

# Adopted

## FY 2012 Budget VOLUME I



*Volunteer Appreciation Night at Lynchburg City Stadium*

## Operating Budget

900 Church Street, Lynchburg, VA 24504





# The City of Lynchburg, Virginia

CITY HALL, LYNCHBURG, VIRGINIA 24505 • (434) 455-3995  
FAX (434) 847-1536  
www.lynchburgva.gov

OFFICE OF THE MAYOR

July 1, 2011

Dear Citizens of Lynchburg:

City Council adopted the *FY 2012 Operating and Capital Budget* for all funds on May 24, 2011. This action followed several months of deliberation and review of the proposed budget and Capital Improvement Program (CIP). City Council held a budget retreat, six work sessions, and a public hearing on the proposed budget and CIP. A copy of the FY 2012 Budget Resolution outlining the appropriations to various City funds can be found behind the Budget Resolution tab in this document.

Adjustments to the *FY 2012 Proposed Operating Budget* are as follows:

| <u>General Fund</u>                                | <u>Proposed<br/>Operating<br/>Budget</u> | <u>Adjustments</u> | <u>Revised Budget</u> |
|--|--|--------------------|-----------------------|
| <b><u>Revenues and Use of Fund Balance</u></b>     |  |                    |                       |
| Revenues   | \$154,001,703                            | \$301,398          | \$154,303,101         |
| Use of Fund Balance                                | 9,562,649                                | (568,536)          | \$8,994,113           |
| <b>Total Revenues and Use of Fund Balance</b>      | <b>\$163,564,352</b>                     | <b>(\$267,138)</b> | <b>\$163,297,214</b>  |
| <b><u>Expenditures</u></b>                         |  |                    |                       |
| Operations   | \$103,398,921                            | (\$544,521)        | \$102,854,400         |
| Debt Service                                       | 14,727,384                               | 205,887            | \$14,933,271          |
| Schools-Operations                                 | 31,942,103                               | 0                  | \$31,942,103          |
| Greater Lynchburg Transit Company                  | 1,143,714                                | 0                  | \$1,143,714           |
| Transfers to Other Funds                           | 2,179,781                                | (333,265)          | \$1,846,516           |
| Reserves   | 1,074,362                                | 848,297            | \$1,922,659           |
| Capital Improvements                               | 9,098,087                                | (443,536)          | \$8,654,551           |
| <b>Total Expenditures, Reserves, and Transfers</b> | <b>\$163,564,352</b>                     | <b>(\$267,138)</b> | <b>\$163,297,214</b>  |

Details of these adjustments can be found in the City Council report that follows this letter.

With the adjustments noted above, the General Fund undesignated fund balance as of June 30, 2012, is projected to be \$15,855,783, or 10.3% of revenues. Council's target for undesignated fund balance is 10.0% of revenues.

I want to thank City Council and staff for their dedication to public service and their willingness to spend countless hours deliberating and making difficult choices during this rather challenging budget process. I am proud that Council has worked together to adopt a budget that will serve us well during this fiscal year.

Thank you.

Sincerely,

Joan F. Foster  
Mayor

# Adopted

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## Volume I



*Volunteer Appreciation Night at Lynchburg City Stadium*

## FY 2012 Operating Budget

---



**VIRGINIA**

**ADOPTED  
FY 2012 OPERATING BUDGET  
OF THE CITY OF LYNCHBURG, VIRGINIA**

***General, Fleet, Airport, Water, Sewer, and Other Funds***

**CITY COUNCIL**

*Joan F. Foster, Mayor, At Large  
Ceasor T. Johnson, Vice Mayor, Ward II  
Hunsdon "H" Cary, III, At Large  
J. Randolph "Randy" Nelson, At Large  
Michael A. Gillette, Ward I  
Jeff S. Helgeson, Ward III  
Edgar J. T. Perrow, Jr., Ward IV*

**CITY MANAGER**

*L. Kimball Payne, III*

**LEADERSHIP TEAM**

*Bonnie Svrcek, Deputy City Manager  
Walter Erwin, III, City Attorney  
William Aldrich, Director of Emergency Services  
Greg Daniels, City Assessor  
Lynn Dodge, Director of Libraries and Museums  
Michael Doucette, Commonwealth Attorney  
Steven "Brad" Ferguson, Chief of Fire and Emergency Medical Services  
Kay Frazier, Director of Parks and Recreation Services  
Michael Goetz, Director of Information Technology  
Leslie King, Assistant to the City Manager  
Cynthia Kirkland, Acting Director of Social Services  
JoAnn Martin, Director of Communications and Marketing  
John McCorkhill, Director of Fleet Services  
Timothy Mitchell, Director of Utilities  
Mitchell Nuckles, Commissioner of Revenue  
David Owen, Director of Public Works  
Tamara Rosser, Director of Juvenile Services  
Margaret Schmitt, Director of Human Resources  
Parks Snead, Chief of Police  
Marjette Upshur, Director of Economic Development  
Kent White, Director of Community Development  
Donna Witt, Director of Financial Services*

**BUDGET STAFF**

*Megan Palmer, Financial Technician IV  
Cindy Speck, Budget Analyst  
Michelle White, Budget Analyst*

**SPECIAL ACKNOWLEDGMENT**

*Cover photograph by LuAnn Hunt*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

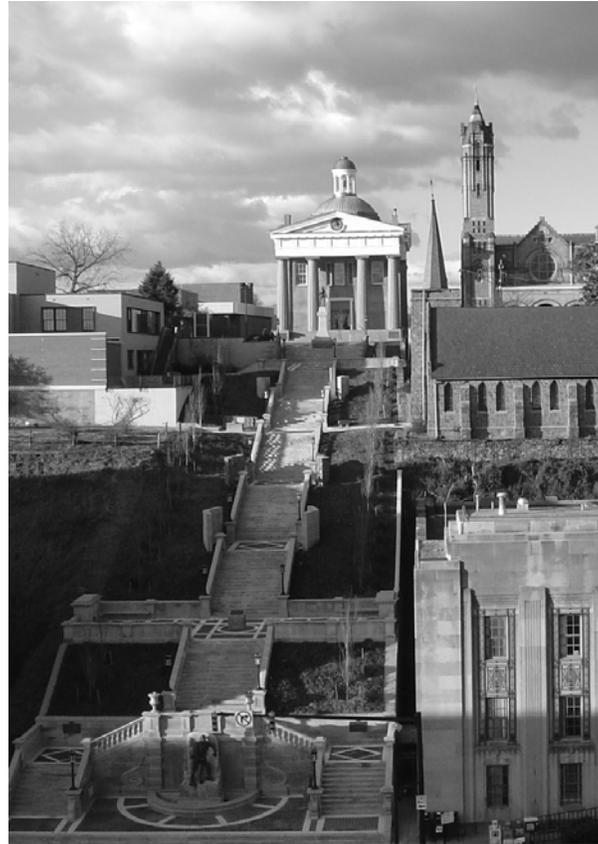
**City of Lynchburg  
Virginia**

For the Fiscal Year Beginning

**July 1, 2010**

President

Executive Director



*Monument Terrace, February 2005*



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# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **May 10, 2011**

AGENDA ITEM NO.:

CONSENT:

REGULAR: **X**

CLOSED SESSION:  
(Confidential)

ACTION: **X**

INFORMATION:

**ITEM TITLE: 1) Adoption and Appropriation of the FY 2012 Operating Budget; 2) Adopt a Resolution Authorizing the City Manager to Award Monetary Incentives, Awards, and Bonuses to Employees for Exceptional Services; 3) Adopt the personal property tax relief rate.**

**RECOMMENDATION:**

Adopt and appropriate the FY 2012 Operating Budget; adopt a resolution authorizing the City Manager to award monetary incentives, awards, and bonuses to employees for exceptional services; adopt a resolution to set the personal property tax relief rate.

**SUMMARY:**

Following the April 5, 2011 Public Hearing for the FY 2012 Budget, Council incorporated several adjustments to the Proposed FY 2012 General Fund Budget as follows:

**General Fund**

| <b><u>Revenues and Use of Fund Balance</u></b>                                 | <b><u>Proposed<br/>Operating<br/>Budget</u></b> | <b><u>Adjustments</u></b>     | <b><u>Revised Budget</u></b>    |
|--|---|-------------------------------|---------------------------------|
| Revenues   | \$154,001,703                                   | \$301,398                     | \$154,303,101                   |
| Use of Fund Balance  | 9,562,649                                       | (543,536)                     | <del>\$9,019,113</del>          |
| <i>Use of Fund Balance revised <sup>1</sup></i>                                |   | (568,536)                     | \$8,994,113                     |
| <b>Total Revenues and Use of Fund Balance</b>                                  | <b>\$163,564,352</b>                            | <b>(<del>\$242,138</del>)</b> | <b><del>\$163,322,214</del></b> |
| <b><i>Total Revenues and Use of Fund Balance revised <sup>1</sup></i></b>      |   | <b>(<del>\$267,138</del>)</b> | <b><del>\$163,322,214</del></b> |
| <br><b><u>Expenditures</u></b>   |   |                               |                                 |
| Operations   | \$103,398,921                                   | (519,521)                     | <del>\$102,879,400</del>        |
| <i>Operations revised <sup>1</sup></i>   |   | (544,521)                     | \$102,854,400                   |
| Debt Service   | 14,727,384                                      | 205,887                       | \$14,933,271                    |
| Schools-Operations   | 31,942,103                                      | 0                             | \$31,942,103                    |
| Greater Lynchburg Transit Company  | 1,143,714                                       | 0                             | \$1,143,714                     |
| Transfers to Other Funds   | 2,179,781                                       | (333,265)                     | \$1,846,516                     |
| Reserves   | 1,074,362                                       | 848,297                       | \$1,922,659                     |
| Capital Improvements   | 9,098,087                                       | (443,536)                     | \$8,654,551                     |
| <b>Total Expenditures, Reserves, and Transfers</b>                             | <b>\$163,564,352</b>                            | <b>(<del>\$242,138</del>)</b> | <b><del>\$163,322,214</del></b> |
| <b><i>Total Expenditures, Reserves, and Transfers revised <sup>1</sup></i></b> |   | <b>(<del>\$267,138</del>)</b> | <b><del>\$163,322,214</del></b> |

Details of these adjustments can be found in Attachment A.

Also, state code requires that the personal property tax relief rate be set at the time the budget is adopted.

Adopting Resolutions A, B, E, F, G, M, N, O, P, Q and R require a majority vote of all of the members of City Council in attendance, said vote to be taken by ayes and noes.

Adopting Resolutions C, D, H, I, J, K, and L require a two-thirds majority vote (i.e. five of seven) among the members elected to City Council, said vote to be taken by ayes and noes.

<sup>1</sup> During City Council's budget work sessions, the FY 2012 budget was balanced to include \$25,000 for the Lynchburg Neighborhood Development Foundation. At the May 10, 2011, first reading of the FY 2012 Operating budget for adoption, Council decided to postpone appropriating these funds. As a result, the Use of Fund Balance, Total Revenues and Use of Fund Balance, Operations, and Total Expenditures, Reserves, and Transfers figures are revised to reflect the change.

Fund Balance<sup>1</sup>

With the adjustments noted above, the General Fund undesignated fund balance as of June 30, 2012 is projected to be ~~\$15,830,783~~ \$15,855,783, or 10.3% of revenues. Council's target for undesignated fund balance is 10.0% of revenues.

PRIOR ACTION(S):

March 8, 15, 22, 29, April 12, 26, 2011 – City Council Work Sessions

April 5, 2011 – Public Hearing on the Proposed FY 2012 Budgets for City Government, Public Schools, Water, Sewer, Airport and Other Funds, and the FY 2012 - 2016 Capital Improvement Program

BUDGET IMPACT:

See attached budget resolution.

CONTACT(S):

L. Kimball Payne, III, City Manager, 455-3990

Bonnie Svrcek, Deputy City Manager, 455-3990

Donna Witt, Director of Financial Services, 455-3968

ATTACHMENT(S):

Attachment A: Balancing the FY 2012 General Fund Budget, and Resolutions to 1) adopt and appropriate the FY 2012 Operating Budget; 2) approve a resolution authorizing the City Manager to award monetary incentives, awards, and bonuses to employees for exceptional services; and 3) adopt a resolution to set the personal property tax relief rate.

REVIEWED BY:

<sup>1</sup> During City Council's budget work sessions, the FY 2012 budget was balanced to include \$25,000 for the Lynchburg Neighborhood Development Foundation. At the May 10, 2011, first reading of the FY 2012 Operating budget for adoption, Council decided to postpone appropriating these funds. As a result, the Use of Fund Balance, Total Revenues and Use of Fund Balance, Operations, and Total Expenditures, Reserves, and Transfers figures are revised to reflect the change.

# ATTACHMENT A

## BALANCING THE FY 2012 GENERAL FUND BUDGET

### Revenues and Use of Fund Balance

|   |                      |
|---|----------------------|
| <b>Proposed Revenues (from the FY 2012 Proposed Operating Budget)</b> | <b>\$154,001,703</b> |
| Use of Fund Balance   | 9,562,649            |
| <b>Total Proposed Revenues and Use of Fund Balance</b>                | <b>\$163,564,352</b> |

### *Adjustments: Revenue Summary*

#### *Dedicated Revenue Adjustments*

|  |            |
|--|------------|
| Compensation Board                             | (\$48,450) |
| Local Law Enforcement Funding (House Bill 599) | 210,783    |
| Social Services Administration State Aid       | (110,597)  |
| Social Services Administration Federal Aid     | 249,662    |

#### *Use of Fund Balance*

|                                       |             |
|---------------------------------------|-------------|
| Addition to Fund Balance              | (\$25,000)  |
| Schools FY 2010 Year End Fund Balance | (\$543,536) |

|   |                      |
|---|----------------------|
| <b>Revised Revenues and Use of Fund Balance</b> | <b>\$163,297,214</b> |
|---|----------------------|

### Expenditures, Reserves and Transfers

|   |                      |
|---|----------------------|
| <b>Proposed Expenditures, Reserves and Transfers (from the FY 2012 Proposed Operating Budget)</b> | <b>\$163,564,352</b> |
|---|----------------------|

### *Adjustments: Expenditures, Reserves, and Transfers*

|  |           |
|--|-----------|
| Add funding for operations and maintenance of Ivy Creek and Riverfront Parks   | \$145,417 |
| Additional cost for Lynchburg Health Department  | 37,917    |
| Reduce contractual obligation for Lynchburg Regional Convention and Visitors Bureau  | (17,275)  |
| Eliminate cost associated with Virginia Retirement System Benefit Option   | (816,793) |
| Remove Capital Outlay funds for the E911 telephone system  | (100,000) |
| Increase Transfer to Capital for radio replacements  | 100,000   |
| Restore temporary personnel funding for Sheriff  | 32,295    |
| Additional temporary personnel funding for Sheriff to provide security in the Juvenile and Domestic Relations District Court | 21,540    |
| Add funding for Lynchburg Community Action Group (LynCAG)  | 25,000    |
| Add funding for Rebuilding Together  | 25,000    |
| Add to the Reserve for Heritage High School Debt   | 800,000   |
| Establish a reserve for future needs   | 48,297    |
| Reduce the transfer for School Capital Projects  | (543,536) |
| Eliminate transfer to the Stadium Fund (close into General Fund)   | (333,265) |
| Add cost of City Baseball Stadium maintenance to Public Works  | 127,378   |
| Add City Stadium Debt  | 205,887   |
| Move Lynchburg Neighborhood Development Foundation from a Contractual to Discretionary Agency                                | 0         |
| Defer appropriation of funds for Lynchburg Neighborhood Development Foundation   | (25,000)  |

|                             |                      |
|-----------------------------|----------------------|
| <b>Revised Expenditures</b> | <b>\$163,297,214</b> |
|-----------------------------|----------------------|



A. BE IT RESOLVED that by majority vote the FY 2012 General Fund Operating Budget (excluding External Service Provider and Component Unit expenditures) including the revenues and expenditures proposed by the City Manager and amended by City Council be adopted as the annual operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated:

| <b>GENERAL FUND INCOME</b>                  |                             | <b>GENERAL FUND EXPENDITURES</b>                 |                             |
|---|-----------------------------|--|-----------------------------|
| Beginning Balance                           | \$22,830,783                | General Government                               | \$12,154,537                |
| <u>Non-Dedicated Revenues</u>               |                             | Judicial Administration                          | 4,440,872                   |
| General Property Taxes                      | 68,149,861                  | Public Safety                                    | 31,167,912                  |
| Other Local Taxes                           | 44,629,115                  | Public Works                                     | 15,969,158                  |
| Permits, Privilege Fees and Licenses        | 454,300                     | Health and Welfare                               | 17,205,506                  |
| Fines & Forfeitures                         | 470,000                     | Parks, Recreation and Cultural                   | 5,173,245                   |
| Use of Money & Property                     | 508,966                     | Community Development                            | 2,330,921                   |
| Charges for Services                        | 3,539,744                   | Non-Departmental                                 | 5,935,258                   |
| Miscellaneous                               | 245,300                     | Transfer to Other Funds                          | 1,846,516                   |
| Revenue from the Commonwealth               | 6,048,584                   | Debt Service                                     | 7,923,558                   |
| Revenue from Lynchburg City Schools         | 30,153                      | Schools (Local Share Only) - Debt Service        | 7,009,713                   |
| <u>Dedicated Revenues</u>                   |                             | Reserves   | 1,922,659                   |
| Revenue from Use of Money & Property        |                             | Transfer to Capital - City                       | 7,624,033                   |
| Charges for Services                        | 1,889,671                   | Transfer to Capital - Schools                    | 1,030,518                   |
| Recreation Revenue                          | 373,800                     | Ending Balance                                   | 45,830,783                  |
| Miscellaneous                               | 2,239,138                   | <i>Ending Balance revised</i> <sup>2</sup>       | 15,855,783                  |
| Revenue from the Commonwealth               |                             | <b>Subtotal</b>                                  | <b>\$137,565,189</b>        |
| Categorical Aid - State Shared Expenditures | 2,911,234                   | <b>Subtotal revised</b> <sup>2</sup>             | <b>\$137,590,189</b>        |
| Categorical Aid                             | 15,838,225                  | External Service Providers <sup>1</sup>          | \$8,504,994                 |
| Revenue from the Federal Government         | 6,975,010                   | <i>External Service Providers</i> <sup>1,2</sup> | \$8,476,991                 |
| Use of Reserves and Designated Fund Balance | 2,019,113                   | Component Units <sup>1</sup>                     | \$33,085,817                |
| <b>Total</b>                                | <b><u>\$179,152,997</u></b> | <b>Total</b>                                     | <b><u>\$179,152,997</u></b> |

<sup>1</sup> To be considered separately

<sup>2</sup> During City Council's budget work sessions, the FY 2012 budget was balanced to include \$25,000 for the Lynchburg Neighborhood Development Foundation, an External Service Provider. At the May 10, 2011, first reading of the FY 2012 Operating budget for adoption, Council decided to postpone appropriating these funds. As a result, the Ending Balance, Subtotal, and External Service Providers figures are revised to reflect the change.

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified:

Valeria P. Chambers  
Clerk of Council

077L\_A

#R-11-046

B. BE IT RESOLVED that by majority vote the FY 2012 Mandated and Contractual External Service Providers Budget of \$8,291,272 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated:

|   |                           |
|---|---------------------------|
| <b><u>MANDATED</u></b>                          |                           |
| Blue Ridge Regional Jail Authority .....        | \$5,484,852               |
| Central Virginia Community Services Board ..... | 444,003                   |
| Health Department .....                         | 830,977                   |
| Region 2000 Local Government Council.....       | 41,614                    |
| <b>TOTAL MANDATED .....</b>                     | <b><u>\$6,801,446</u></b> |

|  |                           |
|--|---------------------------|
| <b><u>CONTRACTUAL</u></b>                              |                           |
| Lynchburg Humane Society .....                         | \$104,500                 |
| Lynchburg Lifesaving/Rescue Squad.....                 | 10,000                    |
| Lynchburg Regional Chamber of Commerce-Tourism.....    | 1,223,725                 |
| Southern Memorial Association (Old City Cemetery)..... | 122,438                   |
| Virginia Cooperative Extension Service .....           | 29,163                    |
| <b>TOTAL CONTRACTUAL.....</b>                          | <b><u>\$1,489,826</u></b> |

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_B

#R-11-047

C. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Central Virginia Area Agency on Aging Budget of \$15,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_C

#R-11-048

D. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Central Virginia Community College Board and Related Operations Budget of \$1,831 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_D

#R-11-049

E. BE IT RESOLVED that by majority vote the FY 2012 Court Appointed Special Advocate Budget of \$12,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_E

#R-11-050

F. BE IT RESOLVED that by majority vote the FY 2012 Region 2000 Economic Development Council Budget of \$81,586 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_F

#R-11-051

G. BE IT RESOLVED that by majority vote the FY 2012 Robert E. Lee Soil & Water Conservation District Budget of \$10,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_G

#R-11-052

H. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Virginia Legal Aid Society Budget of \$10,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_H

#R-11-053

I. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Amazement Square Real Estate Tax Refund Budget of \$5,302 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_I

#R-11-054

J. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Lynchburg Community Action Group Budget of \$25,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_J

K. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Lynchburg Neighborhood Development Foundation Budget of \$25,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: Ø

Adopted: Ø

Certified: \_\_\_\_\_  
Clerk of Council

077L\_K

#R-11-055

L. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Rebuilding Together Budget of \$25,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_L

#R-11-056

M. BE IT RESOLVED that by majority vote the FY 2012 School Operating Budget, including the revenues and expenditures proposed by the City Manager, be adopted for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated:

| SCHOOL INCOME        |                            | SCHOOL EXPENDITURES       |                            |
|----------------------|----------------------------|---------------------------|----------------------------|
| Beginning Balance    | \$0                        | Operations                | \$75,705,953               |
| State                | 41,514,583                 | Grant Funded Expenditures | 10,022,828                 |
| Federal              | 461,000                    | Ending Balance            | 0                          |
| Grants               | 10,022,828                 | <b>Total</b>              | <b><u>\$85,728,781</u></b> |
| Local – Operating    | 31,942,103                 |                           |                            |
| Local – Debt Service | 33,627                     |                           |                            |
| Miscellaneous        | 1,754,640                  |                           |                            |
| <b>Total</b>         | <b><u>\$85,728,781</u></b> |                           |                            |

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_M

#R-11-057

N. BE IT RESOLVED that by majority vote the FY 2012 Greater Lynchburg Transit Budget including the revenues and expenditures proposed by the City Manager be adopted for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated:

| GREATER LYNCHBURG TRANSIT COMPANY INCOME |                           | GREATER LYNCHBURG TRANSIT COMPANY EXPENDITURES |                           |
|--|---------------------------|--|---------------------------|
| Beginning Balance                        | \$0                       | Operations                                     | \$7,049,103               |
| Fares                                    | 963,000                   | Ending Balance                                 | 0                         |
| Contracts                                | 184,720                   | <b>Total</b>                                   | <b><u>\$7,049,103</u></b> |
| Federal                                  | 1,923,000                 |  |                           |
| State                                    | 1,368,000                 |  |                           |
| Local - Operating                        | 1,143,714                 |  |                           |
| Partners                                 | 1,296,626                 |  |                           |
| Miscellaneous                            | 170,043                   |  |                           |
| <b>Total</b>                             | <b><u>\$7,049,103</u></b> |  |                           |

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_N

O. BE IT RESOLVED that by majority vote the budgets of the funds mentioned herein be adopted for the purposes herein mentioned and said funds be appropriated from the funds and resources of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

|   |                     |   |                     |
|---|---------------------|---|---------------------|
| <b>FLEET SERVICES INCOME</b>                          |                     | <b>FLEET SERVICES EXPENDITURES</b>                        |                     |
| Beginning Balance                                     | \$956,018           | Operations  | \$4,887,465         |
| Revenues  | 5,440,330           | Debt Service  | 366,116             |
| <b>Total</b>  | <b>\$6,396,348</b>  | Ending Balance  | 1,142,767           |
|   |                     | <b>Total</b>  | <b>\$6,396,348</b>  |
| <b>AIRPORT INCOME</b>                                 |                     | <b>AIRPORT EXPENDITURES</b>                               |                     |
| Beginning Balance                                     | \$100,000           | Operations  | \$2,134,843         |
| Revenue from Cost Centers                             | 1,687,683           | Debt Service  | 269,791             |
| Transfer from General Fund                            | 494,536             | Ending Balance  | 100,000             |
| Interest and Other                                    | 222,415             | <b>Total</b>  | <b>\$2,504,634</b>  |
| <b>Total</b>  | <b>\$2,504,634</b>  |   |                     |
| <b>WATER FUND INCOME</b>                              |                     | <b>WATER FUND EXPENDITURES</b>                            |                     |
| Beginning Balance                                     | \$4,504,515         | Operations  | \$8,487,008         |
| Water Sales   | 7,388,160           | Debt Service  | 3,782,678           |
| Meter, Sewer Fund & General Fund Hydrant Charges      | 1,656,900           | Transfer to Water Capital Fund                            | 700,000             |
| Cut-on/off Charges                                    | 92,000              | Ending Balance  | 4,621,033           |
| Availability, Connection Fees                         | 120,000             | <b>Total</b>  | <b>\$17,590,719</b> |
| Other Charges for Service                             | 798,849             |   |                     |
| Water Contracts (Amherst/Bedford/Campbell/Industrial) | 2,649,695           |   |                     |
| Interest and Other                                    | 380,600             |   |                     |
| <b>Total</b>  | <b>\$17,590,719</b> |   |                     |
| <b>SEWER FUND INCOME</b>                              |                     | <b>SEWER FUND EXPENDITURES</b>                            |                     |
| Beginning Balance                                     | \$9,508,366         | Operations  | \$10,182,881        |
| Charges for Services                                  | 16,703,158          | Debt Service  | 8,141,619           |
| Sewer Contracts (Amherst/Bedford/Campbell/Industrial) | 2,832,938           | Capital Outlay  | 170,000             |
| Interest and Other                                    | 883,989             | Transfer to Sewer Capital Fund                            | 2,000,000           |
| <b>Total</b>  | <b>\$29,928,451</b> | Ending Balance  | 9,433,951           |
|   |                     | <b>Total</b>  | <b>\$29,928,451</b> |
| <b>ASSET FORFEITURE FUND INCOME</b>                   |                     | <b>ASSET FORFEITURE FUND EXPENDITURES</b>                 |                     |
| Beginning Balance                                     | \$51,268            | Operations  | \$0                 |
| Revenue   | 0                   | Ending Balance  | 51,268              |
| <b>Total</b>  | <b>\$51,268</b>     | <b>Total</b>  | <b>\$51,268</b>     |
| <b>C. VA. RADIO COMMUNICATIONS INCOME</b>             |                     | <b>C. VA. RADIO COMMUNICATIONS EXPENDITURES</b>           |                     |
| Beginning Balance                                     | \$300,137           | Operations  | \$897,814           |
| Charges for Services                                  | 897,814             | Ending Balance  | 300,137             |
| <b>Total</b>  | <b>\$1,197,951</b>  | <b>Total</b>  | <b>\$1,197,951</b>  |
| <b>HOME FUND INCOME</b>                               |                     | <b>HOME FUND EXPENDITURES</b>                             |                     |
| Beginning Balance                                     | \$0                 | Operations  | \$467,742           |
| Revenue from the Federal Government                   | 467,742             | Ending Balance  | 0                   |
| <b>Total</b>  | <b>\$467,742</b>    | <b>Total</b>  | <b>\$467,742</b>    |
| <b>COMPREHENSIVE SERVICES ACT INCOME</b>              |                     | <b>COMPREHENSIVE SERVICES ACT EXPENDITURES</b>            |                     |
| Beginning Balance                                     | \$0                 | Operations  | \$5,073,600         |
| Miscellaneous   | 110,000             | Ending Balance  | 0                   |
| Transfer from General Fund                            | 1,349,591           | <b>Total</b>  | <b>\$5,073,600</b>  |
| Lynchburg City School Transfer                        | 196,541             |   |                     |
| Revenue from the Commonwealth                         | 3,417,468           |   |                     |
| <b>Total</b>  | <b>\$5,073,600</b>  |   |                     |
| <b>LYNCHBURG BUSINESS DEVELOPMENT CENTRE INCOME</b>   |                     | <b>LYNCHBURG BUSINESS DEVELOPMENT CENTRE EXPENDITURES</b> |                     |
| Beginning Balance                                     | \$125,385           | Operations  | \$0                 |
| Revenue   | 0                   | Ending Balance  | 125,385             |
| <b>Total</b>  | <b>\$125,385</b>    | <b>Total</b>  | <b>\$125,385</b>    |

|   |                    |   |                    |
|---|--------------------|---|--------------------|
| <b>LEAF FUND INCOME</b>                     |                    | <b>LEAF FUND EXPENDITURES</b>                     |                    |
| Beginning Balance                           | \$125,159          | Operations  | \$0                |
| Pledges/Donations                           | 0                  | Ending Balance                                    | 125,159            |
| <b>Total</b>                                | <b>\$125,159</b>   | <b>Total</b>                                      | <b>\$125,159</b>   |
| <b>REGIONAL JUVENILE DET. CENTER INCOME</b> |                    | <b>REGIONAL JUVENILE DET. CENTER EXPENDITURES</b> |                    |
| Beginning Balance                           | \$0                | Operations  | \$2,616,673        |
| Charges for Services                        | 1,760,603          | Debt Service                                      | 284,050            |
| Intergovernmental                           | 1,140,120          | Ending Balance                                    | 0                  |
| <b>Total</b>                                | <b>\$2,900,723</b> | <b>Total</b>                                      | <b>\$2,900,723</b> |
| <b>RISK MANAGEMENT FUND INCOME</b>          |                    | <b>RISK MANAGEMENT FUND EXPENDITURES</b>          |                    |
| Beginning Balance                           | \$2,765,381        | Operations  | \$289,587          |
| Charges for Services                        | 950,202            | Insurance and Claims                              | 724,967            |
| Interest                                    | 35,000             | Ending Balance                                    | 2,761,029          |
| Subrogation                                 | 25,000             | <b>Total</b>                                      | <b>\$3,775,583</b> |
| <b>Total</b>                                | <b>\$3,775,583</b> |   |                    |
| <b>SPECIAL WELFARE FUND INCOME</b>          |                    | <b>SPECIAL WELFARE FUND EXPENDITURES</b>          |                    |
| Beginning Balance                           | \$57,110           | Operations  | \$54,250           |
| Donations and Restitutions                  | 18,000             | Ending Balance                                    | 31,360             |
| Interest                                    | 2,000              | <b>Total</b>                                      | <b>\$85,610</b>    |
| Revenue from the Commonwealth               | 8,500              |   |                    |
| <b>Total</b>                                | <b>\$85,610</b>    |   |                    |
| <b>TECHNOLOGY FUND INCOME</b>               |                    | <b>TECHNOLOGY FUND EXPENDITURES</b>               |                    |
| Beginning Balance                           | \$2,067,553        | Operations  | \$468,754          |
| Use of Money & Property                     | 15,000             | Capital Outlay                                    | 348,113            |
| Transfer from General Fund                  | 636,773            | Ending Balance                                    | 1,902,459          |
| <b>Total</b>                                | <b>\$2,719,326</b> | <b>Total</b>                                      | <b>\$2,719,326</b> |
| <b>CITY/FEDERAL/STATE AID FUND INCOME</b>   |                    | <b>CITY/FEDERAL/STATE AID FUND EXPENDITURES</b>   |                    |
| Beginning Balance                           | \$0                | Operations  | \$2,593,177        |
| Revenue from the Federal Government         | 1,697,914          | Ending Balance                                    | 0                  |
| Revenue from the Commonwealth               | 822,398            | <b>Total</b>                                      | <b>\$2,593,177</b> |
| Transfer from General Fund                  | 27,171             |   |                    |
| Other Contributions                         | 45,694             |   |                    |
| <b>Total</b>                                | <b>\$2,593,177</b> |   |                    |
| <b>COMMUNITY DEV. BLOCK GRANT INCOME</b>    |                    | <b>COMMUNITY DEV. BLOCK GRANT EXPENDITURES</b>    |                    |
| Beginning Balance                           | \$0                | Operations  | \$904,816          |
| Intergovernmental                           | 904,816            | Ending Balance                                    | 0                  |
| <b>Total</b>                                | <b>\$904,816</b>   | <b>Total</b>                                      | <b>\$904,816</b>   |

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_O

#R-11-059

P. BE IT RESOLVED that by majority vote the FY 2012 Capital Budget is hereby adopted and said funds be appropriated from the funds and resources of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012, in the total amount of \$11,908,494 for the City Capital Projects Fund; \$1,030,518 for the School Capital Projects Fund; \$1,850,000 for the Airport Capital Projects Fund; \$5,088,000 for the Water Capital Projects Fund and \$22,553,000 for the Sewer Capital Projects Fund.

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_P

#R-11-060

Q. BE IT RESOLVED that by majority vote in accordance with Section 15.2-1508 of the Code of Virginia, 1950, as amended, City Council authorizes; and subject to the availability of appropriated funds, the payment of monetary incentives, awards, and bonuses to City employees for exceptional services rendered by those employees. Such monetary incentives, awards, or bonuses may not exceed \$5,000 or five percent of the employee's annual salary, whichever is greater. Such incentives, awards, and bonuses may be offered and paid for such exceptional services as defined in the procedural directives issued by the City Manager or his/her designee, including, but not necessarily limited to, any or all of the following purposes:

- (1) Individual incentive awards,
- (2) Special recognition awards,
- (3) Outstanding performance awards, and
- (4) Cost savings or revenue generating suggestion awards.

The Director of Human Resources shall administer the incentive award and bonus program. The types of incentives, awards, and bonuses and the types of exceptional services for which they may be granted; the amount of particular incentives, awards, and bonuses; and the selection criteria and process for particular incentives, awards, and bonuses shall be set forth in the procedural directives issued by the City Manager. The total amount paid in monetary incentives, awards, and bonuses shall not exceed \$60,000 annually.

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_Q

#R-11-061

R. BE IT RESOLVED that by majority vote in accordance with Section 14.2 (b) 2 of the Code of Virginia, 1950, as amended, the personal property tax relief rate for the fiscal year beginning July 1, 2011 through June 30, 2012 shall be set at 55.44%.

Introduced: May 10, 2011

Adopted: May 24, 2011

Certified: Valeria P. Chambers  
Clerk of Council

077L\_R



OFFICE OF THE  
CITY MANAGER

CITY HALL, LYNCHBURG, VIRGINIA 24505 • (434) 455-3990  
FAX (434) 847-1536

TO: The Honorable City Council

FROM: L. Kimball Payne, III, City Manager 

SUBJECT: *Proposed FY 2012 Budget*

DATE: March 8, 2011

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## Introduction

The *Proposed FY 2012 Budget* for the City of Lynchburg, which includes the General, Capital, Airport, Water, Sewer, and other minor funds, as well as component units, minus beginning funds and transfers between funds, totals \$311 million. For comparison, the *Adopted FY 2011 Budget* totaled \$316 million and the FY 2010 Budget totaled \$308 million.

If the *FY 2011 Budget* established a new baseline, characterized by lower revenues and expenditures from pre-recession years, then the *Proposed FY 2012 Budget* reflects “status quo” with respect to the “new normal.” The steps that were taken in preparation for the current year’s budget, coupled with sound fiscal management, have been effective. While localities across the nation are facing significant deficits and are being forced to eliminate positions, cut pay, and drastically reduce services, the City of Lynchburg is relatively stable. Significant cuts such as were implemented for the current budget will not be necessary for the coming year.

The good news is that revenues are no longer declining. They are not growing either, and there is no expectation of growth in the near term. This results in little capacity to address ongoing challenges or specific areas of concern, such as anticipated capital and debt service costs for Heritage High School, employee compensation, or non-profit funding unless new revenues are found or funds are shifted from other programs and services.

State funding cuts, unfunded mandates, an aging infrastructure, high demands for services and increasing costs for employee benefits, energy, and materials remain challenges facing the City. Most economists, while acknowledging the national economic recovery, predict that states and localities will not experience much relief for at least another year.

One goal during the development of the proposed budget has been to provide a setting in which City departments can continue to adjust to the changes implemented for the current year. This results in what is very much a “maintenance budget” as the organization adjusts to the new reality in which it operates. Nevertheless, the environment is never static and there are a few changes in the proposed budget that are either unavoidable or seem to be appropriate. Savings in some areas are used to offset



increased costs in others and the proposed budget includes a significant recommendation regarding how the employees' share of Virginia Retirement System contributions is handled.

Anticipating the actions of the Virginia General Assembly also played a role in developing the *Proposed FY 2012 Budget*. The General Assembly's Regular Session included consideration of several pieces of legislation with the potential to significantly impact localities. When the *Proposed FY 2012 Budget* was finalized, the General Assembly had not concluded its session. As this message was being drafted, the General Assembly adjourned and released its adopted Budget Conference Report. Updates based on the actions of the General Assembly are included throughout.

The *Proposed FY 2012 Budget* does not recommend any tax increases. An alternative budget, if Council desires to identify significant resources to address priority concerns, would require a discussion about taking steps to increase revenues.

## **Budget Development**

In the abstract, budget development is shaped by a number of factors. They include Financial Management Policies, City Council's vision and priorities and certain principles of budgeting. For the last two years budget development has included a component of civic engagement. Citizens have been invited to community meetings during which an overview of budget challenges was provided, citizens worked through small group discussions to address important questions, and the feedback was consolidated and shared with City Council.

### *Financial Management Policies*

City Council first adopted Financial Management Policies in 1999 and has revised and reaffirmed them as appropriate, most recently in November 2010. The policies address such areas as adopting a balanced budget, the appropriate fund balance to maintain, restrictions on its use for recurring operating expenses, debt management, investments and the establishment of contingency reserves to address unexpected circumstances. If followed, sound financial management policies should do the following:

- Contribute significantly to the City's ability to insulate itself from fiscal crisis and economic disruption
- Enhance short-term and long-term financial credit ability by helping to achieve the highest credit and bond ratings possible
- Promote long-term financial stability by establishing clear and consistent guidelines
- Direct attention to the total financial picture of the City rather than single issue areas
- Promote the view of linking long-term financial planning with day to day operations
- Provide City Council and the citizens a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines
- Ensure that the organization is sufficiently resourced to perform mandated responsibilities
- Provide a foundation for evaluating financial analysis and condition



The Financial Management Policies are included in the General Information section of the budget document. The proposed budget complies with adopted Financial Management Policies.

City Council's Vision and Priorities

In November 2006 City Council adopted the following vision statement:

**LYNCHBURG CITY COUNCIL VISION**

*We will work to ensure an environment in which all of the residents of Lynchburg are free to pursue their dreams, hopes, and aspirations through our understanding and commitment to meet the public's needs in the areas of:*

**Community Character**

The character of our City is defined by the values and behaviors of its residents and its natural and built environments. We are a beautiful, safe and comfortable community with hospitable, friendly, and caring citizens who are free to pursue their values of faith and family according to their individual preferences.

**Economic Prosperity**

Our City will maintain a vibrant, industrious community that will expand economic opportunities for our citizens. We embrace policies that will enhance economic prosperity with the support of a strong Industrial Development Authority (since renamed the "Lynchburg Economic Development Authority"), emphasis on education, workforce development, and a continued commitment to business-friendly initiatives.

**Good Government**

City government will deliver, in an equitable manner, public services through the effective and efficient stewardship of resources.

**Multicultural Vibrancy**

Lynchburg acknowledges and values its rich cultural, ethnic, racial, and religious diversity while promoting a respectful and cohesive community.

**A Compelling Destination**

The City is a regional draw for entertainment, shopping and business. Our unique historic heritage and tourism attractions draw a national audience. With its breadth of recreational experiences, centers of interactive living history, and opportunities for educational excellence, our City appeals to all generations.

City Council's vision provides a baseline for City policy development and operational priorities.

During its annual retreat, held in September 2010, City Council identified several short term priorities with budget implications. They were the consolidation of benefits and one or more departments with the City Schools system, public safety compensation and overall employee compensation.



In October of 2010 four community meetings were held across the City to engage citizens in conversations regarding the upcoming budget. After briefings on the budget outlook and its drivers, small group discussions were held regarding funding choices in five broad spending categories: Safe Community, Excellent Public Schools, Well-Maintained Infrastructure, Strong Economic Development, and a Vibrant Livable Community. The citizens clearly identified the first three as of the highest priority but were reluctant to suggest major reductions in the other areas in order to shift resources to higher priorities.

At its budget retreat in mid-January, City Council acknowledged the importance of funding for a Safe Community, Excellent Public Schools and a Well-Maintained Infrastructure. Of particular concern was the situation regarding Heritage High School and how to fund anticipated capital outlays. Council reiterated its continued strong interest in addressing employee compensation, especially in the areas of public safety. An additional factor that Council focused on was possible changes to local employee funding responsibilities under the Virginia Retirement System. Council also expressed its desire to provide funding for some non-profit organizations affected by the change in policy regarding the disbursement of Community Development Block Grant (CDBG) funding. As a part of the upcoming budget deliberations Council indicated the willingness to explore the elimination of services or programs that might be considered to go “beyond the basics” in order to free up resources to address its priorities.

### Budget Principles

There are a number of operating principles important to the sound fiscal management of an organization that must meet mandated and contractual financial commitments while delivering quality services to the citizens of Lynchburg. Those principles include:

- Fund debt service
- Fund mandated programs
- Maintain a fund balance in accordance with fiscal policy
- Provide appropriate compensation for City employees
- Preserve employee benefits
- Replace essential equipment, especially vehicles and computers
- Maintain existing facilities and infrastructure
- Provide excellent core services
- Provide quality customer service

The *Proposed FY 2012 Budget* attempts to remain true to these principles in the face of ongoing fiscal challenges.

### Budget Preparation

Throughout the fiscal year budget personnel have closely monitored current revenues and expenditures compared to the *Adopted FY 2011 Budget*. They have gathered information on significant events that might affect either costs or revenues and have kept abreast of the State budget situation in preparation for FY 2012 budget development. A number of issues or concerns impacting the budget have



been watched. These concerns have also been shared with citizens, employees and City Council. They are:

- **Employee Compensation & Benefits:** There has not been an across-the-board salary increase for City employees since July 1, 2008 and some concern has been expressed regarding recruitment and retention, particularly in public safety. Increasing costs for medical and dental benefits are an ongoing concern. Legislation introduced in the General Assembly would have changed the manner in which the employee's share of Virginia Retirement System (VRS) costs was paid. Currently, localities are required to pay that portion. In the end, however, the Budget Conference Report maintained the status quo. Whether or not the Governor will accept that position has not been determined.
- **The Value of Real Property (commercial & residential):** There has been concern that the biennial reassessment of property would indicate falling property values such have been experienced elsewhere. Initial indications were that there could be an overall reduction of as much as two percent (2%) which would result in a loss of approximately \$1 million in revenue.
- **Consumption Tax Revenues:** Sales, meals, and consumer utility tax revenues have stabilized but could fall if the economic recovery experiences a setback.
- **State Funding Cuts:** The potential for further reduced funding of state-mandated, locally-delivered services was apparent in the budget proposals of Governor McDonnell and both houses of the General Assembly. The City will be expected to continue its "Local Aid to the Commonwealth" payments to the State.
- **Unfunded Mandates:** A number of bills before the General Assembly would have imposed new unfunded mandates. The shifting to localities of the responsibility for funding Line of Duty Act benefits was anticipated to cost as much as \$2 million. Fortunately, the latest estimates are much lower.
- **Infrastructure:** Heritage High School, Miller Park Recreation Center, the West Building, City Stadium and other components of the City's infrastructure need to be addressed. Approximately \$9.1 million is available for pay-as-you-go projects in FY 2012. Consultation with the City's financial advisors will take place before the budget is adopted to plan the City's financing needs for FY 2012.
- **Schools Funding:** The adoption of the State budget has a major impact on schools funding. In the General Assembly, there were considerable differences between the Senate and House budgets with respect to schools funding.
- **Blue Ridge Regional Jail:** Increased debt service and operating costs for the new Amherst facility combined with reductions in State funding were anticipated to increase Lynchburg's costs by over \$1 million.

The combination of all of the above factors led to preliminary estimates of a deficit of four to five million dollars (\$4-5 million) between anticipated revenues and expenditures for the 2012 Fiscal Year.



Fortunately, lower cost increases than originally projected and savings in some areas, particularly debt service, resulted in a much reduced budget gap.

Budget instructions to City departments were simple. Departments were directed to absorb increased medical and dental benefits costs and to submit budget requests that were equal to or less than the current fiscal year. They responded admirably. With few exceptions, departmental budget submissions are basically unchanged from the current year. This established a strong foundation on which to build the proposed budget.

After the receipt of departmental budget submissions, Budget Office staff conducted a thorough review of each budget, applying zero-based budgeting principles as in the past, clarified questions as necessary and briefed the City Manager. Budget balancing scenarios were developed and decisions made that resulted in this *Proposed FY 2012 Budget*.

### The Budget Document

The budget document provides a complete description of the resources received by the City from all sources and their uses. All of the various funds utilized by the City are shown along with their proposed revenues and expenditures and balances.

For major revenue categories generating in excess of \$1 million annually, information is provided on the enabling legislation, rate history, the amount of revenue generated, the percent change from year to year, and a brief analysis of the FY 2012 estimate. Graphs are included to illustrate revenue history. This information can be found in the summary pages behind the General Fund tab.

Major categories within the General Fund are grouped substantially in accordance with guidance provided by the State Auditor of Public Accounts for comparative cost reporting. Under each General Fund department is information comparing the departmental submission to the proposed FY 2012 funding and a description of significant changes from the *Adopted FY 2011 Budget*.

The department pages are presented in summary format using six major 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 temporary 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 both the employer's and employees' portions of premiums for employees' retirement program for those employees hired prior to July 1, 2010. Employees hired on or after July 1, 2010 are responsible for the employees' share of 5% of annual salary.

Employer's FICA Contribution – Payments for employer's share of Social Security Program contribution.



Workers' Compensation Claims – Payments for authorized claims involving employees' work related injuries.

Group Hospitalization – Payments made for employer's share of insurance for full-time classified employees.

Unemployment Compensation – Payments for benefits related to unemployment claims.

Tuition Reimbursements – Payments to employees to assist with costs for college or other courses 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, printing; and payments to the Economic Development Authority.

**Internal Services** – Charges to departments for services provided by Fleet Services.

**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, rentals and leases; as well as contributions to other governmental, community and civic organizations are included.

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

### Performance Measures

Performance measures are meant to demonstrate the City's commitment to results oriented government that promotes the City's mission of providing services in the most efficient, effective, and equitable manner possible and improving the quality of life in Lynchburg. Just as overall financial performance is measured against adopted policy goals, program performance can be measured against set objectives.

### **General Fund Revenues**

Total General Fund revenues for FY 2012 are projected to be \$154.0 million, reflecting only slight improvement (about \$190,000) from the *FY 2011 Budget*. General Fund revenues consist of both Dedicated Revenues (\$29.9 million) and Non-Dedicated Revenues (\$124.1 million). Although there is some variability (increases or decreases) in specific revenues, in total these amounts are basically unchanged from the current year. In general, reductions in State funding are offset by the growth of local revenues.



### Dedicated Revenues

Dedicated revenues are revenues specifically designated by the federal, state or city government to be used for specific programs and include federal and state categorical aid and grants, charges for services, and reimbursement for indirect costs from enterprise funds. Dedicated revenues in the *Proposed FY 2012 Budget* total \$29.9 million, a reduction of \$500,000 from the current year. Cuts of over \$900,000 in State funding for locally delivered, state-mandated programs are offset by slight increases in funding for Constitutional Officers and additional federal funding for Social Services.

**Federal Categorical Aid** is primarily funding for social services programs and totals \$6.7 million, an \$185,000 increase from the current year. The elimination of American Recovery and Reinvestment Act (ARRA) funding for Social Services Programs (\$294,000) is offset by additional funds for Social Services Administration (\$245,000) and Programs (\$290,000).

**State Categorical Aid** provides funding for Constitutional Officers, local law enforcement, juvenile corrections, highway maintenance, social services programs, and supports the public library. Funding is expected to total \$18.7 million, a decrease of \$289,000. Despite some modest increases in funding for Constitutional Officers (a total increase of \$137,000 to approximately \$3 million), State funding will be cut in the following categories: Social Services Administration (\$533,000), the Juvenile Correction Block Grant (\$88,000), and Local Law Enforcement (HB 599) funding (\$317,000). (Note: In the Conference Budget, HB 599 funding was only reduced 3.5% compared to the *Adopted FY 2011 Budget* resulting in \$211,000 being restored.) This category also shows an increase in Highway Maintenance Funds as more of this revenue is planned for use to support Public Works operations rather than capital projects.

**Miscellaneous Revenue** totals approximately \$1.9 million and is comprised mostly of indirect cost allocations to the Water, Sewer, Airport and Detention Home Funds for services provided by General Fund departments. This category is being decreased approximately \$261,000 due to reductions in the indirect cost allocations to the Water and Sewer Funds. City Engineering costs to support Utilities projects will be charged to those funds directly rather than through the indirect cost allocation method. A further reduction of \$500,000 is related to the elimination of the Capital Return from the Region 2000 Services Authority.

**Parking Revenues** are projected to decrease approximately \$57,000, to \$375,000, based on projections for FY 2011, the first year that these funds were segregated in a cost center.

**Charges for Services** are projected to increase to \$1.9 million with the most significant additions occurring as a result of Engineering Charges for Utilities (\$300,000) and an increase of approximately \$150,000 in charges for Juvenile Services provided to other localities.

### Non-Dedicated Revenues

Non-dedicated revenues, or revenues that can be used at the City's discretion, are projected to show an increase of approximately \$700,000 from the *Adopted FY 2011 Budget*.

Almost eighty-nine percent (88.8%) of non-dedicated revenues and more than two-thirds (71.6%) of total General Fund revenues are generated by seven local taxes: the Real Property Tax (\$51.8 million),



the Personal Property Tax (\$19.9 million, including the State reimbursement), the Local Sales Tax (\$12.7 million), the Meals Tax (\$10.6 million), the Business License Tax (\$7.2 million), Consumer Utility Taxes (\$4.4 million) and the Communications Sales and Use Tax (\$3.6 million). The *Proposed FY 2012 Budget* anticipates a slight decrease in Real Property Tax revenues offset by an increase in Personal Property Tax, Business License Tax, and Meals Tax revenues.

### General Property Taxes

**Real Property Tax** revenues are projected to total \$51.8 million, a decrease of approximately \$200,000, or less than one half of one percent (0.34%) from the *Adopted FY 2011 Budget*. Although some decrease in this revenue had been anticipated, the reduction was less than half of what had been projected.

Real Property Tax revenue projections are adjusted for an historically uncollectible percentage of two percent (2.0%), tax relief for the elderly (\$715,147), and rehabilitation tax credits (\$480,000). For budget discussions, each penny on the Real Property Tax rate will generate approximately \$472,000. This revenue source represents almost forty-two percent (41.7%) of General Fund non-dedicated revenues.

The Assessor's Office has completed the biennial reassessment of real property which will take effect on July 1, 2011. Notices to property owners were mailed on February 28th. At this point, it is projected that the total assessed value of taxable real property in the City will decrease by less than one percent (0.75%) compared to the July 1, 2010 value. Earlier projections had anticipated a decrease of as much as two percent (2.0%), however, that did not prove to be the case. Some slight adjustment downward is possible depending on the results of anticipated appeals.

The Assessor's Office has determined that the total real estate value of property in the City of Lynchburg is over six billion dollars (\$6,264,008,800, an increase of about \$30 million from the previous year). Over twenty-one percent (21.22%) is not taxable. The total assessed value of taxable real property in the City is estimated to be almost five billion dollars (\$4,935,008,300) as of July 1, 2011, about \$14 million less than last year.

**Personal Property Tax** revenues are projected to increase about \$500,000, or 3.7%, from the current year due to increased values of cars, and rebounding values for SUV's and pickup trucks. Projections of decreased vehicle values that did not occur led to this revenue category being under budgeted for FY 2011. The local share of the Personal Property Tax category totals \$14.4 million. The State reimbursement, which is accounted for as Non-Categorical Aid, will be \$5.5 million.

The total Statewide reimbursement for the Personal Property Tax has been fixed by the General Assembly at \$950 million. Lynchburg's reimbursement, of approximately \$5.5 million, is based on the amount of taxes collected by the City in 2005 in proportion to the total collected across the State. Because it is a fixed amount, when the value of personal property tax assessments grows, the State's share of individual personal property tax payments falls. The percentage of State reimbursement that makes up an individual's Personal Property Tax bill will increase from 54.68% in Tax Year 2011 to 55.44% for Tax Year 2012 resulting in slightly lower Personal Property Tax bills. The State Code requires that the State relief percentage be determined with the adoption of the local budget.



The combination of the local and State portions of the Personal Property Tax represents about sixteen percent (16.0%) of General Fund non-dedicated revenues in the proposed budget.

**Public Service Corporations Tax** revenue is projected to increase by about ten percent (10%) to \$2.2 million. The value of public service corporation real property in the City is assessed by the State. An appeal by Verizon of past years' assessments, if successful, could reduce this revenue. The appeal is currently under review by the State Corporation Commission.

#### Other Local Taxes

**Local Sales Tax** revenue is the third largest portion of non-dedicated revenues received by the City, representing just over ten percent (10.2%) of those funds. Sales Tax revenues started falling below projections in November of 2008 and continued to fall throughout FY 2009. A slight increase was experienced in FY 2010 and no further growth has been seen in FY 2011 or is anticipated for FY 2012. The estimated revenue of about \$12.7 million represents no change from the current year.

**Electric and Gas Utility Consumption Tax** revenues are projected to remain flat at \$4.4 million in FY 2012.

**Communications Sales and Use Tax** revenues are projected to be unchanged, at \$3.6 million.

**Meals Tax** revenues are projected to increase slightly by \$110,000 or about one percent (1.1%). The revenue estimate of \$10.6 million represents nearly nine percent (8.5%) of General Fund non-dedicated revenues.

**Business License Tax** revenues of \$7.2 million reflect an increase of approximately \$432,000 from the current year. Anticipated revenues for FY 2011, based on business filings, will exceed the budgeted amount. This source makes up nearly six percent (5.8%) of General Fund non-dedicated revenues.

**Motor Vehicle License** revenues are projected to remain flat at approximately \$1.4 million.

**Amusement Tax** revenues are projected to increase by about \$35,000 to approximately \$550,000.

Other revenues in this category make up approximately \$4.4 million of the FY 2012 revenue stream. This category includes **Right of Way Fees** (\$243,000), **Electricity and Gas Consumption Taxes** (\$355,000), **Bank Stock Taxes** (\$500,000), **Recordation Taxes** (\$400,000), **Tobacco Taxes** (\$950,000), and the **Transient Occupancy and Lodging Tax** (\$1.7 million). With the exception of the Bank Stock Taxes most of these revenues are projected to be relatively flat or slightly less in FY 2012 compared to FY 2011.

**Permits, Fees, and Licenses** (\$454,000) are projected to fall approximately \$160,000 due to the continued economic slowdown. **Fines and Forfeitures** (\$470,000) are projected to remain flat. **Revenue from the Use of Money and Property** (\$508,000) is expected to decrease almost \$58,000 due to low interest rates.

**Charges for Services** are projected to be \$3.5 million, a decrease of a little over \$100,000 from the current year. The majority of this (\$2.4 million) will be from charges for Ambulance Services. That



amount showed a significant increase in FY 2010, however, revenues from delinquent bills is being reduced by \$100,000 due to the success in collecting current bills. About \$793,000 in this category is revenue from Residential Disposal Fees (decals and tags).

**Non-Categorical State Aid** totals \$6 million and includes a number of sources. The largest is the State reimbursement for the Personal Property Tax Relief Act (\$5.5 million) which is fixed by State law.

**Revenue from Lynchburg City Schools and Miscellaneous** revenues are projected to be approximately \$275,000. The final elimination of State Lottery proceeds (once totaling nearly \$600,000) to support Schools capital projects reduced this revenue by approximately \$315,700 from prior years.

### **General Fund Expenditures**

The General Fund finances all government activities with the exception of those operations financed in the Airport, Water, Sewer and other, smaller funds. All major funds contribute to the operations of the Fleet Internal Services Fund.

Proposed General Fund expenditures of \$163.6 million represent an increase of approximately \$1.2 million or 0.8% from the *Adopted FY 2011 Budget*

The chart on the following page compares proposed FY 2012 expenditures by categories to the *Adopted FY 2011 Budget* and shows the proportion of the General Fund utilized by each service area.



**Proposed FY 2012 Expenditures Compared to FY 2011 and**  
**As a Percent of Total General Fund Expenditures**

|  | Adopted<br>FY 2011   | Manager's<br>Proposed<br>FY 2012 | FY 2012<br>Percent<br>Increase/<br>(Decrease) | Percent of<br>FY 2012<br>General Fund |
|--|----------------------|----------------------------------|---|---------------------------------------|
| <b>GENERAL FUND EXPENDITURES</b>                 |                      |                                  |   |                                       |
| <b>Operations - Departmental</b>                 |                      |                                  |   |                                       |
| General Government                               | \$12,368,580         | \$12,154,537                     | -1.7%   | 7.4%                                  |
| Judicial Administration                          | 4,417,018            | 4,387,037                        | -0.7%   | 2.7%                                  |
| Public Safety                                    | 30,867,729           | 31,267,912                       | 1.3%  | 19.1%                                 |
| Public Works                                     | 15,743,335           | 15,718,344                       | -0.2%   | 9.6%                                  |
| Health and Welfare                               | 17,019,634           | 17,205,506                       | 1.1%  | 10.5%                                 |
| Parks, Recreation, and Cultural                  | 5,193,346            | 5,151,264                        | -0.8%   | 3.2%                                  |
| Community Development                            | 2,353,780            | 2,330,921                        | -1.0%   | 1.4%                                  |
| <b>Total Operations - Departmental</b>           | <b>\$87,963,422</b>  | <b>\$88,215,521</b>              | <b>0.3%</b>                                   |                                       |
| <b>Operations - Non-Departmental/Other</b>       |                      |                                  |   |                                       |
| Non-Departmental                                 | \$6,105,550          | \$6,752,051                      | 10.6%   | 4.1%                                  |
| Transfers to Other Funds                         | 1,240,667            | 2,179,781                        | 75.7%   | 1.3%                                  |
| Transfer to City Capital                         | 6,358,881            | 7,524,033                        | 18.3%   | 4.6%                                  |
| Transfer to Schools Capital                      | 1,941,733            | 1,574,054                        | -18.9%  | 1.0%                                  |
| Schools Operations                               | 31,942,103           | 31,942,103                       | 0.0%  | 19.5%                                 |
| Greater Lynchburg Transit Company                | 1,128,884            | 1,143,714                        | 1.3%  | 0.7%                                  |
| External Service Providers                       | 7,083,271            | 8,431,349                        | 19.0%   | 5.2%                                  |
| Debt Service                                     | 16,022,498           | 14,727,384                       | -8.1%   | 9.0%                                  |
| Reserves   | 2,541,781            | 1,074,362                        | -57.7%  | 0.7%                                  |
| <b>Total Operations - Non-Departmental/Other</b> | <b>\$74,365,368</b>  | <b>\$75,348,831</b>              | <b>1.3%</b>                                   |                                       |
| <b>TOTAL GENERAL FUND EXPENDITURES</b>           | <b>\$162,328,790</b> | <b>\$163,564,352</b>             | <b>0.8%</b>                                   |                                       |

**General Government** includes the Council/Manager Offices, the City Attorney, the City Assessor, the Commissioner of the Revenue, Communications & Marketing, Financial Services, Human Resources, Information Technology, Internal Audit, the Electoral Board, the Registrar, and the Treasurer. **Judicial Administration** includes the Circuit, District, and Juvenile and Domestic Relations Courts, the Clerk of the Circuit Court, the Commonwealth's Attorney, the Magistrate's Office, the Sheriff, and the Court Services Unit. **Public Safety** includes the Police Department, the Fire and EMS Department, the Animal Warden, and Emergency Services. **Public Works** includes Engineering, Buildings and Grounds, Refuse, Snow and Ice Removal, and Streets. **Health and Welfare** includes Social Services and Juvenile Services. **Parks, Recreation, and Cultural** includes Parks and Recreation, the Library, and the Museum System. **Community Development** includes Planning, Inspections and Code Compliance, Zoning, Parking Management, and Economic Development.

**External Services Providers** are groups that provide services to the City outside of general government activities. Some activities, such as the regional jail, are mandated. The City has contractual relationships with other agencies. Funding of some organizations is discretionary. Some of the organizations historically funded in this area are non-profits that provide services through volunteers,



private donations, and grants along with a supplement from the City. The services they provide are typically not offered by local government but may impact local government services indirectly.

**Non-departmental** includes those miscellaneous components of the City budget that generally do not fit nicely into an individual departmental budget but are widespread throughout, such as medical and dental costs and a general salary increase, if programmed. **Transfers** include payments from the General Fund to other funds as a subsidy or payment for services.

### Significant Changes from FY 2011

Significant changes from the current year in the proposed General Fund budget include the following:

#### Increased Expenditures:

- Additional costs for the Blue Ridge Regional Jail for the City's share of additional operating and debt service costs related to the opening of the Amherst facility and to offset cuts in State funding (\$1,037,097).
- Funding of \$816,793 is included to offset requiring employees to pay five percent (5%) of their salaries into the Virginia Retirement System. This will provide employees a salary increase of approximately 5.6%. (Note: Authority to take this action was not included in the General Assembly's Budget Conference Report. Whether or not the Governor will propose an amendment to provide this authority has not been determined.)
- Additional funding for the Lynchburg Convention and Visitors Bureau as called for in the contract with the Regional Chamber of Commerce (\$351,000).
- An increase in the General Fund subsidy to the Lynchburg Regional Airport due to reduced revenues as a result of the loss of Delta Airline service (\$223,416).
- Provides funding (\$105,952) to cover costs associated with the Line of Duty Act benefits that are mandated for public safety employees. While this program was established by the General Assembly, its costs were shifted to the localities effective July 1, 2011.

#### Personnel Changes

- Fourteen (14) new positions are included in the General Fund:
  - Three (3) Telecommunicators in Emergency Services that have been grant funded will be funded in the General Fund for the second half of the fiscal year.
  - A Building Maintenance Mechanic II will be added in Public Works to address additional building space.
  - The Traffic Signal Technician Supervisor in Public Works/Engineering will be restored.
  - Two (2) Refuse Associates will be added to Public Works for three (3) months related to the movement of landfill operations to Campbell County.
  - Social Services will add two (2) Senior Benefits Program Specialists to address workload concerns.



- Parking Management will add an Administrative Services Associate III due to additional responsibilities. This position will be supported by parking program revenues.
- The two (2) Parking Enforcement positions will be converted from part-time to full-time. These positions are also funded by parking program revenues.
- A Police Officer position, not funded in FY 2011, will be funded.
- The Sheriff's Department will gain an additional State funded Deputy Sheriff.
  
- Five (5) General Fund positions will remain unfunded:
  - Two (2) Cadets in the Police Department
  - A Systems Analyst Programmer in the Police Department
  - One (1) Firefighter
  - One (1) position in the Office of Internal Audit
  
- Four (4) full-time General Fund positions will be eliminated:
  - A Financial Professional III in the Commissioner of the Revenue's Office
  - A Financial Technician I in the Commissioner of the Revenue's Office
  - A GIS Analyst in Community Development
  - An Animal Control Officer will be converted to part-time
  
- Including full-time, part-time and temporary personnel, there will be a net increase of 4.42 FTE's (Full-time Equivalents) in the General Fund.

Other Changes of Note:

- There is a decrease in Debt Service expenditures in the General Fund of approximately \$1.3 million as a result of the refunding accomplished in the Fall of 2010.
- An anticipated cost increase of ten percent (10%) for medical and dental benefits (\$630,000) will be absorbed by the individual departments.
- There are savings of approximately \$130,000 in local funding due to additional grant funding in the Commonwealth Attorney's Office.
- Management of the Midtown Parking Deck will be removed from Lynch's Landing and brought under the City's Parking Manager.
- Managed Vacancy Savings are again being utilized in the proposed budget. This practice had been suspended for the current year due to the number of positions being eliminated or not funded. As the workforce numbers have stabilized, there is a higher degree of confidence in using managed vacancy savings. The amount in the proposed budget is \$635,870.

Local Contribution to City Schools

Local funding in an amount of \$40.5 million is proposed for School Operations (\$31.9 million), Schools Capital Projects (\$1.6 million) and Debt Service (\$7.0 million). This represents no change from current year funding for School Operations.



Every year, the State Superintendent's Office publishes information on the local match required by State law to meet the Standards of Quality (SOQ). That match is referred to as the Required Local Effort (RLE). The State Superintendent's Office has reported the following for Lynchburg:

In FY 2008, Lynchburg's RLE was \$16,446,165 and the City actually funded \$33,795,991, 105.25% more than the RLE. This compared to a First Cities average of 108.38%.

For FY 2009, Lynchburg's RLE was \$17,801,027 and the City actually funded \$30,875,443, 73.45% more than the RLE. This compared to a First Cities average of 82.58%.

For FY 2010, Lynchburg's RLE was \$15,882,705 and the City budgeted \$33,769,049, 112.62% more than the RLE. This compared to a First Cities average of 113.80%.

The report on RLE for FY 2011 has not yet been released and the FY 2012 Required Local Effort will be published by the State Superintendent after the State budget is finalized by the General Assembly.

The budget proposal approved by the School Board will include State funding approved by the General Assembly. As this message was being written, definite information had not been received from the State Superintendent of Public Instruction and the School Board had not adopted its proposed budget for FY 2012. It appears, however, that the Budget Conference Report adopted by the General Assembly will provide State funding of \$43.84 million.

With a projected enrollment (from the State Department of Education) of 8,149 students in FY 2012, local per student support for operations would be basically flat (\$3,922 to \$3,920).

In the *Proposed FY 2012 Budget* total appropriations for Schools, including all activities and funding sources, is estimated to be \$88 million.

### Debt Service

The City finances a large component of the Capital Improvement Program (CIP) with general obligation bonds. The last major bond issue occurred in the Summer of 2009 and utilized a combination of General Obligation bonds and Qualified School Construction Bonds made available through the American Recovery and Reinvestment Act (ARRA). In addition, \$29.7 million in existing debt was refinanced in September 2010, resulting in savings of \$2.4 million (all funds). No new bond issues are proposed for FY 2012. City staff will meet with the City's financial advisors before the adoption of the FY 2012 budget to discuss financing needs.

City Council's Debt Management Policy requires annual debt service expenditures for tax-supported debt not to exceed 10% of total General Fund expenditures plus School Component Unit expenditures, minus the transfer to Schools. FY 2012 debt service as a percent of operating expenditures is projected at seven percent (7.0%).



Reserves

The *Proposed FY 2012 Budget* includes funding for the following reserves:

|  |             |
|--|-------------|
| Arts and Cultural District Reserve                           | \$30,000    |
| Debt Service Reserve - Heritage High School                  | 139,562     |
| Debt Service Reserve - Regional Radio System Replacement     | 134,800     |
| General Fund Reserve for Contingencies                       | 500,000     |
| Juvenile Services - Detention Home Worker's Compensation     | 20,000      |
| Other Post Employment Benefits                               | 250,000     |
| Reserve for Snow, Streets, and Bridges ( <i>in the CIP</i> ) | 250,000     |
|  | <hr/>       |
|  | \$1,324,362 |

The **Reserve for Snow, Streets, and Bridges** serves as a contingency should the costs of snow removal exceed budgeted resources. These funds are transferred from the General Fund to the City Capital Fund; unspent funds are used for pay-as-you-go financing of street and bridge projects.

The **General Fund Reserve for Contingencies** funds expenditures during the fiscal year that were unanticipated during budget development. Consistent with the financial management policy goal, \$1.2 million is proposed for the General Fund Reserve for Contingencies. Any funds remaining in this reserve at the end of the fiscal year revert to the General Fund undesignated fund balance. As of March 1, 2011 it is projected that as much as \$700,000 will be unspent in the General Fund Reserve for Contingencies at the end of the fiscal year. It is recommended that those funds roll over into FY 2012's Reserve for Contingencies. That, with \$500,000 in proposed funding will maintain the reserve at \$1.2 million.

Rules promulgated by the Governmental Accounting Standards Board require localities to address the costs of Other Post Employment Benefits (OPEB). In FY 2009, an **OPEB Reserve** was established to address that requirement. The City currently funds post employment health care benefits on a pay-as-you-go basis based on an actuarial study and a plan to achieve full funding of the reserve over a fifteen (15) year period. Due to budget restraints and the concern of setting aside funding that offers no direct services to citizens, the phased in approach is being used. The City is also exploring the possibility of creating or joining an externally managed trust account to accumulate and invest assets necessary to pay for the accumulated liability. For FY 2012 a General Fund contribution of \$250,000 is proposed. Additional contributions from the enterprise funds will total \$145,852. The balance in the OPEB Reserve for General Fund activities will be \$1,040,480 after the FY 2012 contributions.

The establishment of a **Heritage High School Debt Service Reserve** is recommended with an initial allocation of \$140,000. Addressing the aging building is perhaps the largest single capital project facing the City with estimated costs of greater than \$50 million. Over \$1 million in cash reserves was established with the adoption of the FY 2011 Budget. It is clear, however, that funding the Heritage High School fix will require borrowing. It is prudent to start setting aside recurring revenues so that the impact of the additional debt service can be minimized when funds are needed in 2016. If any additional recurring funds are identified during budget deliberations it is recommended that they be placed into this reserve.



When City Council established the James River Arts and Cultural District one of the commitments was that admissions tax revenues would be set aside to support activities promoting the district. The **Arts and Cultural District Reserve** is proposed to designate those funds for future use.

While no additional funding is provided in FY 2012, the previously established **Medical Benefits Reserve** will be maintained as a dedicated fund balance reserve. The reserve was established to ameliorate the impact of increasing medical benefits costs and its current balance is \$623,473.

The City also maintains **School's Reserve for Textbooks** (\$1.1 million), **Health Insurance** (\$1.4 million), **Future Needs** (\$75,908) and the **FY 2010 Net Return of Fund Balance** (\$924,395) totaling approximately \$3.5 million.

There are other designated funds identified in the budget document that are reserved for specific purposes. They include funds for Recreation Programs (\$71,496), Detention Home Workers Compensation (\$100,000), Juvenile Services Group Home Reserve (\$150,000), Law Library (\$66,307), Museums (\$32,153), and Debt Service – Solid Waste (\$1.5 million).

### Fund Balance

City Council's Financial Management Policies require an Undesignated Fund Balance equal to 10% of General Fund revenues. In the event the Undesignated General Fund Balance is used to provide for temporary funding of unforeseen emergency needs, the fund balance shall be restored to 10% within five fiscal years. The proposed budget provides for a 10.3% fund balance, amounting to \$15.8 million. It also recommends utilizing \$7.0 million in fund balance for pay-as-you-go capital outlay.

### Personnel

As with any service organization, the largest part of the City's operating budget, approximately 66.5%, is devoted to employee compensation through salaries, wages, and benefits. A stable and proficient workforce is the cornerstone of effective service to the community and the operating budget reflects the investment made in the City's employees.

The foundation of the City's compensation plan rests on the goal of attracting and retaining employees who are qualified, competent, and representative of the community through pay and benefits levels that are competitive with the relevant labor market. The Human Resources Department tracks turnover and recruitment and regularly measures market competitiveness. Through continued efforts to promote workforce stability the City has experienced acceptable voluntary turnover rates and positive recruiting experience for the vacant positions that have been advertised. Voluntary turnover has increased to more typical levels of just over five percent (5%). Total turnover, for all reasons, stands at over eleven percent (11.5%) and was influenced by almost fifty (50) retirements. Average City wages remain at almost ten percent (10%) less than comparative market averages.

The principles of the City's *Compensation Philosophy*, adopted in 2003, continue to serve the organization well although limited resources have prevented full realization of the goals. The last general pay increase for City employees was on July 9, 2008, for FY 2009. The cost of a 1% adjustment to total General Fund salaries, with benefits, is approximately \$490,000. As the economy recovers, market forces



are starting to produce pressure for compensation adjustments. Police Department personnel, in particular, have been vocal regarding concerns about pay and the associated issues of recruitment, retention and turnover. Other City departments have similar issues.

While the City continues to do a good job managing health care costs, overall medical costs are climbing. An increase of about \$630,000, or ten percent (10%), in the City contribution for active employee and retiree medical coverage is projected for FY 2012. These costs will be absorbed in the budgets of the individual departments. No significant medical plan design changes are anticipated at this time.

The Health Management Program (HMP) continues to grow and provide savings in medical claims. Over ninety-five percent (95%) of eligible employees are participating in the HMP and assessments of health risk were completed for one-third of the members during 2010. Measured by lower claims, direct medical services provided by the program and the Certified Nurse Practitioner provided \$2.07 in value for each dollar spent.

The General Fund workforce supported by the *Proposed FY 2012 Budget* totals 1,106.16 Full Time Equivalent (FTE) employees, comprised of 951.37 full-time classified (compared to 971.53 in FY 2010), 58.19 part-time classified, 3.00 grant full-time, 32.66 temporary, and 60.94 State-funded positions. The City's workforce in all funds totals 1,335.01 FTEs. This includes 1,136.47 full-time classified, 66.14 part-time classified, 30.40 grant full-time equivalents, 41.06 temporary and 60.94 State-funded positions.

## **Fleet Services Fund**

The Fleet Services Fund is an internal services fund that manages the City's fleet of over 700 vehicles and equipment. The Fleet Services Director reports to a Board of Directors consisting of representatives from various departments that utilize fleet services.

The total operating budget of \$5.3 million for Fleet Services is a decrease of almost twelve percent (11.9%) from FY 2011. The reduction is a result of a decrease in debt service, elimination of a reserve for vehicle replacement, and a decrease in vehicle purchases. The proposed budget recommends replacing twenty-seven (27) vehicles in the General Fund, two (2) in the Airport Fund, two (2) in the Water Fund, and two (2) in the Sewer Fund.

Annually, Fleet Services, in consultation with each department, determines the most efficient fleet replacement program for the next year based on actual miles driven and maintenance costs. Vehicle and equipment depreciation is budgeted as a non-departmental expense in the General Fund and in the individual enterprise funds as contributions to the annual replacement costs in the Fleet Services Fund. A situation that will need to be monitored for the remainder of the current year and into FY 2012 is increasing fuel prices. Currently, the Fleet Fund has an adequate balance to cover higher costs if necessary.

## **Capital Fund**

The *Proposed FY 2012-2016 Capital Improvement Program* (CIP) includes \$62.3 million for City capital projects and \$31.9 million for school capital projects. With the addition of the planned capital



projects in the Airport, Water and Sewer funds the proposed five year CIP totals \$186.1 million. Adoption of the CIP is anticipated coincident with adoption of the annual budget. Proposed capital project appropriations total approximately \$13.5 million in FY 2012 for both the City and Schools. The FY 2012 Capital Budget also includes contributions for major building repairs and roof replacements for both City and Schools. Major transportation projects include the start of construction on the Midtown Connector and the Kemper Street Bridge at the Expressway, pedestrian enhancements in the Wards Road corridor, and completion of the Rivermont Bridge project. The capital budget also supports continued investment in downtown revitalization.

No new general obligation debt is proposed for FY 2012. Staff will meet with the City's financial advisors before the budget is adopted to discuss financing needs. Ideally, a portion of the Capital Improvement Program should be funded each year on a "pay-as-you-go" basis. Beginning in FY 2001, a portion of the undesignated fund balance above the targeted ten percent (10%) of General Fund Revenues was allocated to pay-as-you-go capital construction for smaller projects and/or projects that have a life of less than 20 years. Subsequently, the following budget policy was adopted as a part of the City's Financial Management Policies: "Pay-as-you-go funding as a percentage of the City's Five-Year CIP shall not be less than 10% with a goal of 15%."

The *Proposed FY 2012 Budget* provides \$9.1 million for pay-as-you-go projects.

A list of proposed pay-as-you-go projects is provided on the next page.

**FY 2012 PROPOSED GENERAL FUND AND SCHOOLS PAY-AS-YOU-GO  
CAPITAL PROJECTS****Buildings**

|                                  |                    |
|----------------------------------|--------------------|
| Juvenile Detention Group Home    | \$200,000          |
| Major Building Repairs           | 1,722,946          |
| Major Building Repairs - Schools | 1,224,054          |
| Roof Replacements                | 600,252            |
| Roof Replacements - Schools      | 350,000            |
| <b>Total Buildings</b>           | <b>\$4,097,252</b> |

**Transportation**

|  |                    |
|--|--------------------|
| Fifth Street Improvements Phase III            | \$175,000          |
| Public Transportation Improvements             | 901,723            |
| Wards Road Pedestrian and Bicycle Improvements | 778,500            |
| Bridge Maintenance                             | 325,000            |
| <b>Total Transportation</b>                    | <b>\$2,180,223</b> |

**Economic Development**

|                                   |                    |
|-----------------------------------|--------------------|
| Downtown Redevelopment            | \$500,000          |
| General Development Support       | 250,000            |
| Street and Utility Extensions     | 250,000            |
| <b>Total Economic Development</b> | <b>\$1,000,000</b> |

**Miscellaneous**

|                            |                  |
|----------------------------|------------------|
| Radio Replacement          | \$110,000        |
| <b>Total Miscellaneous</b> | <b>\$110,000</b> |

**Parks and Recreation**

|  |                    |
|--|--------------------|
| Miller Recreation Center                       | \$942,612          |
| Community Park Investment Fund                 | 70,000             |
| Community Market Plaza Deck Repairs/Renovation | 70,000             |
| General Park Maintenance                       | 100,000            |
| Parks Paving and Lighting/Reconstruction       | 278,000            |
| <b>Total Parks and Recreation</b>              | <b>\$1,460,612</b> |

**Reserves**

|                                    |                  |
|------------------------------------|------------------|
| Snow, Streets, and Bridges Reserve | \$250,000        |
| <b>Total Reserves</b>              | <b>\$250,000</b> |

**TOTAL GENERAL FUND and SCHOOLS PAY-AS-YOU-GO** **\$9,098,087****Less Funding Sources:**

|                                      |             |
|--------------------------------------|-------------|
| Available Fund Balance <sup>1</sup>  | \$7,324,033 |
| FY 2010 School Year End Fund Balance | 1,574,054   |
| Reserve for Group Home               | 200,000     |

**Remaining Available Fund Balance** **\$0**

<sup>1</sup> \$324,033 of available fund balance is from a realignment of reserve balances.



