ORDINANCE: **#O-26-061**

AN ORDINANCE TO AMEND AND REENACT THE CODE OF THE CITY OF LYNCHBURG, 1981, BY (I) AMENDING SECTION 16.3-5 OF CHAPTER 16.3 OF SUCH CODE; (II) AMENDING SECTION 39-54.1 OF ARTICLE III OF CHAPTER 39; AND (III) MAKING A TECHNICAL CLARIFICATION TO TWO PRIOR RELATED ORDINANCES; WITH SUCH AMENDMENTS BEING RELATED TO INCREASES TO THE WATER RATES AND STORMWATER FEES BEING CHARGED IN THE CITY OF LYNCHBURG

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

1. That Section 16.3-5 of Chapter 16.3 of the Code of the City of Lynchburg, 1981, be and the same is hereby amended and reenacted as follows:

Sec. 16.3-5. Assessment of stormwater utility charge.

Adequate revenues shall be generated to provide for a balanced operating and capital improvement budget for the stormwater utility by setting sufficient levels of utility fees. Income from utility fees shall not exceed actual costs incurred in providing the services and facilities described in section 16.3-4. Utility fees shall be charged to owners or occupants of all developed property in the city.

(a) Single-family unit (SFU) area established. The SFU area is hereby established to be 2,672 square feet of impervious surface area.

(b) The utility fee for each property shall be the SFU rate times the stormwater fee factor for each individual property.

(c) The SFU rate shall be ~~$5.15~~ $5.40 per month.

(d) The stormwater fee factor shall be as follows:

Property Type	Impervious Area on Property (in square feet)	Stormwater Fee Factor
Detached single-family residential	Less than 1,300	0.5
Detached single-family residential	1,301 to 4,300	1.0
Detached single-family residential	Greater than 4,301	1.6
Duplex	0.5 per unit	
Triplex, Quadplex, and Mobile Homes	0.7 per unit	
Condominiums and Townhomes	0.33 per unit	
Apartments or 5 or more units and all nonresidential property	As defined in 16.3-5(e)	
Undeveloped property	0.0	

(e) The stormwater fee factor for apartment properties of five or more units and for all nonresidential properties shall be equal to the impervious area of the property in square feet divided by the SFU area of 2,672 square feet, rounded to the nearest 0.1, except that the minimum factor shall be 1.0. For example, a nonresidential property of 10,000 square feet of impervious area shall have a stormwater fee factor of 10,000 divided by 2,672, or a stormwater fee factor of 3.7.

(f) The utility fee for unoccupied developed property, both residential and nonresidential, shall be the same as that for occupied property of the same class.

2. That references to “Chapter 16” in Ordinances #O-24-030 and #O-25-046 of this Council are hereby clarified and deemed to refer to “Chapter 16.3”.

3. That Section 39-54.1 of Article III of Chapter 39 of the Code of the City of Lynchburg, 1981, be and the same is hereby amended and reenacted as follows:

Sec. 39-54.1. Schedule of water rates.

The monthly water rates for all consumers within the city shall be ~~$3.45~~ $3.62 per h.c.f. of water used.

There shall be, in addition to any other charge, a monthly service charge of $3.69 plus $4.00 per equivalent meter factor per meter for a total monthly service charge as shown in the following table.

Meter Size	Monthly Account Charge	Meter Factor	Fee per Equivalent Meter Factor	Fee per Meter	Total Monthly Service Charge
⅝"	$3.69	1.0	$4.00	$4.00	$7.69
¾"	$3.69	1.5	$4.00	$6.00	$9.69
1"	$3.69	2.5	$4.00	$10.00	$13.69
1½"	$3.69	5.0	$4.00	$20.00	$23.69
2"	$3.69	8.0	$4.00	$32.00	$35.69
3"	$3.69	15.0	$4.00	$60.00	$63.69
4"	$3.69	30.0	$4.00	$120.00	$123.69
6"	$3.69	60.0	$4.00	$240.00	$243.69
8"	$3.69	90.0	$4.00	$360.00	$363.69
10"	$3.69	150.0	$4.00	$600.00	$603.69

4. That this Ordinance shall be effective on July 1, 2026.

Adopted: June 9, 2026

Certified: Alicia Finney-Andrews
Clerk of Council

THE CITY OF LYNCHBURG
OFFICE OF THE CITY MANAGER
900 Church Street
Lynchburg, VA 24504

March 26, 2026

The Honorable City Council
And Residents of Lynchburg, Virginia

Mayor Taylor, Vice Mayor Diemer, Members of City Council, and Lynchburg residents:

I present to you the Proposed Fiscal Year (FY) 2027 Operating Budget and FY 2027–2031 Capital Improvement Program (CIP) for the City of Lynchburg.

This year's budget is guided by a clear theme: **A Year of Maintenance, Momentum, and Celebration.**

Over the past several years, City Council and our community have made significant, generational investments in public safety, infrastructure, education, economic development, and quality of life. The *Proposed FY 2027 Budget* is a maintenance budget with no new citywide initiatives. Instead, it is intentionally focused on sustaining what we have built, protecting core services, and ensuring residents continue to see and feel the benefits of those investments.

In public safety, we opened a new Police Headquarters and will soon begin construction of Fire Station #9 in partnership with Liberty University. We launched the implementation of a $4.4 million SAFER grant to staff the new station with 21 fire and EMS positions. We strengthened public safety recruitment and retention efforts, resulting in significantly increased police applications and reduced vacancies. We also initiated and completed a transparent, community-driven national search for the Chief of Police. And, we are now beginning the same effort for hiring the next Fire Chief.

In infrastructure and core services, we advanced the Blackwater CSO Tunnel—the largest capital project in Lynchburg's history—protecting local waterways and the James River. We restarted the Route 501/221 One-Way Pairs Improvement Project, completed key neighborhood upgrades such as the Richland Hills sewer extension, began the development of a long-term refuse strategy, and earned national recognition for excellence in fleet management. By using one-time funds in the Greater Lynchburg Transit Company (GLTC) Reserve, the FY 2027 budget proposes to address current transit needs and initiate a comprehensive multi-modal transportation plan that includes evaluating existing bus routes and future mobility options.

This past year marked significant progress in strengthening Lynchburg's economic competitiveness and regional connectivity. We announced new United Express jet service to Chicago O'Hare and Washington Dulles, strengthening business and tourism connectivity. We celebrated major expansions at Framatome, Delta Star, and Centra; secured more than $4 million in state funding for Ivy Creek Innovation Park; and finalized an operating partnership that will transform Riverfront Park's amphitheater into a regional destination.

We continued to invest in lifelong learning and quality of life. Support for Lynchburg City Schools is at its highest level, including enhanced teacher compensation and capital improvements. We advanced redevelopment planning for White Rock Elementary School, opened the Kiwanis Centennial Riverfront Playground, improved parks and trail connectivity, opened a new library branch, and expanded literacy outreach through a new Bookmobile through a partnership with the Friends of the Library.

Organizationally, we maintained disciplined fiscal stewardship. In the past year alone, we implemented a cost-of-living adjustment, continued strategic compensation investments, consolidated IT and Communications functions for greater efficiency, and were recognized again as a Top Digital City. We navigated federal uncertainty while protecting critical Human Services operations and enhanced tools for property maintenance and development responsiveness.

The annual budget process is continuous and deliberate. Beginning in November, departments were instructed to submit a budget request within a maximum allocation reflecting the *Adopted FY 2026 Budget* with allowances for internal service charges as well as the increase for health insurance and the cost of living adjustment adopted by City Council in FY 2026. As always, we evaluated revenue projections, monitored economic conditions, and balanced operational needs with long-term capital planning.

Like households and businesses, the City continues to experience inflationary pressures in healthcare and contractual services. Even in this environment, the *Proposed FY 2027 Budget* maintains core services, protects public safety and education, and delivers excellent everyday municipal services without launching new initiatives.

FY 2027 is not a pause—it is a commitment to stewardship. It is a year to cut ribbons, open doors, and celebrate projects years in the making, including the groundbreaking of Fire Station #9 this summer. It is a year to enjoy the city we have worked together to build.

The following pages provide an overview of the FY 2027 Operating Budget and Capital Improvement Program, including budget development, general fund revenues and expenditures, enterprise funds, and opportunities for public engagement.

The budget process now moves to City Council review, deliberation, and adoption. Residents are invited to participate in Budget Pop-Ups scheduled between April 16-18, 2026 at locations throughout the city. Public hearings on the Water and Stormwater Rates, and the *Proposed FY 2027 Budget* are scheduled for Thursday, April 23, 2026 beginning at 6:00 p.m. in Council Chambers.

A copy of the *Proposed FY 2027 Budget* is available for public review at the library hub located at the Miller Center, 301 Grove Street as well as on the City's website at www.lynchburgva.gov.

Respectfully submitted,

Wynter C. Benda
City Manager

The ***Proposed FY 2027 Operating Budget and Capital Improvement Program - All Funds*** includes the General, Medical Insurance, Fleet, Airport, Water, Sewer, Stormwater, and other minor funds as well as Component Units and the Capital Improvement Program and totals $620.7 million, an increase of $68.0 million, or 12.3%, compared to the *Adopted FY 2026 Operating Budget and Capital Improvement Program - All Funds.* This increase is primarily due to an increase in projects for the Capital Improvement Program (CIP) as well as the addition of the Medical Insurance Fund. The *FY 2027 – 2031 Capital Improvement Program - All Funds* totals $560.0 million with an FY 2027 investment of $158.0 million.

Budget Highlights

- Budget is structurally balanced where ongoing revenues meet ongoing expenditures
- Maintains Lynchburg's ability to provide expected everyday municipal services in an inflationary environment with no increase in tax rates
- Ongoing investment in workforce recruitment and retention:
  - continuing the pay progression plan for sworn police and firefighter positions
  - a two and a half percent cost of living adjustment for non-sworn personnel
  - local match for a two percent cost of living adjustment for Lynchburg City Schools, adopted by the General Assembly
- Rate increase in the Water and Stormwater Funds
- Capital investment in major infrastructure projects including:
  - school facility maintenance and infrastructure
  - renovation of multiple Fire Stations
  - continued transportation projects

Citizen Engagement

During the next several weeks, the City Manager will work with City Council to answer questions concerning the *Proposed FY 2027 Budget*. A series of Budget Pop-Ups will take place throughout the city to share with residents key components of the *Proposed FY 2027 Budget* and ways to engage. The Budget Public Hearing (April 23rd at 6:15 p.m. in City Hall) is perhaps the most important citizen engagement opportunity for the budget, allowing citizens and groups to express their views regarding the *Proposed FY 2027 Budget* in a formal setting. This provides City Council perspective from citizens and informs them about what is important to our residents. The Public Hearing for the Water and Stormwater Rates is scheduled for the same night at 6:00 p.m.

Budget Development

In November, Department Directors, Constitutional Officers, and Courts were instructed to submit a budget request within a maximum allocation that reflects the *Adopted FY 2026 Budget*. Allowances were made for updated internal service charges as well as the increase for health insurance and the cost of living adjustment adopted by City Council, which is budgeted in non-departmental until spread to departments after the beginning of the new fiscal year.

City Council Priorities

City Council has identified priorities to move Lynchburg forward. The following are City Council's identified budget initiatives and priorities:

Public Safety – Making Lynchburg Safer
Public Safety remains a critical function and priority of the City of Lynchburg. City Council Members have identified continued investment in Public Safety as a key City need.

Infrastructure – Improving the Built Environment
For decades, the City has developed a robust Capital Improvement Program that proactively invests in publicly-owned infrastructure. The CIP budget includes funding for a variety of critical infrastructure projects.

Lifelong Learning – Investing in People
The development and continued support of a strong public school system is critical to any city's long-term success. Outstanding public schools and lifelong learning opportunities attract people to our community, improves long-term wellbeing of our residents, and creates an environment dedicated to excellence.

Economic Development – Recruiting, Expanding and Retaining Businesses
A healthy local economy employs residents and drives long-term growth and resilience. With a focus on site development, transportation, and infrastructure, City Council prioritizes economic development initiatives.

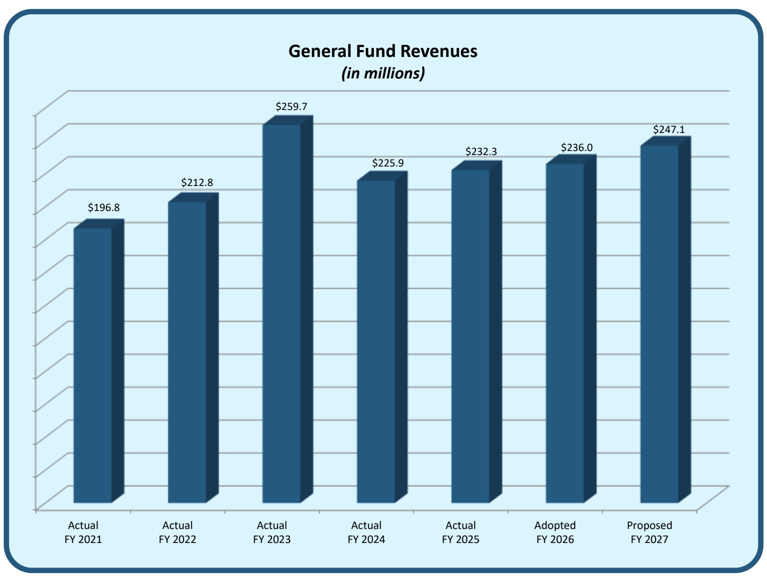
Quality of Life – Strengthening Community Ties
Quality of life means different things to different individuals, but almost all agree it includes opportunities to live in a safe, affordable, and thriving community. From health and wellness to parks, playgrounds, and trails, one of the most important – but perhaps least tangible – priorities of a prosperous city is an excellent quality of life.

