

FINANCE COMMITTEE NOTES
Tuesday, February 26, 2019

GENERAL BUSINESS

Meeting commenced at 11:30 a.m.

ATTENDEES

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

Others: Bonnie Svrcek, City Manager; Reid Wodicka, Deputy City Manager; John H. Hughes, IV, Assistant 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 January 22, 2019.

With the absence of Council Member Beau Wright, Chair Helgeson noted a quorum was present. The meeting notes from January 22, 2019 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 Capital Fund budget and appropriate \$1,000,000 with resources from the Virginia Department of Transportation (VDOT) State of Good Repair Grant to pave sections of Wards Road and Fort Avenue: (1) Wards Road and Fort Avenue from 0.04 miles south of Edgewood Avenue to Harding Street and, (2) Wards Road from the on-ramp of the Lynchburg Expressway North to 0.04 miles north of Candler's Mountain Road.

The Committee approved this item and is scheduled to be considered by full Council at their February 26, 2019 meeting.

4. Consider a request to amend the FY 2019 City/Federal/State Aid Fund budget and appropriate \$163,204 to for the Temporary Assistance for Needy Families (TANF) Community Wealth Building (CWB) Grant. This grant is administered by the Virginia Department of Social Services (VDSS).

The Committee requested further explanation of this item and is scheduled to be considered by full Council at their February 26, 2019 meeting.

5. Approve the submittal of a grant application by the Office of the Commonwealth's Attorney for FY 2020 and FY 2021 Victims of Crime Act (VOCA) Victims Services Grant Program through the Virginia Department of Criminal Justice Services.

This item was approved.

6. Approve the submittal of a grant application to the Virginia Office of Emergency Medical Services – Rescue Squad Assistance Fund (RSAF) for \$103,920 with resources of \$51,960 from the RSAF grant, \$47,297 from the FY 2020 General Fund Fire Department budget and \$4,663 from the General Fund Fire Equipment Assigned Fund Balance to purchase (3) LifePak 15 for the Fire Department.

This item was approved.

7. 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 December 31, 2018.

GLTC: Brian Booth reported total revenues for the second quarter were down from budget by 1% mainly due to passenger revenue (down by 10% for a “Fare Free” week) and Liberty University revenue coming in less than budgeted. Expenditures were 1% over budget during this quarter due to overtime needed due to staff vacancies, upkeep of fleet is higher than anticipated and facility maintenance having some unexpected expenses. Despite these variances, GLTC is ending the second quarter with a \$72,000 surplus year to date.

Airport: Mark Courtney reported revenues and expenses are largely in line with budget estimates. Revenues are up by \$67,000 due to higher landing fees for larger jet aircraft, a new hanger tenant, and renegotiated leases. Expenses were tracking but looking ahead these would be higher due to expenses for snow removal, a Workers Compensation settlement, major repair on a fire truck, and additional consulting. Overall, the airport anticipates an operating surplus for FY 2019 of \$155,000, with seat capacity increasing by 20% beginning in May due to all jet service.

Lynchburg Regional Juvenile Detention Center: Robin Mamola (reporting for Tamara Rosser) indicated revenues from Charges for Services are down due to a decrease in the regional population. The Community Placement Program (CPP) continues to be full. Expenditures are slightly below budget with Lynchburg’s allocated share at approximately 62%.

Children’s Services Act (CSA): Robin Mamola (reporting for Tamara Rosser) noted reimbursements are turning around quickly, with \$1,506,027 incurred through the second quarter of FY 2019, keeping a positive cash flow. Foster Care expenses are down, due to a decrease in the number of children placed in foster care. Special Education expenses are rising due to the increase in enrollments.

Water: Tim Mitchell reported overall revenues exceeded budget by \$278,000 in the second quarter due to industrial users and interest earnings. Expenses were below budget by \$50,000 due to savings in unfilled positions. Debt coverage is within Council policy, and the fund balance ration is 63% with plans to transfer funds to cover pay go capital.

Sewer: Tim Mitchell reported overall revenues were exceeding budget by \$580,000 due to leachate, sewer contracts and interest. Expenditures were higher than projected by \$57,000 due to chemical prices and contractual services for clearing debris from storms. Debt coverage ratio is 1.24 compared to target minimum of 1.20. The fund balance ratio was 45%.

Stormwater: Tim Mitchell reported overall revenues were \$30,000 above budget mainly due to interest and expenses were about \$23,000 more than budgeted due to storm events. Debt Service expenditures had savings due to deferred closing of a loan.

General Fund: Donna Witt noted Real Estate Tax was coming in strong with \$963,808 more than collected in same period of FY 2018. Consumer Electric revenues were up slightly by \$89,000, Consumer Sales and Use Tax is declining as expected, Local Sales Tax revenue was up by \$358,000; Business License is too early to tell; Meals Tax revenue was slightly above budget and Lodging Tax revenue was ahead of projections by \$117,867. Expenses are at 46.5% of budget.

8. Review collections received from five of the City's largest revenue sources.

Donna Witt reported on the status of five revenues received for the month ending December 31, 2018: She noted December numbers were not as strong as we wanted them with Sales and Use Tax revenue below \$1.6 million during the month of December for the first time in years. Communications Sales and Use Tax continues to track below budget; Meals Tax revenue is slightly less than expected; Lodging Tax revenue for December is flat to budget.

9. Roll Call

There were no items for roll call.

Meeting adjourned at 12:34 p.m.