## Airport Fund

The Lynchburg Regional Airport is budgeted as a separate fund to clearly delineate its financial operation and the support from the General Fund. Cost center revenues and a General Fund subsidy of approximately \$495,000 will cover total expenditures of \$2.4 million. FY 2012 operating expenditures are projected to decrease approximately \$75,000 from the current year due to reduced debt service payments. The loss of Delta Airlines service will have a dramatic impact, both directly and indirectly on a variety of airport revenues such as landing fees, terminal rents, rental car concessions, parking and fuel sales. The cumulative loss of these revenues will require an increase in the General Fund subsidy of over \$200,000. Replacing seat capacity, and therefore passenger traffic, will be the major focus of airport management in FY 2012.

## Water Fund

The Water Fund operates as an enterprise fund and requires no subsidy from the General Fund. In fact, it makes payments to the General Fund for engineering services and through an indirect cost allocation for administrative support.

The City's water system can be characterized as having low rates and ample capacity while being positioned for significant growth opportunities in its customer base. In addition to serving 22,763 City accounts, water is sold by contract to the counties of Amherst, Bedford, and Campbell and to two large industrial customers. Over recent years consumption has remained relatively stable. In FY 2012, a slight increase (2%) in consumption is expected from Bedford and Campbell Counties with industrial consumption decreasing slightly overall.

Significant achievements in the Water Fund include: receiving the *Excellence in Waterworks Operations and Performance Award* from the Virginia Department of Health for the fourth consecutive year; completion of renovations to the Pedlar Dam making it one of the first dams in the Commonwealth to be in complete compliance with new dam safety regulations; the successful winter repair of a break in the raw water line that occurred in the James River; and various water distribution line replacement projects.

A significant characteristic of the water system is its age. Some components of the distribution system, particularly in the downtown area, are over one hundred years old. Those components are beyond their useful life and are in need of replacement. The incidence of water line breaks is increasing, resulting in service disruptions, higher operational costs, and, in some cases, damage to private property. The water system downtown is of particular concern and a master plan will be developed to address the aging system. Department of Utilities representatives and consultants have conducted a series of meeting with downtown stakeholders to discuss water system needs and to gather feedback on what can be done to minimize inconvenience during water line replacement which is anticipated to start in 2014. In the meantime, the Fifth Street water line replacement project will proceed as it is a critical element serving the backbone of the downtown water system.

Other important components of the water system that require ongoing maintenance and periodic upgrades are the Pedlar Dam, the 21 mile long, 36-inch raw water line from Pedlar to the City, nine (9) pump stations and fourteen (14) water tanks.



The FY 2012 utility rate study proposes a 3% increase in the water volume rate. The main use of the additional revenues generated by the rate increase will be for capital projects to strengthen the water system infrastructure through a water line replacement program. The goal, considered to be an absolute minimum for system integrity, is to replace 1% of the system per year. This equates to about five (5) miles of water line, at a cost of at least \$3.5 million, annually. There are no significant changes proposed in Water Fund Operations.

Water Fund total revenues are projected to increase by approximately \$200,000, from \$12.9 million to \$13.1 million. Expenditures, including debt service, are projected to decrease from \$12.98 million to \$12.97 million. Operating expenses are expected to total \$8.43 million, with debt service of \$3.48 million.

With the proposed rate increase, the unrestricted cash balance is projected to be forty-one percent (41%) of total fund expenditures for FY 2012, in compliance with City Council's policy to maintain a fund balance of at least forty percent (40%). Council's policy also calls for a debt coverage ratio at least 1.2. The proposed budget would result in a projected debt coverage ratio of 1.22.

## **Sewer Fund**

Like the Water Fund, the Sewer Fund operates as an enterprise fund and requires no subsidy from the General Fund. It also provides payments to the General Fund for engineering services and through an indirect cost allocation for administrative support.

The City's sewer system serves Lynchburg and portions of the surrounding counties. Although operated by the City, the wastewater treatment plant is a regional asset with capital and operating costs shared proportionally by the localities. The City also has contracts with two large industrial users. Wastewater flows have been stable over recent years and are expected to remain so in the near term.

Significant achievements in the Sewer Fund include: the completion of a long-term Solids Management and Capital Improvements Plan for the Wastewater Treatment Plant (WWTP); the successful negotiation of a 20 year, 0% interest loan through the Virginia Clean Water Revolving Loan Fund for an upcoming \$7-9 million capital project to refurbish the secondary clarifiers and improve the performance of the headworks at the WWTP; the development of a Regional Industrial Pretreatment Memorandum of Understanding and a Fats, Oil and Grease Program; and a number of Combined Sewer Overflow (CSO) projects, the most significant of which was the replacement of over 13,000 feet of the James River Interceptor.

A major accomplishment of the combined Department of Utilities (both Water and Sewer) is a milestone safety achievement. The department operates three industrial facilities (two water treatment plants and one wastewater treatment plant) twenty-four hours a day, every day of the year, and maintains over 1,000 miles of water and sewer lines. It has done this for over two years, compiling 400,000 staff-hours without a Lost Time Injury.

As with the Water Fund, the Sewer Fund is challenged by an aging infrastructure that requires additional maintenance and capital expenditure, increasing regulation, and higher costs in a number of areas. Sludge disposal, wastewater treatment plant upgrades, sanitary sewer overflows, stormwater regulations, requirements for nutrient reduction and sewer line replacement are pending issues. The



biggest challenge facing the Sewer Fund, however, is the requirement to eliminate overflows that occur during periods of high rainfall from the City's combined sewer/stormwater system. The effort to eliminate the overflows requires significant capital expenditure, with resulting debt service, and places a heavy burden on City utility users.

The City is subject to a Special Order with the Department of Environmental Quality (DEQ) that regulates efforts to eliminate the Combined Sewer Overflow (CSO) problem. The Special Order establishes a compliance schedule and project priorities for implementation of the City's CSO control plan. Since signing the Special Order in 1993 the City has eliminated 103 out of 132 overflow points and has reduced the pollution loading into the James River and its tributaries by approximately eighty percent (80%). Although the City has spent over \$170 million on the CSO control program, the estimated cost to complete the remaining work is over \$325 million. While separation projects continue in selected areas of the City, recent capital projects have focused on replacement of the James River Interceptor, a critical and threatened component of the wastewater collection system. The City also worked with Randolph College to disconnect rain leaders and install a rain garden for stormwater management. A significant initiative is the development of an updated CSO Long Term Control Plan to evaluate the best approach for achieving water quality requirements.

The compliance schedule established by the Special Order does not contain fixed dates for implementing the CSO control plan, but rather provides for implementation based on three criteria that reflect the limits of the City's financial capability. These criteria are:

1. The City is required to maintain rates so that the annual sewer bill for the average residential customer, using 7 hundred cubic feet (hcf) a month, equals or exceeds 1.25% of median household income (MHI).
2. The City is required to maintain a sewer operating debt coverage ratio within a range of 1.15 to 1.5.
3. The City is required to have reserve funds equal to no more than 25% of the prior year's budgeted operating expenditures.

The City contracts annually with a utility rate consultant to review operating budget and capital program assumptions and to recommend if any rate adjustment is necessary, beyond that required by DEQ, in order to adequately finance Sewer Fund activities and to ensure compliance with the provisions of the Special Order.

The FY 2012 utility rate study proposes a two percent (2%) increase in the sewer volume rate. This is necessary to maintain compliance with the special order provision to maintain the average annual sewer bill at 1.25% of the Median Household Income. Despite the increase, because of additional expenses related to the WWTP, the annual investment in the CSO Program will be reduced from \$10 million to approximately \$7 million. This is about one-half of what it was two years ago.

The *Proposed FY 2012 Budget* projects revenues of \$20.4 million, compared to expenditures of \$20.5 million (\$10.4 million for operations, \$8.1 million for debt service, and a \$2.0 million transfer to capital for pay-as-you-go funding). The proposed budget funds two additional drivers/operators to haul sludge to the regional landfill located in Campbell County. This is necessary due to the impending closure of the regional landfill located in Lynchburg which is adjacent to the WWTP. Additional costs are anticipated for chemicals, fuel and engineering services.



Stormwater management expenses in FY 2012 are anticipated to total \$688,000 and will be accounted for separately. Four and a half (4.5) staff positions (a utility crew, an engineer, and part of a Water Quality Manager) will be dedicated to stormwater management. A transfer of funds from the General Fund will offset some of this expense. Staff is proposing the establishment of a separate Stormwater Utility as of July 1, 2012.

The unrestricted cash balance is projected to be twenty-one percent (21%) of fund expenses for FY 2012. The debt coverage ratio is projected at 1.24 and the annual sewer bill for the average residential customer is estimated to be 1.25% of median household income.

## Outstanding Issues

There are several outstanding issues that may impact budget deliberations.

- Revenue projections in the *Proposed FY 2012 Budget* are based on an analysis of actual revenues and trends up to January 1, 2010. Staff will re-examine revenues after April 1, 2011, and suggest appropriate adjustments.
- Staff is analyzing legislation adopted by the General Assembly to determine its impact on costs and revenues.
- The lack of action by the General Assembly to address funding for the Virginia Retirement System (VRS) could prevent implementation of the proposal to have City employees pay 5% of their salaries into VRS in return for an offsetting pay increase unless the Governor submits an amendment to grant the authority.
- The School Board has not adopted its proposed budget for FY 2012. Without knowing the amount of the request for local funding the potential impact on the *Proposed FY 2012 Budget* cannot be determined.
- Costs of \$145,000, related to the operation and maintenance of Ivy Creek and Riverfront Parks, were inadvertently left out of the Public Works budget proposal.
- City Council expressed some desire to provide General Fund funding for non-profits that had previously been allocated Community Development Block Grant funds. Requests from those agencies in a total amount of \$177,000 are not accommodated in the proposed budget.

## Alternative Budget

During its annual and budget retreats City Council expressed considerable interest in finding the resources to address two significant challenges; Heritage High School and compensation, particularly for public safety employees. The proposed budget sets aside only a small amount of funds for a Heritage High School Debt Service Reserve and provides no funding for compensation beyond the adjustments proposed in relation to VRS funding.

Funding for significant ongoing expenditures to support Heritage High School (HHS) and employee compensation would require difficult decisions. In order to finance HHS resources in the range of \$3-8 million a year may be required. To bring public safety compensation to desirable levels could require \$2-3 million; and, the rest of the City workforce would need to be considered. Since it is highly unlikely that economic growth will produce additional revenues in the near term, there are only



two options available to consider: cut spending in lower priority areas or increase the tax rate. The option of merely cutting spending across the board, say by 10%, is simply not viable because such cuts would severely degrade the quality of some services to the point that it would be better to simply eliminate them. Furthermore, across the board cuts can give the mistaken impression that all City programs and services are of equal standing.

To illustrate the challenge and to facilitate a discussion an alternative budget is offered for FY 2012. In addition to the “baseline” budget proposal the alternative budget would include the following:

- \$2 million for compensation
- \$1 million for Heritage High School Debt Service
- a \$0.05 increase in the Real Property Tax Rate
- a \$1 million reduction in School Funding
- **Or**, the elimination of specific services or programs to produce \$1-3 million in costs savings instead of a tax increase or reduced school funding.

During City Council’s budget retreat staff provided a preliminary list of programs and services that might be considered to be beyond the basic requirements of local government offerings or, in other words, not “core” services. That list has been further refined and is presented below. While the list is not exhaustive (there can be reasonable disagreements over what “core” services are), it provides some potential costs that could be eliminated in order to free up resources for higher priorities.

| <u><b>Beyond the Basics</b></u>   | <u><b>Estimated Cost</b></u> |
|---|------------------------------|
| Brush and Bulk Collection   | \$401,900                    |
| Citizens First  | \$125,600                    |
| Community Market/Armory   | \$217,000                    |
| <i>(This is the net general-fund impact; total requested expense budget of \$302,103 less projected market rent revenues of \$85,000)</i>         |                              |
| Cooperative Extension   | \$ 29,200                    |
| DARE  | \$ 47,800                    |
| Downtown Branch Library   | \$ 80,000                    |
| Fire Engine Co.--Out of Service<br><i>(9 Positions)</i>   | \$666,400                    |
| Internal Audit<br><i>(Unfunded in proposed budget)</i>  | \$ 79,200                    |
| Leaf Collection<br><i>(Significant impact on street maintenance and snow removal; leaf collection is done for only 2-2.5 months of the year.)</i> | \$357,000                    |
| Legislative Liaison   | \$ 84,700                    |
| Library Youth Programs<br><i>(7.6 positions)</i>  | \$371,622                    |
| Local Government Channel  | \$141,000                    |
| Lynch's Landing Executive Director<br><i>(Agreement issue.)</i>   | \$ 69,400                    |
| Marketing   | \$ 71,120                    |
| Membership Dues   | \$ 52,244                    |



|  |           |
|--|-----------|
| Miller Park Pool   | \$ 65,200 |
| <i>(This is the net general-fund impact; total requested expense budget of \$92,206 less projected gate/admission revenues of \$27,000.)</i> |           |
| Neighborhood Watch   | \$ 45,800 |
| Non-Profits (Discretionary)  | \$404,800 |
| Old Courthouse Museum  | \$333,200 |
| <i>(Old Courthouse Museum and two storage bays; does not include revenue impact (\$127,000--Museum System total)</i>                         |           |
| Point of Honor   | \$ 94,800 |
| <i>(Does not include revenue impact)</i>   |           |
| Police—10 positions  | \$450,000 |
| Recycling  | \$188,500 |
| School Resource Officers   | \$225,600 |
| Special Events (City Sponsorship)  | \$ 62,000 |
| Take Home Vehicles   | \$ 54,300 |
| Tourism (level fund)   | \$351,000 |
| <i>(Contract issue.)</i>   |           |
| Traffic Unit   | \$275,400 |
| Youth and Prevention Services  | \$ 51,900 |

This list represents over \$5 million in expenditures that might be considered “beyond the basics.”

**Outlook**

Sound fiscal management and planning ahead have helped the City to weather the “Great Recession” and move into the first year of “the new normal” The projections are that the economy will “bounce along the bottom” for some time yet, at least as it is manifested in local revenues. Continued monitoring of real and personal property values, as well as consumption tax revenues is called for. Despite indications of a national recovery, high unemployment and rising costs for oil are of concern. The General Assembly still has to deal with the fundamental structural imbalance in the State budget and address serious challenges related to pension costs, Medicaid, mental health services, environmental protection and transportation. As has been demonstrated in the past, there is a strong propensity to shift costs, either through unfunded mandates or funding reductions, to the localities where state-mandated services are delivered.

In the coming year, a number of challenges will need to be addressed. The Heritage High School Task Force will develop recommendations for the School Board to consider. Stormwater regulations promulgated by the state and federal government, plus other regulations to address water quality in the Chesapeake Bay will be costly to either the Utility Fund or the General Fund. The City’s aging infrastructure of water and sewer facilities, roads, bridges and buildings also require a significant investment. While Heritage High School leads the list, the Miller Recreation Center on Grove Street, the West Building, City Stadium and other facilities also have deficiencies that must be addressed.

City staff will be challenged to continue seeking opportunities for innovation, collaboration and consolidation in order to reduce costs and increase efficiency. They have risen to the occasion already and remain committed to the highest ideals of public service. At some point, however, the quality and



timeliness of service delivery will diminish unless adequate resources are provided to maintain a workforce with the ability to meet the expectations of citizens. As we struggle with that dilemma, we will continue with our civic engagement efforts to inform citizens, receive their feedback and, working together, discuss priorities, expectations and approaches. Local government is that level of government that is the closest to the people that it serves and is the most easily influenced by its citizens. Civic engagement strives to strengthen this important partnership of mutual responsibility.

The delivery of excellent core services, a safe community, an outstanding school system, a revitalized and attractive downtown, restored historic inner city neighborhoods, housing that is diverse, of good quality and affordable, accessible parks and trails and a beautiful natural environment all make the City an attractive place to live, work, play, and raise a family. With continued investment, sound fiscal management, an engaged citizenry and visionary leadership Lynchburg will remain the commercial, cultural and institutional hub of the region.

## Conclusion

The *Proposed FY 2012 Budget* is offered for City Council consideration, deliberation, amendment, and adoption. Over the next several weeks, Council will have the opportunity to hear from and question the representatives of the various departments and agencies seeking funding in FY 2012. Work sessions will be held on Tuesday afternoons throughout the months of March and April. A public hearing on the proposed budget is scheduled for April 5, 2011, at 7:00 p.m., in Council Chambers. During Council's deliberations, staff is prepared to provide assistance and additional information as Council works toward budget adoption.

Copies of the *Proposed FY 2012 Budget* are available for public review at the main public library and the downtown branch as well as on the City's website at [www.lynchburgva.gov](http://www.lynchburgva.gov).

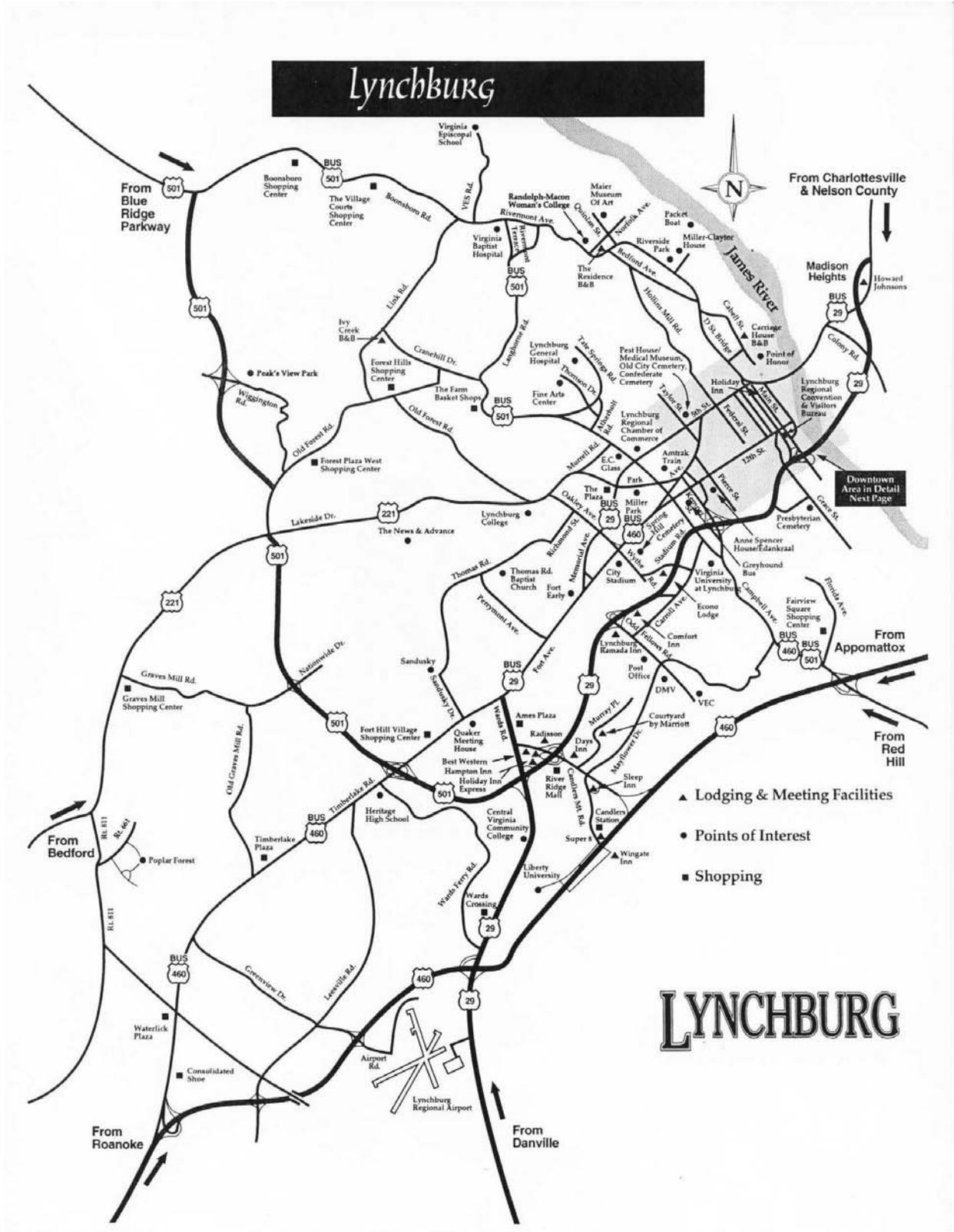
## Acknowledgements

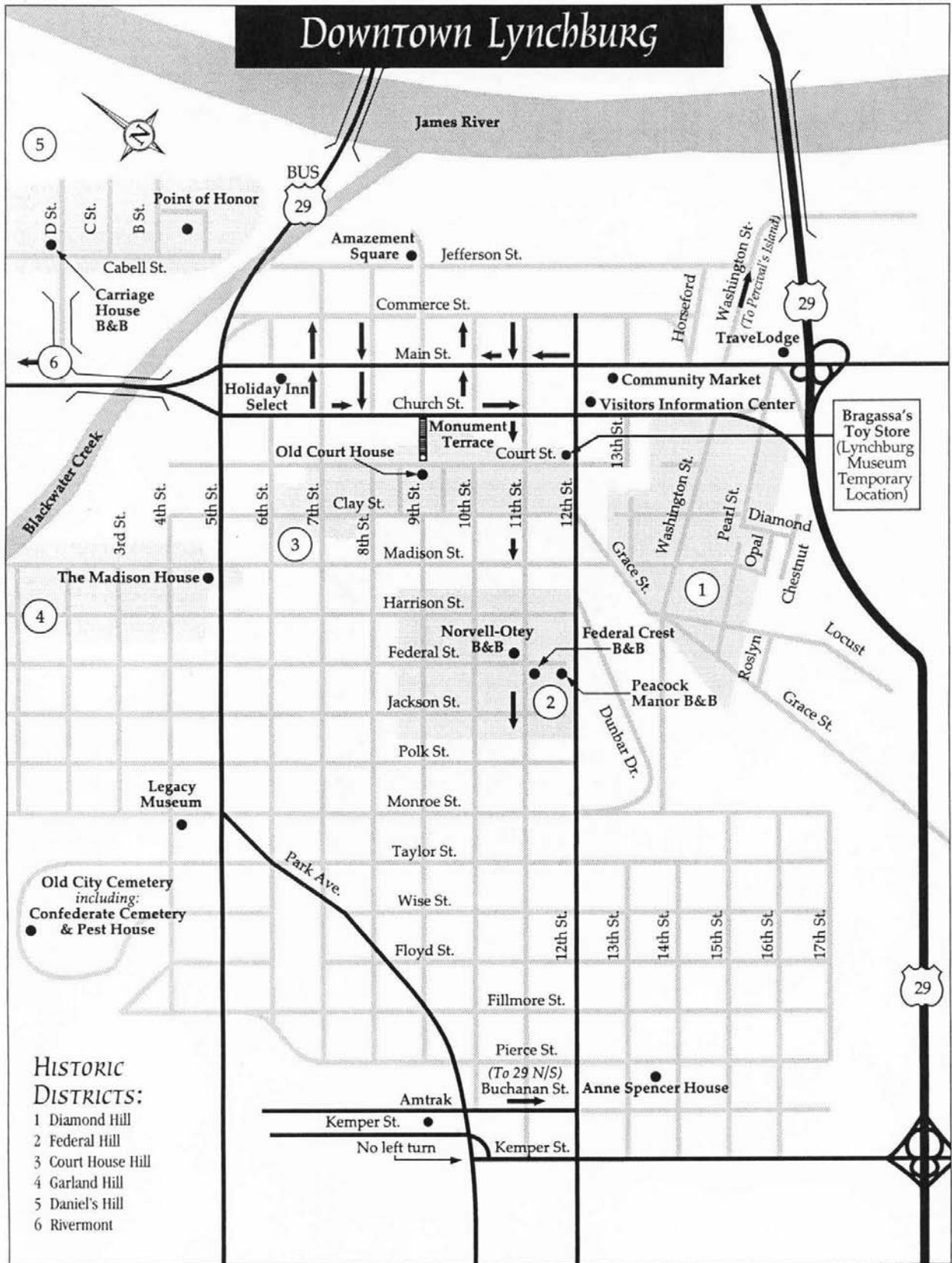
I would like to acknowledge the hard work of City staff who developed and produced the *Proposed FY 2012 Budget*. Once again Deputy City Manager Bonnie Svrcsek and Director of Financial Services Donna Witt provided outstanding leadership for the overall budget process. Michelle White, Megan Palmer, and Cindy Speck in the Budget Office provided valuable analysis, review, and logistical support in the development and production of the budget document. Senior Human Resources Manager Beth McDaniel did important research for the Personnel section. Financial Services staff Barbara Hudson, Reid Lanham, Amanda Smith, Lee Waller, Ashley Partridge, Kathy Collins, Robin Mamola, and Financial Services Assistant Director, Rhonda Allbeck, also provided assistance in budget development.

Finally, I want to recognize the directors and staff of the various City departments who are committed to our mission to deliver services to Lynchburg's residents, workers, and visitors in an efficient, effective, and equitable manner and to build a stronger community. Its employees are the City government's greatest assets and they do an outstanding job.











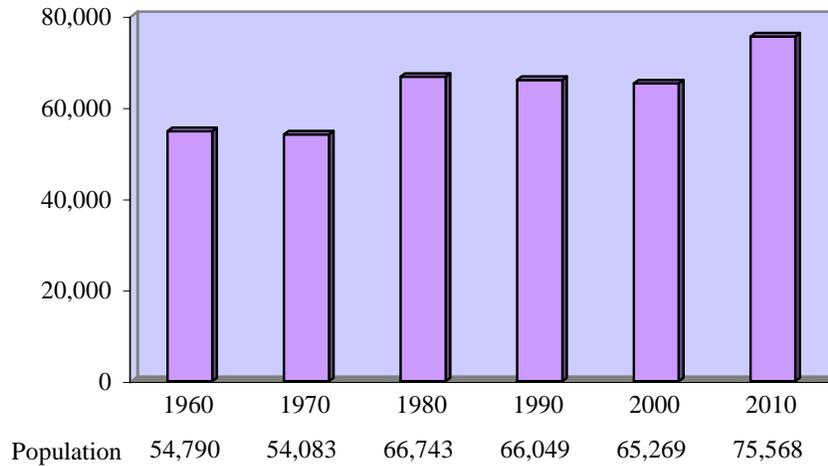
**Date of Incorporation**

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. Census Bureau)**



**Form of Government**

Lynchburg is organized under the Council – Manager form of government. 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 July 1 of each election year by simple majority vote a Mayor, who serves a two-year term.

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 administrative 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 of real property 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 law 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 of Revenue as required by the *Code of Virginia* assesses 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 operates one of the top school systems in the state and is recognized for its unique Partners in Education program that partners the business and government sector with the schools. The City is also home to five public/private colleges and universities.

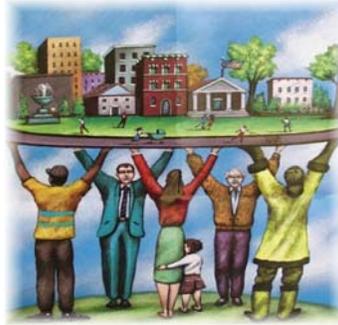
A city with outstanding cultural, educational, and recreation opportunities, Lynchburg has over 800 acres of parkland and a nationally recognized urban trail system. The parks and trails provide a full range of recreation opportunities including tennis, basketball, recreational and competitive sports, 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 eight community centers (including the Templeton Senior Center).

Lynchburg has operated under a Council/Manager form of government since 1920. The City Council, comprised of seven members, is elected for four-year staggered terms of office. The Mayor and Vice Mayor are elected by the City Council. In November 2006, City Council adopted a vision statement that focuses on community character, economic prosperity, good government, multicultural vibrancy, and making Lynchburg a compelling destination.

The City Manager is responsible to the City Council for the effective operation of all government functions. In 2005, the City began a basic performance measurement program whereby each City Department identified at least three measures of the work it delivered. Subsequently, the measures were reviewed and adjusted by City Council. In December 2005, the City, along with 27 other Virginia localities, joined the International City-County Management Association (ICMA) Center for Performance Measurement (CPM). Even though the City no longer participates in the CPM Program, the City understands that by focusing on performance measurement, the City will better determine the efficiency and effectiveness of service delivery and program objectives.



*From left to right, downtown Lynchburg is featured with the James River in the foreground; Hollins Mill Dam with a bike rider is in the middle of the collage; and at the end is a young lady in period costume writing in calligraphy at the James River Batteau Festival. Photographs courtesy of Nancy Blackwell-Marion*



## LYNCHBURG CITY COUNCIL VISION

*We will work to ensure an environment in which all of the residents of Lynchburg are free to pursue their dreams, hopes, and aspirations through our understanding and commitment to meet the public's needs in the areas of:*



### **Community Character**

The character of our City is defined by the values and behaviors of its residents and its natural and built environments. We are a beautiful, safe and comfortable community with hospitable, friendly, and caring citizens who are free to pursue their values of faith and family according to their individual preferences.



### **Economic Prosperity**

Our City will maintain a vibrant, industrious community that will expand economic opportunities for our citizens. We embrace policies that will enhance economic prosperity with the support of a strong Industrial Development Authority, emphasis on education, workforce development, and a continued commitment to business-friendly initiatives.



### **Good Government**

City government will deliver, in an equitable manner, public services through the effective and efficient stewardship of resources.



### **Multicultural Vibrancy**

Lynchburg acknowledges and values its rich cultural, ethnic, racial, and religious diversity while promoting a respectful and cohesive community.



### **A Compelling Destination**

The City is a regional draw for entertainment, shopping and business. Our unique historic heritage and tourism attractions draw a national audience. With its breadth of recreational experiences, centers of interactive living history, and opportunities for educational excellence, our City appeals to all generations.

*Adopted December 2006*



## Organizational Vision, Mission, and Values

City Council's vision for the community includes the organizational vision, “Working together, we will be a progressive community shaped by new ideas and solutions, a skilled and innovative workforce, and citizen leadership – all distinguished by responsible and traditional values, involvement, new technology and quality citizen services.”



Inherent in City Council's vision, the mission of the employees of the City of Lynchburg is to deliver services to City residents, workers, and visitors in an efficient, effective, and equitable manner and to build a stronger community.

**The core values that guide the organization’s actions and decision-making are the following:**

**Respect** – *appreciating the mixture of similarities and differences in beliefs and behavior of employees and citizens*

**Honesty** – *telling the truth, refraining from cheating and stealing and avoiding conflicts of interest*

**Customer Focus** – *demonstrating a commitment to internal and external customer service*

**Personal Responsibility** – *taking ownership and accepting the consequences of one’s actions*

**Integrity** – *consistently applying these core values even when doing so is difficult or unpopular*



### ***FY 2010 Accomplishments and Recognitions***

#### **ECONOMIC DEVELOPMENT**

Areva NP's joint venture with Constellation Energy to design and build the first new U. S. commercial nuclear reactor in a generation is currently undergoing Nuclear Regulatory Commission Licensure review. Areva NP is the world's largest nuclear power plant designer, manufacturer, and service provider and has built one-third of the three hundred plus plants in existence in the world. Furthermore, headquarters for two of Babcock & Wilcox Company Technologies' (B&W) four main subsidiaries are in the City. During FY 2010, B&W opened a new facility in the Lynchburg area; engineering and design offices capable of housing as many as 300 workers for the B&W mPower™ nuclear reactor program opened in the City's Lynchpin Business Park in cooperation with the Lynchburg Economic Development Authority. B&W became a publicly traded company this year and is no longer an operating group of McDermott International, Inc. In June 2009, B&W announced plans to design and deploy a new modular nuclear reactor capable of generating power in 125 megawatt increments. The program is receiving continued interest from numerous potential customers. B&W has begun its pre-licensing activities with the Nuclear Regulatory Commission

In the health services sector, Centra, which owns and operates both Lynchburg General and Virginia Baptist Hospitals in Lynchburg, was ranked by *Forbes Magazine* as one of the safest hospitals in the country, placing it in the top 5% of hospitals nationwide for low complication and mortality rates. The Centra Alan B. Pearson Regional Cancer Center opened in 2008 and provides comprehensive cancer care services. The cancer services earned a three-year full accreditation with commendation for its comprehensive program from the Commission on Cancer of the American College of Surgeons. Only 25% of cancer care programs in the country receive this recognition.

Liberty University (Liberty) continued its rapid expansion in enrollment with 12,000 resident students and 53,000 online students in fall 2010. A plan to expand students on campus continues. In FY 2010, Liberty expanded facilities as well, including a \$6.5 million renovation to the Tower Theater (a 640 seat performing arts theater) and major renovations to the Williams Football Stadium. The Stadium renovations include a three phase project over a five year period with estimates totaling \$22 million. Overall Stadium capacity will be increased from 12,000 to 30,000.

#### **FINANCIAL SERVICES**

Fitch and Moody's Bond Rating Agencies raised the City's ratings one notch to AA+ and Aa<sup>2</sup> respectively when they reviewed their municipal accounts early in FY 2010. Standard & Poor's Ratings Services raised its long-term rating and underlying rating on Lynchburg's general obligation (GO) debt one notch to 'AA+' from 'AA' when a large refunding was completed in September 2010. The upgrade was based on the City's ongoing economic development and redevelopment, which continues to diversify the economy and expand the property tax base.

The City received the Government Finance Officers Association's Distinguished Budget Presentation Award for the 5<sup>th</sup> consecutive year and the Certificate of Achievement for Excellence in Financial Reporting for the 13<sup>th</sup> consecutive year.



## **LYNCHBURG CITY SCHOOLS**

For 2010, the State of Virginia Department of Education notified Lynchburg City Schools that all sixteen public schools earned full accreditation. In November 2009, the Lynchburg City Schools took the Virginia School Board Association's Green School Challenge and won. The division won first place for its size by saving \$169,000. Teachers and students worked together to save 1.8 million kilowatt hours compared to the year before. Lynchburg City Schools also opened the Fort Hill Community School. Renovations to the former Fort Hill Elementary School allowed space to house middle school students who participate in the School Division's alternative education programs.

## **UTILITIES**

The Utilities Department earned the Virginia Department of Health's (VDH) Excellence in Waterworks Performance Award for the fourth consecutive year for both the Abert and College Hill Water Filtration Plants. The VDH Office of Drinking Water Recognition Program rewards water systems that have demonstrated excellence in performance and operations and for the treatment and distribution of drinking water to the public. Excellence in performance and operations is measured by achieving goals well beyond the established regulations and making a commitment to customer satisfaction.

## **INFRASTRUCTURE**

Construction was completed on the new Juvenile and Domestic Relations Court House and Sandusky Middle School. Both of these buildings were built using LEED Certification standards. Funding for the Juvenile and Domestic Relations Court House consisted of cash from the sale of the City's Landfill to the Regional Authority and general obligation bonds. The City closed on bonds in August 2009 to complete financing for these two projects. An application was made for Literary Loan funds to assist with financing for Sandusky Middle School and the project was placed on a waiting list. With Literary Loan funding subsequently eliminated by the State, financing for the school will be completed through the Federal American Recovery and Reinvestment Act Qualified School Construction Bond Program. Funds for FY 2010 debt service payments were placed in a reserve in the FY 2008 Adopted Budget in anticipation of this borrowing.

Construction of the first phase of the Fifth Street improvements was completed in September 2009 and included a two block area fronting Fifth Street between Harrison and Jackson Streets. The project included the construction of an urban roundabout flanked by plaza areas at the intersection of Fifth and Federal Streets which is the center of the corridor. Streetscape improvements in the form of wider sidewalks, street trees, historic style lighting and the placement underground or relocation of overhead utilities were completed as part of the project. Aging water and sewer lines were replaced as well. Since the completion of Phase I, other amenities such as benches, trash cans, and bus shelters have been installed throughout the plan area.

## **TRANSPORTATION**

Amtrak provides rail passenger service through Lynchburg between Boston and New Orleans via the Crescent Train Route. Beginning October 1, 2009, Amtrak offers an additional daily round trip train route originating in Lynchburg with Boston providing service to over 105,000 passengers annually.

The City is also served by the Lynchburg Regional Airport. As the primary commercial service airport for Central Virginia, Lynchburg Regional Airport's market area serves a population of more than 236,000. With a total of 16 scheduled airline arrivals and departures daily, the airport expects to serve over 175,000 passengers in 2010 through the regional affiliates of two major airlines: Delta Airlines and US Airways. In October 2010, the City received notice that Delta Airlines will not service Lynchburg as of January 1, 2011. Negotiations are underway with other airlines to replace the lost service.





## UNDERSTANDING THE BUDGET

The City of Lynchburg, Virginia (the “City”) was founded by John Lynch in 1757, established as a town in 1786, and incorporated as a city in 1852. The City operates as a Council-Manager form of government and provides all municipal services to its residents.

### 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, performance measures and financial tables that show the revenues, expenses, 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 will 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 should be 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 early 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 an appropriations resolution during the month of May. By July 1<sup>st</sup>, the beginning of the fiscal year, the City Manager prepares and distributes the adopted budget.



## DESCRIPTION OF CITY FUNDS

For accounting purposes, a local government is not treated as a single, integral 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 Enterprise Funds.

#### *Special Revenue Funds*

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue sources which are designated to finance particular functions or activities of government. 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:

- Asset Forfeiture 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.
- Central Virginia Communications Radio Board Fund – Accounts for revenues received to support the operations and capital expenditures of the Central Virginia Regional Radio Board.
- Community Development Block Grant 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.
- Comprehensive Services Act Fund – Accounts for revenues received under the Comprehensive Services Act for At-Risk Youth and Families adopted by the Virginia General Assembly.
- 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 associated with beautification of the Lynchburg Expressway.
- Regional Juvenile Detention Center Fund – Accounts for revenues received to support the operations of the City’s Juvenile Detention Home.
- Schools Operating Fund – Accounts for the primary operating activities of the Lynchburg City Schools.
- Stadium Fund – Accounts for revenues and expenditures to support the operations and debt service of the baseball stadium.
- Technology Fund – Accounts for revenues from the City’s strategic partner to support the upgrade and replacement of technology equipment.



- City/Federal/State Aid Projects Fund – Accounts for the City’s various federal and state grants for such purposes as building projects, certain social service and community development programs and public safety.

*Capital Funds*

The Capital 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 Proprietary Funds and Trust Funds. These funds consist of City, Schools, Airport, Water, and Sewer Capital Projects Funds.

**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 funds.

*Enterprise Funds*

Water and Sewer, Stadium, Airport and Passenger Facility Charge Funds are used to account for the acquisition, operation and maintenance of City-owned water and sewer facilities, stadium, 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. The Airport and Stadium Funds receive some support from the General Fund in the form of an interfund transfer.

*Internal Service Funds*

Internal Service Funds are used to account for the financing of goods and services provided by one fund, department or agency to other fund, departments or agencies, 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 Self-Insurance Fund is used to account for the self-insurance related activities including property/casualty and liability insurance.

**Fiduciary Funds**

These funds are used when a government holds or manages financial resources in a trustee or agency capacity; therefore, these resources cannot be used to support government programs. There are four fund types to account for various types of fiduciary obligations. These are pension trust funds, investment trust funds, private purpose trust funds and agency funds.

The City’s Agency Funds are custodial in nature (assets equal liabilities). These funds consist of the City Payroll Agency Fund (which includes health and dental claims), School Fiscal Agent Fund, and 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 eleven elementary, three middle, and two high schools in the City.



## **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 economic 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 expenditures of the current period. 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, 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 reappropriated 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.

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, 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, 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. 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.



CITY OF LYNCHBURG  
BUDGET CALENDAR  
FY 2012

|                    |  |
|--------------------|--|
| July 2, 2010       | Send Carry forward Letter to Departments   |
| July 15, 2010      | Carry forward due to Budget Office   |
| August 31, 2010    | Leadership Team Retreat  |
| September 10, 2010 | Council Retreat - FY 2012 Budget Preview   |
| September 30, 2010 | Technology Project requests due to IT  |
| October 1, 2010    | Preliminary Benefit Rates due to Budget Office from Human Resources;<br>Preliminary Debt Numbers due to Budget Office from Finance |
| October 12, 2010   | Work Session/Council Meeting;<br>Carry forward to Council  |
| November 1, 2010   | Citizen Civic Engagement Ward II - R. S. Payne Elementary School   |
| November 4, 2010   | Citizen Civic Engagement Ward I - Bedford Hills Elementary School  |
| November 8, 2010   | Citizen Civic Engagement Ward III - Heritage High School   |
| November 15, 2010  | Citizen Civic Engagement Ward IV - Linkhorne Middle School   |
| November 19, 2010  | Small & Medium Departments Operating & CIP Budget Submissions due  |
| December 1, 2010   | Large Departments & Constitutional Offices Operating & CIP Budget Submissions due  |
| December 21, 2010  | Non-Departmental Budget due from Human Resources   |
| December 30, 2010  | Revenue Projections to City Manager  |
| January 14, 2011   | Schools Operating & CIP Budget due   |
| January 18, 2011   | Budget Council Retreat   |
| January 21, 2011   | Department Performance Measures due  |
| February 1, 2011   | Water & Sewer Operating & CIP Budget Submissions due   |
| February 24, 2011  | Departmental Review of Budgets   |
| March 3, 2011      | Manager's Proposed Budget to Council   |
| March 8, 2011      | Council Work Session - City Manager to Present Budget to Council   |
| March 15, 2011     | Council Work Session - City Manager to Present Budget to Council   |
| March 22, 2011     | Council Work Session - City Manager to Present Budget to Council;<br>Ad for Public Hearing   |
| March 25, 2011     | Send Third Quarter Letter to Departments   |
| March 29, 2011     | Council Work Session - Council Balance Budget  |
| April 5, 2011      | Council Meeting - Public Hearing for Budget  |
| April 8, 2011      | Third Quarter Requests due from Departments  |
| April 12, 2011     | Council Work Session - Council Balance Budget  |
| April 19, 2011     | Ad for 3rd Quarter   |
| April 26, 2011     | Council Work Session - Council Balance Budget<br>Resolution for Manager Approval   |
| May 10, 2011       | Council Meeting - First Reading of Budget for Adoption; 3rd Quarter Public Hearing   |
| May 24, 2011       | Council Meeting - Second Reading of Budget for Adoption; 3rd Quarter Adoption  |
| July 1, 2011       | Adopted Budget to Council and Departments  |



**DEFINITION OF TERMS**

**Accrual Basis of Accounting** – Method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

**Adopted budget** – The budget approved by City Council and enacted through a budget appropriation resolution.

**Airport fund** – Supports the operation and maintenance of the Regional Airport. This fund is intended to operate on a self-sustaining or enterprise basis.

**Appropriation** – The legal authority granted by City Council to expend or obligate funds for a specific purpose. Appropriations may be adjusted during the fiscal year, either up or down, by amendment of City Council.

**American Recovery and Reinvestment Act (ARRA)** – The American Recovery and Reinvestment Act of 2009, abbreviated ARRA and commonly referred to as the Stimulus, is an economic stimulus package enacted by the 111th United States Congress in February 2009.

**Assessment** – The official valuation of property for purposes of taxation.

**Assessment ratio** – The ratio which the assessed value of a taxed item bears to market value of that item. In the City of Lynchburg, real estate is assessed every other year at market value.

**Balanced budget** – Occurs when total revenues equal total expenditures for a fiscal year; fund balance dollars above the Financial Policy limit of ten percent may be used to offset non-recurring expenditures.

**Basis of accounting** – A term used to indicate when revenues, expenditures, expenses and transfers, as well as the related assets and liabilities are recognized in the accounts and reported in the financial statements.

**Beginning balance** – Unexpended funds from the previous fiscal year, which may be used to fund one-time expenditures during the current fiscal year. This is also referred to as fund balance.

**Blue Ridge Regional Jail Authority** – The Blue Ridge Regional Jail Authority, (the “Authority”), was created by member jurisdictions for the purpose of developing and operating a regional jail system by acquiring, renovating and expanding certain existing jail facilities and constructing additional jail facilities. The member jurisdictions are the cities of Lynchburg and Bedford, as well as the counties of Halifax, Bedford and Campbell. The Authority began operating the existing jail facilities in the member jurisdiction on July 1, 1998. The City sold its existing jail facilities to the Authority during fiscal year 1997. A new central jail facility was constructed in Lynchburg and opened in FY 2000. It is owned and operated by the Authority. Each member jurisdiction pays a per diem charge for each day that one of its prisoners is at any Regional Jail Facility. In accordance with the Service Agreement, the Authority has divided the per diem charge into an operating component and a debt service component. The per diem charge is based on an agreed upon number of prisoner days, and is subject to adjustment at the end of each fiscal year.

**Bond** – A written promise to pay a specified sum of money (called the principal) at a specified date in the future, together with periodic interest at a specified rate. In the budget document, these payments are identified as debt service. Bonds may be used as an alternative to tax receipts to secure funding for long-term capital improvements. General Obligation Bonds are debt approved by City Council to which the full faith and credit of the City is pledged. The State Constitution mandates that taxes on real property be sufficient to pay the principal and interest of such bonds.

**Budget** – A plan for the acquisition and allocation of resources to accomplish specified purposes. A plan of financial operations comprising an estimate of proposed expenditures for a fiscal year and the proposed means of financing those expenditures (revenues). The term may be used to describe special purpose fiscal plans or parts of a fiscal plan, such as “the budget of the Police Department or the Capital Budget” or may relate to a fiscal plan for an entire jurisdiction, such as “the budget of the City of Lynchburg.”

**Budget adoption** – The official enactment by City Council to establish authority for the obligation and expenditure of resources.

**Budget document** – The official written statement that outlines the annual budget.



**Budget message** – A general discussion of the proposed budget presented to City Council by the City Manager as a part of or supplement to the budget document. The budget message explains principal budget issues against the background of financial experience in recent years, and presents recommendations made by the City Manager.

**Budget schedule** – The key dates or milestones that the City follows in preparing, considering and adopting the budget.

**Budgetary control** – A mechanism whereby expenditures are monitored to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council.

**Calendar year** – Twelve months beginning January 1 and ending December 31.

**Capital Improvement Program** – A five-year plan for public facilities, which results in construction or acquisition of fixed assets, primarily buildings and infrastructure needs such as street re-paving. The program also includes funding for parks, sewers, sidewalks, major equipment and major items of capital equipment related to the new facilities.

**Capital Funds** – Funds defined by the State Auditor of Public Accounts, consisting of subfunds to account for the acquisition and/or construction of major capital facilities.

**Cash Management** – A conscious effort to manage cash flows in such a way that interest and penalties paid are minimized and interest earned is maximized. Checks received are deposited the same day, bills are paid no sooner than the due date unless discounts can be obtained by paying earlier, future needs for cash are determined with exactness and cash-on-hand not needed immediately is invested in short-term interest-bearing investments.

**Component Unit** – A legally separate organization that a primary government must include as part of its financial reporting entity for fair presentation in conformity with generally accepted accounting principles.

**Debt Service** – Principal and interest payments on bond and capital lease long term debt.

**Dedicated Revenue** – Revenue specifically designated by the Federal or State government to be used for specific programs in the City.

**Department** – An entity within the City organization, established either by State Code or identified need, for the administration of specifically related duties or responsibilities. A department head is responsible for all expenditures and other activities assigned to that department.

**Depreciation** – The process of estimating and recording the lost usefulness, expired useful life, or diminution of service from a fixed asset that cannot or will not be restored by repair and must be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to replace the item at the end of its useful life.

**Disbursement** – A cash payment to an outside party, or a transfer of funds to another accounting entity within the City's financial system.

**Division** – For manageability and accounting purposes, some departments are further divided into smaller units of control, called divisions. For example, the Streets Division is part of the Department of Public Works.

**Economic Development Authority (EDA)** – Under the Code of Virginia, City Council passed an ordinance on March 14, 1967, which created the Industrial Development Authority of the City of Lynchburg (the "IDA"). The IDA was established to promote industry and develop trade within the City. The IDA is governed by a board of seven directors appointed by City Council. City Council, however, is not financially accountable for the IDA. In 2008 City Council changed the name from the Industrial Development Authority (IDA) to an Economic Development Authority (EDA) to more accurately reflect the work of the Authority beyond the focus of industrial development.

**Encumbrance** – A reservation of funds for an anticipated expenditure prior to actual payment for an item. Funds usually are reserved or encumbered once a contracted obligation has been entered into for an item, but prior to the cash payment actually being disbursed.

**Enterprise fund** – A type of proprietary fund used to account for the acquisition, operation, and maintenance of governmental facilities and services that are entirely or predominantly self-sustaining. This type of fund is defined by the State Auditor of Public Accounts and consists of subfunds to account for operations that are financed and operated in a manner similar to



private business enterprises. Costs of providing goods or services are financed or recovered, at least in part, through user charges.

**Expenditure** – The authorized payment of City funds for goods and services. Expenditures include payment in cash for current operating expenses, capital improvement and debt service.

**Fiscal Year** – A year-long accounting period. For the City of Lynchburg, the fiscal year is from July 1 to June 30 of the following year.

**Fixed Assets** – Assets of long-term character which are intended to continue to be held or used by the City, including land, buildings, machinery and other equipment.

**Fringe Benefits** – The fringe benefit expenditures included in the budget are the City’s share of an employee’s fringe benefits. Fringe benefits provided by the City include: FICA taxes (Social Security), health insurance, life insurance, retirement, unemployment insurance and worker’s compensation insurance.

**Fund** – A fiscal and accounting entity with a self-balancing set of accounts, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**Fund balance** – Resources, which, at year's end, have exceeded requirements and have not been designated for any specific use. These funds are not appropriated for expenditure. The unrestricted fund balance is a reserve for unanticipated emergencies and is targeted at approximately 10% of net operating revenues.

**General Accepted Accounting Principles (GAAP)** – Uniform minimum standards and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules and procedures necessary to define accepted accounting practices.

**General Fund** – A fund type used to account for all revenues and expenditures of the City not required to be accounted for in other funds. Revenues are derived primarily from property taxes, local sales tax, utility taxes, licenses, permits, user fees and other sources. General Fund expenditures finance the daily operations of the City and include the costs of general government activities, transfers to other funds and debt service requirements. Included in the General Fund are the groups and programs discussed in that section of this budget.

**Governmental Funds** – Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

**Intergovernmental Revenues** – Revenues from other governments, such as the State and Federal government in the form of grants, entitlements, shared revenues or payments in lieu of taxes.

**Investment Earnings** – Revenue earned on investments with a third party. The City uses a pooled cash system, investing the total amount of cash regardless of fund boundaries. The interest earned is then allocated back to individual funds by average cash balance in that fund.

**Internal Service Fund** – A type of proprietary fund used to account for the financing of goods or services provided by one City program to other City programs, or to other governments, on a cost-reimbursement basis.

**Lease-Purchase Agreement** – An agreement that conveys the right to property or equipment for a stated period of time. It allows the City to spread the cost of the acquisition over several budget years.

**Line Item** – A specific expenditure category within a department budget. For example: supplies and materials, utilities or gasoline/diesel.

**Maturities** – The dates on which the principal or stated values of investments or debt obligations become due and/or may be reclaimed.

**Non-dedicated Revenue** – Revenue that can be used at the City’s discretion

**Operating Expenses** – The portion of the budget pertaining to the daily operations that provides basic governmental services. Expenditures such as supplies and materials, utilities and gasoline/diesel fuel are considered operating expenditures.



**Operating Transfers** – Authorized amounts transferred between funds in the city’s financial records that are not related to the provision of a specific service.

**Performance Measures** – Indicators that help define effective service delivery.

**Personal Services** – A category of expenditures which primarily covers wages, salaries, overtime and fringe benefit costs paid to or on behalf of City employees.

**Personnel (FTE)** – Full-time equivalents; the total count of full-time and part-time classified as well as temporary personnel in a department or sub-department. Part-time classified and temporary personnel are shown as a percentage of a full-time position.

**Position** – A group of duties and responsibilities, as prescribed by an office or agency, to be performed by a person on a full-time, part-time, or temporary basis.

**Proposed Budget** – The budget recommended for adoption by the City Manager to City Council.

**Public Assistance Payments** – Payments made to individuals or organizations providing goods or services for individuals in accordance with the requirements of the federal and state public assistance programs.

**Proprietary Funds** – Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

**Real Property** – Real estate, including land and improvements (buildings, fences, pavements, etc.) classified for purposes of assessment.

**Regional Services Authority (RSA)** – Established in 2008, the RSA serves the City of Lynchburg and Campbell County residents and businesses, as well as participating localities (the City of Bedford, Appomattox County, and Nelson County), that transfer solid waste to the regional landfill.

**Reserve** – These accounts contain funds that have been set-aside for a specific purpose or use.

**Revenue** – Government income including but not limited to taxes, permits, fees, licenses, fines, and grants, and also payments from other governmental entities.

**Sewer Fund** – Consists of the operating budget of the sewer and wastewater treatment programs of the City. Revenues from the operation, such as user fees finance this fund.

**Special Revenue Funds** – Governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

**Stadium Fund** – Consists of revenue and expenditures for the baseball stadium including operating costs and debt service.

**Tax Base** – The aggregate value of the items being taxed. The base of the City’s real property tax is the assessed value of all real estate in the City.

**Tax Rate** – The level of taxation stated in terms of either a dollar amount (e.g., \$1.05 per \$100 assessed valuation), or a percentage of the value of the tax base (i.e., 5 percent sales tax).

**Unencumbered Balance** – The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditures.

**Water Fund** – Consists of the operating budget of the water program of the City. This fund depends on the specific revenues generated by this operation, such as user fees or contracts to supply water to entities.

**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 temporary 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 – The Virginia General Assembly, in its 2010 session, passed legislation implementing new plan provisions for employees hired on or after July 1, 2010. Plan 1 consists of employees hired prior to July 1, 2010; those hired on or after July 1, 2010 are in Plan 2.

*Plan 1:* Contributions for both the employer's and employees' portions of premiums for employees' retirement program.

*Plan 2:* Contributions for the employer's portions of premiums for employees' retirement program.

Employer's FICA Contribution – Payments for employer's share of Social Security Program contribution.

Workers' Compensation Claims – Payments for authorized claims involving employees' work related injuries.

Group Hospitalization – Payments made for employer's share of insurance for full-time classified employees.

Unemployment Compensation – Payments for benefits related to unemployment claims.

Tuition Reimbursements – Payments to employees to assist with costs for college or other courses 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, printing; and payments to the Economic Development Authority.

**Internal Services** – Charges to departments for services provided by Fleet Services.

**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, rentals and leases; as well as contributions to other governmental, community and civic organizations are included.

**Capital Outlay** – Includes expenditures for the acquisition of fixed 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 and human services.



**FINANCIAL MANAGEMENT POLICIES**

|   |   |
|---|---|
| <b><i>Policy I Fund Balance</i></b>     | <b>Adopted August 10, 1999<br/>Reaffirmed November 14, 2000<br/>Revised October 29, 2002<br/>Reaffirmed September 28, 2004<br/>Reaffirmed December 12, 2006<br/>Reaffirmed December 9, 2008<br/>Reaffirmed November 23, 2010<br/>Revised May 10, 2011</b> |
| <b><i>Policy II Debt Management</i></b> | <b>Adopted August 10, 1999<br/>Reaffirmed November 14, 2000<br/>Revised October 29, 2002<br/>Reaffirmed September 28, 2004<br/>Revised December 12, 2006<br/>Revised December 9, 2008<br/>Revised November 23, 2010</b>                                   |
| <b><i>Policy III Budget</i></b>         | <b>Adopted November 14, 2000<br/>Revised October 29, 2002<br/>Reaffirmed September 28, 2004<br/>Revised December 12, 2006<br/>Revised December 9, 2008<br/>Reaffirmed November 23, 2010</b>   |
| <b><i>Policy IV Investment</i></b>      | <b>Adopted September 25, 2001<br/>Revised October 29, 2002<br/>Reaffirmed September 28, 2004<br/>Revised December 12, 2006<br/>Revised December 9, 2008<br/>Reaffirmed November 23, 2010</b>  |





## **BASIS FOR SOUND FINANCIAL MANAGEMENT POLICIES**

The primary objective of sound financial management policies is for the City Council to create a framework within which financial decisions can be made. These policies are a statement of the guidelines and goals that influence and guide the financial management practices of the City of Lynchburg. Financial management policies that are adopted, adhered to, and regularly reviewed are recognized as the cornerstone of sound financial management. Sound financial management policies:

- Contribute significantly to the City’s ability to insulate itself from fiscal crisis and economic disruption.
- Enhance short-term and long-term financial credit ability by helping to achieve the highest credit and bond ratings possible.
- Promote long-term financial stability by establishing clear and consistent guidelines.
- Direct attention to the total financial picture of the City rather than single-issue areas.
- Promote the view of linking long-term financial planning with day-to-day operations.
- Provide the City Council and citizens a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.
- Ensure that the organization has sufficient resources to perform mandated responsibilities.
- Provide a foundation for evaluating financial analysis and condition.

## **FINANCIAL MANAGEMENT POLICIES**

### ***Policy I - Fund Balance***

#### **General Fund**

##### ***Unassigned Fund Balance***

- 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 10% of General Fund revenues. 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 minimum of 10% over five years.
- Funds in excess of the targeted 10% fund balance may be considered to supplement “pay-as-you-go” capital outlay expenditures, other non-recurring expenditures or as additions to fund balance.

##### ***Committed Fund Balance***

- Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision making authority - City Council. Formal Council action includes the annual adoption of the City’s Budget Ordinance/Resolution, Council Resolutions appropriating funds and/or resources, Budget amendments appropriating funds and resources from third quarter adjustments and Budget amendments to carry forward appropriations that were unexpended at fiscal year end.

##### ***Assigned Fund Balance***

- Assigned fund balance includes amounts that are constrained by the government’s intent to be used for specific purposes but are neither restricted nor committed. Fund Balance may be assigned either through the encumbrance process as a result of normal purchasing activity (which includes the issuance of a purchase order), or by the City Manager or his designee.



**Restricted Fund Balance**

- Restricted fund balance includes amounts that have constraints placed on their use by external sources such as creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**NonSpendable Fund Balance**

- Nonspendable Fund Balance includes amounts that cannot be spent because they are either not in spendable form such as inventories and prepaids or they are legally or contractually required to be maintained intact.

**Policy on the order of spending resources**

- The City considers restricted fund balance to be spent when an expenditure is incurred for purposes for which restricted and unrestricted fund balance are available unless prohibited by legal documents or contracts. When an expenditure is incurred for purposes for which committed, assigned or unassigned amounts are available, the City considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

**Enterprise Funds**

**Water Fund**

- Minimum ending fund balance shall not be less than 25% of total fund appropriations with a target balance of 40% of total fund appropriations.
- Funds in excess of the annual requirements may be considered for “pay-as-you-go” capital outlay expenditures, other non-recurring expenditures or funding of necessary reserves.
- A rate review will be conducted at least every two years.

**Sewer Fund**

- In accordance with the Virginia Department of Environmental Quality Special Order for the correction of the Combined Sewer Overflows, the maximum ending fund balance shall not exceed 25% of total fund appropriations; however, the City shall endeavor to maintain a fund balance as close to 25% as practicable.
- As provided by the Special Order, any excess funds will be directed to “pay-as-you-go” capital outlay expenditures.
- A rate review will be conducted at least every two years.

**Policy II - Debt Management**

**Tax-Supported Debt**

Tax-supported obligations are those that are expected to be repaid from the General Fund tax revenue of the City of Lynchburg. These include general obligation bonds (except self-supporting bonds) and capital leases. General obligation bonds issued for self-supporting enterprise funds are not included in calculations of tax-supported bonds.

- The City will not use long-term debt to fund current operations.
- The City will not use short-term borrowing to fund current operations.
- Whenever the City finds it necessary to issue tax-supported bonds, the following policy will be adhered to:
  1. The City will never borrow more than it has the capacity to repay.
  2. The term of any bond issue will not exceed the useful life of the capital project/facility or equipment for which the borrowing is intended.
  3. 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.



4. Total tax-supported debt will not exceed 4.50% of the net assessed valuation of taxable property in the City of Lynchburg.
5. Total tax-supported debt per capita should be maintained at a reasonable level.
6. The 10-Year Principal Payout Ratio shall not be less than 60% for Tax-Supported General Obligation Indebtedness.

### **Revenue-Supported Debt**

Revenue-supported obligations are those for which the debt service is payable solely from the revenue generated from the operation of the project being financed or a category of facilities (i.e. water, sewer). These are not considered tax-supported debt of the City. Whenever the City finds it necessary to issue revenue-supported bonds, the following guidelines will be adhered to:

1. The term of any revenue-supported bond issue will not exceed the useful life of the capital project/facility or equipment for which borrowing is intended.
2. Revenue-supported bonds will be structured to allow equal or declining annual debt service payments over a term not to exceed the life of the project being financed. For those revenue-supported bonds issued through the Virginia Revolving Loan Fund, annual debt service payments shall not exceed thirty years.
3. For any enterprise fund issuing revenue-supported bonds, net revenues available for debt service shall not be less than 1.2 times annual debt service for each fiscal year. Net revenues available for debt service will be calculated as operating income, plus depreciation and amortization and plus interest income. Debt service will include all debt service paid by the respective fund; however, the principal portion of any bond anticipation notes or other short-term financing should be excluded.

### **Refinancing of Debt**

- The City shall issue refunding bonds to achieve debt service savings, eliminate onerous covenants or provisions in outstanding bond documents, or to respond to a financial emergency.
- The City shall continually monitor its outstanding debt to identify instances where the City may achieve savings through an advance refunding or current refunding transaction.
- The City shall receive a written refunding analysis indicating the amount of net present value savings from its financial advisor prior to selling bonds to refund any outstanding bonds.
- A refunding transaction to achieve debt service savings should only be undertaken when the net present value of the savings, net of issuance costs, will be at least 3% of the principal amount of the refunded bonds. Refunding transactions for revenue bonds can be structured so that savings are realized over the life of the refunding bonds or up-front, depending on the results of a cost-benefit analysis.

### **General Debt Policies**

- The City will maintain communication with bond rating agencies to keep them abreast of its financial condition and will provide them with information on a timely basis including the City's *Comprehensive Annual Financial Report*, *Annual Adopted Budget* and *Capital Improvement Program*.
- The City shall comply with all of its undertakings in accordance with Securities and Exchange Commission Rule 15c2-12 and will follow the Government Finance Officers' Association and Securities and Exchange Commission requirements for continuing disclosure.
- The City may use the Virginia Public School Authority (VPSA) or State Literary Fund loans to finance school capital projects. City bonds sold to the VPSA and Literary Fund loans constitute general obligation debt of the City. City Council shall approve any application to the VPSA or the Department of Education for a Literary Fund loan. City Council shall approve the issuance of the bonds as required by the Public Finance Act. The School Board shall recommend such financings before a proposed financing is brought to City Council for approval.



### **Policy III - Budget**

#### **Principles**

- Public participation in the budgetary process will be encouraged.
- The City will avoid dedicating revenue to a specific project or program because of the constraint this may place on flexibility in resource allocation except in instances where programs are expected to be self-sufficient or where revenue is dedicated to a program for statutory or policy reasons.
- The budget process will be coordinated in a way that major policy issues are identified for City Council several months prior to consideration of budget approval. This will allow adequate time for appropriate decisions and analysis of financial impacts.

#### **Policies**

- City Council shall adopt a balanced budget in accordance with all legal requirements.
- A structured budget preparation and formulation process shall be used for all departments and agencies receiving funding from the City.
- Departmental budgets shall be managed within the total appropriated budget for each fiscal year.
- All operating budget appropriations shall lapse at the end of the fiscal year to the extent that they are not expended or encumbered, with the exception of year-end carry-forward items approved by City Council.
- The budget shall be adopted by the favorable vote of a majority of members of City Council.
- The Vision and priorities established by City Council as well as the *Comprehensive Plan* will serve as the framework for the budget proposed by the City Manager.
- The fiscal year for the City is July 1 through June 30 as defined by the *City Code*, Section 18-1.
- One-time revenues shall be used for one-time expenditures only.
  
- A General Fund Reserve for Contingencies of \$1.2 million shall be used as a source of funding for unanticipated expenditures during the budget year. The Reserve for Contingencies is limited to one-time expenditures and shall not be considered a source for recurring financing.

#### **Process**

- The City Manager shall annually prepare a *Proposed Budget* for City Council review. The *Proposed Budget* shall serve as a financial plan for the upcoming fiscal year and shall contain the following information:
  1. A budget message that outlines the proposed revenue and expenditures for the upcoming fiscal year together with an explanation of any major changes from the previous fiscal year. The budget message should also include any proposals for major changes in financial policy.
  2. Charts indicating the major revenues and expenditures in each major fund (General, Water, Sewer, Airport) as well as changes in fund balance for all funds.
  3. Summaries of proposed expenditures by function, department and activity for all funds proposed to be expended in a fiscal year.
  4. A schedule of estimated requirements for the principal and interest of each bond issue.
  5. A three-year history of revenues and expenditures to include the prior year actual, current year adopted, amended, and proposed budgets for each major fund.
  6. The proposed budget appropriation ordinance, including the tax levy.
- The City Council shall hold a public hearing on the budget submitted by the City Manager and all interested citizens shall be given an opportunity to be heard on issues related to the proposed budget, including the *Capital Improvement Program*.
- Following the public hearing on the *Proposed Budget*, City Council may make adjustments. In instances where City Council increases the total proposed expenditures, it shall also identify a source of funding at least equal to the proposed expenditures.



**Capital Improvement Program**

- A five-year *Capital Improvement Program (CIP)* that serves as the basis for annual capital appropriations and debt financing requirements shall be prepared and updated annually.
- The *CIP* shall include descriptions, timeline, cost estimates, and a schedule of expected expenditures for each project.
- Debt service requirements and funding needs for schools and City government shall be determined based on the *Adopted CIP*.
- Long-term borrowing shall be confined to major capital improvements and equipment purchases.
- Short-term borrowing shall be limited to bond anticipation notes and equipment leasing, where feasible, with a life of less than 8 years.
- Capital project appropriations shall lapse upon project completion, allowing for an adequate warranty period. Lapsed appropriations shall remain in the Capital Fund for reallocation to other projects.
- Incremental operating costs associated with capital projects shall be funded in the operating budget after being identified and approved in the Capital Improvement Program.
- Pay-as-you-go funding shall not be less than 10% with a goal of 15% as a percentage of the City’s 5-Year CIP.

**Quarterly Financial Reporting**

The City Manager will present to the City Council’s Finance Committee (with copies to the remainder of Council) quarterly financial reports identifying meaningful trends in revenues and expenditures for the General, Water and Sewer, Airport, Stadium, Comprehensive Services Act, and Juvenile Detention Funds.

**Third Quarter Review**

In mid-March, City staff will evaluate all expenditures and revenues as compared to budget and make recommendations to City Council regarding possible adjustments. Section 15.2-2507 of the *Code of Virginia* requires that a public hearing be held prior to City Council action when the potential increases in the appropriation exceed one percent of the total expenditures shown in the currently adopted budget.

***Policy IV - Investment***

**I. Policy Statement**

It is the policy of The City of Lynchburg, Virginia (“the City”) that the investment and administration of its funds be made in accordance with the Code of Virginia Investment of Public Funds Act, the applicable provisions of any outstanding bond indebtedness, and this policy. The City shall be in complete compliance with all applicable federal, state and local laws, and other regulations and statutes governing the investment of public funds. Within those parameters, the goal of this policy is to achieve the highest rate of return that is reasonable. The City will establish an Investment Committee consisting of the City Manager, Deputy City Manager, and Director of Financial Services. This Committee will provide broad policy oversight over investments. This policy will be reviewed on an annual basis. Any changes must be approved by the Investment Committee and be reaffirmed by City Council. See Appendix 1 for a Glossary of Investment Terms.

**II. Scope**

This policy applies to the investment of all the financial assets and funds held by the City. Specific requirements or limitations imposed upon the investment of Bond Proceeds, Debt Service Funds and Debt Service Reserve Funds are located in Section X of this Policy. These Funds are accounted for in the City of Lynchburg’s Comprehensive Annual Financial Report and include the General, Special Revenue, Capital Projects, and Proprietary Funds.

**III. Objectives**

Funds shall be invested in only those investments permitted by Federal, State and local law as it relates to public funds, as well as any contractual agreements entered into by the City.



All of the City’s funds, regardless of term, shall be invested with the following objectives listed in the order of priority:

1. *Safety* - Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. Specifically, the City will:
  - a. seek to avoid realizing any loss through the sale or disposal of an investment; and
  - b. seek to mitigate the risk of unrealized losses due to a decline in value of investments held in the portfolio.
2. *Liquidity* - The investment portfolio shall remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated. This shall be accomplished by structuring the portfolio in the following manner:
  - a. The City will purchase investments scheduled to mature in accordance with its anticipated cash needs, in order to minimize the need to sell investments prior to maturity;
  - b. A portion of City Funds will be maintained in cash equivalents, including money market funds, investment pools and overnight securities, which may be easily liquidated without a loss of principal should an unexpected need for cash arise; and
  - c. The portfolio will consist largely of investments with active secondary markets.
3. *Yield* - The City’s investment portfolio shall be designed with the objective of maximizing a fair rate of return consistent with the investment risk constraints and cash flow characteristics of the portfolio. The Investment Committee shall establish suitable benchmarks for the measurement of the portfolio’s return.

**IV. Delegation of Authority**

Under the guidance of the Investment Committee, the City’s Director of Financial Services is the official charged with collecting, safeguarding and disbursing City funds. In this capacity, and with consensus from the Investment Committee, the Director of Financial Services is responsible for establishing staff roles and responsibilities, considering the quality and capability of staff, selecting investment advisors and consultants involved in investment management, and developing and maintaining appropriate administrative procedures for the operation of the investment program. Examples of key staff roles and responsibilities include, but are not limited to, solicitation of investment offerings, placement of purchase and sell orders, confirmation of trades, and preparation of reports and other activities as required for the daily operations of the investment area. The Director of Financial Services is also charged with developing written standard Investment procedures and an asset allocation plan consistent with this policy. Such procedures shall be reviewed and approved by the Investment Committee. Subject to the approval of the Investment Committee and City Council, the Director of Financial Services may employ financial consultants on a contractual basis to assist in the development and implementation of investment procedures and policies, to monitor the effectiveness and continued compliance with such policies and procedures, and to provide guidance in investment matters.

**V. Standards of Care**

The standard of prudence to be used by investment personnel shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. The “prudent person” standard states:

“Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

The Director of Financial Services, and those delegated investment authority under this Policy, when acting in accordance with written procedures and this Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an



individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

**VI. Ethics and Conflicts of Interest**

Officers and employees of the City involved in the investment process shall refrain from personal business activities that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Office of the Clerk of Council any material interests in financial institutions with which they conduct business and any personal investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. Officers and employees are required to abide by the provisions of the Virginia Conflict of Interests Act. The Act prohibits City officers and employees from seeking or accepting money or any other thing of value for the performance of their duties, using confidential information for their own benefit and having a personal interest in a company with which the City is doing business. "Officer" means any person appointed or elected to the City's government whether or not he/she receives compensation or other emolument of office. "Employee" means all persons employed by the City.

**VII. Collateral and Safekeeping Arrangements**

The City's investments shall be held in safekeeping by a third party and evidenced by safekeeping receipts. As required by Virginia Code, all security holdings with maturities over 30 days may not be held in safekeeping with the "counterparty" to the investment transaction. The Code refers to a counterparty as the issuer or seller of the security and any repurchase agreement provider. All securities purchased or sold will be transferred when possible only under "delivery vs. payment method" to ensure that funds or securities are not released until all criteria relating to the specific transaction are met.

**VIII. Competitive Selection of Investment Instruments**

It is desirable to select investments on a competitive basis when possible to ensure that the City receives the best price available on a particular investment and avoids paying excessive fees, mark-ups or other compensation to the provider. A list will be maintained of approved financial institutions and security broker/dealers selected by creditworthiness (*e.g.*, a minimum capital requirement of \$10,000,000 and at least five years of operations). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions will supply the following as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of state registration
- Certification of having read and understood and agreeing to comply with the City of Lynchburg Investment Policy

Under the guidance and oversight of the Investment Committee, the Director of Financial Services shall adhere to the following procedures, with assistance from the City's Investment Advisor where appropriate, when funds become available for investment to the extent practical:

1. The Director of Financial Services shall determine the class of investment and maturity range most appropriate for investment of the funds available, based upon the anticipated expenditure schedule of the City, the desired asset allocation of the City's portfolio and the City's Investment Plan.
2. Offers will be solicited for the selected investment from the list of pre-approved providers as noted above.



3. The Director of Financial Services will accept the offer (or bid, if the City is selling an investment) which provides the highest rate of return or which is otherwise deemed most suitable while complying with this Policy and any other criteria specified in the solicitation of offers.

The City shall retain a record of the offers received, the instruments chosen, and the rationale for making the decision.

From time to time, certain investment dealers may present the City with offers that are attractive for investment. Although the City should endeavor to verify (and document) that the price is “fair,” it may occasionally purchase such a security without a competitive process if the investment is for \$500,000 or less.

Additionally, a competitive process shall not be required for the investment of funds in money market funds, investment pools and overnight securities. However, it shall be the responsibility of the Director of Financial Services to be aware of the yields being offered by various highly liquid investments, and to invest the City’s overnight funds in the vehicle(s) which provide a competitive return to the City while complying with this policy and any other criteria established by the Investment Committee or City Council.

**IX. Suitable and Authorized Investments – Without Exception, Only the Following Investments Are Suitable and Authorized**

**1. Treasury Securities**

Bonds, Notes and Bills issued by the United States Treasury or certificates representing ownership of treasury bond principal or coupons.

**2. Agency Securities (FHLB, FNMA, FFCB, FHLMC, GNMA)**

Obligations issued and guaranteed as to principal and interest by the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association, maturing within five years of the date of purchase.

**3. Prime Commercial Paper**

Commercial Paper maturing within 270 days of the day of purchase rated P-1 or higher by Moody’s and A-1 or higher by Standard & Poor’s, provided that the issuing domestic corporation has a net worth of \$50 million and its long-term debt is rated A or better by Moody’s and Standard & Poor’s.

**4. Certificates of Deposit**

Certificates of Deposit maturing within one year and issued by domestic banks rated P-1 by Moody’s and A-1 by Standard & Poor’s.

**5. Banker’s Acceptances**

Banker’s Acceptances maturing within 180 days rated P-1 or higher by Moody’s and A-1 or higher by Standard & Poor’s, provided the issuer is a major domestic bank or the domestic office of an international bank rated AA or higher by Moody’s and Standard & Poor’s.

**6. Commonwealth of Virginia and Virginia Local Government Obligations**

General Obligations, Insured Obligations or Revenue Bonds secured by Debt Service Reserve Funds not subject to annual appropriation rated AA or higher by Moody’s or Standard & Poor’s.

**7. Repurchase Agreements**

Repurchase Agreements collateralized by securities approved for investment herein, provided that the counterparty is rate A or better by Moody’s and Standard & Poor’s and the collateral is held by an independent third party. All Repurchase Agreements are purchased with a Master Repurchase Agreement in place with a third-party custodian.

**8. Open-End Investment Funds**

Open-end Investment Funds registered under the Securities Act of the Commonwealth or the Federal Investment Company Act of 1940, provided that they invest only in securities approved for investment herein.

**9. Virginia Local Government Investment Pool**



**10. Virginia State Non-Arbitrage Program or Other Authorized Arbitrage Investment Management Programs**

**X. Suitable and Authorized Investments – Restricted Funds**

Funds defined as sinking funds under the Virginia Code may be invested in items listed in Section IX.1 and IX.6 above, repurchase agreements collateralized by those investments, and in the Virginia State Non-Arbitrage Program or other authorized Arbitrage Investment Management programs.

**XI. Internal Controls**

Under the guidance of the Investment Committee, the Director of Financial Services will establish and maintain an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure will be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. The Internal Audit Department shall add this Policy and related Procedures to their Audit Universe for audit consideration. The internal control structure will address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery of securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

**XII. Reporting**

Under the guidance of the Investment Committee, the Director of Financial Services will ensure that a Management Report will be prepared on a quarterly basis. The information from this Report may be derived from the Investment Advisor and/or the Safekeeping Agent, or both, where appropriate. This Report will include information that provides an analysis of the status of the current investment portfolio and whether investment activities during the reporting period have conformed to the investment policy herein. The Report will be presented to City Council for information and comment. To the extent practical, the report detail may include such items as the following:

- Listing of securities held at the end of the reporting period
- Realized and unrealized gains or losses resulting from appreciation or depreciation
- Average weighted yield to maturity of portfolio on investments compared to benchmarks
- Listing of investment by maturity type
- Percentage of the total portfolio which each type of investment represents

**XIII. Diversification**

The City will endeavor to diversify its investment portfolio to avoid incurring unreasonable risks regarding (i) security type, (ii) individual financial institution or issuing entity, and (iii) maturity. Target asset allocation strategies shall be developed by the Investment Committee to provide guidance as to appropriate levels of diversification. With the exception of U. S. Treasury securities and authorized pools, no more than 50% of the City's total investment will be the obligations of a single financial institution.

**XIV. Maximum Maturities**

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than one year from the date of purchase.



**Appendix 1: Glossary of Investment Terms**

**Accrued Interest** – The accumulated interest due on a bond as of the last interest payment made by the issuer.

**Agency** – A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSA's) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of a federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

**Amortization** – The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

**Average Life** – The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

**Basis Point** – A unit of measurement used in the valuation of fixed -income securities equal to 1/100 of 1 percent of yield, e.g., “one-quarter” of 1 percent is equal to 25 basis points.

**Bid** – The indicated price at which a buyer is willing to purchase a security or commodity.

**Book Value** – The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security’s current value in the market.

**Callable Bond** – A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

**Call Price** – The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond’s original issue price to compensate the holder for loss of income and ownership.

**Call Risk** – The risk to a bondholder that a bond may be redeemed prior to maturity.

**Cash Sale/Purchase** – A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

**Collateralization** – Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

**Commercial Paper** – An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

**Convexity** – A measure of a bond’s price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond’s price to interest rate changes.

**Coupon Rate** – The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the “interest rate.”

**Credit Quality** – The measurement of the financial strength of a bond issuer to help an investor to understand an issuer’s ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

**Credit Risk** – The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

**Current Yield (Current Return)** – A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

**Delivery Versus Payment (DVP)** – A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

**Discount** – The amount by which the par value of a security exceeds the price paid for the security.

**Diversification** – A process of investing assets among a range of security types by sector, maturity, and quality rating.



**Duration** – A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**Fair Value** – The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Federal Funds** (Fed Funds) – Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

**Federal Funds Rate** – Interest rate charged by one institution lending federal funds to the other.

**Government Securities** – An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market See “Treasury Bills, Notes, and Bonds.”

