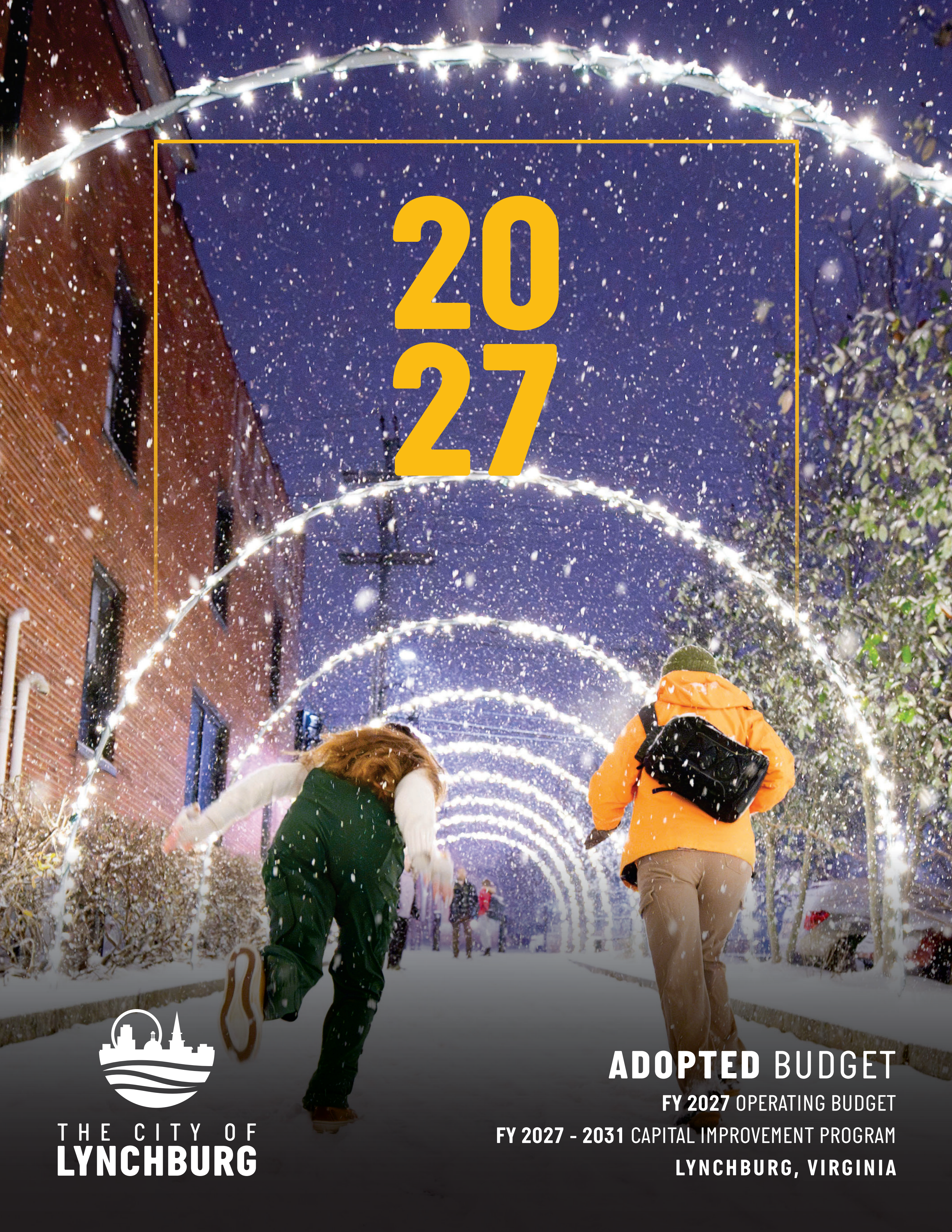


2027

THE CITY OF
LYNCHBURG

ADOPTED BUDGET

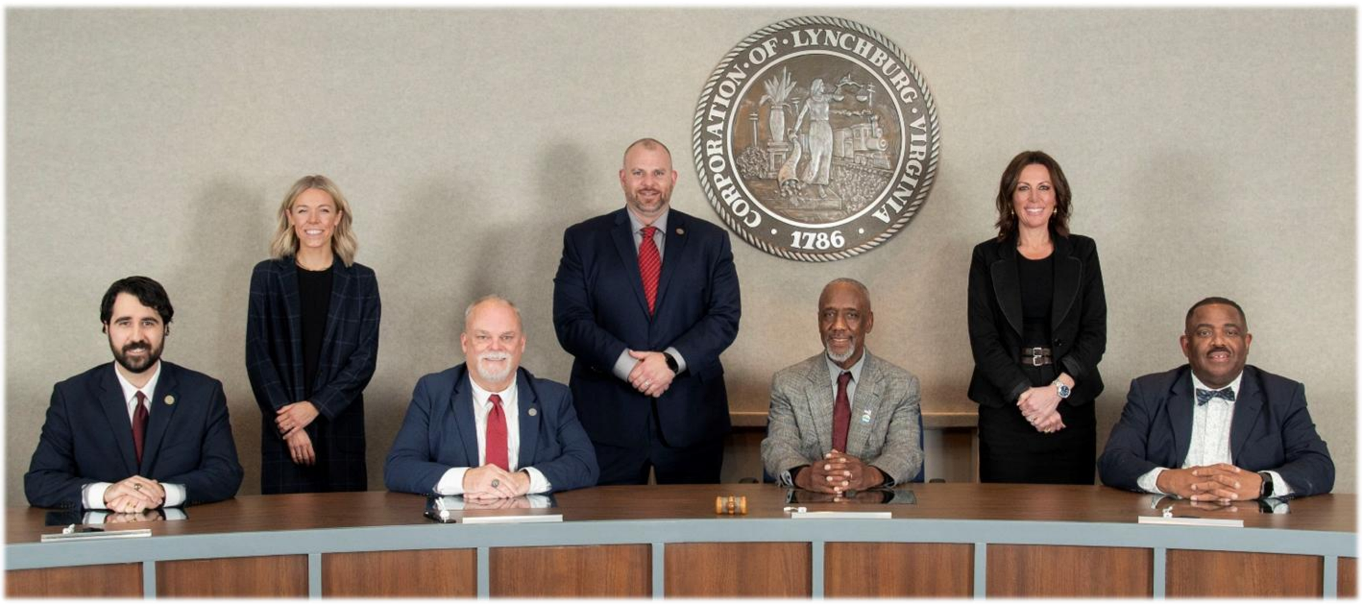
FY 2027 OPERATING BUDGET

FY 2027 - 2031 CAPITAL IMPROVEMENT PROGRAM

LYNCHBURG, VIRGINIA

ADOPTED
FY 2027 OPERATING BUDGET and
FY 2027 – 2031 CAPITAL IMPROVEMENT PROGRAM
CITY OF LYNCHBURG, VIRGINIA

General, Medical Insurance, Fleet, Airport, Water, Sewer, Stormwater, and Other Funds