General Fund

Revenues
Total FY 2027 General Fund revenues are projected to be $247.1 million, a 4.7% increase of approximately $11.1 million, compared to the *Adopted FY 2026 Budget.*

Non-dedicated revenues, or revenues that can be used at the City's discretion, are projected to total $199.0 million, a 3.8% increase of approximately $7.3 million over the *Adopted FY 2026 Budget*.

Dedicated revenues are specifically designated by the federal, state, or city government to be used for particular programs and include charges for services, fees, reimbursement for indirect costs from enterprise funds, federal and state categorical aid, and grants. Dedicated revenues in the *Proposed FY 2027 Budget* total $48.1 million, an 8.6% increase of $3.8 million over the *Adopted FY 2026 Budget*.



Major General Fund Revenues to support ongoing operating expenditures include the following categories:

Revenues from the **Real Property Tax** are projected to total $77.59 million, a 1.8% increase of $1.39 million above the *Adopted FY 2026 Budget* to account for new construction since the 2025 reassessment. This projection maintains the tax rate at $0.84.

Real Property Tax revenue projections also include related rehabilitation tax credits of $1,417,088 and tax relief for the elderly and disabled of $650,000.

The Assessor's Office projects the total real estate value of all property in the City of Lynchburg to be $12,039,000,000 in FY 2027, an increase of approximately $156,181,200 over the July 1, 2025 Land Book.

The total assessed value of taxable real property in the City is estimated to be $8,999,987,700. This is a $1.253 billion increase compared to the July 1, 2025 Land Book due to new construction. The value of tax-exempt property in the City has decreased slightly to 25.2% from 34.8%.

It should be noted the projected value of real estate is subject to change due to differences to the added value for new construction based on value-in-place as of July 1, 2026; in addition, new plats recorded before July 1, 2026 may change value estimates. The City has historically excluded real estate values provided by the State Corporation Commission and the Department of Taxation (for railroads, pipelines, electrical power, and communication companies) from Land Book values ($287,905,536).

For budget discussions, each penny on the Real Property Tax rate represents approximately $923,687 in revenue. This revenue source represents approximately 39% of General Fund non-dedicated revenues.

Personal Property Tax revenues are projected to be $32.5 million. The local share of the Personal Property Tax category totals $27.0 million, a 3.8% increase of approximately $1 million over the Adopted FY 2026, reflecting the higher value of vehicles.

The State Personal Property Tax Relief Act (PPTRA) reimbursement, accounted for as Non-Categorical Aid, is stable at $5.5 million. Tax bills are reduced by the City's projected reimbursement under the PPTRA from the State for qualified vehicles based on the first $20,000 of value. The City's PPTRA percentage for FY 2027 is 31.50% compared to 30.64% for Adopted FY 2026.

Local Sales and Use Tax revenues are projected at $23.8 million, a 4.4% increase of $1,000,000 compared to Adopted FY 2026 due to slight growth in the local economy reflecting inflation in the cost of goods.

Meals Tax revenues are projected at $21.7 million reflecting a 1.9% increase of $400,000 compared to Adopted FY 2026 reflecting the slight growth in the local economy and the increased cost of meals.

Consumer Utility Tax - Electric revenues are projected flat with Adopted FY 2026 at $3.5 million.

Lodging Tax revenues are projected at $4.2 million, a 2.4% increase of $100,000 compared to Adopted FY 2026, reflecting the slight growth in the local economy.

Communications Sales and Use Tax revenues are projected to be flat with Adopted FY 2026 at $2.0 million. This revenue continues to decline based on fewer landlines and depreciated equipment.

Unassigned General Fund Balance above 10% is proposed to be used for transfers to the City Capital Funds for projects in the Capital Improvement Program.

Expenditures
Total proposed expenditures, reserves, and transfers are $259.2 million, a 3.5% increase of $8.7 million compared to the *Adopted FY 2026 Budget*.

Following are highlights of major items, other than positions, proposed for funding in FY 2027:

- Fire
  - Lease for Fire Station #9 ($349,995)
- Non-departmental
  - 2.5% cost of living adjustment ($1,432,500)
  - Public Safety Targeted Progression ($900,000)
  - Transportation Contingency ($800,000)
  - Multi-Modal Transportation Planning ($500,000)
- City-Wide
  - Department Inflationary and Contractual ($1,038,957)
  - Self-Insurance ($118,373)
  - Fleet Internal Service Charges ($333,280)
- Transfers to City Capital Projects Fund ($9,082,528) and School Capital Projects Fund ($1,645,222)

Local Contribution to the Greater Lynchburg Transit Company (GLTC)
The *Proposed FY 2027 Budget* maintains funding at $1.9 million compared to the *Adopted FY 2026 Budget*.

Local Contribution to City Schools
Local funding of $52.0 million is proposed for Schools. Of this amount, $44.2 million is included for operations and $7.8 million for debt service. The Lynchburg City School Board submitted an operating budget request of $46.6 million, or an increase of $4.5 million over Adopted FY 2026.

In the *Proposed FY 2027 Budget* total appropriations for Schools operating, including all activities and funding sources (federal, state, local, use of reserves, and other miscellaneous sources), is estimated to be $125.6 million, an increase of $6.5 million over Adopted FY 2026. Grants total $14.7 million for FY 2027.

Debt Service

The City finances a large component of the Capital Improvement Program with general obligation bonds. In the *Proposed FY 2027 Budget*, funding in the amount of $20,153,682 is included for Debt Service for the City ($12,374,829) and Schools ($7,778,853). This funding represents an increase of $887,393, or 4.6%, compared to Adopted FY 2026.

Beginning in FY 2018, City Council began allocating funding for "on-time" debt financing to assist in addressing our long-term capital improvement needs, using a line of credit only as funds are needed for major capital projects. The line of credit is repaid on a structured schedule with a future issuance of general obligation bonds, only paying interest on the use of line of credit funds until projects are permanently financed with bonds. The *Proposed FY 2027 Budget* includes funding in the amount of $1,552,000 for interest related to "on-time" debt financing.

City Council's Debt Management Policy states, "annual debt service expenditures for tax-supported debt should not exceed 10% of total General Fund Expenditures plus School Component Unit Expenditures minus the General Fund Transfer to Schools." FY 2027 Debt Service as a percent of expenditures is projected to be 5.9%.

Reserves

The **General Fund Reserve for Contingencies** budgets for unspecified and unanticipated expenditures during the fiscal year. Consistent with City Council's financial management policy goal, $1.2 million is proposed for the FY 2027 General Fund Reserve for Contingencies.

Funds from the **Greater Lynchburg Transit Company (GLTC) Reserve** of $1.3 million in one-time funding is proposed for FY 2027 to address current transit needs and initiate a comprehensive multi-modal transportation plan that includes evaluating existing bus routes and future mobility options.

The **Schools Non-Closure Reserve** was established in FY 2025 in case Lynchburg City Schools needed funds to transition the use of their facilities. At this time these funds are no longer needed for their original purpose and $1.6 million of one-time funding is proposed for FY 2027 to assist with LCS facilities' maintenance projects that are unable to be debt funded.

Fund Balance

On January 24, 2023 City Council reaffirmed its Financial Management Policies, which strengthens the City's Unassigned Fund Balance. It should be noted these funds are only to be used in the event of a major emergency or other highly unusual unanticipated expenditure(s). Following are the key elements of this policy:

- 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% of General Fund revenues with a goal of 15% 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 (3) years.
- The City will balance moving towards the 15% targeted fund balance with its annual "Pay as you go" capital improvement requirements.

The *Proposed Budget* includes an 10% Unassigned General Fund Balance. The total Unassigned General Fund Balance in FY 2027 is projected to be $24,711,605. Funding in the amount of $9.1 million of the FY 2025 Unassigned General Fund Balance is proposed as transfers to the City and Schools Capital Funds for projects in the Capital Improvement Program.

Personnel Highlights

As with any service-based organization, the largest part of the City's operating budget is devoted to personnel costs: salaries, wages, and benefits. Although personnel costs make-up approximately 65.4% of departmental and non-departmental expenditures, individual departmental personnel costs can exceed 90% of expenditures.

A stable and proficient workforce is the cornerstone of effective service delivery to the community and the operating budget reflects the investment made in the City's employees. The foundation of the City's compensation philosophy rests on the goal of attracting and retaining employees who are qualified, competent, and representative of the community. We strive to offer pay and benefit levels that are competitive with the relevant labor market. Human Resources tracks recruitment and retention and regularly measures market competitiveness.

Our organizational talent is our most important asset in accomplishing our mission to deliver services to City residents, workers, businesses, and visitors in an efficient, effective, and equitable manner. This proposed budget includes a 2.5% cost of living adjustment and funds the sworn Public Safety progression pay plan.

There are no new positions proposed for FY 2027. However, the following full-time position changes were added by City Council after the FY 2026 Budget was adopted:

- State Positions
  - City Council adopted with first quarter adjustments by ordinance #O-25-067 on October 14, 2025 the following:
    - One full-time Deputy Clerk IV position (Circuit Court Clerk's Office)
    - Two full-time Attorney I positions (Commonwealth's Attorney Office)
    - One full-time Secretary position (Sheriff's Office)
- Human Services
  - City Council adopted by resolution #R-25-060 on September 9, 2025 the following for the Kinship Program:
    - One full-time Family Services Specialist IV position
  - City Council adopted by resolution #R-25-075 on October 28, 2025 the following for the Opioid Program:
    - One full-time Family Services Supervisor position
    - Two full-time Family Services Specialist I positions
    - One full-time Family Services Specialist IV position

The General Fund workforce supported by the *Proposed FY 2027 Budget* totals 1,172.96 Full-Time Equivalent (FTE) employees, comprised of 1,044.34 full-time classified, 33.63 part-time classified, 38.97 hourly, and 56.02 State-funded positions. The City's workforce in all funds totals 1,456.92 FTEs. This includes 1,270.94 full-time classified, 36.92 part-time classified, 48.89 grant funded, 44.15 hourly, and 56.02 State-funded positions.

Capital Improvement Program

The Capital Improvement Program section of this document provides a robust analysis of all capital projects, including multi-year and debt funded projects, planned for the next five years.

Historically, the City has applied a portion of Unassigned General Fund Balance above ten percent (10%) of General Fund Revenues to pay-as-you-go capital projects for maintenance projects or projects that do not qualify for bond funding. In FY 2027, the proposed pay-as-you-go funding from prior year Unassigned General Fund Balance is $9.1 million, compared with $9.0 million in FY 2026. A list of one-time (pay-as-you-go) capital projects recommended for funding in FY 2027 is listed below.

FY 2027 PROPOSED GENERAL FUND
PAY-AS-YOU-GO CAPITAL PROJECTS

City Capital	
Buildings	
Major Building Repairs and Improvements/Multiple Projects	$2,620,250
Parking Lot Repairs and Improvements/Multiple Projects	78,750
Public Library Renovation	1,400,000
Roof Replacement/Multiple Projects	31,750
Total Buildings	**$4,130,750**
Transportation	
General Street Improvements	$845,000
Retaining Wall Replacement/Repair Program	62,500
Total Transportation	**$907,500**
Economic Development	
Downtown Development	$100,000
Ivy Creek Innovation Park - Sites A and B Development	350,000
Property Toolkit	800,000
Street and Utility Extensions to Promote Economic Development	250,000
Total Economic Development	**$1,500,000**
Parks and Recreation	
Athletic Field Maintenance	$262,278
General Park Maintenance	315,000
Miller Park Playground Replacement	350,000
Parks and Trails Paving and Lighting	355,000
Total Parks and Recreation	**$1,282,278**
Miscellaneous	
Petroleum Storage	$50,000
Radio Replacement	750,000
Total Miscellaneous	**$800,000**
Reserves	
Fire Station #9 Maintenance Reserve	$62,000
Lynchburg City Stadium Capital Maintenance Reserve	150,000
Snow, Street, and Bridge Reserve	250,000
Total Reserves	**$462,000**
Total City Capital	**$9,082,528**
Schools Capital	
Civic Auditorium Improvements	$170,000
Electrical and Mechanical Reserve	250,000
Elementary Playground Modernization	250,000
Middle School Career and Technical Education Improvements	440,000
Paving and Fencing Improvements	220,000
Reserve for Facilities Maintenance Needs	115,222
School Nutrition Upgrades	200,000
Total Schools Capital	**$1,645,222**
TOTAL GENERAL FUND PAY-AS-YOU-GO	**$10,727,750**
FUNDING SOURCES	
Pay-As-You-Go: FY 2025 Unassigned General Fund Balance	$9,127,750
Committed Fund Balance Reserves: Schools Non-Closure	1,600,000
TOTAL FUNDING SOURCES	**$10,727,750**

Airport Fund

Lynchburg Regional Airport, owned and operated by the City of Lynchburg, is a full service commercial service airport offering a full array of aeronautical services including scheduled airline service, aircraft charter, aircraft maintenance and avionics, fuel services, flight training, aircraft storage, and emergency med-flight services. The Airport is budgeted as a separate Enterprise Fund to clearly delineate its financial operations. Airport expenditures are completely funded by Airport-generated revenues which will exceed expenditures for the 12th straight year. The Airport is projecting a FY 2027 operating surplus of $96,936 which will be earmarked to support future capital pay-as-you-go projects at the Airport.