**Interest Rate** – See “Coupon Rate.”

**Interest Rate Risk** – The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

**Internal Controls** – An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

1. Control of collusion - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. Separation of transaction authority from accounting and record keeping - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. Custodial safekeeping - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. Avoidance of physical delivery securities - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. Clear delegation of authority to subordinate staff members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. Written confirmation of transactions for investments and wire transfers -Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. Development of a wire transfer agreement with the lead bank and third-party custodian – The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

**Inverted Yield Curve** – A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

**Investment Company Act of 1940** – Federal legislation which sets the standards by which investment such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.



**Investment Policy** – A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

**Liquidity** – An asset that can be converted easily and quickly into cash.

**Local Government Investment Pool (LGIP)** – An investment by local governments in which their money is pooled as a method for managing local funds.

**Mark-to-market** – The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

**Market risk** – The risk that the value of a security will rise or decline as a result of changes in market conditions.

**Market Value** – Current market price of a security.

**Maturity** – The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See ‘Weighted Average Maturity.’”

**Money Market Mutual Fund** – Mutual funds that invest, solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers’ acceptances, repos and federal funds).

**Mutual Fund** – An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund’s holdings, performance, management and general investment policy.
3. Have the fund’s investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund’s shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

**Mutual Fund Statistical Services** – Companies that track and rate mutual funds, e.g., IBC/Donoghue, Lipper Analytical Services, and Morningstar.

**National Association of Securities Dealers (NASD)** – A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

**Net Asset Value** – The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund’s assets which includes securities, cash, and any accrued earnings, subtracting this from the fund’s liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund’s portfolio. (See below.)  $[(\text{Total assets}) - (\text{Liabilities})] / (\text{Number of shares outstanding})$

**No Load Fund** – A mutual fund which does not levy a sales charge on the purchase of its shares.

**Nominal Yield** – The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the “coupon,” “coupon rate,” or “interest rate.”

**Offer** – An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the “Ask price.”



**Par** – Face value or principal value of a bond, typically \$1,000 per bond.

**Positive Yield Curve** – A chart formation that illustrates short-term securities having lower yields than long-term securities.

**Premium** – The amount by which the price paid for a security exceeds the security's par value.

**Prime Rate** – A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

**Principal** – The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

**Prospectus** – A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

**Prudent Person Rule** – An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

**Regular Way Delivery** – Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

**Reinvestment Risk** – The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

**Repurchase Agreement** (repo or RP) – An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

**Reverse Repurchase Agreement** (Reverse Repo) – An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

**Rule 2a-7 of the Investment Company Act** – Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

**Safekeeping** – Holding of assets (e.g., securities) by a financial institution.

**Serial Bond** – A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

**Sinking fund** – Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

**Swap** – Trading one asset for another.

**Term Bond** – Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

**Total Return** – The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return.

**Treasury Bills** – Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

**Treasury Notes** – Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.



**Treasury Bonds** – Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

**Uniform Net Capital Rule** – SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

**Volatility** – A degree of fluctuation in the price and valuation of securities.

**“Volatility Risk” Rating** – A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bonds funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the returns (“AAA” by S&P; “V- 1” by Fitch) to those that are highly sensitive with currently identifiable market volatility risk (“CCC”- S&P, “V-10” by Fitch).

**Weighted Average Maturity (WAM)** – The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

**When Issued (WI)** – A conditional transaction in which an authorized new security has not been issued. All “when issued” transactions are settled when the actual security is issued.

**Yield** – The current rate of return on an investment security generally expressed as a percentage of the security’s current price.

**Yield-to-call (YTC)** – The rate of return an investor earns on a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

**Yield Curve** – A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

**Yield-to-maturity** – The rate of return yielded by a debt security held to maturity when both interest payments and the investor’s potential capital gain or loss are included in the calculation of return.

**Zero-coupon Securities** – Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.



MISCELLANEOUS STATISTICS

June 30, 2010

|   |                 |
|---|-----------------|
| Date of Incorporation .....   | 1805            |
| Date of Independent City Status.....  | 1852            |
| 2010 Census City Population .....   | 75,568          |
| Metropolitan Statistical Area Population .....                                      | 247,447         |
| Composition of Population   |                 |
| White .....   | 64.41%          |
| Black .....   | 29.30%          |
| Other.....  | 6.29%           |
| Median Household Income .....   | \$37,281        |
| Form of Government.....   | Council-Manager |
| Number of Employees – All Funds (excluding Police and Fire):                        |                 |
| Full and Part-Time FTE.....   | 883.59          |
| Temporary .....   | 43.96           |
| City of Lynchburg Facilities and Services:  |                 |
| Miles of Streets.....   | 378             |
| Number of Street Lights .....   | 9,966           |
| Number of Traffic Signals.....  | 119             |
| Culture and Recreation:   |                 |
| Community Centers.....  | 7               |
| Senior Centers .....  | 1               |
| Parks .....   | 17              |
| Park acreage .....  | 905             |
| Swimming Pools.....   | 1               |
| Tennis Courts .....   | 40              |
| Gymnasiums .....  | 7               |
| Fire and Emergency Medical Services (EMS):  |                 |
| Number of Stations.....   | 8               |
| Number of Fire Personnel and Officers.....  | 186             |
| Number of Calls Answered per month ( <i>Fire calls only, not EMS</i> ) .....        | 518             |
| Number of Inspections Conducted .....   | 567             |
| Number of EMS Calls .....   | 15,124          |
| Police protection:  |                 |
| Number of Stations.....   | 1               |
| Number of Police Personnel and Officers ( <i>includes Emergency Services</i> )..... | 239.38          |
| Number of Patrol Units .....  | 60              |
| Number of Law Violations:   |                 |
| Physical Arrests .....  | 6,605           |
| Traffic Violations .....  | 12,672          |
| Parking Violations .....  | 4,599           |
| Sewage System:  |                 |
| Number of Service Connections .....   | 18,606          |
| Daily Average Treatment in Gallons.....   | 13 million      |
| Maximum Daily Capacity of Treatment Plant in Gallons .....                          | 44 million      |
| Water System:   |                 |
| Number of Service Connections .....   | 22,265          |
| Number of Fire Hydrants.....  | 3,080           |
| Daily Average Consumption in Gallons.....   | 12 million      |
| Maximum Daily Capacity of Plant in Gallons.....                                     | 26 million      |
| Education:  |                 |
| Number of Elementary Schools.....   | 11              |
| Number of Secondary Schools .....   | 5               |
| Number of Teachers and Administrators .....   | 759             |
| Number of Community Colleges.....   | 1               |
| Number of Universities .....  | 4               |
| Facilities and Service not included in the Reporting Entity:                        |                 |
| Hospitals:  |                 |
| Number of Hospitals.....  | 2               |
| Number of Patient Beds.....   | 513             |

Source: Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2010



**PRINCIPAL PROPERTY TAXPAYERS IN 2010**

| <u>Taxpayer</u>                   | <u>Type of Business</u>                 | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable Assessed Value</u> |
|-----------------------------------|---|-------------------------------|-------------|---|
| AEP                               | Utility                                 | \$ 63,016,342                 | 1           | 1.11 %  |
| Verizon Va, Inc.                  | Utility                                 | 60,603,726                    | 2           | 1.07  |
| Areva NP Inc.                     | Nuclear Power Design & Fuel Fabrication | 60,309,284                    | 3           | 1.06  |
| River Ridge, Ltd.                 | Shopping Mall                           | 54,815,400                    | 4           | 0.96  |
| R R Donnelley Printing Co.        | Periodical Publication Printing         | 51,287,414                    | 5           | 0.90  |
| Frito Lay, Inc.                   | Food Manufacturer                       | 42,411,145                    | 6           | 0.75  |
| Genworth Financial, Inc.          | Life Insurance                          | 38,562,054                    | 7           | 0.68  |
| LU Candler Station Holdings LLC   | Shopping Mall                           | 21,085,400                    | 8           | 0.37  |
| Vistas LP.                        | Apartments                              | 20,171,000                    | 9           | 0.35  |
| CCRC, Inc.                        | Nursing Home/Assisted Living            | 18,802,100                    | 10          | 0.33  |
| B.A. Langley                      | Real Estate Company                     | -                             | -           | -   |
| Commonwealth Gas Services         | Utility                                 | -                             | -           | -   |
| Ericsson-GE Mobile Communications | Mobile Communications                   | -                             | -           | -   |
| Bell Atlantic-Virginia, Inc.      | Utility                                 | -                             | -           | -   |
| <b>Total</b>                      |   | <b>\$ 431,063,865</b>         |             | <b>7.58 %</b>                                     |
| Total Assessed Valuation:         |   | \$5,688,407,895               |             |   |

Source: Real Estate Assessor and Commissioner of Revenue, City of Lynchburg, Virginia

**DEMOGRAPHIC AND ECONOMIC STATISTICS, LAST TEN CALENDAR YEARS**

| <u>Fiscal Year</u> | <u>Population</u> <sup>(1)</sup> | <u>Personal Income</u> (thousands of dollars) <sup>(2)</sup> | <u>Per Capita Personal Income</u> <sup>(3)</sup> | <u>Median Age</u> <sup>(4)</sup> | <u>School Enrollment</u> <sup>(5)</sup> | <u>Unemployment Rate</u> <sup>(6)</sup> |
|--------------------|----------------------------------|--|--|----------------------------------|---|---|
| 2001               | 65,400                           | 1,706,548  | 26,094   | 35.1                             | 9,212                                   | 4.5                                     |
| 2002               | 65,800                           | 1,747,911  | 26,564   | 35.1                             | 9,063                                   | 6.2                                     |
| 2003               | 66,400                           | 1,809,267  | 27,248   | 35.1                             | 8,955                                   | 6.1                                     |
| 2004               | 67,100                           | 1,910,337  | 28,470   | 35.1                             | 8,775                                   | 5.6                                     |
| 2005               | 67,756                           | 1,998,395  | 29,494   | 35.1                             | 8,620                                   | 5.2                                     |
| 2006               | 68,579                           | 2,148,511  | 31,329   | 35.1                             | 8,614                                   | 4.0                                     |
| 2007               | 70,056                           | 2,281,234  | 32,563   | 35.1                             | 8,622                                   | 4.3                                     |
| 2008               | 71,196                           | 2,396,600  | 33,662   | 35.1                             | 8,414                                   | 5.6                                     |
| 2009               | 72,371                           | 2,404,454  | 33,224   | 35.1                             | 8,655                                   | 9.3                                     |
| 2010               | 72,371                           | *  | *  | 35.1                             | 8,614                                   | 9.3                                     |

<sup>(1)</sup> Weldon Cooper Center for Public Service, University of Virginia. 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.

<sup>(2)</sup> 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 revision in per capita income (see note 3 below).

<sup>(3)</sup> U.S. Department of Commerce, Economic and Statistic Administration, Bureau of Economic Analysis Report - Advanced Metropolitan Statistical Area Income Summary. Fiscal Years 2001 - 2008 have been revised effective April 22, 2010 to incorporate the results of the comprehensive revision to the national income and product accounts released in July 2009 and of the comprehensive revision to the state income accounts released in October 2009.

<sup>(4)</sup> United States Census - 2000

<sup>(5)</sup> Virginia Department of Education reported by Lynchburg City Schools. Enrollment as of September 30 for each year presented. 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.

<sup>(6)</sup> Virginia Employment Commission & U.S. Department of Labor, Bureau of Labor Statistics, as of June 2010 2009 Unemployment Rate has been adjusted to reflect the most current data available.

\* FY 2010 information unavailable



**PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO**

| Employer                                       | 2010          |      |                                     | 2001          |      |                                     |
|--|---------------|------|-------------------------------------|---------------|------|-------------------------------------|
|  | Employees     | Rank | Percentage of Total City Employment | Employees     | Rank | Percentage of Total City Employment |
| Centra Health, Inc.                            | 5,313         | 1    | 15.04%                              | 3,800         | 1    | 12.64%                              |
| Thomas Road Baptist Church, Liberty University | 3,171         | 2    | 8.97%                               | 1,000         | 9    | 3.33%                               |
| Areva <sup>(2)</sup>                           | 2,046         | 3    | 5.79%                               | 1,400         | 7    | 4.66%                               |
| Genworth Financial Inc. <sup>(1)</sup>         | 1,400         | 4    | 3.96%                               | 1,607         | 3    | 5.35%                               |
| Lynchburg City Schools                         | 1,321         | 5    | 3.74%                               | 1,554         | 6    | 5.17%                               |
| City of Lynchburg                              | 1,209         | 6    | 3.42%                               | 1,150         | 8    | 3.83%                               |
| J. Crew Outfitters                             | 950           | 7    | 2.69%                               | 1,000         | 10   | 3.33%                               |
| Walmart  | 800           | 8    | 2.26%                               |               |      | 0.00%                               |
| Central Virginia Training Center               | 663           | 9    | 1.88%                               | 1,600         | 4    | 5.32%                               |
| Kroger   | 619           | 10   | 1.75%                               |               |      | 0.00%                               |
| BWX Technologies                               |               |      | 0.00%                               | 1,940         | 2    | 6.46%                               |
| Sanmina <sup>(3)</sup>                         |               |      | 0.00%                               | 1,600         | 5    | 5.32%                               |
| <b>Total</b>                                   | <b>17,492</b> |      |                                     | <b>16,651</b> |      |                                     |

Employed Civilian Labor Force (June 2010) Lynchburg City - Virginia Employment 35,335  
 Employed Civilian Labor Force (June 2001) Lynchburg City - Virginia Employment 30,054

Source: FY 2010 numbers are derived from Office of Economic Development, City of Lynchburg, Virginia as of June 30, 2010

Source: FY 2001 numbers are derived from Official Statement for bond issue August 1, 2001.

<sup>(1)</sup> Formerly First Colony Life Insurance Co.

<sup>(2)</sup> Formerly Framatome

<sup>(3)</sup> Formerly Ericsson



**Identification of Acronyms**

|       |  |       |   |
|-------|--|-------|---|
| ALS   | Advanced Life Support                                      | GLTC  | Greater Lynchburg Transit Company                   |
| AMR   | Automated Meter Reading                                    | HUD   | Department of Housing and Urban Development (U. S.) |
| APA   | Auditor of Public Accounts                                 | ICMA  | International City/County Management Association    |
| ARRA  | American Recovery and Reinvestment Act                     | J&DR  | Juvenile and Domestic Relations (District Court)    |
| BABs  | Build America Bonds  | JAG   | Justice Assistance Grant                            |
| BJA   | Byrne Justice Assistance                                   | LEAF  | Lynchburg Expressway Appearance Fund                |
| BLS   | Basic Life Support   | LEDA  | Lynchburg Economic Development Authority            |
| BOE   | Board of Equalization                                      | LNDF  | Lynchburg Neighborhood Development Foundation       |
| CAD   | Computer-Aided Dispatch                                    | LPA   | Lynchburg Parking Authority                         |
| CAFR  | Comprehensive Annual Financial Report                      | LRHA  | Lynchburg Redevelopment and Housing Authority       |
| CCL   | Citizens for a Clean Lynchburg                             | LWIA  | Local Workforce Investment Area                     |
| CDAC  | Community Development Advisory Committee                   | MHI   | Median Household Income                             |
| CDBG  | Community Development Block Grant                          | MPO   | Metropolitan Planning Organization                  |
| CHDO  | Community Housing Development Organization                 | MSA   | Metropolitan Statistical Area                       |
| CIP   | Capital Improvement Program                                | NADA  | National Automobile Dealers Association             |
| CPM   | Center for Performance Measurement                         | OPEB  | Other Post-Employment Benefits                      |
| CPMT  | Community Policy Management Team                           | OSHA  | Occupational Safety and Health Administration       |
| CSA   | Comprehensive Services Act                                 | PDC   | Planning District Commission                        |
| CSI   | Cost Savings Initiative                                    | PIER  | Partners in Emergency Response                      |
| CVRCB | Central Virginia Radio Communications Board                | PPTRA | Personal Property Tax Relief Act                    |
| CY    | Calendar Year  | PSAP  | Public Safety Answering Point                       |
| DARE  | Drug Abuse Resistance Education                            | RIF   | Reduction-In-Force                                  |
| DEQ   | Department of Environmental Quality (Virginia)             | RLE   | Required Local Effort                               |
| DHCD  | Department of Housing and Community Development (Virginia) | RSA   | Region 2000 Services Authority                      |
| DMV   | Department of Motor Vehicles                               | SOQ   | Standards of Quality                                |
| DOE   | Department of Education (U. S.)                            | SRO   | School Resource Officer                             |
| DOE   | Department of Energy (U. S.)                               | SUV   | Sport Utility Vehicle                               |
| EDA   | Economic Development Authority                             | SWAC  | Stormwater Advisory Committee                       |
| EECBG | Energy Efficiency and Conservation Block Grant             | TANF  | Temporary Assistance for Needy Families             |
| EMS   | Emergency Medical Services                                 | TRT   | Technical Rescue Team                               |
| EPA   | Environmental Protection Agency (U. S.)                    | TY    | Tax Year  |
| EZ    | Enterprise Zone  | USDA  | U. S. Department of Agriculture                     |
| FAPT  | Family and Planning Assessment Team                        | VAWA  | Violence Against Women Act                          |
| FTE   | Full-time equivalents                                      | VFC   | Virginia First Cities                               |
| FY    | Fiscal Year  | VML   | Virginia Municipal League                           |
| GAAP  | General Accepted Accounting Principles                     | VRS   | Virginia Retirement System                          |
| GASB  | Governmental Accounting Standards Board                    | WIA   | Workforce Investment Act                            |
| GFOA  | Government Finance Officers Association                    | WWTP  | Wastewater Treatment Plant                          |
| GIS   | Geographic Information System                              |       |   |



## SUMMARY OF ALL FUNDS BY REVENUES AND EXPENDITURES

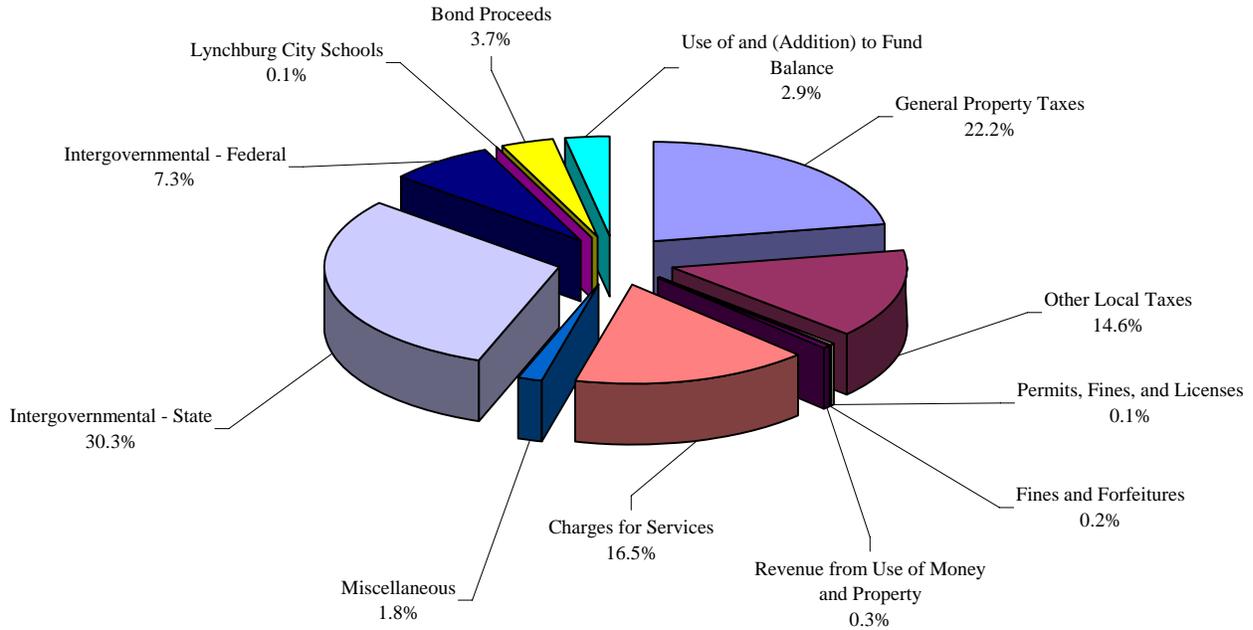
|  | Actual<br>2010       | Adopted<br>2011      | Adopted<br>2012      |
|--|----------------------|----------------------|----------------------|
| <b>ALL FUNDS</b>   |                      |                      |                      |
| <b>BEGINNING FUNDS</b>                                       | <b>\$47,492,668</b>  | <b>\$62,062,242</b>  | <b>\$43,391,675</b>  |
| <b>REVENUES</b>  |                      |                      |                      |
| General Property Taxes                                       | \$67,399,204         | \$67,612,906         | \$68,149,861         |
| Other Local Taxes  | 45,152,437           | 44,207,320           | 44,629,115           |
| Permits, Fines, and Licenses                                 | 644,065              | 614,100              | 454,300              |
| Fines and Forfeitures  | 582,384              | 470,000              | 470,000              |
| Revenue from Use of Money and Property                       | 1,265,300            | 1,027,812            | 878,919              |
| Charges for Services   | 51,246,621           | 51,893,440           | 50,734,136           |
| Miscellaneous  | 13,731,361           | 13,625,716           | 5,404,172            |
| Intergovernmental - State                                    | 82,942,839           | 92,935,466           | 93,180,279           |
| Intergovernmental - Federal                                  | 32,067,907           | 26,661,383           | 22,404,019           |
| Lynchburg City Schools (Governor's School/Lottery Proceeds)  | 347,590              | 31,022               | 63,780               |
| Bond Proceeds  | 29,550,379           | 5,137,100            | 11,289,000           |
| Operating Transfers In                                       | 41,309,294           | 47,358,400           | 47,833,016           |
| Use of and (Addition) to Fund Balance                        | 19,274,060           | 9,818,326            | 8,960,457            |
| <b>TOTAL REVENUES</b>  | <b>\$385,513,441</b> | <b>\$361,392,991</b> | <b>\$354,451,054</b> |
| Less Interfund Transfers                                     | (41,309,294)         | (47,358,400)         | (47,833,016)         |
| <b>TOTAL REVENUES NET OF TRANSFERS</b>                       | <b>\$344,204,147</b> | <b>\$314,034,591</b> | <b>\$306,618,038</b> |
| <b>TOTAL AVAILABLE RESOURCES NET OF TRANSFERS</b>            | <b>\$391,696,815</b> | <b>\$376,096,833</b> | <b>\$350,009,713</b> |
| <b>EXPENDITURES</b>  |                      |                      |                      |
| General Government Administration                            | \$23,403,318         | \$25,949,543         | \$24,808,681         |
| Judicial   | 5,282,195            | 5,390,703            | 5,642,381            |
| Public Safety  | 33,993,434           | 34,547,113           | 34,897,399           |
| Public Works   | 42,806,067           | 26,325,804           | 27,547,558           |
| Health and Human Services                                    | 21,307,462           | 21,947,189           | 22,147,561           |
| Cultural and Recreational                                    | 7,410,072            | 7,758,024            | 6,633,857            |
| Community Development  | 4,976,818            | 3,861,497            | 3,703,479            |
| Education  | 103,424,585          | 85,347,890           | 85,532,240           |
| Debt Service   | 40,221,753           | 28,458,923           | 27,777,525           |
| Interfund Transfers  | 41,309,294           | 47,358,400           | 47,833,016           |
| Sanitation   | 46,113,451           | 53,789,275           | 46,480,889           |
| Airport  | 2,238,090            | 4,494,892            | 3,984,843            |
| Transit  | 6,641,208            | 6,527,524            | 7,049,103            |
| Other Uses   | 6,385,694            | 9,636,214            | 10,412,522           |
| <b>TOTAL EXPENDITURES</b>                                    | <b>\$385,513,441</b> | <b>\$361,392,991</b> | <b>\$354,451,054</b> |
| Less Interfund Transfers                                     | (41,309,294)         | (47,358,400)         | (47,833,016)         |
| <b>TOTAL EXPENDITURES NET OF TRANSFERS</b>                   | <b>\$344,204,147</b> | <b>\$314,034,591</b> | <b>\$306,618,038</b> |
| <b>ENDING FUND BALANCES</b>                                  | <b>\$47,492,668</b>  | <b>\$62,062,242</b>  | <b>\$43,391,675</b>  |
| <b>TOTAL EXPENDITURES AND FUND BALANCES NET OF TRANSFERS</b> | <b>\$391,696,815</b> | <b>\$376,096,833</b> | <b>\$350,009,713</b> |



SUMMARY OF ALL FUNDS BY REVENUES AND EXPENDITURES (CONTINUED)

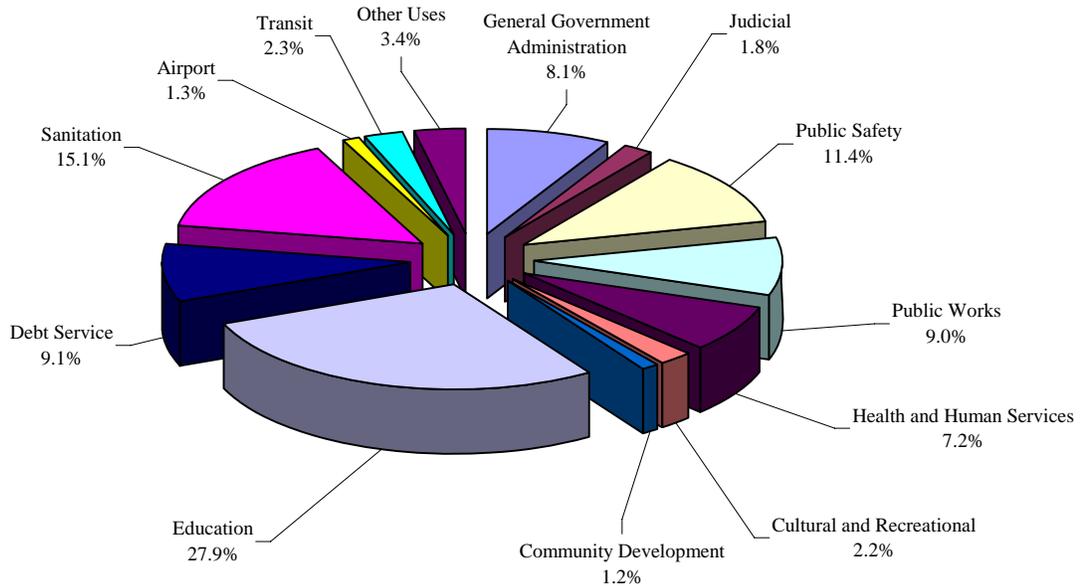
REVENUES - ALL FUNDS

\$306,618,038



EXPENDITURES - ALL FUNDS

\$306,618,038





## SUMMARY OF REVENUES AND EXPENDITURES BY FUND TYPE

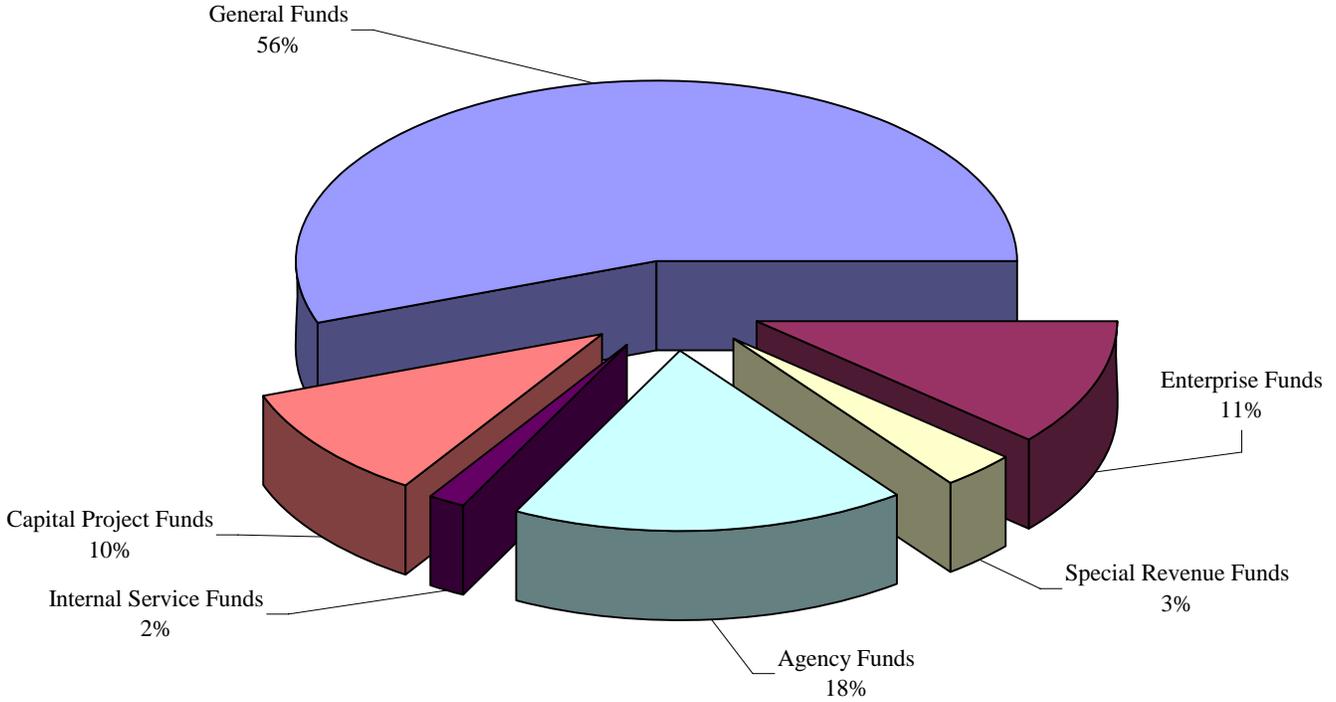
|  | General<br>Funds     | Enterprise<br>Funds | Special<br>Revenue<br>Funds | Agency<br>Funds     | Internal<br>Service<br>Funds | Capital<br>Project<br>Funds | Grand<br>Total       |
|--|----------------------|---------------------|-----------------------------|---------------------|------------------------------|-----------------------------|----------------------|
| <b>BUDGET SUMMARY BY FUND TYPE FOR FISCAL YEAR 2012</b>      |                      |                     |                             |                     |                              |                             |                      |
| <b>BEGINNING FUNDS</b>                                       | <b>\$25,596,164</b>  | <b>\$14,112,881</b> | <b>\$2,369,365</b>          | <b>\$357,247</b>    | <b>\$956,018</b>             | <b>\$0</b>                  | <b>\$43,391,675</b>  |
| <b>REVENUES</b>  |                      |                     |                             |                     |                              |                             |                      |
| General Property Taxes                                       | \$68,149,861         | \$0                 | \$0                         | \$0                 | \$0                          | \$0                         | \$68,149,861         |
| Other Local Taxes  | 44,629,115           | 0                   | 0                           | 0                   | 0                            | 0                           | 44,629,115           |
| Permits, Fines, and Licenses                                 | 454,300              | 0                   | 0                           | 0                   | 0                            | 0                           | 454,300              |
| Fines and Forfeitures  | 470,000              | 0                   | 0                           | 0                   | 0                            | 0                           | 470,000              |
| Revenue from Use of Money and Property                       | 543,966              | 317,953             | 15,000                      | 2,000               | 0                            | 0                           | 878,919              |
| Charges for Services   | 8,894,006            | 33,941,383          | 1,760,603                   | 897,814             | 5,240,330                    | 0                           | 50,734,136           |
| Miscellaneous  | 2,983,238            | 265,600             | 155,694                     | 1,799,640           | 200,000                      | 0                           | 5,404,172            |
| Intergovernmental - State                                    | 26,166,043           | 85,000              | 5,339,621                   | 43,460,654          | 0                            | 18,128,961                  | 93,180,279           |
| Intergovernmental - Federal                                  | 8,898,010            | 118,415             | 3,110,837                   | 8,519,257           | 0                            | 1,757,500                   | 22,404,019           |
| Lynchburg City Schools (Gov. School/Lottery Proceeds)        | 30,153               | 0                   | 0                           | 33,627              | 0                            | 0                           | 63,780               |
| Bond Proceeds  | 0                    | 0                   | 0                           | 0                   | 0                            | 11,289,000                  | 11,289,000           |
| Operating Transfers In                                       | 1,143,714            | 1,182,572           | 2,210,076                   | 31,942,103          | 0                            | 11,354,551                  | 47,833,016           |
| Use of Fund Balance  | 8,998,465            | (42,103)            | 165,094                     | 25,750              | (186,749)                    | 0                           | 8,960,457            |
| <b>TOTAL REVENUES</b>  | <b>\$171,360,871</b> | <b>\$35,868,820</b> | <b>\$12,756,925</b>         | <b>\$86,680,845</b> | <b>\$5,253,581</b>           | <b>\$42,530,012</b>         | <b>\$354,451,054</b> |
| Less Interfund Transfers                                     | (1,143,714)          | (1,182,572)         | (2,210,076)                 | (31,942,103)        | 0                            | (11,354,551)                | (47,833,016)         |
| <b>TOTAL REVENUES NET OF TRANSFERS</b>                       | <b>\$170,217,157</b> | <b>\$34,686,248</b> | <b>\$10,546,849</b>         | <b>\$54,738,742</b> | <b>\$5,253,581</b>           | <b>\$31,175,461</b>         | <b>\$306,618,038</b> |
| <b>TOTAL AVAILABLE RESOURCES NET OF TRANSFERS</b>            | <b>\$195,813,321</b> | <b>\$48,799,129</b> | <b>\$12,916,214</b>         | <b>\$55,095,989</b> | <b>\$6,209,599</b>           | <b>\$31,175,461</b>         | <b>\$350,009,713</b> |
| <b>EXPENDITURES</b>  |                      |                     |                             |                     |                              |                             |                      |
| General Government Administration                            | \$19,104,349         | \$0                 | \$816,867                   | \$0                 | \$4,887,465                  | \$0                         | \$24,808,681         |
| Judicial   | 4,440,872            | 0                   | 1,201,509                   | 0                   | 0                            | 0                           | 5,642,381            |
| Public Safety  | 31,167,912           | 0                   | 2,831,673                   | 897,814             | 0                            | 0                           | 34,897,399           |
| Public Works   | 15,969,158           | 0                   | 0                           | 0                   | 0                            | 11,578,400                  | 27,547,558           |
| Health and Human Services                                    | 15,855,915           | 0                   | 6,237,396                   | 54,250              | 0                            | 0                           | 22,147,561           |
| Cultural and Recreational                                    | 5,173,245            | 0                   | 0                           | 0                   | 0                            | 1,460,612                   | 6,633,857            |
| Community Development  | 2,330,921            | 0                   | 1,372,558                   | 0                   | 0                            | 0                           | 3,703,479            |
| Education  | 0                    | 0                   | 0                           | 85,532,240          | 0                            | 0                           | 85,532,240           |
| Debt Service   | 14,933,271           | 12,194,088          | 284,050                     | 0                   | 366,116                      | 0                           | 27,777,525           |
| Interfund Transfers  | 44,936,475           | 2,700,000           | 0                           | 196,541             | 0                            | 0                           | 47,833,016           |
| Sanitation   | 0                    | 18,839,889          | 0                           | 0                   | 0                            | 27,641,000                  | 46,480,889           |
| Airport  | 0                    | 2,134,843           | 0                           | 0                   | 0                            | 1,850,000                   | 3,984,843            |
| Transit  | 7,049,103            | 0                   | 0                           | 0                   | 0                            | 0                           | 7,049,103            |
| Other Uses   | 10,399,650           | 0                   | 12,872                      | 0                   | 0                            | 0                           | 10,412,522           |
| <b>TOTAL EXPENDITURES</b>                                    | <b>\$171,360,871</b> | <b>\$35,868,820</b> | <b>\$12,756,925</b>         | <b>\$86,680,845</b> | <b>\$5,253,581</b>           | <b>\$42,530,012</b>         | <b>\$354,451,054</b> |
| Less Interfund Transfers                                     | (44,936,475)         | (2,700,000)         | 0                           | (196,541)           | 0                            | 0                           | (47,833,016)         |
| <b>TOTAL EXPENDITURES NET OF TRANSFERS</b>                   | <b>\$126,424,396</b> | <b>\$33,168,820</b> | <b>\$12,756,925</b>         | <b>\$86,484,304</b> | <b>\$5,253,581</b>           | <b>\$42,530,012</b>         | <b>\$306,618,038</b> |
| <b>ENDING FUND BALANCES</b>                                  | <b>25,596,164</b>    | <b>14,112,881</b>   | <b>2,369,365</b>            | <b>357,247</b>      | <b>956,018</b>               | <b>0</b>                    | <b>43,391,675</b>    |
| <b>TOTAL EXPENDITURES AND FUND BALANCES NET OF TRANSFERS</b> | <b>\$152,020,560</b> | <b>\$47,281,701</b> | <b>\$15,126,290</b>         | <b>\$86,841,551</b> | <b>\$6,209,599</b>           | <b>\$42,530,012</b>         | <b>\$350,009,713</b> |

<sup>1</sup> Federal, State, grant, and capital funding for schools for FY 2012 were unavailable at the time this document was published.

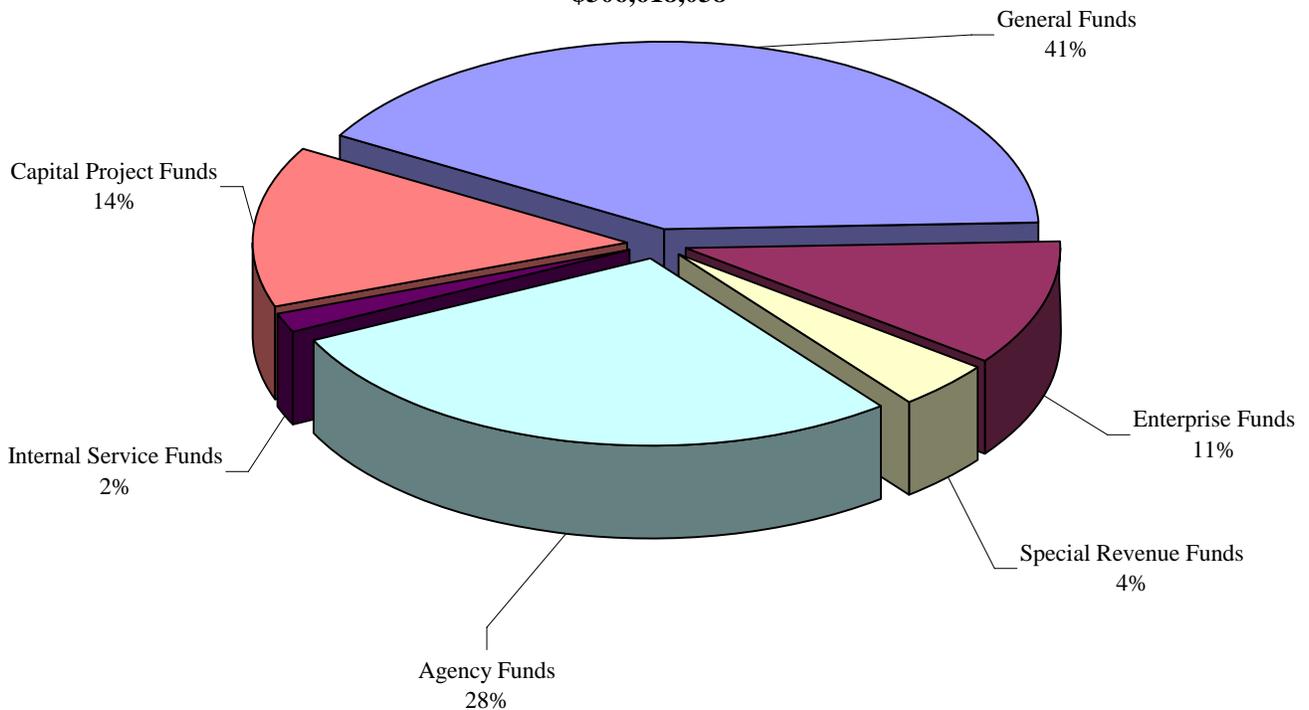


SUMMARY OF REVENUES AND EXPENDITURES BY FUND TYPE (CONTINUED)

**REVENUES BY FUND TYPE**  
**\$306,618,038**



**EXPENDITURES BY FUND TYPE**  
**\$306,618,038**





## Personnel Summary

**FY 2012 Benefit Rates:** Retirement – Plan 1: 23.14% Life – 0.28% Health – \$4,656/yr Dental – \$336/yr  
Plan 2: 18.14%

|  | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>FUND PERSONNEL SUMMARY</b>                        |                   |                    |                                    |                                  |                    |
| <b>General Government Administration</b>             |                   |                    |                                    |                                  |                    |
| Council Manager Offices                              | 8.00              | 8.00               | 8.00                               | 8.00                             | 8.00               |
| City Assessor  |                   |                    |                                    |                                  |                    |
| Full-Time  | 12.00             | 10.00              | 10.00                              | 10.00                            | 10.00              |
| Part-Time  | 0.00              | 0.30               | 0.30                               | 0.30                             | 0.30               |
| City Attorney  | 6.90              | 6.90               | 6.90                               | 6.90                             | 6.90               |
| Commissioner of Revenue                              |                   |                    |                                    |                                  |                    |
| City Full-Time                                       | 6.00              | 6.00               | 6.00                               | 4.00                             | 4.00               |
| City Temporary                                       | 1.00              | 0.40               | 0.40                               | 0.40                             | 0.40               |
| State Full-Time                                      | 6.00              | 6.00               | 6.00                               | 6.00                             | 6.00               |
| Communications and Marketing                         | 4.00              | 4.00               | 4.00                               | 4.00                             | 4.00               |
| Customer Service                                     |                   |                    |                                    |                                  |                    |
| Full-Time  | 2.00              | 2.00               | 2.00                               | 2.00                             | 2.00               |
| Part-Time  | 1.50              | 1.50               | 1.50                               | 1.50                             | 1.50               |
| Local Government Channel                             | 2.00              | 2.00               | 2.00                               | 2.00                             | 2.00               |
| Financial Services - Office of the Director          | 6.00              | 5.00               | 5.00                               | 5.00                             | 5.00               |
| Financial Services - Accounting                      |                   |                    |                                    |                                  |                    |
| Full-Time  | 10.00             | 10.00              | 10.00                              | 10.00                            | 10.00              |
| Temporary  | 0.75              | 0.00               | 0.00                               | 0.00                             | 0.00               |
| Financial Services - Billings and Collections        |                   |                    |                                    |                                  |                    |
| Full-Time  | 21.00             | 20.00              | 20.00                              | 20.00                            | 20.00              |
| Full-Time (Water Fund)                               | 0.00              | 1.00               | 1.00                               | 1.00                             | 1.00               |
| Financial Services - Budget                          | 2.00              | 2.00               | 2.00                               | 2.00                             | 2.00               |
| Financial Services - Procurement                     |                   |                    |                                    |                                  |                    |
| Full-Time  | 4.00              | 3.00               | 3.00                               | 3.00                             | 3.00               |
| Full-Time (Water Fund)                               | 0.00              | 1.00               | 1.00                               | 1.00                             | 1.00               |
| Financial Services - Human Services Financial        |                   |                    |                                    |                                  |                    |
| Full-Time  | 9.00              | 9.00               | 9.00                               | 9.00                             | 9.00               |
| Part-Time  | 0.80              | 0.80               | 0.80                               | 0.80                             | 0.80               |
| Human Resources                                      |                   |                    |                                    |                                  |                    |
| Full-Time  | 9.00              | 8.00               | 8.00                               | 8.00                             | 8.00               |
| Part-Time  | 0.60              | 0.50               | 0.50                               | 0.50                             | 0.50               |
| Human Resources - Occupational Health                |                   |                    |                                    |                                  |                    |
| Full-Time  | 1.00              | 1.00               | 1.00                               | 1.00                             | 1.00               |
| Part-Time  | 0.50              | 0.50               | 0.50                               | 0.50                             | 0.50               |
| Information Technology Administration                | 5.00              | 4.00               | 4.00                               | 4.00                             | 4.00               |
| Information Technology Application Services          | 10.00             | 12.00              | 12.00                              | 12.00                            | 12.00              |
| Information Technology Geographic Information System | 3.00              | 3.00               | 3.00                               | 3.00                             | 3.00               |
| Information Technology Network Services              | 12.00             | 12.00              | 12.00                              | 12.00                            | 12.00              |
| Internal Audit                                       |                   |                    |                                    |                                  |                    |
| Full-Time  | 2.00              | 2.00               | 2.00                               | 1.00                             | 1.00               |
| Full-Time Not Funded                                 | 0.00              | 0.00               | 0.00                               | 1.00                             | 1.00               |
| Registrar and Electoral Board                        |                   |                    |                                    |                                  |                    |
| City Full-Time                                       | 1.00              | 1.00               | 1.00                               | 1.00                             | 1.00               |
| City Part-Time                                       | 0.30              | 0.25               | 0.34                               | 0.34                             | 0.34               |
| State Full-Time                                      | 1.00              | 1.00               | 1.00                               | 1.00                             | 1.00               |
| State Treasurer                                      |                   |                    |                                    |                                  |                    |
| State Full-Time                                      | 2.00              | 2.00               | 2.00                               | 2.00                             | 2.00               |
| State Temporary                                      | 0.22              | 0.04               | 0.04                               | 0.04                             | 0.04               |
| <b>General Government Administration Total FTEs</b>  | <b>150.57</b>     | <b>146.19</b>      | <b>146.28</b>                      | <b>144.28</b>                    | <b>144.28</b>      |



## Personnel Summary (continued)

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>FUND PERSONNEL SUMMARY</b>             |                   |                    |                                    |                                  |                    |
| <b>Judicial Administration</b>            |                   |                    |                                    |                                  |                    |
| Circuit Court Clerk                       |                   |                    |                                    |                                  |                    |
| State Full-Time                           | 13.00             | 13.00              | 13.00                              | 13.00                            | 13.00              |
| Circuit Court Judges                      | 2.00              | 2.00               | 2.00                               | 2.00                             | 2.00               |
| Commonwealth Attorney                     |                   |                    |                                    |                                  |                    |
| City Full-Time                            | 1.11              | 1.14               | 0.47                               | 0.47                             | 0.47               |
| State Full-Time                           | 15.61             | 16.72              | 15.90                              | 15.90                            | 15.90              |
| Sheriff                                   |                   |                    |                                    |                                  |                    |
| City Full-Time                            | 3.00              | 3.00               | 3.00                               | 3.00                             | 3.00               |
| City Temporary                            | 3.86              | 3.86               | 4.43                               | 3.01                             | 4.43               |
| State Full-Time                           | 24.00             | 22.00              | 23.00                              | 23.00                            | 23.00              |
| <b>Judicial Administration Total FTEs</b> | <b>62.58</b>      | <b>61.72</b>       | <b>61.80</b>                       | <b>60.38</b>                     | <b>61.80</b>       |
| <b>Public Safety</b>                      |                   |                    |                                    |                                  |                    |
| Police Department                         |                   |                    |                                    |                                  |                    |
| Sworn Full-Time                           | 170.00            | 169.00             | 170.00                             | 170.00                           | 170.00             |
| Civilian Full-Time                        | 26.00             | 22.00              | 22.00                              | 22.00                            | 22.00              |
| Part-Time                                 | 0.00              | 1.50               | 1.50                               | 1.50                             | 1.50               |
| Temporary                                 | 1.88              | 0.00               | 0.00                               | 0.00                             | 0.00               |
| Sworn Full-Time Not Funded                | 0.00              | 1.00               | 0.00                               | 0.00                             | 0.00               |
| Civilian Full-Time Not Funded             | 0.00              | 3.00               | 3.00                               | 3.00                             | 3.00               |
| Animal Control Unit                       |                   |                    |                                    |                                  |                    |
| Civilian Full-Time                        | 5.00              | 5.00               | 4.00                               | 4.00                             | 4.00               |
| Part-Time                                 | 1.00              | 1.00               | 1.80                               | 1.80                             | 1.80               |
| Emergency Services                        |                   |                    |                                    |                                  |                    |
| Full-Time                                 | 32.00             | 32.00              | 35.00                              | 35.00                            | 35.00              |
| Temporary                                 | 0.50              | 0.00               | 0.00                               | 0.00                             | 0.00               |
| Grant Full-Time                           | 3.00              | 3.00               | 0.00                               | 0.00                             | 0.00               |
| Fire Department                           |                   |                    |                                    |                                  |                    |
| Sworn Full-Time                           | 178.00            | 177.00             | 178.00                             | 177.00                           | 177.00             |
| Civilian Full-Time                        | 8.00              | 9.00               | 9.00                               | 9.00                             | 9.00               |
| Sworn Full-Time Not Funded                | 0.00              | 1.00               | 0.00                               | 1.00                             | 1.00               |
| <b>Public Safety Total FTEs</b>           | <b>425.38</b>     | <b>424.50</b>      | <b>424.30</b>                      | <b>424.30</b>                    | <b>424.30</b>      |
| <b>Public Works</b>                       |                   |                    |                                    |                                  |                    |
| Public Works Administration               | 11.00             | 11.00              | 11.00                              | 11.00                            | 11.00              |
| Buildings Maintenance                     |                   |                    |                                    |                                  |                    |
| Full-Time                                 | 40.00             | 37.50              | 38.50                              | 38.50                            | 39.50              |
| Part-Time                                 | 0.50              | 0.50               | 0.50                               | 0.50                             | 0.50               |
| Temporary                                 | 0.50              | 0.45               | 0.95                               | 0.95                             | 0.95               |
| Parks and Grounds Maintenance             |                   |                    |                                    |                                  |                    |
| Full-Time                                 | 29.00             | 28.00              | 28.00                              | 28.00                            | 29.00              |
| Part-Time                                 | 0.00              | 3.40               | 1.60                               | 1.60                             | 1.60               |
| Temporary                                 | 8.00              | 3.90               | 5.70                               | 5.70                             | 6.43               |
| Engineering                               |                   |                    |                                    |                                  |                    |
| Full-Time                                 | 35.00             | 28.50              | 29.50                              | 29.50                            | 29.50              |
| Part-Time                                 | 2.05              | 1.75               | 1.75                               | 1.75                             | 1.75               |
| Temporary                                 | 1.00              | 0.00               | 0.50                               | 0.50                             | 0.50               |
| Full-Time (Water Fund)                    | 0.00              | 1.00               | 1.00                               | 1.00                             | 1.00               |
| Street Maintenance                        |                   |                    |                                    |                                  |                    |
| Full-Time                                 | 29.00             | 26.00              | 26.00                              | 26.00                            | 26.00              |
| Part-Time                                 | 0.00              | 1.20               | 1.20                               | 1.20                             | 1.20               |
| Temporary                                 | 2.00              | 1.40               | 1.40                               | 1.40                             | 1.40               |



## Personnel Summary (continued)

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>FUND PERSONNEL SUMMARY</b>                     |                   |                    |                                    |                                  |                    |
| <b>Public Works (continued)</b>                   |                   |                    |                                    |                                  |                    |
| Refuse  |                   |                    |                                    |                                  |                    |
| Full-Time   | 20.00             | 19.00              | 21.00                              | 21.00                            | 21.00              |
| Part-Time   | 0.00              | 2.80               | 2.80                               | 2.80                             | 2.80               |
| Temporary   | 1.54              | 0.00               | 0.00                               | 0.00                             | 0.00               |
| <b>Public Works Total FTEs</b>                    | <b>179.59</b>     | <b>166.40</b>      | <b>171.40</b>                      | <b>171.40</b>                    | <b>174.13</b>      |
| <b>Health and Welfare</b>                         |                   |                    |                                    |                                  |                    |
| Juvenile Services                                 |                   |                    |                                    |                                  |                    |
| Full-Time   | 36.80             | 32.80              | 32.80                              | 32.80                            | 32.80              |
| Part-Time   | 1.60              | 2.50               | 2.40                               | 2.40                             | 2.40               |
| Temporary   | 6.40              | 6.40               | 6.40                               | 6.40                             | 6.40               |
| Grant Full-Time                                   | 2.00              | 3.00               | 3.00                               | 3.00                             | 3.00               |
| Social Services Administration                    |                   |                    |                                    |                                  |                    |
| Full-Time   | 122.00            | 115.00             | 117.00                             | 117.00                           | 118.00             |
| Part-Time   | 2.50              | 5.44               | 5.44                               | 5.44                             | 4.94               |
| Temporary   | 3.38              | 3.38               | 3.38                               | 3.38                             | 3.38               |
| <b>Health and Welfare Total FTEs</b>              | <b>174.68</b>     | <b>168.52</b>      | <b>170.42</b>                      | <b>170.42</b>                    | <b>170.92</b>      |
| <b>Parks, Recreation, and Cultural</b>            |                   |                    |                                    |                                  |                    |
| Libraries   |                   |                    |                                    |                                  |                    |
| Full-Time   | 21.00             | 21.00              | 21.00                              | 21.00                            | 21.00              |
| Part-Time   | 11.58             | 11.58              | 11.59                              | 11.59                            | 11.59              |
| Temporary   | 0.37              | 0.37               | 0.37                               | 0.37                             | 0.37               |
| Museums   |                   |                    |                                    |                                  |                    |
| Full-Time   | 4.00              | 4.00               | 4.00                               | 4.00                             | 4.00               |
| Part-Time   | 4.94              | 4.94               | 4.94                               | 4.94                             | 4.94               |
| Parks and Recreation                              |                   |                    |                                    |                                  |                    |
| Full-Time   | 29.72             | 32.00              | 32.00                              | 32.00                            | 32.00              |
| Part-Time   | 14.00             | 10.91              | 10.92                              | 10.92                            | 11.29              |
| Temporary   | 5.77              | 6.17               | 6.08                               | 6.08                             | 6.21               |
| Recreation Programs                               |                   |                    |                                    |                                  |                    |
| Part-Time   | 1.00              | 4.04               | 4.04                               | 4.04                             | 4.04               |
| Temporary   | 1.19              | 3.59               | 4.17                               | 4.17                             | 4.17               |
| Community Market                                  |                   |                    |                                    |                                  |                    |
| Full-Time   | 3.00              | 2.00               | 2.00                               | 2.00                             | 2.00               |
| Part-Time   | 2.35              | 3.01               | 3.02                               | 3.02                             | 3.02               |
| <b>Parks, Recreation, and Cultural Total FTEs</b> | <b>98.92</b>      | <b>103.61</b>      | <b>104.13</b>                      | <b>104.13</b>                    | <b>104.63</b>      |
| <b>Community Development</b>                      |                   |                    |                                    |                                  |                    |
| Community Development - Office of the Director    |                   |                    |                                    |                                  |                    |
| Full-Time   | 10.00             | 6.50               | 3.50                               | 3.50                             | 3.50               |
| Part-Time   | 1.25              | 0.00               | 0.00                               | 0.00                             | 0.00               |
| Temporary   | 1.30              | 0.00               | 0.00                               | 0.00                             | 0.00               |
| Inspections and Code Enforcement                  |                   |                    |                                    |                                  |                    |
| Full-Time   | 11.00             | 12.25              | 12.20                              | 12.20                            | 12.20              |
| Part-Time   | 0.50              | 0.75               | 0.75                               | 0.75                             | 0.75               |
| Temporary   | 1.00              | 0.30               | 0.30                               | 0.30                             | 0.30               |
| Planning  | 5.00              | 5.00               | 4.00                               | 4.00                             | 4.00               |
| Zoning and Natural Resources                      | 0.00              | 0.00               | 3.00                               | 3.00                             | 3.00               |
| Economic Development                              | 3.00              | 3.00               | 3.00                               | 3.00                             | 3.00               |



## Personnel Summary (continued)

|  | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>FUND PERSONNEL SUMMARY</b>            |                   |                    |                                    |                                  |                    |
| <b>Community Development (continued)</b> |                   |                    |                                    |                                  |                    |
| Parking Management                       |                   |                    |                                    |                                  |                    |
| Full-Time                                | 1.00              | 1.50               | 4.50                               | 4.50                             | 4.50               |
| Part-Time                                | 1.50              | 1.50               | 0.00                               | 0.00                             | 0.00               |
| <b>Community Development Total FTEs</b>  | <b>35.55</b>      | <b>30.80</b>       | <b>31.25</b>                       | <b>31.25</b>                     | <b>31.25</b>       |
| <b>TOTAL GENERAL FUND FTEs</b>           | <b>1,127.27</b>   | <b>1,101.74</b>    | <b>1,109.58</b>                    | <b>1,106.16</b>                  | <b>1,111.31</b>    |
| <b>FLEET SERVICES FUND</b>               |                   |                    |                                    |                                  |                    |
| Full-Time                                | 12.00             | 11.00              | 11.00                              | 11.00                            | 11.00              |
| Part-Time                                | 0.50              | 0.50               | 0.50                               | 0.50                             | 0.50               |
| <b>TOTAL FLEET SERVICES FUND FTEs</b>    | <b>12.50</b>      | <b>11.50</b>       | <b>11.50</b>                       | <b>11.50</b>                     | <b>11.50</b>       |
| <b>AIRPORT FUND</b>                      |                   |                    |                                    |                                  |                    |
| Administration                           |                   |                    |                                    |                                  |                    |
| Full-Time                                | 4.00              | 4.00               | 4.00                               | 4.00                             | 4.00               |
| Part-Time                                | 0.70              | 0.70               | 0.70                               | 0.70                             | 0.70               |
| Terminal                                 | 6.00              | 6.00               | 6.00                               | 6.00                             | 6.00               |
| Airfield                                 | 3.00              | 3.00               | 3.00                               | 3.00                             | 3.00               |
| General Aviation                         | 1.00              | 1.00               | 1.00                               | 1.00                             | 1.00               |
| Safety (Law Enforcement) Grant           | 3.00              | 3.00               | 3.00                               | 3.00                             | 3.00               |
| <b>TOTAL AIRPORT FUND FTEs</b>           | <b>17.70</b>      | <b>17.70</b>       | <b>17.70</b>                       | <b>17.70</b>                     | <b>17.70</b>       |
| <b>WATER FUND</b>                        |                   |                    |                                    |                                  |                    |
| Administration/Engineering               |                   |                    |                                    |                                  |                    |
| Full-Time                                | 18.00             | 19.00              | 18.00                              | 18.00                            | 18.00              |
| Part-Time                                | 0.60              | 0.60               | 0.60                               | 0.60                             | 0.60               |
| Temporary                                | 0.00              | 0.00               | 0.50                               | 0.50                             | 0.50               |
| Meter Reading                            |                   |                    |                                    |                                  |                    |
| Full-Time                                | 8.00              | 8.00               | 8.00                               | 8.00                             | 8.00               |
| Part-Time                                | 0.80              | 0.80               | 0.80                               | 0.80                             | 0.80               |
| Water Line Maintenance                   | 16.00             | 16.00              | 15.00                              | 15.00                            | 15.00              |
| Water Treatment Plant                    | 25.00             | 24.00              | 24.00                              | 24.00                            | 24.00              |
| <b>TOTAL WATER FUND FTEs</b>             | <b>68.40</b>      | <b>68.40</b>       | <b>66.90</b>                       | <b>66.90</b>                     | <b>66.90</b>       |
| <b>SEWER FUND</b>                        |                   |                    |                                    |                                  |                    |
| Sewer Line Maintenance                   | 17.00             | 17.00              | 15.50                              | 15.50                            | 15.50              |
| Wastewater Treatment Plant               |                   |                    |                                    |                                  |                    |
| Full-Time                                | 30.00             | 30.00              | 32.00                              | 32.00                            | 32.00              |
| Part-Time                                | 0.60              | 0.60               | 0.60                               | 0.60                             | 0.60               |
| Temporary                                | 2.40              | 2.40               | 2.40                               | 2.40                             | 2.40               |
| Stormwater                               | 0.00              | 0.00               | 4.50                               | 4.50                             | 4.50               |
| <b>TOTAL SEWER FUND FTEs</b>             | <b>50.00</b>      | <b>50.00</b>       | <b>55.00</b>                       | <b>55.00</b>                     | <b>55.00</b>       |
| <b>OTHER FUNDS</b>                       |                   |                    |                                    |                                  |                    |
| CSA Fund                                 |                   |                    |                                    |                                  |                    |
| Grant Full-Time                          | 1.20              | 1.20               | 1.20                               | 1.20                             | 1.20               |
| Regional Juvenile Detention Center Fund  |                   |                    |                                    |                                  |                    |
| Full-Time                                | 42.00             | 40.00              | 40.00                              | 40.00                            | 40.00              |
| Part-Time                                | 5.05              | 5.05               | 4.75                               | 4.75                             | 4.75               |
| Temporary                                | 2.50              | 2.50               | 2.50                               | 2.50                             | 2.50               |
| Risk Management Fund                     |                   |                    |                                    |                                  |                    |
| Full-Time                                | 3.10              | 3.10               | 3.10                               | 3.10                             | 3.10               |



Personnel Summary (continued)

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>FUND PERSONNEL SUMMARY</b>                   |                   |                    |                                    |                                  |                    |
| <b>OTHER FUNDS (continued)</b>                  |                   |                    |                                    |                                  |                    |
| Community Development Block Grant Fund          |                   |                    |                                    |                                  |                    |
| Grant Full-Time                                 | 0.50              | 0.50               | 0.65                               | 0.65                             | 0.65               |
| Grant Part-Time                                 | 0.50              | 0.80               | 0.60                               | 0.60                             | 0.60               |
| HOME Investment Fund                            |                   |                    |                                    |                                  |                    |
| Grant Full-Time                                 | 0.50              | 0.25               | 0.15                               | 0.15                             | 0.15               |
| Grant Part-Time                                 | 0.25              | 0.00               | 0.20                               | 0.20                             | 0.20               |
| City Federal State Aid Fund                     |                   |                    |                                    |                                  |                    |
| Commonwealth's Attorney Office Grants           |                   |                    |                                    |                                  |                    |
| Grant Full-Time                                 | 4.83              | 4.14               | 6.63                               | 6.63                             | 6.63               |
| Grant Part-Time                                 | 0.00              | 0.50               | 0.80                               | 0.80                             | 0.80               |
| Social Services Grants                          |                   |                    |                                    |                                  |                    |
| Grant Full-Time                                 | 5.00              | 5.00               | 4.00                               | 4.00                             | 4.00               |
| Community Corrections and Pre-Trial Svcs Grants |                   |                    |                                    |                                  |                    |
| Grant Full-Time                                 | 9.00              | 8.00               | 8.00                               | 8.00                             | 8.00               |
| Grant Part-Time                                 | 0.88              | 1.48               | 1.48                               | 1.48                             | 1.48               |
| Grant Temporary                                 | 0.75              | 0.75               | 0.69                               | 0.69                             | 0.69               |
| City Capital Projects Fund                      |                   |                    |                                    |                                  |                    |
| Temporary                                       | 1.00              | 3.75               | 3.00                               | 3.00                             | 3.00               |
| <b>TOTAL OTHER FUNDS FTEs</b>                   | <b>77.06</b>      | <b>77.02</b>       | <b>77.75</b>                       | <b>77.75</b>                     | <b>77.75</b>       |
| <b>TOTAL FULL TIME EQUIVALENTS</b>              | <b>1,352.93</b>   | <b>1,326.36</b>    | <b>1,338.43</b>                    | <b>1,335.01</b>                  | <b>1,340.16</b>    |



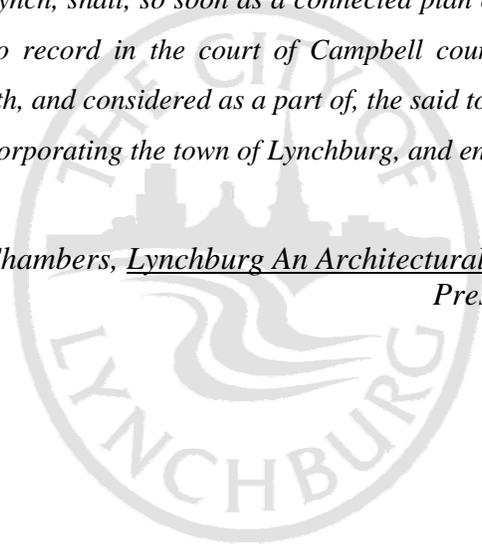
**HISTORICAL QUOTE:**

*“Be it enacted by the General Assembly...that the mayor, recorder, aldermen and common councilmen...are hereby made a body corporate and politic, by the name of the Mayor and Commonality of the town of Lynchburg...[they] shall have power to erect work houses, houses of correction, prisons and other public buildings....And be it further enacted, that all half acre lots of land, as the same were laid off adjoining the said town, by John Lynch, shall, so soon as a connected plan of the said lots be duly admitted to record in the court of Campbell county, be added to, incorporated with, and considered as a part of, the said town.”*

*An Act for incorporating the town of Lynchburg, and enlarging the same.*

*January 10, 1805*

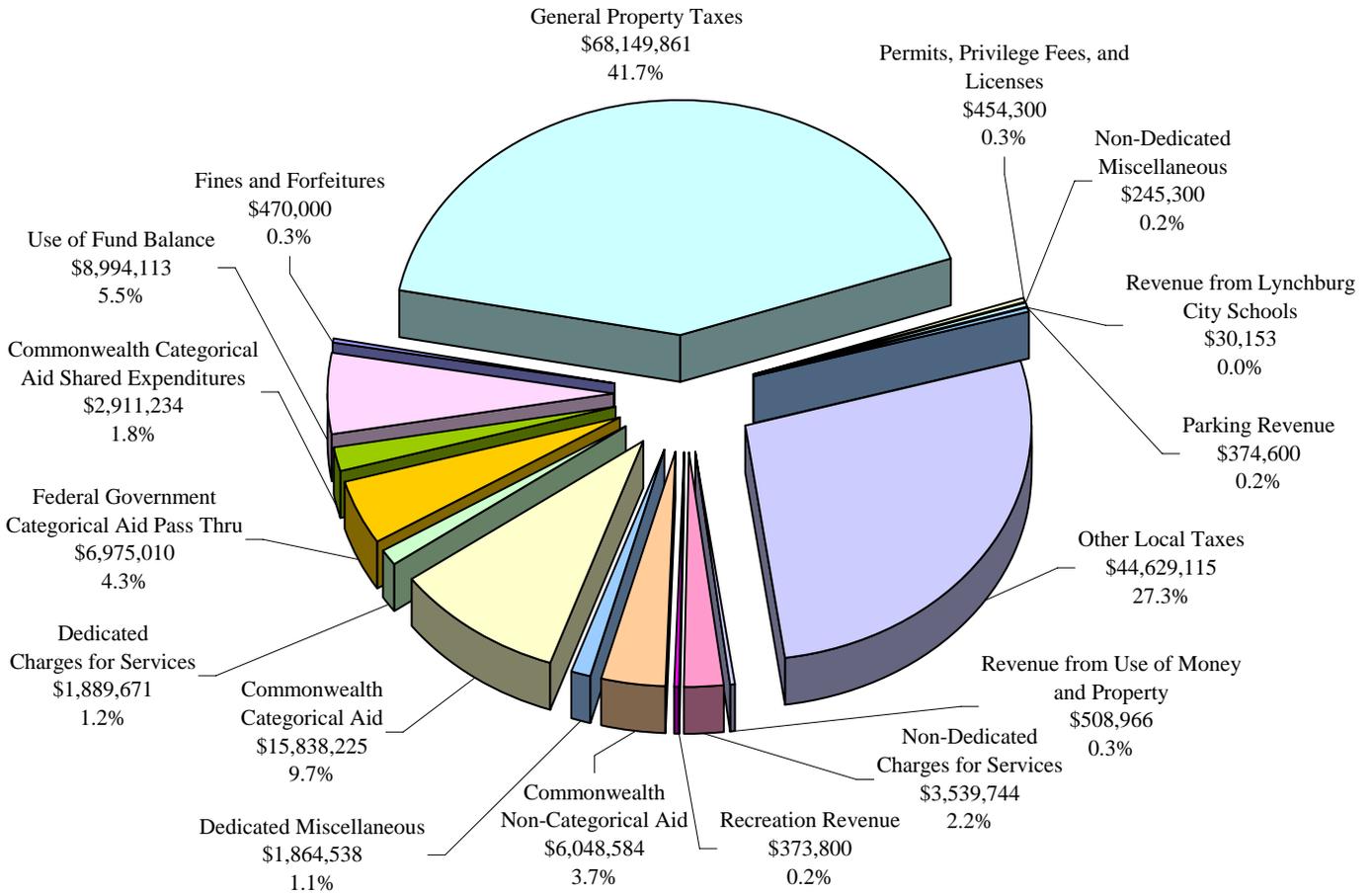
*-- S. Allen Chambers, Lynchburg An Architectural History, University Press of Virginia, 1982.*





### FY 2012 REVENUES AND USE OF FUND BALANCE

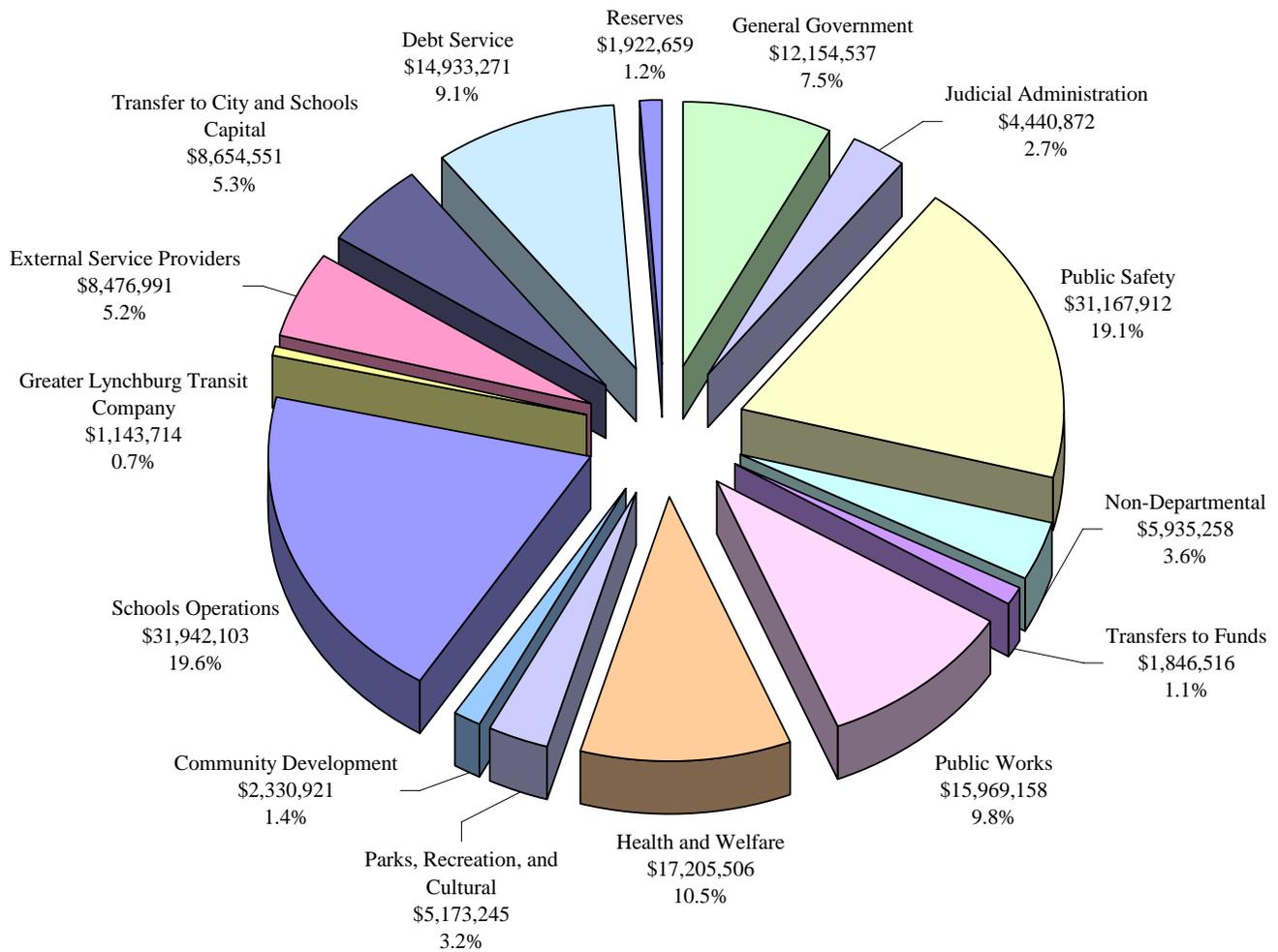
**\$163,297,214**





**FY 2012 EXPENDITURES, RESERVES, AND TRANSFERS**

**\$163,297,214**





|   | Actual<br>FY 2010    | Adopted<br>FY 2011   | Revised<br>Estimate<br>FY 2011 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012   |
|---|----------------------|----------------------|--------------------------------|----------------------------------|----------------------|
| <b>BEGINNING UNDESIGNATED FUND BALANCE</b>                    | <b>\$24,480,446</b>  | <b>\$23,073,874</b>  | <b>\$31,805,351</b>            | <b>\$22,830,783</b>              | <b>\$22,830,783</b>  |
| <b>REVENUES</b>   |                      |                      |                                |                                  |                      |
| Non-dedicated Revenue   | \$125,540,411        | \$123,379,438        | \$125,018,633                  | \$124,076,023                    | \$124,076,023        |
| Dedicated Revenue   | 31,598,715           | 30,433,707           | 32,585,806                     | 29,925,680                       | 30,227,078           |
| <b>TOTAL REVENUES</b>   | <b>\$157,139,126</b> | <b>\$153,813,145</b> | <b>\$157,604,439</b>           | <b>\$154,001,703</b>             | <b>\$154,303,101</b> |
| Other Financing Sources                                       | \$13,552,908         | \$0                  | \$16,605,513                   | \$0                              | \$0                  |
| FY 2010 Encumbrance Funding                                   | (737,455)            | 0                    | 1,455,664                      | 0                                | 0                    |
| Use of Designated Fund Balance                                | 2,342,367            | 1,010,764            | 2,987,164                      | 2,587,649                        | 2,044,113            |
| Additions to Designated Fund Balance                          | (2,844,638)          | 0                    | (17,150)                       | (25,000)                         | (25,000)             |
| <b>TOTAL REVENUES AND USE OF DESIGNATED FUND BALANCE</b>      | <b>\$169,452,308</b> | <b>\$154,823,909</b> | <b>\$178,635,630</b>           | <b>\$156,564,352</b>             | <b>\$156,322,214</b> |
| Use of (Additions to) Fund Balance                            | (\$10,145,522)       | (\$4,000)            | \$1,525,163                    | \$0                              | (\$25,000)           |
| Use of Undesignated Fund Balance - Capital                    | 2,820,617            | 7,508,881            | 7,449,405                      | 7,000,000                        | 7,000,000            |
| <b>TOTAL REVENUES AND USE OF FUND BALANCE</b>                 | <b>\$162,127,403</b> | <b>\$162,328,790</b> | <b>\$187,610,198</b>           | <b>\$163,564,352</b>             | <b>\$163,297,214</b> |
| <b>EXPENDITURES</b>   |                      |                      |                                |                                  |                      |
| Operating - Departmental                                      | \$87,134,312         | \$87,963,422         | \$92,150,509                   | \$88,215,521                     | \$88,442,151         |
| Operating - Non-Departmental                                  | 11,983,010           | 13,188,821           | 13,351,363                     | 15,183,400                       | 14,412,249           |
| Transfers To Other Funds                                      | 1,360,189            | 1,240,667            | 1,464,612                      | 2,179,781                        | 1,846,516            |
| Debt Service - General Fund                                   | 12,433,639           | 8,800,144            | 25,405,657                     | 7,717,671                        | 7,923,558            |
| Greater Lynchburg Transit Company                             | 1,309,675            | 1,128,884            | 1,411,884                      | 1,143,714                        | 1,143,714            |
| Schools - Operations  | 29,443,654           | 31,942,103           | 33,710,034                     | 31,942,103                       | 31,942,103           |
| Schools - Debt Service  | 15,642,307           | 7,222,354            | 7,222,354                      | 7,009,713                        | 7,009,713            |
| Reserves  |                      |                      |                                |                                  |                      |
| Debt Service - General Fund                                   | \$0                  | \$1,071,781          | \$1,071,781                    | \$0                              | \$0                  |
| Debt Service - Heritage High School                           | 0                    | 0                    | 0                              | 139,562                          | 939,562              |
| Debt Service - Central Virginia Regional Radio Board          | 0                    | 0                    | 0                              | 134,800                          | 134,800              |
| Detention Home Capital Needs                                  | 0                    | 0                    | 175,000                        | 0                                | 0                    |
| Health Insurance  | 0                    | 0                    | 475,000                        | 0                                | 0                    |
| Juvenile Detention Home Workers' Compensation                 | 0                    | 20,000               | 20,000                         | 20,000                           | 20,000               |
| Landfill Closure  | 0                    | 0                    | 604,284                        | 0                                | 0                    |
| Post Employment Benefits                                      | 0                    | 250,000              | 250,000                        | 250,000                          | 250,000              |
| Arts and Cultural District                                    | 0                    | 0                    | 0                              | 30,000                           | 30,000               |
| Future Needs  | 0                    | 0                    | 0                              | 0                                | 48,297               |
| Contingencies   | 0                    | 1,200,000            | 786,582                        | 500,000                          | 500,000              |
| <b>TOTAL EXPENDITURES</b>                                     | <b>\$159,306,786</b> | <b>\$154,028,176</b> | <b>\$178,099,060</b>           | <b>\$154,466,265</b>             | <b>\$154,642,663</b> |
| <b>TRANSFER TO CAPITAL FUNDS</b>                              |                      |                      |                                |                                  |                      |
| School Capital Projects Fund                                  | \$0                  | \$1,941,733          | \$1,941,733                    | \$1,574,054                      | \$1,030,518          |
| City Capital Projects Fund                                    | 2,820,617            | 6,358,881            | 7,569,405                      | 7,524,033                        | 7,624,033            |
| <b>TOTAL TRANSFER TO CAPITAL</b>                              | <b>\$2,820,617</b>   | <b>\$8,300,614</b>   | <b>\$9,511,138</b>             | <b>\$9,098,087</b>               | <b>\$8,654,551</b>   |
| <b>TOTAL EXPENDITURES, RESERVES &amp; TRANSFERS</b>           | <b>\$162,127,403</b> | <b>\$162,328,790</b> | <b>\$187,610,198</b>           | <b>\$163,564,352</b>             | <b>\$163,297,214</b> |
| <b>UNDESIGNATED FUND BALANCE</b>                              | <b>\$31,805,351</b>  | <b>\$15,568,993</b>  | <b>\$22,830,783</b>            | <b>\$15,830,783</b>              | <b>\$15,855,783</b>  |
| <b>DESIGNATED FUND BALANCE RESERVES (detail on next page)</b> | <b>\$9,717,999</b>   | <b>\$7,093,781</b>   | <b>\$9,344,050</b>             | <b>\$9,123,694</b>               | <b>\$8,699,299</b>   |
| <b>TOTAL FUND BALANCE</b>                                     | <b>\$41,523,350</b>  | <b>\$22,662,774</b>  | <b>\$32,174,833</b>            | <b>\$24,954,477</b>              | <b>\$24,555,082</b>  |

Note: Use of Fund Balance is consistent with Financial Policies adopted by City Council.



