

FINANCE COMMITTEE NOTES-- FINAL
Tuesday, December 11, 2018

GENERAL BUSINESS

Meeting commenced at 11:30 a.m.

ATTENDEES

Committee Members: Council Member Jeff S. Helgeson, Chair; Council Member Randy Nelson; Council Member Beau Wright; Mayor Treney Tweedy, Ex-Officio.

Others: Bonnie Svrcek, City Manager; Reid Wodicka, Deputy City Manager; Donna Witt, Chief Financial Officer; Rhonda Allbeck, Assistant Director of Financial Services; Starlette Early, Budget Analyst

1. Approval of the Draft Finance Committee Meeting Notes from November 27, 2018.

The meeting notes from September 25, 2018 were approved as submitted.

2. Report on the General Fund Reserve for Contingencies.

Donna Witt reported there were no new items since the last meeting. The FY 2019 Reserve for Contingencies current balance is \$1,132,527.

3. Consider a request to adopt a resolution to amend the FY 2019 City/Federal/State Aid Fund budget and appropriate \$4,000 with resources from the Virginia Department of Environmental Quality Competitive Litter Prevention and Recycling Grant to purchase a Bigbelly waste receptacle for placement in downtown.

The Committee approved this item and will be considered by full Council at their December 11, 2018 meeting.

4. Review highlights of attached quarterly financial reports for the Greater Lynchburg Transit Company (GLTC) as well as the Regional Airport, Lynchburg Regional Juvenile Detention Center, Children's Services Act, Water Operating, Sewer Operating, Stormwater Operating, and General Funds for the quarter ending September 30, 2018.

GLTC: Brian Booth reported total revenues for the first quarter of FY 2019 were approximately 1% under budget due mainly to Liberty University revenue at 4% below budget and the Federal Transit Administration (FTA) withholding Federal Assistance. Other contract revenue is \$11,000 above budget. Total expenses are currently below budget by 6%, mainly due to savings in labor and benefits from vacant positions during the quarter ending September 30, 2018. As the year continues and staff filling the vacancies are trained, these expenses are expected to level out.

Airport: Mark Courtney reported revenues were looking higher than last year, with all jet service providing higher landing fee revenues. There are also three leases boosting revenues. Expenses are expected to be fairly flat throughout FY 2019 and, with an anticipated operating surplus of approximately \$172,000, the airport is expected to remain self-sufficient with no operating subsidy required for the foreseeable future.

Lynchburg Regional Juvenile Detention Center: Tamara Rosser reported revenues were slightly higher than budgeted due to the Community Placement Program, where revenues are received regardless of the number served. All other revenues are on track with budget. Expenses are also on track at \$654,882 for the first quarter of FY 2019.

Children's Services Act (CSA): Tamara Rosser reported the CSA was relatively quiet and gearing up for the year. Expenses and revenues were low in first quarter but would catch up in the second quarter.

Water: Tim Mitchell reported revenues were over budget by \$230,000, mainly due to higher than anticipated interest earnings. Expenses are approximately \$82,000 less than budget, due primarily to unfilled positions. The fund balance ratio is 63% (compared to target range of 25% - 40%) and will likely make a transfer for "pay go" capital projects.

Sewer: Tim Mitchell reported revenues exceeded budget by \$500,000 due to higher than anticipated leachate processing and higher returns on cash investments. Expenses were \$96,500 higher than budget due to increased cost in chemicals, use of temporary personnel at new truck haul waste station, and engineering services required for roof replacement program. Debt coverage ratio is 1.23 compared to target minimum of 1.20 and the fund balance ratio was 45% (compared to a target range of 25% to 40%).

Stormwater: Tim Mitchell reported revenues were close to budget, exceeding amount budgeted by \$16,500. Expenses were expected to be about \$77,000 above budget due to contractual services that include unanticipated maintenance of \$50,000 needed to repair detention ponds from the August 2018 flood event and \$40,000 budgeted in FY2018 for sediment control study deferred to FY 2019. The fund balance ratio is 21% (compared to the target balance of 15% - 20%) and there is no debt service in the Stormwater Fund.

General Fund: Donna Witt reported the City is doing well overall for the first quarter. The Real Estate tax installment due on November 15 was extended due to snow event. Sales and Use Tax revenues were up \$268,000. Business License tax is due May 1 so collections to date are a small part of the annual budget. Meals Tax and Lodging Tax revenues were both above budget projections based on collections for two months. Fines and Forfeitures revenue was down a bit due primarily to timing in receipt of fines, Interest on Investments is ahead of projections, and Charges for Services revenue is behind budget projections by about \$195,000 due to ambulance billing and police off-duty collections not meeting expectations. Dedicated revenues are down a bit, but just a timing issue and operating expenses are at 24.1%, in line with target projections.

5. Roll Call

There were no items for roll call.

Meeting adjourned at 12:17 p.m.