support of level funding for the Schools.

// The meeting was adjourned at 7:30 P.M.