Lynchburg City Council (Left to Right): Chris Faraldi, Ward IV; Jacqueline Timmer, Ward I; Curt Diemer, Vice Mayor, Ward III; Marty Misjuns, At-Large; Larry Taylor, Mayor, At-Large; Stephanie Reed, At-Large; Sterling A. Wilder, Ward II

CITY COUNCIL
Larry Taylor, Mayor, At-Large
Curt Diemer, Vice Mayor, Ward III
Jacqueline Timmer, Ward I
Sterling A. Wilder, Ward II
Chris Faraldi, Ward IV
Marty Misjuns, At-Large
Stephanie Reed, At-Large

CITY MANAGER
Wynter C. Benda

CITY ATTORNEY
Matthew Freedman

CLERK OF CITY COUNCIL
Alicia Finney

<u>CITY MANAGER</u>
Wynter C. Benda

<u>DEPUTY CITY MANAGER</u>
Gregory Patrick

<u>ASSISTANT CITY MANAGER</u>
Kent White

<u>CHIEF FINANCIAL OFFICER</u>
Donna Witt

<u>BUDGET STAFF</u>
Starlette Early, Budget Analyst
Megan Palmer, Budget Analyst
Michelle White, Budget Analyst

<u>DEPARTMENT HEADS</u>
Airport, Cedric Simon
City Assessor, Jeffrey Bandy
Communications and Public Engagement, Susan Brown (Acting Director)
Community Development, Tom Martin
Economic Development and Tourism and Museums, Marjette Upshur
Fire Department, Jonathan Wright (Interim Chief)
Fleet Services, Ken Lett
Human Resources, Michelle Jackson
Human Services, Preston Sellers
Information Technology, Brian Sprouse
Parks and Recreation, Wyatt Woody
Police Department, Chief Kennith Edwards, Jr.
Public Library, Beverly Blair
Public Works, Gaynelle Hart
Water Resources, Timothy Mitchell

Cover image provided by Communications and Public Engagement
Photographer – Ashlee Glen
Cover Design – Kiera Hight, Graphic Designer

GENERAL FUND (CONTINUED)

Program Descriptions and Operating Expenditures

GENERAL FUND (CONTINUED)

Program Descriptions and Operating Expenditures (continued)

Component Units

This section includes detailed budget summaries for organizations whose board members are appointed by City Council and are funded with tax revenues.

Medical Insurance Fund

This section includes budget information regarding the City's benefit and employee deductions for health, dental, and vision insurance.

Fleet Services Fund

This section includes budget information regarding the City's heavy equipment and vehicles.

Airport Fund

This section includes budget information regarding the City's airport.

Water Fund

This section includes budget information regarding the City's water system.

Sewer Fund

This section includes budget information regarding the City's sewer system.

Stormwater Fund

This section includes budget information regarding the City's stormwater system.

Other Funds

This section includes budget information regarding the City's grants and minor funds.

THE CITY OF LYNCHBURG
MAYOR LARRY TAYLOR (AT-LARGE)
900 Church Street
Lynchburg, VA 24504

July 1, 2026

Dear Citizens of Lynchburg:

City Council has adopted the FY 2027 Operating and Capital Budgets following a budget retreat; work session; joint sessions with Greater Lynchburg Transit Company and Lynchburg City School Board; and public hearings, deliberations, and review.

Adjustments to the FY 2027 Proposed General Fund Operating Budget are as follows:

	FY 2027 Proposed Budget	Adjustments	FY 2027 Adopted Budget
Revenues and Use of Fund Balance			
Revenues	$247,116,050	($3,380,000)	$243,736,050
Use of Fund Balance, Committed/Assigned Fund Balance, and Other	12,125,463	2,064,735	14,190,198
Total Revenues and Use of Fund Balance	$259,241,513	($1,315,265)	$257,926,248
Expenditures, Reserves, and Transfers			
Operating	$167,378,320		$167,378,320
Debt Service	20,153,682		20,153,682
Schools - Operations	44,206,870		44,206,870
Schools - Operations (One-Time Funding)	0	661,354	661,354
Greater Lynchburg Transit Company (GLTC) - City Operating	1,879,308		1,879,308
Transfers to Other Funds	2,803,872	(900,000)	1,903,872
External Service Providers	10,732,292		10,732,292
Addition to Reserve: Law Library	2,900		2,900
Addition to Reserve: Recreation Programs	102,525		102,525
Addition to Reserve: Public Safety Building	53,994		53,994
Addition to Reserve: General Fund Reserve for Contingencies	1,200,000		1,200,000
Transfer to School Capital Projects Fund	1,645,222	(661,354)	983,868
Transfer to City Capital Projects Fund	9,082,528	(415,265)	8,667,263
Total Expenditures, Reserves, and Transfers	$259,241,513	($1,315,265)	$257,926,248

Details of these adjustments, outlining the appropriations to various City funds, can be found within the bookmarks for Council Agendas and Budget Ordinances.

I want to thank City Council for working together to adopt this budget. Thank you.