Medical Insurance Fund

The Medical Insurance Fund is an internal service fund established for the self-insured health/dental/vision insurance program for all funds including active employees and eligible retirees. Rates and contributions are developed with the assistance of a third-party medical consultant based on projected costs, including claims, health insurance stop-loss premiums, and claims administration fees.

Fleet Services Fund

The Fleet Services Fund is an internal service fund that manages the City's fleet of over 780 vehicles and equipment. The Fleet Services Director works with staff from all departments that utilize fleet assets.

The *Proposed FY 2027 Budget* recommends replacing 37 vehicles and assorted equipment in the General Fund, including one (1) Support/Rescue and two (2) Ambulances at a cost of $2.42 million. There will be seven (7) vehicles replaced across the Water, Sewer, and Stormwater Funds. The total cost of vehicle and equipment replacements in FY 2027 will be $6.37 million, a decrease of $1,895,117 from Adopted FY 2026.

Water Resources

Water Fund

The City's water system is known for the quality of its product. The Water Resources Department has received the Excellence in Waterworks Operations and Performance Award from the Virginia Department of Health for nineteen straight years for continuously producing drinking water that is three times cleaner than the Environmental Protection Agency (EPA) requires. The City's water system is characterized as having very low water rates. As of July 1, 2025, Lynchburg's water bill for an average domestic customer is 68% lower than the state average or $17.85 less per month for a typical household. In addition to serving approximately 24,000 City accounts, water is sold by contract to the counties of Amherst, Bedford, and Campbell and to two large industrial customers.

WATER FUND HIGHLIGHTS

- *Increase water volume rate from $3.45/hcf to $3.62/hcf as proposed*
- *Compliance requirements for Lead and Copper in water service lines*
- *Critical upgrades and equipment replacements for Abert Water Filtration Plant*

The most significant challenges for the Water Fund include: the need to replace and renew aging and undersized waterlines and compliance with the EPA's revised Lead and Copper Rule. Much of the water system is already over 100 years old. The Department of Water Resources is currently working on a water system master plan that prioritizes waterline replacement projects based on: capacity, including fire flow; age; pipe material; criticality; and maintenance history. There have been approximately 50 projects throughout the City identified as urgent and in need of replacement within 10 years and another 70 projects by 2045. As a result of the Lead and Copper Rule Revisions (LCRR) and the Lead and Copper Rule Improvements (LCRI), the initial Lead Service Line Inventory was completed in October of 2024. However, there are still 18,500 unknown service line materials. As of February 23, 2026, 16,500 are on the customer side. As a result, our efforts to continue to identify service line materials is ongoing. In accordance with the LCRR and LCRI, all services, whether on the City side or the customer side, must be assumed to be lead and treated as such until they are confirmed otherwise. A plan must be developed to replace all lead -services and galvanized requiring replacement services by 2037. Additionally, the LCRI has additional requirements related to public notification, and lead testing in schools and day care facilities among many other requirements.

Additionally, another priority is critical upgrades to the Abert Water Filtration Plant. Built in 1972, Abert is a 12 million gallon per day filtration plant with many components needing repair or replacement. Priorities for Abert include: various structural repairs, sodium hypochlorite improvements, raw water pump station improvements, and an emergency generator installation.

Overall Water Fund revenues are projected to increase approximately $829,000 in FY 2027. This revenue increase is to cover increased costs mostly for debt service, indirect costs, contractual services and salaries and benefits. Operating expenditures, debt service and transfers to Water Capital Fund are projected to increase from $20.3 million in FY 2026 to $21.1 million in FY 2027. Operating expenses are expected to total $15.2 million with debt service of $5.1 million. A transfer of $820,000 to Water Capital Fund is proposed for pay-as-you go funding for capital projects reflecting an increase of $0.1 million compared to FY 2026. The unrestricted cash balance in the Water Fund is projected to be at 32% of total fund operating expenditures for FY 2027, compared to City Council's policy to maintain a fund balance of between 25% and 40%. The projected debt coverage ratio for the end of the fiscal year is 1.21, which is at Council's financial policy minimum target of 1.20. As a result of the FY 2027 projected revenues and expenses, a volume rate increases from $3.45 per hundred cubic feet (hcf) to $3.62/hcf with no monthly service charge increase is recommended.

Sewer Fund

The City's sewer system serves Lynchburg and portions of the surrounding counties. Although operated by the City, the Regional Water Resource Recovery Facility is an asset with capital and operating costs shared proportionally by the participating localities. The City also has contracts with two large industrial users. The Department's commitment to environmental protection is evident by the various environmental programs the City offers and the performance of our facilities. The Regional Water Resources Recovery Facility has received the National Association of Clean Water Agencies Gold Peak Performance Award for continuously and consistently meeting and exceeding permit requirements from FY 2023 – FY 2025. Although the Combined Sewer Overflow (CSO) Consent Order have financial requirement minimums, the City's household sewer rates are only 1% higher than the state average.

SEWER FUND HIGHLIGHTS

- *No increase in current sewer volume rate of $8.65/hcf is proposed*
- *$104 million Blackwater CSO Tunnel under construction*
- *Construction to start with remaining CSO*

The Sewer Fund is challenged by aging infrastructure, sewer capacity issues, and increasing regulation. Over the next five years a high priority is to complete the CSO Program's capital projects. The $104 million, Blackwater CSO Tunnel, is under construction with nearly three-quarters of the cost funded through ARPA grants and principal forgiveness on a Virginia Clean Water Revolving Loan. Beyond that project, only three smaller CSO projects remain, all of which are scheduled to start in FY 2027. Also, over the next five years significant investments will be made to continue inspecting and repairing high-priority areas at risk of sanitary sewer overflow, renew and replace aging sewer infrastructure, as well as, continued implementation of a program for extending sewer service to unsewered areas within the City.

In the *Proposed FY 2027 Budget*, total revenues in the Sewer Fund are projected to increase by $1.5 million. This is a result an increase in revenue from septic haulers and sewer contract customers. Current rate is $8.65/hcf. No rate increased is proposed. The $8.65 rate is expected to be sufficient for the City to remain compliant with the CSO Consent Order requiring City of Lynchburg's annual sewer billings for a customer with 7 hcf of average monthly usage is no less than 1.25% of median household income.

Overall operating expenditures and debt service combined in FY 2027 of $36.7 million compared to $35.2 million in FY 2026, an increase of $1.5 million. Operating expenses are expected to total $27.4 million with debt service of $9.3 million. A transfer of $6.9 million to Sewer Capital Fund is proposed for pay-as-you go funding for capital projects reflecting an increase of $2.9 million compared to FY 2026.

The unrestricted cash balance in the Sewer Fund is projected to be 29% of total fund operating expenditures for FY 2027 compared to City Council's policy to maintain a fund balance of between 25% and 40%. The projected debt coverage ratio for the end of the fiscal year is 1.53, which is above City Council's financial policy target minimum of 1.20. While maintaining financial requirements in the CSO Consent Order, and FY 2027 projected revenues and expenditures no volume rate increase with no monthly service charge increase is recommended.

Stormwater Fund

In the *Proposed FY 2027 Budget* for the Stormwater Fund total revenues are projected to increase by $309,000. The proposed stormwater rate is recommended to increase from $5.15 per single family unit (SFU) monthly to $5.40 SFU due to increasing indirect costs, salaries and benefits and debt service. The proposed monthly fee of $5.40 remains well below the state average of $8.46.

STORMWATER FUND HIGHLIGHTS

- *Increase single family unit (SFU) rate from $5.15 to $5.40 as proposed.*
- *Maintains compliance with the City's Municipal Separate Storm Sewer System (MS4) Permit*

Stormwater regulations and the significant stormwater infrastructure needs that have been identified as a result of storm system inspections and condition assessments will continue to be a high priority.

Operating expenditures and debt service are projected to increase from $5.3 million to $5.6 million. $217,000 of the operating expenditures increases include indirect costs, salaries and benefits and debt service. The unrestricted cash balance in the Stormwater Fund is projected to be 18% of total fund operating expenditures for FY 2027 compared to City Council's policy to maintain a fund balance of between 15% and 20%. The projected debt coverage ratio for the end of the fiscal year is 1.21, which is consistent with City Council's financial policy minimum target of 1.20.

Description	Adopted FY 2026	Proposed FY 2027	Residential Average Increase/Month
Water Volume Charge/hundred cubic feet (hcf)	$3.45	$3.62	$0.81 [1]
Sewer Volume Charge/hundred cubic feet (hcf)	$8.65	$8.65	$0.00 [1]
Stormwater Single Family Unit Rate	$5.15	$5.40	$0.25
Total			**$1.06**

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

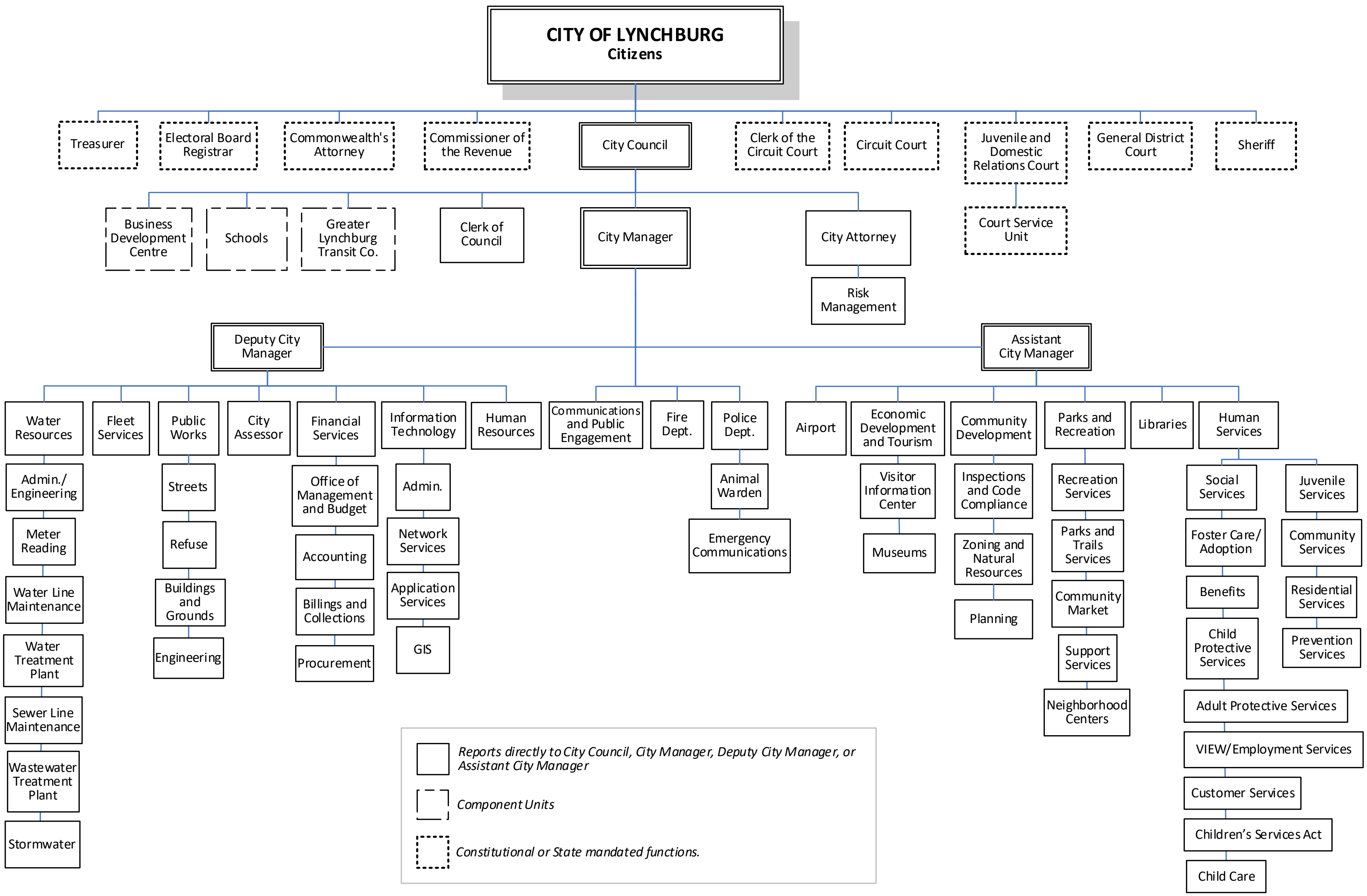
Staying Informed

A copy of the *Proposed FY 2027 Budget* is available for public review at the library hub located at the Miller Center, 301 Grove Street as well as on the City's website at www.lynchburgva.gov.

