

FINANCE COMMITTEE NOTES
Tuesday, October 23, 2012
Bidder's Room

Meeting commenced at 11:30 a.m.

ATTENDEES

Committee Members: Councilmember Randy Nelson, Chairman; Councilmember H. Cary, III; Councilmember Joan Foster; Mayor Michael A. Gillette, Ex-Officio

Others: Kim Payne, City Manager; Bonnie Svrcek, Deputy City Manager; Donna Witt, Director of Financial Services; Rhonda Allbeck, Assistant Director of Financial Services; Megan Palmer, Assistant to the Director of Financial Services

GENERAL BUSINESS

1. Report on the General Fund Reserve for Contingencies

Donna stated there are no new items introduced.

2. Review highlights of attached quarterly financial reports for the Regional Airport, Lynchburg Regional Juvenile Detention Center, Comprehensive Services Act, Water Operating, Sewer Operating, and General Funds for the quarter ending June 30, 2012.

Airport: Wes Campbell reported revenues have increased even with this being the first full year without Delta Air Lines primarily due to conservative budgeting. Expenses have decreased largely due to a more efficient HVAC system and converting to natural gas. The FY 2012 subsidy is projected to be \$73,174 less than budgeted.

Lynchburg Regional Juvenile Detention Center: Tamara Rosser reported revenues and expenditures were slightly down due to serving fewer kids. The Detention Center is serving about 4 fewer kids than last year.

Comprehensive Services Act (CSA): Tamara Rosser reported revenue and expense increases are directly related to serving more kids than last year.

Water: Tim Mitchell reported the Water Fund revenues are significantly down due to lower consumption and decreased water sales to both residential and contract customers. Expenses are down to make up for the loss of revenue by deferring maintenance, filling a position at entry level or not filling a position, and chemical savings. Overall, the Water Fund numbers are within the financial policy targets.

Sewer: Tim Mitchell reported the Sewer Fund revenues are significantly down due to lower consumption, decreased water sales, fewer surcharges, and industries are using more cost-effective methods to reuse waste. Expenses are down to make up for the loss of revenue by deferring maintenance, filling a position at entry level or not filling a position, and chemical savings. Overall, the Sewer Fund numbers are within the financial policy targets.

General Fund: Donna Witt reported the General Fund did well and the large revenues tracked with or better than budgeted due to conservative projections. Expenditures are \$2.0 million more than budget largely attributable to the derecho that affected the City in late June. Overall, the General Fund year-end results are better than projected.

3. Consider a request to adopt a resolution to amend the FY 2013 City/Federal/State Aid Fund budget and appropriate \$140,144 with resources from the Department of Homeland Security Federal Emergency Management Agency's (DHS/FEMA) National Preparedness Directorate's FY 2012 Assistance to Firefighters Grant (AFG) in the Operations and Safety category to fund a Paramedic training project for the Fire Department.

This item will be taken to full Council for consideration on November 13, 2012.

4. Consider a request to approve the submittal of a grant application to the Virginia Office of Emergency Medical Services – Rescue Squad Assistance Fund (RSAF) for \$55,303 with resources of \$44,242 from the RSAF grant and \$11,061 transferred from the FY 2013 General Fund Fire Department budget to purchase one replacement Quick Response Vehicle (2012 Chevrolet Tahoe 4WD) for the Fire Department.

Approval was granted to the Fire Department to apply for the grant.

5. Review the FY 2012 Write-Off of Uncollectible Accounts Receivable.

Donna reported that collections staff does an excellent job and therefore write-offs are minimal and less than last year.

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

Donna reported Sales and Use Tax is up, likely due to students returning to the area. Consumer Utility Tax is still down due to a mild winter. Communications Sales and Use Tax is not meeting projections despite the State's promise that funding would be level after the State began to manage collection of this tax; this issue seems to be statewide. Meals and Lodging Taxes are doing better than anticipated primarily due to conservative budgeting.

7. Roll Call

OTHER INFORMATION

Office of the Circuit Court Clerk:

A resolution to amend the FY 2013 General Fund budget and appropriate \$40,755 with resources from the State Compensation Board, Technology Trust Fund fees to support information technology needs in the Office of the Circuit Court Clerk.

This item will be taken to full Council for consideration on November 13, 2012.

Meeting adjourned at 12:23 p.m.

The next Finance Committee meeting is Tuesday, November 27, 2012, at 11:30 a.m.