**Designated Fund Balance Reserves**

|  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Revised<br>Estimate<br>FY 2011 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|--------------------|--------------------|--------------------------------|----------------------------------|--------------------|
| <b>DESIGNATED FUND BALANCE RESERVES</b>              |                    |                    |                                |                                  |                    |
| Recreation Programs                                  | \$217,925          | \$80,260           | \$137,949                      | \$71,496                         | \$71,496           |
| Technology Fund                                      | 208,469            | 197,962            | 0                              | 0                                | \$0                |
| Detention Home Workers' Compensation                 | 60,000             | 80,000             | 80,000                         | 100,000                          | 100,000            |
| Juvenile Services Group Home Reserve                 | 150,000            | 150,000            | 325,000                        | 150,000                          | 150,000            |
| Juvenile Services Prevention Initiative              | 25,000             | 25,000             | 25,000                         | 0                                | 0                  |
| Law Library  | 66,307             | 62,920             | 66,307                         | 66,307                           | 66,307             |
| Museums  | 32,153             | 14,082             | 32,153                         | 32,153                           | 32,153             |
| Public Works Funds from Solid Waste                  | 39,925             | 39,925             | 39,925                         | 0                                | 0                  |
| Medical Benefits                                     | 148,473            | 125,400            | 623,473                        | 623,473                          | 623,473            |
| Lynchburg City Schools - Return of School Funding    | 2,790,182          | 0                  | 1,030,518                      | 924,395                          | 0                  |
| Lynchburg City Schools - Textbooks                   | 1,059,392          | 1,059,392          | 1,059,392                      | 1,059,392                        | 1,059,392          |
| Lynchburg City Schools - Health Insurance            | 1,000,000          | 1,000,000          | 700,000                        | 1,000,000                        | 1,140,608          |
| Lynchburg City Schools - Future Expenditure Needs    | 75,908             | 75,908             | 75,908                         | 75,908                           | 75,908             |
| Lynchburg City Schools - Budget Balancing            | 440,608            | 440,608            | 440,608                        | 440,608                          | 0                  |
| Debt Service - General Fund                          | 0                  | 1,071,781          | 1,071,781                      | 1,071,781                        | 1,071,781          |
| Debt Service - Heritage High School                  | 0                  | 0                  | 0                              | 139,562                          | 939,562            |
| Debt Service - Central Virginia Regional Radio Board | 0                  | 0                  | 0                              | 134,800                          | 134,800            |
| Debt Service - Solid Waste                           | 2,549,069          | 1,910,014          | 1,910,014                      | 1,541,905                        | 1,541,905          |
| Arts and Cultural District                           | 0                  | 0                  | 0                              | 30,000                           | 30,000             |
| Aid to Commonwealth                                  | 314,108            | 0                  | 314,108                        | 0                                | 0                  |
| Other Post Employment Benefits (OPEB)                | 540,480            | 760,529            | 790,480                        | 1,040,480                        | 1,040,480          |
| Partners in Emergency Response (PIER)                | 0                  | 0                  | 17,150                         | 17,150                           | 17,150             |
| Future Landfill Post-closure                         | 0                  | 0                  | 604,284                        | 604,284                          | 604,284            |
| <b>TOTAL DESIGNATED FUND BALANCE RESERVES</b>        | <b>\$9,717,999</b> | <b>\$7,093,781</b> | <b>\$9,344,050</b>             | <b>\$9,123,694</b>               | <b>\$8,699,299</b> |

**Changes to Designated Fund Balance Reserves**

| DESIGNATED FUND BALANCE RESERVES                     | AMENDED<br>FY2011 | ADOPTED<br>FY2012 | CHANGE<br>BETWEEN<br>FY 2011<br>and FY 2012 | REASON FOR CHANGE   |
|--|-------------------|-------------------|---|---|
| Recreation Programs                                  | \$137,949         | \$71,496          | (\$66,453)                                  | Amount proposed to fund FY 2012 recreation program expenditures   |
| Detention Home Workers' Compensation                 | 80,000            | 100,000           | 20,000                                      | Increase reserve for future workers' compensation claims  |
| Juvenile Services Group Home Reserve                 | 325,000           | 150,000           | (175,000)                                   | Transfer to City Capital Projects Fund for Juvenile Detention Group Home project  |
| Juvenile Services Prevention Initiative              | 25,000            | 0                 | (25,000)                                    | Transfer to Juvenile Services Group Home Reserve  |
| Public Works Funds from Solid Waste                  | 39,925            | 0                 | (39,925)                                    | Transfer \$30,000 to Arts and Cultural District Reserve, and \$9,925 to City Capital Projects Fund for Pay-As-You Go projects |
| Lynchburg City Schools                               | 3,306,426         | 2,275,908         | (1,030,518)                                 | Transfer to capital for school building and roof maintenance projects   |
| Debt Service - Heritage High School                  | 0                 | 939,562           | 939,562                                     | Establish a reserve for future debt service related to Heritage High School   |
| Debt Service - Central Virginia Regional Radio Board | 0                 | 134,800           | 134,800                                     | Establish a reserve for future Central Virginia Regional Radio Board lease payments   |
| Debt Service - Solid Waste                           | 1,910,014         | 1,541,905         | (368,109)                                   | Amount proposed to fund FY 2012 Solid Waste Debt Payment  |
| Arts and Cultural District                           | 0                 | 30,000            | 30,000                                      | Establish a reserve for Arts and Cultural District  |
| Aid to Commonwealth                                  | 314,108           | 0                 | (314,108)                                   | Transfer to City Capital Projects Fund for Pay-As-You-Go projects   |
| Other Post Employment Benefits (OPEB)                | 790,480           | 1,040,480         | 250,000                                     | Funds set aside for payment of future health benefits for retirees  |



|   | Actual<br>FY 2010    | Adopted<br>FY 2011   | Revised<br>FY 2011   | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012   |
|---|----------------------|----------------------|----------------------|----------------------------------|----------------------|
| <b>REVENUE SUMMARY BY CATEGORY</b>                |                      |                      |                      |                                  |                      |
| <b>NON-DEDICATED REVENUE</b>                      |                      |                      |                      |                                  |                      |
| General Property Taxes                            | \$67,399,204         | \$67,612,906         | \$68,595,347         | \$68,149,861                     | \$68,149,861         |
| Other Local Taxes                                 | 45,120,458           | 44,171,320           | 44,629,115           | 44,629,115                       | 44,629,115           |
| Permits, Privilege Fees, and Licenses             | 644,065              | 614,100              | 415,919              | 454,300                          | 454,300              |
| Fines and Forfeitures                             | 582,384              | 470,000              | 470,000              | 470,000                          | 470,000              |
| Revenue from Use of Money and Property            | 981,407              | 566,812              | 563,901              | 508,966                          | 508,966              |
| Charges for Services                              | 4,055,545            | 3,644,394            | 3,531,944            | 3,539,744                        | 3,539,744            |
| Miscellaneous                                     | 346,085              | 243,900              | 263,900              | 245,300                          | 245,300              |
| Revenue from Lynchburg City Schools               | 347,590              | 31,022               | 31,022               | 30,153                           | 30,153               |
| Revenue from the Commonwealth Non-Categorical Aid | 6,063,673            | 6,024,584            | 6,128,584            | 6,048,584                        | 6,048,584            |
| <b>TOTAL NON-DEDICATED REVENUE</b>                | <b>\$125,540,411</b> | <b>\$123,379,038</b> | <b>\$124,629,732</b> | <b>\$124,076,023</b>             | <b>\$124,076,023</b> |
| <b>DEDICATED REVENUE</b>                          |                      |                      |                      |                                  |                      |
| Charges for Services                              | \$1,295,127          | \$1,447,477          | \$1,474,477          | \$1,889,671                      | \$1,889,671          |
| Recreation Revenue                                | 351,488              | 384,000              | 384,000              | 373,800                          | 373,800              |
| Parking Revenue                                   | 108,690              | 431,750              | 324,960              | 374,600                          | 374,600              |
| Miscellaneous                                     | 2,550,708            | 2,643,471            | 2,643,471            | 1,864,538                        | 1,864,538            |
| Interfund Transfers                               | 464,020              | 0                    | 182,946              | 0                                | 0                    |
| Revenue from the Commonwealth                     |                      |                      |                      |                                  |                      |
| Categorical Aid for State Shared Expenditures     | 2,804,431            | 2,822,546            | 2,822,546            | 2,959,684                        | 2,911,234            |
| Categorical Aid                                   | 17,301,300           | 16,164,152           | 16,270,143           | 15,738,039                       | 15,838,225           |
| Revenue from the Federal Government               |                      |                      |                      |                                  |                      |
| Federal Categorical Aid Pass Thru                 | 6,722,952            | 6,540,711            | 6,540,711            | 6,725,348                        | 6,975,010            |
| <b>TOTAL DEDICATED REVENUE</b>                    | <b>\$31,598,716</b>  | <b>\$30,434,107</b>  | <b>\$30,643,254</b>  | <b>\$29,925,680</b>              | <b>\$30,227,078</b>  |
| <b>TOTAL REVENUES</b>                             | <b>\$157,139,127</b> | <b>\$153,813,145</b> | <b>\$155,272,986</b> | <b>\$154,001,703</b>             | <b>\$154,303,101</b> |



**Current Real Property Tax**

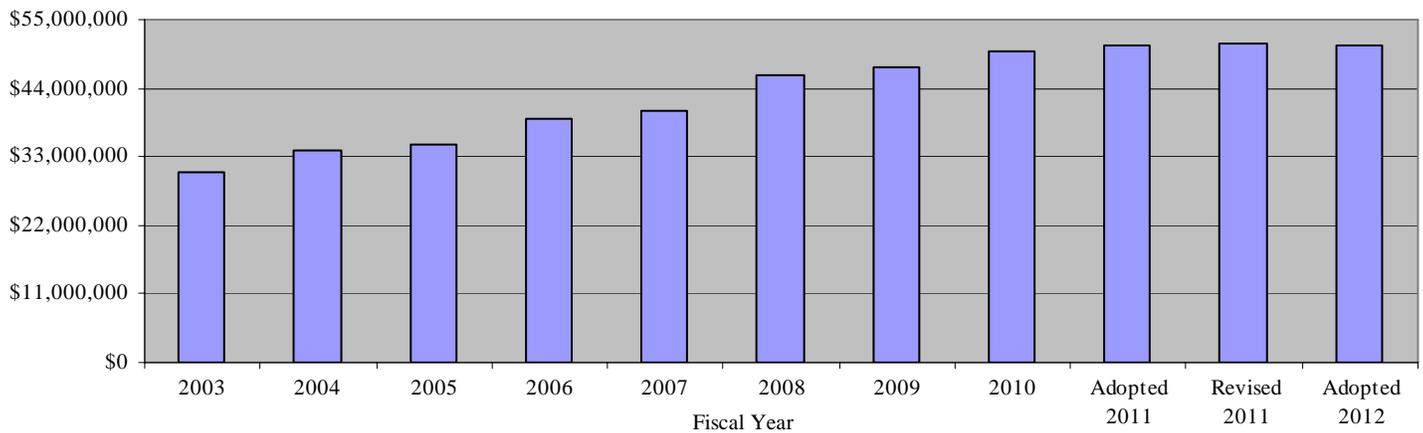
| Fiscal Year         | Tax Rate                               | Amount              | Percent Change |
|---------------------|--|---------------------|----------------|
| 2003                | \$1.11 per \$100 assessed value        | \$30,671,630        | 2.4%           |
| 2004                | \$1.11 per \$100 assessed value        | \$34,128,258        | 11.3%          |
| 2005                | \$1.11 per \$100 assessed value        | \$35,122,787        | 2.9%           |
| 2006                | \$1.11 per \$100 assessed value        | \$39,068,092        | 11.2%          |
| 2007                | \$1.11 per \$100 assessed value        | \$40,281,964        | 3.1%           |
| 2008                | \$1.05 per \$100 assessed value        | \$45,969,063        | 14.1%          |
| 2009                | \$1.05 per \$100 assessed value        | \$47,380,606        | 3.1%           |
| 2010                | \$1.05 per \$100 assessed value        | \$49,900,321        | 5.3%           |
| 2011 Adopted        | \$1.05 per \$100 assessed value        | \$50,961,756        | 2.1%           |
| 2011 Revised        | \$1.05 per \$100 assessed value        | \$51,198,246        | 0.5%           |
| <b>2012 Adopted</b> | <b>\$1.05 per \$100 assessed value</b> | <b>\$50,790,008</b> | <b>(0.8%)</b>  |

**Enabling Legislation and Rate Changes:**

Section 58.1-3200 through 58.1-3389 of the Virginia Code authorizes localities to levy taxes on real property. This tax includes land, buildings, and improvements on such buildings. There is no cap on this tax. Reassessments are completed on a biennial basis and revenues are projected based on information received from the City Assessor.

Real estate taxes are levied as of the first day of July each year. Supplemental real estate taxes are levied throughout the year to reflect construction in progress during the fiscal year. Real estate taxes are payable in four quarterly installments on November 15, January 15, March 15, and May 15. If paid thereafter, a 10% penalty and interest at the rate of 10% per annum is added.

**Current Real Property Tax  
FY 2003 through FY 2012**



**FY 2012 Analysis:**

Property values determined through the biennial reassessment will take effect on July 1, 2011. Average valuations show the first decline for at least thirty years. However, the national decline in the housing market has not impacted the Lynchburg market to the extent seen in other localities. While early projections estimated the decline in Real Property Tax might be as high as two percent (2%), the latest figures from the Assessor’s Office prior to appeals demonstrate the City will realize a decline in this tax of less than one half of a percent (0.34%) from the FY 2011 Adopted figure.



**Current Personal Property Tax – Local Portion**

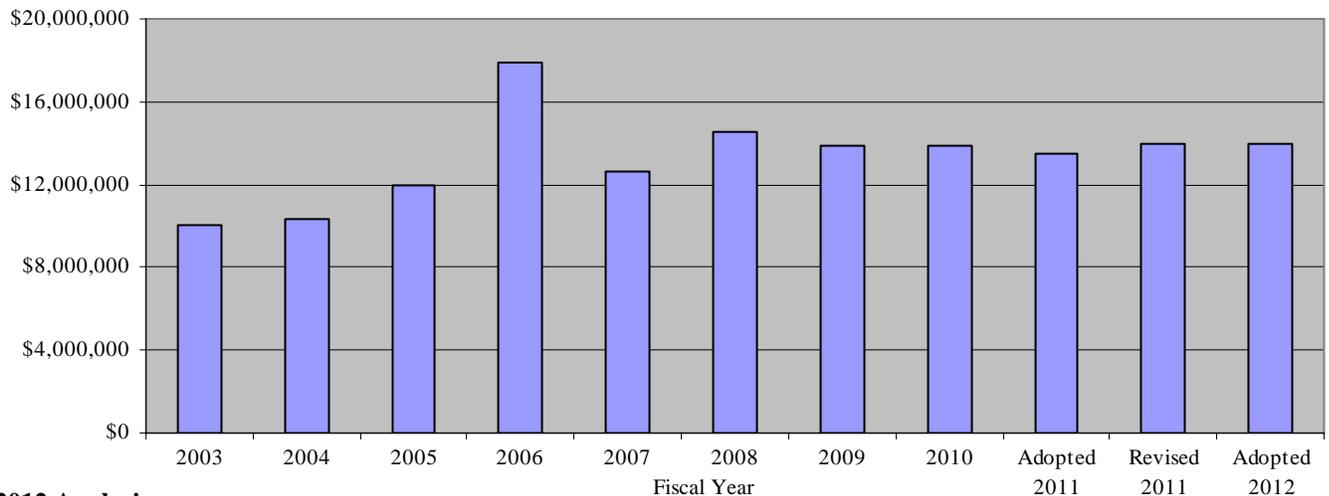
| Fiscal Year         | Tax Rate                               | Amount              | Percent Change |
|---------------------|--|---------------------|----------------|
| 2003                | \$3.30 per \$100 assessed value        | \$10,031,237        | 1.7%           |
| 2004                | \$3.30 per \$100 assessed value        | \$10,305,698        | 2.7%           |
| 2005                | \$3.80 per \$100 assessed value        | \$12,003,204        | 16.5%          |
| 2006                | \$3.80 per \$100 assessed value        | \$17,867,625        | 48.9%          |
| 2007                | \$3.80 per \$100 assessed value        | \$12,676,129        | (29.1%)        |
| 2008                | \$3.80 per \$100 assessed value        | \$14,541,089        | 14.7%          |
| 2009                | \$3.80 per \$100 assessed value        | \$13,895,531        | (4.4%)         |
| 2010                | \$3.80 per \$100 assessed value        | \$13,887,974        | (0.1%)         |
| 2011 Adopted        | \$3.80 per \$100 assessed value        | \$13,500,864        | (2.8%)         |
| 2011 Revised        | \$3.80 per \$100 assessed value        | \$14,000,000        | 3.7%           |
| <b>2012 Adopted</b> | <b>\$3.80 per \$100 assessed value</b> | <b>\$14,000,000</b> | <b>0.0%</b>    |

**Enabling Legislation and Rate Changes:**

Sections 58.1-3500 and 58.1-3531 of the Virginia Code allows cities to levy a tax on tangible personal property of businesses and individuals. There is no cap on the tax rate. The Commonwealth allocates \$5.5 million to the City to be utilized in providing tax relief for automobiles owned by individuals and used for personal use.

For FY 2006 personal property taxes were due November 15, 2005 for calendar year 2005 levy. Due to the implementation of a semi-annual billing process, the first installment of personal property taxes for calendar year 2006 levy was due June 15, 2006 with the second installment due December 5, 2006. Future installments will be due June 5 and December 5. Supplemental billings for personal property acquisitions will be due March 5 and September 5.

**Current Personal Property Tax  
FY 2003 through FY 2012**



**FY 2012 Analysis:**

The Commissioner of Revenue assesses vehicles at 100% of the average trade-in value as listed by the National Automobile Dealers Association (NADA) and information received from the Department of Motor Vehicles (DMV).

Although the country is currently experiencing a rise in gas prices, it is anticipated consumers, having been through a similar episode in 2008, will give prices time to come back down before trading in large vehicles. Therefore, the Revised FY 2011 and Estimated FY 2012 projections are relatively level with the actual collections from FY 2009 and FY 2010.

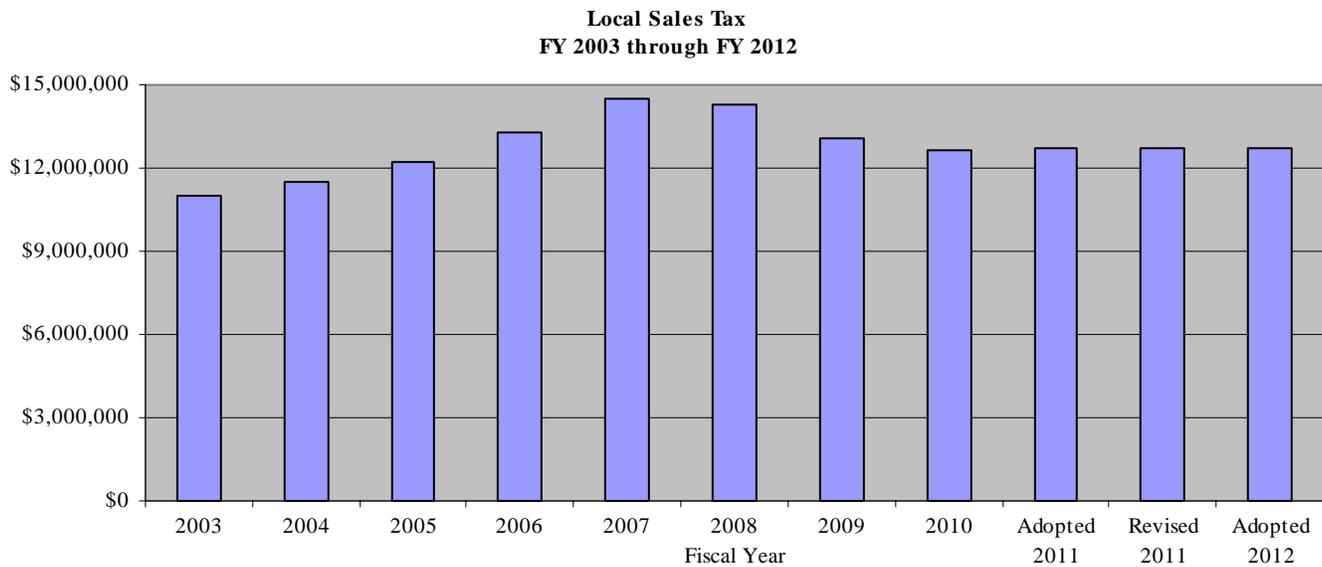


Local Sales Tax

| Fiscal Year         | Tax Rate                | Amount              | Percent Change |
|---------------------|-------------------------|---------------------|----------------|
| 2003                | 1% + 3.5% VA tax        | \$11,027,631        | (7.4%)         |
| 2004                | 1% + 3.5% VA tax        | \$11,519,938        | 4.5%           |
| 2005                | 1% + 4.0% VA tax        | \$12,219,195        | 6.1%           |
| 2006                | 1% + 4.0% VA tax        | \$13,315,093        | 9.0%           |
| 2007                | 1% + 4.0% VA tax        | \$14,475,896        | 8.7%           |
| 2008                | 1% + 4.0% VA tax        | \$14,260,830        | (1.5%)         |
| 2009                | 1% + 4.0% VA tax        | \$13,050,834        | (8.5%)         |
| 2010                | 1% + 4.0% VA tax        | \$12,656,929        | (3.0%)         |
| 2011 Adopted        | 1% + 4.0% VA tax        | \$12,694,401        | 0.3%           |
| 2011 Revised        | 1% + 4.0% VA tax        | \$12,694,401        | 0.0%           |
| <b>2012 Adopted</b> | <b>1% + 4.0% VA tax</b> | <b>\$12,694,401</b> | <b>0.0%</b>    |

**Enabling Legislation and Rate Changes:**

Section 58.1-603 of the Virginia Code authorizes the imposition of a sales tax on the purchase price of retail products. Section 58.1-605 of the Virginia Code allows cities to levy a general retail sales tax of 1% to provide revenue to the General Fund. Section 36-188 of the City Code enables the City to collect the 1% sales tax; the State component of the sales tax was increased from 3.5% to 4% in FY 2005.



**FY 2012 Analysis:**

The Revised FY 2011 projections are flat compared to the FY 2011 Adopted and FY 2012 Estimated Budgets. While economists are advising the recession ended in June 2009, FY 2011 and FY 2012 projections are conservative based on a monthly analysis of sales tax receipts and the uncertainty demonstrated in those collections.



Consumer Utility Tax Electric

| Fiscal Year         | Tax Rate         | Amount             | Percent Change |
|---------------------|------------------|--------------------|----------------|
| 2003                | See below        | \$3,629,146        | 4.5%           |
| 2004                | See below        | \$3,608,470        | (0.6%)         |
| 2005                | See below        | \$3,638,859        | 0.8%           |
| 2006                | See below        | \$3,766,901        | 3.5%           |
| 2007                | See below        | \$3,837,889        | 1.9%           |
| 2008                | See below        | \$3,898,549        | 1.6%           |
| 2009                | See below        | \$3,830,068        | (1.8%)         |
| 2010                | See below        | \$3,785,732        | (1.2%)         |
| 2011 Adopted        | See below        | \$3,757,100        | (0.8%)         |
| 2011 Revised        | See below        | \$3,757,100        | 0.0%           |
| <b>2012 Adopted</b> | <b>See below</b> | <b>\$3,757,100</b> | <b>0.0%</b>    |

Residential (R): The greater of: \$0.0046 for the first 1,000 kwh (or a fraction thereof) plus \$0.0026 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.

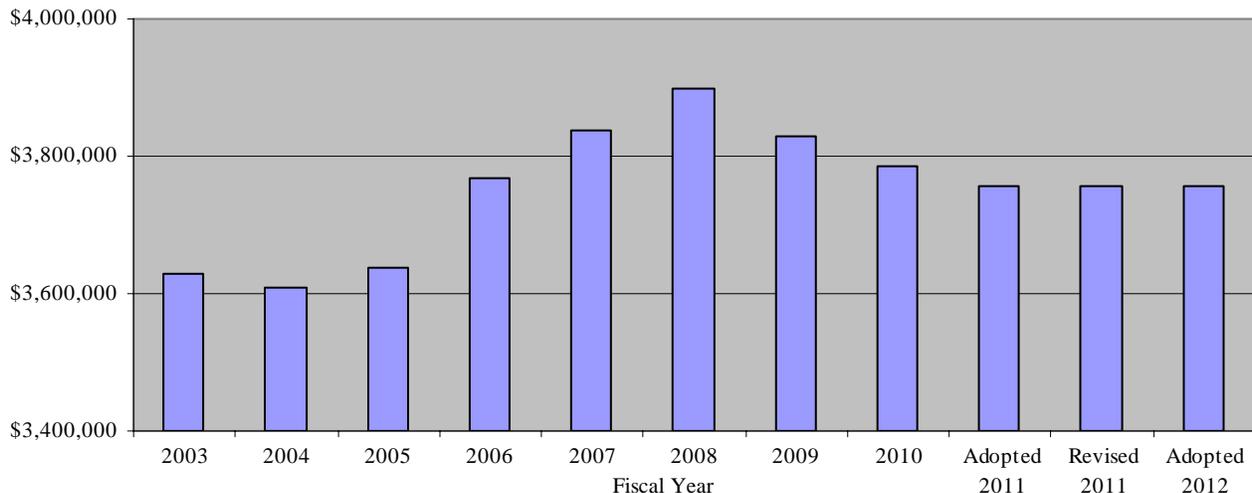
Commercial (C): The greater of: \$0.0048 for the first 1,000 kwh (or a fraction thereof) plus \$0.0092 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.

Industrial (I): The greater of: \$0.00375 for the first 1,000 kwh (or a fraction thereof) plus \$0.0026 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.

**Enabling Legislation and Rate Changes:**

Section 58.1-3814 of the Virginia Code allows localities to impose a local utility tax on the consumers of public utilities. These utilities include electric, gas, and water. The percentage of the tax varies based on residential (R), commercial (C), or industrial (I) classification. In 2001, the General Assembly changed the rate of the electric tax to a consumption tax. This tax is now based on kilowatt hours of electricity used by the consumer.

Consumer Utility Tax Electric  
FY 2003 through FY 2012



**FY 2012 Analysis:**

Revenue projections are based on historical averages and weather patterns. The FY 2012 projection remains flat compared to the FY 2011 Adopted and Revised figures due to a possible reduction in use by consumers to counteract a rate increase by American Electric Power (AEP).



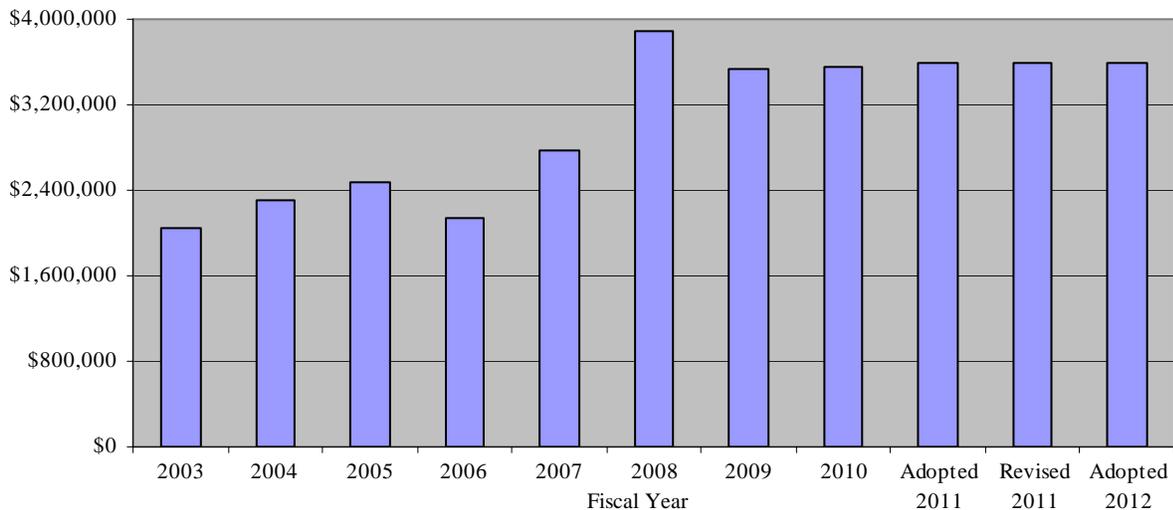
Communications Sales and Use Tax

| Fiscal Year         | Tax Rate         | Amount             | Percent Change |
|---------------------|------------------|--------------------|----------------|
| 2003                | 7%               | \$2,045,234        | 13.7%          |
| 2004                | 7%               | \$2,312,635        | 13.1%          |
| 2005                | 7%               | \$2,473,849        | 7.0%           |
| 2006                | 7%               | \$2,136,777        | (13.6%)        |
| 2007                | See below        | \$2,765,483        | 29.4%          |
| 2008                | See below        | \$3,893,158        | 40.8%          |
| 2009                | See below        | \$3,537,283        | (9.1%)         |
| 2010                | See below        | \$3,552,028        | 0.4%           |
| 2011 Adopted        | See below        | \$3,600,000        | 1.4%           |
| 2011 Revised        | See below        | \$3,600,000        | 0.0%           |
| <b>2012 Adopted</b> | <b>See below</b> | <b>\$3,600,000</b> | <b>0.0%</b>    |

**Enabling Legislation and Rate Changes:**

Section 58.1-662 of the Virginia Code allows the State to collect this tax. The tax is then allocated and distributed monthly according to the percentage of telecommunications and television cable funds (local consumer utility tax on landlines and wireless, E-911, business license tax in excess of 0.5%, cable franchise fee, video programming excise tax and local consumer utility tax on cable television) received by the locality in Fiscal Year 2006 from local tax rates adopted on or before January 1, 2006. This legislation became effective January 1, 2007 and is intended to be revenue neutral for localities.

Communications Sales and Use Tax  
FY 2003 through FY 2012



**FY 2012 Analysis:**

The FY 2012 Estimated projection is flat compared to FY 2011 Adopted and Revised figures due to allocations by the State becoming more consistent and accurate over time. Outside of refunds issued by the State due to correct erroneous filings by businesses, this revenue stream is intended to remain relatively stable.



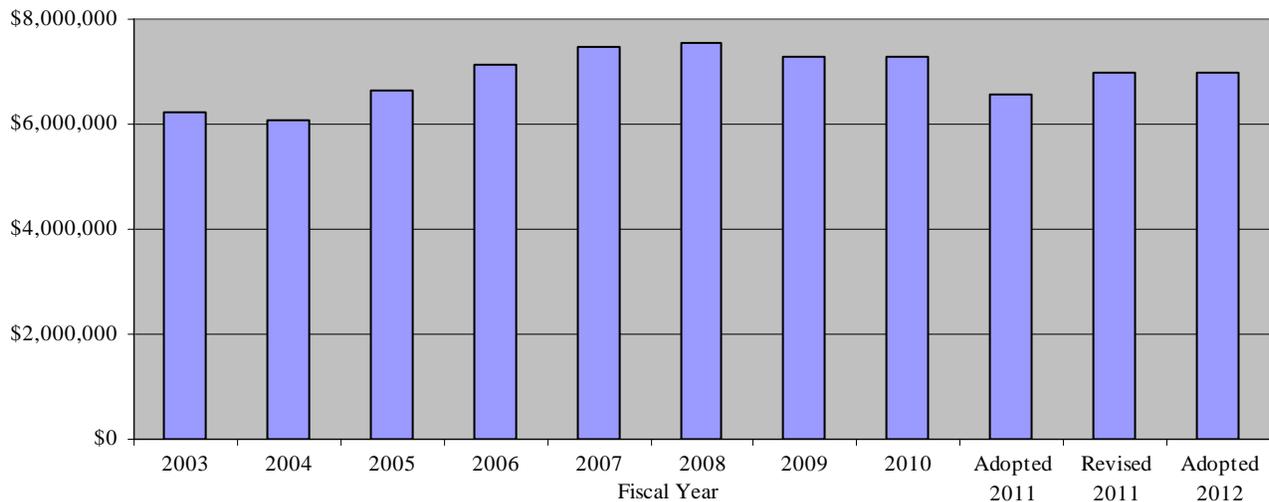
Business Licenses

| Fiscal Year         | Tax Rate         | Amount             | Percent Change |
|---------------------|------------------|--------------------|----------------|
| 2003                | See Below        | \$6,214,713        | 1.6%           |
| 2004                | See Below        | \$6,088,506        | (2.0%)         |
| 2005                | See Below        | \$6,648,555        | 9.2%           |
| 2006                | See Below        | \$7,130,237        | 7.2%           |
| 2007                | See Below        | \$7,474,759        | 4.8%           |
| 2008                | See Below        | \$7,537,805        | 0.8%           |
| 2009                | See Below        | \$7,271,043        | (3.5%)         |
| 2010                | See Below        | \$7,297,765        | 0.4%           |
| 2011 Adopted        | See Below        | \$6,579,818        | (9.8%)         |
| 2011 Revised        | See Below        | \$7,000,000        | 6.4%           |
| <b>2012 Adopted</b> | <b>See Below</b> | <b>\$7,000,000</b> | <b>0.0%</b>    |

**Enabling Legislation and Rate Changes:**

Sections 58.1-3700 through 58.1-3735 of the Virginia Code authorizes localities to impose a local license tax on businesses, professions, and occupations. The tax rate varies depending on the type of business. Lynchburg has a tax rate of \$0.16 on contracting; \$0.20 on retail; \$0.36 on repair, personal, and business services; and \$0.58 on financial real estate per \$100 of gross receipts. A wholesalers' license is \$0.28 per \$100 of gross purchases plus a \$20 fee per license when gross purchases are over \$100,000. These rates are the maximum allowed by State law. Business License taxes are due on May 1.

**Business Licenses  
FY 2003 through FY 2012**



**FY 2012 Analysis:**

Revenue for FY 2011 was adopted anticipating a decline due to the recession. Business License Tax is assessed based on receipts from the previous calendar year; therefore, there is generally a slight delay in realizing a loss in a recession. Actual FY 2010 collections demonstrate the industry as a whole weathered the recession better than projected. As a result, the FY 2011 figure is increased, but the FY 2012 figure remains level FY 2011 reflecting no projected growth.

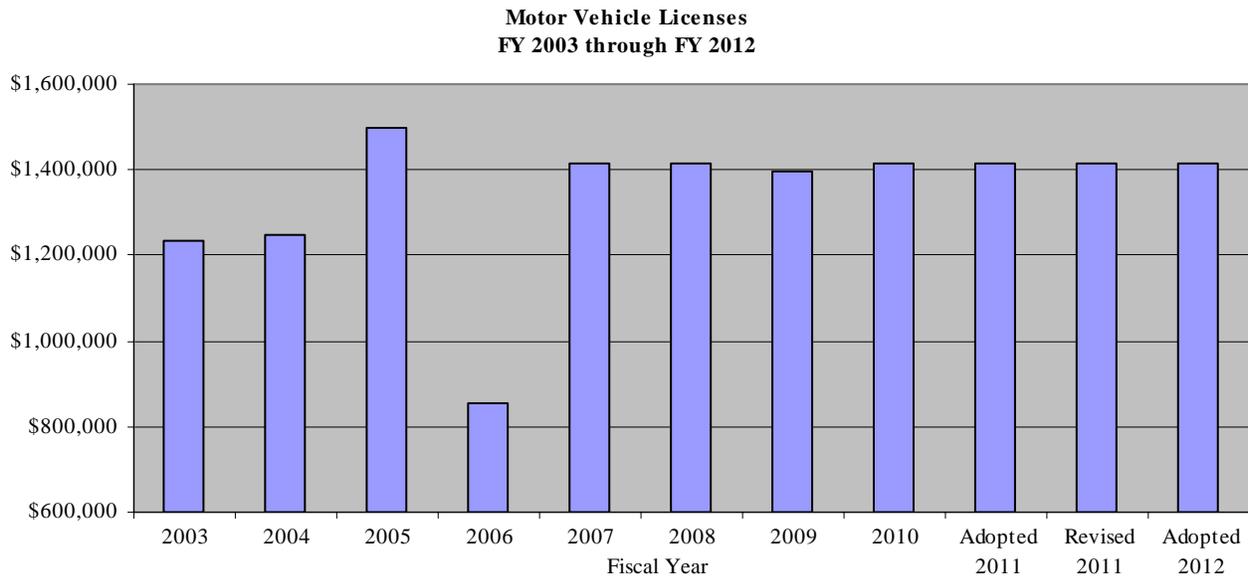


**Motor Vehicle Licenses**

| Fiscal Year         | Tax Rate               | Amount             | Percent Change |
|---------------------|------------------------|--------------------|----------------|
| 2003                | \$25.00                | \$1,233,855        | (1.2%)         |
| 2004                | \$25.00                | \$1,246,702        | 1.0%           |
| 2005                | \$29.50/\$34.50        | \$1,498,014        | 20.2%          |
| 2006                | \$29.50/\$34.50        | \$856,406          | (42.8%)        |
| 2007                | \$29.50/\$34.50        | \$1,413,309        | 65.0%          |
| 2008                | \$29.50/\$34.50        | \$1,413,142        | 0.0%           |
| 2009                | \$29.50/\$34.50        | \$1,395,208        | (1.3%)         |
| 2010                | \$29.50/\$34.50        | \$1,416,389        | 1.5%           |
| 2011 Adopted        | \$29.50/\$34.50        | \$1,413,142        | (0.2%)         |
| 2011 Revised        | \$29.50/\$34.50        | \$1,413,142        | 0.0%           |
| <b>2012 Adopted</b> | <b>\$29.50/\$34.50</b> | <b>\$1,413,142</b> | <b>0.0%</b>    |

**Enabling Legislation and Rate Changes:**

Section 46.2-752 of the Virginia Code authorizes cities to levy a license tax on motor vehicles, trailers, and semi-trailers. In 2004 the City of Lynchburg increased the Motor Vehicle Tax from \$25.00 to \$29.50 for vehicles weighing 4,000 pounds or less, and \$34.50 for vehicles weighing greater than 4,000 pounds. The City cannot charge more than the State fee for a license plate. Revenues for FY 2006 were lower due to prorating license fees when decals were eliminated.



**FY 2012 Analysis:**

Revenue from Motor Vehicle Licenses has remained stable since the elimination of decals in FY 2006; FY 2012 is expected to trend the same.

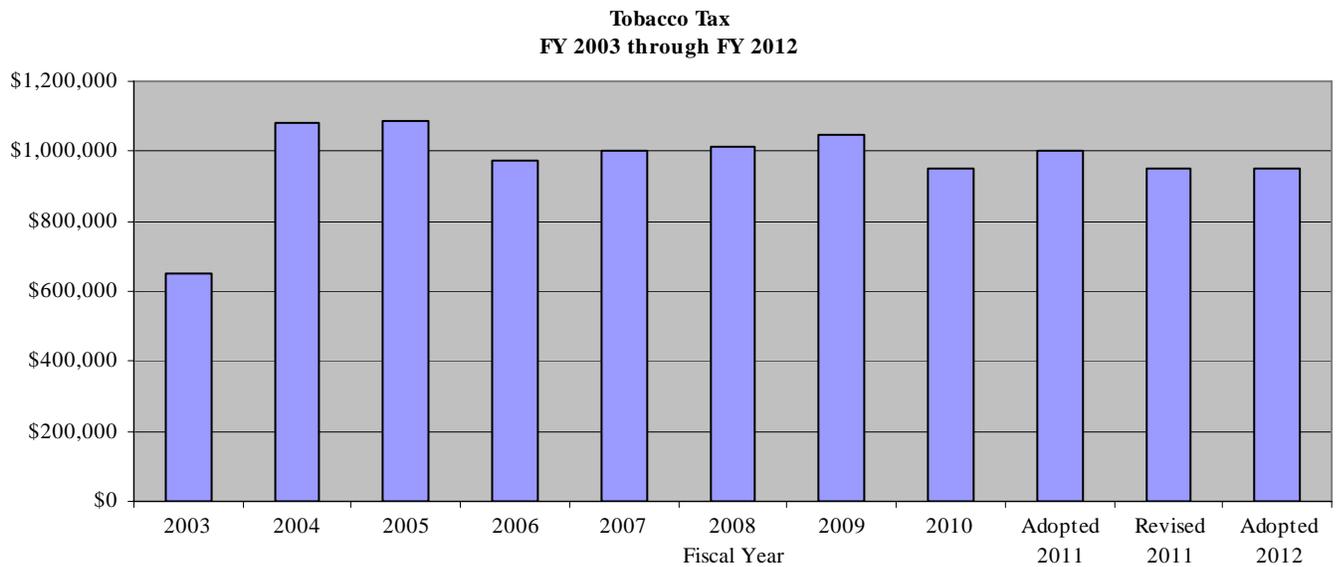


**Tobacco Tax**

| Fiscal Year         | Tax Rate                  | Amount           | Percent Change |
|---------------------|---------------------------|------------------|----------------|
| 2003                | \$0.15 per 20 pack        | \$652,156        | 17.8%          |
| 2004                | \$0.35 per 20 pack        | \$1,083,020      | 66.1%          |
| 2005                | \$0.35 per 20 pack        | \$1,087,358      | 0.4%           |
| 2006                | \$0.35 per 20 pack        | \$972,337        | (10.6%)        |
| 2007                | \$0.35 per 20 pack        | \$1,002,130      | 3.1%           |
| 2008                | \$0.35 per 20 pack        | \$1,014,759      | 1.3%           |
| 2009                | \$0.35 per 20 pack        | \$1,044,465      | 2.9%           |
| 2010                | \$0.35 per 20 pack        | \$953,513        | (8.7%)         |
| 2011 Adopted        | \$0.35 per 20 pack        | \$1,000,000      | 4.9%           |
| 2011 Revised        | \$0.35 per 20 pack        | \$950,000        | (5.0%)         |
| <b>2012 Adopted</b> | <b>\$0.35 per 20 pack</b> | <b>\$950,000</b> | <b>0.0%</b>    |

**Enabling Legislation and Rate Changes:**

Section 58.1-1001 of the Virginia Code allows the State to levy a tax of \$0.30 on a pack of twenty cigarettes. The City of Lynchburg has a tax of \$0.35 on a pack of twenty cigarettes. This rate was changed from the original \$0.15 in FY 2004. Currently, this tax is not capped by the State.



**FY 2012 Analysis:**

Tobacco tax revenue has hovered around \$1 million since FY 2006; based on this trend and the slight reduction seen in the FY 2010 Actual, collections for FY 2012 are projected to be flat with the FY 2011 Revised estimate.

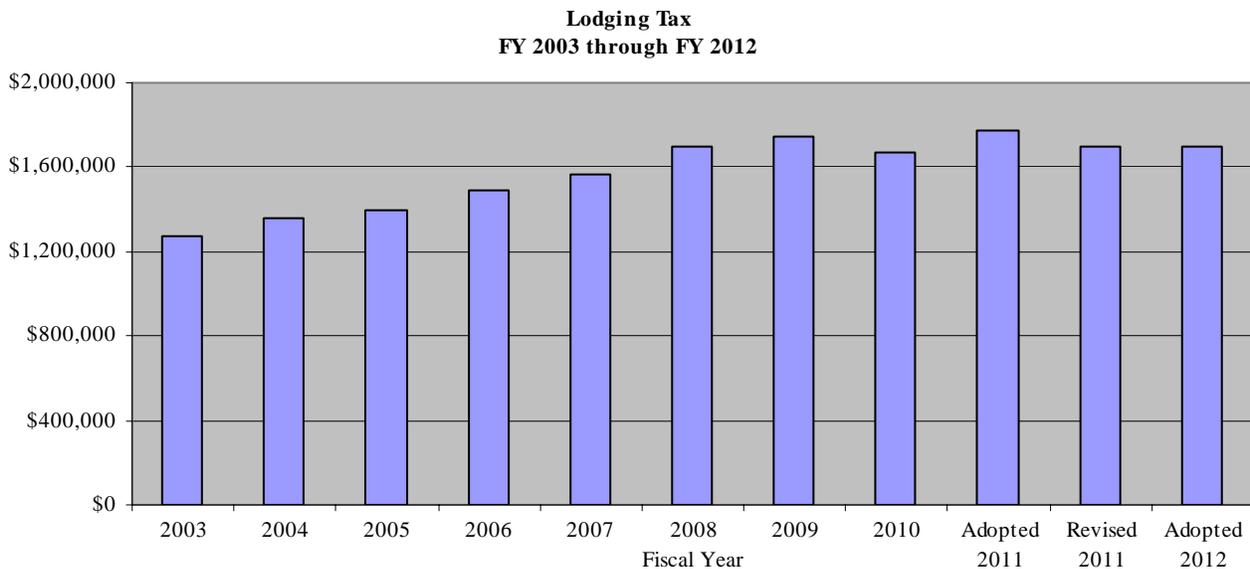


Lodging Tax

| Fiscal Year         | Tax Rate                         | Amount             | Percent Change |
|---------------------|----------------------------------|--------------------|----------------|
| 2003                | 5.5% + \$1 per room/night        | \$1,275,466        | 0.6%           |
| 2004                | 5.5% + \$1 per room/night        | \$1,362,924        | 6.9%           |
| 2005                | 5.5% + \$1 per room/night        | \$1,392,745        | 2.2%           |
| 2006                | 5.5% + \$1 per room/night        | \$1,491,943        | 7.1%           |
| 2007                | 5.5% + \$1 per room/night        | \$1,565,191        | 4.9%           |
| 2008                | 5.5% + \$1 per room/night        | \$1,698,848        | 8.5%           |
| 2009                | 5.5% + \$1 per room/night        | \$1,742,232        | 2.6%           |
| 2010                | 5.5% + \$1 per room/night        | \$1,667,064        | (4.3%)         |
| 2011 Adopted        | 5.5% + \$1 per room/night        | \$1,777,363        | 6.6%           |
| 2011 Revised        | 5.5% + \$1 per room/night        | \$1,700,000        | (4.4%)         |
| <b>2012 Adopted</b> | <b>5.5% + \$1 per room/night</b> | <b>\$1,700,000</b> | <b>0.0%</b>    |

**Enabling Legislation and Rate Changes:**

Section 58.1-3819 of the Virginia Code allows for a lodging tax to be imposed on rooms intended for dwelling or sleeping. The City of Lynchburg has a lodging tax of 5.5%. In FY 2001, Lynchburg changed the lodging tax from 5.5% to 5.5% plus \$1 per room per night. Currently, this tax is not capped by the State.



**FY 2012 Analysis:**

An analysis of monthly collections during the first half of FY 2011 reflects an unexpected decrease in lodging tax revenues compared to the FY 2011 Adopted budget. This decrease is due to a reduction in room rates and a slow recovery from the recession. The FY 2012 revenue projection is flat, employing a conservative approach in forecasting consumption tax collections.



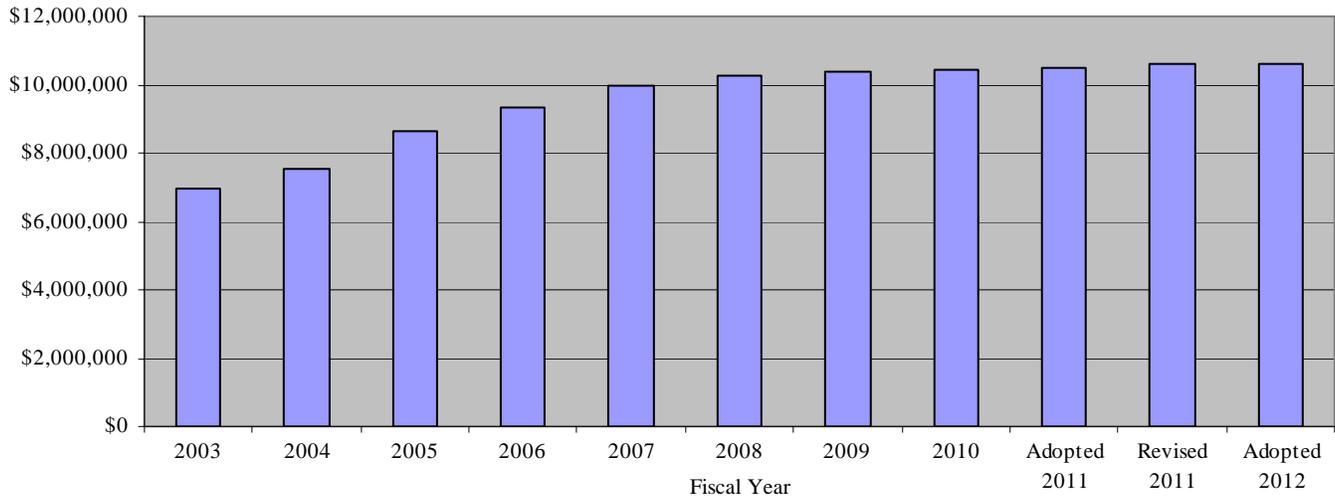
**Meals Tax**

| Fiscal Year         | Tax Rate    | Amount              | Percent Change |
|---------------------|-------------|---------------------|----------------|
| 2003                | 6.0%        | \$6,953,793         | 1.2%           |
| 2004                | 6.0%        | \$7,519,651         | 8.1%           |
| 2005                | 6.5%        | \$8,618,611         | 14.6%          |
| 2006                | 6.5%        | \$9,358,567         | 8.6%           |
| 2007                | 6.5%        | \$9,947,175         | 6.3%           |
| 2008                | 6.5%        | \$10,264,150        | 3.2%           |
| 2009                | 6.5%        | \$10,399,949        | 1.3%           |
| 2010                | 6.5%        | \$10,422,049        | 0.2%           |
| 2011 Adopted        | 6.5%        | \$10,470,000        | 0.5%           |
| 2011 Revised        | 6.5%        | \$10,580,000        | 1.1%           |
| <b>2012 Adopted</b> | <b>6.5%</b> | <b>\$10,580,000</b> | <b>0.0%</b>    |

**Enabling Legislation and Rate Changes:**

Section 58.1-3833 of the Virginia Code allows for a city or county with general taxing powers to levy a meals tax. In 2005, Lynchburg raised the meals tax by one-half percent. There is no State cap.

**Meals Tax  
FY 2003 through FY 2012**



**FY 2012 Analysis:**

Revised revenue projections for FY 2011, when compared to FY 2010 Actual, are expected to increase slightly based on the growth of Liberty University and the increased cost of prepared meals. Meals tax revenue in FY 2012 is projected to remain flat due to a very slow recovery from the recession.



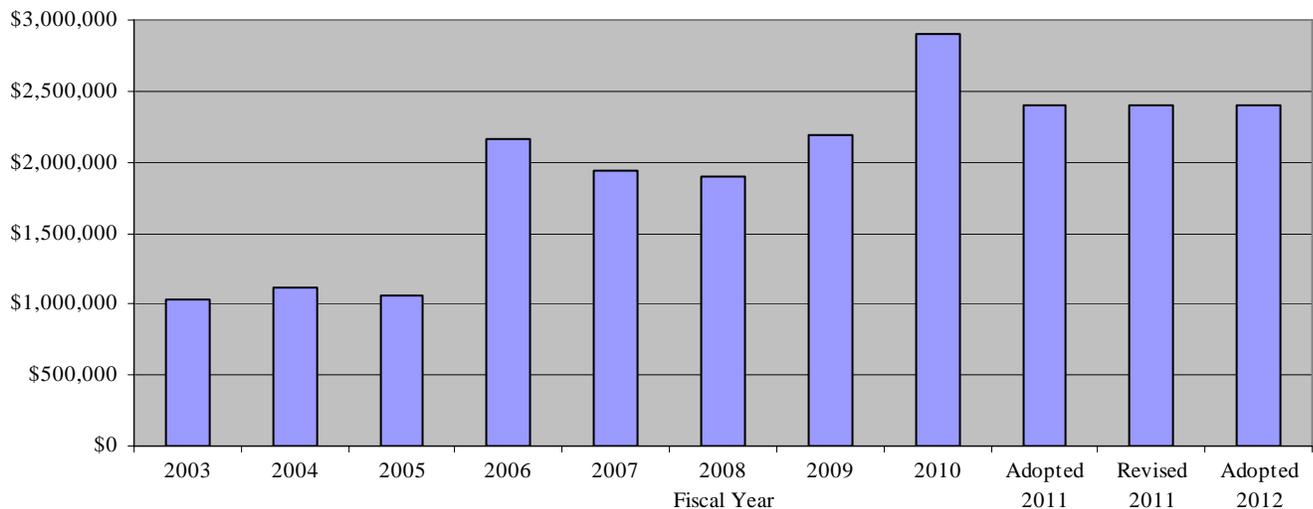
Ambulance Service Fees

| Fiscal Year         | Fee Schedule     | Amount             | Percent Change |
|---------------------|------------------|--------------------|----------------|
| 2003                | See Below        | \$1,038,639        | (5.3%)         |
| 2004                | See Below        | \$1,112,069        | 7.1%           |
| 2005                | See Below        | \$1,061,923        | (4.5%)         |
| 2006                | See Below        | \$2,155,876        | 103.0%         |
| 2007                | See Below        | \$1,938,536        | (10.1%)        |
| 2008                | See Below        | \$1,900,243        | (2.0%)         |
| 2009                | See Below        | \$2,197,504        | 15.6%          |
| 2010                | See Below        | \$2,898,419        | 31.9%          |
| 2011 Adopted        | See Below        | \$2,400,000        | (17.2%)        |
| 2011 Revised        | See Below        | \$2,400,000        | 0.0%           |
| <b>2012 Adopted</b> | <b>See Below</b> | <b>\$2,400,000</b> | <b>0.0%</b>    |

**Enabling Legislation and Rate Changes:**

Section 32.1-11.14 of the Virginia Code enables localities to charge for ambulance services. The City of Lynchburg has five different rates for these services. The first two are grouped under the classification of Basic Life Service. If, under this service, the incident is classified as an emergency, the fee is \$350. In addition to this base charge, there shall be a charge of \$8 for each mile the patient is transported. If it is classified as a non-emergency, then it will cost \$325. The other three rates are grouped under the classification of Advanced Life Support. If, under this service, the incident is classified as an emergency, the fee is \$450; if it is a non-emergency the fee is \$425. A fee of \$575 is charged if three or more different medications combined with at least one Advanced Life Support procedure are administered.

**Ambulance Service Fees  
FY 2003 through FY 2012**



**FY 2012 Analysis:**

Actual FY 2010 Revenues reflect significant one-time collections through a new vendor contract. The FY 2012 Estimated revenue is projected to be consistent with FY 2011 Adopted and Revised estimates.



| Revenue Detail                                       | Actual<br>FY 2010   | Adopted<br>FY 2011  | Revised<br>FY 2011  | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|--|---------------------|---------------------|---------------------|----------------------------------|---------------------|
| <b>NON-DEDICATED REVENUE</b>                         |                     |                     |                     |                                  |                     |
| <b>General Property Taxes</b>                        |                     |                     |                     |                                  |                     |
| Current Real Property                                | \$49,900,321        | \$52,001,792        | \$52,243,108        | \$51,826,539                     | \$51,826,539        |
| Real Property Tax Relief Program                     | (1,191,643)         | (715,147)           | (715,147)           | (715,147)                        | (715,147)           |
| Real Property Housing Rehab Program                  |                     | (480,000)           | (475,512)           | (480,000)                        | (480,000)           |
| Allowance for Uncollectible Real Property (2.0%)     |                     | (1,040,036)         | (1,044,862)         | (1,036,531)                      | (1,036,531)         |
| Delinquent Real Property Taxes                       | 1,062,882           | 700,000             | 1,000,000           | 1,000,000                        | 1,000,000           |
| Current Public Service Corporation (PSC)             | 2,156,835           | 2,000,000           | 2,232,760           | 2,200,000                        | 2,200,000           |
| Penalty PSC Taxes                                    | 2,151               | 0                   | 0                   | 0                                | 0                   |
| Current Personal Property - Local portion            | 13,887,974          | 13,918,416          | 14,432,990          | 14,432,990                       | 14,432,990          |
| Delinquent Personal Property Tax                     | 843,298             | 993,433             | 700,000             | 700,000                          | 700,000             |
| Allowance for Uncollectible Personal Property (3.0%) |                     | (417,552)           | (432,990)           | (432,990)                        | (432,990)           |
| Penalty on Delinquent Tax                            | 491,652             | 450,000             | 450,000             | 450,000                          | 450,000             |
| Interest on Delinquent Taxes                         | 232,617             | 200,000             | 200,000             | 200,000                          | 200,000             |
| Miscellaneous General Property Taxes                 | 13,117              | 2,000               | 5,000               | 5,000                            | 5,000               |
| <b>Total General Property Taxes</b>                  | <b>\$67,399,204</b> | <b>\$67,612,906</b> | <b>\$68,595,347</b> | <b>\$68,149,861</b>              | <b>\$68,149,861</b> |
| <b>Other Local Taxes</b>                             |                     |                     |                     |                                  |                     |
| Local Sales Tax                                      | \$12,656,929        | \$12,694,401        | \$12,694,401        | \$12,694,401                     | \$12,694,401        |
| Consumer Utility Tax - Electric                      | 3,785,732           | 3,757,100           | 3,757,100           | 3,757,100                        | 3,757,100           |
| Consumer Utility Tax - Gas                           | 622,644             | 607,482             | 607,482             | 607,482                          | 607,482             |
| Communications Sales and Use Tax                     | 3,552,028           | 3,600,000           | 3,600,000           | 3,600,000                        | 3,600,000           |
| Right of Way Fees                                    | 291,826             | 243,000             | 243,000             | 243,000                          | 243,000             |
| Business License Tax                                 | 7,297,765           | 6,769,360           | 7,201,646           | 7,201,646                        | 7,201,646           |
| Allowance for Uncollectible Business License (2.8%)  |                     | (189,542)           | (201,646)           | (201,646)                        | (201,646)           |
| Electric Consumption Tax <sup>1</sup>                | 315,459             | 324,580             | 324,580             | 324,580                          | 324,580             |
| Gas Consumption Tax <sup>1</sup>                     | 34,946              | 30,410              | 30,410              | 30,410                           | 30,410              |
| Penalty on Business License Tax                      | 80,154              | 40,000              | 60,000              | 60,000                           | 60,000              |
| Motor Vehicle Licenses                               | 1,416,389           | 1,413,142           | 1,413,142           | 1,413,142                        | 1,413,142           |
| Delinquent Motor Vehicle Licenses                    | 184,734             | 150,000             | 150,000             | 150,000                          | 150,000             |
| Bank Stock Tax                                       | 685,879             | 500,000             | 500,000             | 500,000                          | 500,000             |
| Recordation Tax - City                               | 511,662             | 400,000             | 400,000             | 400,000                          | 400,000             |
| Probate Tax  | 13,755              | 15,000              | 15,000              | 15,000                           | 15,000              |
| Tobacco Tax  | 953,513             | 1,000,000           | 950,000             | 950,000                          | 950,000             |
| Amusement Tax  | 576,139             | 514,524             | 550,000             | 550,000                          | 550,000             |
| Penalty/Interest - Amusement Tax                     | 3,502               | 1,500               | 1,500               | 1,500                            | 1,500               |
| Lodging Tax  | 1,667,064           | 1,777,363           | 1,700,000           | 1,700,000                        | 1,700,000           |
| Penalty/Interest - Lodging Tax                       | 1,387               | 3,000               | 2,000               | 2,000                            | 2,000               |
| Meals Tax  | 10,422,049          | 10,470,000          | 10,580,000          | 10,580,000                       | 10,580,000          |
| Penalty/Interest - Meals Tax                         | 42,375              | 50,000              | 50,000              | 50,000                           | 50,000              |
| Franchise License Tax MCI                            | 4,027               | 0                   | 0                   | 0                                | 0                   |
| Franchise License Tax Sprint                         | 500                 | 0                   | 500                 | 500                              | 500                 |
| <b>Total Other Local Taxes</b>                       | <b>\$45,120,458</b> | <b>\$44,171,320</b> | <b>\$44,629,115</b> | <b>\$44,629,115</b>              | <b>\$44,629,115</b> |

<sup>1</sup> Formerly referred to as a business license tax.



| Revenue Detail                                       | Actual<br>FY 2010 | Adopted<br>FY 2011 | Revised<br>FY 2011 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|--------------------|----------------------------------|--------------------|
| <b>NON-DEDICATED REVENUE (continued)</b>             |                   |                    |                    |                                  |                    |
| <b><u>Permits, Privilege Fees, and Licenses</u></b>  |                   |                    |                    |                                  |                    |
| Animal Licenses                                      | \$9,758           | \$20,000           | \$20,000           | \$20,000                         | \$20,000           |
| Land Disturbing Fees                                 | 17,284            | 18,000             | 10,000             | 10,000                           | 10,000             |
| Transfer Fees  | 1,806             | 1,600              | 1,600              | 1,600                            | 1,600              |
| Site Plans - Planning                                | 9,848             | 17,000             | 5,000              | 5,000                            | 5,000              |
| Building Plan Review                                 | 26,777            | 26,000             | 11,000             | 16,100                           | 16,100             |
| Conditional Use Permits                              | 7,238             | 6,000              | 3,000              | 3,000                            | 3,000              |
| Re-Zoning Fees - Planning                            | 5,591             | 7,200              | 6,500              | 6,500                            | 6,500              |
| Subdivision Plats                                    | 7,515             | 8,000              | 6,500              | 6,500                            | 6,500              |
| Inspection Permit Fee - Building                     | 357,322           | 300,000            | 185,000            | 214,500                          | 214,500            |
| Inspection Permit Fee - Signs                        | 7,275             | 7,500              | 7,500              | 7,500                            | 7,500              |
| Demolition Fees                                      | 12,657            | 13,000             | 6,000              | 11,200                           | 11,200             |
| False Alarm Assessment and Permit Fees               | 121,310           | 100,000            | 100,000            | 90,000                           | 90,000             |
| Rental Initial Inspection Fee                        | 1,500             | 3,000              | 3,000              | 3,000                            | 3,000              |
| Rental Inspection Fee - Annual/Periodic              | 10,500            | 42,000             | 8,700              | 15,700                           | 15,700             |
| Concealed Weapons Permits                            | 11,796            | 13,000             | 13,000             | 12,000                           | 12,000             |
| Taxicab Application Fees                             | 3,165             | 3,500              | 3,500              | 3,500                            | 3,500              |
| Elevator Administration Fee                          | 22,487            | 22,500             | 20,200             | 20,200                           | 20,200             |
| Miscellaneous Permits, Privilege Fees, and Licenses  | 10,236            | 5,800              | 5,419              | 8,000                            | 8,000              |
| <b>Total Permits, Privilege Fees, and Licenses</b>   | <b>\$644,065</b>  | <b>\$614,100</b>   | <b>\$415,919</b>   | <b>\$454,300</b>                 | <b>\$454,300</b>   |
| <b><u>Fines and Forfeitures</u></b>                  |                   |                    |                    |                                  |                    |
| Court Fines and Forfeitures                          | \$557,954         | \$450,000          | \$450,000          | \$450,000                        | \$450,000          |
| Criminal Court Fees                                  | 24,430            | 20,000             | 20,000             | 20,000                           | 20,000             |
| <b>Total Fines and Forfeitures</b>                   | <b>\$582,384</b>  | <b>\$470,000</b>   | <b>\$470,000</b>   | <b>\$470,000</b>                 | <b>\$470,000</b>   |
| <b><u>Revenue from Use of Money and Property</u></b> |                   |                    |                    |                                  |                    |
| Interest on Investments                              | \$332,953         | \$221,000          | \$210,000          | \$200,000                        | \$200,000          |
| Interest - City Capital                              | 187,791           | 37,400             | 37,400             | 12,000                           | 12,000             |
| Interest - School Capital                            | 2,854             | 0                  | 1,000              | 0                                | 0                  |
| Interest - Health Insurance                          | 10,174            | 10,128             | 5,000              | 5,040                            | 5,040              |
| Interest - Other Post Employment Benefits (OPEB)     | 19,313            | 19,320             | 19,320             | 19,080                           | 19,080             |
| Interest - Market Value Gain/Loss                    | (1,151)           | 0                  | 0                  | 0                                | 0                  |
| Interest - State Non-Arbitrage Program (SNAP) Income | 20,939            | 0                  | 6,517              | 0                                | 0                  |
| Interest on Skybox Loan                              | 2,111             | 1,500              | 1,200              | 382                              | 382                |
| General Government Property Rent                     | 186,144           | 22,000             | 22,000             | 22,000                           | 22,000             |
| Public Safety Property Rent                          | 30,464            | 30,464             | 30,464             | 30,464                           | 30,464             |
| Public Works Property Rent                           | 172               | 6,500              | 12,500             | 6,500                            | 6,500              |
| Health Department Property Rent                      | 100,000           | 100,000            | 100,000            | 100,000                          | 100,000            |
| Waste Management Facility Rent                       | 0                 | 12,000             | 12,000             | 12,000                           | 12,000             |
| Cultural and Recreation Property Rent                | 7,535             | 15,000             | 15,000             | 15,000                           | 15,000             |
| Property Rental Stadium                              | 0                 | 1,500              | 1,500              | 1,500                            | 1,500              |
| Property Rental Market                               | 81,906            | 90,000             | 90,000             | 85,000                           | 85,000             |
| Property Rental Market - Penalty and Interest        | 202               | 0                  | 0                  | 0                                | 0                  |
| <b>Total Revenue from Use of Money and Property</b>  | <b>\$981,407</b>  | <b>\$566,812</b>   | <b>\$563,901</b>   | <b>\$508,966</b>                 | <b>\$508,966</b>   |



| Revenue Detail  | Actual<br>FY 2010    | Adopted<br>FY 2011   | Revised<br>FY 2011   | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012   |
|---|----------------------|----------------------|----------------------|----------------------------------|----------------------|
| <b>NON-DEDICATED REVENUE (continued)</b>                                  |                      |                      |                      |                                  |                      |
| <b><u>Charges for Services</u></b>  |                      |                      |                      |                                  |                      |
| Collection and Tax Lien Fees  | \$13,005             | \$25,000             | \$15,000             | \$15,000                         | \$15,000             |
| DMV Administration Fee  | 96,263               | 80,000               | 80,000               | 80,000                           | 80,000               |
| DMV Select Agency   | 15,504               | 10,000               | 12,000               | 12,000                           | 12,000               |
| Payroll Deduction Fees  | 8,440                | 9,500                | 9,500                | 9,500                            | 9,500                |
| Fees for Court Officers   | 7,244                | 7,244                | 7,244                | 7,244                            | 7,244                |
| Commonwealth Attorney Fees  | 3,099                | 3,700                | 3,700                | 3,700                            | 3,700                |
| Fire Prevention Fees  | 1,350                | 2,350                | 1,500                | 1,300                            | 1,300                |
| Ambulance Service Fees  | 2,898,419            | 2,400,000            | 2,400,000            | 2,400,000                        | 2,400,000            |
| Delinquent Ambulance Bills > 120 days                                     | 102,288              | 200,000              | 100,000              | 100,000                          | 100,000              |
| Sale of GIS Products  | 3,772                | 6,800                | 3,000                | 2,500                            | 2,500                |
| GIS Map Data  | 319                  | 0                    | 0                    | 500                              | 500                  |
| Charges for Demolition  | 0                    | 5,000                | 8,000                | 8,000                            | 8,000                |
| Wards Crossing West   | 104,792              | 104,800              | 102,000              | 102,000                          | 102,000              |
| Residential Disposal - Decals   | 513,076              | 500,000              | 500,000              | 510,000                          | 510,000              |
| Residential Disposal - Tags - City  | 7,291                | 10,000               | 10,000               | 8,000                            | 8,000                |
| Residential Disposal - Tags - Vendor                                      | 273,600              | 275,000              | 275,000              | 275,000                          | 275,000              |
| Mixed Paper Recycling   | 5,066                | 0                    | 0                    | 0                                | 0                    |
| Miscellaneous Charges for Services  | 2,017                | 5,000                | 5,000                | 5,000                            | 5,000                |
| <b>Total Charges for Services</b>   | <b>\$4,055,545</b>   | <b>\$3,644,394</b>   | <b>\$3,531,944</b>   | <b>\$3,539,744</b>               | <b>\$3,539,744</b>   |
| <b><u>Revenue from the Commonwealth for State Non-Categorical Aid</u></b> |                      |                      |                      |                                  |                      |
| Rolling Stock Taxes   | \$787                | \$80,000             | \$160,000            | \$80,000                         | \$80,000             |
| Deeds of Conveyance   | 126,682              | 120,000              | 120,000              | 120,000                          | 120,000              |
| Recordation Taxes   | 216,501              | 116,000              | 140,000              | 140,000                          | 140,000              |
| Auto Rental Tax - DMV   | 166,856              | 160,000              | 160,000              | 160,000                          | 160,000              |
| Personal Property Tax Relief  | 5,543,584            | 5,543,584            | 5,543,584            | 5,543,584                        | 5,543,584            |
| Mobile Home Titling Taxes   | 9,263                | 5,000                | 5,000                | 5,000                            | 5,000                |
| <b>Total State Non-Categorical Aid</b>                                    | <b>\$6,063,673</b>   | <b>\$6,024,584</b>   | <b>\$6,128,584</b>   | <b>\$6,048,584</b>               | <b>\$6,048,584</b>   |
| <b><u>Revenue from Lynchburg City Schools</u></b>                         |                      |                      |                      |                                  |                      |
| Governor's School Debt  | \$31,890             | \$31,022             | \$31,022             | \$30,153                         | \$30,153             |
| Lottery Proceeds for School Debt  | 315,700              | 0                    | 0                    | 0                                | 0                    |
| <b>Total from Lynchburg City Schools</b>                                  | <b>\$347,590</b>     | <b>\$31,022</b>      | <b>\$31,022</b>      | <b>\$30,153</b>                  | <b>\$30,153</b>      |
| <b><u>Miscellaneous Non-Dedicated</u></b>                                 |                      |                      |                      |                                  |                      |
| Payment in Lieu of Tax - Westminster                                      | \$49,969             | \$50,000             | \$50,000             | \$50,000                         | \$50,000             |
| Drop-Off Recycling  | 43,499               | 25,000               | 25,000               | 40,000                           | 40,000               |
| Payment in Lieu of Tax - LRHA   | 36,225               | 30,000               | 30,000               | 30,000                           | 30,000               |
| Regional Services Authority Start-up                                      | 0                    | 0                    | 0                    | 0                                | 0                    |
| Sale of Real Property   | 75,000               | 0                    | 50,000               | 15,000                           | 15,000               |
| Sale-Salvage of Property  | 2,805                | 3,000                | 3,000                | 3,000                            | 3,000                |
| Cash/Over Short   | 471                  | 0                    | 0                    | 0                                | 0                    |
| Suspended Revenue - Collections   | (153)                | 0                    | 0                    | 0                                | 0                    |
| Miscellaneous Revenue   | 121,564              | 95,700               | 65,700               | 65,700                           | 65,700               |
| Point of Honor Gift Shop Net Proceeds                                     |                      | 600                  | 600                  | 2,000                            | 2,000                |
| PandR Special Events Sponsorship  | 6,837                | 4,000                | 4,000                | 4,000                            | 4,000                |
| Adopt-a-Bed   | 7,061                | 0                    | 0                    | 0                                | 0                    |
| Trash Carts Sales   | 2,807                | 2,000                | 2,000                | 2,000                            | 2,000                |
| Credit Card Rebate  | 0                    | 30,000               | 30,000               | 30,000                           | 30,000               |
| Employee Committee - Vending Machine Proceeds                             |                      | 3,600                | 3,600                | 3,600                            | 3,600                |
| Miscellaneous Revenue   | 141,392              | 138,900              | 108,900              | 110,300                          | 110,300              |
| <b>Total Miscellaneous Non-Dedicated</b>                                  | <b>\$346,085</b>     | <b>\$243,900</b>     | <b>\$263,900</b>     | <b>\$245,300</b>                 | <b>\$245,300</b>     |
| <b>TOTAL NON-DEDICATED REVENUES</b>                                       | <b>\$125,540,411</b> | <b>\$123,379,038</b> | <b>\$124,629,732</b> | <b>\$124,076,023</b>             | <b>\$124,076,023</b> |



| <i>Revenue Detail</i>                   | <b>Actual<br/>FY 2010</b> | <b>Adopted<br/>FY 2011</b> | <b>Revised<br/>FY 2011</b> | <b>Manager's<br/>Proposed<br/>FY 2012</b> | <b>Adopted<br/>FY 2012</b> |
|---|---------------------------|----------------------------|----------------------------|---|----------------------------|
| <b>DEDICATED REVENUE</b>                |                           |                            |                            |   |                            |
| <b><u>Charges for Services</u></b>      |                           |                            |                            |   |                            |
| Network Services - Schools Share        | \$97,725                  | \$95,240                   | \$95,240                   | \$90,225                                  | \$90,225                   |
| Excess Fees for Clerk of Court          | 65,708                    | 40,000                     | 40,000                     | 40,000                                    | 40,000                     |
| Document Reproduction Costs             | 15,671                    | 15,000                     | 15,000                     | 15,000                                    | 15,000                     |
| Legal Service Charges - Schools         | 20,000                    | 20,000                     | 20,000                     | 20,000                                    | 20,000                     |
| Probation Supervision Fee               | 20,940                    | 15,000                     | 15,000                     | 15,000                                    | 15,000                     |
| Police - Schools DARE/SRO Program       | 83,563                    | 125,000                    | 125,000                    | 120,000                                   | 120,000                    |
| Police Report Sales                     | 9,349                     | 11,000                     | 11,000                     | 10,000                                    | 10,000                     |
| Range Use Fee                           | 0                         | 0                          | 24,000                     | 12,500                                    | 12,500                     |
| Sheriff's Fee Courtroom Services        | 111,884                   | 110,000                    | 101,000                    | 110,000                                   | 110,000                    |
| Engineering Service Charges - Utilities | 0                         | 0                          | 0                          | 300,000                                   | 300,000                    |
| Building Maintenance - Other            | 5,071                     | 5,000                      | 10,000                     | 5,000                                     | 5,000                      |
| Juvenile Service Providers              | 501,804                   | 722,817                    | 722,817                    | 872,026                                   | 872,026                    |
| CSA Provider - Human Services Finance   | 19,291                    | 0                          | 0                          | 0   | 0                          |
| Library Fines and Fees                  | 76,515                    | 90,000                     | 90,000                     | 80,000                                    | 80,000                     |
| Lost/Damaged Library Property           | 4,485                     | 13,000                     | 13,000                     | 6,000                                     | 6,000                      |
| Law Library Fees                        | 58,623                    | 60,000                     | 60,000                     | 60,000                                    | 60,000                     |
| Delinquent Library Charges              | 19,795                    | 8,000                      | 8,000                      | 8,000                                     | 8,000                      |
| Point of Honor Admission                | 10,365                    | 5,500                      | 5,500                      | 7,500                                     | 7,500                      |
| Lynchburg Museum Admission              | 16,015                    | 15,000                     | 15,000                     | 14,500                                    | 14,500                     |
| PIER Outside Contract Agreements        | 26,333                    | 25,500                     | 32,500                     | 32,500                                    | 32,500                     |
| PIER Internal Contract Agreements       | 100,000                   | 50,000                     | 50,000                     | 50,000                                    | 50,000                     |
| Weed Ordinance Program                  | 31,990                    | 21,420                     | 21,420                     | 21,420                                    | 21,420                     |
| <b>Total Charges for Services</b>       | <b>\$1,295,127</b>        | <b>\$1,447,477</b>         | <b>\$1,474,477</b>         | <b>\$1,889,671</b>                        | <b>\$1,889,671</b>         |
| <b><u>Recreation Revenue</u></b>        |                           |                            |                            |   |                            |
| Swimming Pool Fees                      | \$25,238                  | \$27,000                   | \$27,000                   | \$27,000                                  | \$27,000                   |
| City-Wide Centers                       | 30,135                    | 64,260                     | 64,260                     | 64,260                                    | 64,260                     |
| Neighborhood Centers                    | 10,000                    | 35,490                     | 35,490                     | 35,490                                    | 35,490                     |
| Aquatics                                | 17,155                    | 16,800                     | 16,800                     | 16,800                                    | 16,800                     |
| Recreation General Administration       | 1,560                     | 5,250                      | 5,250                      | 5,250                                     | 5,250                      |
| Arts                                    | 6,381                     | 0                          | 0                          | 0   | 0                          |
| Athletics                               | 84,777                    | 94,500                     | 94,500                     | 87,000                                    | 87,000                     |
| Park Services                           | 42,140                    | 34,650                     | 34,650                     | 38,000                                    | 38,000                     |
| Youth and Neighborhood Services         | 11,865                    | 0                          | 0                          | 0   | 0                          |
| Senior                                  | 23,864                    | 0                          | 0                          | 0   | 0                          |
| Business Services                       | 15,773                    | 15,750                     | 15,750                     | 15,750                                    | 15,750                     |
| Naturalist Program                      | 18,810                    | 21,000                     | 21,000                     | 18,500                                    | 18,500                     |
| Community Market Co-op Program          | 63,790                    | 69,300                     | 69,300                     | 65,750                                    | 65,750                     |
| <b>Total Recreation Revenue</b>         | <b>\$351,488</b>          | <b>\$384,000</b>           | <b>\$384,000</b>           | <b>\$373,800</b>                          | <b>\$373,800</b>           |



| <i>Revenue Detail</i>   | <b>Actual</b>       | <b>Adopted</b>      | <b>Revised</b>      | <b>Manager's</b>    | <b>Adopted</b>      |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | <b>FY 2010</b>      | <b>FY 2011</b>      | <b>FY 2011</b>      | <b>Proposed</b>     | <b>Adopted</b>      |
|   |                     |                     |                     | <b>FY 2012</b>      | <b>FY 2012</b>      |
| <b>DEDICATED REVENUE (continued)</b>                              |                     |                     |                     |                     |                     |
| <b><u>Parking Revenue</u></b>                                     |                     |                     |                     |                     |                     |
| Downtown Parking Deck Lease                                       | \$0                 | \$65,000            | \$79,560            | \$93,600            | \$93,600            |
| Hourly Parking Fees   | 3,355               | 58,500              | 15,500              | 18,000              | 18,000              |
| Permit Parking Fees   | 19,963              | 199,250             | 153,100             | 178,000             | 178,000             |
| Fines   | 85,372              | 109,000             | 76,800              | 85,000              | 85,000              |
| <b>Total Parking Revenue</b>                                      | <b>\$108,690</b>    | <b>\$431,750</b>    | <b>\$324,960</b>    | <b>\$374,600</b>    | <b>\$374,600</b>    |
| <b><u>Miscellaneous Revenue</u></b>                               |                     |                     |                     |                     |                     |
| Indirect Costs and Services - Water                               | \$756,622           | \$856,622           | \$856,622           | \$807,321           | \$807,321           |
| Indirect Costs and Services - Sewer                               | 327,285             | 442,928             | 442,928             | 231,216             | 231,216             |
| Indirect Costs and Services - WWTP                                | 357,934             | 342,291             | 342,291             | 352,560             | 352,560             |
| Indirect Costs and Services - Airport                             | 109,950             | 113,880             | 113,880             | 130,114             | 130,114             |
| Indirect Costs and Services - Detention Home                      | 242,093             | 231,250             | 231,250             | 229,986             | 229,986             |
| Region 2000 Services Authority Capital Return                     | 604,284             | 500,000             | 500,000             | 0                   | 0                   |
| Friends of the Lynchburg Library                                  | 17,000              | 24,500              | 24,500              | 14,500              | 14,500              |
| Contributions to the Library                                      | 0                   | 10,000              | 10,000              | 0                   | 0                   |
| Special Welfare Recoupment  | 34,360              | 30,000              | 30,000              | 30,000              | 30,000              |
| Reimbursement - Point of Honor Carriage House                     | 45,000              | 45,000              | 45,000              | 28,311              | 28,311              |
| Contributions to the Lynchburg Museum System                      | 0                   | 21,200              | 21,200              | 0                   | 0                   |
| Digg's Trust (Lynchburg Museum System)                            | 54,586              | 23,400              | 23,400              | 39,330              | 39,330              |
| Other Miscellaneous Dedicated Revenue                             | 1,594               | 2,400               | 2,400               | 1,200               | 1,200               |
| <b>Total Miscellaneous Revenue</b>                                | <b>\$2,550,708</b>  | <b>\$2,643,471</b>  | <b>\$2,643,471</b>  | <b>\$1,864,538</b>  | <b>\$1,864,538</b>  |
| <b><u>Revenue from the Commonwealth</u></b>                       |                     |                     |                     |                     |                     |
| <b><u>State Categorical Aid for State Shared Expenditures</u></b> |                     |                     |                     |                     |                     |
| Commissioner of the Revenue                                       | \$181,774           | \$163,785           | \$163,785           | \$170,171           | \$166,270           |
| Treasurer   | 111,029             | 92,995              | 92,995              | 92,995              | 94,049              |
| Registrar/Electoral Board   | 54,385              | 55,060              | 55,060              | 55,000              | 55,000              |
| Clerk of Court  | 486,179             | 494,975             | 494,975             | 514,863             | 506,814             |
| Sheriff   | 1,082,678           | 1,137,382           | 1,137,382           | 1,203,018           | 1,172,679           |
| Commonwealth Attorney   | 888,386             | 878,349             | 878,349             | 923,637             | 916,422             |
| <b>Total Categorical Aid-State Shared Expenditures</b>            | <b>\$2,804,431</b>  | <b>\$2,822,546</b>  | <b>\$2,822,546</b>  | <b>\$2,959,684</b>  | <b>\$2,911,234</b>  |
| <b><u>Intergovernmental: State Categorical Aid</u></b>            |                     |                     |                     |                     |                     |
| Juvenile Correction Block Grant                                   | \$320,653           | \$316,541           | \$246,176           | \$228,624           | \$228,624           |
| Recovery - E-911 Wireless   | 283,488             | 170,000             | 240,000             | 240,000             | 240,000             |
| Highway Maintenance   | 7,084,498           | 7,234,051           | 7,234,051           | 7,714,376           | 7,714,376           |
| Urban Project Overhead Allowance                                  | 0                   | 10,000              | 10,000              | 0                   | 0                   |
| Local Law Enforcement Funding (House Bill 599)                    | 3,073,537           | 3,037,195           | 3,037,428           | 2,720,007           | 2,930,790           |
| Social Services Administration                                    | 1,902,285           | 1,868,580           | 1,868,580           | 1,335,630           | 1,225,033           |
| Social Services Finance Unit                                      | 110,217             | 151,809             | 151,809             | 150,211             | 150,211             |
| Social Services Program State                                     | 4,783,527           | 3,825,153           | 3,825,153           | 3,800,344           | 3,800,344           |
| Public Library  | 171,197             | 150,823             | 150,823             | 148,847             | 148,847             |
| Health Department Funding   | 59,339              | 0                   | 106,123             | 0                   | 0                   |
| Local Aid to Virginia - Contra Revenue                            | (487,441)           | (600,000)           | (600,000)           | (600,000)           | (600,000)           |
| <b>Total State Categorical Aid</b>                                | <b>\$17,301,300</b> | <b>\$16,164,152</b> | <b>\$16,270,143</b> | <b>\$15,738,039</b> | <b>\$15,838,225</b> |



| <i>Revenue Detail</i>  | <b>Actual</b>        | <b>Adopted</b>       | <b>Revised</b>       | <b>Manager's</b>     | <b>Adopted</b>       |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | <b>FY 2010</b>       | <b>FY 2011</b>       | <b>FY 2011</b>       | <b>Proposed</b>      | <b>FY 2012</b>       |
|  |                      |                      |                      | <b>FY 2012</b>       | <b>FY 2012</b>       |
| <b>DEDICATED REVENUE (continued)</b>                               |                      |                      |                      |                      |                      |
| <b><u>Intergovernmental: Federal Categorical Aid Pass Thru</u></b> |                      |                      |                      |                      |                      |
| Urban Project Overhead Allowance                                   | \$0                  | \$40,000             | \$40,000             | \$0                  | \$0                  |
| Build America Bond Interest Subsidy - City                         | 63,521               | 65,711               | 65,711               | 65,711               | 65,711               |
| Build America Bond Interest Subsidy - Schools                      | 220,370              | 227,969              | 227,969              | 227,969              | 227,969              |
| Social Services Administration                                     | 2,812,845            | 2,989,347            | 2,989,347            | 3,234,209            | 3,483,871            |
| Social Services Finance Unit                                       | 290,390              | 219,998              | 219,998              | 217,684              | 217,684              |
| Social Services Programs   | 2,345,942            | 2,140,610            | 2,140,610            | 2,430,385            | 2,430,385            |
| Human Services Capital Lease                                       | 122,688              | 126,437              | 126,437              | 124,390              | 124,390              |
| Human Services Buildings and Grounds                               | 24,387               | 25,000               | 25,000               | 25,000               | 25,000               |
| Indirect Cost Reimbursement  | 370,361              | 412,000              | 412,000              | 400,000              | 400,000              |
| ARRA - Sheriff   | 84,504               | 0                    | 0                    | 0                    | 0                    |
| ARRA - Social Services Administration                              | 27,182               | 0                    | 0                    | 0                    | 0                    |
| ARRA - Social Services Programs                                    | 360,762              | 293,639              | 293,639              | 0                    | 0                    |
| <b>Total Federal Categorical Aid Pass Thru</b>                     | <b>\$6,722,952</b>   | <b>\$6,540,711</b>   | <b>\$6,540,711</b>   | <b>\$6,725,348</b>   | <b>\$6,975,010</b>   |
| <b><u>Interfund Transfers</u></b>                                  |                      |                      |                      |                      |                      |
| CSA Operations   | \$0                  | \$0                  | \$182,946            | \$0                  | \$0                  |
| Transfer from City Federal State Aid                               | 22,723               | 0                    | 0                    | 0                    | 0                    |
| City Capital   | 441,297              | 0                    | 0                    | 0                    | 0                    |
| <b>Total Interfund Transfers</b>                                   | <b>\$464,020</b>     | <b>\$0</b>           | <b>\$182,946</b>     | <b>\$0</b>           | <b>\$0</b>           |
| <b>TOTAL DEDICATED REVENUES</b>                                    | <b>\$31,598,716</b>  | <b>\$30,434,107</b>  | <b>\$30,643,254</b>  | <b>\$29,925,680</b>  | <b>\$30,227,078</b>  |
| <b>TOTAL GENERAL FUND REVENUES</b>                                 | <b>\$157,139,127</b> | <b>\$153,813,145</b> | <b>\$155,272,986</b> | <b>\$154,001,703</b> | <b>\$154,303,101</b> |