FY 2027 Budget Calendar

March		
March 26	City Council Special Called Meeting – City Manager FY 2027 Budget Presentation	6:00 PM, Council Chambers
April		
April 3	City Council Budget Retreat	9:00 AM, LPD Community Room
April 14	City Council Joint Work Sessions:	
	Greater Lynchburg Transit Company Board	2:00 PM, IT Center
	Lynchburg City School Board	4:00 PM, IT Center
April 16	Ward 4 Budget Pop-Up	3:00 PM, Bruster's of Lynchburg
April 17	Ward 3 Budget Pop-Up	10:00 AM, River Ridge Mall
	Ward 1 Budget Pop-Up	3:00 PM, MayLynn's Boonsboro
April 18	Ward 2 Budget Pop-Up	10:00 AM, Lynchburg Community Market
April 23	Water and Stormwater Rates Public Hearing	6:00 PM, Council Chambers
	FY 2027 Proposed Budget Public Hearing	6:15 PM, Council Chambers
April 28	City Council Work Session	4:00 PM, City Hall 2nd Floor
May		
May 12	City Council Meeting – FY 2027 Budget, First Reading	7:00 PM, Council Chambers
May 26	City Council Meeting – FY 2027 Budget, Second Reading and Adoption	7:00 PM, Council Chambers

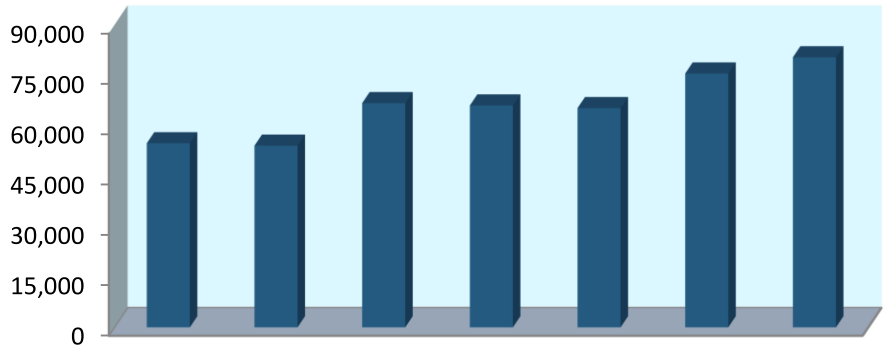
**Optional Budget Work Sessions may be called as needed.*


CITY OF LYNCHBURG
Citizens
Treasurer
Electoral Board Registrar
Commonwealth's Attorney
Commissioner of the Revenue
City Council
Clerk of the Circuit Court
Circuit Court
Juvenile and Domestic Relations Court
General District Court
Sheriff
Court Service Unit
Business Development Centre
Schools
Greater Lynchburg Transit Co.
Clerk of Council
City Manager
City Attorney
Risk Management
Deputy City Manager
Assistant City Manager
Water Resources
Admin./ Engineering
Meter Reading
Water Line Maintenance
Water Treatment Plant
Sewer Line Maintenance
Wastewater Treatment Plant
Stormwater
Fleet Services
Public Works
Streets
Refuse
Buildings and Grounds
Engineering
City Assessor
Financial Services
Office of Management and Budget
Accounting
Billings and Collections
Procurement
Information Technology
Admin.
Network Services
Application Services
GIS
Human Resources
Communications and Public Engagement
Fire Dept.
Police Dept.
Animal Warden
Emergency Communications
Airport
Economic Development and Tourism
Visitor Information Center
Museums
Community Development
Inspections and Code Compliance
Zoning and Natural Resources
Planning
Parks and Recreation
Recreation Services
Parks and Trails Services
Community Market
Support Services
Neighborhood Centers
Libraries
Human Services
Social Services
Foster Care/ Adoption
Benefits
Child Protective Services
Juvenile Services
Community Services
Residential Services
Prevention Services
Adult Protective Services
VIEW/Employment Services
Customer Services
Children's Services Act
Child Care
Reports directly to City Council, City Manager, Deputy City Manager, or Assistant City Manager
Component Units
Constitutional or State mandated functions.

Date of Incorporation
Lynchburg was founded by John Lynch in 1757; established as a town in October 1786; incorporated as a town on January 10, 1805; and received independent city status in 1852.

Area of City
The area of the City consists of 50.107 square miles.

Population by decade (U.S. Bureau of the Census and Weldon Cooper Center for Public Service)



	1960	1970	1980	1990	2000	2010	2020
Population	54,790	54,083	66,743	66,049	65,269	75,568	80,395

Note: The most recent figure from the Weldon Cooper Center for Public Service (www.coopercenter.org) estimates the City's July 1, 2025, population to be 81,417.

Form of Government
Lynchburg has operated under a Council/Manager form of government since 1920. The City Council, comprised of seven members, is elected on either an at-large (3 members) or ward (4 members) representative basis for four-year staggered terms of office. From among the elected City Council members, they choose on or near January 1 of each election year by simple majority vote a Mayor and Vice Mayor to serve two-year terms.

Appointed by the City Council, the City Manager serves as the chief administrative officer of the municipal corporation. The City Manager performs the City's administrative and policy-related duties, directs business procedures and has the power of appointment and removal of the heads of all departments as well as other employees of the City. The City Manager's primary focus is on helping Council set priorities; interpreting City Council's actions to the appropriate department, outside organizations, and citizens; and providing professional leadership in executing the adopted policies of City Council.

Segregation of Taxable Subjects for Local Taxation Only
By an Act of the General Assembly of Virginia, approved March 31, 1926, all real estate, tangible personal property, and machinery used for manufacturing purposes, were segregated to the City, and those subjects are not liable to any general tax except the City tax.

Assessments
The City Assessor appraises the market value of real estate on a biannual assessment cycle. The entire City is reviewed every other year (with values effective the first day of July of the odd years) and adjustments are made where necessary based upon market evidence indicating a change in the value.

The Commissioner of Revenue is required by the Code of Virginia to assess vehicles and motorcycles by means of a recognized pricing guide. For most other personal property, the assessed value is based on a percentage of original cost. The Commissioner is also required to assess tangible personal property and machinery and tools. The City prorates personal property on a monthly basis.

Lynchburg, Virginia is a city which remembers its past while focusing on the future – a vibrant central city fostering a strong sense of community, economic opportunity for all our citizens and responsive, results-oriented local government.

Lynchburg is a city of 50 square miles located near the geographic center of the state, bordered by the eastern edge of the beautiful Blue Ridge Mountains. It is located approximately 180 miles southwest of the nation's capital, Washington, D.C.

An active community boasting friendly residential neighborhoods, Lynchburg has a tradition of outstanding public education. Lynchburg City Schools continues its focus on providing excellent educational programs and services through innovative student opportunities. The City is also home to four public/private colleges and universities as well as Central Virginia Community College.

A city with outstanding cultural, educational, and recreation opportunities, Lynchburg has over 950 acres of parkland and a nationally recognized urban trail system of over 40 miles. The parks and trails provide a full range of recreation opportunities including tennis, pickleball, basketball, recreational and competitive sports, horseshoes, hiking, biking, and Frisbee golf. Citizens and visitors alike can swim at an Olympic size swimming pool, take in a minor-league baseball game, launch a canoe on the James River, and participate in a recreation class or program at one of the nine community centers (including the Templeton Senior Center).

CITY COUNCIL PRIORITIES

Through collaborative meetings between City Council and the City Manager, City Council identified priorities to move Lynchburg forward. The following are City Council's identified budget initiatives and priorities:

Public Safety – Making Lynchburg Safer

Public Safety remains a critical function and priority of the City of Lynchburg. City Council Members have identified continued investment in Public Safety as a key City need.

Infrastructure – Improving the Built Environment

For decades, the City has developed a robust Capital Improvement Program (CIP) that proactively invests in publicly-owned infrastructure. The CIP budget includes funding for a variety of critical infrastructure projects.

Lifelong Learning – Investing in People

The development and continued support of a strong public school system is critical to any city's long-term success. Outstanding public schools and lifelong learning opportunities attract people to our community, improves long-term wellbeing of our residents, and creates an environment dedicated to excellence.

Economic Development – Recruiting, Expanding and Retaining Businesses

A healthy local economy employs residents and drives long-term growth and resilience. With a focus on site development, transportation, and infrastructure, City Council prioritizes economic development initiatives.

Quality of Life – Strengthening Community Ties

Quality of life means different things to different individuals, but almost all agree it includes opportunities to live in a safe, affordable, and thriving community. From health and wellness to parks, playgrounds, and trails, one of the most important – but perhaps least tangible – priorities of a prosperous city is an excellent quality of life.

FY 2025
(July 1, 2024 – June 30, 2025)
Accomplishments and Recognitions

Economic Development

During FY 2024–FY 2025, the City experienced continued private-sector investment supported by targeted public tools and infrastructure readiness. Citywide, approximately $121 million in new commercial real property investment was permitted, reflecting ongoing confidence in the local market and reinvestment in existing assets.

Major employers completed and advanced significant capital projects during this period. In 2024, Framatome celebrated the ribbon cutting of its newly expanded and modernized facility in Lynchburg, representing the first phase of a multi-year investment program supporting nuclear fuel services, advanced reactor technologies, and workforce growth. Delta Star completed the first phase of its headquarters and manufacturing expansion during FY 2025 and has advanced planning for subsequent phases to further increase production capacity. The City also marked the ribbon cutting of Centra's new medical office facility, expanding outpatient and specialty care capacity and reinforcing the healthcare sector's role as a stable regional employment anchor.

Enterprise Zone and redevelopment programs continued to support reinvestment in established commercial areas. During FY 2025, Enterprise Zone projects leveraged approximately $17.6 million in private investment, supported by more than $1.0 million in state grants. The Local Redevelopment Program supported approximately $8.4 million in building and site improvements, contributing to nearly 1,000 jobs created or retained.

To support future economic competitiveness, the Economic Development Authority of the City of Lynchburg secured a $4.0 million Virginia Business Ready Sites Program grant to advance development of two pad-ready sites at Ivy Creek Innovation Park. The grant supports site preparation and infrastructure improvements intended to reduce development timelines and enhance competitiveness for advanced manufacturing, technology, and traded-sector projects.

Workforce attraction and retention efforts are supported through the LYH Jobs Portal, a centralized online platform connecting employers with regional talent. The portal aggregates employment opportunities across major industry sectors and supports business recruitment and expansion by improving visibility of local job opportunities and aligning workforce messaging with employer needs.

Tourism activity continues to diversify the local economy and generate external spending. In calendar year 2024, visitor spending totaled approximately $409.9 million, generating $27.2 million in state and local tax revenues and supporting 3,886 jobs. For FY 2025, the City secured group and sports tourism events representing an estimated $17.1 million in future economic impact, providing forward visibility for visitor-related activity.

Sports tourism represents a growing component of the visitor economy. Following the successful hosting of the 2024 Professional Disc Golf Association (PDGA) World Championships, which generated an estimated $4.5 million in direct economic impact and approximately 8,400 hotel room nights, the region has been selected to host both the 2028 PDGA World Championships and the 2028 PDGA Masters World Championships. Additional nationally recognized disc golf events are scheduled for 2026, reflecting sustained demand and demonstrated hosting capacity.

Collectively, these activities reflect a pattern of completed investment, sequenced expansion, workforce connectivity, and forward-site readiness consistent with the City's long-term economic development strategy.

Lynchburg City Schools
With the adoption of the FY 2026 Budget in June 2025, the City committed $64.9 million over three years to support Lynchburg City School (LCS) facility maintenance and infrastructure. This is the largest investment in LCS since the construction of Heritage High School in 2017.

Infrastructure
Infrastructure improvements in FY 2025 included the opening of a 96,000 square foot state-of-the-art Police Department Headquarters, the completion of the removal of College Lake Dam, and the continuation of the Streetscape Improvements Downtown project. Groundbreaking for the City's new amphitheater on the riverfront occurred in Spring 2024 with completion anticipated in early 2026.

Fleet Services
The City of Lynchburg's Department of Fleet Services has once again earned national acclaim, ranking fifth in the National Association of Fleet Administrator's (NAFA) 100 Best Fleets competition for both 2024 and 2025. This marks the third consecutive year of recognition.

Technology
The City of Lynchburg was once again recognized nationally as a leader in using information technology to assist in service delivery. In its annual Digital Cities Survey, conducted in 2024, e. Republic's Center for Digital Government and Digital Communities Program ranked Lynchburg fifth in the nation among city governments in the 75,000 – 124,999 population category. Lynchburg has been ranked in the top ten since 2004, ranking first for communities of its size in four of those years.

Transportation
Greater Lynchburg Transit Company provides critical public bus and paratransit services for Lynchburg citizens. GLTC operates 14 bus routes within the City of Lynchburg and a portion of Madison Heights.

The City is also served by the Lynchburg Regional Airport (LRA), a Federal Aviation Administration-designated small non-hub commercial airport with a full array of aeronautical services including emergency med-flight services, flight training, aircraft maintenance and avionics and fuel services.

United Airlines recently announced their return to Lynchburg Regional Airport with daily service to Chicago and Washington DC beginning in March 2026. A growing local economy and increasing local college enrollment should continue to support additional traffic growth. The Airport has been self-sustaining for the past twelve years and no subsidy to the Airport from the City is expected to be necessary for the foreseeable future.