Sincerely,

Mayor Larry Taylor

City Council
Agenda Item VI.12.
Action

AGENDA ITEM SUMMARY

MEETING DATE	PRESENTED BY
May 12, 2026	Wynter Benda, City Manager

AGENDA ITEM # VI.12

First Reading on the adoption of the FY 2027 Budget:

RECOMMENDATION

A) Adopt an Ordinance to increase the Water and Stormwater Rates;
B) Adopt an Ordinance and Appropriate the FY 2027 General Fund Operating Budget (excluding Discretionary External Service Providers and Schools Operating Budget);
C) Adopt an Ordinance and Appropriate the FY 2027 Discretionary External Service Providers Budget;
D) Adopt an Ordinance and Appropriate the FY 2027 Operating Fund Budgets for all other funds;
E) Adopt an Ordinance and Appropriate the FY 2027 Schools Operating Budget by major classification;
F) Adopt an Ordinance for the FY 2027 - 2031 Capital Improvement Program and Appropriate the FY 2027 Capital Budget;
G) Adopt an Ordinance and Appropriate $50,000 of the FY 2027 Reserve for Contingencies for use by the City Manager;
H) Adopt an Ordinance to set the Personal Property Tax Relief Rate at 31.50% for January 1, 2026 through December 31, 2026;
I) Adopt an Ordinance to prohibit charging certain trash collection fees in the City for FY 2027;
J) Adopt an Ordinance to prohibit charging motor vehicle license fees in the City for FY 2027

SUMMARY

Following the April 23, 2026 Public Hearing and further discussion during the April 28, 2026 City Council work session, including staff adjustments, the Proposed FY 2027 General Fund Budget was reconciled as follows:

	FY 2027 Proposed Budget	Adjustments	FY 2027 Adopted Budget
Revenues and Use of Fund Balance			
Revenues	$247,116,050	($3,380,000)	$243,736,050
Use of Fund Balance, Committed/Assigned Fund Balance, and Other	12,125,463	2,064,735	14,190,198
Total Revenues and Use of Fund Balance	**$259,241,513**	**($1,315,265)**	**$257,926,248**
Expenditures, Reserves, and Transfers			
Operating	$167,378,320		$167,378,320
Debt Service	20,153,682		20,153,682
Schools - Operations	44,206,870		44,206,870
Schools - Operations (One-Time Funding)	0	661,354	661,354
Greater Lynchburg Transit Company (GLTC) - City Operating	1,879,308		1,879,308
Transfers to Other Funds	2,803,872	(900,000)	1,903,872
External Service Providers	10,732,292		10,732,292
Addition to Reserve: Law Library	2,900		2,900
Addition to Reserve: Recreation Programs	102,525		102,525
Addition to Reserve: Public Safety Building	53,994		53,994
Addition to Reserve: General Fund Reserve for Contingencies	1,200,000		1,200,000
Transfer to School Capital Projects Fund	1,645,222	(661,354)	983,868
Transfer to City Capital Projects Fund	9,082,528	(415,265)	8,667,263
Total Expenditures, Reserves, and Transfers	**$259,241,513**	**($1,315,265)**	**$257,926,248**

<u>Fund Balance</u>
With the adjustments noted above, the Unassigned General Fund Balance as of June 30, 2027 is projected to be $24,373,605 or 10.0% of revenues. City Council’s target for Unassigned General Fund Balance is a minimum of 10% of General Fund revenues with a goal of 15% as the City strives to grow incrementally each year subject to revenues available.

<u>Schools - Operations (One-Time Funding)</u>
Addition of $661,354 for Schools - Operations (One-Time Funding) using General Fund one-time funds previously planned for Schools Capital pay-as-you-go projects in the Proposed FY 2027 Budget; this realignment was provided by Lynchburg City Schools.

<u>Fleet Services Fund</u>
The Fleet Services Fund has been amended to reduce the Transfer from General Fund by $900,000, offset by an increase of Bond Proceeds of $900,000, resulting in a net-zero amendment.

<u>Community Development Block Grant (CDBG) Fund</u>
The Community Development Block Grant (CDBG) Fund has been amended by $18,852 to reflect the final entitlement amount.

<u>HOME Investment Partnerships Program Fund</u>
The HOME Investment Partnerships Program Fund has been amended by $4,235 to reflect the final entitlement amount.

<u>City Capital Projects Fund</u>
The City Capital Projects Fund has been amended to reduce the General Fund - Transfer to City Capital Projects Fund by $415,265.

<u>Schools Capital Projects Fund</u>
The Schools Capital Projects Fund has been amended to reduce the General Fund - Transfer to

Schools Capital Projects Fund by $661,354, realigning funds proposed for FY 2027 Schools Capital pay-as-you-go projects to one-time Schools - Operations (One-Time Funding) items as provided by Lynchburg City Schools.

PRIOR ACTION(S)

March 26, 2026:	City Manager introduced the Proposed FY 2027 Budgets for General, Schools, Water, Sewer, Stormwater, Airport, Medical Insurance, Fleet Services, and Other Funds, and the FY 2027 - 2031 Capital Improvement Program
April 3, 2026:	City Council Budget Retreat
April 14, 2026:	1. City Council and GLTC Board, Joint Meeting 2. City Council and City Schools, Joint Meeting
April 23, 2026:	1. Water Resources Rate Increase Public Hearing 2. FY 2027 Proposed Budget Public Hearing
April 28, 2026:	City Council Budget Work Session, FY 2027 Budget (continued)

FISCAL IMPACT

As noted in budget ordinances.

CONTACT(S)

Wynter Benda, City Manager
Gregory Patrick, Deputy City Manager
Donna Witt, Chief Financial Officer

ATTACHMENT(S)

1. Details of Budget Decisions FY 2027

REVIEWED BY

D - S. Witt

Donna Witt, Chief Financial Officer

Date: May 05, 2026

Gregory Patrick, Deputy City Manager

Date: May 07, 2026

Alicia Finney-Andrews

Alicia Finney-Andrews, Clerk of Council

Date: May 07, 2026

BALANCING THE FY 2027 GENERAL FUND BUDGET

	Revenues and Use of Fund Balance
$247,116,050	**Proposed Revenues *(from the FY 2027 City Manager's Proposed Operating Budget)***
12,125,463	**Use of Fund Balance, Committed/Assigned Fund Balance, and Other**
$259,241,513	**Total Proposed Revenues and Use of Fund Balance**
Increase/(Decrease)	*Adjustments: Revenue Summary*
	Non-dedicated Revenue Adjustments
($1,550,000)	Motor Vehicle License fees waived for FY 2027
	Dedicated Revenue Adjustments
$650,000	State Categorical Aid adjustments to waive Motor Vehicle License fees for FY 2027
(2,480,000)	Trash Collection fees waived for FY 2027
($3,380,000)	*Total Adjustments: Non-dedicated and Dedicated Revenues*
	Use of Fund Balance, Committed/Assigned Fund Balance, and Other
$1,726,735	Use of Debt Service Reserve to waive Trash Collection fees for FY 2027
753,265	Use of Fund Balance to waive Trash Collection fees for FY 2027
(415,265)	Use of Fund Balance for one-time capital expenditures
$2,064,735	*Total Adjustments: Use of Fund Balance, Committed/Assigned Fund Balance, and Other*
($1,315,265)	*Total Adjustments: Revenue Summary*
$257,926,248	**Revised Revenues and Use of Fund Balance**
	Expenditures, Reserves, and Transfers
$259,241,513	**Proposed Expenditures, Reserves, and Transfers *(from the FY 2027 City Manager's Proposed Operating Budget)***
Increase/(Decrease)	*Adjustments: Expenditures, Reserves, and Transfers*
661,354	Schools - Operations (One-Time Funding) - Add one-time funding for Schools operating needs for FY 2027
($900,000)	Transfers to Other Funds - Reduce transfer to Fleet Fund due to use of bond proceeds to waive Motor Vehicle License fees for FY 2027
(661,354)	Transfers to Capital Funds - Reduce transfer to Schools Capital Projects Fund to use one-time funding for operating needs for FY 2027
(415,265)	Transfers to Capital Funds - Reduce transfer to City Capital Projects Fund
($1,315,265)	*Total Adjustments: Expenditures, Reserves, and Transfers*
$257,926,248	**Revised Expenditures, Reserves, and Transfers**
$0	**Balance of Revised Revenues, Use of Fund Balance, and Expenditures**