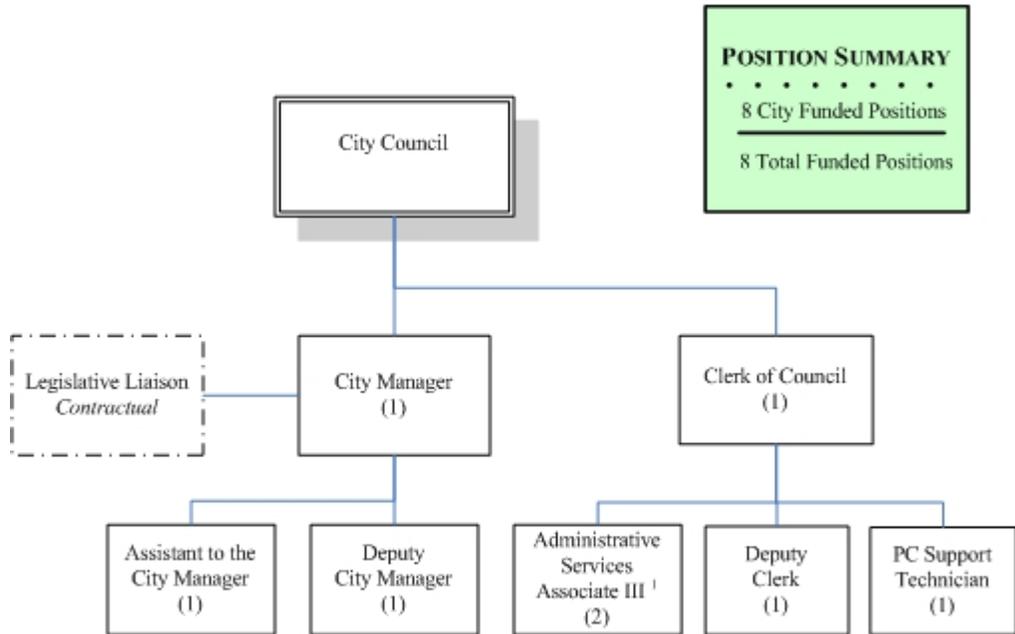
|   | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|---|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>DEPARTMENTAL EXPENDITURE DETAIL SUMMARY</b>        |                     |                     |                                    |                                  |                     |
| <b>General Government</b>                             |                     |                     |                                    |                                  |                     |
| Internal Audit  | \$97,161            | \$134,672           | \$135,053                          | \$55,900                         | \$55,900            |
| Communications and Marketing                          | 360,519             | 398,403             | 396,532                            | 396,532                          | 396,532             |
| Citizens First Customer Service Center                | 121,984             | 123,921             | 125,554                            | 125,554                          | 125,554             |
| Local Government Channel                              | 137,374             | 140,677             | 140,915                            | 140,915                          | 140,915             |
| Council/Manager Offices                               | 980,026             | 1,020,108           | 1,033,358                          | 1,033,358                        | 1,033,358           |
| City Attorney   | 595,520             | 607,325             | 607,325                            | 607,325                          | 607,325             |
| Self-Insurance  | 602,473             | 602,539             | 548,524                            | 548,524                          | 548,524             |
| State Treasurer                                       | 136,253             | 145,161             | 145,161                            | 145,161                          | 145,161             |
| Commissioner of the Revenue                           | 1,143,626           | 792,540             | 792,540                            | 684,214                          | 684,214             |
| City Assessor   | 775,209             | 718,082             | 707,865                            | 707,865                          | 707,865             |
| Office of the Director of Financial Services          | 586,496             | 507,720             | 517,482                            | 517,482                          | 517,482             |
| Billing and Collections Division                      | 1,208,463           | 1,248,251           | 1,248,251                          | 1,248,251                        | 1,248,251           |
| Procurement Division                                  | 231,756             | 210,676             | 212,165                            | 212,165                          | 212,165             |
| Accounting Division                                   | 818,654             | 801,108             | 806,562                            | 806,562                          | 806,562             |
| Budget Division                                       | 150,579             | 154,555             | 154,869                            | 154,869                          | 154,869             |
| Human Services Financial Division                     | 531,130             | 500,350             | 474,433                            | 474,433                          | 474,433             |
| Human Resources                                       | 719,713             | 674,120             | 685,847                            | 685,847                          | 685,847             |
| Occupational Health                                   | 121,212             | 127,065             | 127,044                            | 127,044                          | 127,044             |
| Application Services Division                         | 1,076,119           | 1,277,376           | 1,272,247                          | 1,272,247                        | 1,272,247           |
| Network Services Division                             | 1,255,480           | 1,302,672           | 1,280,130                          | 1,280,130                        | 1,280,130           |
| Information Technology (IT) Administration Division   | 405,334             | 439,383             | 423,886                            | 423,886                          | 423,886             |
| IT Projects   | 18,297              | 0                   | 0                                  | 0                                | 0                   |
| Geographic Information System (GIS) Division          | 245,413             | 260,092             | 252,354                            | 252,354                          | 252,354             |
| Registrar   | 146,915             | 142,669             | 163,140                            | 163,140                          | 163,140             |
| Electoral Board                                       | 57,069              | 39,115              | 90,779                             | 90,779                           | 90,779              |
| <b>TOTAL GENERAL GOVERNMENT</b>                       | <b>\$12,522,775</b> | <b>\$12,368,580</b> | <b>\$12,342,016</b>                | <b>\$12,154,537</b>              | <b>\$12,154,537</b> |
| <b>Judicial Administration</b>                        |                     |                     |                                    |                                  |                     |
| Circuit Court Judges (24th Judicial District)         | \$149,571           | \$157,113           | \$157,113                          | \$157,113                        | \$157,113           |
| General District Court                                | 57,899              | 62,550              | 62,550                             | 62,550                           | 62,550              |
| Juvenile and Domestic Relations (J&DR) District Court | 14,988              | 14,541              | 14,541                             | 14,541                           | 14,541              |
| Court Service Unit (24th Judicial District)           | 381                 | 1,632               | 1,632                              | 1,632                            | 1,632               |
| Office of the Commonwealth's Attorney                 | 1,383,006           | 1,472,257           | 1,385,774                          | 1,385,774                        | 1,385,774           |
| Magistrate  | 2,139               | 2,893               | 2,893                              | 2,893                            | 2,893               |
| Circuit Court Clerk (24th Judicial District)          | 715,062             | 744,058             | 746,142                            | 746,142                          | 746,142             |
| Sheriff's Office                                      | 1,958,041           | 1,961,974           | 2,075,935                          | 2,016,392                        | 2,070,227           |
| <b>TOTAL JUDICIAL ADMINISTRATION</b>                  | <b>\$4,281,087</b>  | <b>\$4,417,018</b>  | <b>\$4,446,580</b>                 | <b>\$4,387,037</b>               | <b>\$4,440,872</b>  |
| <b>Public Safety</b>                                  |                     |                     |                                    |                                  |                     |
| Police Department                                     | \$13,614,037        | \$13,731,842        | \$13,701,291                       | \$13,701,291                     | \$13,701,291        |
| Animal Control Unit                                   | 241,759             | 311,577             | 319,978                            | 319,978                          | 319,978             |
| Range Operations                                      | 0                   | 0                   | 12,500                             | 12,500                           | 12,500              |
| Emergency Services                                    | 2,243,026           | 2,297,798           | 2,570,283                          | 2,570,283                        | 2,470,283           |
| Fire and EMS Department                               | 14,059,877          | 14,479,217          | 14,707,850                         | 14,581,360                       | 14,581,360          |
| Technical Rescue Team/PIER Program                    | 37,968              | 47,295              | 82,500                             | 82,500                           | 82,500              |
| <b>TOTAL PUBLIC SAFETY</b>                            | <b>\$30,196,667</b> | <b>\$30,867,729</b> | <b>\$31,394,402</b>                | <b>\$31,267,912</b>              | <b>\$31,167,912</b> |



|   | Actual<br>FY 2010    | Adopted<br>FY 2011   | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012   |
|---|----------------------|----------------------|------------------------------------|----------------------------------|----------------------|
| <b>DEPARTMENTAL EXPENDITURE DETAIL SUMMARY</b>      |                      |                      |                                    |                                  |                      |
| <b>Public Works</b>                                 |                      |                      |                                    |                                  |                      |
| Public Works Administration                         | \$677,252            | \$716,614            | \$719,246                          | \$719,246                        | \$719,246            |
| Engineering   | 3,685,507            | 3,366,392            | 3,390,840                          | 3,390,840                        | 3,390,840            |
| Street Maintenance                                  | 2,636,115            | 3,449,955            | 3,249,100                          | 3,249,100                        | 3,249,100            |
| Snow and Ice Removal                                | 882,536              | 245,853              | 240,695                            | 240,695                          | 240,695              |
| Refuse  | 2,465,074            | 2,302,392            | 2,416,112                          | 2,416,112                        | 2,416,112            |
| Parks and Grounds Maintenance                       | 2,235,642            | 2,400,837            | 2,408,858                          | 2,408,858                        | 2,487,329            |
| Building Maintenance                                | 2,958,427            | 3,018,123            | 3,059,398                          | 3,059,398                        | 3,104,363            |
| Human Services Building                             | 209,881              | 243,169              | 234,095                            | 234,095                          | 234,095              |
| Stadium Maintenance                                 | 0                    | 0                    | 0                                  | 0                                | 127,378              |
| <b>TOTAL PUBLIC WORKS</b>                           | <b>\$15,750,434</b>  | <b>\$15,743,335</b>  | <b>\$15,718,344</b>                | <b>\$15,718,344</b>              | <b>\$15,969,158</b>  |
| <b>Health and Welfare</b>                           |                      |                      |                                    |                                  |                      |
| Juvenile Services                                   | \$3,793,117          | \$4,310,741          | \$4,496,613                        | \$4,496,613                      | \$4,496,613          |
| Social Services                                     | 5,807,478            | 6,178,769            | 6,212,650                          | 6,212,650                        | 6,212,650            |
| Public Assistance                                   | 7,600,179            | 6,530,124            | 6,496,243                          | 6,496,243                        | 6,496,243            |
| <b>TOTAL HEALTH AND WELFARE</b>                     | <b>\$17,200,774</b>  | <b>\$17,019,634</b>  | <b>\$17,205,506</b>                | <b>\$17,205,506</b>              | <b>\$17,205,506</b>  |
| <b>Parks, Recreation, and Cultural</b>              |                      |                      |                                    |                                  |                      |
| Parks and Recreation                                | \$2,934,009          | \$3,107,725          | \$3,087,993                        | \$3,087,993                      | \$3,109,974          |
| Public Library                                      | 1,566,683            | 1,628,823            | 1,606,473                          | 1,606,473                        | 1,606,473            |
| Law Library   | 24,005               | 28,770               | 28,770                             | 28,770                           | 28,770               |
| Museums   | 365,485              | 383,028              | 383,028                            | 383,028                          | 383,028              |
| Point of Honor/Carriage House                       | 37,294               | 45,000               | 45,000                             | 45,000                           | 45,000               |
| <b>TOTAL PARKS, RECREATION, AND CULTURAL</b>        | <b>\$4,927,476</b>   | <b>\$5,193,346</b>   | <b>\$5,151,264</b>                 | <b>\$5,151,264</b>               | <b>\$5,173,245</b>   |
| <b>Community Development</b>                        |                      |                      |                                    |                                  |                      |
| Office of the Director of Community Development     | \$720,720            | \$458,851            | \$306,260                          | \$313,417                        | \$313,417            |
| Planning Division                                   | 365,162              | 365,517              | 303,658                            | 303,658                          | 303,658              |
| Inspections and Code Enforcement Division           | 671,605              | 789,751              | 820,118                            | 820,118                          | 820,118              |
| Zoning and Natural Resources Division               | 0                    | 0                    | 211,897                            | 211,897                          | 211,897              |
| Office of Economic Development                      | 296,863              | 307,911              | 307,231                            | 307,231                          | 307,231              |
| Parking Management                                  | 166,062              | 431,750              | 374,600                            | 374,600                          | 374,600              |
| <b>TOTAL COMMUNITY DEVELOPMENT</b>                  | <b>\$2,220,412</b>   | <b>\$2,353,780</b>   | <b>\$2,323,764</b>                 | <b>\$2,330,921</b>               | <b>\$2,330,921</b>   |
| <b>OPERATING - DEPARTMENTAL</b>                     | <b>\$87,099,625</b>  | <b>\$87,963,422</b>  | <b>\$88,581,876</b>                | <b>\$88,215,521</b>              | <b>\$88,442,151</b>  |
| <b>OPERATING - NON-DEPARTMENTAL</b>                 | <b>\$12,017,697</b>  | <b>\$13,188,821</b>  | <b>\$15,320,086</b>                | <b>\$15,183,400</b>              | <b>\$14,412,249</b>  |
| <b>TRANSFER TO OTHER FUNDS</b>                      | <b>\$1,360,189</b>   | <b>\$1,240,667</b>   | <b>\$2,179,781</b>                 | <b>\$2,179,781</b>               | <b>\$1,846,516</b>   |
| <b>DEBT SERVICE - GENERAL FUND</b>                  | <b>\$12,433,639</b>  | <b>\$8,800,144</b>   | <b>\$7,717,671</b>                 | <b>\$7,717,671</b>               | <b>\$7,923,558</b>   |
| <b>DEBT SERVICE - SCHOOLS</b>                       | <b>\$15,642,307</b>  | <b>\$7,222,354</b>   | <b>\$7,009,713</b>                 | <b>\$7,009,713</b>               | <b>\$7,009,713</b>   |
| <b>SCHOOLS</b>                                      | <b>\$29,443,654</b>  | <b>\$31,942,103</b>  | <b>\$31,942,103</b>                | <b>\$31,942,103</b>              | <b>\$31,942,103</b>  |
| <b>GREATER LYNCHBURG TRANSIT COMPANY</b>            | <b>\$1,309,675</b>   | <b>\$1,128,884</b>   | <b>\$1,143,714</b>                 | <b>\$1,143,714</b>               | <b>\$1,143,714</b>   |
| <b>RESERVES</b>                                     | <b>\$0</b>           | <b>\$2,541,781</b>   | <b>\$1,470,000</b>                 | <b>\$1,074,362</b>               | <b>\$1,922,659</b>   |
| <b>TRANSFER TO CAPITAL - GENERAL FUND</b>           | <b>\$2,820,617</b>   | <b>\$6,358,881</b>   | <b>\$7,200,000</b>                 | <b>\$7,524,033</b>               | <b>\$7,624,033</b>   |
| <b>TRANSFER TO CAPITAL - SCHOOLS</b>                | <b>\$0</b>           | <b>\$1,941,733</b>   | <b>\$1,574,054</b>                 | <b>\$1,574,054</b>               | <b>\$1,030,518</b>   |
| <b>TOTAL EXPENDITURES, RESERVES &amp; TRANSFERS</b> | <b>\$162,127,403</b> | <b>\$162,328,790</b> | <b>\$164,138,998</b>               | <b>\$163,564,352</b>             | <b>\$163,297,214</b> |



### COUNCIL/MANAGER OFFICES



<sup>1</sup> The two Administrative Services Associate IIIs are supervised by the Clerk of Council; however, they provide administrative support to the entire staff in the City Manager’s Office and to City Council.



Council/Manager Offices. Consists of the City Council, Clerk of Council, City Manager and Legislative Liaison. The Council is the City's legislative body elected to accomplish City Charter-prescribed responsibilities. The Clerk is appointed by City Council to maintain and preserve the official records of City Council proceedings. The City Manager is the City's chief administrative officer who oversees the day-to-day operations of the City and who studies and proposes solutions for community needs and programs; prepares the annual budget; interprets City Council actions for operating departments, outside organizations, and citizens; and provides leadership in executing Council policies.

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 8                 | 8                  | 8                                  | 8                                | 8                  |
| <b>TOTAL FTE</b>        | <b>8</b>          | <b>8</b>           | <b>8</b>                           | <b>8</b>                         | <b>8</b>           |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$609,931         | \$628,231          | \$627,096                          | \$627,096                        | \$627,096          |
| Employee Benefits       | 186,073           | 214,531            | 214,810                            | 214,810                          | 214,810            |
| Contractual Services    | 93,368            | 91,554             | 91,554                             | 91,554                           | 91,554             |
| Other Charges           | 90,654            | 85,792             | 99,898                             | 99,898                           | 99,898             |
| <b>TOTAL CITY COST</b>  | <b>\$980,026</b>  | <b>\$1,020,108</b> | <b>\$1,033,358</b>                 | <b>\$1,033,358</b>               | <b>\$1,033,358</b> |

**Council/Manager Offices Budget Description**

The Department Requested FY 2012 Council/Manager Offices budget of \$1,033,358 represents a 1.3% increase of \$13,250 compared to the Adopted FY 2011 budget of \$1,020,108.

Significant changes introduced in the Department Requested FY 2012 budget include:

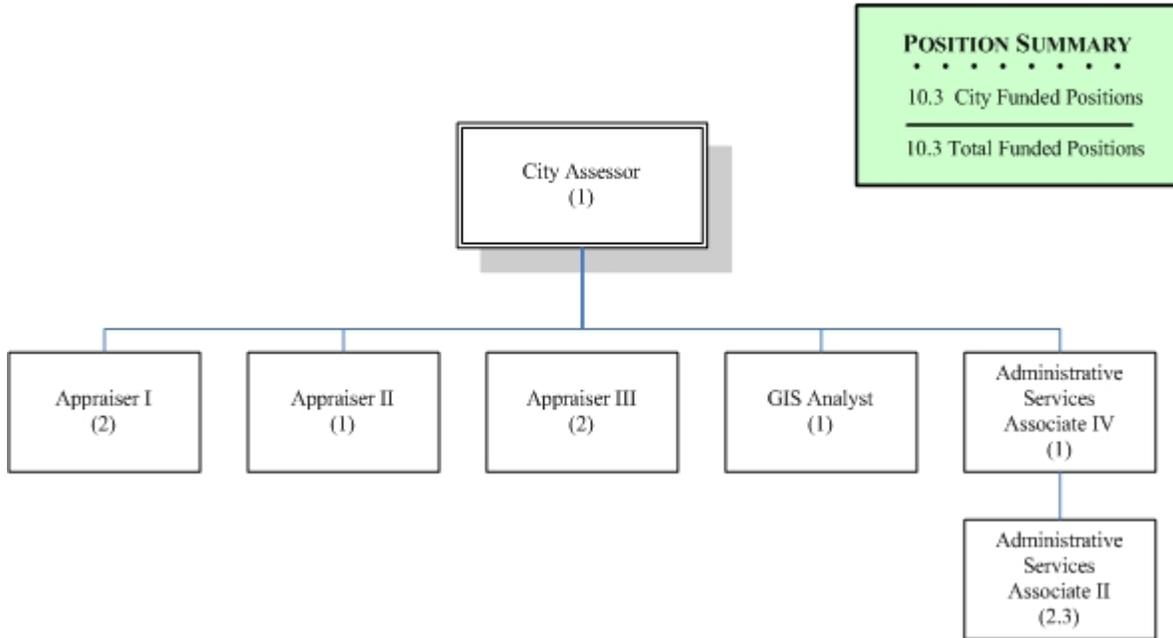
- \$13,250 increase in Other Charges reflecting the restoration of funds for professional development for the City Manager, Deputy City Manager, and Assistant to the City Manager.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Council/Manager Offices budget was adopted by City Council without changes.



**CITY ASSESSOR**



**POSITION SUMMARY**  
.....  
10.3 City Funded Positions  
-----  
10.3 Total Funded Positions



City Assessor. Maintains and updates ownership and physical characteristic records for approximately 31,500 property parcels and provides assessments for the properties. New construction and additions to properties are recorded and valued by the appraisers. The City Assessor also administers the Land Use Program and the Real Estate Rehabilitation Program. Staff provides assistance to the public, other City departments, and various local, state and federal agencies. This department has a wealth of information and resources that are utilized by those in the real estate profession, economic development, and related fields.

|                          | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| City Funded Full-Time    | 12.0              | 10.0               | 10.0                               | 10.0                             | 10.0               |
| City Funded Part-Time    | 0.0               | 0.3                | 0.3                                | 0.3                              | 0.3                |
| <b>TOTAL FTE</b>         | <b>12.0</b>       | <b>10.3</b>        | <b>10.3</b>                        | <b>10.3</b>                      | <b>10.3</b>        |
| <b>BUDGET SUMMARY</b>    |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                   |                    |                                    |                                  |                    |
| Salaries                 | \$529,844         | \$467,321          | \$461,408                          | \$461,408                        | \$461,408          |
| Employee Benefits        | 197,267           | 190,585            | 190,770                            | 190,770                          | 190,770            |
| Contractual Services     | 22,655            | 26,100             | 26,375                             | 26,375                           | 26,375             |
| Internal Service Charges | 6,874             | 5,100              | 6,548                              | 6,548                            | 6,548              |
| Other Charges            | 18,569            | 28,976             | 22,764                             | 22,764                           | 22,764             |
| <b>TOTAL CITY COST</b>   | <b>\$775,209</b>  | <b>\$718,082</b>   | <b>\$707,865</b>                   | <b>\$707,865</b>                 | <b>\$707,865</b>   |

**City Assessor Budget Description**

The Department Requested FY 2012 City Assessor budget of \$707,865 represents a 1.4% decrease of \$10,217 compared to the Adopted FY 2011 budget of \$718,082.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$5,728 decrease in Salaries and Employee Benefits reflecting lower than anticipated personnel costs, as well as changes in health, dental, and life insurance rates.
- \$1,448 increase in Internal Service Charges based on Fleet Administration estimates.
- \$6,212 decrease in Other Charges reflecting a \$10,800 reduction in postage due to FY 2012 not being a reassessment year, offset by a \$1,500 increase for the cost of convening the Board of Equalization in August 2011 and \$1,800 for leasing an all-in-one copier/scanner/printer/fax machine.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 City Assessor budget was adopted by City Council without changes.



**City Assessor Performance Measures**

**Goal 1:**

To achieve a reasonable assessment-to-sale value ratio by assessing all real property within the City fairly and equitably.

**Objective:**

Completion of the general reassessment, appeals, and Board of Equalization (BOE) hearings with values based on real estate market trends and sales. In a reassessment year, the Assessor's target ratio is 97.0%.

| <b>Performance Measure:</b>    | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|--------------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Assessment-to-Sale Value Ratio | 97.0%                 | 98.5%                    | 98.3%                     | 97.0%                    |

**Analysis of the Data:**

Annually the Virginia Department of Taxation conducts an assessment-to-sales ratio study and monitors the results. In odd numbered years, this ratio is expected to deviate from the target because the City reassesses real property biennially. The ratio indicates, on average, how close the assessment is to the actual market value City-wide.

**Goal 2:**

Assess fairly and equitably all real property within the City at fair-market value by having accurate data with a recent on-site inspection.

**Objective:**

Review property by visiting all improved parcels, measuring buildings, and verifying the data is accurate.

| <b>Performance Measure:</b> | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|-----------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Property Reviews Completed  | 97%                   | 99%                      | 99%                       | 100%                     |

**Analysis of the Data:**

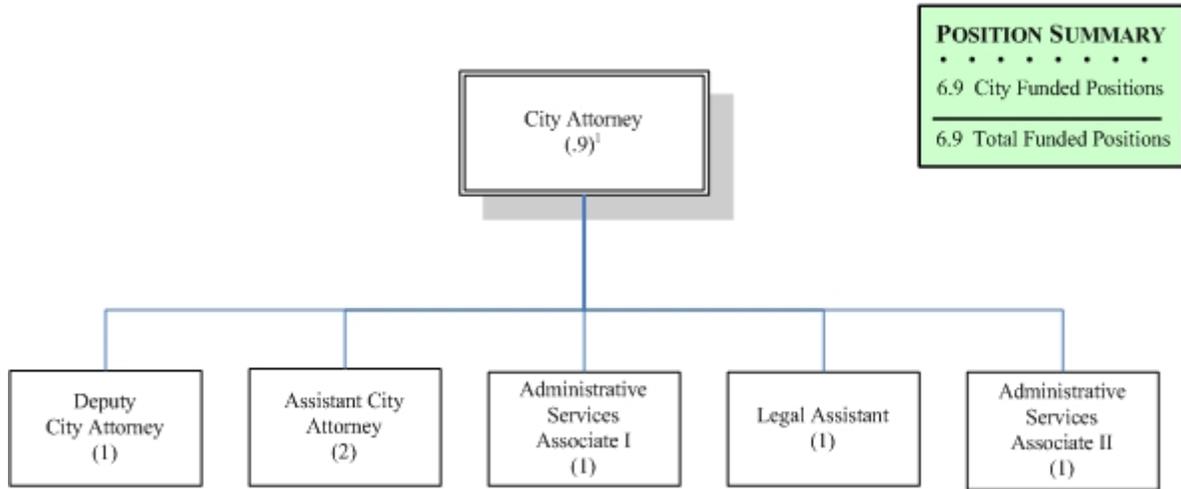
This project is very time consuming. Appraisers remeasure and inspect property to correct data errors as needed. This task is very important toward achieving a high quality reassessment.

**Benchmark Localities:**

Charlottesville, Danville, Hampton, Norfolk, Richmond, Roanoke



### CITY ATTORNEY



¹ Additional 0.1 FTE for the City Attorney is assigned to the Risk Management Budget.



City Attorney. Provides legal services to City Council, the City Manager, City departments and agencies as well as the Lynchburg School Board. Services include rendering formal and informal opinions; recommending appropriate legal changes in the City Code, regulations and policies; advising of changes in law which affect the City; drafting ordinances, resolutions, Charter revisions, proposed legislation, contracts, deeds, leases and other legal documents; handling real estate matters, including necessary title examinations, negotiations and closings; prosecuting and defending lawsuits on behalf of the City; supervising the City’s Risk Management activities and the Self-Insurance Plan; and reviewing legislation which concerns the City.

|                                 | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---------------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>         |                   |                    |                                    |                                  |                    |
| City Funded Full-Time           | 6.9               | 6.9                | 6.9                                | 6.9                              | 6.9                |
| <b>TOTAL FTE</b>                | <b>6.9</b>        | <b>6.9</b>         | <b>6.9</b>                         | <b>6.9</b>                       | <b>6.9</b>         |
| <b>BUDGET SUMMARY</b>           |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>             |                   |                    |                                    |                                  |                    |
| Salaries                        | \$411,212         | \$405,513          | \$405,513                          | \$405,513                        | \$405,513          |
| Employee Benefits               | 141,816           | 159,001            | 159,894                            | 159,894                          | 159,894            |
| Contractual Services            | 3,000             | 3,750              | 3,750                              | 3,750                            | 3,750              |
| Other Charges                   | 39,492            | 39,061             | 38,168                             | 38,168                           | 38,168             |
| <b>TOTAL EXPENDITURES</b>       | <b>\$595,520</b>  | <b>\$607,325</b>   | <b>\$607,325</b>                   | <b>\$607,325</b>                 | <b>\$607,325</b>   |
| <b>DEDICATED REVENUES</b>       |                   |                    |                                    |                                  |                    |
| Legal Service Charges - Schools | \$20,000          | \$20,000           | \$20,000                           | \$20,000                         | \$20,000           |
| <b>TOTAL DEDICATED REVENUES</b> | <b>\$20,000</b>   | <b>\$20,000</b>    | <b>\$20,000</b>                    | <b>\$20,000</b>                  | <b>\$20,000</b>    |
| <b>TOTAL CITY COST</b>          | <b>\$575,520</b>  | <b>\$587,325</b>   | <b>\$587,325</b>                   | <b>\$587,325</b>                 | <b>\$587,325</b>   |

**City Attorney Budget Description**

The Department Requested FY 2012 City Attorney budget of \$607,325 represents no change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 City Attorney budget was adopted by City Council without changes.



**Self-Insurance.** The Risk Management Program established by City Council effective January 1, 1986, is an alternative to the routine procurement of general liability and automobile liability insurance policies from commercial insurance companies. The program is funded through annual contributions from the General Fund, Utility Funds, Airport Fund, Regional Juvenile Detention Fund and Self-Insurance Fund interest income. The claims placed in this fund are expended in lieu of insurance to settle liability claims filed against the City.

|                        | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>BUDGET SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>    |                   |                    |                                    |                                  |                    |
| Other Charges          | 602,473           | 602,539            | 548,524                            | 548,524                          | 548,524            |
| <b>TOTAL CITY COST</b> | <b>\$602,473</b>  | <b>\$602,539</b>   | <b>\$548,524</b>                   | <b>\$548,524</b>                 | <b>\$548,524</b>   |

**Self-Insurance Budget Description**

The Department Requested FY 2012 Self-Insurance budget of \$548,524 represents a 9.0% decrease of \$54,015 compared to the Adopted FY 2011 budget of \$602,539.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$54,015 decrease in Other Charges reflecting a reduction in insurance premiums.

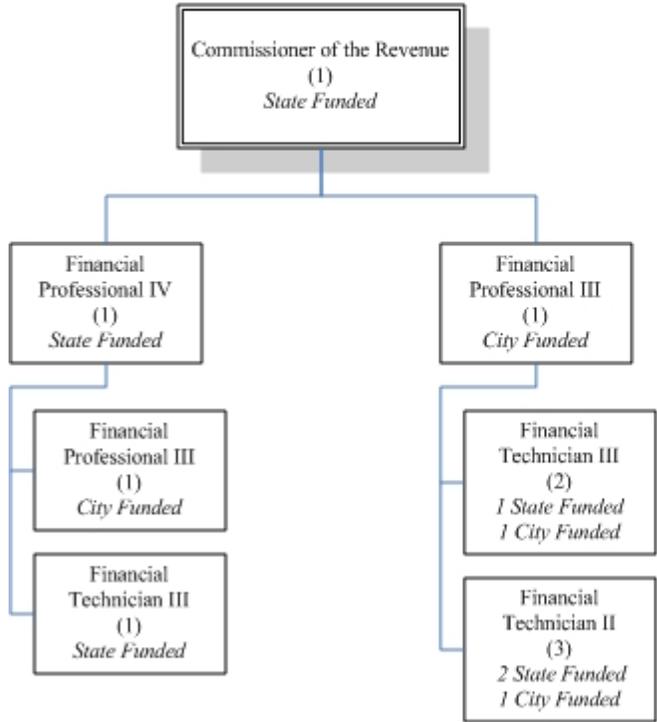
All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Self-Insurance budget was adopted by City Council without changes.



COMMISSIONER OF THE REVENUE

| POSITION SUMMARY |                         |
|------------------|-------------------------|
| .....            |                         |
| 6.0              | State Funded Positions  |
| 4.0              | City Funded Positions   |
| 0.4              | City Temporary Position |
| <hr/>            |                         |
| 10.4             | Total Funded Positions  |





**Commissioner of the Revenue.** A State Constitutional Office. Elected by City residents, the Commissioner assesses personal property, machinery/tools, business/professional licenses, bank stock tax, public service corporations, meals, lodging, amusement, and income taxes. The Commissioner prepares and audits State income tax returns, administers tax relief for the elderly, furnishes information on local and State tax issues, and maintains the automotive vehicle license file.

|  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                  |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                    | 6.0                | 6.0                | 6.0                                | 4.0                              | 4.0                |
| City Funded Temporary                    | 1.0                | 0.4                | 0.4                                | 0.4                              | 0.4                |
| State Funded Full-Time                   | 6.0                | 6.0                | 6.0                                | 6.0                              | 6.0                |
| <b>TOTAL FTE</b>                         | <b>13.0</b>        | <b>12.4</b>        | <b>12.4</b>                        | <b>10.4</b>                      | <b>10.4</b>        |
| <b>BUDGET SUMMARY</b>                    |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                      |                    |                    |                                    |                                  |                    |
| Salaries                                 | \$534,870          | \$529,122          | \$529,122                          | \$454,092                        | \$454,092          |
| Employee Benefits                        | 196,618            | 219,484            | 222,326                            | 189,030                          | 189,030            |
| Contractual Services                     | 10,793             | 11,675             | 11,793                             | 11,793                           | 11,793             |
| Other Charges                            | 401,345            | 32,259             | 29,299                             | 29,299                           | 29,299             |
| <b>TOTAL EXPENDITURES</b>                | <b>\$1,143,626</b> | <b>\$792,540</b>   | <b>\$792,540</b>                   | <b>\$684,214</b>                 | <b>\$684,214</b>   |
| <b>DEDICATED REVENUES</b>                |                    |                    |                                    |                                  |                    |
| Commonwealth Aid for Shared Expenditures | \$181,774          | \$163,785          | \$170,171                          | \$170,171                        | \$166,270          |
| <b>TOTAL DEDICATED REVENUES</b>          | <b>\$181,774</b>   | <b>\$163,785</b>   | <b>\$170,171</b>                   | <b>\$170,171</b>                 | <b>\$166,270</b>   |
| <b>TOTAL CITY COST</b>                   | <b>\$961,852</b>   | <b>\$628,755</b>   | <b>\$622,369</b>                   | <b>\$514,043</b>                 | <b>\$517,944</b>   |

**Commissioner of the Revenue Budget Description**

The Department Requested FY 2012 Commissioner of the Revenue budget of \$792,540 represents no change compared to the Adopted FY 2011 budget.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$2,842 increase in Employee Benefits reflecting changes in health, dental, and life insurance rates.
- \$2,960 decrease in Other Charges reflecting a reduction in office expenses.

Major item requested but not proposed by the City Manager for funding:

- \$108,326 in Salaries and Employee Benefits reflecting the elimination of two positions which are vacant due to retirement.

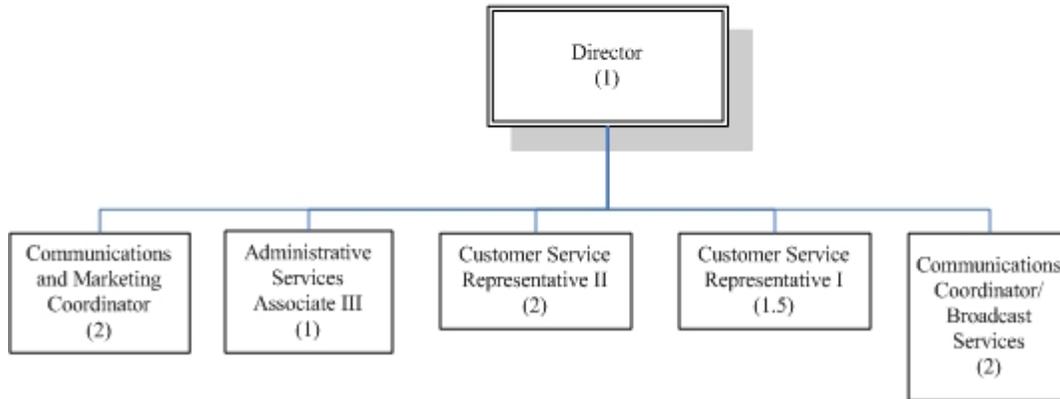
The Proposed FY 2012 Commissioner of the Revenue budget was adopted by City Council without changes.



**COMMUNICATIONS AND MARKETING**

*(includes Citizens First Customer Service Center and Local Government Channel)*

**POSITION SUMMARY**  
.....  
9.5 City Funded Positions  
-----  
9.5 Total Funded Positions





Communications and Marketing including Citizens First Customer Service Center and Local Government Channel

|                          | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| City Funded Full-Time    | 8.0               | 8.0                | 8.0                                | 8.0                              | 8.0                |
| City Funded Part-Time    | 1.5               | 1.5                | 1.5                                | 1.5                              | 1.5                |
| <b>TOTAL FTE</b>         | <b>9.5</b>        | <b>9.5</b>         | <b>9.5</b>                         | <b>9.5</b>                       | <b>9.5</b>         |
| <b>BUDGET SUMMARY</b>    |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                   |                    |                                    |                                  |                    |
| Salaries                 | \$392,613         | \$386,762          | \$386,554                          | \$386,554                        | \$386,554          |
| Employee Benefits        | 134,529           | 150,319            | 151,930                            | 151,930                          | 151,930            |
| Contractual Services     | 68,704            | 97,563             | 94,620                             | 94,620                           | 94,620             |
| Internal Service Charges | 2,408             | 7,700              | 7,927                              | 7,927                            | 7,927              |
| Other Charges            | 16,635            | 20,657             | 21,970                             | 21,970                           | 21,970             |
| Capital Outlay           | 4,988             | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL CITY COST</b>   | <b>\$619,877</b>  | <b>\$663,001</b>   | <b>\$663,001</b>                   | <b>\$663,001</b>                 | <b>\$663,001</b>   |



Communications and Marketing. Focuses on proactive communication with City Council, citizens, employees and others. Efforts are concentrated on public information and assistance for departments and staff, media relations as well as neighborhood, business, Internet/Intranet, LTV Channel 15 and employee communications.

|                          | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| City Funded Full-Time    | 4                 | 4                  | 4                                  | 4                                | 4                  |
| <b>TOTAL FTE</b>         | <b>4</b>          | <b>4</b>           | <b>4</b>                           | <b>4</b>                         | <b>4</b>           |
| <b>BUDGET SUMMARY</b>    |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                   |                    |                                    |                                  |                    |
| Salaries                 | \$204,783         | \$202,237          | \$202,237                          | \$202,237                        | \$202,237          |
| Employee Benefits        | 74,048            | 82,123             | 82,803                             | 82,803                           | 82,803             |
| Contractual Services     | 64,032            | 92,063             | 89,120                             | 89,120                           | 89,120             |
| Internal Service Charges | 2,408             | 7,700              | 7,927                              | 7,927                            | 7,927              |
| Other Charges            | 15,248            | 14,280             | 14,445                             | 14,445                           | 14,445             |
| <b>TOTAL CITY COST</b>   | <b>\$360,519</b>  | <b>\$398,403</b>   | <b>\$396,532</b>                   | <b>\$396,532</b>                 | <b>\$396,532</b>   |

**Communications and Marketing Budget Description**

The Department Requested FY 2012 Communications and Marketing budget of \$396,532 represents a 0.5% decrease of \$1,871 compared to the Adopted FY 2011 budget of \$398,403.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$680 increase in Employee Benefits reflecting changes in health, dental, and life insurance rates.
- \$2,943 decrease in Contractual Services reflecting a reduction in public relations activities.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Communications and Marketing budget was adopted by City Council without changes.



Communications and Marketing – Citizens First Customer Service Center. The mission of the Center is to respond to each citizen interaction through the provision of accurate, timely and easily understood information.

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 2.0               | 2.0                | 2.0                                | 2.0                              | 2.0                |
| City Funded Part-Time   | 1.5               | 1.5                | 1.5                                | 1.5                              | 1.5                |
| <b>TOTAL FTE</b>        | <b>3.5</b>        | <b>3.5</b>         | <b>3.5</b>                         | <b>3.5</b>                       | <b>3.5</b>         |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$94,813          | \$92,757           | \$92,549                           | \$92,549                         | \$92,549           |
| Employee Benefits       | 26,687            | 30,087             | 30,630                             | 30,630                           | 30,630             |
| Contractual Services    | 60                | 500                | 500                                | 500                              | 500                |
| Other Charges           | 424               | 577                | 1,875                              | 1,875                            | 1,875              |
| <b>TOTAL CITY COST</b>  | <b>\$121,984</b>  | <b>\$123,921</b>   | <b>\$125,554</b>                   | <b>\$125,554</b>                 | <b>\$125,554</b>   |

**Communications and Marketing – Citizens First Customer Service Center Budget Description**

The Manager’s Proposed FY 2012 Communications and Marketing – Citizens First Customer Service Center budget of \$125,554 represents a 1.3% increase of \$1,633 compared to the Adopted FY 2011 budget of \$123,921.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$543 increase in Employee Benefits reflecting changes in health, dental, and life insurance rates.
- \$1,298 increase in Other Charges Services reflecting the cost of office supplies, equipment, and training.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Communications and Marketing – Citizens First Customer Service Center budget was adopted by City Council without changes.



Communications and Marketing – Local Government Channel. This cable channel is to enhance the City’s communication program with citizens.

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 2                 | 2                  | 2                                  | 2                                | 2                  |
| <b>TOTAL FTE</b>        | <b>2</b>          | <b>2</b>           | <b>2</b>                           | <b>2</b>                         | <b>2</b>           |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$93,017          | \$91,768           | \$91,768                           | \$91,768                         | \$91,768           |
| Employee Benefits       | 33,794            | 38,109             | 38,497                             | 38,497                           | 38,497             |
| Contractual Services    | 4,612             | 5,000              | 5,000                              | 5,000                            | 5,000              |
| Other Charges           | 963               | 5,800              | 5,650                              | 5,650                            | 5,650              |
| Capital Outlay          | 4,988             | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL CITY COST</b>  | <b>\$137,374</b>  | <b>\$140,677</b>   | <b>\$140,915</b>                   | <b>\$140,915</b>                 | <b>\$140,915</b>   |

**Communications and Marketing – Local Government Channel Budget Description**

The Manager’s Proposed FY 2012 Communications and Marketing – Local Government Channel budget of \$140,915 represents no significant change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Communications and Marketing – Local Government Channel budget was adopted by City Council without changes.



**Communications and Marketing Performance Measures**

|   |                         |                          |                           |                          |
|---|-------------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 1:</b><br>Ensure citizens receive a timely response from Customer Service Representatives (CSRs) through Citizens First.                  |                         |                          |                           |                          |
| <b>Objective:</b><br>Maintain call center industry standards for the abandonment rate of 5% or less.  |                         |                          |                           |                          |
| <b>Performance Measure:</b>   | <b>Actual FY 2010</b>   | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Abandonment rate  | Not previously measured | 5%                       | 5%                        | 5%                       |
| <b>Analysis of the Data:</b><br>This is a new measure that is now available due to an upgrade in the telephone system utilized by Citizens First. |                         |                          |                           |                          |

|  |                       |                          |                           |                          |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 2:</b><br>Provide useful and timely information to the citizens of Lynchburg via the internet.   |                       |                          |                           |                          |
| <b>Objective:</b><br>Increase the number of pageviews on www.lynchburgva.gov.  |                       |                          |                           |                          |
| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Number of page views   | 1,878,903             | 1,987,000                | 909,903                   | 2,000,000                |
| <b>Analysis of the Data:</b><br>Based on a greater emphasis on marketing the City, the department anticipates an increase in pageviews of 5% in FY 2011. |                       |                          |                           |                          |

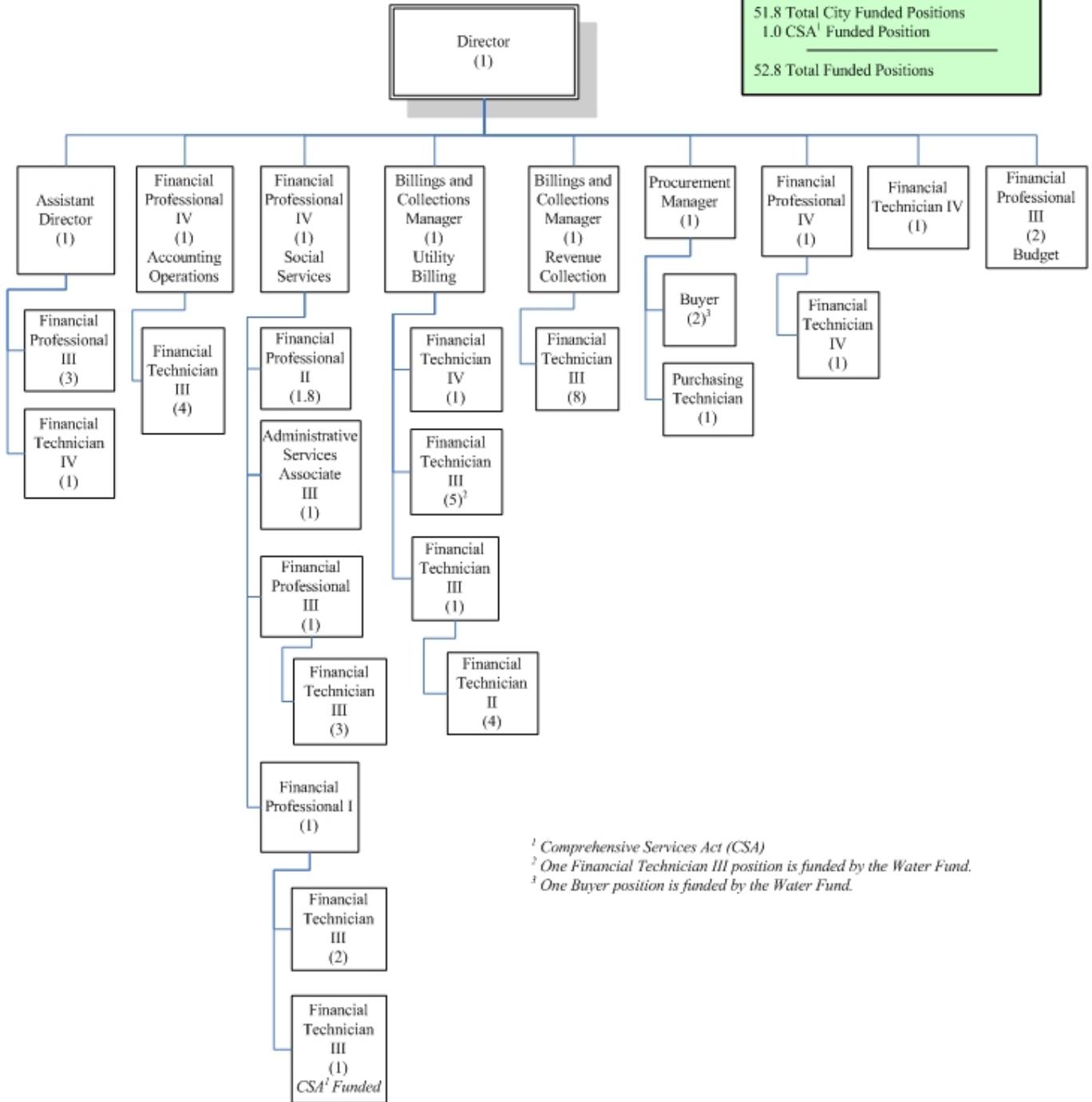
|   |                       |                          |                           |                          |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 3:</b><br>Produce quality programming on LTV that is both entertaining and informative.   |                       |                          |                           |                          |
| <b>Objective:</b><br>Increase the number of original programs produced and broadcast on LTV.  |                       |                          |                           |                          |
| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Number of programs produced   | 80                    | 90                       | 53                        | 90                       |
| <b>Analysis of the Data:</b><br>LTV, the City's local government channel, was created in FY 2009 and focused solely on the production of local government programming. With a year of experience, staff projects an increase in programs to at least 90 annually. |                       |                          |                           |                          |

|   |
|---|
| <b>Benchmark Localities:</b><br>Hampton, Fairfax, Falls Church, and Roanoke, VA |
|---|



### FINANCIAL SERVICES

**POSITION SUMMARY**  
 . . . . .  
 49.8 City Funded Positions  
 2.0 City Funded Positions (Water Fund)  
 -----  
 51.8 Total City Funded Positions  
 1.0 CSA<sup>1</sup> Funded Position  
 -----  
 52.8 Total Funded Positions



<sup>1</sup> Comprehensive Services Act (CSA)  
<sup>2</sup> One Financial Technician III position is funded by the Water Fund.  
<sup>3</sup> One Buyer position is funded by the Water Fund.



Financial Services

|   | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                         |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                           | 52.00              | 49.00              | 49.00                              | 49.00                            | 49.00              |
| City Funded Part-Time                           | 0.80               | 0.80               | 0.80                               | 0.80                             | 0.80               |
| City Funded Temporary                           | 0.75               | 0.00               | 0.00                               | 0.00                             | 0.00               |
| City Funded Full-Time (Water Fund) <sup>1</sup> | 0.00               | 2.00               | 2.00                               | 2.00                             | 2.00               |
| <b>TOTAL FTE</b>                                | <b>53.55</b>       | <b>51.80</b>       | <b>51.80</b>                       | <b>51.80</b>                     | <b>51.80</b>       |
| <b>BUDGET SUMMARY</b>                           |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                             |                    |                    |                                    |                                  |                    |
| Salaries  | \$2,155,422        | \$2,016,747        | \$2,001,300                        | \$2,001,300                      | \$2,001,300        |
| Employee Benefits                               | 815,646            | 852,300            | 858,564                            | 858,564                          | 858,564            |
| Contractual Services <sup>2</sup>               | 243,988            | 206,090            | 209,285                            | 209,285                          | 209,285            |
| Internal Service Charges                        | 367                | 300                | 300                                | 300                              | 300                |
| Other Charges                                   | 311,655            | 347,223            | 344,313                            | 344,313                          | 344,313            |
| <b>TOTAL DEPARTMENT EXPENDITURES</b>            | <b>\$3,527,078</b> | <b>\$3,422,660</b> | <b>\$3,413,762</b>                 | <b>\$3,413,762</b>               | <b>\$3,413,762</b> |
| <b>DEDICATED REVENUES</b>                       |                    |                    |                                    |                                  |                    |
| Federal Categorical Aid - Social Services       | \$290,390          | \$219,998          | \$217,684                          | \$217,684                        | \$217,684          |
| State Categorical Aid - Social Services         | 110,217            | 151,809            | 150,211                            | 150,211                          | 150,211            |
| CSA Provider - Human Services Finance           | 19,291             | 0                  | 0                                  | 0                                | 0                  |
| Juvenile Correction Block Grant                 | 12,000             | 12,000             | 12,000                             | 12,000                           | 12,000             |
| <b>TOTAL DEDICATED REVENUES</b>                 | <b>\$431,898</b>   | <b>\$383,807</b>   | <b>\$379,895</b>                   | <b>\$379,895</b>                 | <b>\$379,895</b>   |
| <b>TOTAL CITY COST</b>                          | <b>\$3,095,180</b> | <b>\$3,038,853</b> | <b>\$3,033,867</b>                 | <b>\$3,033,867</b>               | <b>\$3,033,867</b> |

<sup>1</sup> Beginning July 1, 2010, the Water Fund assumed salary and employee benefit costs associated with two positions; supervision will remain in the General Fund.

<sup>2</sup> Includes recovery from Judicial Sales of Real Estate Property.



Financial Services – Office of the Director. Responsible for the overall planning and leadership to prudently manage financial operations and to recommend and implement sound fiscal policies. In addition, long-range financial planning, debt management and coordination of the annual audit are major responsibilities of the Office of the Director.

|                          | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| City Funded Full-Time    | 6                 | 5                  | 5                                  | 5                                | 5                  |
| <b>TOTAL FTE</b>         | <b>6</b>          | <b>5</b>           | <b>5</b>                           | <b>5</b>                         | <b>5</b>           |
| <b>BUDGET SUMMARY</b>    |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                   |                    |                                    |                                  |                    |
| Salaries                 | \$401,528         | \$332,548          | \$339,073                          | \$339,073                        | \$339,073          |
| Employee Benefits        | 135,113           | 127,839            | 130,310                            | 130,310                          | 130,310            |
| Contractual Services     | 37,116            | 35,000             | 35,000                             | 35,000                           | 35,000             |
| Internal Service Charges | 175               | 0                  | 0                                  | 0                                | 0                  |
| Other Charges            | 12,564            | 12,333             | 13,099                             | 13,099                           | 13,099             |
| <b>TOTAL CITY COST</b>   | <b>\$586,496</b>  | <b>\$507,720</b>   | <b>\$517,482</b>                   | <b>\$517,482</b>                 | <b>\$517,482</b>   |

**Financial Services – Office of the Director Budget Description**

The Department Requested FY 2012 Financial Services – Office of the Director budget of \$517,482 represents a 1.9% increase of \$9,762 compared to the Adopted FY 2011 budget of \$507,720.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$8,996 increase in Salaries and Employee Benefits reflecting certification pay related to an employment agreement, as well as changes in health, dental, and life insurance rates.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Financial Services – Office of the Director budget was adopted by City Council without changes.



**Financial Services – Accounting Division.** Administers the financial, payroll, accounts payable and fixed assets systems and processes for all funds, the largest of which is the General Fund. The Division also prepares financial analysis for City Council, Administration and Departments, as well as required reports for Federal/State/Local and other regulatory agencies, auditors, private sector financial entities and the citizenry. In addition, the Division accounts for Federal and/or State funded grants/projects, performs cash management/investment functions, administers the debt portfolio, and compiles all the information necessary to complete the annual independent audit.

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 10.00             | 10.00              | 10.00                              | 10.00                            | 10.00              |
| City Funded Temporary   | 0.75              | 0.00               | 0.00                               | 0.00                             | 0.00               |
| <b>TOTAL FTE</b>        | <b>10.75</b>      | <b>10.00</b>       | <b>10.00</b>                       | <b>10.00</b>                     | <b>10.00</b>       |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$434,081         | \$428,601          | \$428,601                          | \$428,601                        | \$428,601          |
| Employee Benefits       | 164,502           | 180,992            | 183,086                            | 183,086                          | 183,086            |
| Contractual Services    | 200,906           | 163,600            | 168,200                            | 168,200                          | 168,200            |
| Other Charges           | 19,165            | 27,915             | 26,675                             | 26,675                           | 26,675             |
| <b>TOTAL CITY COST</b>  | <b>\$818,654</b>  | <b>\$801,108</b>   | <b>\$806,562</b>                   | <b>\$806,562</b>                 | <b>\$806,562</b>   |

**Financial Services – Accounting Division Budget Description**

The Department Requested FY 2012 Financial Services - Accounting Division budget of \$806,562 represents a 0.7% increase of \$5,454 compared to the Adopted FY 2011 budget of \$801,108.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$2,094 increase in Employee Benefits reflecting changes in health, dental, and life insurance rates.
- \$4,600 increase in Contractual Services reflecting an increase in the maintenance contract for the folder/sealer and audit fees for the General Fund and Sheriff.
- \$1,240 decrease in Other Charges reflecting historical costs.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Financial Services – Accounting Division budget was adopted by City Council without changes.



Financial Services – Billings and Collections Division. Primarily responsible for the billing and collection, both current and delinquent, of substantially all City revenues. This division provides for the billing and collection of real estate taxes, personal property taxes, business license taxes, water and sewer bills, parking tickets, delinquent ambulance bills, trash tags, and a variety of other revenues due the City.

|   | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                         |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                           | 21                 | 20                 | 20                                 | 20                               | 20                 |
| City Funded Full-Time (Water Fund) <sup>1</sup> | 0                  | 1                  | 1                                  | 1                                | 1                  |
| <b>TOTAL FTE</b>                                | <b>21</b>          | <b>21</b>          | <b>21</b>                          | <b>21</b>                        | <b>21</b>          |
| <b>BUDGET SUMMARY</b>                           |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                             |                    |                    |                                    |                                  |                    |
| Salaries  | \$682,809          | \$672,733          | \$672,234                          | \$672,234                        | \$672,234          |
| Employee Benefits                               | 274,186            | 303,523            | 308,703                            | 308,703                          | 308,703            |
| Contractual Services <sup>2</sup>               | 5,006              | 5,740              | 4,390                              | 4,390                            | 4,390              |
| Internal Service Charges                        | 192                | 300                | 300                                | 300                              | 300                |
| Other Charges                                   | 246,270            | 265,955            | 262,624                            | 262,624                          | 262,624            |
| <b>TOTAL CITY COST</b>                          | <b>\$1,208,463</b> | <b>\$1,248,251</b> | <b>\$1,248,251</b>                 | <b>\$1,248,251</b>               | <b>\$1,248,251</b> |

<sup>1</sup> Beginning July 1, 2010, the Water Fund assumed salary and employee benefit costs associated with one position; supervision will remain in the General Fund.

<sup>2</sup> Includes recovery from Judicial Sales of Real Estate Property.

**Financial Services – Billings and Collections Division Budget Description**

The Department Requested FY 2012 Financial Services - Billings and Collections Division budget of \$1,248,251 represents no change compared to the Adopted FY 2011 budget.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$4,681 increase in Salaries and Employee Benefits reflecting lower than anticipated personnel costs, as well as changes in health, dental, and life insurance rates.
- \$1,350 decrease in Contractual Services reflecting process changes which have resulted in fewer charges for information requests from the State Department of Information and PACER (Public Access to Court Electronic Records).
- \$3,363 decrease in Other Charges reflecting process changes to allowing the Division to use less expensive envelopes for outgoing mail, as well as providing information on CityLink, rather than as a bill insert.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Financial Services – Billings and Collections Division budget was adopted by City Council without changes.



Financial Services – Budget Division. Responsible for working with the City Manager’s Office to develop the annual operating budget and capital improvement program. This Division assists City departments, agencies, and citizens with budget matters and questions; as well as preparing and managing both the operating budget and capital improvement programs. The Division also provides research, data compilation, and various management reports related to budget matters.

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 2                 | 2                  | 2                                  | 2                                | 2                  |
| <b>TOTAL FTE</b>        | <b>2</b>          | <b>2</b>           | <b>2</b>                           | <b>2</b>                         | <b>2</b>           |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$109,199         | \$106,267          | \$106,267                          | \$106,267                        | \$106,267          |
| Employee Benefits       | 38,626            | 42,688             | 43,002                             | 43,002                           | 43,002             |
| Contractual Services    | 960               | 1,500              | 1,445                              | 1,445                            | 1,445              |
| Other Charges           | 1,794             | 4,100              | 4,155                              | 4,155                            | 4,155              |
| <b>TOTAL CITY COST</b>  | <b>\$150,579</b>  | <b>\$154,555</b>   | <b>\$154,869</b>                   | <b>\$154,869</b>                 | <b>\$154,869</b>   |

**Financial Services – Budget Division Budget Description**

The Department Requested FY 2012 Financial Services - Budget Division budget of \$154,869 represents no significant change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Financial Services – Budget Division budget was adopted by City Council without changes.



Financial Services – Procurement Division. Provides a full range of services to internal and external customers in the acquisition of goods and services, including construction and professional services; recordation and disposition of City owned surplus property; administration of the procurement card; provision of mail services to City departments; and maintenance of City Hall copiers. Additionally, this division is responsible for procurement services for City Schools.

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                         |                   |                    |                                    |                                  |                    |
| City Funded Full-Time                           | 4                 | 3                  | 3                                  | 3                                | 3                  |
| City Funded Full-Time (Water Fund) <sup>1</sup> | 0                 | 1                  | 1                                  | 1                                | 1                  |
| <b>TOTAL FTE</b>                                | <b>4</b>          | <b>4</b>           | <b>4</b>                           | <b>4</b>                         | <b>4</b>           |
| <b>BUDGET SUMMARY</b>                           |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                             |                   |                    |                                    |                                  |                    |
| Salaries  | \$145,218         | \$124,612          | \$124,612                          | \$124,612                        | \$124,612          |
| Employee Benefits                               | 58,674            | 53,044             | 53,693                             | 53,693                           | 53,693             |
| Contractual Services                            | 0                 | 250                | 250                                | 250                              | 250                |
| Other Charges                                   | 27,864            | 32,770             | 33,610                             | 33,610                           | 33,610             |
| <b>TOTAL CITY COST</b>                          | <b>\$231,756</b>  | <b>\$210,676</b>   | <b>\$212,165</b>                   | <b>\$212,165</b>                 | <b>\$212,165</b>   |

<sup>1</sup> Beginning July 1, 2010, the Water Fund assumed salary and employee benefit costs associated with one position; supervision will remain in the General Fund.

**Financial Services – Procurement Division Budget Description**

The Department Requested FY 2012 Financial Services - Procurement Division budget of \$212,165 represents a 0.7% increase of \$1,489 compared to the Adopted FY 2011 budget of \$210,676.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$649 increase in Employee Benefits reflecting changes in health, dental, and life insurance rates.
- \$840 increase in Other Charges for copier paper.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Financial Services – Procurement Division budget was adopted by City Council without changes.



**Financial Services – Human Services Financial Division.** Provides financial services to Juvenile and Social Services, the Detention Home Fund, and the Comprehensive Services Act Fund. Services include accounting for all State, federal, and local revenues within these funds.

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                   |                   |                    |                                    |                                  |                    |
| City Funded Full-Time                     | 9.0               | 9.0                | 9.0                                | 9.0                              | 9.0                |
| City Funded Part-Time                     | 0.8               | 0.8                | 0.8                                | 0.8                              | 0.8                |
| <b>TOTAL FTE</b>                          | <b>9.8</b>        | <b>9.8</b>         | <b>9.8</b>                         | <b>9.8</b>                       | <b>9.8</b>         |
| <b>BUDGET SUMMARY</b>                     |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                       |                   |                    |                                    |                                  |                    |
| Salaries                                  | \$382,587         | \$351,986          | \$330,513                          | \$330,513                        | \$330,513          |
| Employee Benefits                         | 144,545           | 144,214            | 139,770                            | 139,770                          | 139,770            |
| Other Charges                             | 3,998             | 4,150              | 4,150                              | 4,150                            | 4,150              |
| <b>TOTAL EXPENDITURES</b>                 | <b>\$531,130</b>  | <b>\$500,350</b>   | <b>\$474,433</b>                   | <b>\$474,433</b>                 | <b>\$474,433</b>   |
| <b>DEDICATED REVENUES</b>                 |                   |                    |                                    |                                  |                    |
| Federal Categorical Aid - Social Services | \$290,390         | \$219,998          | \$217,684                          | \$217,684                        | \$217,684          |
| State Categorical Aid - Social Services   | 110,217           | 151,809            | 150,211                            | 150,211                          | 150,211            |
| CSA Provider - Human Services Finance     | 19,291            | 0                  | 0                                  | 0                                | 0                  |
| Juvenile Correction Block Grant           | 12,000            | 12,000             | 12,000                             | 12,000                           | 12,000             |
| <b>TOTAL DEDICATED REVENUES</b>           | <b>\$431,898</b>  | <b>\$383,807</b>   | <b>\$379,895</b>                   | <b>\$379,895</b>                 | <b>\$379,895</b>   |
| <b>TOTAL CITY COST</b>                    | <b>\$99,232</b>   | <b>\$116,543</b>   | <b>\$94,538</b>                    | <b>\$94,538</b>                  | <b>\$94,538</b>    |

**Financial Services – Human Services Financial Division Budget Description**

The Department Requested FY 2012 Financial Services - Human Services Financial Division budget of \$474,433 represents a 5.2% decrease of \$25,917 compared to the Adopted FY 2011 budget of \$500,350.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$25,917 decrease in Salaries and Employee Benefits reflecting a reduction due to a retirement and requesting a vacant position to only be budgeted for six months.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Financial Services – Human Services Financial Division budget was adopted by City Council without changes.



**Financial Services Performance Measures**

|  |   |   |   |   |
|--|---|---|---|---|
| <b>Goal:</b>   |   |   |   |   |
| To ensure vendor, customer, and citizen trust through sound financial management (of all City funds).  |   |   |   |   |
| <b>Objective 1:</b>  |   |   |   |   |
| Place the City in the best financial position possible by maintaining a AA bond rating and receiving the Government Finance Officers' Association (GFOA) awards of excellence.   |   |   |   |   |
| <b>Performance Measure:</b>  | <b>Actual FY 2010</b>   | <b>Projected FY 2011</b>                                      | <b>July - Dec FY 2011</b>   | <b>Projected FY 2012</b>                                      |
| Bond rating  | Fitch: AA+<br>Moody's: Aa <sup>2</sup><br>Standard & Poor's: AA | Fitch: AA+<br>Moody's: Aa <sup>2</sup><br>S & P: AA           | Fitch: AA+<br>Moody's: Aa <sup>2</sup><br>S & P: AA+                                | Fitch: AA+<br>Moody's: Aa <sup>2</sup><br>S & P: AA+          |
| Financial presentation awards  | FY 2009 CAFR and FY 2010 Budget Presentation awards from GFOA   | FY 2010 CAFR and FY 2011 Budget Presentation awards from GFOA | Received FY 2011 Budget Presentation Award from GFOA and submitted the CAFR to GFOA | FY 2011 CAFR and FY 2012 Budget Presentation awards from GFOA |
| Audit findings   | 6   | 5   | 1   | 1   |
| <b>Analysis of the Data:</b>   |   |   |   |   |
| Lynchburg was upgraded by all three rating agencies based on the City's ongoing economic development and redevelopment, which continues to diversify the economy and expand the tax base. AAA ratings are generally reserved for larger localities with higher median incomes.   |   |   |   |   |
| Receiving awards from the Government Finance Officers' Association (GFOA) for the Comprehensive Annual Financial Report (CAFR) and the Budget document reflect a recognition of strong and prudent financial management, which is noted by rating agencies. While the economy has slowed and Lynchburg has seen a reduction in revenues, it is expected that the City will maintain its highly favorable bond rating and recognition of excellence in financial reporting. |   |   |   |   |
| The number of audit findings has decreased as the City and Schools staff work together to improve procedures.  |   |   |   |   |
| <b>Objective 2:</b>  |   |   |   |   |
| Make the payment of taxes and fees by citizens and businesses as economically efficient as possible.   |   |   |   |   |
| <b>Performance Measure:</b>  | <b>Actual FY 2010</b>   | <b>Projected FY 2011</b>                                      | <b>July - Dec FY 2011</b>   | <b>Projected FY 2012</b>                                      |
| Percent of payments made electronically  | 14%   | 15%   | 13%   | 17%   |
| <b>Analysis of the Data:</b>   |   |   |   |   |
| An increase in the percentage of electronic payments is expected due to the implementation of e-bills, e-checks, and a stronger web presence.  |   |   |   |   |



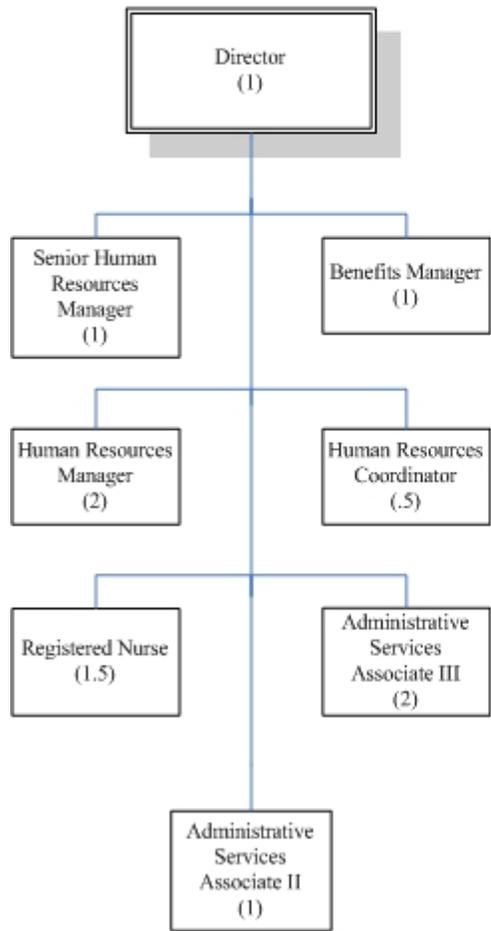
**Financial Services Performance Measures (continued)**

|  |                       |                          |   |                          |
|--|-----------------------|--------------------------|---|--------------------------|
| <b>Objective 3:</b>  |                       |                          |   |                          |
| To increase the timeliness and quality of services delivered by the Procurement Division.  |                       |                          |   |                          |
| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b>               | <b>Projected FY 2012</b> |
| Percent of users rating timeliness of services as good or excellent.   | 72.4%                 | 75.0%                    | This survey is conducted in the spring. | 85.0%                    |
| Percent of users rating quality of service as good or excellent.   | 71.9%                 | 80.0%                    |   | 85.0%                    |
| <b>Analysis of the Data:</b>   |                       |                          |   |                          |
| Users may have experienced a decrease in the timeliness and quality of service due to the combination of School consolidation, resulting in more duties for the department, coupled with the retirement of a Senior Buyer. It is anticipated the results of the Spring 2011 and 2012 surveys will show an increase in these rates since the division is fully staffed, thus being able to be more responsive to its customers. |                       |                          |   |                          |
| <b>Benchmark Localities:</b>   |                       |                          |   |                          |
| City of Roanoke, Roanoke County, and City of Charlottesville, VA   |                       |                          |   |                          |



**HUMAN RESOURCES**  
*(includes Occupational Health)*

|   |
|---|
| <b>POSITION SUMMARY</b><br>.....<br>10 City Funded Positions<br><hr/> 10 Total Funded Positions |
|---|





Human Resources and Occupational Health

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 10.0              | 9.0                | 9.0                                | 9.0                              | 9.0                |
| City Funded Part-Time   | 1.1               | 1.0                | 1.0                                | 1.0                              | 1.0                |
| <b>TOTAL FTE</b>        | <b>11.1</b>       | <b>10.0</b>        | <b>10.0</b>                        | <b>10.0</b>                      | <b>10.0</b>        |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$568,385         | \$518,155          | \$518,155                          | \$518,155                        | \$518,155          |
| Employee Benefits       | 191,631           | 194,749            | 196,171                            | 196,171                          | 196,171            |
| Contractual Services    | 50,645            | 63,700             | 75,300                             | 75,300                           | 75,300             |
| Other Charges           | 30,264            | 24,581             | 23,265                             | 23,265                           | 23,265             |
| <b>TOTAL CITY COST</b>  | <b>\$840,925</b>  | <b>\$801,185</b>   | <b>\$812,891</b>                   | <b>\$812,891</b>                 | <b>\$812,891</b>   |



**Human Resources.** Provides a full range of human resource services for internal and external customers. Services include recruitment and placement, compensation, benefits management, human resources information system development and maintenance, employee relations, employee and management counseling, training and employee development.

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 9.0               | 8.0                | 8.0                                | 8.0                              | 8.0                |
| City Funded Part-Time   | 0.6               | 0.5                | 0.5                                | 0.5                              | 0.5                |
| <b>TOTAL FTE</b>        | <b>9.6</b>        | <b>8.5</b>         | <b>8.5</b>                         | <b>8.5</b>                       | <b>8.5</b>         |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$503,409         | \$454,872          | \$454,872                          | \$454,872                        | \$454,872          |
| Employee Benefits       | 173,419           | 174,776            | 175,995                            | 175,995                          | 175,995            |
| Contractual Services    | 18,958            | 26,300             | 38,000                             | 38,000                           | 38,000             |
| Other Charges           | 23,927            | 18,172             | 16,980                             | 16,980                           | 16,980             |
| <b>TOTAL CITY COST</b>  | <b>\$719,713</b>  | <b>\$674,120</b>   | <b>\$685,847</b>                   | <b>\$685,847</b>                 | <b>\$685,847</b>   |

**Human Resources Budget Description**

The Department Requested FY 2012 Human Resources budget of \$685,847 represents a 1.7% increase of \$11,727 compared to the Adopted FY 2011 budget of \$674,120.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$1,219 increase in Employee Benefits reflecting changes in health, dental, and life insurance rates.
- \$12,000 increase in Contractual Services reflecting the estimated annual service fee for the new Learning Management System (LMS) being purchased this fiscal year.
- \$1,192 decrease in Other Charges reflecting historical costs.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Human Resources budget was adopted by City Council without changes.