MISCELLANEOUS STATISTICS (as of June 30, 2025)

Date of Incorporation	January 10, 1805
Date of Independent City Status	1852
Form of Government	Council-Manager
City Population (2025 Estimate) [1]	81,417
Metropolitan Statistical Area Population (MSA) (2025 Estimate) [1]	268,815
Composition of Population (2025 Estimate) [2]	
White alone, not Hispanic or Latino, percent	59.9%
Black or African American alone, percent	27.2%
Some other race, percent	7.9%
Median Households Income (MHI) (in 2024 dollars) [2]	$57,947
Number of Employees – All Funds (excluding Police and Fire):	
Full and Part-Time FTE	919.86
Hourly FTE	45.30
City of Lynchburg Facilities and Services:	
Miles of Streets	387.49
Number of Streetlights	10,997
Number of Traffic Signals	103
Culture and Recreation:	
Community Centers	7
Senior Centers	1
Parks	21
Park acreage	953
Swimming Pools	2
Tennis Courts	40
Gymnasiums	7
Fire and Emergency Medical Services (EMS):	
Number of Stations	8
Number of Fire Personnel	220.45
Number of Fire Calls Answered per month	273
Number of Inspections Conducted	583
Number of EMS Calls	15,679
Police protection:	
Number of Stations	1
Number of Police Personnel	271.38
Number of Patrol Units	121
Number of Law Violations:	
Physical Arrests	4,230
Traffic Violations	6,297
Parking Violations	4,932
Sewer System:	
Number of Service Connections	20,321
Daily Average Treatment in Gallons	12.76 million
Maximum Daily Average Capacity of Treatment Plant in Gallons	22 million
Water System:	
Number of Service Connections	23,956
Number of Fire Hydrants	3,504
Daily Average Consumption in Gallons	11 million
Maximum Daily Capacity of Plant in Gallons	26 million
Education:	
Number of Elementary Schools	10
Number of Secondary Schools	5
Number of Teachers and Administrators	1,096
Number of Community Colleges	1
Number of Universities or Colleges	4
Facilities and Service not included in the Reporting Entity:	
Hospitals:	
Number of Hospitals	2
Number of Patient Beds	519

[1] *University of Virginia Weldon Cooper Center for Public Service. (2026). Virginia Population Estimates. Retrieved from https://coopercenter.org/virginia-population-estimates*

[2] *U.S. Census Bureau: State and County QuickFacts; https://www.census.gov/quickfacts/fact/table/lynchburgcityvirginia,US/PST045225*

Note: Unless noted, information from the FY 2025 Annual Comprehensive Financial Report, Statistical Tables 29, 30, and 31.

PRINCIPAL PROPERTY TAXPAYERS

Taxpayer	Type of Business	2025 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
AEP - American Electric Power	Utility	$ 155,372,190	1	1.81 %
Frito Lay, Inc.	Food manufacturer	64,217,103	2	0.75
Rosedale Investments LLC	Apartments/shopping	64,037,500	2	0.75
River Ridge, Ltd.	Shopping mall	62,959,683	3	0.73
Framatome (fmr Areva NP, Inc.)	Nuclear power design & fuel	54,053,760	4	0.63
Triangle West Edge (fmr TPB Enterprises LLC)	Apartments	51,804,619	5	0.60
Columbia Gas of Virginia, Inc.	Utility	48,962,348	6	0.57
REA Lynchburg LLC	Apartments	43,431,942	7	0.51
C.B. Fleet Co.	Pharmaceuticals	36,671,503	8	0.43
Wal-Mart Real Estate Business Trust	Retail	36,554,800	8	0.43
Eleven 25 of Virginia	Apartments	35,360,600	9	0.41
Verizon Va, Inc.	Utility	33,727,482	10	0.39
Walden Owner 1 & 2 LLC	Apartments	30,975,700	11	0.36
Gardens on Timberlake LLC (fmr Carriage Sq)	Apartment complex	29,953,100	12	0.35
J Crew Inc.	Clothing	28,704,003	13	0.33
MMAC FCA (fmr Central Virginia Prof)	Medical office	26,692,300	14	0.31
MMPF III Lynchburg-Asc LLC	Real estate	25,104,500	15	0.29
Delta Star Inc	Power transformer manufacturing	24,935,816	15	0.29
Genworth Financial, Inc.	Life insurance	24,398,920	16	0.28
Logans Landing LLC	Apartments	22,935,200	17	0.27
Vistas LP	Apartments	22,682,000	18	0.26
Southwood Overlook LLC (fmr CL Overlook LP)	Apartments	22,364,809	18	0.26
Azdel Inc	Thermoplastic manufacturer	22,327,670	18	0.26
LU Candlers Station Holdings LLC	Shopping center	21,500,000	19	0.25
Old Mill Investments LLC	Apartments	17,940,500	20	0.21
Virginian Hotel & Restaurant	Hotel/conference center	17,772,279	20	0.21
Lynchburg Hospitality LLC	Hotel	16,292,259	21	0.19
L3 Harris Corp.	Radio communications	16,285,747	21	0.19
IREIT Lynchburg Lakeside LLC	Shopping center	16,226,000	21	0.19
Lynchburg (Wards Crossing) LLC	Retail	15,110,600	22	0.18
Reserve at Burton Creek	Apartments	15,108,100	22	0.18
Automated Conveyor Systems Inc	Manufacturing	14,493,370	23	0.17
Old Mill Acquisitions LLC	Apartments	14,052,200	24	0.16
Wyndhurst Ridge Associates LP	Apartments	13,701,000	24	0.16
Centra Health, Inc	Healthcare	13,700,000	24	0.16
KANDJBFCO LLC	Shopping center	13,600,000	24	0.16
Lynchburg Hotel Group	Hotels	12,723,508	25	0.15
1604 Graves Mill Rd LLC	Elderly housing	12,500,000	25	0.15
Dayton Hudson Corporation	Shopping center	11,822,800	26	0.14
TRS of the Lois T Briggs Recovable Living Tr	Shopping center	11,795,000	26	0.14
Maple Ridge Apartments LLC	Apartments	11,555,200	27	0.13
700 Main Street LLC (Pacific Life Insurance)	Office building	11,500,000	27	0.13
Summit SNF Property Holdings, LLC	Nursing home/Assisted living	11,500,000	27	0.13
Total		$ 1,257,406,111		14.65 %
Total Assessed Valuation:		$ 8,583,846,012		

Note: Information from the FY 2025 Annual Comprehensive Financial Report, Statistical Table 15.

DEMOGRAPHIC AND ECONOMIC STATISTICS, LAST TEN CALENDAR YEARS

Calendar Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income (3)	Median Age (4)	School Enrollment (5)	Unemployment Rate (6)
2016	79,977	2,968,666	37,119	40.3	8,566	4.7
2017	80,667	3,088,336	38,285	39.9	8,477	4.8
2018	80,690	3,200,488	39,664	40.3	8,413	3.9
2019	80,772	3,314,156	41,031	39.0	8,286	3.6
2020	80,327	3,545,714	44,141	40.0	8,238	7.8
2021	80,054	3,806,648	47,551	40.0	7,961	4.8
2022	80,127	3,901,784	48,695	40.1	7,879	3.4
2023	80,736	4,137,155	51,243	39.5	7,903	3.5
2024	81,782	*	*	39.9	7,795	3.6
2025	81,782	*	*	*	7,703	4.2

Source: Chief Financial Officer, City of Lynchburg, Virginia.

(1) Weldon Cooper Center for Public Service, University of Virginia www.coopercenter.org
Figures given are the final estimate for that year. Since the estimate for the current fiscal year is not available at this time, the prior year data is given. 2016 through 2024 based on a July 1st estimate published on January 27, 2025.
Intercensal estimates for 2020-2024 were last published on January 27, 2025.

(2) U.S. Department of Commerce, Economic and Statistic Administration, Bureau of Economic Analysis
Per Capita Personal Income multiplied by Population.
Annual dollars revised due to revisions in Per Capita Personal Income (see note 3 below).

(3) U.S. Department of Commerce, Economic and Statistic Administration, Bureau of Economic Analysis
Report CAINC1 - Personal Income Summary:
https://apps.bea.gov/itable/?appid=99&step=1#eyJhcHBpZCI6OTksInN0ZXBzIjpbMV0sImRhdGEiOltdfQ==
MSA Map corroborates 2023 numbers - https://apps.bea.gov/regional/bearfacts/action.cfm
The information was last updated February 20, 2025.
The Table has been revised to reflect these changes.

(4) United States Census - 2024
Report S0101 https://data.census.gov/table/ACSST1Y2024.S0101?g=310XX00US31340

(5) Virginia Department of Education reported by Lynchburg City Schools. Enrollment as of September 30 for each year.
These figures were previously reported based on preliminary information provided by Lynchburg City Schools and have been updated with the information available from the Virginia Department of Education. The figures given are as of September 30 of the prior year.
https://p1pe.doe.virginia.gov/apex/f?p=180:1:::::p_session_id,p_application_name:2929626439707054511,fallmembership

(6) Virginia Employment Commission & U.S. Department of Labor, Bureau of Labor Statistics, as of Aug 27, 2025
2016-2025 Unemployment Rates have been adjusted to reflect the most current data available.
https://www.bls.gov/news.release/metro.t01.htm

***** Information unavailable

Note: Information from the FY 2025 Annual Comprehensive Financial Report, Statistical Table 26.

PRINCIPAL EMPLOYERS

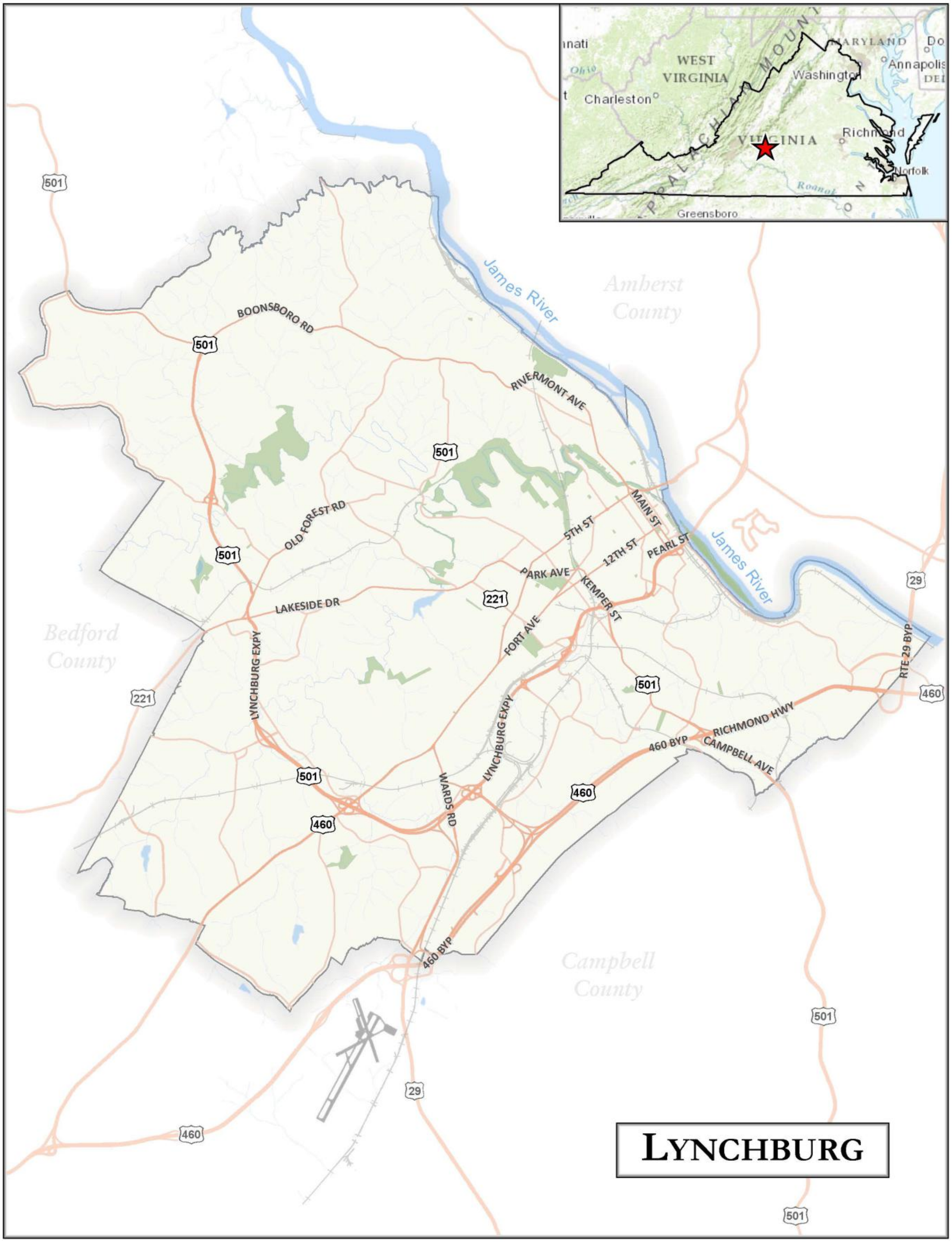
Employer	2025 Employees
Centra Health, Inc.	7000-7999
Liberty University	7000-7999
City of Lynchburg	1000-1499
Framatome (1)	1000-1499
Lynchburg City Schools	1000-1499
Central Virginia Community College	500-999
Delta Star, Inc.	500-999
Frito-Lay, Inc.	500-999
Genworth Financial Inc.	500-999
Horizon Behavioral Health (2)	500-999
J. Crew Outfitters	500-999
Southern Air, Inc.	500-999
University of Lynchburg (3)	500-999
Wal-Mart Stores, Inc.	500-999
C.B. Fleet Company, Inc.	250-499
Kroger, Inc.	250-499
L3Harris	250-499
Lowes	250-499
Pacific Life	250-499
Randolph College	250-499
US Pipe	250-499
Westminster-Canterbury	250-499
Bausch & Lomb	0-249
Belvac Production Machinery	0-249

Employed Civilian Labor Force (June 2025) Lynchburg City - Virginia Employment Commission	37,534

Source: FY2025 numbers are derived from Office of Economic Development and Tourism, City of Lynchburg, VA, or employer contact, as of June 30, 2025.