City Council
Agenda Item VI.15.
Action

AGENDA ITEM SUMMARY

MEETING DATE	PRESENTED BY
May 26, 2026	Wynter Benda, City Manager

AGENDA ITEM # VI.15

Second Reading on the adoption of the FY 2027 Budget:

RECOMMENDATION

B) Adopt an Ordinance and Appropriate the FY 2027 General Fund Operating Budget (excluding Discretionary External Service Providers and Schools Operating Budget);
C) Adopt an Ordinance and Appropriate the FY 2027 Discretionary External Service Providers Budget (on Consent Agenda);
Da) Adopt an Ordinance and Appropriate the FY 2027 Operating Fund Budgets for all other funds except for Water Fund and Stormwater Fund;
E) Adopt an Ordinance and Appropriate the FY 2027 Schools Operating Budget by major classification;
F) Adopt an Ordinance for the FY 2027 - 2031 Capital Improvement Program and Appropriate the FY 2027 Capital Budget;
G) Adopt an Ordinance and Appropriate $50,000 of the FY 2027 Reserve for Contingencies for use by the City Manager;

SUMMARY

Following the April 23, 2026 Public Hearing and further discussion during the April 28, 2026 City Council work session, including staff adjustments, the Proposed FY 2027 General Fund Budget was reconciled as follows:

	FY 2027 Proposed Budget	Adjustments	FY 2027 Adopted Budget
Revenues and Use of Fund Balance			
Revenues	$247,116,050	($3,380,000)	$243,736,050
Use of Fund Balance, Committed/Assigned Fund Balance, and Other	12,125,463	2,064,735	14,190,198
Total Revenues and Use of Fund Balance	**$259,241,513**	**($1,315,265)**	**$257,926,248**
Expenditures, Reserves, and Transfers			
Operating	$167,378,320		$167,378,320
Debt Service	20,153,682		20,153,682
Schools - Operations	44,206,870		44,206,870
Schools - Operations (One-Time Funding)	0	661,354	661,354
Greater Lynchburg Transit Company (GLTC) - City Operating	1,879,308		1,879,308
Transfers to Other Funds	2,803,872	(900,000)	1,903,872
External Service Providers	10,732,292		10,732,292
Addition to Reserve: Law Library	2,900		2,900
Addition to Reserve: Recreation Programs	102,525		102,525
Addition to Reserve: Public Safety Building	53,994		53,994
Addition to Reserve: General Fund Reserve for Contingencies	1,200,000		1,200,000
Transfer to School Capital Projects Fund	1,645,222	(661,354)	983,868
Transfer to City Capital Projects Fund	9,082,528	(415,265)	8,667,263
Total Expenditures, Reserves, and Transfers	**$259,241,513**	**($1,315,265)**	**$257,926,248**

Fund Balance

With the adjustments noted above, the Unassigned General Fund Balance as of June 30, 2027 is projected to be $24,373,605 or 10.0% of revenues. City Council’s target for Unassigned General Fund Balance is a minimum of 10% of General Fund revenues with a goal of 15% as the City strives to grow incrementally each year subject to revenues available.

Schools - Operations (One-Time Funding)

Addition of $661,354 for Schools - Operations (One-Time Funding) using General Fund one-time funds previously planned for Schools Capital pay-as-you-go projects in the Proposed FY 2027 Budget; this realignment was provided by Lynchburg City Schools.

Fleet Services Fund

The Fleet Services Fund has been amended to reduce the Transfer from General Fund by $900,000, offset by an increase of Bond Proceeds of $900,000, resulting in a net-zero amendment.

Community Development Block Grant (CDBG) Fund

The Community Development Block Grant (CDBG) Fund has been amended by $18,852 to reflect the final entitlement amount.

HOME Investment Partnerships Program Fund

The HOME Investment Partnerships Program Fund has been amended by $4,235 to reflect the final entitlement amount.

City Capital Projects Fund

The City Capital Projects Fund has been amended to reduce the General Fund - Transfer to City Capital Projects Fund by $415,265.

Schools Capital Projects Fund

The Schools Capital Projects Fund has been amended to reduce the General Fund - Transfer to

Schools Capital Projects Fund by $661,354, realigning funds proposed for FY 2027 Schools Capital pay-as-you-go projects to one-time Schools - Operations (One-Time Funding) items as provided by Lynchburg City Schools.

PRIOR ACTION(S)

March 26, 2026:	City Manager introduced the Proposed FY 2027 Budgets for General, Schools, Water, Sewer, Stormwater, Airport, Medical Insurance, Fleet Services, and Other Funds, and the FY 2027 - 2031 Capital Improvement Program
April 3, 2026:	City Council Budget Retreat
April 14, 2026:	1. City Council and GLTC Board, Joint Meeting 2. City Council and City Schools, Joint Meeting
April 23, 2026:	1. Water Resources Rate Increase Public Hearing 2. FY 2027 Proposed Budget Public Hearing
April 28, 2026:	City Council Budget Work Session, FY 2027 Budget (continued)
May 12, 2026:	City Council Meeting, FY 2027 Budget - First Reading

FISCAL IMPACT

As noted in budget ordinances.