**Human Resources Performance Measures**

|  |                       |                          |                           |                          |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 1:</b><br>Provide excellent customer service to the workforce.   |                       |                          |                           |                          |
| <b>Objective:</b><br>Overall satisfaction with Human Resources' (HR) services are rated as good or better by 80% of respondents.   |                       |                          |                           |                          |
| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| % employees rating HR services as excellent or good  | N/A                   | 80%                      | Survey Results Pending    | 80%                      |
| <b>Analysis of the Data:</b><br>On-going interaction with employees and managers and a focus on responsiveness and communication, combined with effective training opportunities, contribute to increasing the satisfaction ratings over expected levels. An employee survey was not completed in FY 2010. |                       |                          |                           |                          |

|  |                       |                          |                           |                          |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 2:</b><br>Support effective recruitment processes.   |                       |                          |                           |                          |
| <b>Objective:</b><br>In a timely manner, following the posting close date, develop and deliver to hiring officials a list of certified (qualified) applicants for non-public safety positions within 6 days.   |                       |                          |                           |                          |
| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Average number of work days to screen and deliver a certified list   | 5.3                   | 7.0                      | 4.4                       | 6.0                      |
| <b>Analysis of the Data:</b><br>HR supports a quick and effective recruitment process by evaluating applicants and referring the most qualified to departments in a timely manner. Theoretically, the quicker a department has a list of certified candidates, the faster it can begin the selection process thereby reducing non-productive time. Mid-year FY 2011 results are a very positive indication that focused efforts by the professional staff are reducing the turnaround time despite a reduction in staff. |                       |                          |                           |                          |

**Benchmark Localities:**  
ICMA-Center for Performance Measurement provides the most effective benchmark for the measures above.



**Human Resources – Occupational Health.** Occupational Health provides onsite medical services to employees and post-offer applicants. Services include the initial assessment and treatment of work related injuries and illnesses, pre-employment and periodic public safety physical exams, pre-employment and random drug and alcohol testing, treatment of minor personal illnesses, follow-up treatment and vaccinations. The program links medical care with the City’s benefit and safety programs to help manage costs and provide effective services to employees.

|                         | <b>Actual<br/>FY 2010</b> | <b>Adopted<br/>FY 2011</b> | <b>Department<br/>Requested<br/>FY 2012</b> | <b>Manager's<br/>Proposed<br/>FY 2012</b> | <b>Adopted<br/>FY 2012</b> |
|-------------------------|---------------------------|----------------------------|---|---|----------------------------|
| <b>POSITION SUMMARY</b> |                           |                            |   |   |                            |
| City Funded Full-Time   | 1.0                       | 1.0                        | 1.0   | 1.0                                       | 1.0                        |
| City Funded Part-Time   | 0.5                       | 0.5                        | 0.5   | 0.5                                       | 0.5                        |
| <b>TOTAL FTE</b>        | <b>1.5</b>                | <b>1.5</b>                 | <b>1.5</b>                                  | <b>1.5</b>                                | <b>1.5</b>                 |
| <b>BUDGET SUMMARY</b>   |                           |                            |   |   |                            |
| <b>EXPENDITURES</b>     |                           |                            |   |   |                            |
| Salaries                | \$64,976                  | \$63,283                   | \$63,283                                    | \$63,283                                  | \$63,283                   |
| Employee Benefits       | 18,212                    | 19,973                     | 20,176                                      | 20,176                                    | 20,176                     |
| Contractual Services    | 31,687                    | 37,400                     | 37,300                                      | 37,300                                    | 37,300                     |
| Other Charges           | 6,337                     | 6,409                      | 6,285                                       | 6,285                                     | 6,285                      |
| <b>TOTAL CITY COST</b>  | <b>\$121,212</b>          | <b>\$127,065</b>           | <b>\$127,044</b>                            | <b>\$127,044</b>                          | <b>\$127,044</b>           |

***Human Resources – Occupational Health Budget Description***

The Department Requested FY 2012 Human Resources – Occupational Health budget of \$127,044 represents no significant change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Human Resources – Occupational Health budget was adopted by City Council without changes.



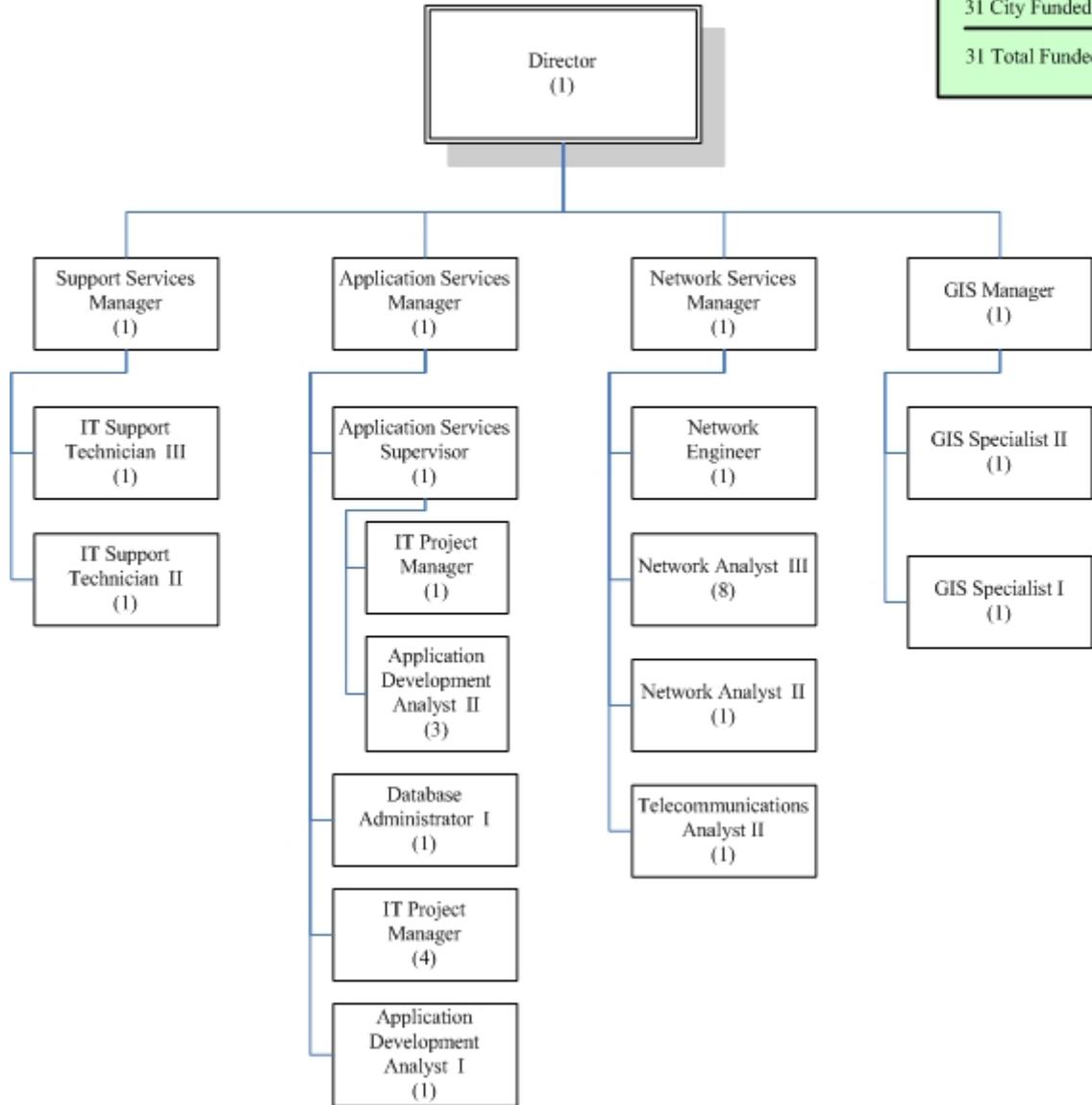
**Human Resources - Occupational Health Performance Measures**

|   |                                     |                                     |                           |                                     |
|---|-------------------------------------|-------------------------------------|---------------------------|-------------------------------------|
| <b>Goal 1:</b><br>Deliver efficient job-related medical services to the workforce.  |                                     |                                     |                           |                                     |
| <b>Objective:</b><br>The value of services provided exceeds the costs of the program.   |                                     |                                     |                           |                                     |
| <b>Performance Measure:</b>   | <b>Actual FY 2010</b>               | <b>Projected FY 2011</b>            | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b>            |
| Value of services compared to actual resources expended.  | \$1.18 value for every \$1 expended | \$1.15 value for every \$1 expended | N/A                       | \$1.10 value for every \$1 expended |
| <b>Analysis of the Data:</b><br>On-site occupational health services continue to provide an excellent value compared to the cost of comparable services performed by other providers. In addition to the tangible savings, the City also benefits from time savings and cost avoidance by delivering work-related medical services in-house. Due to focusing almost exclusively on work-related service delivery, some of the cost savings previously associated with Occupational Health are transitioning to cost savings resulting from the Health Management Program. |                                     |                                     |                           |                                     |



### INFORMATION TECHNOLOGY

**POSITION SUMMARY**  
 .....  
 31 City Funded Positions  
 -----  
 31 Total Funded Positions





Information Technology (IT)

|                                  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|----------------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>          |                    |                    |                                    |                                  |                    |
| City Funded Full-Time            | 30                 | 31                 | 31                                 | 31                               | 31                 |
| <b>TOTAL FTE</b>                 | <b>30</b>          | <b>31</b>          | <b>31</b>                          | <b>31</b>                        | <b>31</b>          |
| <b>BUDGET SUMMARY</b>            |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>              |                    |                    |                                    |                                  |                    |
| Salaries                         | \$1,913,887        | \$1,985,180        | \$1,980,505                        | \$1,980,505                      | \$1,980,505        |
| Employee Benefits                | 663,845            | 771,245            | 759,196                            | 759,196                          | 759,196            |
| Contractual Services             | 234,338            | 288,303            | 263,330                            | 263,330                          | 263,330            |
| Internal Service Charges         | 2,848              | 5,426              | 5,177                              | 5,177                            | 5,177              |
| Other Charges                    | 178,746            | 229,369            | 220,409                            | 220,409                          | 220,409            |
| Capital Outlay                   | 6,979              | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL EXPENDITURES</b>        | <b>\$3,000,643</b> | <b>\$3,279,523</b> | <b>\$3,228,617</b>                 | <b>\$3,228,617</b>               | <b>\$3,228,617</b> |
| <b>DEDICATED REVENUES</b>        |                    |                    |                                    |                                  |                    |
| Network Services - Schools Share | \$97,725           | \$95,240           | \$90,225                           | \$90,225                         | \$90,225           |
| <b>TOTAL DEDICATED REVENUES</b>  | <b>\$97,725</b>    | <b>\$95,240</b>    | <b>\$90,225</b>                    | <b>\$90,225</b>                  | <b>\$90,225</b>    |
| <b>TOTAL CITY COST</b>           | <b>\$2,902,918</b> | <b>\$3,184,283</b> | <b>\$3,138,392</b>                 | <b>\$3,138,392</b>               | <b>\$3,138,392</b> |



Information Technology – Administration Division. Provides management and administration for the department, Help Desk services, computer operations, and oversight for the cable TV and telecommunications franchises.

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 5                 | 4                  | 4                                  | 4                                | 4                  |
| <b>TOTAL FTE</b>        | <b>5</b>          | <b>4</b>           | <b>4</b>                           | <b>4</b>                         | <b>4</b>           |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$281,400         | \$290,450          | \$284,023                          | \$284,023                        | \$284,023          |
| Employee Benefits       | 97,305            | 109,981            | 108,213                            | 108,213                          | 108,213            |
| Contractual Services    | 21,563            | 27,177             | 21,050                             | 21,050                           | 21,050             |
| Other Charges           | 5,066             | 11,775             | 10,600                             | 10,600                           | 10,600             |
| <b>TOTAL CITY COST</b>  | <b>\$405,334</b>  | <b>\$439,383</b>   | <b>\$423,886</b>                   | <b>\$423,886</b>                 | <b>\$423,886</b>   |

**Information Technology – Administration Division Budget Description**

The Department Requested FY 2012 Information Technology – Administration Division budget of \$423,886 represents a 3.5% decrease of \$15,497 compared to the Adopted FY 2011 budget of \$439,383.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$8,195 decrease in Salaries and Employee Benefits reflecting the lower than anticipated cost of personnel as well as changes in health, dental, and life insurance rates.
- \$6,127 decrease in Contractual Services, primarily due to a lower cost for custodial services, and the elimination of IT consulting funds.
- \$1,175 decrease in Other Charges reflecting historical costs.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Information Technology – Administration Division budget was adopted by City Council without changes.



Information Technology – Application Services Division. Provides business process and technical services to the users of the City's computer systems. Services include operational support, system specification and procurement, system management, system customization, programming, training, troubleshooting, and consulting.

|                         | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                    |                    |                                    |                                  |                    |
| City Funded Full-Time   | 10                 | 12                 | 12                                 | 12                               | 12                 |
| <b>TOTAL FTE</b>        | <b>10</b>          | <b>12</b>          | <b>12</b>                          | <b>12</b>                        | <b>12</b>          |
| <b>BUDGET SUMMARY</b>   |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                    |                    |                                    |                                  |                    |
| Salaries                | \$707,950          | \$763,178          | \$772,342                          | \$772,342                        | \$772,342          |
| Employee Benefits       | 245,287            | 295,754            | 297,770                            | 297,770                          | 297,770            |
| Contractual Services    | 108,671            | 191,431            | 181,185                            | 181,185                          | 181,185            |
| Other Charges           | 9,211              | 27,013             | 20,950                             | 20,950                           | 20,950             |
| Capital Outlay          | 5,000              | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL CITY COST</b>  | <b>\$1,076,119</b> | <b>\$1,277,376</b> | <b>\$1,272,247</b>                 | <b>\$1,272,247</b>               | <b>\$1,272,247</b> |

**Information Technology – Application Services Division Budget Description**

The Manager’s Proposed FY 2012 Information Technology – Application Services Division budget of \$1,272,247 represents a 0.4% decrease of \$5,129 compared to the Adopted FY 2011 budget of \$1,277,376.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$11,180 increase in Salaries and Employee Benefits reflecting employee progressions, as well as changes in health, dental, and life insurance rates.
- \$10,246 decrease in Contractual Services reflecting the net of reduced software maintenance expense and the transfer of contracted programming support to the Technology Fund.
- \$6,063 decrease in Other Charges reflecting historical costs.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Information Technology – Application Services Division budget was adopted by City Council without changes.



Information Technology – Geographic Information System (GIS) Division. The GIS Division uses computer technology that can display, analyze, and process information geographically. GIS is responsible for maintaining base data layers for topography, hydrology, and planimetric features as well as orthophotography. GIS provides a wide range of services to support the various City departments in planning and decision making. The data is also available for use by the citizens and outside organizations through an on line mapping application.

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 3                 | 3                  | 3                                  | 3                                | 3                  |
| <b>TOTAL FTE</b>        | <b>3</b>          | <b>3</b>           | <b>3</b>                           | <b>3</b>                         | <b>3</b>           |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$115,441         | \$125,194          | \$130,214                          | \$130,214                        | \$130,214          |
| Employee Benefits       | 44,505            | 56,095             | 53,607                             | 53,607                           | 53,607             |
| Contractual Services    | 80,634            | 69,295             | 60,695                             | 60,695                           | 60,695             |
| Other Charges           | 4,833             | 9,508              | 7,838                              | 7,838                            | 7,838              |
| <b>TOTAL CITY COST</b>  | <b>\$245,413</b>  | <b>\$260,092</b>   | <b>\$252,354</b>                   | <b>\$252,354</b>                 | <b>\$252,354</b>   |

**Information Technology – Geographic Information System Division Budget Description**

The Department Requested FY 2012 Information Technology – Geographic Information System Division budget of \$252,354 represents a 3.0% decrease of \$7,738 compared to the Adopted FY 2011 budget of \$260,092.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$2,532 increase in Salaries and Employee Benefits reflecting employee progressions, as well as changes in health, dental, and life insurance rates.
- \$8,600 decrease in Contractual Services reflecting a reduction in consulting and data purchase expense, offset by increased software maintenance expense.
- \$1,670 decrease in Other Charges reflecting historical costs.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Information Technology – Geographic Information System Division budget was adopted by City Council without changes.



Information Technology – Network Services Division. Provides services to engineer and operate the City's local and wide area networks. This includes managing and supporting all of the communications devices and services along with the software required to provide these networks. Other services provided and supported include e-mail, Internet access, remote network access, application-specific server operation, desktop user support, hardware and software standards, and centralized purchasing of the City's personal computers.

|                                 | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---------------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>         |                    |                    |                                    |                                  |                    |
| City Funded Full-Time           | 12                 | 12                 | 12                                 | 12                               | 12                 |
| <b>TOTAL FTE</b>                | <b>12</b>          | <b>12</b>          | <b>12</b>                          | <b>12</b>                        | <b>12</b>          |
| <b>BUDGET SUMMARY</b>           |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>             |                    |                    |                                    |                                  |                    |
| Salaries                        | \$809,096          | \$806,358          | \$793,926                          | \$793,926                        | \$793,926          |
| Employee Benefits               | 276,748            | 309,415            | 299,606                            | 299,606                          | 299,606            |
| Contractual Services            | 7,060              | 400                | 400                                | 400                              | 400                |
| Internal Service Charges        | 2,848              | 5,426              | 5,177                              | 5,177                            | 5,177              |
| Other Charges                   | 159,728            | 181,073            | 181,021                            | 181,021                          | 181,021            |
| <b>TOTAL EXPENDITURES</b>       | <b>\$1,255,480</b> | <b>\$1,302,672</b> | <b>\$1,280,130</b>                 | <b>\$1,280,130</b>               | <b>\$1,280,130</b> |
| <b>DEDICATED REVENUES</b>       |                    |                    |                                    |                                  |                    |
| Revenue from Schools            | \$97,725           | \$95,240           | \$90,225                           | \$90,225                         | \$90,225           |
| <b>TOTAL DEDICATED REVENUES</b> | <b>\$97,725</b>    | <b>\$95,240</b>    | <b>\$90,225</b>                    | <b>\$90,225</b>                  | <b>\$90,225</b>    |
| <b>TOTAL CITY COST</b>          | <b>\$1,157,755</b> | <b>\$1,207,432</b> | <b>\$1,189,905</b>                 | <b>\$1,189,905</b>               | <b>\$1,189,905</b> |

**Information Technology – Network Services Division Budget Description**

The Department Requested FY 2012 Information Technology – Network Services Division budget of \$1,280,130 represents a 1.7% decrease of \$22,542 compared to the Adopted FY 2011 budget of \$1,302,672.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$22,241 decrease in Salaries and Employee Benefits reflecting the lower than anticipated personnel costs, as well as changes in health, dental, and life insurance rates.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Information Technology – Network Services Division budget was adopted by City Council without changes.



**Information Technology – IT Projects.** This sub-department tracks the budget for specific initiatives for technology needs in other City departments and to advance the City’s Information Technology Strategic Plan.

|                        | <b>Actual<br/>FY 2010</b> | <b>Adopted<br/>FY 2011</b> | <b>Department<br/>Requested<br/>FY 2012</b> | <b>Manager's<br/>Proposed<br/>FY 2012</b> | <b>Adopted<br/>FY 2012</b> |
|------------------------|---------------------------|----------------------------|---|---|----------------------------|
| <b>BUDGET SUMMARY</b>  |                           |                            |   |   |                            |
| <b>EXPENDITURES</b>    |                           |                            |   |   |                            |
| Contractual Services   | \$16,410                  | \$0                        | \$0   | \$0                                       | \$0                        |
| Other Charges          | (92)                      | 0                          | 0   | 0   | 0                          |
| Capital Outlay         | 1,979                     | 0                          | 0   | 0   | 0                          |
| <b>TOTAL CITY COST</b> | <b>\$18,297</b>           | <b>\$0</b>                 | <b>\$0</b>                                  | <b>\$0</b>                                | <b>\$0</b>                 |

**Information Technology – IT Projects Budget Description**

No funds are requested for FY 2012.



Information Technology Performance Measures

**Goal 1:**  
Overall employee satisfaction with Information Technology (IT) services.

**Objective:**  
To provide excellent delivery of information technology services, as measured by achieving at least a 3.50 rating on overall satisfaction with IT services on the annual customer satisfaction survey.

| <b>Performance Measure:</b> | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|-----------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Annual survey rating:       | 3.65                  | 3.89                     | N/A                       | >3.50                    |
| 4 = Excellent               |                       |                          |                           |                          |
| 3 = Good                    |                       |                          |                           |                          |
| 2 = Fair                    |                       |                          |                           |                          |
| 1 = Poor                    |                       |                          |                           |                          |

**Analysis of the Data:**  
The objective for this measure is to be near "Excellent" in the delivery of IT services. The results for FY 2010 demonstrate the department has been successful in this measure, exceeding a 3.50 rating for the third year in a row.

**Goal 2:**  
Maximum availability of critical network services.

**Objective:**  
To provide network availability during normal general government business hours (8:30am - 5:00pm, M-F) for at least 99.99% of the year.

| <b>Performance Measure:</b>                | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| Network availability of Priority 1 devices | 99.99%                | 99.99%                   | 99.99%                    | 99.99%                   |

**Analysis of the Data:**  
The goal for this measure is to ensure that business critical applications, devices and systems are available during core business hours of 8:30 a.m. to 5:00 p.m. on Monday through Friday. The FY 2011 projected result is based on the year-to-date performance as of December 2010 and the anticipated performance for the remainder of the year.

**Goal 3:**  
Service requests completed on time.

**Objective:**  
To meet the agreed-upon due date for Incidents and Small Projects at least 85% of the time.

| <b>Performance Measure:</b>                                   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| Percentage of Incidents and Small Projects completed on time. | 88.75%                | 92.00%                   | 95.34%                    | >85.00%                  |

**Analysis of the Data:**  
The goal for this measure is to provide timely technology services. The Projected FY 2011 on-time completion percentage is based on the year-to-date performance as of December 2010 coupled with an anticipated increased workload in the second half of the year.



**INTERNAL AUDIT**

Director  
(1)  
*Unfunded*

Financial  
Technician III  
(1)

**POSITION SUMMARY**

.....

1 City Funded Position

1 City Unfunded Position

---

2 Total Positions



**Internal Audit.** Provides objective evaluations of the processes, programs, and systems of internal controls within the City of Lynchburg and makes recommendations to improve efficiency and effectiveness of operations.

|                           | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| City Funded Full-Time     | 2                 | 2                  | 2                                  | 1                                | 1                  |
| City Full-Time Not Funded | 0                 | 0                  | 0                                  | 1                                | 1                  |
| <b>TOTAL FTE</b>          | <b>2</b>          | <b>2</b>           | <b>2</b>                           | <b>2</b>                         | <b>2</b>           |
| <b>BUDGET SUMMARY</b>     |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>       |                   |                    |                                    |                                  |                    |
| Salaries                  | \$68,309          | \$93,022           | \$93,022                           | \$36,441                         | \$36,441           |
| Employee Benefits         | 28,127            | 38,504             | 38,885                             | 16,313                           | 16,313             |
| Other Charges             | 725               | 3,146              | 3,146                              | 3,146                            | 3,146              |
| <b>TOTAL CITY COST</b>    | <b>\$97,161</b>   | <b>\$134,672</b>   | <b>\$135,053</b>                   | <b>\$55,900</b>                  | <b>\$55,900</b>    |

**Internal Audit Budget Description**

The Department Requested FY 2012 Internal Audit budget of \$135,053 represents no significant change compared to the Adopted FY 2011 budget.

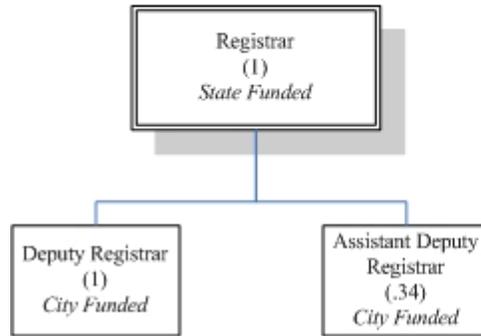
Major item requested but not proposed by the City Manager for funding:

- \$79,153 in Salaries and Employee Benefits resulting from eliminating funding for the Director position until the Internal Audit Committee provides further information regarding the direction of the position.

The Proposed FY 2012 Internal Audit budget was adopted by City Council without changes.



**REGISTRAR AND ELECTORAL BOARD**



| POSITION SUMMARY            |  |
|-----------------------------|--|
| 1.00 State Funded Position  |  |
| 1.34 City Funded Position   |  |
| <hr/>                       |  |
| 2.34 Total Funded Positions |  |



**Registrar.** A State-mandated activity. Appointed by the Electoral Board, the Registrar maintains the active voter list, arranges facilities for voter registration and voting, and conducts elections. Three general elections are scheduled during this fiscal year: November 2011 State House and Senate seats, May 2012 City Council Ward seats, and a March 2012 Presidential Primary.

|                                 | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---------------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>         |                   |                    |                                    |                                  |                    |
| City Funded Full-Time           | 1.00              | 1.00               | 1.00                               | 1.00                             | 1.00               |
| City Funded Part-Time           | 0.30              | 0.25               | 0.34                               | 0.34                             | 0.34               |
| State Funded Full-Time          | 1.00              | 1.00               | 1.00                               | 1.00                             | 1.00               |
| <b>TOTAL FTE</b>                | <b>2.30</b>       | <b>2.25</b>        | <b>2.34</b>                        | <b>2.34</b>                      | <b>2.34</b>        |
| <b>BUDGET SUMMARY</b>           |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>             |                   |                    |                                    |                                  |                    |
| Salaries                        | \$99,649          | \$95,658           | \$97,258                           | \$97,258                         | \$97,258           |
| Employee Benefits               | 34,277            | 38,093             | 38,609                             | 38,609                           | 38,609             |
| Contractual Services            | 4,773             | 2,450              | 7,050                              | 7,050                            | 7,050              |
| Other Charges                   | 8,216             | 6,468              | 20,223                             | 20,223                           | 20,223             |
| <b>TOTAL EXPENDITURES</b>       | <b>\$146,915</b>  | <b>\$142,669</b>   | <b>\$163,140</b>                   | <b>\$163,140</b>                 | <b>\$163,140</b>   |
| <b>DEDICATED REVENUES</b>       |                   |                    |                                    |                                  |                    |
| Revenues from the Commonwealth  | \$44,178          | \$43,491           | \$43,431                           | \$43,431                         | \$43,431           |
| <b>TOTAL DEDICATED REVENUES</b> | <b>\$44,178</b>   | <b>\$43,491</b>    | <b>\$43,431</b>                    | <b>\$43,431</b>                  | <b>\$43,431</b>    |
| <b>TOTAL CITY COST</b>          | <b>\$102,737</b>  | <b>\$99,178</b>    | <b>\$119,709</b>                   | <b>\$119,709</b>                 | <b>\$119,709</b>   |

**Registrar Budget Description**

The Department Requested FY 2012 Registrar budget of \$163,140 represents a 14.3% increase of \$20,471 compared to the Adopted FY 2011 budget of \$142,669.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$2,116 increase in Salaries and Employee Benefits reflecting additional temporary hours for three scheduled elections, as well as changes in health, dental, and life insurance rates.
- \$4,600 increase in Contractual Services reflecting the cost of ballot design and programming for three scheduled elections.
- \$13,755 increase in Other Charges reflecting additional costs for three scheduled elections, the cost of redistricting, additional training for the new Registrar, and a new copier/printer/fax lease agreement.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Registrar budget was adopted by City Council without changes.



**Electoral Board.** Consists of three members appointed by the Circuit Court Judge. Members are appointed for staggered three-year terms and are responsible for overseeing general and primary elections and ensuring the maintenance and security of voting machines. The Electoral Board must also canvass the vote the day after an election to decide the validity of provisional ballots and confirm the results of the election.

|                                 | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---------------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>BUDGET SUMMARY</b>           |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>             |                   |                    |                                    |                                  |                    |
| Contractual Services            | \$4,232           | \$4,253            | \$4,753                            | \$4,753                          | \$4,753            |
| Other Charges                   | 52,837            | 34,862             | 86,026                             | 86,026                           | 86,026             |
| <b>TOTAL EXPENDITURES</b>       | <b>\$57,069</b>   | <b>\$39,115</b>    | <b>\$90,779</b>                    | <b>\$90,779</b>                  | <b>\$90,779</b>    |
| <b>DEDICATED REVENUES</b>       |                   |                    |                                    |                                  |                    |
| Revenues from the Commonwealth  | \$10,207          | \$11,569           | \$11,569                           | \$11,569                         | \$11,569           |
| <b>TOTAL DEDICATED REVENUES</b> | <b>\$10,207</b>   | <b>\$11,569</b>    | <b>\$11,569</b>                    | <b>\$11,569</b>                  | <b>\$11,569</b>    |
| <b>TOTAL CITY COST</b>          | <b>\$46,862</b>   | <b>\$27,546</b>    | <b>\$79,210</b>                    | <b>\$79,210</b>                  | <b>\$79,210</b>    |

**Electoral Board Budget Description**

The Department Requested FY 2012 Electoral Board budget of \$90,779 represents a 132.1% increase of \$51,664 compared to the Adopted FY 2011 budget of \$39,115.

Significant changes introduced in the Department Requested FY 2012 budget include:

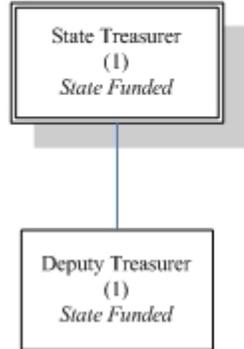
- \$51,164 increase in Other Charges reflecting costs associated with additional elections and redistricting.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Electoral Board budget was adopted by City Council without changes.



**STATE TREASURER**



| POSITION SUMMARY |                                  |
|------------------|----------------------------------|
| *****            |                                  |
| 2.00             | State Funded Positions           |
| 0.04             | State Funded Temporary Positions |
| <hr/>            |                                  |
| 2.04             | Total Funded Positions           |



State Treasurer. A State Constitutional Office, housed by the City, elected by City residents, the State Treasurer pays jurors and collects State income tax, estimated State income tax, capital tax, and State license fees as well as issues State cigarette stamps.

|  | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                  |                   |                    |                                    |                                  |                    |
| State Funded Full-Time                   | 2.00              | 2.00               | 2.00                               | 2.00                             | 2.00               |
| State Funded Temporary                   | 0.22              | 0.04               | 0.04                               | 0.04                             | 0.04               |
| <b>TOTAL FTE</b>                         | <b>2.22</b>       | <b>2.04</b>        | <b>2.04</b>                        | <b>2.04</b>                      | <b>2.04</b>        |
| <b>BUDGET SUMMARY</b>                    |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                      |                   |                    |                                    |                                  |                    |
| Salaries                                 | \$99,610          | \$101,567          | \$101,567                          | \$101,567                        | \$101,567          |
| Employee Benefits                        | 35,860            | 40,886             | 41,230                             | 41,230                           | 41,230             |
| Other Charges                            | 783               | 2,708              | 2,364                              | 2,364                            | 2,364              |
| <b>TOTAL EXPENDITURES</b>                | <b>\$136,253</b>  | <b>\$145,161</b>   | <b>\$145,161</b>                   | <b>\$145,161</b>                 | <b>\$145,161</b>   |
| <b>DEDICATED REVENUES</b>                |                   |                    |                                    |                                  |                    |
| Commonwealth Aid for Shared Expenditures | \$111,029         | \$92,995           | \$92,995                           | \$92,995                         | \$94,049           |
| <b>TOTAL DEDICATED REVENUES</b>          | <b>\$111,029</b>  | <b>\$92,995</b>    | <b>\$92,995</b>                    | <b>\$92,995</b>                  | <b>\$94,049</b>    |
| <b>TOTAL CITY COST</b>                   | <b>\$25,224</b>   | <b>\$52,166</b>    | <b>\$52,166</b>                    | <b>\$52,166</b>                  | <b>\$51,112</b>    |

**State Treasurer Budget Description**

The Department Requested FY 2012 State Treasurer budget of \$145,161 represents no change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 State Treasurer budget was adopted by City Council without changes.



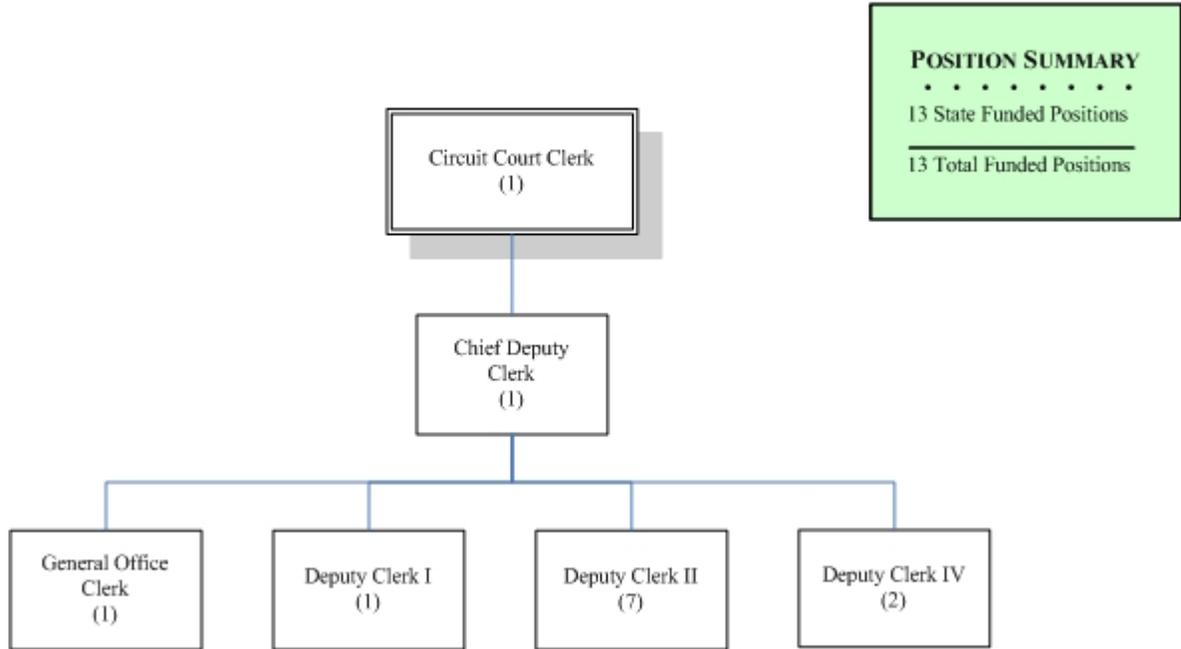
**HISTORICAL FACT:**

*Lynchburg was named for its founder, John Lynch, who at the age of 17 started a ferry service across the James River in 1757. He was also responsible for Lynchburg's first bridge across the river, which replaced the ferry in 1812.*





**CIRCUIT COURT CLERK (24<sup>TH</sup> JUDICIAL DISTRICT)**





**Circuit Court Clerk (24<sup>th</sup> Judicial District).** A State Constitutional Office, elected by City residents, the Clerk is the chief administrative officer of the Court of Record. The Clerk keeps all permanent records concerning real estate, estates, marriages, and divorces, and has the authority to probate wills, grant administration of estates, and appoint guardians.

|  | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                  |                   |                    |                                    |                                  |                    |
| State Funded Full-Time                   | 13                | 13                 | 13                                 | 13                               | 13                 |
| <b>TOTAL FTE</b>                         | <b>13</b>         | <b>13</b>          | <b>13</b>                          | <b>13</b>                        | <b>13</b>          |
| <b>BUDGET SUMMARY</b>                    |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                      |                   |                    |                                    |                                  |                    |
| Salaries                                 | \$471,972         | \$486,340          | \$486,340                          | \$486,340                        | \$486,340          |
| Employee Benefits                        | 181,816           | 212,918            | 216,002                            | 216,002                          | 216,002            |
| Contractual Services                     | 21,946            | 6,145              | 6,145                              | 6,145                            | 6,145              |
| Other Charges                            | 39,328            | 38,655             | 37,655                             | 37,655                           | 37,655             |
| <b>TOTAL EXPENDITURES</b>                | <b>\$715,062</b>  | <b>\$744,058</b>   | <b>\$746,142</b>                   | <b>\$746,142</b>                 | <b>\$746,142</b>   |
| <b>DEDICATED REVENUES</b>                |                   |                    |                                    |                                  |                    |
| Commonwealth Aid for Shared Expenditures | \$486,179         | \$494,975          | \$514,863                          | \$514,863                        | \$506,814          |
| Document Reproduction Fees               | 15,671            | 15,000             | 15,000                             | 15,000                           | 15,000             |
| Excess Fees for Clerk of Court           | 65,708            | 40,000             | 40,000                             | 40,000                           | 40,000             |
| <b>TOTAL DEDICATED REVENUES</b>          | <b>\$567,558</b>  | <b>\$549,975</b>   | <b>\$569,863</b>                   | <b>\$569,863</b>                 | <b>\$561,814</b>   |
| <b>TOTAL CITY COST</b>                   | <b>\$147,504</b>  | <b>\$194,083</b>   | <b>\$176,279</b>                   | <b>\$176,279</b>                 | <b>\$184,328</b>   |

**Circuit Court Clerk (24<sup>th</sup> Judicial District) Budget Description**

The Department Requested FY 2012 Circuit Court Clerk budget of \$746,142 represents a 0.3% increase of \$2,084 compared to the Adopted FY 2011 budget of \$744,058.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$3,084 increase in Employee Benefits reflecting changes in health, dental, and life insurance rates.
- \$1,000 decrease in Other Charges reflecting historical costs.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Circuit Court Clerk budget was adopted by City Council without changes.



**CIRCUIT COURT JUDGES (24<sup>TH</sup> JUDICIAL DISTRICT)**

Judicial Assistant  
(2)

**POSITION SUMMARY**  
.....  
2 City Funded Positions  
-----  
2 Total Funded Positions



Circuit Court Judges (24<sup>th</sup> Judicial District). This Court operates at the jury level and has jurisdiction for criminal and civil cases in Lynchburg, the City of Bedford, as well as Amherst, Bedford, Campbell, and Nelson Counties.

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 2                 | 2                  | 2                                  | 2                                | 2                  |
| <b>TOTAL FTE</b>        | <b>2</b>          | <b>2</b>           | <b>2</b>                           | <b>2</b>                         | <b>2</b>           |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$81,243          | \$80,028           | \$80,028                           | \$80,028                         | \$80,028           |
| Employee Benefits       | 30,378            | 34,400             | 34,848                             | 34,848                           | 34,848             |
| Contractual Services    | 20,472            | 25,500             | 25,500                             | 25,500                           | 25,500             |
| Other Charges           | 17,397            | 17,185             | 16,737                             | 16,737                           | 16,737             |
| Capital Outlay          | 81                | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL CITY COST</b>  | <b>\$149,571</b>  | <b>\$157,113</b>   | <b>\$157,113</b>                   | <b>\$157,113</b>                 | <b>\$157,113</b>   |

**Circuit Court Judges (24<sup>th</sup> Judicial District) Budget Description**

The Department Requested FY 2012 Circuit Court Judges budget of \$157,113 represents no change compared to the Adopted FY 2011 budget.

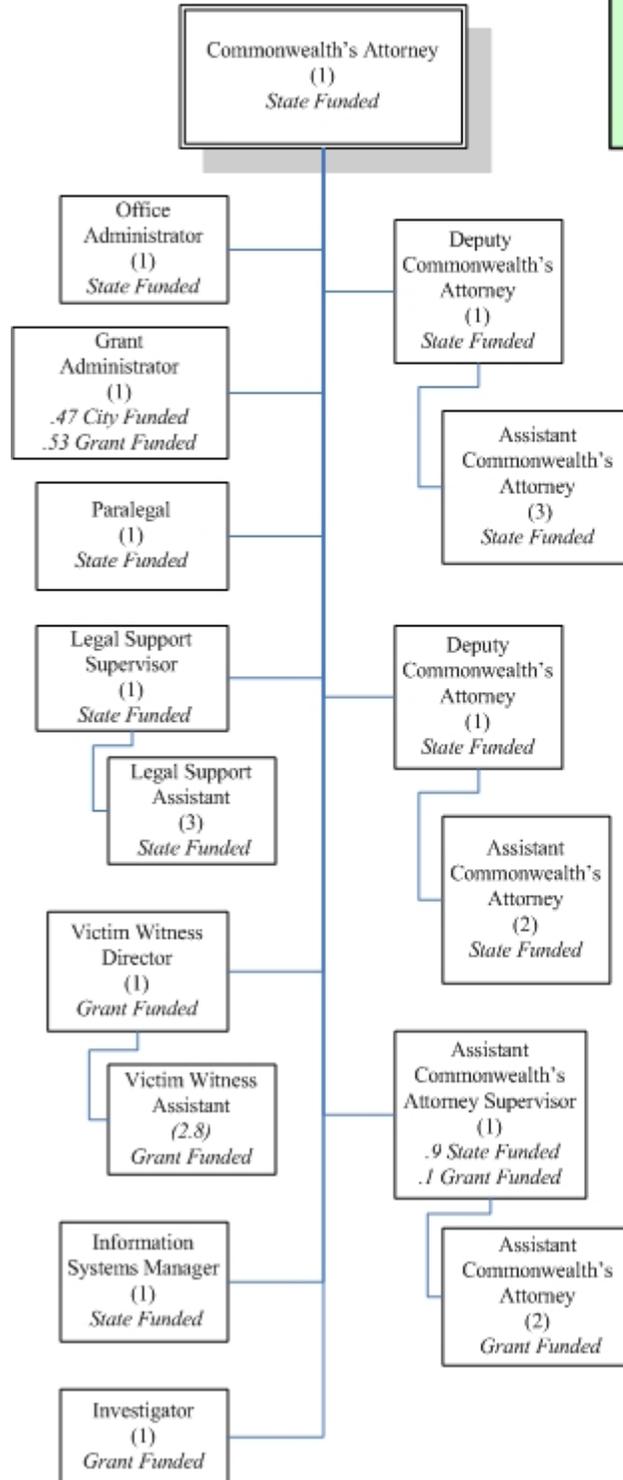
All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Circuit Court Judges budget was adopted by City Council without changes.



### COMMONWEALTH'S ATTORNEY

| POSITION SUMMARY |                        |
|------------------|------------------------|
| 15.90            | State Funded Positions |
| 0.47             | City Funded Positions  |
| 7.43             | Grant Funded Positions |
| <hr/>            |                        |
| 23.80            | Total Funded Positions |





**Office of the Commonwealth’s Attorney.** A State Constitutional Office, elected by City residents. The Commonwealth’s Attorney investigates crimes in the City and prosecutes criminal law violations. The Commonwealth’s Attorney also investigates criminal misconduct; prosecutes all warrants, indictments, or information charging a felony; and prosecutes misdemeanors or other violations of State law and City ordinances.

|  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                  |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                    | 1.11               | 1.14               | 0.47                               | 0.47                             | 0.47               |
| State Funded Full-Time                   | 15.61              | 16.72              | 15.90                              | 15.90                            | 15.90              |
| Grant Funded Full-Time                   | 4.83               | 4.14               | 6.63                               | 6.63                             | 6.63               |
| Grant Funded Part-Time                   | 0.00               | 0.50               | 0.80                               | 0.80                             | 0.80               |
| <b>TOTAL FTE</b>                         | <b>21.55</b>       | <b>22.50</b>       | <b>23.80</b>                       | <b>23.80</b>                     | <b>23.80</b>       |
| <b>BUDGET SUMMARY</b>                    |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                      |                    |                    |                                    |                                  |                    |
| Salaries                                 | \$1,007,370        | \$1,039,506        | \$965,330                          | \$965,330                        | \$965,330          |
| Employee Benefits                        | 348,070            | 415,380            | 380,134                            | 380,134                          | 380,134            |
| Contractual Services                     | 2,565              | 1,929              | 4,000                              | 4,000                            | 4,000              |
| Other Charges                            | 19,751             | 15,442             | 36,310                             | 36,310                           | 36,310             |
| Capital Outlay                           | 5,250              | 0                  | 0                                  | 0                                | 0                  |
| <b>Total General Fund Expenditures</b>   | <b>\$1,383,006</b> | <b>\$1,472,257</b> | <b>\$1,385,774</b>                 | <b>\$1,385,774</b>               | <b>\$1,385,774</b> |
| Total Grant Expenditures <sup>1</sup>    | \$341,009          | \$371,964          | \$634,440                          | \$634,440                        | \$634,440          |
| <b>TOTAL DEPARTMENT EXPENDITURES</b>     | <b>\$1,724,015</b> | <b>\$1,844,221</b> | <b>\$2,020,214</b>                 | <b>\$2,020,214</b>               | <b>\$2,020,214</b> |
| <b>DEDICATED REVENUES</b>                |                    |                    |                                    |                                  |                    |
| Commonwealth Aid for Shared Expenditures | \$888,386          | \$878,349          | \$923,637                          | \$923,637                        | \$916,422          |
| Federal Grants                           | 255,616            | 334,331            | 538,319                            | 538,319                          | 538,319            |
| State Grants                             | 55,365             | 0                  | 55,365                             | 55,365                           | 55,365             |
| Asset Forfeiture Fund                    | 14,602             | 0                  | 0                                  | 0                                | 0                  |
| In-Kind Grant Match                      | 11,285             | 22,570             | 22,570                             | 22,570                           | 22,570             |
| Boys and Girls Club of America Grant     | 0                  | 0                  | 3,124                              | 3,124                            | 3,124              |
| <b>TOTAL DEDICATED REVENUES</b>          | <b>\$1,225,254</b> | <b>\$1,235,250</b> | <b>\$1,543,015</b>                 | <b>\$1,543,015</b>               | <b>\$1,535,800</b> |
| <b>TOTAL CITY COST</b>                   | <b>\$498,761</b>   | <b>\$608,971</b>   | <b>\$477,199</b>                   | <b>\$477,199</b>                 | <b>\$484,414</b>   |

<sup>1</sup> Details of the Grant Expenditures can be located in the Other Funds Section of this document.

**Office of the Commonwealth’s Attorney Budget Description**

The Department Requested FY 2012 Office of the Commonwealth’s Attorney budget of \$1,385,774 represents a 5.9% decrease of \$86,483 compared to the Adopted FY 2011 budget of \$1,472,257.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$109,422 decrease in Salaries and Employee Benefits reflecting staffing changes resulting from additional federal revenue, as well as changes in health, dental, and life insurance rates.
- \$2,071 increase in Contractual Services for copier and web related services.
- \$20,868 increase in Other Charges reflecting a partial implementation of an equipment replacement plan, training needs, updated law publications, and historical costs.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Office of the Commonwealth’s Attorney budget was adopted by City Council without changes.



**General District Court.** Processes and hears traffic violations and criminal misdemeanor cases as well as preliminary hearings for most felonies. This court conducts hearings for civil claims up to \$15,000. This Court also provides information and assistance to the general public, attorneys, defendants, witnesses and law-enforcement agencies.

|                        | <b>Actual<br/>FY 2010</b> | <b>Adopted<br/>FY 2011</b> | <b>Department<br/>Requested<br/>FY 2012</b> | <b>Manager's<br/>Proposed<br/>FY 2012</b> | <b>Adopted<br/>FY 2012</b> |
|------------------------|---------------------------|----------------------------|---|---|----------------------------|
| <b>BUDGET SUMMARY</b>  |                           |                            |   |   |                            |
| <b>EXPENDITURES</b>    |                           |                            |   |   |                            |
| Contractual Services   | \$49,396                  | \$54,000                   | \$54,000                                    | \$54,000                                  | \$54,000                   |
| Other Charges          | 8,503                     | 8,550                      | 8,550                                       | 8,550                                     | 8,550                      |
| <b>TOTAL CITY COST</b> | <b>\$57,899</b>           | <b>\$62,550</b>            | <b>\$62,550</b>                             | <b>\$62,550</b>                           | <b>\$62,550</b>            |

**General District Court Budget Description**

The Department Requested FY 2012 General District Court budget of \$62,550 represents no change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 General District Court budget was adopted by City Council without changes.



Juvenile and Domestic Relations (J&DR) District Court. Hears and determines cases involving juveniles, including delinquency-status offenses, custody, support, child abuse and neglect, and adult criminal cases (misdemeanors and preliminary felony hearings) when a child or family member is the alleged victim.

|                        | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>BUDGET SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>    |                   |                    |                                    |                                  |                    |
| Contractual Services   | \$2,926           | \$2,492            | \$2,492                            | \$2,492                          | \$2,492            |
| Other Charges          | 12,062            | 12,049             | 12,049                             | 12,049                           | 12,049             |
| <b>TOTAL CITY COST</b> | <b>\$14,988</b>   | <b>\$14,541</b>    | <b>\$14,541</b>                    | <b>\$14,541</b>                  | <b>\$14,541</b>    |

**Juvenile and Domestic Relations (J&DR) District Court Budget Description**

The Department Requested FY 2012 Juvenile and Domestic Relations (J&DR) District Court budget of \$14,541 represents no change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Juvenile and Domestic Relations (J&DR) District Court budget was adopted by City Council without changes.



**Magistrate.** A judicial officer, the Magistrate reviews complaints by law enforcement officers and citizens before issuing arrest warrants, summonses, subpoenas, search warrants, civil warrants, mental emergency custody orders, and emergency protective orders. The Magistrate conducts bail hearings in criminal cases and accepts payments for certain traffic infractions and misdemeanors.

|                        | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>BUDGET SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>    |                   |                    |                                    |                                  |                    |
| Contractual Services   | \$197             | \$0                | \$0                                | \$0                              | \$0                |
| Other Charges          | 1,942             | 2,893              | 2,893                              | 2,893                            | 2,893              |
| <b>TOTAL CITY COST</b> | <b>\$2,139</b>    | <b>\$2,893</b>     | <b>\$2,893</b>                     | <b>\$2,893</b>                   | <b>\$2,893</b>     |

**Magistrate Budget Description**

The Department Requested FY 2012 Magistrate budget of \$2,893 represents no change compared to the Adopted FY 2011 budget.

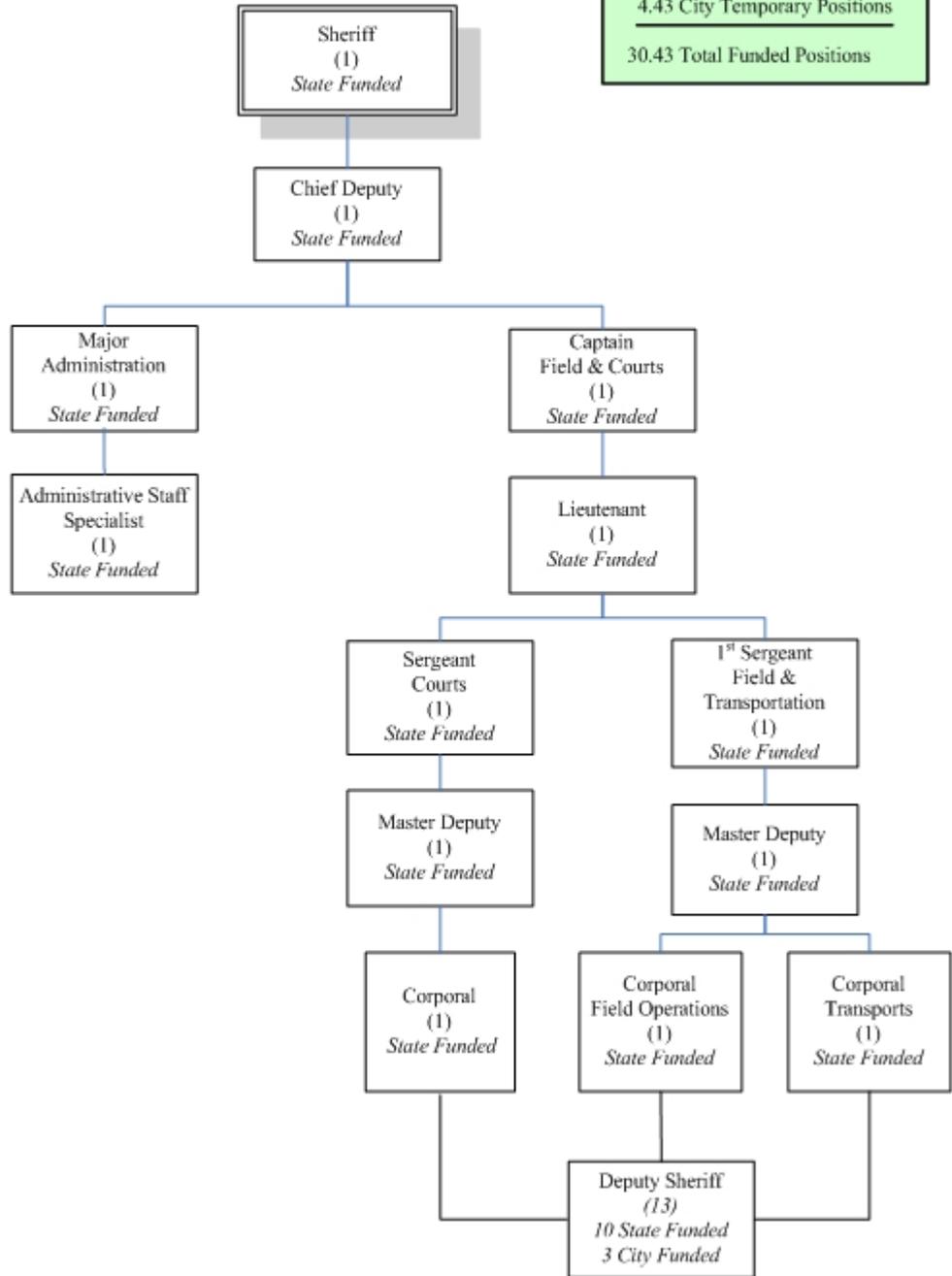
All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Magistrate budget was adopted by City Council without changes.



### SHERIFF

| POSITION SUMMARY              |  |
|-------------------------------|--|
| .....                         |  |
| 23.00 State Funded Positions  |  |
| 3.00 City Funded Positions    |  |
| 4.43 City Temporary Positions |  |
| <hr/>                         |  |
| 30.43 Total Funded Positions  |  |





**Sheriff's Office.** A State Constitutional Office, elected by City residents. The Sheriff enforces court orders, issues summonses for witnesses and jurors in civil cases, and furnishes bailiffs to courts.

|  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                  |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                    | 3.00               | 3.00               | 3.00                               | 3.00                             | 3.00               |
| City Funded Temporary                    | 3.86               | 3.86               | 4.43                               | 3.01                             | 4.43               |
| State Funded Full-Time                   | 24.00              | 22.00              | 23.00                              | 23.00                            | 23.00              |
| <b>TOTAL FTE</b>                         | <b>30.86</b>       | <b>28.86</b>       | <b>30.43</b>                       | <b>29.01</b>                     | <b>30.43</b>       |
| <b>BUDGET SUMMARY</b>                    |                    |                    |                                    |                                  |                    |
| Salaries                                 | \$1,309,034        | \$1,282,044        | \$1,354,979                        | \$1,304,970                      | \$1,354,979        |
| Employee Benefits                        | 430,970            | 486,280            | 514,105                            | 510,315                          | 514,141            |
| Contractual Services                     | 52,704             | 39,500             | 39,500                             | 38,806                           | 38,806             |
| Internal Service Charges                 | 67,194             | 67,000             | 77,201                             | 77,201                           | 77,201             |
| Other Charges                            | 98,139             | 87,150             | 90,150                             | 85,100                           | 85,100             |
| <b>TOTAL EXPENDITURES</b>                | <b>\$1,958,041</b> | <b>\$1,961,974</b> | <b>\$2,075,935</b>                 | <b>\$2,016,392</b>               | <b>\$2,070,227</b> |
| <b>DEDICATED REVENUES</b>                |                    |                    |                                    |                                  |                    |
| Commonwealth Aid for Shared Expenditures | \$1,082,678        | \$1,137,382        | \$1,203,018                        | \$1,203,018                      | \$1,172,679        |
| Sheriff's Fee Courtroom Services         | 111,884            | 110,000            | 110,000                            | 110,000                          | 110,000            |
| Federal Categorical Aid - ARRA - Sheriff | 84,504             | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL DEDICATED REVENUES</b>          | <b>\$1,279,066</b> | <b>\$1,247,382</b> | <b>\$1,313,018</b>                 | <b>\$1,313,018</b>               | <b>\$1,282,679</b> |
| <b>TOTAL CITY COST</b>                   | <b>\$678,975</b>   | <b>\$714,592</b>   | <b>\$762,917</b>                   | <b>\$703,374</b>                 | <b>\$787,548</b>   |

**Sheriff's Office Budget Description**

The Department Requested FY 2012 Sheriff's Office budget of \$2,075,935 represents a 5.8% increase of \$113,961 compared to the Adopted FY 2011 budget of \$1,961,974.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$100,760 increase in Salaries and Employee Benefits reflecting the addition of one full-time State position, compensation adjustments for four employees, funding for temporary personnel to provide additional security for the J&DR Court waiting area, and changes in health, dental, and life insurance rates.
- \$10,201 increase in Internal Service Charges based on Fleet Administration estimates.
- \$3,000 increase in Other Charges in order to replace six bullet proof vests.

Major items requested but not proposed by the City Manager for funding:

- \$53,799 in Salaries and Employee Benefits by reducing funding for temporary personnel.
- \$5,050 in Other Charges for protective wear and minor equipment rental.

The Proposed FY 2012 Sheriff's Office budget was adopted by City Council with the following change:

- ◆ \$53,835 increase in Salaries and Employee Benefits reflecting the restoration of temporary personnel.



Court Service Unit (24<sup>th</sup> Judicial District). A State activity housed by the City. Provides intake for the Lynchburg 24<sup>th</sup> Judicial District Juvenile and Domestic Relations Court. These include intake services for delinquency; children in need of service or supervision; juvenile mental commitments; child abuse and neglect petitions; and domestic violence matters. In addition, the Unit prepares predisposition reports for the Court and provides probation and parole supervision for those juveniles under the jurisdiction of the Court. The Court Service Unit is also responsible for preparing custody investigations and supervising special placements.

|                        | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>BUDGET SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>    |                   |                    |                                    |                                  |                    |
| Other Charges          | \$381             | \$1,632            | \$1,632                            | \$1,632                          | \$1,632            |
| <b>TOTAL CITY COST</b> | <b>\$381</b>      | <b>\$1,632</b>     | <b>\$1,632</b>                     | <b>\$1,632</b>                   | <b>\$1,632</b>     |

*Court Service Unit (24<sup>th</sup> Judicial District) Budget Description*

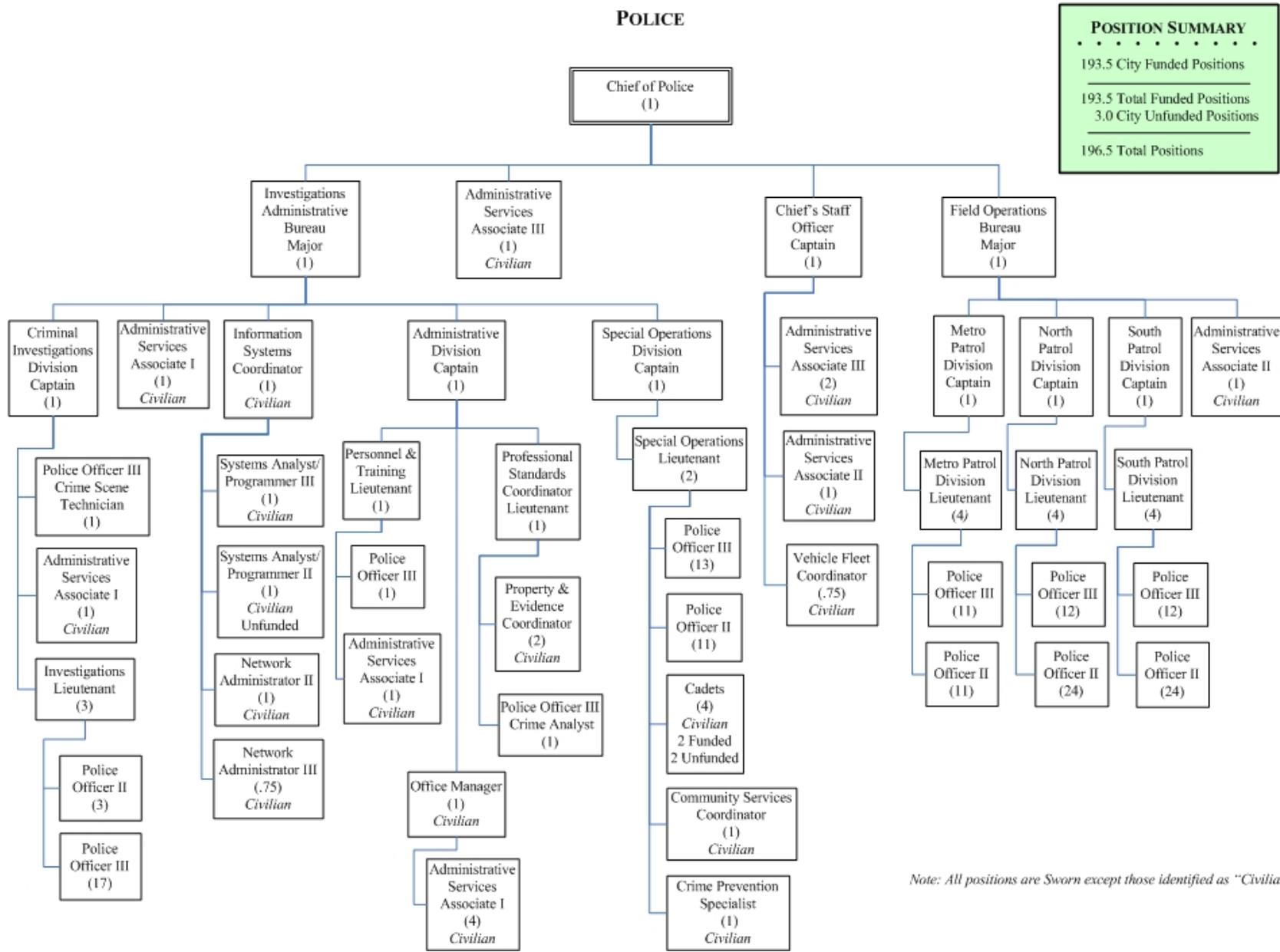
The Department Requested FY 2012 Court Service Unit budget of \$1,632 represents no change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Court Service Unit budget was adopted by City Council without changes.



**POLICE**



**POSITION SUMMARY**  
 .....  
 193.5 City Funded Positions  
 -----  
 193.5 Total Funded Positions  
 3.0 City Unfunded Positions  
 -----  
 196.5 Total Positions

Note: All positions are Sworn except those identified as "Civilian".



**Police Department including Animal Warden and Range Operations**

|  | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|--|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>POSITION SUMMARY</b>                        |                     |                     |                                    |                                  |                     |
| City Funded Sworn Full-Time                    | 170.00              | 169.00              | 170.00                             | 170.00                           | 170.00              |
| City Funded Civilian Full-Time                 | 31.00               | 27.00               | 26.00                              | 26.00                            | 26.00               |
| City Funded Part-Time                          | 1.00                | 2.50                | 3.30                               | 3.30                             | 3.30                |
| City Funded Temporary                          | 1.88                | 0.00                | 0.00                               | 0.00                             | 0.00                |
| City Sworn Full-Time Not Funded                | 0.00                | 1.00                | 0.00                               | 0.00                             | 0.00                |
| City Civilian Full-Time Not Funded             | 0.00                | 3.00                | 3.00                               | 3.00                             | 3.00                |
| <b>TOTAL FTE</b>                               | <b>203.88</b>       | <b>202.50</b>       | <b>202.30</b>                      | <b>202.30</b>                    | <b>202.30</b>       |
| <b>BUDGET SUMMARY</b>                          |                     |                     |                                    |                                  |                     |
| <b>EXPENDITURES</b>                            |                     |                     |                                    |                                  |                     |
| Salaries                                       | \$9,139,478         | \$8,810,740         | \$8,710,116                        | \$8,710,116                      | \$8,710,116         |
| Employee Benefits                              | 3,240,676           | 3,582,557           | 3,585,448                          | 3,585,448                        | 3,585,448           |
| Contractual Services                           | 281,165             | 288,300             | 344,795                            | 344,795                          | 344,795             |
| Internal Service Charges                       | 542,997             | 625,900             | 583,470                            | 583,470                          | 583,470             |
| Other Charges                                  | 644,192             | 716,498             | 781,440                            | 781,440                          | 781,440             |
| Capital Outlay                                 | 7,288               | 19,424              | 28,500                             | 28,500                           | 28,500              |
| <b>TOTAL DEPARTMENT EXPENDITURES</b>           | <b>\$13,855,796</b> | <b>\$14,043,419</b> | <b>\$14,033,769</b>                | <b>\$14,033,769</b>              | <b>\$14,033,769</b> |
| <b>DEDICATED REVENUES</b>                      |                     |                     |                                    |                                  |                     |
| Police - Schools DARE/SRO Program              | \$83,563            | \$125,000           | \$120,000                          | \$120,000                        | \$120,000           |
| Local Law Enforcement Funding (House Bill 599) | 3,073,537           | 3,037,195           | 2,720,007                          | 2,720,007                        | 2,930,790           |
| Police Report Sales                            | 9,349               | 11,000              | 10,000                             | 10,000                           | 10,000              |
| Range Use Fee                                  | 0                   | 0                   | 12,500                             | 12,500                           | 12,500              |
| <b>TOTAL DEDICATED REVENUES</b>                | <b>\$3,166,449</b>  | <b>\$3,173,195</b>  | <b>\$2,862,507</b>                 | <b>\$2,862,507</b>               | <b>\$3,073,290</b>  |
| <b>TOTAL CITY COST</b>                         | <b>\$10,689,347</b> | <b>\$10,870,224</b> | <b>\$11,171,262</b>                | <b>\$11,171,262</b>              | <b>\$10,960,479</b> |



**Police Department.** Preserves the peace, maintains order, and provides critical homeland defense by preventing crime and protecting people and property; investigating criminal activity and apprehending criminals; and promoting traffic safety. The department works cooperatively to educate community partners and solve neighborhood problems, fosters positive relationships within the community, and promotes neighborhood self-sufficiency. The department includes the Bureau of Field Operations and the Bureau of Administration and Investigation. The department follows a community policing operation strategy to accomplish its mission. The department also offers community service and educational initiatives such as crime prevention, personal safety programs, DARE, school resource officer programs, Citizen’s Police Academy, and crime prevention through environmental design.

|  | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|--|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>POSITION SUMMARY</b>                        |                     |                     |                                    |                                  |                     |
| City Funded Sworn Full-Time                    | 170.00              | 169.00              | 170.00                             | 170.00                           | 170.00              |
| City Funded Civilian Full-Time                 | 26.00               | 22.00               | 22.00                              | 22.00                            | 22.00               |
| City Funded Part-Time                          | 0.00                | 1.50                | 1.50                               | 1.50                             | 1.50                |
| City Funded Temporary                          | 1.88                | 0.00                | 0.00                               | 0.00                             | 0.00                |
| City Sworn Full-Time Not Funded                | 0.00                | 1.00                | 0.00                               | 0.00                             | 0.00                |
| City Civilian Full-Time Not Funded             | 0.00                | 3.00                | 3.00                               | 3.00                             | 3.00                |
| <b>TOTAL FTE</b>                               | <b>197.88</b>       | <b>196.50</b>       | <b>196.50</b>                      | <b>196.50</b>                    | <b>196.50</b>       |
| <b>BUDGET SUMMARY</b>                          |                     |                     |                                    |                                  |                     |
| <b>EXPENDITURES</b>                            |                     |                     |                                    |                                  |                     |
| Salaries                                       | \$8,994,255         | \$8,632,369         | \$8,524,121                        | \$8,524,121                      | \$8,524,121         |
| Employee Benefits                              | 3,186,913           | 3,512,832           | 3,522,602                          | 3,522,602                        | 3,522,602           |
| Contractual Services                           | 266,730             | 272,562             | 326,497                            | 326,497                          | 326,497             |
| Internal Service Charges                       | 518,421             | 596,700             | 554,098                            | 554,098                          | 554,098             |
| Other Charges                                  | 640,430             | 697,955             | 745,473                            | 745,473                          | 745,473             |
| Capital Outlay                                 | 7,288               | 19,424              | 28,500                             | 28,500                           | 28,500              |
| <b>TOTAL EXPENDITURES</b>                      | <b>\$13,614,037</b> | <b>\$13,731,842</b> | <b>\$13,701,291</b>                | <b>\$13,701,291</b>              | <b>\$13,701,291</b> |
| <b>DEDICATED REVENUES</b>                      |                     |                     |                                    |                                  |                     |
| Police - Schools DARE/SRO Program              | \$83,563            | \$125,000           | \$120,000                          | \$120,000                        | \$120,000           |
| Local Law Enforcement Funding (House Bill 599) | 3,073,537           | 3,037,195           | 2,720,007                          | 2,720,007                        | 2,930,790           |
| Police Report Sales                            | 9,349               | 11,000              | 10,000                             | 10,000                           | 10,000              |
| <b>TOTAL DEDICATED REVENUES</b>                | <b>\$3,166,449</b>  | <b>\$3,173,195</b>  | <b>\$2,850,007</b>                 | <b>\$2,850,007</b>               | <b>\$3,060,790</b>  |
| <b>TOTAL CITY COST</b>                         | <b>\$10,447,588</b> | <b>\$10,558,647</b> | <b>\$10,851,284</b>                | <b>\$10,851,284</b>              | <b>\$10,640,501</b> |



***Police Department Budget Description***

The Department Requested FY 2012 Police Department budget of \$13,701,291 represents a 0.2% decrease of \$30,551 compared to the Adopted FY 2011 budget of \$13,731,842.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$98,478 decrease in Salaries and Employee Benefits reflecting the lower than anticipated cost of personnel, as well as changes in health, dental, and life insurance rates.
- \$53,935 increase in Contractual Services reflecting \$20,709 in software maintenance services, \$20,396 for investigation services, \$9,000 for on-site K-9 training services, and \$2,940 for miscellaneous contractual services.
- \$42,602 decrease in Internal Service charges reflecting Fleet Administration estimates.
- \$47,837 increase in Other Charges reflecting \$13,500 in office supplies for batteries and toner, \$4,048 for apparel/protective wear, \$9,020 for law enforcement supplies, \$8,000 for fuel/diesel – private company \$3,000 for propane, \$37,500 for training and conferences, \$12,017 for cellular phone services due to an increase in the number of wireless cards utilized for surveillance equipment, as well as an increase in the number of cellular phones issued to department personnel, a \$2,100 reduction in forms and stationary, a decrease of \$2,500 in audiovisual supplies, a decrease of \$11,557 in safety supplies, a \$2,262 reduction in minor equipment/tools/furniture, a decrease of \$10,070 in communications maintenance and repair materials, a \$4,647 reduction in meals/lodging non-training, and a decrease of \$4,296 in U.S. postage.
- \$9,076 increase in Capital Outlay reflecting additional costs of computer equipment.

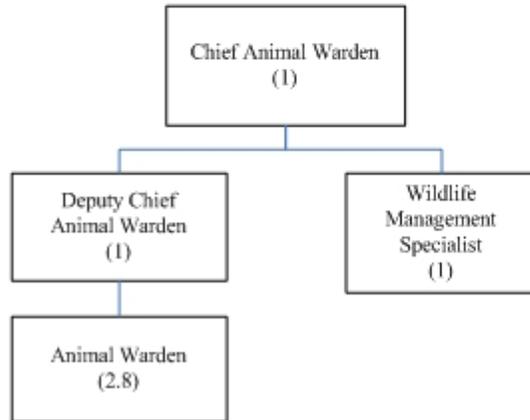
All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Police Department budget was adopted by City Council without changes.



**POLICE DEPARTMENT – ANIMAL CONTROL UNIT**

|   |
|---|
| <b>POSITION SUMMARY</b><br>.....<br>5.8 City Funded Positions<br><hr/> 5.8 Total Funded Positions |
|---|





Police Department – Animal Control Unit. The Animal Wardens are responsible for animal control enforcement for the entire City. They perform regular patrols on all streets and highways within the City limits. Wildlife Management Specialists are responsible for deer population and damage control within the City.

|                                | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>        |                   |                    |                                    |                                  |                    |
| City Funded Civilian Full-Time | 5.0               | 5.0                | 4.0                                | 4.0                              | 4.0                |
| City Funded Part-Time          | 1.0               | 1.0                | 1.8                                | 1.8                              | 1.8                |
| <b>TOTAL FTE</b>               | <b>6.0</b>        | <b>6.0</b>         | <b>5.8</b>                         | <b>5.8</b>                       | <b>5.8</b>         |
| <b>BUDGET SUMMARY</b>          |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>            |                   |                    |                                    |                                  |                    |
| Salaries                       | \$145,223         | \$178,371          | \$185,995                          | \$185,995                        | \$185,995          |
| Employee Benefits              | 53,763            | 69,725             | 62,846                             | 62,846                           | 62,846             |
| Contractual Services           | 14,435            | 15,738             | 17,298                             | 17,298                           | 17,298             |
| Internal Service Charges       | 24,576            | 29,200             | 29,372                             | 29,372                           | 29,372             |
| Other Charges                  | 3,762             | 18,543             | 24,467                             | 24,467                           | 24,467             |
| <b>TOTAL CITY COST</b>         | <b>\$241,759</b>  | <b>\$311,577</b>   | <b>\$319,978</b>                   | <b>\$319,978</b>                 | <b>\$319,978</b>   |

**Police Department – Animal Control Unit Budget Description**

The Department Requested FY 2012 Police Department – Animal Control Unit budget of \$319,978 represents a 2.7% increase of \$8,401 over the Adopted FY 2011 budget of \$311,577.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$745 increase in Salaries and Employee Benefits reflecting the hiring of a newly created Deputy Chief Animal Warden position, hiring a part-time animal warden in place of a full-time position, as well as changes in health, dental, and life insurance rates.
- \$1,560 increase in Contractual Services reflecting additional costs for vaccinations and veterinary services.
- \$5,924 increase in Other Charges reflecting \$4,400 in training and \$1,047 in cellular phone service.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Police Department – Animal Control Unit budget was adopted by City Council without changes.



Police Department – Range Operations. The Lynchburg Police Department has recently begun charging other agencies a range rental fee (\$200 per day) in an effort to generate enough revenue to pay for general maintenance of the range. A number of area agencies utilize the range on a consistent basis, including the Central Virginia Criminal Justice Academy, the Campbell County Sheriff’s Office, the Lynchburg Sheriff’s Office, the Blue Ridge Regional Jail Authority, the Liberty University Police Department and several federal law enforcement agencies. The Range also houses the Department’s K9 Unit when needed and has a shoot house that is also utilized by the above mentioned agencies.

|                                 | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---------------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>BUDGET SUMMARY</b>           |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>             |                   |                    |                                    |                                  |                    |
| Contractual Services            | \$0               | \$0                | \$1,000                            | \$1,000                          | \$1,000            |
| Other Charges                   | 0                 | 0                  | 11,500                             | 11,500                           | 11,500             |
| <b>TOTAL EXPENDITURES</b>       | <b>\$0</b>        | <b>\$0</b>         | <b>\$12,500</b>                    | <b>\$12,500</b>                  | <b>\$12,500</b>    |
| <b>DEDICATED REVENUES</b>       |                   |                    |                                    |                                  |                    |
| Range Use Fee                   | \$0               | \$0                | \$12,500                           | \$12,500                         | \$12,500           |
| <b>TOTAL DEDICATED REVENUES</b> | <b>\$0</b>        | <b>\$0</b>         | <b>\$12,500</b>                    | <b>\$12,500</b>                  | <b>\$12,500</b>    |
| <b>TOTAL CITY COST</b>          | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**Police Department – Range Operations Budget Description**

The Department Requested FY 2012 Police Department – Range Operations budget of \$12,500 represents a 100.0% increase compared to the Adopted FY 2011 budget.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$12,500 overall increase as a result of transferring funds to the new Range Operations sub-department.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Police Department – Range Operations budget was adopted by City Council without changes.



**Police Department Performance Measures**

**Goal 1:**  
To maintain life safety through effective response time, addressing the community perception of rapid response equating to improved personal safety.

**Objective:**  
To maintain the response time to priority calls for service in light of current staffing and overall responsibilities.

| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec. FY 2011</b> | <b>Projected FY 2012</b> |
|--|-----------------------|--------------------------|----------------------------|--------------------------|
| Computer-Aided Dispatch (CAD) response time inclusive of dispatch and travel time. | 7 min 17 secs         | 7 min 10 secs            | 6 min 59 secs              | 7 min 10 secs            |

**Analysis of the Data:**  
The Department continues to assess the impact of twelve-hour patrol shifts and the redesign of divisional boundaries. While staff shortages continue and calls for service increase, it is anticipated the Department will be able to maintain the current response time.

**Goal 2:**  
To improve public safety and the perception of crime in the community by successfully investigating and clearing a greater percentage of the violent and property crimes that occur and are reported.

**Objective:**  
To increase the clearance rate for reported violent and property crimes.

| <b>Performance Measure:</b> | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec. FY 2011</b> | <b>Projected FY 2012</b> |
|-----------------------------|-----------------------|--------------------------|----------------------------|--------------------------|
| Crime clearance rates       |                       |                          |                            |                          |
| Violent                     | 47.2%                 | 62.0%                    | 51.4%                      | 51.4%                    |
| Property                    | 30.9%                 | 30.9%                    | 26.7%                      | 26.7%                    |

**Analysis of the Data:**  
Crime clearance rates are a measure of the effectiveness of investigative measures applied by the police Department; however, these rates are also impacted by timely reporting by citizens and the cooperation of victims and witnesses. In the past, the Department has normally met or exceeded national standards and intends to meet and sustain the national standards in FY 2011 and FY 2012. The most recent statistical data regarding national clearance rates lists violent crime at 47.1% and property crime at 18.6%. Clearance rates for the first half of FY 2011 are favorable when compared to national clearance rates.

**Goal 3:**  
To increase safety by reducing dangerous actions by individuals operating motor vehicles, as these actions contribute to injuries and fatalities involving the motorists as well as innocent bystanders.