(1) Formerly Areva
(2) Formerly Central Virginia Community Services
(3) Formerly Lynchburg College

Note: Information from the FY 2025 Annual Comprehensive Financial Report, Statistical Table 27.


WEST VIRGINIA
Charleston
Washington
Annapolis
Norfolk
Greensboro
James River
Amherst County
Bedford County
Campbell County
BOONSBORO RD
RIVERMONT AVE
OLD FOREST RD
LAKESIDE DR
LYNCHBURG EXPY
5TH ST
MAIN ST
12TH ST
PEARL ST
PARK AVE
KEMPER ST
FORT AVE
RICHMOND HWY
CAMPBELL AVE
460 BYP
WARDS RD
RTE 29 BYP
501
221
460
29
LYNCHBURG

FY 2027 Budget Calendar

March		
March 26	City Council Special Called Meeting – City Manager FY 2027 Budget Presentation	6:00 PM, City Hall
April		
April 3	City Council Budget Retreat	9:00 AM, LPD Community Room
April 14	City Council Joint Work Sessions: Greater Lynchburg Transit Company Board Lynchburg City School Board	 2:00 PM, IT Center 4:00 PM, IT Center
April 16	Ward 4 Budget Pop-Up	3:00 PM, Bruster's of Lynchburg
April 17	Ward 3 Budget Pop-Up Ward 1 Budget Pop-Up	10:00 AM, River Ridge Mall 3:00 PM, MayLynn's Boonsboro
April 18	Ward 2 Budget Pop-Up	10:00 AM, Lynchburg Community Market
April 23	Water and Stormwater Rates Public Hearing FY 2027 Proposed Budget Public Hearing	6:00 PM, City Hall 6:15 PM, City Hall
April 28	City Council Work Session	4:00 PM, City Hall
May		
May 12	City Council Meeting – FY 2027 Budget, First Reading (excluding Water and Stormwater Funds)	7:00 PM, City Hall
May 26	City Council Meeting – FY 2027 Budget, Second Reading/Adoption and First Reading for Water and Stormwater Funds	7:00 PM, City Hall
June 9	City Council Meeting – Water and Stormwater Rates Public Hearing; FY 2027 Budget, Second Reading/ Adoption for Discretionary External Service Providers, Water Fund, and Stormwater Fund	7:00 PM, City Hall

Understanding the Budget

Purpose of the Lynchburg Operating Budget and Capital Improvement Program

Lynchburg's operating budget provides information about the annual financial plan of the City. Included in this budget document is information on the General Fund, Enterprise Funds, and other funds. The document has program descriptions that explain the function of City departments and financial tables that show the revenues, expenditures, and other fiscal details of the City's programs and activities.

The five-year Capital Improvement Program is both a financial plan and planning document to guide new and ongoing building, transportation, parks and recreation, economic development, and school projects.

What is an Operating Budget and Capital Improvement Program?

An operating budget shows how much money the City expects to collect to pay for the normal costs of doing its work and how much it will spend. The proposed operating budget is the City Manager's recommendation to the City Council on how the City should collect and spend money during a fiscal year (July 1 through June 30).

The Capital Improvement Program includes the cost of investing in major capital assets, such as a new building, infrastructure and maintenance of existing assets. The first year of the five-year Capital Improvement Program appears in the appropriated budget. City Council only has the authority to appropriate funds on an annual basis. The costs of the normal work of using and maintaining capital assets appear in the operating budget.

Legal Requirements for the Operating Budget

Section 14 of the City Charter requires the City Manager to act as Budget Commissioner, and as such to prepare and submit an annual budget to the City Council. Further, Section 14 states that "At such time as the Council may direct, but not later than forty-five days before the end of each fiscal year, the City Manager shall prepare and submit to the Council for informative and fiscal planning purposes only, an annual budget for the ensuing year, based upon detailed estimates furnished by the several departments and other divisions in the City government according to a classification as nearly uniform as possible. The budget shall contain such other information as may be prescribed by Council." (Act 1960, Ch. 479, Sec. 1, p. 740)

Budget Process

The budget process is responsive to the overall budget needs of the entire City government, including the fiscal policy concerns of the Council, the financial management responsibility of City staff, the day-to-day operating requirements of City agencies and the needs of citizens for information concerning the budget.

Budget Timetable

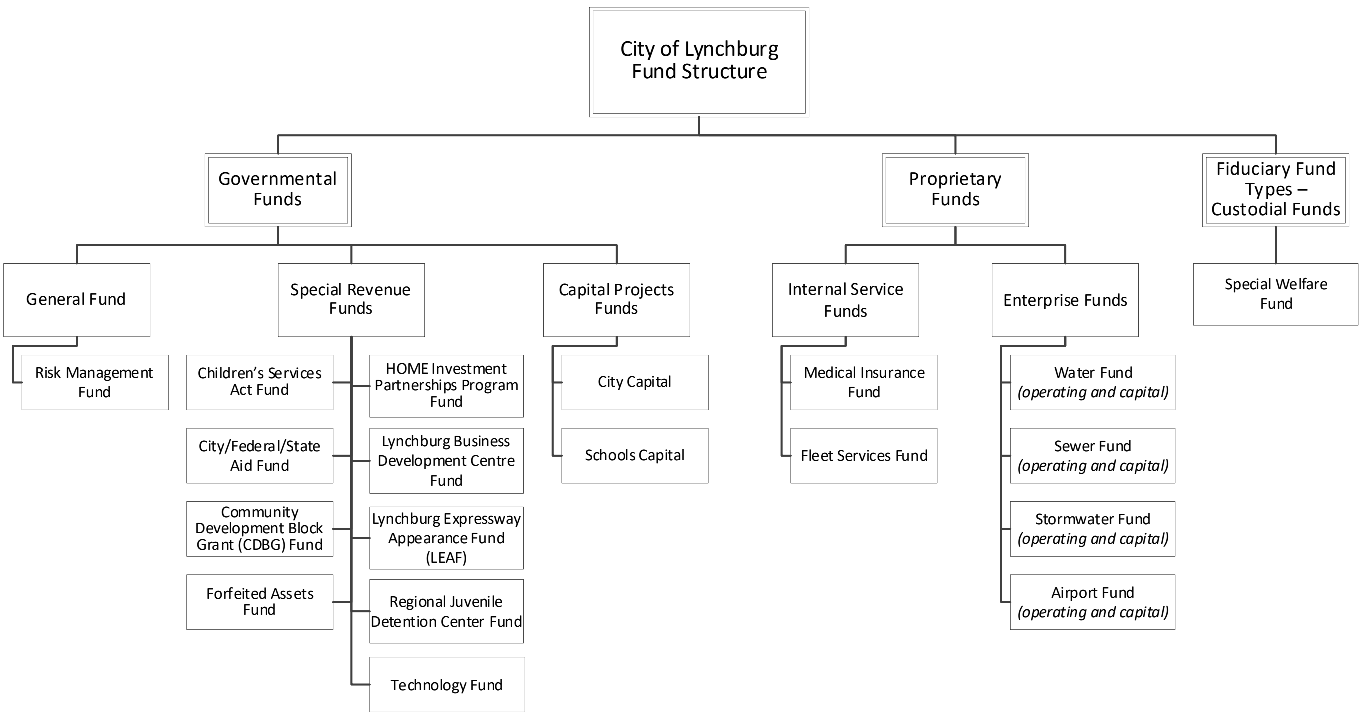
Typically, in March, the City Manager submits to the City Council a proposed operating budget for the fiscal year starting July 1 and ending June 30 of the following year. The City Manager includes a budget message that explains budget issues and presents recommendations. The operating budget includes proposed expenditures and the means of financing them. Council studies the proposed budget at work sessions throughout the months of March and April and holds a public hearing to receive citizens' comments. The Council makes final budget decisions and adopts the budget through passage of appropriation ordinances usually during the month of May. By July 1st, the beginning of the fiscal year, the City Manager prepares and publishes the adopted budget based on City Council deliberations and adopted budget ordinances.

Description of City Funds

For accounting purposes, a local government is not treated as a single entity. Rather, a government is viewed instead as a collection of smaller, separate entities known as "funds". The Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards (Codification),* Section 1300, defines a fund as:

> "A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations."

All of the funds used by a government must be classified into one of eleven "fund types." Five of these fund types are used to account for a state or local government's "governmental-type" activities and are known as "governmental funds." Two of these fund types are used to account for a government's "business-type" activities and are known as "proprietary funds." Finally, the remaining four fund types are reserved for a government's "fiduciary activities."



Governmental Funds

Three fund types are used to account for City governmental-type activities: General Fund, Special Revenue Funds, and Capital Funds.

General Fund

The General Fund is used to account for most of the day-to-day operations of the City, which are financed from taxes and other general revenues. Activities financed by the General Fund include those of line and staff departments within the City except for activities of the Proprietary Funds.

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. These revenues are either legally restricted by outside parties such as federal and State governments for grants or the local governing body imposes restrictions. The City has the following Special Revenue Funds:

- Children's Services Act Fund – Accounts for revenues received and expenditures made to support the Children's Services Act for At-Risk Youth and Families adopted by the Virginia General Assembly.
- City/Federal/State Aid Fund – Accounts for the City's various federal and state grants, certain social service and community development programs and public safety.

- Community Development Block Grant (CDBG) Fund – Accounts for revenues received from the Department of Housing and Urban Development, which are used for various development projects to accomplish the goals of the block grant program.
- Forfeited Assets Fund – Accounts for revenues received from the sale of confiscated assets, which are related to illegal drug sales and are used for law enforcement activities.
- HOME Investment Partnerships Program Fund – Accounts for revenues received from the Department of Housing and Urban Development for support of affordable housing needs in the City.
- Lynchburg Business Development Centre Fund – Accounts for revenues received to support a local business incubator and for monies received from the Economic Development Administration for a revolving loan fund and certain other economic development assistance.
- Lynchburg Expressway Appearance Fund (LEAF) – Accounts for the revenues and expenditures associated with beautification of the Lynchburg Expressway.
- Regional Juvenile Detention Center Fund – Accounts for revenues received and expenditures made to support the operations of the City's Juvenile Detention Home.
- Technology Fund – Accounts for revenues received to support the acquisition of computer equipment and maintaining network equipment and servers.

Capital Projects Funds
The Capital Projects Fund accounts for all resources used for the acquisition and/or construction of capital equipment and facilities by the City except those financed by the Enterprise Funds and Trust Funds. This fund consists of City and Schools Capital Projects Funds.

Risk Management Fund
The Risk Management Fund is used to account for the self-insurance related activities including property/casualty and liability insurance.

Proprietary Funds
Two fund types are used to account for a government's business-type activities (activities that receive a significant portion of their funding through user fees). These are the enterprise funds and the internal service fund.

Enterprise Funds
Water, Sewer, Stormwater and Airport Funds are used to account for the acquisition, operation and maintenance of City-owned water and sewer facilities, stormwater facilities and airport operations. These funds are entirely or predominantly self-supported by user charges. The operations of these funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises.

Internal Service Fund
Internal Service Funds account for the financing of goods and services supplied to other funds of the City and to other governments, on a cost-reimbursement basis. The Fleet Services Fund contains funding for maintaining the City's equipment and vehicle fleet. Each department using Fleet Services contains funding to pay for the actual cost of maintaining vehicles utilized by the department. Fleet Services bills departments on a monthly basis for their fleet related expenses. The depreciation of fleet vehicles and equipment is accounted for in non-departmental. The Medical Insurance Fund includes benefit charges and employee deductions/contributions for health, dental, and vision insurance for all funds including active employees and eligible retirees. Insurance claims, health insurance stop-loss premiums, and claims administration fees are charged against this fund.

Fiduciary Fund Types – Custodial Funds
Custodial funds account for assets held by the City as a custodian for others and the City's custodial fund is the Special Welfare Fund.

Lynchburg City Schools
Federal, State, and City funds support the operating needs of the Lynchburg City Schools. Capital construction needs of the schools are primarily supported by City funds with additional State funding as approved by the General Assembly.

The Lynchburg City Schools operate one pre-school, eleven elementary schools, three middle schools, and two high schools in the City. The Schools are fiscally dependent on the City and are prohibited from issuing bonded debt. Capital projects for school buildings are included in bond issues with the City.