CONTACT(S)

Wynter Benda, City Manager
Gregory Patrick, Deputy City Manager
Donna Witt, Chief Financial Officer

ATTACHMENT(S)

1. Details of Budget Decisions FY 2027

REVIEWED BY

D. S. Witt

Date: May 19, 2026

Donna Witt, Chief Financial Officer

Date: May 21, 2026

Gregory Patrick, Deputy City Manager

Alicia Finney-Andrews

Alicia Finney-Andrews, Clerk of Council

Date: May 21, 2026

BALANCING THE FY 2027 GENERAL FUND BUDGET

	Revenues and Use of Fund Balance
$247,116,050	**Proposed Revenues *(from the FY 2027 City Manager's Proposed Operating Budget)***
12,125,463	**Use of Fund Balance, Committed/Assigned Fund Balance, and Other**
$259,241,513	**Total Proposed Revenues and Use of Fund Balance**
Increase/(Decrease)	*Adjustments: Revenue Summary*
	Non-dedicated Revenue Adjustments
($1,550,000)	Motor Vehicle License fees waived for FY 2027
	Dedicated Revenue Adjustments
$650,000	State Categorical Aid adjustments to waive Motor Vehicle License fees for FY 2027
(2,480,000)	Trash Collection fees waived for FY 2027
($3,380,000)	*Total Adjustments: Non-dedicated and Dedicated Revenues*
	Use of Fund Balance, Committed/Assigned Fund Balance, and Other
$1,726,735	Use of Debt Service Reserve to waive Trash Collection fees for FY 2027
753,265	Use of Fund Balance to waive Trash Collection fees for FY 2027
(415,265)	Use of Fund Balance for one-time capital expenditures
$2,064,735	*Total Adjustments: Use of Fund Balance, Committed/Assigned Fund Balance, and Other*
($1,315,265)	*Total Adjustments: Revenue Summary*
$257,926,248	**Revised Revenues and Use of Fund Balance**
	Expenditures, Reserves, and Transfers
$259,241,513	**Proposed Expenditures, Reserves, and Transfers *(from the FY 2027 City Manager's Proposed Operating Budget)***
Increase/(Decrease)	*Adjustments: Expenditures, Reserves, and Transfers*
661,354	Schools - Operations (One-Time Funding) - Add one-time funding for Schools operating needs for FY 2027
($900,000)	Transfers to Other Funds - Reduce transfer to Fleet Fund due to use of bond proceeds to waive Motor Vehicle License fees for FY 2027
(661,354)	Transfers to Capital Funds - Reduce transfer to Schools Capital Projects Fund to use one-time funding for operating needs for FY 2027
(415,265)	Transfers to Capital Funds - Reduce transfer to City Capital Projects Fund
($1,315,265)	*Total Adjustments: Expenditures, Reserves, and Transfers*
$257,926,248	**Revised Expenditures, Reserves, and Transfers**
$0	**Balance of Revised Revenues, Use of Fund Balance, and Expenditures**

City Council
Agenda Item VI.16.
Action

AGENDA ITEM SUMMARY

MEETING DATE	PRESENTED BY
May 26, 2026	Wynter Benda, City Manager

AGENDA ITEM # VI.16

First Reading on the adoption of the FY 2027 Water Fund and Stormwater Fund Operating Budgets:

RECOMMENDATION

Db) Adopt and Appropriate the FY 2027 Water and Stormwater Funds Operating Budgets.

SUMMARY

This ordinance reflects the following adjustments from the City Manager's Proposed Budget.

PRIOR ACTION(S)

May 12, 2026: City Council Meeting, FY 2027 Budget - First Reading; denial of Water and Stormwater Rate Increase

FISCAL IMPACT

As noted in budget ordinance.

CONTACT(S)

Wynter Benda, City Manager
Gregory Patrick, Deputy City Manager
Donna Witt, Chief Financial Officer

ATTACHMENT(S)

None

REVIEWED BY

D - s. Witt

Donna Witt, Chief Financial Officer

Date: May 21, 2026

APPROVED AS TO FORM:
City Attorney/Designee

Date: May 21, 2026

Matthew Freedman, City Attorney

Date: May 21, 2026

Gregory Patrick, Deputy City Manager

Date: May 21, 2026

Alicia Finney-Andrews, Clerk of Council

City Council
Agenda Item IV.6.
Action

AGENDA ITEM SUMMARY

MEETING DATE	PRESENTED BY
June 9, 2026	Timothy Mitchell, Director of Water Resources

AGENDA ITEM # IV.6

Consideration of adopting Ordinance #O-26-___ increasing the Water and Stormwater Rates.

RECOMMENDATION

Upon conclusion of the Public Hearing adopt the proposed Water and Stormwater rate increases.

SUMMARY

On April 23, 2026, the ordinance to adopt the proposed Water and Stormwater rates for FY 2027 was not approved by City Council. At the May 26, 2026 Work Session, Council discussed the Water and Stormwater Funds' proposed budgets and at the Regular meeting on the same date, had a first reading of said Funds' FY 2027 Operating budgets. During the discussion, Council determined it would like to hold a public hearing to revisit the rates proposed for Water and Stormwater for FY 2027.

PRIOR ACTION(S)

April 23, 2026: Special Called Meeting, Public Hearing - Water and Stormwater Rate Increases
May 12, 2026: Regular Meeting, City Council voted not to approve the proposed rate increases.
May 26, 2026: Regular Meeting, City Council requested to hold another public hearing on Water and Stormwater Rates in order to revisit the rate discussion.

FISCAL IMPACT

CONTACT(S)

Timothy Mitchell, Director of Water Resources

ATTACHMENT(S)

1. Proposed Ordinance - Water and SWM Rate Increases (Final)

REVIEWED BY

Date: June 04, 2026

Timothy Mitchell, Director of Water Resources

Date: June 04, 2026

Gregory Patrick, Deputy City Manager

Date: June 04, 2026

Alicia Finney-Andrews, Clerk of Council

City Council
Agenda Item VI.14.
Action

AGENDA ITEM SUMMARY

MEETING DATE	PRESENTED BY
June 9, 2026	Wynter Benda, City Manager

AGENDA ITEM # VI.14

Second Reading on the adoption of the FY 2027 Discretionary External Service Providers Budget and Water and Stormwater Funds Operating Budgets.

RECOMMENDATION

C) Consideration of ratifying the adoption of Ordinance #O-26-045 by at least a two-thirds majority vote and adopting and appropriating the FY 2027 Discretionary External Service Providers Budget; Db) Adopt and Appropriate the FY 2027 Water and Stormwater Funds Operating Budgets.

SUMMARY

The May 26, 2026 Consent Agenda that included the FY 2027 Discretionary External Service Providers Budget passed with a 4-3 vote. However, Ordinance #O-26-045 requires a two – thirds majority vote (five of seven) to adopt.