**Objective:**  
To increase traffic safety enforcement efforts, focusing on Driving Under the Influence (DUI) arrests, occupant safety summonses, and speeding summonses.

| <b>Performance Measure:</b> | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec. FY 2011</b> | <b>Projected FY 2012</b> |
|-----------------------------|-----------------------|--------------------------|----------------------------|--------------------------|
| DUI Arrests                 | 223                   | 170                      | 85                         | 170                      |
| Occupant Restraint          | 1,039                 | 550                      | 275                        | 550                      |
| Speeding Enforcement        | 3,485                 | 4,200                    | 2,076                      | 4,200                    |

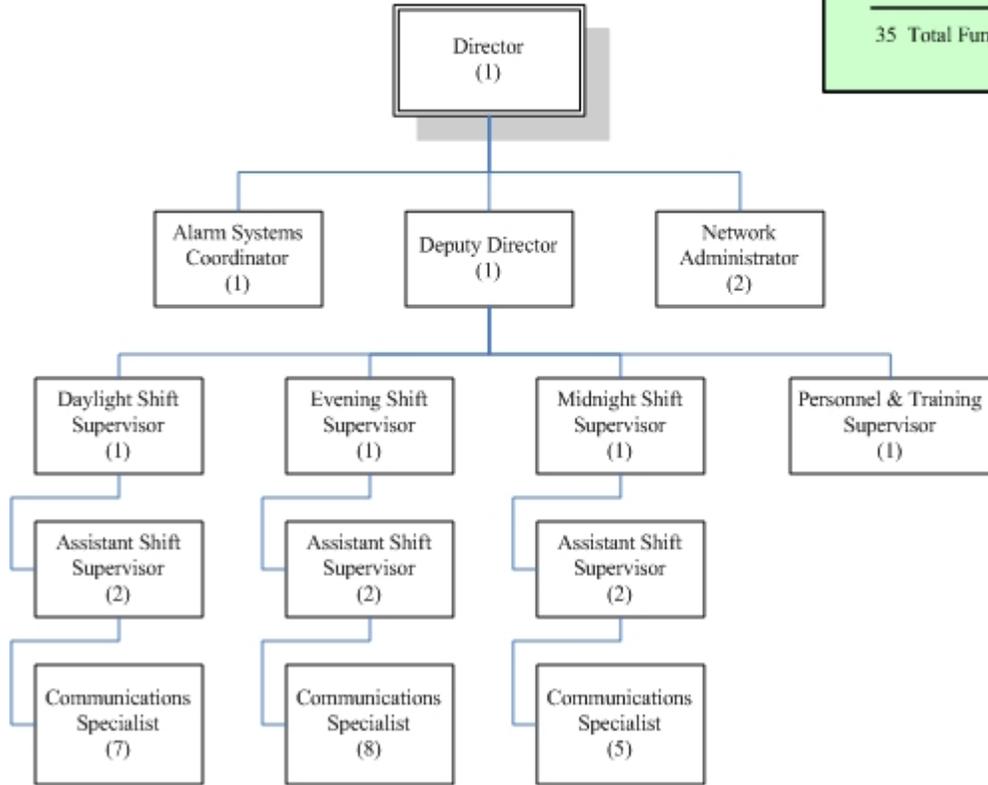
**Analysis of the Data:**  
Traffic safety enforcement has the dual benefit of positively impacting traffic safety and educating citizens. However, enforcement efforts are impacted by staffing levels and by other calls for service that reduce time available for proactive enforcement; therefore, decreases are projected for FYs 2011 and 2012.

**Benchmark Localities:**  
Charlottesville, Chesapeake, Danville, Roanoke, and Suffolk, VA



### EMERGENCY SERVICES

**POSITION SUMMARY**  
.....  
35 City Funded Positions  
-----  
35 Total Funded Positions





**Emergency Services.** The Department of Emergency Services is the primary Public Safety Answering Point (PSAP) for the City of Lynchburg. The primary mission is to serve as the central point of contact for citizens of Lynchburg to request emergency and non-emergency public safety assistance. The Department also provides a full array of public safety dispatch/communications services and oversees the City-wide Emergency Management program.

|                                     | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>             |                    |                    |                                    |                                  |                    |
| City Funded Full-Time <sup>1</sup>  | 32.0               | 32.0               | 35.0                               | 35.0                             | 35.0               |
| City Funded Temporary               | 0.5                | 0.0                | 0.0                                | 0.0                              | 0.0                |
| Grant Funded Full-Time <sup>1</sup> | 3.0                | 3.0                | 0.0                                | 0.0                              | 0.0                |
| <b>TOTAL FTE</b>                    | <b>35.5</b>        | <b>35.0</b>        | <b>35.0</b>                        | <b>35.0</b>                      | <b>35.0</b>        |
| <b>BUDGET SUMMARY</b>               |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                 |                    |                    |                                    |                                  |                    |
| Salaries <sup>1</sup>               | \$1,187,484        | \$1,170,638        | \$1,215,165                        | \$1,215,165                      | \$1,215,165        |
| Employee Benefits <sup>1</sup>      | 460,272            | 509,005            | 536,047                            | 536,047                          | 536,047            |
| Contractual Services                | 415,155            | 443,385            | 516,175                            | 516,175                          | 516,175            |
| Internal Service Charges            | 3,903              | 3,500              | 3,677                              | 3,677                            | 3,677              |
| Other Charges                       | 176,212            | 171,270            | 199,219                            | 199,219                          | 199,219            |
| Capital Outlay                      | 0                  | 0                  | 100,000                            | 100,000                          | 0                  |
| <b>TOTAL EXPENDITURES</b>           | <b>\$2,243,026</b> | <b>\$2,297,798</b> | <b>\$2,570,283</b>                 | <b>\$2,570,283</b>               | <b>\$2,470,283</b> |
| <b>DEDICATED REVENUES</b>           |                    |                    |                                    |                                  |                    |
| Recovery E-911 Wireless             | \$283,488          | \$170,000          | \$240,000                          | \$240,000                        | \$240,000          |
| <b>TOTAL DEDICATED REVENUES</b>     | <b>\$283,488</b>   | <b>\$170,000</b>   | <b>\$240,000</b>                   | <b>\$240,000</b>                 | <b>\$240,000</b>   |
| <b>TOTAL CITY COST</b>              | <b>\$1,959,538</b> | <b>\$2,127,798</b> | <b>\$2,330,283</b>                 | <b>\$2,330,283</b>               | <b>\$2,230,283</b> |

<sup>1</sup> Grant funds are expected to be exhausted mid-way through FY 2012. The position summary reflects moving the three positions to City funded, while the Salaries and Benefits figures reflect a six month cost only. The full cost of these positions will be reflected in the FY 2013 budget.

**Emergency Services Budget Description**

The Department Requested FY 2012 Emergency Services budget of \$2,570,283 represents an 11.9% increase of \$272,485 compared to the Adopted FY 2011 budget of \$2,297,798.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$71,569 increase in Salaries and Employee Benefits reflecting absorbing three Justice Assistance Grant (JAG) positions for six months and reclassifying a position, as well as changes in health, dental, and life insurance rates.
- \$72,790 increase in Contractual Services reflecting an increase in building maintenance and in the City share of the Regional Radio System.
- \$27,949 increase in Other Charges reflecting the replacement of discontinued wireless headsets currently in use and telephone company charges for 911 trunks/services.
- \$100,000 increase in Capital Outlay reflecting funds needed to “refresh” the existing 911 telephone system.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Emergency Services budget was adopted by City Council with the following change:

- ♦ \$100,000 decrease in Capital Outlay reflecting funds needed to “refresh” the existing 911 telephone system.



**Emergency Services Performance Measures**

**Goal:**  
To respond with assistance to all emergency calls for service in an expedient manner.

**Objective 1:**  
Maintain capability to receive all 911 calls for service originating from within the City limits.

| <b>Performance Measure:</b>      | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|----------------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Total Day Busy Signals are at 0% | 0.34%                 | 0.34%                    | 0.22%                     | 0.25%                    |

**Analysis of the Data:**  
This is a measure of technical capacity to receive incoming 911 calls for service. A study is commissioned from Verizon to calculate the number of unsuccessful calls (received busy signal due to no available line) during a given period of time and then extrapolated for the year. The reduction of the number of calls receiving a busy signal can be attributed to the addition of two (2) additional wireless 911 trunks this past year.

**Objective 2:**  
Answer all received peak period 911 calls within ten (10) seconds.

| <b>Performance Measure:</b>                                    | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| Percentage answered within ten (10) seconds from 11 AM to 7 PM | 98.91%                | 98%                      | 99.07%                    | 98%                      |

**Analysis of the Data:**  
This is a measure of availability of existing staffing to answer a 911 call for service in a reasonable amount of time. Professional standards dictate that ninety percent (90%) of all 911 calls during peak periods should be answered within ten (10) seconds.

**Objective 3:**  
Complete initial call assessment for emergency calls and route for dispatch within 45 seconds.

| <b>Performance Measure:</b>            | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| Average emergency call assessment time | 35.89 seconds         | 40 seconds               | 33.61 seconds             | 40 seconds               |

**Analysis of the Data:**  
Emergency calls are defined as Stroke, Accident Personal Injury, Chest Pains, Malicious Wounding, Breathing Problems, Structure Fire, Choking, Domestic Violence, Drowning, Fight in Progress, and Severe Bleeding.

**Benchmark Localities:**  
Standards from Association of Public-Safety Communications Officials (APCO)



FIRE AND EMS

**POSITION SUMMARY**

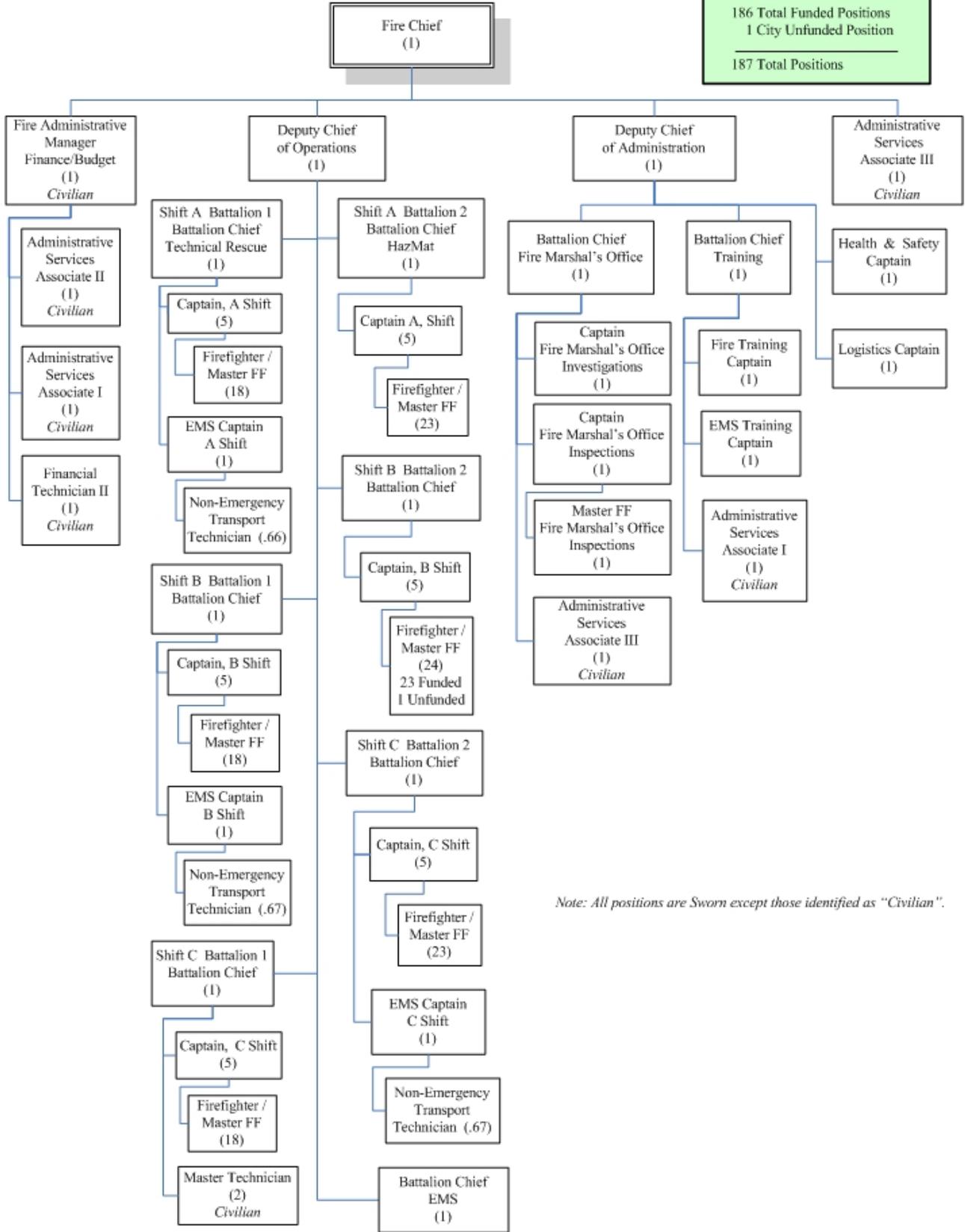
186 City Funded Positions

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186 Total Funded Positions  
1 City Unfunded Position

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187 Total Positions



Note: All positions are Sworn except those identified as "Civilian".



**Fire and EMS Department including Technical Rescue Team/Partners in Emergency Response (PIER) Program**

|  | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|--|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>POSITION SUMMARY</b>                |                     |                     |                                    |                                  |                     |
| City Funded Sworn Full-Time            | 178                 | 177                 | 178                                | 177                              | 177                 |
| City Funded Civilian Full-Time         | 8                   | 9                   | 9                                  | 9                                | 9                   |
| City Sworn Full-Time Not Funded        | 0                   | 1                   | 0                                  | 1                                | 1                   |
| <b>TOTAL FTE</b>                       | <b>186</b>          | <b>187</b>          | <b>187</b>                         | <b>187</b>                       | <b>187</b>          |
| <b>BUDGET SUMMARY</b>                  |                     |                     |                                    |                                  |                     |
| <b>EXPENDITURES</b>                    |                     |                     |                                    |                                  |                     |
| Salaries                               | \$9,682,980         | \$9,720,446         | \$9,836,200                        | \$9,729,995                      | \$9,729,995         |
| Employee Benefits                      | 3,267,687           | 3,756,327           | 3,812,515                          | 3,792,230                        | 3,792,230           |
| Contractual Services                   | 306,487             | 245,364             | 269,864                            | 269,864                          | 269,864             |
| Internal Service Charges               | 118,425             | 144,700             | 137,434                            | 137,434                          | 137,434             |
| Other Charges                          | 716,417             | 659,675             | 694,337                            | 694,337                          | 694,337             |
| Capital Outlay                         | 5,849               | 0                   | 40,000                             | 40,000                           | 40,000              |
| <b>Total General Fund Expenditures</b> | <b>\$14,097,845</b> | <b>\$14,526,512</b> | <b>\$14,790,350</b>                | <b>\$14,663,860</b>              | <b>\$14,663,860</b> |
| Total Grant Expenditures <sup>1</sup>  | \$147,933           | \$215,000           | \$215,000                          | \$215,000                        | \$215,000           |
| <b>TOTAL DEPARTMENT EXPENDITURES</b>   | <b>\$14,245,778</b> | <b>\$14,741,512</b> | <b>\$15,005,350</b>                | <b>\$14,878,860</b>              | <b>\$14,878,860</b> |
| <b>DEDICATED REVENUES</b>              |                     |                     |                                    |                                  |                     |
| State Grants                           | \$147,933           | \$215,000           | \$215,000                          | \$215,000                        | \$215,000           |
| PIER Outside Contract Agreements       | 26,333              | 25,500              | 32,500                             | 32,500                           | 32,500              |
| PIER Internal Contract Agreements      | 100,000             | 50,000              | 50,000                             | 50,000                           | 50,000              |
| Designated Reserve                     | (88,365)            | (28,205)            | 0                                  | 0                                | 0                   |
| <b>TOTAL DEDICATED REVENUES</b>        | <b>\$185,901</b>    | <b>\$262,295</b>    | <b>\$297,500</b>                   | <b>\$297,500</b>                 | <b>\$297,500</b>    |
| <b>TOTAL CITY COST</b>                 | <b>\$14,059,877</b> | <b>\$14,479,217</b> | <b>\$14,707,850</b>                | <b>\$14,581,360</b>              | <b>\$14,581,360</b> |

<sup>1</sup> Details of the Grant Expenditures can be located in the Other Funds Section of this document.



**Fire and EMS Department.** Provides fire, medical, and other emergency and non-emergency services for the City. The department operates eight fire stations and 51 fire vehicles. Services include:

- Fire prevention through inspections, arson investigations, and public fire safety education.
- Fire suppression.
- Emergency medical services, including Basic Life Support (BLS), Advanced Life Support (ALS), and ambulance transport.
- Technical rescue response, including confined-space, trench, collapse, high-angle rescue, swiftwater, and dive rescue.
- Other emergency and non-emergency services, such as hazardous materials incident response.
- Community services, including public school and neighborhood programs.
- Coordination of ambulance billing and collections services through a third party billing firm.

|  | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|--|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>POSITION SUMMARY</b>                |                     |                     |                                    |                                  |                     |
| City Funded Sworn Full-Time            | 178                 | 177                 | 178                                | 177                              | 177                 |
| City Funded Civilian Full-Time         | 8                   | 9                   | 9                                  | 9                                | 9                   |
| City Sworn Full-Time Not Funded        | 0                   | 1                   | 0                                  | 1                                | 1                   |
| <b>TOTAL FTE</b>                       | <b>186</b>          | <b>187</b>          | <b>187</b>                         | <b>187</b>                       | <b>187</b>          |
| <b>BUDGET SUMMARY</b>                  |                     |                     |                                    |                                  |                     |
| <b>EXPENDITURES</b>                    |                     |                     |                                    |                                  |                     |
| Salaries                               | \$9,659,022         | \$9,690,446         | \$9,808,700                        | \$9,702,495                      | \$9,702,495         |
| Employee Benefits                      | 3,267,687           | 3,754,032           | 3,810,411                          | 3,790,126                        | 3,790,126           |
| Contractual Services                   | 306,487             | 245,364             | 269,864                            | 269,864                          | 269,864             |
| Internal Service Charges               | 118,425             | 144,700             | 137,434                            | 137,434                          | 137,434             |
| Other Charges                          | 702,407             | 644,675             | 656,441                            | 656,441                          | 656,441             |
| Capital Outlay                         | 5,849               | 0                   | 25,000                             | 25,000                           | 25,000              |
| <b>Total General Fund Expenditures</b> | <b>\$14,059,877</b> | <b>\$14,479,217</b> | <b>\$14,707,850</b>                | <b>\$14,581,360</b>              | <b>\$14,581,360</b> |
| Total Grant Expenditures <sup>1</sup>  | \$147,933           | \$215,000           | \$215,000                          | \$215,000                        | \$215,000           |
| <b>TOTAL EXPENDITURES</b>              | <b>\$14,207,810</b> | <b>\$14,694,217</b> | <b>\$14,922,850</b>                | <b>\$14,796,360</b>              | <b>\$14,796,360</b> |
| <b>DEDICATED REVENUES</b>              |                     |                     |                                    |                                  |                     |
| State Grants                           | \$147,933           | \$215,000           | \$215,000                          | \$215,000                        | \$215,000           |
| <b>TOTAL DEDICATED REVENUES</b>        | <b>\$147,933</b>    | <b>\$215,000</b>    | <b>\$215,000</b>                   | <b>\$215,000</b>                 | <b>\$215,000</b>    |
| <b>TOTAL CITY COST</b>                 | <b>\$14,059,877</b> | <b>\$14,479,217</b> | <b>\$14,707,850</b>                | <b>\$14,581,360</b>              | <b>\$14,581,360</b> |

<sup>1</sup> Details of the Grant Expenditures can be located in the Other Funds Section of this document.



***Fire and EMS Department Budget Description***

The Department Requested FY 2012 Fire and EMS Department budget of \$14,707,850 represents a 1.6% increase of \$228,633 compared to the Adopted FY 2011 budget of \$14,479,217.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$174,633 increase in Salaries and Employee Benefits reflecting the reinstatement of funding for an FY 2011 unfunded position, the inclusion of funding for promotions and a recruit school, as well as changes in health, dental, and life insurance rates.
- \$24,500 increase in Contractual Services reflecting the addition of building maintenance and repair for service contracts for HVAC equipment and overhead bay doors.
- \$7,266 decrease in Internal Services Charges reflecting Fleet Administration estimates.
- \$11,766 increase in Other Charges reflecting a rental rate increase for the Fire Training Center, the cost associated with re-accreditation, and adjustments to reflect historical expenditures.
- \$25,000 increase in Capital Outlay reflecting funding for the local match portion of grants regularly received from the Rescue Squad Assistance Fund (RSAF).

Major items requested but not proposed by the City Manager for funding:

- \$45,107 in Salaries and Employee Benefits to fund a position.
- \$81,383 in Salaries and Employee Benefits for a Recruit Training Academy.

The Proposed FY 2012 Fire and EMS Department budget was adopted by City Council without changes.



Fire and EMS Department – Technical Rescue Team/Partners in Emergency Response (PIER) Program

|                                   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-----------------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>BUDGET SUMMARY</b>             |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>               |                   |                    |                                    |                                  |                    |
| Salaries                          | \$23,958          | \$30,000           | \$27,500                           | \$27,500                         | \$27,500           |
| Employee Benefits                 | 0                 | 2,295              | 2,104                              | 2,104                            | 2,104              |
| Other Charges                     | 14,010            | 15,000             | 37,896                             | 37,896                           | 37,896             |
| Capital Outlay                    | 0                 | 0                  | 15,000                             | 15,000                           | 15,000             |
| <b>TOTAL EXPENDITURES</b>         | <b>\$37,968</b>   | <b>\$47,295</b>    | <b>\$82,500</b>                    | <b>\$82,500</b>                  | <b>\$82,500</b>    |
| <b>DEDICATED REVENUES</b>         |                   |                    |                                    |                                  |                    |
| PIER Outside Contract Agreements  | \$26,333          | \$25,500           | \$32,500                           | \$32,500                         | \$32,500           |
| PIER Internal Contract Agreements | 100,000           | 50,000             | 50,000                             | 50,000                           | 50,000             |
| Designated Reserve                | (88,365)          | (28,205)           | 0                                  | 0                                | 0                  |
| <b>TOTAL DEDICATED REVENUES</b>   | <b>\$37,968</b>   | <b>\$47,295</b>    | <b>\$82,500</b>                    | <b>\$82,500</b>                  | <b>\$82,500</b>    |
| <b>TOTAL CITY COST</b>            | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**Fire and EMS Department – Technical Rescue Team/PIER Program Budget Description**

The Department Requested FY 2012 Fire and EMS Department – Technical Rescue Team/PIER Program budget of \$82,500 represents a 74.4% increase of \$35,205 compared to the Adopted FY 2011 budget of \$47,295.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$2,691 decrease in Salaries and Employee Benefits reflecting a reduction in the Technical Rescue Team pay.
- \$22,896 increase in Other Charges reflecting increases in safety supplies, equipment/tools, and training.
- \$15,000 increase in Capital Outlay reflecting replacement costs for Tech One, the primary vehicle used by the Technical Rescue Team.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Fire and EMS Department – Technical Rescue Team/PIER Program budget was adopted by City Council without changes.



**Fire and EMS Department Performance Measures**

**Goal 1:**  
Increase the likelihood of survival for patients who are in cardiac arrest.

**Objective:**  
Increase the percentage of patients that attain Return of Spontaneous Circulation (ROSC) after cardiac arrest. Strategies include increasing the use of the AutoPulse devices and implementing current recommendations of AHA (American Heart Association) in reference to the treatment of cardiac arrest patients.

| <b>Performance Measure:</b>                                       | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| Meet or exceed AHA National average of 5-7% of patients with ROSC | 20%                   | 25%                      | 25%                       | 25%                      |

**Analysis of the Data:**  
The national average of 5-7% of patients with ROSC is based on manual CPR. The Department is fortunate to have advanced equipment to provide mechanical CPR (AutoPulse & Lucas devices) which provide uniform depth and rate of compressions without any interruptions due to human fatigue. The rate for FY 2010 is 20%; that is of 49 patients with no pulse, ten (10) had Return of Spontaneous Circulation. This can be attributed not only to the mechanical CPR equipment but to rapid response times, early defibrillation, and early Advanced Life Support (ALS) care. Other factors that have a role in ROSC are the age of the patient and his/her medical history including identified risk factors. A conservative projection of ROSC for FY 2011 and FY 2012 is 25% based in part on the limited amount of historical data.

**Goal 2:**  
Respond in a safe and expeditious manner to emergency incidents (dispatched equipment).

**Objective:**  
Maintain (without compromising safety) an average response time of 360 seconds or less to emergency incidents (response time = time of dispatch to time of arrival of the 1st unit). Strategies include examining response times to determine if another response zone is more appropriate and evaluating traffic patterns and construction zones.

| <b>Performance Measure:</b>                    | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| Average response time to an emergency incident | 7 min 3 secs          | 6 min 50 secs            | 7 min 0 secs              | 6 min 41 secs            |

**Analysis of the Data:**  
The Department had vacancies due to retirements and separations that were not filled. These staffing deficiencies along with the need for mandatory training caused equipment to be placed out of service more often and for longer periods of time during a shift. This in turn increases response time due to the need for equipment to respond outside of designated response zones. Still a factor are the State EMS reporting requirements, which increase the time it takes to complete reports. Note: Projections are based on a 5-year trend analysis utilizing historical data from FY 2006 through FY 2010.



**Fire and EMS Department Performance Measures (continued)**

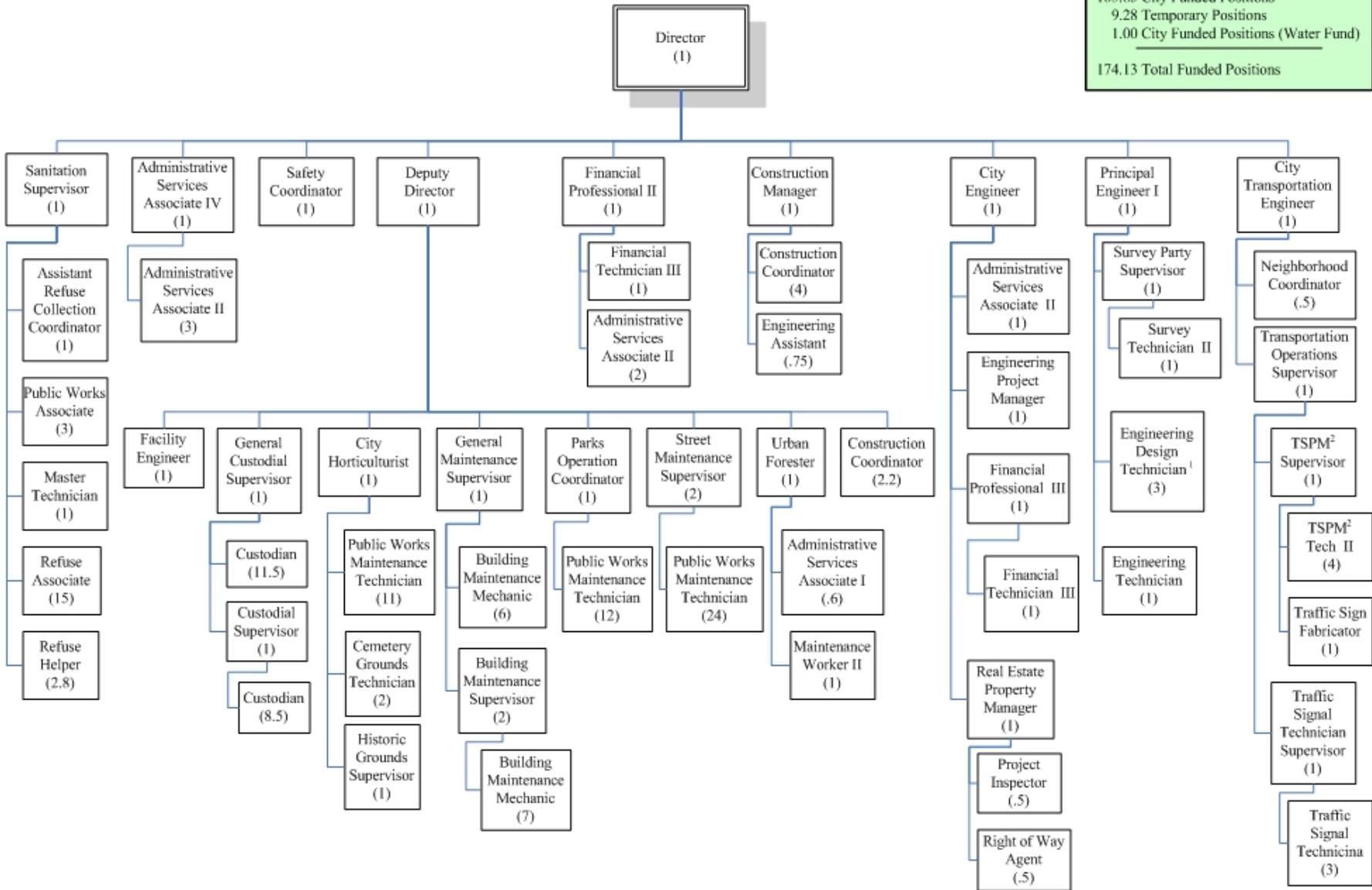
|   |                       |                          |                           |                          |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 3:</b><br>Maintain or reduce average structure fire loss (in dollars) per incident.   |                       |                          |                           |                          |
| <b>Objective:</b><br>Limit structure fire loss (structure and contents) per incident to below \$40,000. Strategies include increasing the number of inspections, the number of public education events, and the oversight in new construction and site design.  |                       |                          |                           |                          |
| <b>Performance Measure:</b>   |                       |                          |                           |                          |
|   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Average structure fire loss per incident per fiscal year  | \$26,810              | \$19,000                 | \$18,492                  | \$20,000                 |
| <b>Analysis of the Data:</b><br>The FY 2010 actual average (which was below the projected average) indicates several important points. There has been a significant push to become more proactive not only in the Fire Marshal's Office but in the entire Department regarding fire prevention. Two initiatives have become the first line of proactive defense in protecting the public. First, the Department has been actively pursuing better, more inventive ways to reach out to the public through print and television media, public speaking engagements, and youth outreach. The Department has become more effective in educating and ensuring the public is aware of the safety concerns in their homes and/or businesses. Second, the Department has increased in frequency the operational pre-plans along with fire and life safety inspections under the belief that efforts of prevention and proactive involvement will keep the average dollar loss down; however, there is anticipation of a rise in building costs and consumer goods due to a resurging economy. Note: Projections are based in part on a 5-year trend analysis utilizing historical data from FY 2006 through FY 2010. |                       |                          |                           |                          |

|   |
|---|
| <b>Benchmark Localities:</b><br>Charlottesville, Danville, Roanoke, Staunton, Hampton, and Petersburg, VA |
|---|

**PUBLIC WORKS**

**POSITION SUMMARY**

163.85 City Funded Positions  
 9.28 Temporary Positions  
 1.00 City Funded Positions (Water Fund)  
**174.13 Total Funded Positions**



<sup>1</sup> One Engineering Design Technician is funded by the Water Fund.

<sup>2</sup> Traffic Signal/Pavement Marking (TSPM)



Public Works

|  | Actual<br>FY 2010   | Adopted<br>FY 2011  | Amended<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2011  |
|--|---------------------|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>POSITION SUMMARY</b>                                |                     |                     |                     |                                    |                                  |                     |
| City Funded Full-Time                                  | 164.00              | 150.00              | 150.00              | 154.00                             | 154.00                           | 156.00              |
| City Funded Part-Time                                  | 2.55                | 9.65                | 9.65                | 7.85                               | 7.85                             | 7.85                |
| City Funded Temporary                                  | 13.04               | 5.75                | 6.75                | 8.55                               | 8.55                             | 9.28                |
| City Funded Full-Time (Water Fund) <sup>1</sup>        | 0.00                | 1.00                | 1.00                | 1.00                               | 1.00                             | 1.00                |
| <b>TOTAL FTE</b>                                       | <b>179.59</b>       | <b>166.40</b>       | <b>167.40</b>       | <b>171.40</b>                      | <b>171.40</b>                    | <b>174.13</b>       |
| <b>BUDGET SUMMARY</b>                                  |                     |                     |                     |                                    |                                  |                     |
| <b>EXPENDITURES</b>                                    |                     |                     |                     |                                    |                                  |                     |
| Salaries <sup>1</sup>                                  | \$5,992,835         | \$5,581,558         | \$5,581,558         | \$5,596,477                        | \$5,596,477                      | \$5,660,233         |
| Employee Benefits <sup>1</sup>                         | 2,167,595           | 2,315,233           | 2,315,233           | 2,369,751                          | 2,369,751                        | 2,396,517           |
| Contractual Services                                   | 1,878,945           | 2,311,279           | 3,256,898           | 2,106,181                          | 2,106,181                        | 2,135,586           |
| Internal Service Charges                               | 1,149,206           | 1,076,900           | 1,076,900           | 1,099,913                          | 1,099,913                        | 1,099,913           |
| Other Charges  | 3,622,072           | 3,626,897           | 3,743,403           | 3,642,762                          | 3,642,762                        | 3,773,649           |
| Capital Outlay   | 5,509               | 0                   | 0                   | 0                                  | 0                                | 0                   |
| Payment to Regional Service Authority                  | 934,272             | 831,468             | 847,030             | 903,260                            | 903,260                          | 903,260             |
| <b>TOTAL DEPARTMENT EXPENDITURES</b>                   | <b>\$15,750,434</b> | <b>\$15,743,335</b> | <b>\$16,821,022</b> | <b>\$15,718,344</b>                | <b>\$15,718,344</b>              | <b>\$15,969,158</b> |
| <b>DEDICATED REVENUES</b>                              |                     |                     |                     |                                    |                                  |                     |
| State Categorical Aid - Highway Maintenance            | \$7,084,498         | \$7,234,051         | \$7,234,051         | \$7,714,376                        | \$7,714,376                      | \$7,714,376         |
| State Categorical Aid - Urban Project Overhead         | 0                   | 10,000              | 10,000              | 0                                  | 0                                | 0                   |
| Federal Categorical Aid - Urban Project Overhead       | 0                   | 40,000              | 40,000              | 0                                  | 0                                | 0                   |
| Federal Categorical Aid - Human Services B&G Reimburse | 24,387              | 25,000              | 25,000              | 25,000                             | 25,000                           | 25,000              |
| Engineering Service Charges - Utilities                | 0                   | 0                   | 0                   | 300,000                            | 300,000                          | 300,000             |
| <b>TOTAL DEDICATED REVENUES</b>                        | <b>\$7,108,885</b>  | <b>\$7,309,051</b>  | <b>\$7,309,051</b>  | <b>\$8,039,376</b>                 | <b>\$8,039,376</b>               | <b>\$8,039,376</b>  |
| <b>TOTAL CITY COST</b>                                 | <b>\$8,641,549</b>  | <b>\$8,434,284</b>  | <b>\$9,511,971</b>  | <b>\$7,678,968</b>                 | <b>\$7,678,968</b>               | <b>\$7,929,782</b>  |

<sup>1</sup> Beginning July 1, 2010, the Water Fund assumed salary and employee benefit costs associated with one position; supervision will remain in the General Fund.



Public Works – Administration. Responsible for the overall planning, leadership, and guidance to the Department. In addition, human resources management, neighborhood coordination, operational safety, and administrative support are services provided to the Department’s Divisions.

|                          | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| City Funded Full-Time    | 11                | 11                 | 11                                 | 11                               | 11                 |
| <b>TOTAL FTE</b>         | <b>11</b>         | <b>11</b>          | <b>11</b>                          | <b>11</b>                        | <b>11</b>          |
| <b>BUDGET SUMMARY</b>    |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                   |                    |                                    |                                  |                    |
| Salaries                 | \$478,664         | \$486,176          | \$486,176                          | \$486,176                        | \$486,176          |
| Employee Benefits        | 177,329           | 203,500            | 205,733                            | 205,733                          | 205,733            |
| Contractual Services     | 4,394             | 5,450              | 5,450                              | 5,450                            | 5,450              |
| Internal Service Charges | 3,820             | 5,300              | 5,699                              | 5,699                            | 5,699              |
| Other Charges            | 13,045            | 16,188             | 16,188                             | 16,188                           | 16,188             |
| <b>TOTAL CITY COST</b>   | <b>\$677,252</b>  | <b>\$716,614</b>   | <b>\$719,246</b>                   | <b>\$719,246</b>                 | <b>\$719,246</b>   |

**Public Works – Administration Budget Description**

The Department Requested FY 2012 Public Works – Administration budget of \$719,246 represents a 0.4% increase of \$2,632 compared to the Adopted FY 2011 budget of \$716,614.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$2,233 increase in Employee Benefits reflecting changes in health, dental, and life insurance rates.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Public Works – Administration budget was adopted by City Council without changes.



**Public Works – Building Maintenance.** Performs custodial services, preventative maintenance and emergency repair of approximately one million square feet of City-owned buildings, parking decks and structures located in parks and stadiums. Some of the equipment maintained by the Division includes HVAC, electrical and plumbing systems, lock and key services as well as carpentry services. Building Maintenance maintains all athletic field lighting, fencing, pavilions and playground equipment located at City Stadium and parks throughout the City. The Division is responsible for (1) the opening, closing, and repair of the pool located in Miller Park; (2) moving furniture and equipment for City departments as requested; (3) delivering mail to City Council and providing support in preparation for Council meetings; (4) providing support for special events; and (5) sidewalk snow removal at City buildings as well as providing other services during emergency situations. The Division also provides support to the Registrar’s Office during elections by delivering and setting up voting booths and providing other support on Election Day.

|                          | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                    |                    |                                    |                                  |                    |
| City Funded Full-Time    | 40.00              | 37.50              | 38.50                              | 38.50                            | 39.50              |
| City Funded Part-Time    | 0.50               | 0.50               | 0.50                               | 0.50                             | 0.50               |
| City Funded Temporary    | 0.50               | 0.45               | 0.95                               | 0.95                             | 0.95               |
| <b>TOTAL FTE</b>         | <b>41.00</b>       | <b>38.45</b>       | <b>39.95</b>                       | <b>39.95</b>                     | <b>40.95</b>       |
| <b>BUDGET SUMMARY</b>    |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                    |                    |                                    |                                  |                    |
| Salaries                 | \$1,105,710        | \$1,127,010        | \$1,150,545                        | \$1,150,545                      | \$1,180,747        |
| Employee Benefits        | 451,206            | 511,399            | 531,904                            | 531,904                          | 546,279            |
| Contractual Services     | 263,631            | 227,878            | 227,878                            | 227,878                          | 227,991            |
| Internal Service Charges | 52,766             | 61,200             | 56,197                             | 56,197                           | 56,197             |
| Other Charges            | 1,085,114          | 1,090,636          | 1,092,874                          | 1,092,874                        | 1,093,149          |
| <b>TOTAL CITY COST</b>   | <b>\$2,958,427</b> | <b>\$3,018,123</b> | <b>\$3,059,398</b>                 | <b>\$3,059,398</b>               | <b>\$3,104,363</b> |

**Public Works – Building Maintenance Budget Description**

The Department Requested FY 2012 Public Works – Building Maintenance budget of \$3,059,398 represents a 1.4% increase of \$41,275 compared to the Adopted FY 2011 budget of \$3,018,123.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$44,040 increase in Salaries and Employee Benefits reflecting the addition of a Building Maintenance Mechanic II position and a temporary position to provide administrative support to the new Building Controls and Energy Manager, as well as changes in health, dental, and life insurance rates.
- \$5,003 decrease in Internal Service Charges based on Fleet Administration estimates.
- \$2,238 increase in Other Charges reflecting the 4% water and sewer rate increase.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Public Works – Building Maintenance budget was adopted by City Council with the following changes:

- ◆ \$44,577 increase in Salaries and Employee Benefits reflecting the addition of a Building Maintenance Supervisor position.
- ◆ \$275 increase in Other Charges related to the Building Maintenance Supervisor position.



Public Works – Human Services Building. The Division of Buildings and Grounds provides building maintenance and utilities for the Human Services Building at 99 9<sup>th</sup> Street. This sub-department is used to track maintenance and utility expenditures for the purposes of state reimbursement.

|  | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>BUDGET SUMMARY</b>                                  |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                                    |                   |                    |                                    |                                  |                    |
| Contractual Services                                   | \$40,570          | \$57,191           | \$53,391                           | \$53,391                         | \$53,391           |
| Other Charges  | 169,311           | 185,978            | 180,704                            | 180,704                          | 180,704            |
| <b>TOTAL EXPENDITURES</b>                              | <b>\$209,881</b>  | <b>\$243,169</b>   | <b>\$234,095</b>                   | <b>\$234,095</b>                 | <b>\$234,095</b>   |
| <b>DEDICATED REVENUES</b>                              |                   |                    |                                    |                                  |                    |
| Federal Categorical Aid - Human Services B&G Reimburse | \$24,387          | \$25,000           | \$25,000                           | \$25,000                         | \$25,000           |
| <b>TOTAL DEDICATED REVENUES</b>                        | <b>\$24,387</b>   | <b>\$25,000</b>    | <b>\$25,000</b>                    | <b>\$25,000</b>                  | <b>\$25,000</b>    |
| <b>TOTAL CITY COST</b>                                 | <b>\$185,494</b>  | <b>\$218,169</b>   | <b>\$209,095</b>                   | <b>\$209,095</b>                 | <b>\$209,095</b>   |

**Public Works – Human Services Building Budget Description**

The Department Requested FY 2012 Public Works – Human Services Building budget of \$234,095 represents a 3.7% decrease of \$9,074 compared to the Adopted FY 2011 budget of \$243,169.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$3,800 decrease in Contractual Services reflecting lower charges by a new janitorial service contractor.
- \$5,274 decrease in Other Charges reflecting energy efficiency enhancements to the Human Services building as part of the current energy grant project.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Public Works – Human Services Building budget was adopted by City Council without changes.



**Public Works – Parks and Grounds Maintenance.** Provides grounds maintenance for all City property except school property (over 700 acres). Includes weed and leaf removal, mowing, landscaping, sodding, planting, pruning and seeding as well as fertilizer and pesticide application. The contract forestry service maintains street trees and trees located on other public property. The City’s annual flower/spring bulb program is carried out within this work unit.

All athletic fields at the City’s parks, recreational facilities and the City Stadium are maintained to regulation. Provides maintenance and repairs to all recreation buildings and equipment. During winter months, personnel assist in the maintenance of fences, posts, benches, playground equipment, tables and other equipment located in the City parks and in snow removal. Personnel provide support for festivals and maintain bikeways and hiking trails.

|   | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                     |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                       | 29.00              | 28.00              | 28.00                              | 28.00                            | 29.00              |
| City Funded Part-Time                       | 0.00               | 3.40               | 1.60                               | 1.60                             | 1.60               |
| City Funded Temporary                       | 8.00               | 3.90               | 5.70                               | 5.70                             | 6.43               |
| <b>TOTAL FTE</b>                            | <b>37.00</b>       | <b>35.30</b>       | <b>35.30</b>                       | <b>35.30</b>                     | <b>37.03</b>       |
| <b>BUDGET SUMMARY</b>                       |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                         |                    |                    |                                    |                                  |                    |
| Salaries                                    | \$946,311          | \$997,404          | \$1,001,112                        | \$1,001,112                      | \$1,034,666        |
| Employee Benefits                           | 349,013            | 404,940            | 411,993                            | 411,993                          | 424,384            |
| Contractual Services                        | 223,833            | 202,868            | 202,868                            | 202,868                          | 203,097            |
| Internal Service Charges                    | 284,217            | 304,100            | 299,464                            | 299,464                          | 299,464            |
| Other Charges                               | 426,759            | 491,525            | 493,421                            | 493,421                          | 525,718            |
| Capital Outlay                              | 5,509              | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL EXPENDITURES</b>                   | <b>\$2,235,642</b> | <b>\$2,400,837</b> | <b>\$2,408,858</b>                 | <b>\$2,408,858</b>               | <b>\$2,487,329</b> |
| <b>DEDICATED REVENUES</b>                   |                    |                    |                                    |                                  |                    |
| State Categorical Aid - Highway Maintenance | \$700,825          | \$715,619          | \$1,071,702                        | \$1,071,702                      | \$1,071,702        |
| <b>TOTAL DEDICATED REVENUES</b>             | <b>\$700,825</b>   | <b>\$715,619</b>   | <b>\$1,071,702</b>                 | <b>\$1,071,702</b>               | <b>\$1,071,702</b> |
| <b>TOTAL CITY COST</b>                      | <b>\$1,534,817</b> | <b>\$1,685,218</b> | <b>\$1,337,156</b>                 | <b>\$1,337,156</b>               | <b>\$1,415,627</b> |

**Public Works – Parks and Grounds Maintenance Budget Description**

The Department Requested FY 2012 Public Works – Parks and Grounds Maintenance budget of \$2,408,858 represents a 0.3% increase of \$8,021 compared to the Adopted FY 2011 budget of \$2,400,837.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$10,761 increase in Salaries and Employee Benefits reflecting \$9,600 in progression pay for employees in the Public Works Maintenance Technician Program, as well as changes in health, dental, and life insurance rates.
- \$4,636 decrease in Internal Service Charges based on Fleet Administration estimates.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Public Works – Parks and Grounds Maintenance budget was adopted by City Council with the following changes:

- ♦ \$45,945 increase in Salaries and Employee Benefits reflecting the addition of a Public Works Associate position, as well as additional temporary hours.
- ♦ \$32,526 increase in Contractual Services and Other Charges for expenses related to the maintenance of Ivy Creek and Riverfront Parks.



**Public Works – Engineering.** Provides a variety of professional and technical work relating to the physical development of the City. Responsible for the design, development, and supervision of construction projects for the City. Responsibilities include capital project planning for buildings, streets, water and sewer facilities, street and bridge maintenance programs. Monitors the need for various traffic control devices and street improvements. Reviews all street design improvements. Oversees the City's street lighting system and coordinates the signals at 118 intersections in the City. Maintains a close liaison with the Virginia Department of Transportation. Acquires and disposes of municipal real property for City use and manages City-owned property leases. The City Engineer also assists on the Technical Review Committee.

|  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                          |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                            | 35.00              | 28.50              | 29.50                              | 29.50                            | 29.50              |
| City Funded Part-Time                            | 2.05               | 1.75               | 1.75                               | 1.75                             | 1.75               |
| City Funded Temporary                            | 1.00               | 0.00               | 0.50                               | 0.50                             | 0.50               |
| City Funded Full-Time (Water Fund) <sup>1</sup>  | 0.00               | 1.00               | 1.00                               | 1.00                             | 1.00               |
| <b>TOTAL FTE</b>                                 | <b>38.05</b>       | <b>31.25</b>       | <b>32.75</b>                       | <b>32.75</b>                     | <b>32.75</b>       |
| <b>BUDGET SUMMARY</b>                            |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                              |                    |                    |                                    |                                  |                    |
| Salaries <sup>1</sup>                            | \$1,714,922        | \$1,417,436        | \$1,411,905                        | \$1,411,905                      | \$1,411,905        |
| Employee Benefits <sup>1</sup>                   | 602,412            | 558,225            | 572,190                            | 572,190                          | 572,190            |
| Contractual Services                             | 48,942             | 55,110             | 55,860                             | 55,860                           | 55,860             |
| Internal Service Charges                         | 49,425             | 55,600             | 53,919                             | 53,919                           | 53,919             |
| Other Charges                                    | 1,269,806          | 1,280,021          | 1,296,966                          | 1,296,966                        | 1,296,966          |
| <b>TOTAL EXPENDITURES</b>                        | <b>\$3,685,507</b> | <b>\$3,366,392</b> | <b>\$3,390,840</b>                 | <b>\$3,390,840</b>               | <b>\$3,390,840</b> |
| <b>DEDICATED REVENUES</b>                        |                    |                    |                                    |                                  |                    |
| State Categorical Aid - Highway Maintenance      | \$2,852,489        | \$2,912,704        | \$3,040,840                        | \$3,040,840                      | \$3,040,840        |
| State Categorical Aid - Urban Project Overhead   | 0                  | 10,000             | 0                                  | 0                                | 0                  |
| Federal Categorical Aid - Urban Project Overhead | 0                  | 40,000             | 0                                  | 0                                | 0                  |
| Engineering Service Charges - Utilities          | 0                  | 0                  | 300,000                            | 300,000                          | 300,000            |
| <b>TOTAL DEDICATED REVENUES</b>                  | <b>\$2,852,489</b> | <b>\$2,962,704</b> | <b>\$3,340,840</b>                 | <b>\$3,340,840</b>               | <b>\$3,340,840</b> |
| <b>TOTAL CITY COST</b>                           | <b>\$833,018</b>   | <b>\$403,688</b>   | <b>\$50,000</b>                    | <b>\$50,000</b>                  | <b>\$50,000</b>    |

<sup>1</sup> Beginning July 1, 2010, the Water Fund assumed salary and employee benefit costs associated with one position; supervision will remain in the General Fund.



***Public Works – Engineering Budget Description***

The Department Requested FY 2012 Public Works – Engineering budget of \$3,390,840 represents a 0.7% increase of \$24,448 compared to the Adopted FY 2011 budget of \$3,366,392.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$8,434 increase in Salaries and Employee Benefits reflecting the addition of a full-time Traffic Signal Technician Supervisor position offset by lower personnel costs, as well as changes in health, dental, and life insurance rates.
- \$16,945 increase in Other Charges reflecting a decrease in minor equipment and tools, a decrease in mileage reimbursement, and an increase in office equipment to replace a surveying instrument, a printer, and a plotter.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Public Works – Engineering budget was adopted by City Council without changes.



**Public Works – Street Maintenance.** The Street Maintenance program encompasses the administration and maintenance of approximately 853 lane miles of roadway, 340 miles of shoulders and 181 miles of sidewalks. The administration includes functions such as budget control, staffing, planning, employee development and centralized processing of the core business personnel, payroll transactions and records. The maintenance is done by City street crews and private contractors through various types of patching and surface repairs, road-shoulder maintenance, and drainage maintenance. Street sweeping and leaf collection are also considered core functions of the Streets Division. Nearly all functions of the Streets Division are eligible for full reimbursement from the Virginia Department of Transportation (VDOT). Nearly one-third of the Streets Division’s budget is used for contractual repairs and installations of sidewalks, guardrails, and all drainage systems that handle City street water runoff.

|   | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                     |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                       | 29.0               | 26.0               | 26.0                               | 26.0                             | 26.0               |
| City Funded Part-Time                       | 0.0                | 1.2                | 1.2                                | 1.2                              | 1.2                |
| City Funded Temporary                       | 2.0                | 1.4                | 1.4                                | 1.4                              | 1.4                |
| <b>TOTAL FTE</b>                            | <b>31.0</b>        | <b>28.6</b>        | <b>28.6</b>                        | <b>28.6</b>                      | <b>28.6</b>        |
| <b>BUDGET SUMMARY</b>                       |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                         |                    |                    |                                    |                                  |                    |
| Salaries                                    | \$814,387          | \$851,233          | \$835,610                          | \$835,610                        | \$835,610          |
| Employee Benefits                           | 318,541            | 361,594            | 361,832                            | 361,832                          | 361,832            |
| Contractual Services                        | 902,047            | 1,599,975          | 1,397,927                          | 1,397,927                        | 1,397,927          |
| Internal Service Charges                    | 385,937            | 389,100            | 405,678                            | 405,678                          | 405,678            |
| Other Charges                               | 215,203            | 248,053            | 248,053                            | 248,053                          | 248,053            |
| <b>TOTAL EXPENDITURES</b>                   | <b>\$2,636,115</b> | <b>\$3,449,955</b> | <b>\$3,249,100</b>                 | <b>\$3,249,100</b>               | <b>\$3,249,100</b> |
| <b>DEDICATED REVENUES</b>                   |                    |                    |                                    |                                  |                    |
| State Categorical Aid - Highway Maintenance | \$2,636,115        | \$3,214,019        | \$3,100,000                        | \$3,100,000                      | \$3,100,000        |
| <b>TOTAL DEDICATED REVENUES</b>             | <b>\$2,636,115</b> | <b>\$3,214,019</b> | <b>\$3,100,000</b>                 | <b>\$3,100,000</b>               | <b>\$3,100,000</b> |
| <b>TOTAL CITY COST</b>                      | <b>\$0</b>         | <b>\$235,936</b>   | <b>\$149,100</b>                   | <b>\$149,100</b>                 | <b>\$149,100</b>   |

**Public Works – Street Maintenance Budget Description**

The Department Requested FY 2012 Public Works – Street Maintenance Division budget of \$3,249,100 represents a 5.8% decrease of \$200,855 compared to the Adopted FY 2011 budget of \$3,449,955.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$15,385 decrease Salaries and Employee Benefits reflecting a request for \$9,600 in progression pay for employees in the Public Works Maintenance Technician Program, as well as changes in health, dental, and life insurance rates.
- \$202,048 decrease in Contractual Services reflecting reduced paving, guardrail, and sidewalk work performed by outside contractors.
- \$16,578 increase in Internal Service Charges based on Fleet Administration estimates.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Public Works – Street Maintenance budget was adopted by City Council without changes.



**Public Works – Snow and Ice Removal.** The snow and ice removal program involves nearly all Public Works personnel and equipment to clear over 853 lane miles of City streets of snow, ice, and slush. The City also maintains two salt barns capable of storing over 6,000 tons of rock salt. Slag material and two 5,000-gallon liquid calcium chloride tanks are also stored for snow and ice removal.

The only labor expenses charged to this budget are those overtime costs directly associated with snow/ice removal operations. All non-overtime labor costs are charged to the regular, full or part-time wage code for the employees’ home divisions.

For those accounts in which trends and averages would have been the prime factor for budget calculation, the budget is projected based on forecasts of minimal snowfall for the year.

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>BUDGET SUMMARY</b>                       |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                         |                   |                    |                                    |                                  |                    |
| Salaries                                    | \$272,339         | \$65,000           | \$65,000                           | \$65,000                         | \$65,000           |
| Employee Benefits                           | 19,775            | 6,503              | 6,503                              | 6,503                            | 6,503              |
| Contractual Services                        | 136,021           | 7,957              | 7,957                              | 7,957                            | 7,957              |
| Internal Service Charges                    | 213,466           | 88,900             | 83,742                             | 83,742                           | 83,742             |
| Other Charges                               | 240,935           | 77,493             | 77,493                             | 77,493                           | 77,493             |
| <b>TOTAL EXPENDITURES</b>                   | <b>\$882,536</b>  | <b>\$245,853</b>   | <b>\$240,695</b>                   | <b>\$240,695</b>                 | <b>\$240,695</b>   |
| <b>DEDICATED REVENUES</b>                   |                   |                    |                                    |                                  |                    |
| State Categorical Aid - Highway Maintenance | \$639,329         | \$130,570          | \$240,695                          | \$240,695                        | \$240,695          |
| <b>TOTAL DEDICATED REVENUES</b>             | <b>\$639,329</b>  | <b>\$130,570</b>   | <b>\$240,695</b>                   | <b>\$240,695</b>                 | <b>\$240,695</b>   |
| <b>TOTAL CITY COST</b>                      | <b>\$243,207</b>  | <b>\$115,283</b>   | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**Public Works – Snow and Ice Removal Budget Description**

The Department Requested FY 2012 Public Works – Snow and Ice Removal budget of \$240,695 represents a 2.1% decrease of \$5,158 compared to the Adopted FY 2011 budget of \$245,853.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$5,158 decrease in Internal Service Charges based on Fleet Administration estimates.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Public Works – Snow and Ice Removal budget was adopted by City Council without changes.



**Public Works – Refuse.** The program encompasses the collection of refuse, bulk, and brush from homes and small businesses. A fleet of semi-automated trucks provide weekly household collection on a daily basis throughout the City. Approximately, 21,000 households and 500 businesses are served by this program with an average of 14,750 tons of refuse collected annually. The collection of bulk and brush is provided, using smartphone technology as an aid; the collection of litter and dead animals is performed on an as needed basis.

In addition, the recycling program oversees and supports various drop-off recycling sites located throughout the City. The primary objectives of the drop-off recycling program are to promote public-private citizen partnerships, to increase community awareness of solid waste in general, and to encourage recycling by offering a comparatively low cost option as a partial solution to reducing the City’s waste stream. This service directly supports City beautification and litter prevention activities through citizen support. This division has ten neighborhood facilities for public recycling of plastics, newspaper, cans, and mixed paper and works with approximately 70 groups which volunteer to collect litter from City streets.

|   | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                     |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                       | 20.00              | 19.00              | 21.00                              | 21.00                            | 21.00              |
| City Funded Part-Time                       | 0.00               | 2.80               | 2.80                               | 2.80                             | 2.80               |
| City Funded Temporary                       | 1.54               | 0.00               | 0.00                               | 0.00                             | 0.00               |
| <b>TOTAL FTE</b>                            | <b>21.54</b>       | <b>21.80</b>       | <b>23.80</b>                       | <b>23.80</b>                     | <b>23.80</b>       |
| <b>BUDGET SUMMARY</b>                       |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                         |                    |                    |                                    |                                  |                    |
| Salaries                                    | \$660,502          | \$637,299          | \$646,129                          | \$646,129                        | \$646,129          |
| Employee Benefits                           | 249,319            | 269,072            | 279,596                            | 279,596                          | 279,596            |
| Contractual Services                        | 259,507            | 154,850            | 154,850                            | 154,850                          | 154,850            |
| Internal Service Charges                    | 159,575            | 172,700            | 195,214                            | 195,214                          | 195,214            |
| Other Charges                               | 201,899            | 237,003            | 237,063                            | 237,063                          | 237,063            |
| Payment to Regional Service Authority       | 934,272            | 831,468            | 903,260                            | 903,260                          | 903,260            |
| <b>TOTAL EXPENDITURES</b>                   | <b>\$2,465,074</b> | <b>\$2,302,392</b> | <b>\$2,416,112</b>                 | <b>\$2,416,112</b>               | <b>\$2,416,112</b> |
| <b>DEDICATED REVENUES</b>                   |                    |                    |                                    |                                  |                    |
| State Categorical Aid - Highway Maintenance | \$255,740          | \$261,139          | \$261,139                          | \$261,139                        | \$261,139          |
| <b>TOTAL DEDICATED REVENUES</b>             | <b>\$255,740</b>   | <b>\$261,139</b>   | <b>\$261,139</b>                   | <b>\$261,139</b>                 | <b>\$261,139</b>   |
| <b>TOTAL CITY COST</b>                      | <b>\$2,209,334</b> | <b>\$2,041,253</b> | <b>\$2,154,973</b>                 | <b>\$2,154,973</b>               | <b>\$2,154,973</b> |

**Public Works – Refuse Budget Description**

The Department Requested FY 2012 Public Works – Refuse budget of \$2,416,112 represents a 4.9% increase of \$113,720 compared to the Adopted FY 2011 budget of \$2,302,392.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$19,354 increase in Salaries and Employee Benefits reflecting the addition of two new Refuse Associates for three months, as well as changes in health, dental, and life insurance rates.
- \$22,514 increase in Internal Service Charges based on Fleet Administration estimates.
- \$71,792 increase in Payment to Region 2000 Services Authority (RSA) charges reflecting a 4% increase in tipping fees plus additional costs to the RSA for operating the scalehouse and fillface area for the City after the main landfill operations relocated to Campbell County.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Public Works – Refuse budget was adopted by City Council without changes.



**Public Works – Baseball Stadium Maintenance.** Supports the operations and maintenance of Lynchburg City Stadium and Calvin Falwell Field.

|                        | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>BUDGET SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>    |                   |                    |                                    |                                  |                    |
| Contractual Services   | \$0               | \$0                | \$0                                | \$0                              | \$29,063           |
| Other Charges          | 0                 | 0                  | 0                                  | 0                                | 98,315             |
| <b>TOTAL CITY COST</b> | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$127,378</b>   |

**Public Works – Baseball Stadium Maintenance Budget Description**

The Baseball Stadium Fund will be closed into the General Fund on July 1, 2012. City expenditures related to maintenance at Lynchburg Stadium will now be accounted for in the General Fund.



**Public Works Performance Measures**

|  |                       |                          |                           |                          |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 1:</b><br>Provide solid waste collection as economically as possible.  |                       |                          |                           |                          |
| <b>Objective:</b><br>Collect solid waste in a cost effective and efficient manner.   |                       |                          |                           |                          |
| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Operating and maintenance expenditures per ton of refuse collected.  | \$46.55               | \$49.43                  | \$47.45                   | \$49.50                  |
| <b>Analysis of the Data:</b><br>Department employees have been involved in analyzing and balancing routes and are strongly committed to providing excellent customer service in a cost efficient manner. The cost is expected to increase each year due to higher fuel, parts, and repair costs. |                       |                          |                           |                          |
| <b>Benchmark Localities:</b><br>Chesapeake, Danville, Harrisonburg, and Spotsylvania County, VA; Longmont, CO  |                       |                          |                           |                          |

|  |                       |                          |   |                          |
|--|-----------------------|--------------------------|---|--------------------------|
| <b>Goal 2:</b><br>Citizen approval of the appearance of parks and recreation facilities.   |                       |                          |   |                          |
| <b>Objective:</b><br>Increase the percentage of citizens giving an excellent or good rating of the appearance of parks and recreation facilities.  |                       |                          |   |                          |
| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b>                   | <b>Projected FY 2012</b> |
| Percentage of Parks and Recreation facilities rated as excellent or good.  | No rating             | 15%                      | No rating - will be conducted in the Spring | 20%                      |
| <b>Analysis of the Data:</b><br>This performance measure helps the City understand the users' rating and perception of its parks and recreation facilities. This area was rated in 2006 (rating of 10%); a survey of users will be conducted in the spring of 2011 and 2012. |                       |                          |   |                          |
| <b>Benchmark Localities:</b><br>Charlottesville, Danville, Harrisonburg, Herndon, and James City County, VA  |                       |                          |   |                          |



**Public Works Performance Measures (continued)**

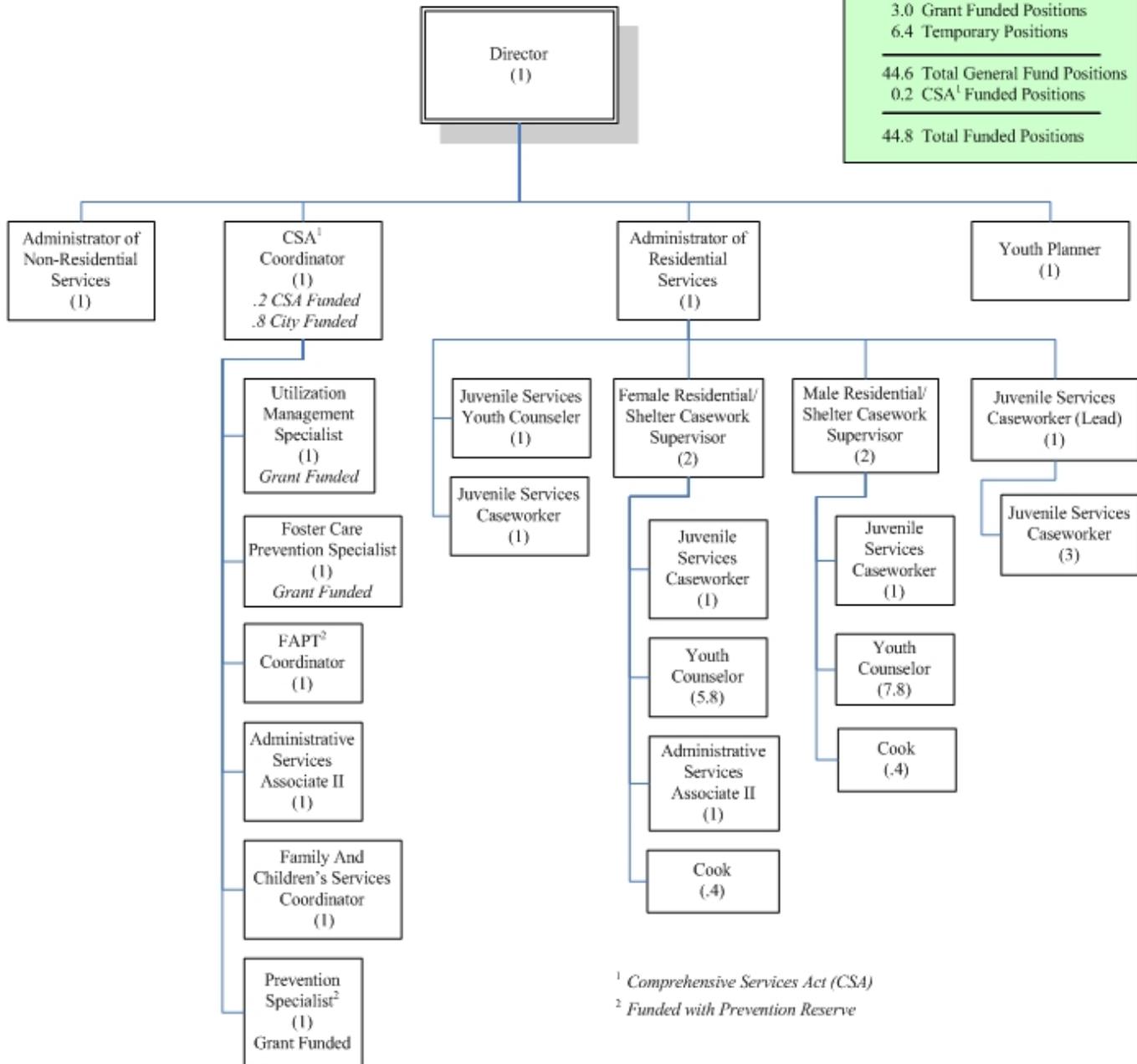
|  |                       |                          |                           |                          |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 3:</b>   |                       |                          |                           |                          |
| Support the safety of the traveling public and the operating efficiency of the streets infrastructure system as economically as possible.  |                       |                          |                           |                          |
| <b>Objective:</b>  |                       |                          |                           |                          |
| Perform street maintenance activities in a cost effective and efficient manner.  |                       |                          |                           |                          |
| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Road rehabilitation expenditures per paved lane mile (includes paving, patching, all street maintenance activities)  | \$3,426               | \$3,400                  | \$1,845                   | \$3,500                  |
| <b>Analysis of the Data:</b>   |                       |                          |                           |                          |
| Costs to maintain and repair streets have been very dynamic during the past several years with the cost of asphalt and patching material increasing significantly. The City has sought to perform more maintenance in order to lengthen the life of the streets leading to the expected increase in cost per lane mile. The July-December FY 2011 figure reflects the street maintenance costs incurred during the first half of the year for all 853 lane miles in the city; theoretically, over the entire year, it is anticipated this figure would approximately double. |                       |                          |                           |                          |
| <b>Benchmark Localities:</b>   |                       |                          |                           |                          |
| Blacksburg, Danville, Harrisonburg, and Richmond, VA; Salem, OR  |                       |                          |                           |                          |

|   |                       |                          |                           |                          |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 4:</b>  |                       |                          |                           |                          |
| Improve the timeliness and on-budget delivery of capital projects managed by the Engineering Division in excess of \$1.0 million.   |                       |                          |                           |                          |
| <b>Objective:</b>   |                       |                          |                           |                          |
| Complete capital project delivery that is both on time and within budget as defined on the Capital Improvement Program (CIP) project detail sheet 90% of the time.  |                       |                          |                           |                          |
| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Percentage of Projects:   |                       |                          |                           |                          |
| On time   | 75%                   | 78%                      | 80%                       | 82%                      |
| Within budget   | 78%                   | 77%                      | 75%                       | 80%                      |
| <b>Analysis of the Data:</b>  |                       |                          |                           |                          |
| As staff works to improve processes, it is anticipated more CIP projects will be completed within budget and within the projected time frames. Often, weather and other mitigating circumstances play a role in the ability to complete projects on time and within budget. |                       |                          |                           |                          |
| <b>Benchmark Localities:</b>  |                       |                          |                           |                          |
| Virginia Department of Transportation; Roanoke and Danville, VA   |                       |                          |                           |                          |



### JUVENILE SERVICES

| POSITION SUMMARY |                                   |
|------------------|-----------------------------------|
| 35.2             | City Funded Positions             |
| 3.0              | Grant Funded Positions            |
| 6.4              | Temporary Positions               |
| <hr/>            |                                   |
| 44.6             | Total General Fund Positions      |
| 0.2              | CSA <sup>1</sup> Funded Positions |
| <hr/>            |                                   |
| 44.8             | Total Funded Positions            |



<sup>1</sup> Comprehensive Services Act (CSA)  
<sup>2</sup> Funded with Prevention Reserve



**Juvenile Services.** Fosters the development of resources, programs and social policies aimed at supporting at-risk youth and their families who are experiencing involvement with the Juvenile Justice System. Major program areas include (1) secure, less secure and highly supervised pre-disposition and post-disposition residential services, (2) non-residential home based supervision and community service/restitution services, (3) coordination and administration of local and regional initiatives that receive funds from multiple sources, and (4) prevention and early intervention programs and services.

|                                       | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---------------------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>               |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                 | 36.8               | 32.8               | 32.8                               | 32.8                             | 32.8               |
| City Funded Part-Time                 | 1.6                | 2.5                | 2.4                                | 2.4                              | 2.4                |
| City Funded Temporary                 | 6.4                | 6.4                | 6.4                                | 6.4                              | 6.4                |
| Grant Funded Full-Time                | 2.0                | 3.0                | 3.0                                | 3.0                              | 3.0                |
| <b>TOTAL FTE</b>                      | <b>46.8</b>        | <b>44.7</b>        | <b>44.6</b>                        | <b>44.6</b>                      | <b>44.6</b>        |
| <b>BUDGET SUMMARY</b>                 |                    |                    |                                    |                                  |                    |
| Salaries                              | \$1,368,965        | \$1,492,420        | \$1,496,688                        | \$1,496,688                      | \$1,496,688        |
| Employee Benefits                     | 511,837            | 593,550            | 600,837                            | 600,837                          | 600,837            |
| Contractual Services                  | 1,738,226          | 2,034,481          | 2,198,718                          | 2,198,718                        | 2,198,718          |
| Internal Service Charges              | 29,279             | 27,800             | 27,962                             | 27,962                           | 27,962             |
| Other Charges                         | 144,810            | 162,490            | 172,408                            | 172,408                          | 172,408            |
| <b>TOTAL</b>                          | <b>\$3,793,117</b> | <b>\$4,310,741</b> | <b>\$4,496,613</b>                 | <b>\$4,496,613</b>               | <b>\$4,496,613</b> |
| Total Grant Expenditures <sup>1</sup> | \$15,504           | \$20,000           | \$20,000                           | \$20,000                         | \$20,000           |
| <b>TOTAL DEPARTMENT EXPENDITURES</b>  | <b>\$3,808,621</b> | <b>\$4,330,741</b> | <b>\$4,516,613</b>                 | <b>\$4,516,613</b>               | <b>\$4,516,613</b> |
| <b>DEDICATED REVENUES</b>             |                    |                    |                                    |                                  |                    |
| State Categorical Aid                 | \$308,653          | \$304,541          | \$216,624                          | \$216,624                        | \$216,624          |
| Juvenile Service Providers            | 501,804            | 722,817            | 872,026                            | 872,026                          | 872,026            |
| Federal Grants                        | 15,504             | 20,000             | 20,000                             | 20,000                           | 20,000             |
| <b>TOTAL DEDICATED REVENUES</b>       | <b>\$825,961</b>   | <b>\$1,047,358</b> | <b>\$1,108,650</b>                 | <b>\$1,108,650</b>               | <b>\$1,108,650</b> |
| <b>TOTAL CITY COST</b>                | <b>\$2,982,660</b> | <b>\$3,283,383</b> | <b>\$3,407,963</b>                 | <b>\$3,407,963</b>               | <b>\$3,407,963</b> |

<sup>1</sup> Details of the Grant Expenditures can be located in the Other Funds Section of this document.



***Juvenile Services Budget Description***

The Department Requested FY 2012 Juvenile Services budget of \$4,496,613 represents a 4.3% increase of \$185,872 compared to the Adopted FY 2011 budget of \$4,310,741.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$11,555 increase in Salaries and Employee Benefits reflecting the upgrade of a youth counselor position to a Casework Supervisor, as well as changes in health, dental, and life insurance rates.
- \$164,237 increase in Contractual Services reflecting the contractual per diem based on 90% of capacity and the Lynchburg portion of operating expenses.
- \$9,918 increase in other costs reflecting historical costs in utilities.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Juvenile Services budget was adopted by City Council without changes.



Juvenile Services Performance Measures

**Goal 1:**  
Program participants will successfully complete Juvenile Services programs.

**Objective:**  
At least 75% of participants will successfully complete all program requirements as outlined in the Individualized Service Plans (ISPs).

| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| Percent of participants successfully completing the program (average of all programs). | 89.5%                 | 84.0%                    | 78.0%                     | 85.0%                    |

**Analysis of the Data:**  
While the State Department of Juvenile Justice has set a 75% successful completion rate, it is anticipated based on the current treatment plan methodologies and past success rates that Juvenile Services can achieve an 85% success rate for FY 2012. However, it is important to note that there are various, uncontrollable factors that impact successful program completion.

**Goal 2:**  
Outreach Detention program participants are in compliance with court orders.

**Objective:**  
At least 95% of program participants are available for all scheduled court appearances.

| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| Percent of program participants present at all scheduled court hearings | 98%                   | 98%                      | 98%                       | 98%                      |

**Analysis of the Data:**  
It is very difficult to project 100% success when providing services to at-risk youth. A number of uncontrollable factors can impact whether or not a youth is available for and present at all scheduled court hearings; as a result, projected figures are less than 100%.

**Goal 3:**  
Participants will gain an appreciation of the value of community service.

**Objective:**  
At least 90% of program participants will successfully complete court-ordered community service activities (service learning) and projects.

| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| Percent of program participants completing court-ordered community services activities | 60%                   | 75%                      | 75%                       | 75%                      |

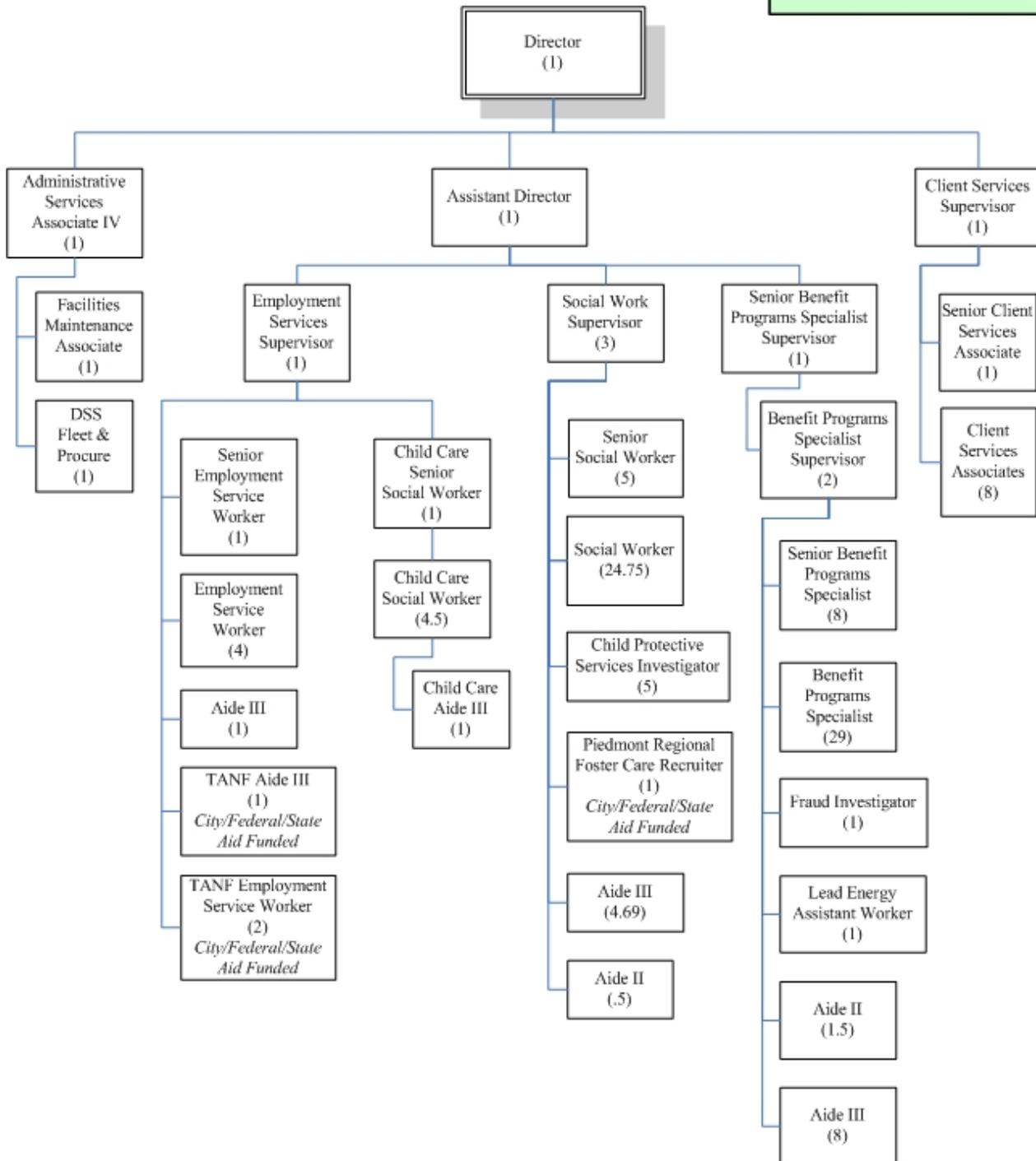
**Analysis of the Data:**  
As with Goal 2, it is very difficult to project 100% success when providing services to at-risk youth. A number of uncontrollable factors can impact successful completion of community services hours; as a result, projected figures are less than 100%.