Department and Fund Relationship

This schedule shows how each department is funded; some departments are supported by several fund types.

	Governmental Funds			Proprietary Funds	Fiduciary Fund Types – Custodial Funds
	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Special Welfare Fund
General Government Administration					
City Council and Clerk	X				
City Manager Offices	X	X			
City Assessor	X				
City Attorney	X				
Commissioner of the Revenue	X				
Financial Services	X				
Human Resources and Occupational Health	X	X			
Information Technology (IT)	X	X			
Registrar and Electoral Board	X				
State Treasurer	X				
Judicial Administration					
Circuit Court Clerk (24th Judicial District)	X				
Circuit Court Judges (24th Judicial District)	X				
Office of the Commonwealth's Attorney including Fines and Fees	X	X			
General District Court	X				
Juvenile and Domestic Relations (J&DR) District Court	X				
Magistrate	X				
Sheriff's Office	X				
Court Service Unit (24th Judicial District)	X				
Public Safety					
Police Department	X	X	X		
Emergency Communications	X	X	X		
Fire Department	X	X	X		
Public Works					
Public Works	X	X	X	X	
Health and Human Services					
Human Services	X	X			X
Parks, Recreation, and Cultural					
Public Library	X				
Parks and Recreation	X		X		
Community Development					
Community Development	X	X	X	X	
Office of Economic Development and Tourism	X	X	X		
Museums	X				
Communications and Public Engagement	X				
Risk Management	X	X		X	
Fleet Services	X	X	X	X	
Airport				X	
Water Resources - Water				X	
Water Resources - Sewer				X	
Water Resources - Stormwater				X	

BUDGET PROCESS

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both “measurable” and “available.” Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 45 days of the end of the fiscal period for most revenues. Accordingly, real and personal property tax revenues are recorded as revenues principally on the cash basis until year end, at which time current property tax receipts received within 45 days of year end are accrued. Property taxes not collected within 45 days after year-end, net of allowances for uncollectible accounts are reflected as deferred revenues.

Intergovernmental revenues, consisting principally of categorical aid from federal and state agencies are recognized when earned or at the time of the specific expenditure. Sales, public utility, and Communications Sales and Use taxes, which are collected by the Commonwealth of Virginia and public utilities, respectively, and subsequently remitted to the City, are recognized as revenues and receivables when measurable and available.

Expenditures in governmental funds are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exceptions to this general rule are principal and interest on general long-term debt, which are recognized when due.

Proprietary fund types utilize the accrual basis of accounting. Revenues are recognized when earned, including unbilled utility receivables, and expenses are recognized when incurred.

Basis of Budgeting

The budgets for the General, Airport, Sewer, Water, Stormwater, Capital Projects, and all Special Revenue Funds are prepared in accordance with the City Charter on a modified accrual basis of accounting. Encumbrances are treated as a reservation of fund equity and re-appropriated in the next fiscal year. Revenues, expenditures, and transfers related to internal service type functions are included for budget purposes. The budget for the Lynchburg City Schools (School Operating Fund) is prepared on the modified accrual basis of accounting.

Appropriations for the City/Federal/State Aid, Children’s Services Act (CSA), Community Development Block Grant (CDBG), Forfeited Assets, HOME Investment Partnerships Program, and Lynchburg Expressway Appearance Fund (LEAF) Funds are continued until completion of a grant or program, even when a grant or program extends for more than one fiscal year, or until repealed.

Project budgets are utilized in the Capital Project Funds. All Operating Budget appropriations which are not encumbered lapse at year-end. Appropriations for the Capital Project Funds are continued until completion of applicable projects, even when projects extend for more than one fiscal year, or until repealed.

Encumbrances

Encumbrance accounting is a process in which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation for future expenditure. Encumbrances are treated as a reservation of fund equity and re-appropriated in the next fiscal year.

Amending the Budget

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total budget amounts and/or appropriations of any fund require an amendment to the budget. The Code of Virginia requires that City Council approve any amendment. If the total of the proposed amendment exceeds one percent of the total expenditures shown in the currently adopted budget, the proposed amendment must be advertised and a public hearing must be held before City Council can act. After the public hearing, City Council can act on the proposed amendment.

The Relationship between the Budget and the Capital Improvement Program

The City also prepares a five-year Capital Improvement Program (CIP) for City Capital Projects, School Capital Projects, Water, Sewer, Stormwater, and Airport funds. The CIP specifies capital improvement or construction projects, which are tentatively identified for funding during the next five years, with the first year of the plan serving as the capital budget. General obligation bonds, line of credit financing, revenue bonds, grants and low interest as well as no-cost loans from the State government are the primary means for funding capital improvements. Additionally, “pay-as-you-go financing” (cash) is used to provide capital funding mainly for projects that don’t qualify for bond funding. Restricted sources from user fees such as the Passenger Facility Charge on airfares are another source of funding for Airport Capital Improvements. A debt service schedule for all bonds and loans is included in the Budget and CIP summaries by Fund.

BUDGET CATEGORIES

Salaries – Compensation for direct labor of persons in the employment of the City. Salaries and wages paid to employees for full-time, part-time and hourly work, including overtime and automobile, clothing and tool allowances.

Employee Benefits – Employment related benefits provided to employees as part of their total compensation. Includes the following:

- *Group Life Insurance* – Payments for both employer's and employees' portions of premiums for employees' life insurance coverage.
- *Virginia Retirement System* – Payments for the employer's portion of premiums for the employees' retirement program.
- *Employer's FICA Contribution* – Payments for the employer's share of Social Security and Medicare taxes.
- *Workers' Compensation Claims* – Payments for authorized claims involving employees' work related injuries.
- *Health Benefit* – Payments made for health insurance for full-time classified employees and other employees eligible under the Affordable Care Act.
- *Dental Benefit* – Payments made for dental insurance for full-time classified employees and other employees eligible under the Affordable Care Act.
- *Vision Benefit* – Payments made for vision insurance for full-time classified employees and other employees eligible under the Affordable Care Act.
- *Virginia Local Disability Program* – Payments for third party administration of this State-mandated program that applies to all employees hired after January 1, 2014.
- *Affordable Care Act Fees* – Fees set by the federal government and included in the cost of medical benefits, phased out January 2017.
- *Unemployment Compensation* – Payments for benefits related to unemployment claims.
- *Tuition Reimbursement* – Payments to employees to assist with costs for education related to City work functions.

Contractual Services – Services acquired on a fee basis or a fixed time contract basis from outside sources (e.g., private vendors, public authorities or other governmental entities). Includes maintenance and repairs for City equipment; facilities and infrastructure; legal, architectural, environmental testing, medical, auditing and financial professional services; information technology services and software purchases; dietary, advertising, and printing.

Internal Service Charges – Charges to departments for services provided by Fleet Services; including maintenance and fuel purchases.

Other Charges – This category includes various types of charges such as: supplies and materials items for the office including books, publications; fuel and natural gas; chemicals; parts; and items for buildings, grounds, traffic and computer related maintenance. Safety, law enforcement and laboratory items as well as food, laundry and medical items are included. Utilities, telecommunication charges; postage; insurance premiums and claims; travel and training; dues and memberships; inventory purchases; payments to other funds for services; as well as contributions to other governmental, community and civic organizations are included.

Rentals and Leases – Includes expenditures associated with the rental or lease of buildings, real property, and equipment.

Capital Outlay – Includes expenditures for the acquisition of capital assets in excess of $5,000 excluding land, buildings and infrastructure which are major capital expenditures. Includes equipment, furniture and fixtures, heavy equipment such as machinery and tools, computer and radio systems, and specific use equipment for public safety.

Rate Schedule

Description	FY 2026 Adopted Budget	FY 2027 Adopted Budget
PROPERTY TAXES		
Real Property Tax:	$0.84 per $100 of assessed value	$0.84 per $100 of assessed value
Personal Property Tax:	$3.80 per $100 of assessed value	$3.80 per $100 of assessed value
Business Personal Property Tax:	$3.80 per $100 of assessed value	$3.80 per $100 of assessed value
Machinery and Tools Tax:	$3.00 per $100 of assessed value	$3.00 per $100 of assessed value
MOTOR VEHICLE LICENSE FEE		
for vehicles weighing 4,000 pounds or less:	$29.50 *(Waived in FY 2026)*	$29.50 *(Waived in FY 2027)*
for vehicles weighing greater than 4,000 pounds:	$34.50 *(Waived in FY 2026)*	$34.50 *(Waived in FY 2027)*
OTHER LOCAL TAXES		
Amusement Tax:	7.0%	7.0%
Cigarette Tax:	$0.35 per pack	$0.35 per pack
Lodging Tax:	6.5% + $1 per room/night	6.5% + $1 per room/night
Meals Tax:	6.5%	6.5%
Sales Tax:	1% + 4.3% VA tax	1% + 4.3% VA tax
BUSINESS LICENSE TAX		
Gross receipts/purchases greater than $150,000 the following schedule is utilized:		
Retail merchant:	$0.19 per $100 of gross receipts	$0.19 per $100 of gross receipts
Contractor:	$0.15 per $100 of gross receipts	$0.15 per $100 of gross receipts
Business/personal service:	$0.34 per $100 of gross receipts	$0.34 per $100 of gross receipts
Professional service:	$0.55 per $100 of gross receipts	$0.55 per $100 of gross receipts
Wholesale merchant:	$20 plus $0.26 per $100 of gross receipts	$20 plus $0.26 per $100 of gross receipts
SOLID WASTE - RESIDENTIAL AND SMALL BUSINESS		
	$10.00/month on utility bill * *(Waived in FY 2026)*	$10.00/month on utility bill * *(Waived in FY 2027)*

** Note: Businesses located in the Central Business District that receive twice weekly trash collection will receive a $20 charge on their water utility bills.*

Rate Schedule (continued)

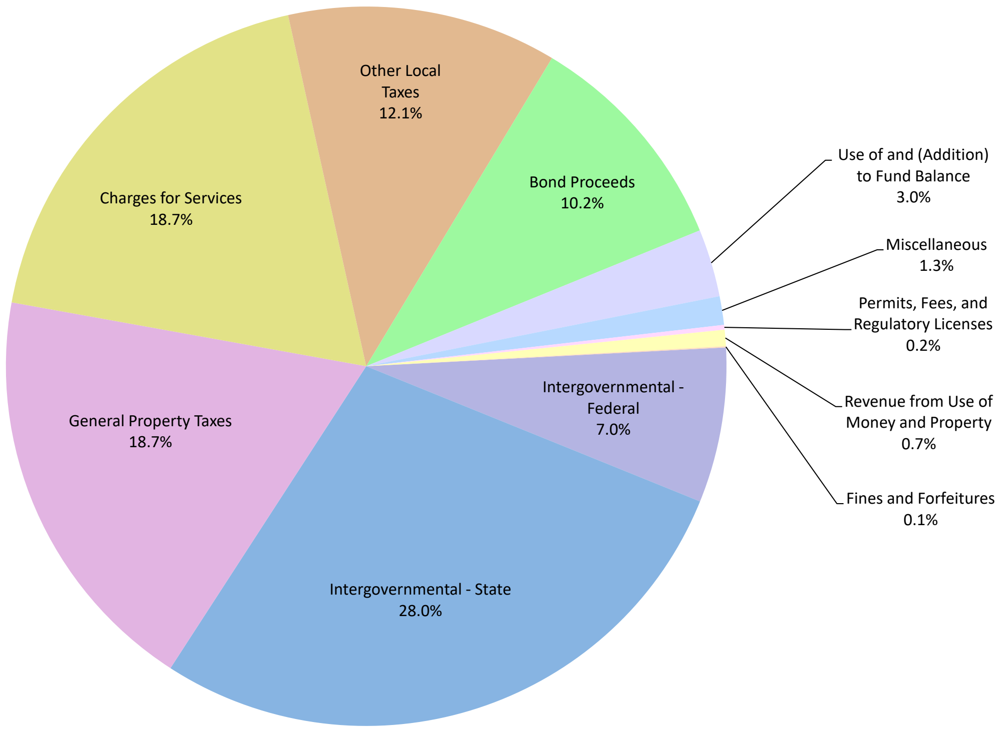
Description	FY 2026 Adopted Budget	FY 2027 Proposed Budget
WATER RESOURCES RATES AND FEES		
Water Volume Rates - Residential:	$3.45 per HCF	$3.62 per HCF
Sewer Volume Rates - Residential:	$8.65 per HCF	$8.65 per HCF
Sewer ONLY Charges - Residential:	$66.92 per month ($8.65 per HCF by 7 HCF plus a monthly service charge of $6.37)	$66.92 per month ($8.65 per HCF by 7 HCF plus a monthly service charge of $6.37)
Stormwater Utility Fees - Commercial:	$5.15 per 2,672 sq. ft. of impervious area	$5.40 per 2,672 sq. ft. of impervious area
Stormwater Utility Fees - Residential:	$5.15 per month/per single family unit	$5.40 per month/per single family unit
Note: HCF, or unit, is equivalent to 100 cubic feet or 748 gallons.		
AMBULANCE SERVICE FEES		
Basic Life Support Non-Emergency Transport:	$350.00	$350.00
Basic Life Support Emergency Transport:	$500.00	$500.00
Advanced Life Support Non-Emergency Procedure:	$425.00	$425.00
Advanced Life Support Emergency Procedure:	$600.00	$600.00
Advanced Life Support Emergency Procedure w/Advanced Practice Paramedic Treatment:	$850.00	$850.00
Transport Mileage Charge:	$12.00	$12.00
Oxygen Supply Charge:	$50.00	$50.00
CONSUMER UTILITY TAXES		
Electric - Residential:	The greater of: $0.00460 for the first 1,000 kwh (or a fraction thereof) plus $0.00260 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.	The greater of: $0.00460 for the first 1,000 kwh (or a fraction thereof) plus $0.00260 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.
Electric - Commercial:	The greater of: $0.00480 for the first 1,000 kwh (or a fraction thereof) plus $0.00292 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.	The greater of: $0.00480 for the first 1,000 kwh (or a fraction thereof) plus $0.00292 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.
Electric - Industrial:	The greater of: $0.00375 for the first 1,000 kwh (or a fraction thereof) plus $0.00260 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.	The greater of: $0.00375 for the first 1,000 kwh (or a fraction thereof) plus $0.00260 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.