The second reading for Water and Stormwater Operating budgets, including adjustments to Ordinance #O-26-046b, will follow the public hearing and vote on Water and Stormwater rate increases.

PRIOR ACTION(S)

March 26, 2026:	City Manager introduced the Proposed FY 2027 Budgets for General, Schools, Water, Sewer, Stormwater, Airport, Medical Insurance, Fleet Services, and Other Funds, and the FY 2027 - 2031 Capital Improvement Program
April 3, 2026:	City Council Budget Retreat
April 14, 2026:	1. City Council and GLTC Board, Joint Meeting 2. City Council and Lynchburg City School Board, Joint Meeting
April 23, 2026:	1. Water Resources Rate Increase Public Hearing 2. FY 2027 Proposed Budget Public Hearing
April 28, 2026:	City Council Budget Work Session, FY 2027 Budget (continued)
May 12, 2026:	City Council Meeting, FY 2027 Budget - First Reading; City Council voted not to approve the proposed Water and Stormwater Rate Increases
May 26, 2026:	City Council Meeting, Adoption of the FY 2027 Operating (excluding Discretionary External Service Providers, Water Fund, and Stormwater Fund) and Capital Budgets

City Council Meeting, FY 2027 Budget - Second Reading on the Discretionary External Service Providers Budget (Consent Agenda)
City Council Meeting, FY 2027 Budget - First Reading on the Water Fund and Stormwater Fund Operating Budgets
June 9, 2026: Water and Stormwater Rate Increases Public Hearing

FISCAL IMPACT

As noted in budget ordinances.

CONTACT(S)

Wynter Benda, City Manager
Gregory Patrick, Deputy City Manager
Donna Witt, Chief Financial Officer

ATTACHMENT(S)

None

REVIEWED BY

Donna Witt, Chief Financial Officer — Date: June 04, 2026

Gregory Patrick, Deputy City Manager — Date: June 04, 2026

Alicia Finney-Andrews, Clerk of Council — Date: June 04, 2026

ORDINANCE: **#O-26-044**

BE IT ORDAINED that by majority vote of City Council the FY 2027 General Fund Operating Budget (excluding Discretionary External Service Providers and Schools Operating Budget), including the revenues and expenditures proposed by the City Manager and revised by the City Council, be adopted as the annual operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2026 and ending June 30, 2027 and said funds be appropriated as follows:

GENERAL FUND REVENUES	
Non-Dedicated Revenues	
General Property Taxes	$109,885,472
Other Local Taxes	71,144,579
Permits, Fees, and Regulatory Licenses	1,013,220
Fines and Forfeitures	303,000
Revenue from Use of Money and Property	3,011,340
Charges for Services	5,368,276
Miscellaneous	398,700
Commonwealth for State Non-Categorical Aid	6,368,584
Dedicated Revenues	
Permits, Fees, and Regulatory Licenses	257,000
Charges for Services	4,129,242
Recreation Revenue	406,000
Miscellaneous	3,805,464
Revenue from the Commonwealth	
Categorical Aid for State Shared Expenditures	4,554,506
State Categorical Aid	22,236,654
Revenue from the Federal Government	10,854,013
Transfers from Other Funds	51,055
Use of Committed/Assigned Fund Balance and Other	4,673,393
Use of (Addition to) Unassigned Fund Balance	9,465,750
Total	**$257,926,248**

GENERAL FUND EXPENDITURES	
General Government	$19,428,764
Judicial Administration	7,785,333
Public Safety	60,033,908
Public Works	28,900,175
Health and Human Services	29,011,286
Parks, Recreation, and Cultural	6,642,005
Community Development	6,897,465
Non-Departmental	8,679,384
Transfers to Other Funds	1,903,872
Debt Service - General Fund	12,374,829
Debt Service - Schools	7,778,853
Reserves	1,359,419
Transfer to City Capital Projects Fund	8,667,263
Transfer to Schools Capital Projects Fund	983,868
Subtotal	**$200,446,424**
Component Units	
Lynchburg City Schools - Local - Operating [1]	44,206,870
Lynchburg City Schools - Local - Operating (One-Time Funding) [1]	661,354
Greater Lynchburg Transit Company - Local Operating	1,879,308
External Service Providers - Mandated	9,890,374
External Service Providers - Contractual	776,918
External Service Providers - Discretionary [1]	65,000
Total	**$257,926,248**

[1] *To be considered separately.*

Introduced: May 12, 2026 Adopted: May 26, 2026

Certified: Alicia Finney-Andrews
Clerk of Council

ORDINANCE: **#O-26-045**

BE IT ORDAINED that by two – thirds majority vote (five of seven) of City Council the FY 2027 Discretionary External Service Providers Budget of $65,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2026 and ending June 30, 2027 and said funds be appropriated as follows:

DISCRETIONARY

Central Virginia Alliance for Community Living	$25,000
Impact Living Services - Impact First Responders	40,000
TOTAL DISCRETIONARY	**$65,000**

Introduced: May 12, 2026 Adopted: June 9, 2026

Certified: Alicia Finney-Andrews
Clerk of Council

ORDINANCE: **#O-26-066**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That Ordinance #O-26-045, Introduced with a 7-0 (Yes – No) majority vote of the City Council on May 12, 2026 and Adopted with a 4-3 (Yes – No) majority vote (versus the required two-thirds majority vote) of the City Council on May 26, 2026, is hereby ratified and re-approved by at least a two-thirds majority (five of seven) vote of the City Council.

