

FINANCE COMMITTEE NOTES
Tuesday, February 27, 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 Mary Jane Dolan; Mayor Joan Foster, Ex-Officio.

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

1. Approval of the Draft Finance Committee Meeting Notes from September 26, 2017.

The notes for the September 26, 2017 Finance Committee meeting were approved as submitted.

2. Approval of the Draft Finance Committee Meeting Notes from November 28, 2017.

The notes for the November 28, 2017 Finance Committee meeting were approved as submitted.

3. Report on the General Fund Reserve for Contingencies.

Donna Witt reported there were no new items; there is a current balance of \$1,150,000 in the FY 2018 General Fund Reserve for Contingencies.

4. Consider a request to adopt a resolution to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate \$62,817 with resources of \$32,826 from the Virginia Office of Emergency Medical Services – Rescue Squad Assistance Fund (RSAF) grant and \$29,991 from the FY 2018 General Fund Fire Department budget to purchase one (1) chest compression device, one (1) Power Pro stretcher, and one (1) cardiac monitor/defibrillator.

The Committee unanimously approved this item. The item will be considered by City Council at their February 27, 2018 meeting.

5. Approve the submittal of a grant application to the Department of Homeland Security Federal Emergency Management Agency's (DHS/FEMA) National Preparedness Directorate's FY 2018 Assistance to Firefighters Grant (AFG) in the Operations and Safety category for \$257,595 to purchase firefighter self-rescue devices more commonly referred to as Bail-out devices.

The Committee unanimously approved this item.

6. Approve the submittal of a grant application to the Department of Homeland Security Federal Emergency Management Agency's (DHS/FEMA) National Preparedness Directorate's FY 2018 Assistance to Firefighters Grant (AFG) in the Public Education category for \$115,000 to purchase LED electronic signage to be installed at four (4) fire stations to provide the

community with information regarding events, education and safety messages, along with community related impacts.

The Committee unanimously approved this item.

7. Approve the submittal of a grant application to the Virginia Office of Emergency Medical Services Rescue Squad Assistance Fund Grant to purchase \$119,000 worth of Emergency Medical Services (EMS) response and training equipment. This equipment includes; one (1) Simulation Mannequin, one (1) Stretcher, one (1) Cardiac Monitor/Defibrillator, and one (1) set of CPR Mannequins.

The Committee unanimously approved this item.

8. Approve the submittal of a grant application for the 2018 VA Department of Criminal Justice Services Byrne/Justice Assistance Grant in the amount of \$20,066 with resources from a Byrne/Justice Assistance grant to purchase law enforcement equipment for the Lynchburg Police Department.

Captain Randall Houck presented the item. The Committee unanimously approved this item.

9. 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, 2017.

GLTC: A written report was submitted by Brian Booth. Information in this report was previously presented to City Council at their February 13, 2018 Work Session.

Airport: A written report was submitted by Mark Courtney. Information in this report was previously presented to City Council at their February 13, 2018 Work Session.

Lynchburg Regional Juvenile Detention Center: Tamara Rosser reported 50 percent of revenues had been received and overall expenses were within budget at 49 percent. A few line items were more than 50 percent at this time due to HVAC repairs (77%) and Training (76%) for the new Superintendent. The Community Placement Program (CPP) is staying full with 8 beds dedicated to this program and a rate of \$139/day per diem.

Children's Services Act (CSA): Tamara Rosser reported second quarter revenues and expenses are on track with the budget, with not a great deal of activity during this period. Overall revenues received are at 42 percent of budgeted and expenses are at 36 percent.

Water: Tim Mitchell reported revenues are exceeding budget by \$226,000 due to higher than anticipated water sales from an industrial customer, increase in contracted water consumption, and interest earnings. Overall expenses are below budget by \$54,000 due primarily to savings from unfilled positions at the end of the second quarter. Debt Service is expected to exceed budgeted by \$80,000 due to a September 26, 2017 bond refunding. The fund balance ratio is projected to be over the target range (63%) and the debt coverage ratio is at 1.20.

Sewer: Tim Mitchell reported overall revenues are projected to exceed budget by \$167,000, mostly attributable to leachate revenue and interest revenue. Overall expenses are also

above budgeted by \$173,000 due to Capital Outlay for replacement of equipment. Debt coverage ratio is 1.21 compared to target minimum of 1.20. The fund balance ratio is within target (38%).

Stormwater: Tim Mitchell reported overall revenues and expenses are within budget. The fund balance ratio is 26% compared to the target balance of 15% - 20% and currently there is no debt service in the Stormwater Fund.

General Fund: Donna Witt reported only first installment of four for Real Estate Tax has been received for FY 2018, Personal Property tax revenue collected is at 52.1 percent, Consumer Utility Tax revenue is slightly down through November due to mild weather, Communication Sales and Use Tax is following budget, Local Sales Tax revenue is less than budgeted by 2.1 percent, Business License revenue will be coming in since this tax is due May 1, Meals Tax is slightly ahead of budget at 5 months and Lodging Tax is slightly behind projections by \$12,000. She also noted Permit, Fees and Licenses are ahead of budget, Fines and Forfeitures are down considerably due to change in this program, and Interest on Investments are ahead of the budgeted projection for FY 2018.

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

Donna Witt reported the December Sales and Use Tax revenue is significantly below budget and aligned with collections in FY 2016. Consumer Utility Tax revenue was less than budgeted by \$41,000 with the mild weather and Communication Sales and Use Tax revenue continues to trend within budget, but declining each year as anticipated. She noted the General Assembly did not change the services to be included in this tax to reflect current usage of streaming products. Revenues from Meals Tax are within \$96 of budget and Lodging is currently \$98,000 below budgeted overall due to delayed opening in hotels.

11. Roll Call

Council Member Helgeson noted the importance of the City to use zoning as a tool to limit supply of housing to help increase real estate values.

Meeting adjourned at 12:36 p.m.