Summary of All Funds by Revenues and Expenditures

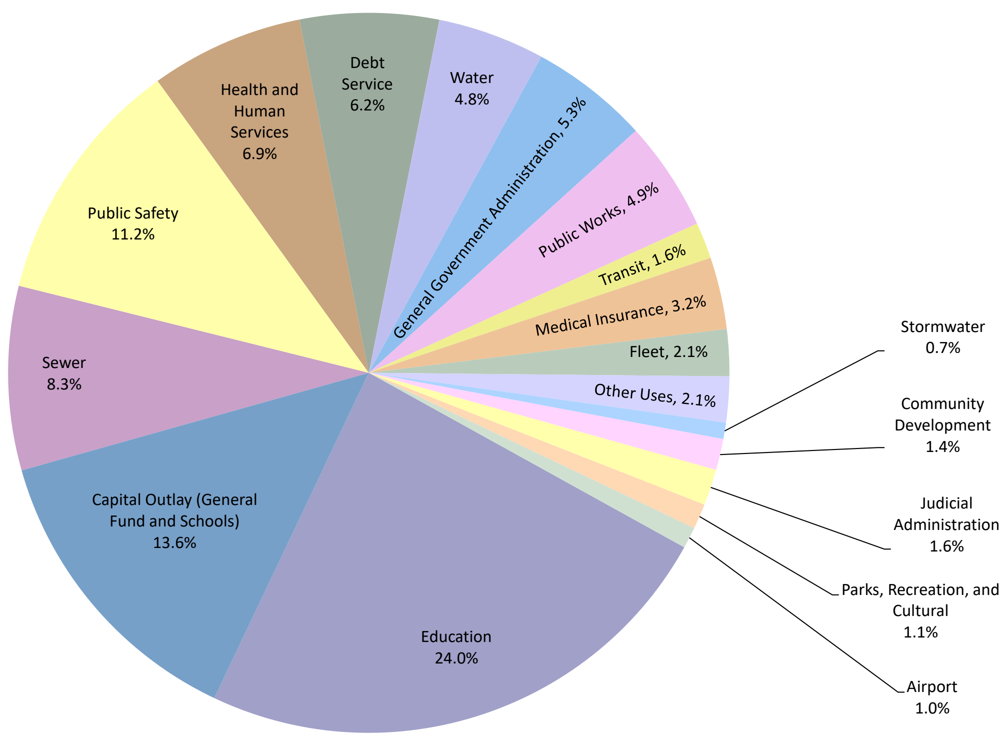
	Actual FY 2025	Adopted FY 2026	Manager's Proposed FY 2027	Adopted FY 2027
ALL FUNDS				
REVENUES				
General Property Taxes	$99,297,511	$107,391,232	$109,885,472	$109,885,472
Other Local Taxes	68,285,136	68,244,240	72,694,579	71,144,579
Permits, Fines, and Licenses	1,369,742	1,317,700	1,270,220	1,270,220
Fines and Forfeitures	337,645	262,500	303,000	303,000
Revenue from Use of Money and Property	8,906,055	4,744,481	4,312,151	4,312,151
Charges for Services	85,889,927	85,968,876	112,242,252	109,762,252
Miscellaneous	10,701,956	6,561,068	7,548,143	7,548,143
Intergovernmental - State	152,088,173	137,883,772	163,919,719	164,569,719
Intergovernmental - Federal	54,953,851	36,716,548	40,928,817	40,951,904
Bond Proceeds	8,717,773	84,893,276	91,286,057	60,002,457
Operating Transfers In	52,502,654	60,068,478	67,988,855	66,673,590
Use of and (Addition) to Fund Balance	39,822,697	18,729,846	16,317,893	17,882,628
TOTAL REVENUES	**$582,873,120**	**$612,782,017**	**$688,697,158**	**$654,306,115**
Less Operating Transfers In	(52,502,654)	(60,068,478)	(67,988,855)	(66,673,590)
TOTAL REVENUES NET OF TRANSFERS	**$530,370,466**	**$552,713,539**	**$620,708,303**	**$587,632,525**
EXPENDITURES				
General Government Administration	$30,519,902	$31,828,309	$31,315,195	$31,315,195
Judicial Administration	8,729,608	8,794,259	9,544,787	9,544,787
Public Safety	61,622,364	64,258,843	65,556,282	65,556,282
Public Works	25,597,548	28,354,646	28,975,175	28,975,175
Health and Human Services	43,002,490	39,522,383	40,405,686	40,405,686
Parks, Recreation, and Cultural	6,909,673	6,547,581	6,642,005	6,642,005
Community Development	7,920,029	7,957,839	8,183,962	8,207,049
Education	140,297,173	135,785,794	140,301,452	140,962,806
Capital Outlay (General Fund and Schools)	50,479,621	78,932,431	80,923,763	79,847,144
Debt Service	32,877,972	35,278,875	36,521,308	36,521,308
Operating Transfers Out	52,502,654	60,068,478	67,988,855	66,673,590
Medical Insurance	0	0	18,994,148	18,994,148
Fleet	10,933,325	14,048,368	12,347,542	12,347,542
Water	26,067,618	27,572,828	59,596,886	28,213,286
Sewer	47,391,493	33,195,441	48,523,216	48,523,216
Stormwater	5,661,591	6,854,572	5,606,105	4,306,105
Airport	11,821,615	7,880,617	5,613,532	5,613,532
Transit	10,339,424	13,962,969	9,565,548	9,565,548
Other Uses	10,199,020	11,937,784	12,091,711	12,091,711
TOTAL EXPENDITURES	**$582,873,120**	**$612,782,017**	**$688,697,158**	**$654,306,115**
Less Operating Transfers Out	(52,502,654)	(60,068,478)	(67,988,855)	(66,673,590)
TOTAL EXPENDITURES NET OF TRANSFERS	**$530,370,466**	**$552,713,539**	**$620,708,303**	**$587,632,525**

SUMMARY OF ALL FUNDS BY REVENUES AND EXPENDITURES (CONTINUED)

REVENUES – ALL FUNDS
$587,632,525



EXPENDITURES – ALL FUNDS
$587,632,525

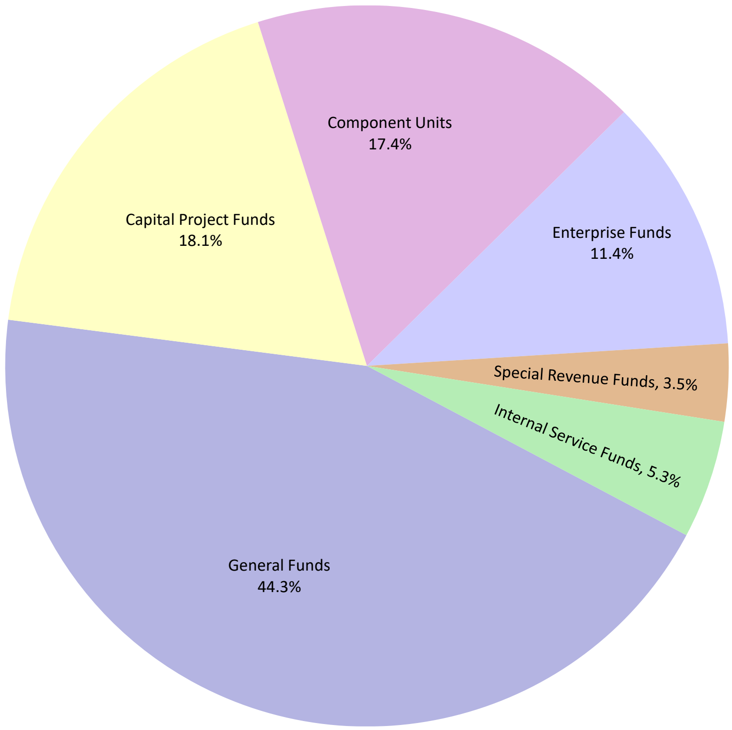


Summary of Revenues and Expenditures by Fund Type

	General Funds	Enterprise Funds	Special Revenue Funds	Component Units	Internal Service Funds	Capital Project Funds	Grand Total
BUDGET SUMMARY BY FUND TYPE FOR FISCAL YEAR 2027							
REVENUES							
General Property Taxes	$109,885,472	$0	$0	$0	$0	$0	$109,885,472
Other Local Taxes	71,144,579	0	0	0	0	0	71,144,579
Permits, Fees, and Regulatory Licenses	1,270,220	0	0	0	0	0	1,270,220
Fines and Forfeitures	303,000	0	0	0	0	0	303,000
Revenue from Use of Money and Property	3,011,340	1,239,611	61,200	0	0	0	4,312,151
Charges for Services	11,745,753	62,294,309	5,406,410	679,436	29,636,344	0	109,762,252
Miscellaneous	4,610,164	201,600	1,250,879	1,155,500	0	330,000	7,548,143
Intergovernmental - State	33,159,744	325,000	9,957,940	85,688,111	0	35,438,924	164,569,719
Intergovernmental - Federal	10,854,013	0	3,096,984	15,011,707	0	11,989,200	40,951,904
Bond Proceeds	0	0	0	0	900,000	59,102,457	60,002,457
Operating Transfers In	51,055	0	626,050	46,747,532	1,277,822	17,971,131	66,673,590
Use of (Addition to) Fund Balance	14,139,143	3,074,771	681,226	0	585,488	(598,000)	17,882,628
TOTAL REVENUES	**$260,174,483**	**$67,135,291**	**$21,080,689**	**$149,282,286**	**$32,399,654**	**$124,233,712**	**$654,306,115**
Less Operating Transfers In	(51,055)	0	(626,050)	(46,747,532)	(1,277,822)	(17,971,131)	(66,673,590)
TOTAL REVENUES NET OF TRANSFERS	**$260,123,428**	**$67,135,291**	**$20,454,639**	**$102,534,754**	**$31,121,832**	**$106,262,581**	**$587,632,525**
EXPENDITURES							
General Government Administration	$30,356,383	$0	$958,812	$0	$0	$0	$31,315,195
Judicial Administration	7,785,333	0	1,759,454	0	0	0	9,544,787
Public Safety	60,033,908	0	5,522,374	0	0	0	65,556,282
Public Works	28,900,175	0	75,000	0	0	0	28,975,175
Health and Human Services	29,011,286	0	11,394,400	0	0	0	40,405,686
Parks, Recreation, and Cultural	6,642,005	0	0	0	0	0	6,642,005
Community Development	6,897,465	0	1,309,584	0	0	0	8,207,049
Education	0	0	0	140,962,806	0	0	140,962,806
Capital Outlay (General Fund and Schools)	0	0	0	0	0	79,847,144	79,847,144
Debt Service	20,153,682	15,299,652	10,010	0	1,057,964	0	36,521,308
Operating Transfers Out	58,302,535	8,320,000	51,055	0	0	0	66,673,590
Medical Insurance	0	0	0	0	18,994,148	0	18,994,148
Fleet	0	0	0	0	12,347,542	0	12,347,542
Water	0	15,227,886	0	0	0	12,985,400	28,213,286
Sewer	0	20,468,116	0	0	0	28,055,100	48,523,216
Stormwater	0	4,206,105	0	0	0	100,000	4,306,105
Airport	0	3,613,532	0	0	0	2,000,000	5,613,532
Transit	0	0	0	8,319,480	0	1,246,068	9,565,548
Other Uses	12,091,711	0	0	0	0	0	12,091,711
TOTAL EXPENDITURES	**$260,174,483**	**$67,135,291**	**$21,080,689**	**$149,282,286**	**$32,399,654**	**$124,233,712**	**$654,306,115**
Less Operating Transfers Out	(58,302,535)	(8,320,000)	(51,055)	0	0	0	(66,673,590)
TOTAL EXPENDITURES NET OF TRANSFERS	**$201,871,948**	**$58,815,291**	**$21,029,634**	**$149,282,286**	**$32,399,654**	**$124,233,712**	**$587,632,525**

SUMMARY OF REVENUES AND EXPENDITURES BY FUND TYPE (CONTINUED)

REVENUES BY FUND TYPE
$587,632,525



EXPENDITURES BY FUND TYPE
$587,632,525