2. That, as provided in Ordinance #O-26-045, the FY 2027 Discretionary External Service Providers Budget of $65,000 proposed by the City Manager is hereby adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2026 and ending June 30, 2027 and said funds are hereby appropriated as follows:

DISCRETIONARY	
Central Virginia Alliance for Community Living	$25,000
Impact Living Services - Impact First Responders	40,000
TOTAL DISCRETIONARY	**$65,000**

Adopted: June 9, 2026

Certified: Alicia Finney-Andrews
Clerk of Council

ORDINANCE: **#O-26-046a**

BE IT ORDAINED that by majority vote of City Council the FY 2027 budgets of the funds mentioned herein be adopted for the purposes herein mentioned and said funds be appropriated from the funds and resources of the City of Lynchburg for the fiscal year beginning July 1, 2026 and ending June 30, 2027 as follows:

MEDICAL INSURANCE FUND REVENUES	
Charges for Service	$18,994,148
Use of (Addition to) Unassigned Fund Balance	0
Total	**$18,994,148**

MEDICAL INSURANCE FUND EXPENDITURES	
Operations	$18,994,148
Total	**$18,994,148**

FLEET SERVICES FUND REVENUES	
Revenues	$13,405,506
Use of (Addition to) Unassigned Fund Balance	0
Total	**$13,405,506**

FLEET SERVICES FUND EXPENDITURES	
Operations	$12,347,542
Debt Service	1,057,964
Total	**$13,405,506**

AIRPORT FUND REVENUES	
Revenue from Cost Centers	$3,594,193
Interest and Other	286,000
Use of (Addition to) Unassigned Fund Balance	(96,936)
Total	**$3,783,257**

AIRPORT FUND EXPENDITURES	
Operations	$3,613,532
Debt Service	169,725
Total	**$3,783,257**

~~WATER FUND REVENUES~~	
~~Charges for Service~~	~~$17,968,345~~
~~Water Contracts (Amherst/Bedford/Campbell/Industrial)~~	~~2,713,080~~
~~Interest and Other~~	~~378,500~~
~~Use of (Addition to) Unassigned Fund Balance~~	~~54,357~~
~~**Total**~~	~~**$21,114,282**~~

~~WATER FUND EXPENDITURES~~	
~~Operations~~	~~$15,227,886~~
~~Debt Service~~	~~5,066,396~~
~~Transfer to Water Capital Fund~~	~~820,000~~
~~**Total**~~	~~**$21,114,282**~~

SEWER FUND REVENUES	
Charges for Services	$27,118,269
Sewer Contracts (Amherst/Bedford/Campbell/Industrial)	6,158,662
Interest and Other	783,711
Use of (Addition to) Unassigned Fund Balance	2,624,249
Total	**$36,684,891**

SEWER FUND EXPENDITURES	
Operations	$20,468,116
Debt Service	9,316,775
Transfer to Sewer Capital Fund	6,900,000
Total	**$36,684,891**

~~STORMWATER FUND REVENUES~~	
~~Charges for Services~~	~~$4,718,260~~
~~State Categorical Aid~~	~~275,000~~
~~Interest and Other~~	~~66,500~~
~~Use of (Addition to) Unassigned Fund Balance~~	~~493,101~~
~~**Total**~~	~~**$5,552,861**~~

~~STORMWATER FUND EXPENDITURES~~	
~~Operations~~	~~$4,206,105~~
~~Debt Service~~	~~746,756~~
~~Transfer to Stormwater Capital Fund~~	~~600,000~~
~~**Total**~~	~~**$5,552,861**~~

CITY/FEDERAL/STATE AID FUND REVENUES	
Revenue from the Federal Government	$2,002,400
Revenue from the Commonwealth	2,048,891
Other	1,039,245
In-Kind	20,150
Opioid Abatement Funds	62,560
Transfer from General Fund	282,409
Use of (Addition to) Unassigned Fund Balance	51,055
Total	**$5,506,710**

CITY/FEDERAL/STATE AID FUND EXPENDITURES	
Operations	$5,455,655
Transfer to General Fund	51,055
Total	**$5,506,710**

COMMUNITY DEVELOPMENT BLOCK GRANT REVENUES	
Federal Entitlement	$769,831
Total	**$769,831**

COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES	
Operations	$769,831
Total	**$769,831**

CHILDREN'S SERVICES ACT FUND REVENUES	
Revenue from the Commonwealth	$6,667,909
Contribution from the General Fund	2,575,950
Contribution from Lynchburg City Schools	196,541
Miscellaneous	59,600
Total	**$9,500,000**

CHILDREN'S SERVICES ACT FUND EXPENDITURES	
Operations	$9,500,000
Total	**$9,500,000**

HOME INVESTMENT TRUST FUND REVENUES	
Federal Entitlement	$324,753
Total	**$324,753**

HOME INVESTMENT TRUST FUND EXPENDITURES	
Operations	$324,753
Total	**$324,753**

LYNCHBURG EXPRESSWAY APPEARANCE FUND (LEAF) REVENUES

Use of (Addition to) Unassigned Fund Balance	$75,000
Total	**$75,000**

LYNCHBURG EXPRESSWAY APPEARANCE FUND (LEAF) EXPENDITURES

Operations	$75,000
Total	**$75,000**

REGIONAL JUVENILE DETENTION CENTER FUND REVENUES

Charges for Services	$2,633,919
Intergovernmental	1,241,140
Total	**$3,875,059**

REGIONAL JUVENILE DETENTION CENTER FUND EXPENDITURES

Operations	$3,865,049
Debt Service	10,010
Total	**$3,875,059**

RISK MANAGEMENT FUND REVENUES

Charges for Services	$2,248,235
Use of (Addition to) Unassigned Fund Balance	0
Total	**$2,248,235**

RISK MANAGEMENT FUND EXPENDITURES

Operations	$371,630
Insurance and Claims	1,876,605
Total	**$2,248,235**

SPECIAL WELFARE FUND REVENUES

Donations and Restitutions	$69,324
Interest	1,200
Total	**$70,524**

SPECIAL WELFARE FUND EXPENDITURES

Operations	$70,524
Total	**$70,524**

TECHNOLOGY FUND REVENUES

Use of Money and Property	$60,000
Transfer from General Fund	343,641
Use of (Addition to) Unassigned Fund Balance	555,171
Total	**$958,812**

TECHNOLOGY FUND EXPENDITURES

Operations	$801,612
Capital Outlay	157,200
Total	**$958,812**

Introduced: May 12, 2026

Adopted: May 26, 2026

Certified: ______________________
Clerk of Council

ORDINANCE: **#O-26-046b**

BE IT ORDAINED that by majority vote of City Council the FY 2027 budgets of the funds mentioned herein be adopted for the purposes herein mentioned and said funds be appropriated from the funds and resources of the City of Lynchburg for the fiscal year beginning July 1, 2026 and ending June 30, 2027 as follows:

WATER FUND REVENUES		
Charges for Service	~~$17,443,215~~	$17,968,345
Water Contracts (Amherst/Bedford/Campbell/Industr	~~2,713,080~~	2,713,080
Interest and Other	~~378,500~~	378,500
Use of (Addition to) Unassigned Fund Balance	~~137,687~~	54,357
Total	**~~$20,672,482~~**	**$21,114,282**

WATER FUND EXPENDITURES		
Operations	~~$15,034,086~~	$15,227,886
Debt Service	~~4,818,396~~	5,066,396
Transfer to Water Capital Fund	~~820,000~~	820,000
Total	**~~$20,672,482~~**	**$21,114,282**

STORMWATER FUND REVENUES		
Charges for Services	~~$4,502,410~~	$4,718,260
State Categorical Aid	~~275,000~~	275,000
Interest and Other	~~66,500~~	66,500
Use of (Addition to) Unassigned Fund Balance	~~512,851~~	493,101
Total	**~~$5,356,761~~**	**$5,552,861**

STORMWATER FUND EXPENDITURES		
Operations	~~$4,070,005~~	$4,206,105
Debt Service	~~686,756~~	746,756
Transfer to Stormwater Capital Fund	~~600,000~~	600,000
Total	**~~$5,356,761~~**	**$5,552,861**

Introduced: May 26, 2026

Adopted: June 9, 2026

Certified: Alicia Finney-Andrews

Clerk of Council

ORDINANCE: **#O-26-047**

BE IT ORDAINED that by majority vote of City Council the FY 2027 Schools Operating Budget, including the revenues and expenditures proposed by the City Manager and revised by Lynchburg City Schools, is hereby adopted and said funds be appropriated therein for the fiscal year beginning July 1, 2026 and ending June 30, 2027 pursuant to Sections 22.1-94 and 22.1-115 of the Code of Virginia, 1950, as amended, said funds be appropriated by major classification as follows:

SCHOOLS REVENUES		**SCHOOLS EXPENDITURES BY MAJOR CLASSIFICATION**	
State	$79,552,806	Instruction	$88,191,176
Federal	880,000	Administration, Attendance and Health	9,187,724
City of Lynchburg - Local - Operating	44,206,870	Pupil Transportation	8,029,476
City of Lynchburg - Local - Operating (One-Time Funding)	661,354	Operation and Maintenance	14,908,378
Miscellaneous	922,500	School Food Services and Other Noninstructional Operations	55,656
		Facilities	20,275
		Debt and Fund Transfers	0
		Technology	5,830,845
		Contingency Reserves	0
Total	**$126,223,530**	**Total**	**$126,223,530**

Introduced: May 12, 2026 Adopted: May 26, 2026

Certified:
Clerk of Council

ORDINANCE: **#O-26-048**

BE IT ORDAINED that by majority vote of City Council the FY 2027 - 2031 Capital Improvement Program is hereby adopted and the FY 2027 Capital Budget proposed by the City Manager and revised by the City Council, is hereby adopted and said funds be appropriated therein from the funds and resources of the City of Lynchburg for the fiscal year beginning July 1, 2026 and ending June 30, 2027 in the total amount of $48,863,276 for the City Capital Projects Fund, $30,983,868 for the Schools Capital Projects Fund, $2,000,000 for the Airport Capital Projects Fund, ~~$44,369,000~~ $12,985,400 for the Water Capital Projects Fund, $28,055,100 for the Sewer Capital Projects Fund, and ~~$1,400,000~~ $100,000 for the Stormwater Capital Projects Fund.

Introduced: May 12, 2026 Adopted: May 26, 2026

Certified: Alicia Finney-Andrews
Clerk of Council

ORDINANCE: **#O-26-049**

BE IT ORDAINED that by majority vote of City Council $50,000 of the FY 2027 Reserve for Contingencies funding is appropriated for use by the City Manager for the fiscal year beginning July 1, 2026 through June 30, 2027.

Introduced: May 12, 2026 Adopted: May 26, 2026

Certified: Alicia Finney-Andrews
Clerk of Council

ORDINANCE: **#O-26-050**

BE IT ORDAINED that by majority vote of City Council in accordance with Section 58.1-3524 of the Code of Virginia, 1950, as amended, the personal property tax relief rate for the calendar year beginning January 1, 2026 through December 31, 2026 shall be set at 31.50%. This Ordinance shall apply retroactively as of January 1, 2026.

Adopted: May 12, 2026

Certified: Alicia Finneys-Andrews
Clerk of Council

ORDINANCE: **#O-26-051**

AN UNCODIFIED ORDINANCE TO PROHIBIT THE CHARGING AND COLLECTION OF DISPOSAL FEES FOR THE ENTIRETY OF FISCAL YEAR 2027, WITH SUCH PROHIBITION BEING SPECIFIC TO CITY TRASH COLLECTION SERVICE FOR SINGLE WASTE CONTAINERS IN COMPLIANCE WITH THE LYNCHBURG CITY CODE

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That no disposal fees for city trash collection service will be charged and collected by the City of Lynchburg, Virginia (City) for the entirety of Fiscal Year 2027 as to trash collections connected to a single waste container in compliance with the Lynchburg City Code. City disposal fees for city trash collection service for second, third, and/or additional waste containers, as well as for prepaid plastic trash bags (i.e. 'blue bags') authorized by the City, shall remain in full force and effect during Fiscal Year 2027.

2. That any delinquent trash collection service fees/interest/penalties/etc. to be paid to and collected by the City pursuant to Chapter 21.2 of the Code of the City of Lynchburg, 1981, existing prior to the effective date of this Ordinance, shall not be affected by this Ordinance, and may still be collected and pursued in accordance with the policies and procedures of the City and/or other applicable laws.

3. That this Ordinance shall be effective on July 1, 2026, and expire on June 30, 2027.

Adopted: May 12, 2026

Certified: Alicia Finney-Andrews
Clerk of Council

ORDINANCE: **#O-26-052**

AN UNCODIFIED ORDINANCE TO PROHIBIT THE CHARGING AND COLLECTION OF CITY MOTOR VEHICLE LICENSE FEES FOR THE ENTIRETY OF FISCAL YEAR 2027

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That no motor vehicle license fees will be charged and collected by the City of Lynchburg, Virginia (City) for the entirety of Fiscal Year 2027.

2. That any delinquent motor vehicle license fees/interest/penalties/etc. to be paid to and collected by the City pursuant to §§ 36-127 *et. seq.* of Division 4 of Article II of Chapter 36 of the Code of the City of Lynchburg, 1981, existing prior to the effective date of this Ordinance, shall not be affected by this Ordinance, and may still be collected and pursued in accordance with the policies and procedures of the City and/or other applicable laws.

3. That this Ordinance shall be effective on July 1, 2026, and expire on June 30, 2027.

Adopted: May 12, 2026

Certified: Alicia Finney-Andrews
Clerk of Council