**Benchmark Localities:**  
Roanoke, Newport News, and Petersburg, VA



### SOCIAL SERVICES

**POSITION SUMMARY**  
 .....  
 122.94 City Funded Positions  
 3.38 Temporary Positions  
 -----  
 126.32 Total General Fund Positions  
 4.00 City/Federal/State Aid Fund Positions  
 -----  
 130.32 Total Funded Positions





Social Services

|   | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|---|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>POSITION SUMMARY</b>                                   |                     |                     |                                    |                                  |                     |
| City Funded Full-Time                                     | 122.00              | 115.00              | 117.00                             | 117.00                           | 118.00              |
| City Funded Part-Time                                     | 2.50                | 5.44                | 5.44                               | 5.44                             | 4.94                |
| City Funded Temporary                                     | 3.38                | 3.38                | 3.38                               | 3.38                             | 3.38                |
| Grant Funded Full-Time                                    | 5.00                | 5.00                | 4.00                               | 4.00                             | 4.00                |
| <b>TOTAL FTE</b>  | <b>132.88</b>       | <b>128.82</b>       | <b>129.82</b>                      | <b>129.82</b>                    | <b>130.32</b>       |
| <b>BUDGET SUMMARY</b>                                     |                     |                     |                                    |                                  |                     |
| <b>EXPENDITURES</b>                                       |                     |                     |                                    |                                  |                     |
| Salaries  | \$3,832,691         | \$4,030,971         | \$4,028,102                        | \$4,028,102                      | \$4,028,102         |
| Employee Benefits   | 1,523,092           | 1,754,155           | 1,792,973                          | 1,792,973                        | 1,792,973           |
| Contractual Services                                      | 48,976              | 84,266              | 75,441                             | 75,441                           | 75,441              |
| Internal Service Charges                                  | 36,558              | 48,000              | 45,720                             | 45,720                           | 45,720              |
| Other Charges   | 371,314             | 267,601             | 276,638                            | 276,638                          | 276,638             |
| Public Assistance   | 7,595,026           | 6,523,900           | 6,490,019                          | 6,490,019                        | 6,490,019           |
| <b>Total General Fund Expenditures</b>                    | <b>\$13,407,657</b> | <b>\$12,708,893</b> | <b>\$12,708,893</b>                | <b>\$12,708,893</b>              | <b>\$12,708,893</b> |
| Total Grant Expenditures <sup>1</sup>                     | \$435,670           | \$344,296           | \$343,796                          | \$343,796                        | \$343,796           |
| <b>TOTAL DEPARTMENT EXPENDITURES</b>                      | <b>\$13,843,327</b> | <b>\$13,053,189</b> | <b>\$13,052,689</b>                | <b>\$13,052,689</b>              | <b>\$13,052,689</b> |
| <b>DEDICATED REVENUES</b>                                 |                     |                     |                                    |                                  |                     |
| Federal Categorical Aid - Social Services                 | \$5,158,787         | \$5,129,957         | \$5,664,594                        | \$5,664,594                      | \$5,914,256         |
| Federal Categorical Aid - Indirect Cost Reimbursement     | 370,361             | 412,000             | 400,000                            | 400,000                          | 400,000             |
| Federal Categorical Aid - ARRA - Social Services Admin.   | 27,182              | 0                   | 0                                  | 0                                | 0                   |
| Federal Categorical Aid - ARRA - Social Services Programs | 360,762             | 293,639             | 0                                  | 0                                | 0                   |
| State Categorical Aid - Social Services                   | 6,685,812           | 5,693,733           | 5,135,974                          | 5,135,974                        | 5,025,377           |
| Special Welfare Recoupment                                | 34,360              | 30,000              | 30,000                             | 30,000                           | 30,000              |
| Transfer from Asset Forfeiture Fund                       | 302                 | 0                   | 0                                  | 0                                | 0                   |
| Federal Grants  | 350,797             | 280,197             | 279,595                            | 279,595                          | 279,595             |
| State Grants  | 69,255              | 52,092              | 52,092                             | 52,092                           | 52,092              |
| <b>TOTAL DEDICATED REVENUES</b>                           | <b>\$13,057,618</b> | <b>\$11,891,618</b> | <b>\$11,562,255</b>                | <b>\$11,562,255</b>              | <b>\$11,701,320</b> |
| <b>TOTAL CITY COST</b>                                    | <b>\$785,709</b>    | <b>\$1,161,571</b>  | <b>\$1,490,434</b>                 | <b>\$1,490,434</b>               | <b>\$1,351,369</b>  |

<sup>1</sup> Details of the Grant Expenditures can be located in the Other Funds Section of this document.



**Social Services Administration.** Administers the programs that provide for the care and protection of children, adults, and families, and are designed to help people achieve a high level of self-sufficiency. These programs include foster care, child protective services, and finding solutions for child and adult neglect and abuse. The division administers welfare benefits for those who are eligible, and helps them to prepare for, find, and keep jobs.

|   | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                                 |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                                   | 122.00             | 115.00             | 117.00                             | 117.00                           | 118.00             |
| City Funded Part-Time                                   | 2.50               | 5.44               | 5.44                               | 5.44                             | 4.94               |
| City Funded Temporary                                   | 3.38               | 3.38               | 3.38                               | 3.38                             | 3.38               |
| <b>TOTAL FTE</b>  | <b>127.88</b>      | <b>123.82</b>      | <b>125.82</b>                      | <b>125.82</b>                    | <b>126.32</b>      |
| <b>BUDGET SUMMARY</b>                                   |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                                     |                    |                    |                                    |                                  |                    |
| Salaries  | \$3,832,691        | \$4,030,971        | \$4,028,102                        | \$4,028,102                      | \$4,028,102        |
| Employee Benefits                                       | 1,517,939          | 1,747,931          | 1,786,749                          | 1,786,749                        | 1,786,749          |
| Contractual Services                                    | 48,976             | 84,266             | 75,441                             | 75,441                           | 75,441             |
| Internal Service Charges                                | 36,558             | 48,000             | 45,720                             | 45,720                           | 45,720             |
| Other Charges   | 371,314            | 267,601            | 276,638                            | 276,638                          | 276,638            |
| <b>TOTAL EXPENDITURES</b>                               | <b>\$5,807,478</b> | <b>\$6,178,769</b> | <b>\$6,212,650</b>                 | <b>\$6,212,650</b>               | <b>\$6,212,650</b> |
| <b>DEDICATED REVENUES</b>                               |                    |                    |                                    |                                  |                    |
| Federal Categorical Aid - Social Services Admin.        | \$2,812,845        | \$2,989,347        | \$3,234,209                        | \$3,234,209                      | \$3,483,871        |
| Federal Categorical Aid - ARRA - Social Services Admin. | 27,182             | 0                  | 0                                  | 0                                | 0                  |
| Federal Categorical Aid - Indirect Cost Reimbursement   | 370,361            | 412,000            | 400,000                            | 400,000                          | 400,000            |
| State Categorical Aid - Social Services Admin.          | 1,902,285          | 1,868,580          | 1,335,630                          | 1,335,630                        | 1,225,033          |
| <b>TOTAL DEDICATED REVENUES</b>                         | <b>\$5,112,673</b> | <b>\$5,269,927</b> | <b>\$4,969,839</b>                 | <b>\$4,969,839</b>               | <b>\$5,108,904</b> |
| <b>TOTAL CITY COST</b>                                  | <b>\$694,805</b>   | <b>\$908,842</b>   | <b>\$1,242,811</b>                 | <b>\$1,242,811</b>               | <b>\$1,103,746</b> |

**Social Services Administration Budget Description**

The Department Requested FY 2012 Social Services Administration budget of \$6,212,650 represents a 0.5% increase of \$33,881 compared to the Adopted FY 2011 budget of \$6,178,769.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$35,949 increase in Salaries and Employee Benefits reflecting the addition of two full-time Senior Benefit Specialist positions, lower than anticipated personnel costs as well as changes in health, dental, and life insurance rates.
- \$8,825 decrease in Contractual Services reflecting historical costs.
- \$2,280 decrease in Internal Service Charges reflecting Fleet Administration estimates.
- \$9,037 increase in Other Charges reflecting historical costs.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Social Services Administration budget was adopted by City Council with the following change:

- ◆ A 0.5 City funded part-time Aide II position was converted to full-time; although due to personnel turnover, no additional cost is anticipated.



Public Assistance. Includes payments made directly to clients or to vendors on clients' behalf. These payments are primarily for maintenance needs. Also included are Title XX Programs which include companion services, maintenance, and support to children in foster care and day care. Funds are included in the Employment Services Program for the purpose of giving supportive services aimed at making clients self-sufficient.

|   | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>BUDGET SUMMARY</b>                                     |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                                       |                    |                    |                                    |                                  |                    |
| Employee Benefits   | \$5,153            | \$6,224            | \$6,224                            | \$6,224                          | \$6,224            |
| Public Assistance   | 7,595,026          | 6,523,900          | 6,490,019                          | 6,490,019                        | 6,490,019          |
| <b>TOTAL EXPENDITURES</b>                                 | <b>\$7,600,179</b> | <b>\$6,530,124</b> | <b>\$6,496,243</b>                 | <b>\$6,496,243</b>               | <b>\$6,496,243</b> |
| <b>DEDICATED REVENUES</b>                                 |                    |                    |                                    |                                  |                    |
| Federal Categorical Aid - Social Services Programs        | \$2,345,942        | \$2,140,610        | \$2,430,385                        | \$2,430,385                      | \$2,430,385        |
| Federal Categorical Aid - ARRA - Social Services Programs | 360,762            | 293,639            | 0                                  | 0                                | 0                  |
| State Categorical Aid - Social Services Programs          | 4,783,527          | 3,825,153          | 3,800,344                          | 3,800,344                        | 3,800,344          |
| Special Welfare Recoupment                                | 34,360             | 30,000             | 30,000                             | 30,000                           | 30,000             |
| <b>TOTAL DEDICATED REVENUES</b>                           | <b>\$7,524,591</b> | <b>\$6,289,402</b> | <b>\$6,260,729</b>                 | <b>\$6,260,729</b>               | <b>\$6,260,729</b> |
| <b>TOTAL CITY COST</b>                                    | <b>\$75,588</b>    | <b>\$240,722</b>   | <b>\$235,514</b>                   | <b>\$235,514</b>                 | <b>\$235,514</b>   |

**Public Assistance Budget Description**

The Department Requested FY 2012 Public Assistance budget of \$6,496,243 represents a 0.5% decrease of \$33,881 compared to the Adopted FY 2011 budget of \$6,530,124.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$33,881 decrease in Public Assistance reflecting historical costs.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Public Assistance budget was adopted by City Council without changes.



Social Services Performance Measures

Goal 1: Provide timely financial assistance services (Food Stamps, Medicaid and Temporary Assistance to Needy Families) to eligible clients.

Objective: Meet or exceed State composite timeliness target of 97.0% for these programs.

Table with 5 columns: Performance Measure, Actual FY 2010, Projected FY 2011, July - Dec FY 2011, Projected FY 2012. Row 1: Percentage of cases meeting State and federal programmatic timeliness policy. Values: 91.9%, 90.0%, 91.3%, 90.0%

Analysis of the Data: Significant increases in applications and cases under care and significant policy changes during FY 2010 contributed to the failure to meet target. In addition, although some new staff have been hired, it will take time and training to provide them with the skills and institutional knowledge needed to counteract the increasing demand.

Goal 2: Protect at risk children by providing excellent Child Protective and Family Services.

Objective: Reduce the occurrence of repeat maltreatment of children to 2.3% or less (the State's target).

Table with 5 columns: Performance Measure, Actual FY 2010, Projected FY 2011, July - Dec FY 2011, Projected FY 2012. Row 1: Repeat maltreatment. Values: 0.0%, 1.0%, 0.0%, 1.0%

Analysis of the Data: Although an emphasis on preventive ongoing services to abused children may protect them from repeat maltreatment, personnel shortages continue to impact staff's ability to assist families whose children are at risk.

Goal 3: Provide outstanding customer service to citizens.

Objective: Meet or exceed the statewide benchmark of 88% client satisfaction rate.

Table with 5 columns: Performance Measure, Actual FY 2010, Projected FY 2011, July - Dec FY 2011, Projected FY 2012. Row 1: Percentage of customers rating services as satisfactory or better. Values: 95.0%, 94.0%, 96.7%, 94.0%

Analysis of the Data: Staff strives to provide outstanding customer service, but increases in the number of citizens accessing services due to ongoing economic challenges coupled with personnel shortages could make this goal less attainable.

Benchmark Localities: Petersburg, Charlottesville, Danville, Roanoke City, Chesterfield, and Hanover, VA



***HISTORICAL FACT:***

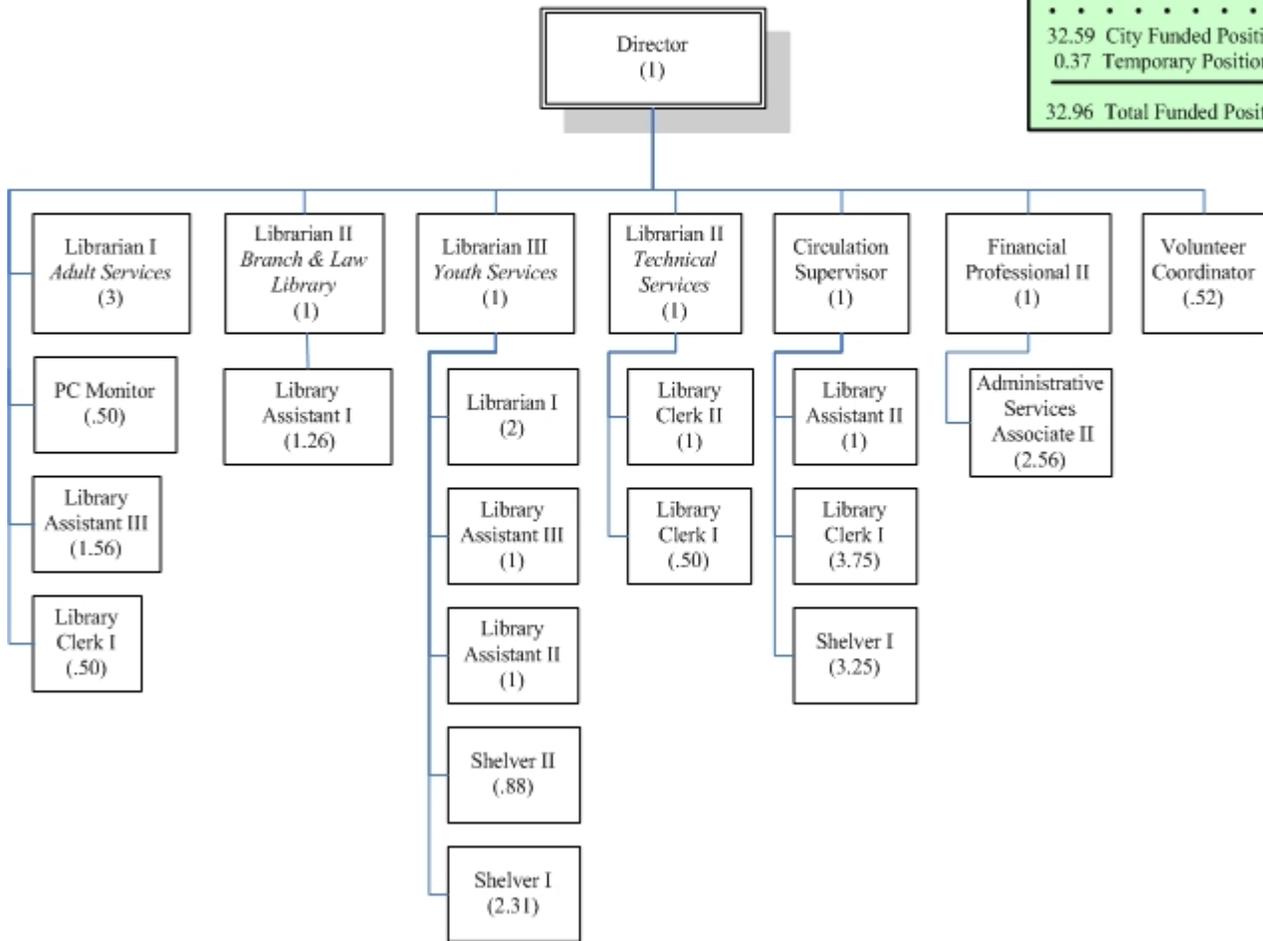
*On July 11, 1870, a system of public schools was established by law in Virginia. The Lynchburg public school system officially began September 22, 1870. Abram Frederick Biggers, great-grandson of John Lynch, was Lynchburg's first superintendent of schools.*





**PUBLIC LIBRARY**

| POSITION SUMMARY |                        |
|------------------|------------------------|
| 32.59            | City Funded Positions  |
| 0.37             | Temporary Positions    |
| 32.96            | Total Funded Positions |





Public Library including the Law Library

|                                      | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>              |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                | 21.00              | 21.00              | 21.00                              | 21.00                            | 21.00              |
| City Funded Part-Time                | 11.58              | 11.58              | 11.59                              | 11.59                            | 11.59              |
| City Funded Temporary                | 0.37               | 0.37               | 0.37                               | 0.37                             | 0.37               |
| <b>TOTAL FTE</b>                     | <b>32.95</b>       | <b>32.95</b>       | <b>32.96</b>                       | <b>32.96</b>                     | <b>32.96</b>       |
| <b>BUDGET SUMMARY</b>                |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                  |                    |                    |                                    |                                  |                    |
| Salaries                             | \$984,471          | \$996,661          | \$993,785                          | \$993,785                        | \$993,785          |
| Employee Benefits                    | 327,967            | 359,632            | 363,132                            | 363,132                          | 363,132            |
| Contractual Services                 | 43,350             | 43,290             | 42,736                             | 42,736                           | 42,736             |
| Internal Service Charges             | 823                | 1,600              | 1,523                              | 1,523                            | 1,523              |
| Other Charges                        | 229,598            | 256,410            | 234,067                            | 234,067                          | 234,067            |
| <b>TOTAL DEPARTMENT EXPENDITURES</b> | <b>\$1,586,209</b> | <b>\$1,657,593</b> | <b>\$1,635,243</b>                 | <b>\$1,635,243</b>               | <b>\$1,635,243</b> |
| <b>DEDICATED REVENUES</b>            |                    |                    |                                    |                                  |                    |
| Library Fines and Fees               | \$76,515           | \$90,000           | \$80,000                           | \$80,000                         | \$80,000           |
| Lost/Damaged Library Property        | 4,485              | 13,000             | 6,000                              | 6,000                            | 6,000              |
| State Categorical Aid                | 171,197            | 150,823            | 148,847                            | 148,847                          | 148,847            |
| Friends of the Lynchburg Library     | 17,000             | 24,500             | 14,500                             | 14,500                           | 14,500             |
| Contributions to the Library         | 0                  | 10,000             | 0                                  | 0                                | 0                  |
| Delinquent Library Charges           | 19,795             | 8,000              | 8,000                              | 8,000                            | 8,000              |
| Law Library Fees                     | 58,623             | 60,000             | 60,000                             | 60,000                           | 60,000             |
| Designated Reserve                   | (8,468)            | (5,080)            | (5,080)                            | (5,080)                          | (5,080)            |
| <b>TOTAL DEDICATED REVENUES</b>      | <b>\$339,147</b>   | <b>\$351,243</b>   | <b>\$312,267</b>                   | <b>\$312,267</b>                 | <b>\$312,267</b>   |
| <b>TOTAL CITY COST</b>               | <b>\$1,247,062</b> | <b>\$1,306,350</b> | <b>\$1,322,976</b>                 | <b>\$1,322,976</b>               | <b>\$1,322,976</b> |



**Public Library.** Provides a full range of services to meet the informational, educational and recreational needs of the community. In FY 2010, there were 30,158 registered borrowers; 38,814 web page visits. The library’s collections include 131,957 books, 280 magazine subscriptions, 5,776 audio tapes, 10,734 DVDs and VHS, and several electronic databases, which are available on the library’s web page. In FY 2010, circulation was 531,210; 300,120 electronic searches were made; the Youth Services staff provided programs to 12,357 children. Public access to the Internet was provided to 77,955 individuals. A book delivery service is provided to 20 senior center locations with 4,768 items in the deposit collection. During FY 2010, 100 volunteers donated 3,453 hours of service.

|                                  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|----------------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>          |                    |                    |                                    |                                  |                    |
| City Funded Full-Time            | 21.00              | 21.00              | 21.00                              | 21.00                            | 21.00              |
| City Funded Part-Time            | 11.58              | 11.58              | 11.59                              | 11.59                            | 11.59              |
| City Funded Temporary            | 0.37               | 0.37               | 0.37                               | 0.37                             | 0.37               |
| <b>TOTAL FTE</b>                 | <b>32.95</b>       | <b>32.95</b>       | <b>32.96</b>                       | <b>32.96</b>                     | <b>32.96</b>       |
| <b>BUDGET SUMMARY</b>            |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>              |                    |                    |                                    |                                  |                    |
| Salaries                         | \$984,471          | \$996,661          | \$993,785                          | \$993,785                        | \$993,785          |
| Employee Benefits                | 327,967            | 359,632            | 363,132                            | 363,132                          | 363,132            |
| Contractual Services             | 43,350             | 43,290             | 42,736                             | 42,736                           | 42,736             |
| Internal Service Charges         | 823                | 1,600              | 1,523                              | 1,523                            | 1,523              |
| Other Charges                    | 205,593            | 227,640            | 205,297                            | 205,297                          | 205,297            |
| Capital Outlay                   | 4,479              | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL EXPENDITURES</b>        | <b>\$1,566,683</b> | <b>\$1,628,823</b> | <b>\$1,606,473</b>                 | <b>\$1,606,473</b>               | <b>\$1,606,473</b> |
| <b>DEDICATED REVENUES</b>        |                    |                    |                                    |                                  |                    |
| Library Fines and Fees           | \$76,515           | \$90,000           | \$80,000                           | \$80,000                         | \$80,000           |
| Lost/Damaged Library Property    | 4,485              | 13,000             | 6,000                              | 6,000                            | 6,000              |
| State Categorical Aid            | 171,197            | 150,823            | 148,847                            | 148,847                          | 148,847            |
| Friends of the Lynchburg Library | 17,000             | 24,500             | 14,500                             | 14,500                           | 14,500             |
| Contributions to the Library     | 0                  | 10,000             | 0                                  | 0                                | 0                  |
| Delinquent Library Charges       | 19,795             | 8,000              | 8,000                              | 8,000                            | 8,000              |
| Law Library Fees                 | 26,150             | 26,150             | 26,150                             | 26,150                           | 26,150             |
| <b>TOTAL DEDICATED REVENUES</b>  | <b>\$315,142</b>   | <b>\$322,473</b>   | <b>\$283,497</b>                   | <b>\$283,497</b>                 | <b>\$283,497</b>   |
| <b>TOTAL CITY COST</b>           | <b>\$1,251,541</b> | <b>\$1,306,350</b> | <b>\$1,322,976</b>                 | <b>\$1,322,976</b>               | <b>\$1,322,976</b> |

**Public Library Budget Description**

The Department Requested FY 2012 Public Library budget of \$1,606,473 represents a 1.4% decrease of \$22,350 compared to the Adopted FY 2011 budget of \$1,628,823.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$624 increase in Salaries and Employee Benefits reflecting lower than anticipated personnel costs, as well as changes in health, dental, and life insurance rates.
- \$22,133 decrease in Other Charges reflecting a decrease in State Aid.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Public Library budget was adopted by City Council without changes.



Law Library. The Law Library is administered by the Public Library. Legal reference materials for attorneys, students, and other citizens with legal research needs are provided by this collection.

|                                 | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---------------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>BUDGET SUMMARY</b>           |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>             |                   |                    |                                    |                                  |                    |
| Other Charges                   | \$24,005          | \$28,770           | \$28,770                           | \$28,770                         | \$28,770           |
| <b>TOTAL EXPENDITURES</b>       | <b>\$24,005</b>   | <b>\$28,770</b>    | <b>\$28,770</b>                    | <b>\$28,770</b>                  | <b>\$28,770</b>    |
| <b>DEDICATED REVENUES</b>       |                   |                    |                                    |                                  |                    |
| Law Library Fees                | \$32,473          | \$33,850           | \$33,850                           | \$33,850                         | \$33,850           |
| Designated Reserve              | (8,468)           | (5,080)            | (5,080)                            | (5,080)                          | (5,080)            |
| <b>TOTAL DEDICATED REVENUES</b> | <b>\$24,005</b>   | <b>\$28,770</b>    | <b>\$28,770</b>                    | <b>\$28,770</b>                  | <b>\$28,770</b>    |
| <b>TOTAL CITY COST</b>          | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**Law Library Budget Description**

The Department Requested FY 2012 Law Library budget of \$28,770 represents no change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Law Library budget was adopted by City Council without changes.



Public Library Performance Measures

**Goal 1:**  
Increase circulation per capita.

**Objective:**  
To provide a diverse collection of materials which are useful to our community.

| <b>Performance Measure:</b> | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|-----------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Circulation per capita      | 7.62                  | 7.42                     | 3.71                      | 7.75                     |

**Analysis of the Data:**  
In FY 2010, circulation was down approximately 4% from FY 2009, although FY 2010 is still among the Top 5 busiest years in the Library's history. Projections for circulation in FY 2011 and FY 2012 are conservative as continued reductions in State funding have resulted in fewer materials being purchased. With the addition of e-books, this number could change significantly.

**Goal 2:**  
Increase program attendance per capita.

**Objective:**  
To provide programming to reach a broad section of the community, for both youth and adults.

| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|-------------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Program attendance per capita | 0.18                  | 0.18                     | 0.09                      | 0.20                     |

**Analysis of the Data:**  
A vibrant youth program reaches thousands of children annually. Adult programs such as Lynchburg Reads appeal to hundreds of teens and adults. While the State projects program attendance at 0.16, based on historical figures, the Department anticipates program attendance to be closer to 0.20.

**Goal 3:**  
Increase on-site, through-the-door visitorship.

**Objective:**  
To encourage the community to visit the library facilities by offering a wide range of materials, PCs, and programs.

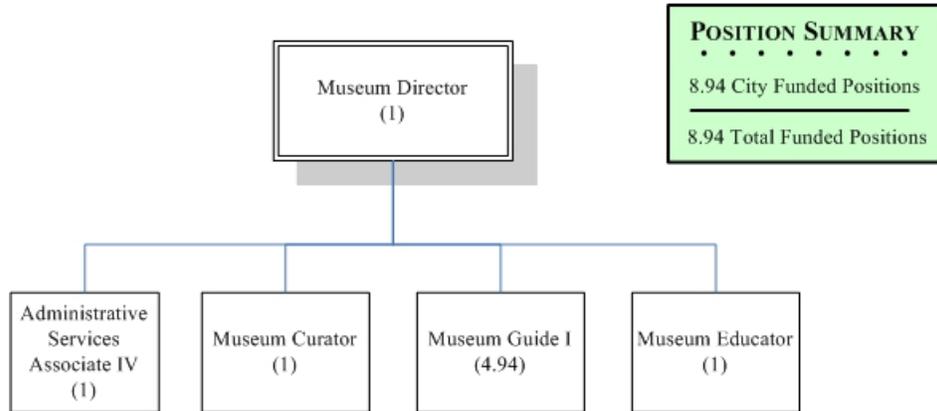
| <b>Performance Measure:</b> | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|-----------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Visits per capita           | 4.53                  | 4.18                     | 2.09                      | 4.50                     |

**Analysis of the Data:**  
Reductions in State funding over the last couple of years has resulted in fewer new materials being purchased, potentially impacting visitorship. The Gates PC Lab is open, as staffing permits, providing several thousand additional PC user sessions.

**Benchmark Localities:**  
Data for the VA First Cities' public libraries was retrieved from the Library of VA database: Appomattox Regional, Blue Ridge Regional, Central Rappahannock Regional, Danville Public, Hampton Public, Jefferson Madison Regional, Newport News Public, Norfolk Public, Petersburg Public, Portsmouth Library, Richmond Public, Roanoke City Public, Staunton Public, and The Handy Library.



### MUSEUMS





Museum including the Point of Honor/Carriage House

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                       |                   |                    |                                    |                                  |                    |
| City Funded Full-Time                         | 4.00              | 4.00               | 4.00                               | 4.00                             | 4.00               |
| City Funded Part-Time                         | 4.94              | 4.94               | 4.94                               | 4.94                             | 4.94               |
| <b>TOTAL FTE</b>                              | <b>8.94</b>       | <b>8.94</b>        | <b>8.94</b>                        | <b>8.94</b>                      | <b>8.94</b>        |
| <b>BUDGET SUMMARY</b>                         |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                           |                   |                    |                                    |                                  |                    |
| Salaries                                      | \$265,386         | \$273,304          | \$272,340                          | \$272,340                        | \$272,340          |
| Employee Benefits                             | 75,117            | 83,702             | 84,393                             | 84,393                           | 84,393             |
| Contractual Services                          | 34,592            | 29,953             | 31,173                             | 31,173                           | 31,173             |
| Internal Service Charges                      | 1,371             | 1,943              | 1,852                              | 1,852                            | 1,852              |
| Other Charges                                 | 26,313            | 39,126             | 38,270                             | 38,270                           | 38,270             |
| <b>TOTAL DEPARTMENT EXPENDITURES</b>          | <b>\$402,779</b>  | <b>\$428,028</b>   | <b>\$428,028</b>                   | <b>\$428,028</b>                 | <b>\$428,028</b>   |
| <b>DEDICATED REVENUES</b>                     |                   |                    |                                    |                                  |                    |
| Lynchburg Museum Admission                    | \$16,015          | \$15,000           | \$14,500                           | \$14,500                         | \$14,500           |
| Digg's Trust                                  | 54,586            | 23,400             | 39,330                             | 39,330                           | 39,330             |
| Gifts and Miscellaneous Donations             | 851               | 2,000              | 1,000                              | 1,000                            | 1,000              |
| Contributions to the Lynchburg Museum System  | 0                 | 21,200             | 0                                  | 0                                | 0                  |
| Point of Honor Admission                      | 10,365            | 5,500              | 7,500                              | 7,500                            | 7,500              |
| Reimbursement – Point of Honor/Carriage House | 45,000            | 45,000             | 28,311                             | 28,311                           | 28,311             |
| Designated Reserve                            | (18,071)          | (5,500)            | 0                                  | 0                                | 0                  |
| <b>TOTAL DEDICATED REVENUES</b>               | <b>\$108,746</b>  | <b>\$106,600</b>   | <b>\$90,641</b>                    | <b>\$90,641</b>                  | <b>\$90,641</b>    |
| <b>TOTAL CITY COST</b>                        | <b>\$294,033</b>  | <b>\$321,428</b>   | <b>\$337,387</b>                   | <b>\$337,387</b>                 | <b>\$337,387</b>   |



Museums. The Museum System was established in 1976 to inform the public about the history of Lynchburg and the surrounding region. It collects and preserves the tangible evidence of that history and provides public programs, exhibits, and special events at the Lynchburg Museum, located in the Old Court House, and Point of Honor.

|  | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                      |                   |                    |                                    |                                  |                    |
| City Funded Full-Time                        | 4.00              | 4.00               | 4.00                               | 4.00                             | 4.00               |
| City Funded Part-Time                        | 3.44              | 3.44               | 3.44                               | 3.44                             | 3.44               |
| <b>TOTAL FTE</b>                             | <b>7.44</b>       | <b>7.44</b>        | <b>7.44</b>                        | <b>7.44</b>                      | <b>7.44</b>        |
| <b>BUDGET SUMMARY</b>                        |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                          |                   |                    |                                    |                                  |                    |
| Salaries                                     | \$241,085         | \$245,865          | \$245,097                          | \$245,097                        | \$245,097          |
| Employee Benefits                            | 73,253            | 81,603             | 82,309                             | 82,309                           | 82,309             |
| Contractual Services                         | 31,582            | 27,550             | 27,550                             | 27,550                           | 27,550             |
| Internal Service Charges                     | 1,371             | 1,943              | 1,852                              | 1,852                            | 1,852              |
| Other Charges                                | 18,194            | 26,067             | 26,220                             | 26,220                           | 26,220             |
| <b>TOTAL EXPENDITURES</b>                    | <b>\$365,485</b>  | <b>\$383,028</b>   | <b>\$383,028</b>                   | <b>\$383,028</b>                 | <b>\$383,028</b>   |
| <b>DEDICATED REVENUES</b>                    |                   |                    |                                    |                                  |                    |
| Lynchburg Museum Admission                   | \$16,015          | \$15,000           | \$14,500                           | \$14,500                         | \$14,500           |
| Digg's Trust                                 | 54,586            | 23,400             | 39,330                             | 39,330                           | 39,330             |
| Gifts and Miscellaneous Donations            | 851               | 2,000              | 1,000                              | 1,000                            | 1,000              |
| Contributions to the Lynchburg Museum System | 0                 | 21,200             | 0                                  | 0                                | 0                  |
| <b>TOTAL DEDICATED REVENUES</b>              | <b>\$71,452</b>   | <b>\$61,600</b>    | <b>\$54,830</b>                    | <b>\$54,830</b>                  | <b>\$54,830</b>    |
| <b>TOTAL CITY COST</b>                       | <b>\$294,033</b>  | <b>\$321,428</b>   | <b>\$328,198</b>                   | <b>\$328,198</b>                 | <b>\$328,198</b>   |

**Museums Budget Description**

The Department Requested FY 2012 Museums budget of \$383,028 represents no change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Museums budget was adopted by City Council without changes.



Point of Honor/Carriage House

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                       |                   |                    |                                    |                                  |                    |
| City Funded Part-Time                         | 1.5               | 1.5                | 1.5                                | 1.5                              | 1.5                |
| <b>TOTAL FTE</b>                              | <b>1.5</b>        | <b>1.5</b>         | <b>1.5</b>                         | <b>1.5</b>                       | <b>1.5</b>         |
| <b>BUDGET SUMMARY</b>                         |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                           |                   |                    |                                    |                                  |                    |
| Salaries                                      | \$24,301          | \$27,439           | \$27,243                           | \$27,243                         | \$27,243           |
| Employee Benefits                             | 1,864             | 2,099              | 2,084                              | 2,084                            | 2,084              |
| Contractual Services                          | 3,010             | 2,403              | 3,623                              | 3,623                            | 3,623              |
| Other Charges                                 | 8,119             | 13,059             | 12,050                             | 12,050                           | 12,050             |
| <b>TOTAL EXPENDITURES</b>                     | <b>\$37,294</b>   | <b>\$45,000</b>    | <b>\$45,000</b>                    | <b>\$45,000</b>                  | <b>\$45,000</b>    |
| <b>DEDICATED REVENUES</b>                     |                   |                    |                                    |                                  |                    |
| Point of Honor Admission                      | \$10,365          | \$5,500            | \$7,500                            | \$7,500                          | \$7,500            |
| Reimbursement – Point of Honor/Carriage House | 45,000            | 45,000             | 28,311                             | 28,311                           | 28,311             |
| Designated Reserve                            | (18,071)          | (5,500)            | 0                                  | 0                                | 0                  |
| <b>TOTAL DEDICATED REVENUES</b>               | <b>\$37,294</b>   | <b>\$45,000</b>    | <b>\$35,811</b>                    | <b>\$35,811</b>                  | <b>\$35,811</b>    |
| <b>TOTAL CITY COST</b>                        | <b>\$0</b>        | <b>\$0</b>         | <b>\$9,189</b>                     | <b>\$9,189</b>                   | <b>\$9,189</b>     |

**Point of Honor/Carriage House Budget Description**

The Department Requested FY 2012 Point of Honor/Carriage House budget of \$45,000 represents no change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Point of Honor/Carriage House budget was adopted by City Council without changes.



Museums Performance Measures

**Goal 1:**  
To offer quality interpretive programs that are mission driven, accessible to the public, and of interest to residents and visitors.

**Objective:**  
Present exhibits, tours, special events, and outreach programs to 13,000 visitors annually.

| <b>Performance Measure:</b>                    | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| Number of annual visitors to the Museum System | 13,786                | 13,000                   | 9,117                     | 13,800                   |

**Analysis of the Data:**  
Many museums in Virginia continue to see declines in visitation with the economy, fuel costs, and cutting of field trips. For FY 2012, the Department is striving to increase school and homeschool tours and enhance programs to offset the current economic challenges.

**Goal 2:**  
Provide opportunities for the community to participate in Lynchburg's history.

**Objective:**  
Acquire a broader base of volunteer support for the Museum System's mission by increasing volunteer hours.

| <b>Performance Measure:</b> | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|-----------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Value of volunteer hours    | \$55,518              | \$50,000                 | \$39,966                  | \$52,500                 |

**Analysis of the Data:**  
The data is expressed as total volunteer hours donated multiplied by the federal hourly rate for volunteer service. The number of hours donated in 2010 totalled 2,764 valued at \$20.09 (\$55,518). We project a small increase in volunteer hours in FY 2012 due to increased activity with school and group tours and several special projects being carried out by volunteers involving digitization of photographs and research.

**Goal 3:**  
To provide quality experiences for visitors (local, regional, and traveling) who tour the Lynchburg Museum and Point of Honor.

**Objective:**  
To achieve at least an 80% satisfaction rating on visitor surveys completed by those who visit either site.

| <b>Performance Measure:</b> | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|-----------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Customer satisfaction level | 90%                   | 90%                      | 89.97%                    | 90%                      |

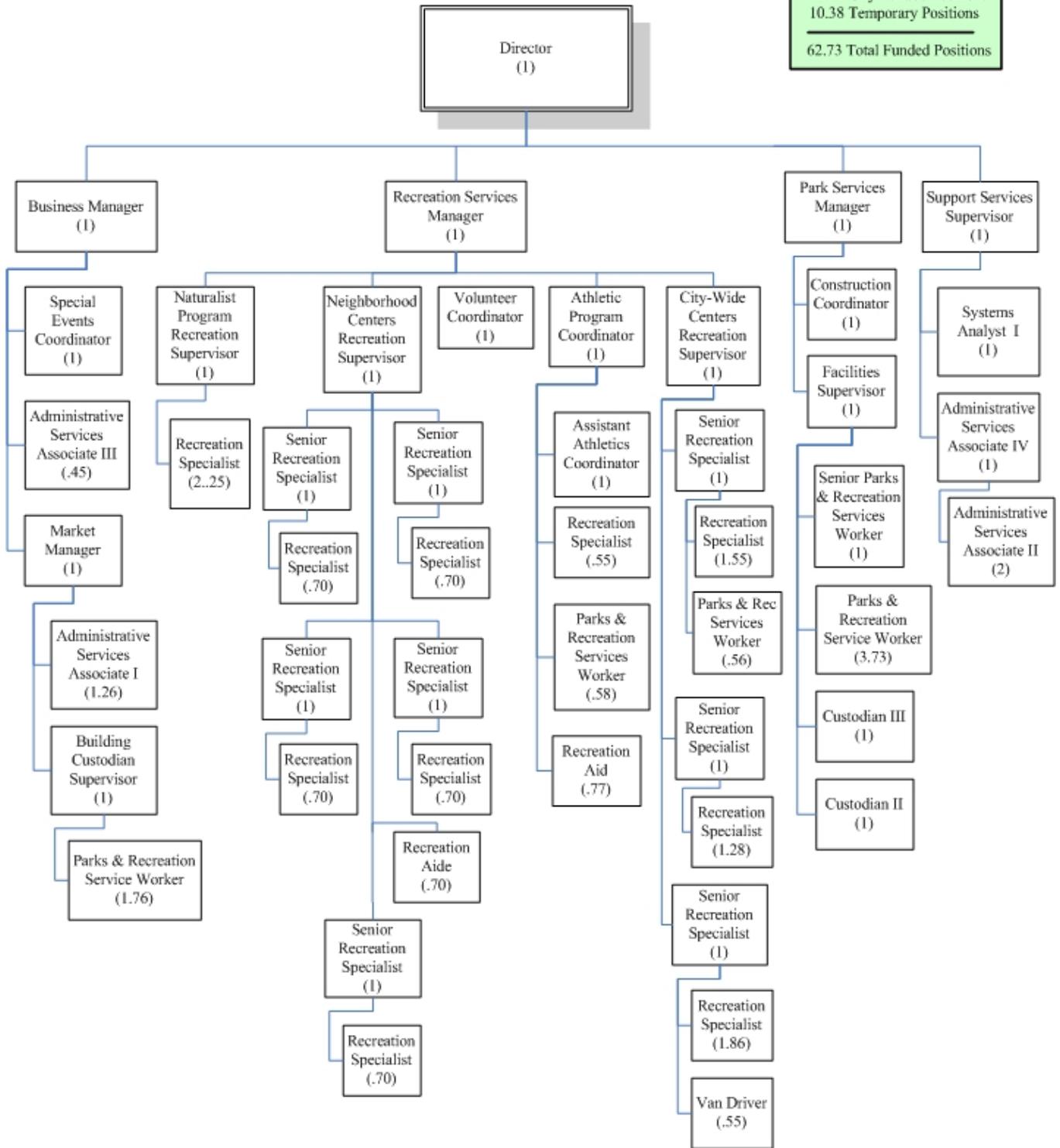
**Analysis of the Data:**  
Based on past results, the Department projects maintaining a 90% satisfaction rate in FY 2012.

**Benchmark Localities:**  
Manassas, Portsmouth, Newport News, and Petersburg, VA



**PARKS AND RECREATION**  
(includes City Armory/Community Market)

**POSITION SUMMARY**  
 .....  
 52.35 City Funded Positions  
 10.38 Temporary Positions  
 -----  
 62.73 Total Funded Positions





Parks and Recreation, Recreation Programs, and Community Market

|                                      | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>              |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                | 32.72              | 34.00              | 34.00                              | 34.00                            | 34.00              |
| City Funded Part-Time                | 17.35              | 17.96              | 17.98                              | 17.98                            | 18.35              |
| City Funded Temporary                | 6.96               | 9.76               | 10.25                              | 10.25                            | 10.38              |
| <b>TOTAL FTE</b>                     | <b>57.03</b>       | <b>61.72</b>       | <b>62.23</b>                       | <b>62.23</b>                     | <b>62.73</b>       |
| <b>BUDGET SUMMARY</b>                |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                  |                    |                    |                                    |                                  |                    |
| Salaries                             | \$1,825,015        | \$1,888,225        | \$1,890,434                        | \$1,890,434                      | \$1,900,772        |
| Employee Benefits                    | 520,226            | 591,259            | 597,275                            | 597,275                          | 598,066            |
| Contractual Services                 | 184,914            | 175,160            | 170,460                            | 170,460                          | 171,560            |
| Internal Service Charges             | 39,398             | 43,000             | 43,140                             | 43,140                           | 43,140             |
| Other Charges                        | 364,456            | 410,081            | 386,684                            | 386,684                          | 396,436            |
| <b>TOTAL DEPARTMENT EXPENDITURES</b> | <b>\$2,934,009</b> | <b>\$3,107,725</b> | <b>\$3,087,993</b>                 | <b>\$3,087,993</b>               | <b>\$3,109,974</b> |
| <b>DEDICATED REVENUES</b>            |                    |                    |                                    |                                  |                    |
| Swimming Pool Fees                   | \$25,238           | \$27,000           | \$27,000                           | \$27,000                         | \$27,000           |
| Recreation Program Fees              | 326,250            | 357,000            | 346,800                            | 346,800                          | 346,800            |
| Designated Fund Balance              | 0                  | 79,976             | 66,453                             | 66,453                           | 66,453             |
| Special Events Sponsorship           | 6,837              | 4,000              | 4,000                              | 4,000                            | 4,000              |
| Revenues to be Designated            | (45,067)           | (4,000)            | 0                                  | 0                                | 0                  |
| <b>TOTAL DEDICATED REVENUES</b>      | <b>\$313,258</b>   | <b>\$463,976</b>   | <b>\$444,253</b>                   | <b>\$444,253</b>                 | <b>\$444,253</b>   |
| <b>TOTAL CITY COST</b>               | <b>\$2,620,751</b> | <b>\$2,643,749</b> | <b>\$2,643,740</b>                 | <b>\$2,643,740</b>               | <b>\$2,665,721</b> |



**Parks and Recreation.** Develops, administers and manages parks, trails, recreation programs, and the Community Market. The Department is organized into four areas – Business Services, Recreation Services, Park Services, and Administration. Business Services provides oversight for the Community Market, marketing and promotion, program sponsorships, and coordinating special events. Recreation Services provides an array of organized programs including classes, athletics, senior adult activities, naturalist programs, aquatics, and programs for youth and families in a community center setting. Recreation Services works in partnership with numerous organizations to provide additional services to the public. Park Services manages the parklands, trail system, and recreational facilities. Park Services conducts park planning and develops and implements the Capital Improvement Plan. In addition, Park Services manages the rental and use of City Stadium, community centers, the Aviary, City Armory, and general park use. Park maintenance is coordinated with Buildings and Grounds. Administration provides support for all service areas, operates the Customer Service Desk, develops and administers budgets, processes all financial and personnel transactions, maintains departmental files and records, processes facility use permits, and assists with program registration.

|                                 | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---------------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>         |                    |                    |                                    |                                  |                    |
| City Funded Full-Time           | 29.72              | 32.00              | 32.00                              | 32.00                            | 32.00              |
| City Funded Part-Time           | 14.00              | 10.91              | 10.92                              | 10.92                            | 11.29              |
| City Funded Temporary           | 5.77               | 6.17               | 6.08                               | 6.08                             | 6.21               |
| <b>TOTAL FTE</b>                | <b>49.49</b>       | <b>49.08</b>       | <b>49.00</b>                       | <b>49.00</b>                     | <b>49.50</b>       |
| <b>BUDGET SUMMARY</b>           |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>             |                    |                    |                                    |                                  |                    |
| Salaries                        | \$1,603,995        | \$1,585,106        | \$1,585,530                        | \$1,585,530                      | \$1,595,868        |
| Employee Benefits               | 471,514            | 542,035            | 549,186                            | 549,186                          | 549,977            |
| Contractual Services            | 65,832             | 49,620             | 49,270                             | 49,270                           | 50,370             |
| Internal Service Charges        | 37,673             | 41,100             | 41,072                             | 41,072                           | 41,072             |
| Other Charges                   | 127,908            | 145,786            | 143,579                            | 143,579                          | 153,331            |
| <b>TOTAL EXPENDITURES</b>       | <b>\$2,306,922</b> | <b>\$2,363,647</b> | <b>\$2,368,637</b>                 | <b>\$2,368,637</b>               | <b>\$2,390,618</b> |
| <b>DEDICATED REVENUES</b>       |                    |                    |                                    |                                  |                    |
| Swimming Pool Fees              | \$25,238           | \$27,000           | \$27,000                           | \$27,000                         | \$27,000           |
| <b>TOTAL DEDICATED REVENUES</b> | <b>\$25,238</b>    | <b>\$27,000</b>    | <b>\$27,000</b>                    | <b>\$27,000</b>                  | <b>\$27,000</b>    |
| <b>TOTAL CITY COST</b>          | <b>\$2,281,684</b> | <b>\$2,336,647</b> | <b>\$2,341,637</b>                 | <b>\$2,341,637</b>               | <b>\$2,363,618</b> |

**Parks and Recreation Budget Description**

The Department Requested FY 2012 Parks and Recreation budget of \$2,368,637 represents a 0.2% increase of \$4,990 compared to the Adopted FY 2011 budget of \$2,363,647.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$7,151 increase in Salaries and Employee Benefits reflecting changes in health, dental, and life insurance rates.
- \$2,207 decrease in Other Charges reflecting reductions in custodial supplies, apparel/protective wear, and minor tools and equipment.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Parks and Recreation budget was adopted by City Council with the following changes:

- ◆ \$21,981 combined increase in Salaries, Employee Benefits, Contractual Services, and Other Charges for costs related to the maintenance of Ivy Creek and Riverfront Parks.



**Parks and Recreation – Recreation Programs.** Supports a wide range of recreational activities, including adult and youth athletics, aquatics classes, camps, naturalist programs, rentals of centers, rentals of Miller Park Pool, shelters, athletic fields, special events management, Heritage Crafters Co-op, and general classes. The majority of the programs serve special interest groups or individuals pursuing individual interests.

|                                 | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---------------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>         |                   |                    |                                    |                                  |                    |
| City Funded Part-Time           | 1.00              | 4.04               | 4.04                               | 4.04                             | 4.04               |
| City Funded Temporary           | 1.19              | 3.59               | 4.17                               | 4.17                             | 4.17               |
| <b>TOTAL FTE</b>                | <b>2.19</b>       | <b>7.63</b>        | <b>8.21</b>                        | <b>8.21</b>                      | <b>8.21</b>        |
| <b>BUDGET SUMMARY</b>           |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>             |                   |                    |                                    |                                  |                    |
| Salaries                        | \$67,828          | \$165,348          | \$174,466                          | \$174,466                        | \$174,466          |
| Employee Benefits               | 5,510             | 12,648             | 13,347                             | 13,347                           | 13,347             |
| Contractual Services            | 94,034            | 97,580             | 93,230                             | 93,230                           | 93,230             |
| Other Charges                   | 120,648           | 161,400            | 136,210                            | 136,210                          | 136,210            |
| <b>TOTAL EXPENDITURES</b>       | <b>\$288,020</b>  | <b>\$436,976</b>   | <b>\$417,253</b>                   | <b>\$417,253</b>                 | <b>\$417,253</b>   |
| <b>DEDICATED REVENUES</b>       |                   |                    |                                    |                                  |                    |
| Recreation Program Fees         | \$262,460         | \$287,700          | \$281,050                          | \$281,050                        | \$281,050          |
| Designated Fund Balance         | 0                 | 79,976             | 66,453                             | 66,453                           | 66,453             |
| Special Events Sponsorship      | 6,837             | 4,000              | 4,000                              | 4,000                            | 4,000              |
| Revenues to be Designated       | (45,067)          | (4,000)            | 0                                  | 0                                | 0                  |
| <b>TOTAL DEDICATED REVENUES</b> | <b>\$224,230</b>  | <b>\$367,676</b>   | <b>\$351,503</b>                   | <b>\$351,503</b>                 | <b>\$351,503</b>   |
| <b>TOTAL CITY COST</b>          | <b>\$63,790</b>   | <b>\$69,300</b>    | <b>\$65,750</b>                    | <b>\$65,750</b>                  | <b>\$65,750</b>    |

**Parks and Recreation – Recreation Programs Budget Description**

The Department Requested FY 2012 Parks and Recreation – Recreation Programs budget of \$417,253 represents a 4.5% decrease of \$19,723 compared to the Adopted FY 2011 budget of \$436,976.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$9,817 increase in Salaries and Employee Benefits reflecting the addition of 1,200 temporary hours in Park Services to be used for increased services associated with special events and facilities rentals.
- \$4,350 decrease in Contractual Services reflecting reductions in referees and recreation official costs, printing and binding, and advertising to more closely match historical spending amounts.
- \$25,190 decrease in Other Charges reflecting reductions in food and dietary supplies, minor equipment and tools, dues and memberships, awards and recognition, and custodial supplies to more closely match historical spending amounts.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Parks and Recreation – Recreation Programs budget was adopted by City Council without changes.



**City Armory/Community Market.** The Community Market is a focal point of downtown activity. The Community Market’s budget supports the staff and services required for continued operation of the 22,000 square foot retail facility which includes farmer and craft vendors, permanent restaurant operators, and other shops. The Community Market staff provides custodial and minor facility maintenance duties, as well as administrative services required for the functioning of the complex; this includes providing support services to third-party organizations interested in hosting activities and events. The Community Market staff also provides administrative, custodial and minor maintenance duties required for the operation of the City Armory (a 23,000 square foot gymnasium style facility). The City Armory is host to numerous private parties, events and other activities including City athletic programs. Additionally, the City Armory is utilized year round by the Central Virginia Criminal Justice Academy.

|                          | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| City Funded Full-Time    | 3.00              | 2.00               | 2.00                               | 2.00                             | 2.00               |
| City Funded Part-Time    | 2.35              | 3.01               | 3.02                               | 3.02                             | 3.02               |
| <b>TOTAL FTE</b>         | <b>5.35</b>       | <b>5.01</b>        | <b>5.02</b>                        | <b>5.02</b>                      | <b>5.02</b>        |
| <b>BUDGET SUMMARY</b>    |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                   |                    |                                    |                                  |                    |
| Salaries                 | \$153,192         | \$137,771          | \$130,438                          | \$130,438                        | \$130,438          |
| Employee Benefits        | 43,202            | 36,576             | 34,742                             | 34,742                           | 34,742             |
| Contractual Services     | 25,048            | 27,960             | 27,960                             | 27,960                           | 27,960             |
| Internal Service Charges | 1,725             | 1,900              | 2,068                              | 2,068                            | 2,068              |
| Other Charges            | 115,900           | 102,895            | 106,895                            | 106,895                          | 106,895            |
| <b>TOTAL CITY COST</b>   | <b>\$339,067</b>  | <b>\$307,102</b>   | <b>\$302,103</b>                   | <b>\$302,103</b>                 | <b>\$302,103</b>   |

**City Armory/Community Market Budget Description**

The Department Requested FY 2012 City Armory/Community Market budget of \$302,103 represents a 1.6% decrease of \$4,999 compared to the Adopted FY 2011 budget of \$307,102.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$7,333 decrease in Salaries and Employee Benefits reflecting lower than anticipated personnel costs, as well as changes in health, dental, and life insurance rates.
- \$4,000 increase in Other Charges reflecting an increase for natural gas expenses.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 City Armory/Community Market budget was adopted without changes.



**Parks and Recreation Performance Measures**

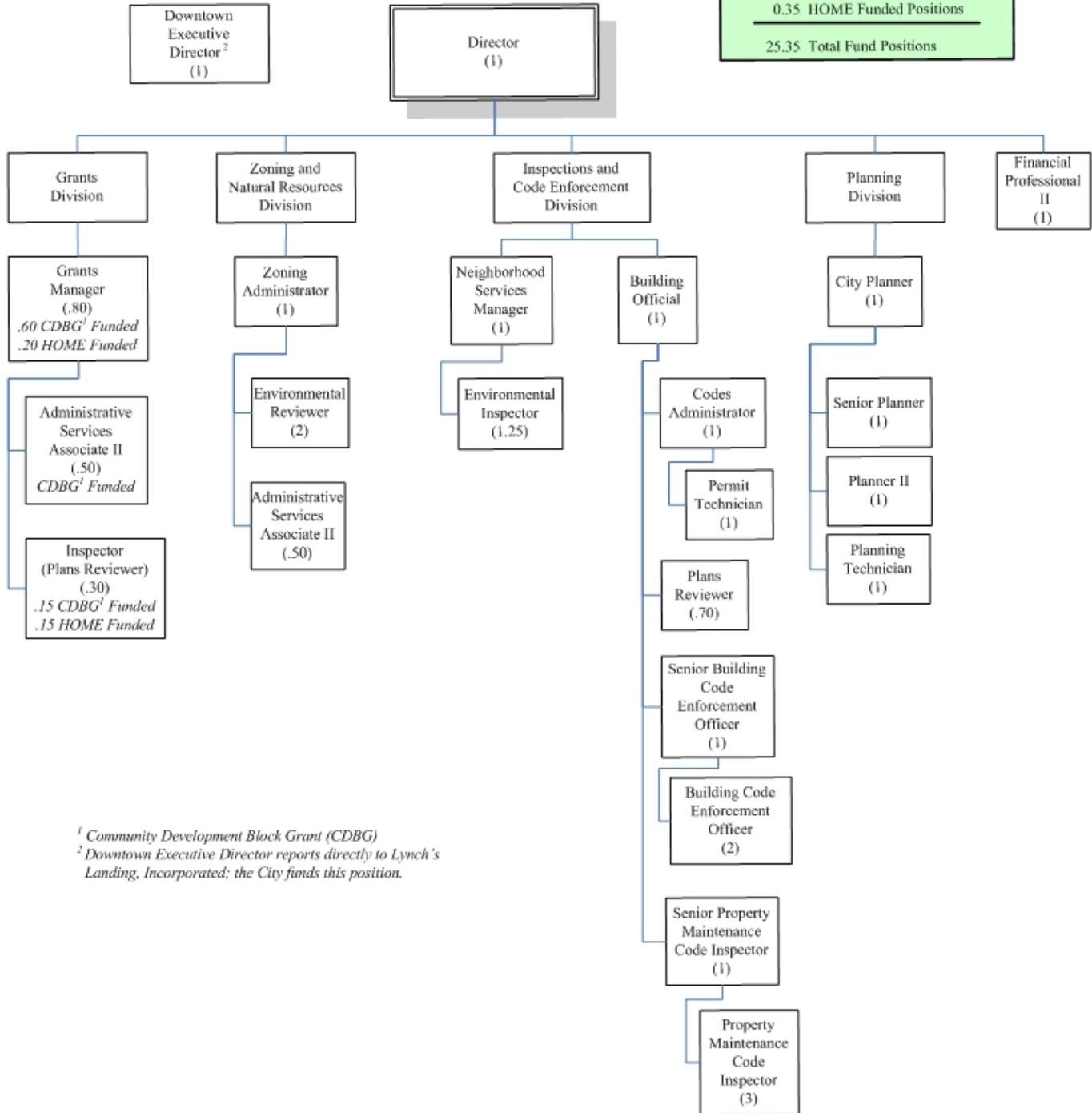
|   |                       |                          |                           |                          |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 1:</b>  |                       |                          |                           |                          |
| Manage parks, trails, and civic facilities for the benefit of Lynchburg citizens and create opportunities for citizens of all ages and abilities to participate in a rich variety of recreational activities.   |                       |                          |                           |                          |
| <b>Objective:</b>   |                       |                          |                           |                          |
| Provide effective and efficient services.   |                       |                          |                           |                          |
| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Parks and recreation FTEs per 1,000 population  | 0.89                  | 0.73                     | 0.98                      | 0.90                     |
| <b>Analysis of the Data:</b>  |                       |                          |                           |                          |
| Includes hours worked by employees from the Departments of Parks and Recreation and Public Works to fulfill the mission of Parks and Recreation. The FY 2010 numbers include 0.80 FTE from the Department of Parks and Recreation and 0.09 FTE from the Department of Public Works; in the first half of FY 2011 both of these figures increased to 0.83 from the Department of Parks and Recreation and 0.15 from the Department of Public Works. The increase to the Parks and Recreation number is 100% fee-based labor. The goal of Parks and Recreation is to maintain or increase services through programs supported 100% by fees. |                       |                          |                           |                          |

|   |                       |                          |                           |                          |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 2:</b>  |                       |                          |                           |                          |
| Create opportunities for citizens of all ages and abilities to participate in a rich variety of recreational activities.  |                       |                          |                           |                          |
| <b>Objective:</b>   |                       |                          |                           |                          |
| Develop and fund a scholarship program to ensure recreation programs are affordable to all City residents.  |                       |                          |                           |                          |
| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Total number/value of scholarships awarded  | 227/\$7,094           | 450/\$13,000             | 102/\$2,205               | 250/\$7,000              |
| <b>Analysis of the Data:</b>  |                       |                          |                           |                          |
| The vast majority of scholarships are given to youth attending center-based summer camps and youth participating in basketball. The number and cost of scholarships awarded has decreased significantly over the past year due to restructuring the summer camp programs and decreasing the price, thereby allowing customers to be less reliant on scholarships. |                       |                          |                           |                          |



COMMUNITY DEVELOPMENT

| POSITION SUMMARY |                                    |
|------------------|------------------------------------|
| • • • • •        |                                    |
| 23.45            | City Funded Positions              |
| 0.30             | Temporary Positions                |
| <hr/>            |                                    |
| 23.75            | Total City Funded Positions        |
| 1.25             | CDBG <sup>1</sup> Funded Positions |
| 0.35             | HOME Funded Positions              |
| <hr/>            |                                    |
| 25.35            | Total Fund Positions               |



<sup>1</sup> Community Development Block Grant (CDBG)  
<sup>2</sup> Downtown Executive Director reports directly to Lynch's Landing, Incorporated; the City funds this position.



Community Development

|  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                  |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                    | 26.00              | 23.75              | 22.70                              | 22.70                            | 22.70              |
| City Funded Part-Time                    | 1.75               | 0.75               | 0.75                               | 0.75                             | 0.75               |
| City Funded Temporary                    | 2.30               | 0.30               | 0.30                               | 0.30                             | 0.30               |
| Grant Funded Full-Time                   | 1.00               | 0.75               | 0.80                               | 0.80                             | 0.80               |
| Grant Funded Part-Time                   | 0.75               | 0.80               | 0.80                               | 0.80                             | 0.80               |
| <b>TOTAL FTE</b>                         | <b>31.80</b>       | <b>26.35</b>       | <b>25.35</b>                       | <b>25.35</b>                     | <b>25.35</b>       |
| <b>BUDGET SUMMARY</b>                    |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                      |                    |                    |                                    |                                  |                    |
| Salaries                                 | \$1,149,835        | \$1,087,534        | \$1,071,122                        | \$1,076,582                      | \$1,076,582        |
| Employee Benefits                        | 460,932            | 440,951            | 441,799                            | 443,496                          | 443,496            |
| Contractual Services                     | 68,476             | 9,250              | 48,250                             | 48,250                           | 48,250             |
| Internal Service Charges                 | 28,681             | 22,500             | 23,124                             | 23,124                           | 23,124             |
| Other Charges                            | 49,563             | 53,884             | 57,638                             | 57,638                           | 57,638             |
| <b>Total General Fund Expenditures</b>   | <b>\$1,757,487</b> | <b>\$1,614,119</b> | <b>\$1,641,933</b>                 | <b>\$1,649,090</b>               | <b>\$1,649,090</b> |
| Total Grant Expenditures <sup>1</sup>    | \$1,394,192        | \$1,507,717        | \$1,372,558                        | \$1,372,558                      | \$1,372,558        |
| <b>TOTAL DEPARTMENT EXPENDITURES</b>     | <b>\$3,151,679</b> | <b>\$3,121,836</b> | <b>\$3,014,491</b>                 | <b>\$3,021,648</b>               | <b>\$3,021,648</b> |
| <b>DEDICATED REVENUES</b>                |                    |                    |                                    |                                  |                    |
| Community Development Block Grant (CDBG) | \$1,125,665        | \$1,039,775        | \$904,816                          | \$904,816                        | \$904,816          |
| HOME                                     | 268,527            | 467,942            | 467,742                            | 467,742                          | 467,742            |
| Weed Ordinance Program                   | 31,990             | 21,420             | 21,420                             | 21,420                           | 21,420             |
| <b>TOTAL DEDICATED REVENUES</b>          | <b>\$1,426,182</b> | <b>\$1,529,137</b> | <b>\$1,393,978</b>                 | <b>\$1,393,978</b>               | <b>\$1,393,978</b> |
| <b>TOTAL CITY COST</b>                   | <b>\$1,725,497</b> | <b>\$1,592,699</b> | <b>\$1,620,513</b>                 | <b>\$1,627,670</b>               | <b>\$1,627,670</b> |

<sup>1</sup> Details of the Grant Expenditures can be located in the Other Funds Section of this document.



**Community Development – Office of the Director.** Responsible for the overall leadership of the department. Secures and administers funds from the U.S. Department of Housing and Urban Development for the Community Development Block Grant (CDBG) and HOME Programs. Assists neighborhood and civic groups in planning and implementing projects that benefit the community. These initiatives include neighborhood planning and improvements, code enforcement for existing structures, and responding to environmental complaints. Additionally, costs associated with the Executive Director position at Lynch’s Landing is supported by this Division.

|  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                  |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                    | 10.00              | 6.50               | 3.50                               | 3.50                             | 3.50               |
| City Funded Part-Time                    | 1.25               | 0.00               | 0.00                               | 0.00                             | 0.00               |
| City Funded Temporary                    | 1.30               | 0.00               | 0.00                               | 0.00                             | 0.00               |
| Grant Funded Full-Time                   | 1.00               | 0.75               | 0.80                               | 0.80                             | 0.80               |
| Grant Funded Part-Time                   | 0.75               | 0.80               | 0.80                               | 0.80                             | 0.80               |
| <b>TOTAL FTE</b>                         | <b>14.30</b>       | <b>8.05</b>        | <b>5.10</b>                        | <b>5.10</b>                      | <b>5.10</b>        |
| <b>BUDGET SUMMARY</b>                    |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                      |                    |                    |                                    |                                  |                    |
| Salaries                                 | \$469,646          | \$312,139          | \$204,620                          | \$210,080                        | \$210,080          |
| Employee Benefits                        | 213,966            | 125,958            | 82,655                             | 84,352                           | 84,352             |
| Contractual Services                     | 8,529              | 750                | 300                                | 300                              | 300                |
| Internal Service Charges                 | 13,557             | 5,900              | 0                                  | 0                                | 0                  |
| Other Charges                            | 15,022             | 14,104             | 18,685                             | 18,685                           | 18,685             |
| <b>Total General Fund Expenditures</b>   | <b>\$720,720</b>   | <b>\$458,851</b>   | <b>\$306,260</b>                   | <b>\$313,417</b>                 | <b>\$313,417</b>   |
| Total Grant Expenditures <sup>1</sup>    | \$1,394,192        | \$1,507,717        | \$1,372,558                        | \$1,372,558                      | \$1,372,558        |
| <b>TOTAL EXPENDITURES</b>                | <b>\$2,114,912</b> | <b>\$1,966,568</b> | <b>\$1,678,818</b>                 | <b>\$1,685,975</b>               | <b>\$1,685,975</b> |
| <b>DEDICATED REVENUES</b>                |                    |                    |                                    |                                  |                    |
| Community Development Block Grant (CDBG) | \$1,125,665        | \$1,039,775        | \$904,816                          | \$904,816                        | \$904,816          |
| HOME                                     | 268,527            | 467,942            | 467,742                            | 467,742                          | 467,742            |
| <b>TOTAL DEDICATED REVENUES</b>          | <b>\$1,394,192</b> | <b>\$1,507,717</b> | <b>\$1,372,558</b>                 | <b>\$1,372,558</b>               | <b>\$1,372,558</b> |
| <b>TOTAL CITY COST</b>                   | <b>\$720,720</b>   | <b>\$458,851</b>   | <b>\$306,260</b>                   | <b>\$313,417</b>                 | <b>\$313,417</b>   |

<sup>1</sup> Details of the Grant Expenditures can be located in the Other Funds Section of this document.



**Community Development – Office of the Director Budget Description**

The Department Requested FY 2012 Community Development – Office of the Director budget of \$306,260 represents a 33.3% decrease of \$152,591 compared to the Adopted FY 2011 budget of \$458,851.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$150,822 decrease in Salaries and Employee Benefits reflecting the separation of 3 full-time positions (Zoning Administrator, 2 Environmental Reviewer positions) out of the Office of the Director budget to form a Zoning and Natural Resources Division, reducing the vacant Downtown Executive Director’s salary by 10%, and fully funding the Director position as well as changes in health, dental, and life insurance rates.
- \$5,900 decrease in Fleet Services reflecting the cost of vehicles associated with the Zoning and Inspections Divisions.
- \$4,581 increase in Other Charges to reflect shifting the expense of the department’s copier to this budget from other divisions as well as adjusting items based on historical spending.

Major item proposed by the City Manager not requested in the original department submission:

- ✦ \$7,157 in Salaries and Employee Benefits to fund the vacant Downtown Executive Director’s salary at the FY 2010 funding level.

The Proposed FY 2012 Community Development – Office of the Director budget was adopted by City Council without changes.



**Community Development – Inspections and Code Enforcement Division.** Reviews building and site plans for compliance with local and State building codes; issues permits for new construction, alterations, additions, renovations, and demolitions within the City; and enforces the Uniform Statewide Building Code, Property Maintenance Code, and the Rental Inspection Program.

|                                 | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---------------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>         |                   |                    |                                    |                                  |                    |
| City Funded Full-Time           | 11.00             | 12.25              | 12.20                              | 12.20                            | 12.20              |
| City Funded Part-Time           | 0.50              | 0.75               | 0.75                               | 0.75                             | 0.75               |
| City Funded Temporary           | 1.00              | 0.30               | 0.30                               | 0.30                             | 0.30               |
| <b>TOTAL FTE</b>                | <b>12.50</b>      | <b>13.30</b>       | <b>13.25</b>                       | <b>13.25</b>                     | <b>13.25</b>       |
| <b>BUDGET SUMMARY</b>           |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>             |                   |                    |                                    |                                  |                    |
| Salaries                        | \$431,421         | \$529,791          | \$518,722                          | \$518,722                        | \$518,722          |
| Employee Benefits               | 156,589           | 214,612            | 216,145                            | 216,145                          | 216,145            |
| Contractual Services            | 48,476            | 1,300              | 40,250                             | 40,250                           | 40,250             |
| Internal Service Charges        | 15,124            | 16,600             | 20,626                             | 20,626                           | 20,626             |
| Other Charges                   | 19,995            | 27,448             | 24,375                             | 24,375                           | 24,375             |
| <b>TOTAL EXPENDITURES</b>       | <b>\$671,605</b>  | <b>\$789,751</b>   | <b>\$820,118</b>                   | <b>\$820,118</b>                 | <b>\$820,118</b>   |
| <b>DEDICATED REVENUES</b>       |                   |                    |                                    |                                  |                    |
| Weed Ordinance Program          | \$31,990          | \$21,420           | \$21,420                           | \$21,420                         | \$21,420           |
| <b>TOTAL DEDICATED REVENUES</b> | <b>\$31,990</b>   | <b>\$21,420</b>    | <b>\$21,420</b>                    | <b>\$21,420</b>                  | <b>\$21,420</b>    |
| <b>TOTAL CITY COST</b>          | <b>\$639,615</b>  | <b>\$768,331</b>   | <b>\$798,698</b>                   | <b>\$798,698</b>                 | <b>\$798,698</b>   |

**Community Development – Inspections and Code Enforcement Division Budget Description**

The Department Requested FY 2012 Community Development – Inspections and Code Enforcement Division budget of \$820,118 represents a 3.8% increase of \$30,367 compared to the Adopted FY 2011 budget of \$789,751.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$9,536 decrease in Salaries and Employee Benefits reflecting the transfer of 0.05 FTE of the Plans Reviewer position to the CDBG and HOME Programs and the adjustment of the Senior Code Enforcement Officer position to a Building Code Enforcement Officer II, as well as changes in health, dental, and life insurance rates.
- \$38,950 increase in Contractual Services reflecting demolition services, which were eliminated in the FY 2011 Adopted budget.
- \$4,026 increase in Internal Service Charges based on Fleet Administration estimates.
- \$3,073 decrease in Other Charges due to a shift in expenses between department divisions and adjustments based on historical spending.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Community Development – Inspections and Code Enforcement Division budget was adopted by City Council without changes.



Community Development – Planning Division. Reviews and approves all site plans and subdivision plats. Makes recommendations to City Council about re-zonings and conditional use permits. The staff serves as secretary to the Planning Commission and the Board of Historic and Architectural Review, and handles historic preservation issues. This division is also responsible for long-range planning and updating the City’s Comprehensive Plan.

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 5                 | 5                  | 4                                  | 4                                | 4                  |
| <b>TOTAL FTE</b>        | <b>5</b>          | <b>5</b>           | <b>4</b>                           | <b>4</b>                         | <b>4</b>           |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$248,768         | \$245,604          | \$202,722                          | \$202,722                        | \$202,722          |
| Employee Benefits       | 90,377            | 100,381            | 82,954                             | 82,954                           | 82,954             |
| Contractual Services    | 11,471            | 7,200              | 7,700                              | 7,700                            | 7,700              |
| Other Charges           | 14,546            | 12,332             | 10,282                             | 10,282                           | 10,282             |
| <b>TOTAL CITY COST</b>  | <b>\$365,162</b>  | <b>\$365,517</b>   | <b>\$303,658</b>                   | <b>\$303,658</b>                 | <b>\$303,658</b>   |

**Community Development – Planning Division Budget Description**

The Department Requested FY 2012 Community Development – Planning Division budget of \$303,658 represents a 16.9% decrease of \$61,859 compared to the Adopted FY 2011 budget of \$365,517.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$60,309 decrease in Salaries and Employee Benefits reflecting the elimination of the GIS Analyst position and salary adjustments, as well as changes in health, dental, and life insurance rates.
- \$2,050 decrease in Other Charges reflecting the realignment of copier expenses within the department.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Community Development – Planning Division budget was adopted by City Council without changes.



**Community Development – Zoning and Natural Resources Division.** Ensures compliance with the Zoning Ordinance and erosion and sediment control as well as responding to environmental complaints.

|                                     | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>             |                   |                    |                                    |                                  |                    |
| City Funded Full-Time               | 0                 | 0                  | 3                                  | 3                                | 3                  |
| <b>TOTAL FTE</b>                    | <b>0</b>          | <b>0</b>           | <b>3</b>                           | <b>3</b>                         | <b>3</b>           |
| <b>BUDGET SUMMARY</b>               |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                 |                   |                    |                                    |                                  |                    |
| Salaries                            | \$0               | \$0                | \$145,058                          | \$145,058                        | \$145,058          |
| Employee Benefits                   | 0                 | 0                  | 60,045                             | 60,045                           | 60,045             |
| Internal Service Charges            | 0                 | 0                  | 2,498                              | 2,498                            | 2,498              |
| Other Charges                       | 0                 | 0                  | 4,296                              | 4,296                            | 4,296              |
| <b>TOTAL CITY COST <sup>1</sup></b> | <b>\$0</b>        | <b>\$0</b>         | <b>\$211,897</b>                   | <b>\$211,897</b>                 | <b>\$211,897</b>   |

<sup>1</sup> Prior to FY 2012, Division costs were included in the Office of the Director's budget.

**Community Development – Zoning and Natural Resources Division Budget Description**

The Department Requested FY 2012 Community Development – Zoning and Natural Resources Division budget of \$211,897 represents a 100.0% increase compared to the Adopted FY 2011 budget.

Beginning in FY 2012, Zoning and Natural Resources is a new Division of Community Development.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Community Development – Zoning and Natural Resources Division budget was adopted by City Council without changes.



**Community Development Performance Measures**

|  |                       |                          |                           |                          |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 1:</b><br>Facilitate development by reviewing and processing site plans, subdivision plats, and public hearing items in a timely manner 100% of the time.  |                       |                          |                           |                          |
| <b>Objective:</b><br>Identify ways to improve the quality and timeliness of reviews while ensuring compliance with City Code and fulfilling the Goals and Objectives of the Comprehensive Plan.  |                       |                          |                           |                          |
| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Percentage of site plans, subdivision plats, and public hearings reviewed and processed within the designated time period  | 100%                  | 95%                      | 100%                      | 95%                      |
| Number of site plans, subdivision plats, and public hearings reviewed and processed within the designated time period  | 112                   | 123                      | 50                        | 130                      |
| <b>Analysis of the Data:</b><br>The number of plans, plats, and public hearing items can be directly correlated to overall economic conditions. The timeliness of review is an indicator of customer service. Timeliness of review is dependent upon the cooperation and collaboration of many different City departments and every effort is made to perform the review and process comments on or before the deadline 100% of the time.<br><br>Minor increases are anticipated in FY 2012 based on the level of inquiries regarding development during mid-calendar year 2011. |                       |                          |                           |                          |
| <b>Benchmark Localities:</b><br>Charlottesville, Spotsylvania, Albemarle, and City of Roanoke, VA  |                       |                          |                           |                          |



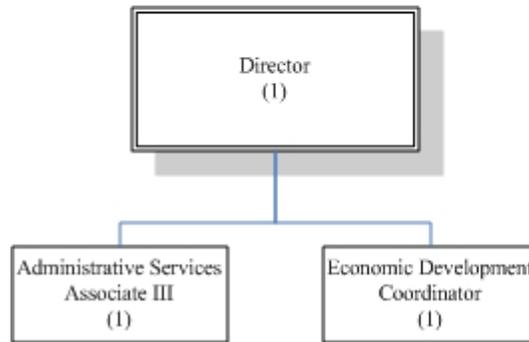
**Community Development Performance Measures (continued)**

|  |                       |                          |                           |                          |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 2:</b>   |                       |                          |                           |                          |
| Create and sustain a safe and quality built environment through code enforcement.  |                       |                          |                           |                          |
| <b>Objective:</b>  |                       |                          |                           |                          |
| Ensure compliance with City Code and the Uniform Statewide Building Code.  |                       |                          |                           |                          |
| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Number of Zoning and Erosion and Sediment Control Reviews and Inspections  | 3,199                 | 3,250                    | 1,341                     | 3,300                    |
| Code Compliance Inspections  | 1,297                 | 1,500                    | 650                       | 1,650                    |
| New Construction Inspections   | 13,143                | 11,575                   | 6,385                     | 12,153                   |
| Rental Property Inspections  | 361                   | 341                      | 197                       | 520                      |
| Property Maintenance Inspections   | 4,081                 | 5,366                    | 2,816                     | 3,625                    |
| <b>Analysis of the Data:</b>   |                       |                          |                           |                          |
| <i>Zoning and Erosion and Sediment Control Reviews and Inspections:</i> Based on current economic conditions and projects currently under construction, minor growth is expected for FY 2012.  |                       |                          |                           |                          |
| <i>Code Compliance:</i> In the upcoming year, the number of inspections are expected to increase due to a uniform approach and a completed crosstraining program for inspectors as a result of the merger between Neighborhood Services and the Property Maintenance Program.  |                       |                          |                           |                          |
| <i>New Construction Inspections:</i> Given the economy, this measure is very difficult to project. New Construction Inspections in FY 2012 are projected to be slightly more than FY 2011 based on the number of project inquiries received during the first quarter of 2011 and new construction projects under review.   |                       |                          |                           |                          |
| <i>Rental Property Inspections:</i> Rental inspections are projected to increase due to the number of re-inspections scheduled for FY 2012.  |                       |                          |                           |                          |
| <i>Property Maintenance Inspections:</i> Property Maintenance Inspections are complaint-based and difficult to project. However, the recent assignment of inspectors to individual areas should provide for more proactive code compliance. Coupled with the projected reduction of housing complaints due to an increase in Rental Property Inspections, the overall number of Property Maintenance Inspections is projected to decrease. These numbers reflect multiple visits to single properties. |                       |                          |                           |                          |
| <b>Benchmark Localities:</b>   |                       |                          |                           |                          |
| Danville and Roanoke, VA   |                       |                          |                           |                          |



**ECONOMIC DEVELOPMENT**

**POSITION SUMMARY**  
.....  
3 City Funded Positions  
3 Total Funded Positions





**Office of Economic Development.** Charged with creating jobs and expanding the economic base of the City by improving the overall business climate and revitalizing the downtown business district, the Office of Economic Development actively supports the retention and expansion of existing businesses, and the startup of new businesses through: assistance in site selection; research and technical assistance tailored to each client’s needs; assistance in expediting rezoning and permitting processes. The Office markets and promotes City resources to current and potential employers by delivering presentations, distributing printed information, designing development programs and hosting business representatives. The Office administers incentive programs and proactively offers technical assistance and information to local businesses, by calling on them or by responding to requests for assistance. The Office also helps in developing industrial sites/parks, securing project financing, and obtaining federal and state grants.

**Lynchburg Economic Development Authority (LEDA).** The Office of Economic Development staffs the LEDA, which develops industrial parks and buildings within the City and is responsible for Lynchburg’s economic development incentive program.

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 3                 | 3                  | 3                                  | 3                                | 3                  |
| <b>TOTAL FTE</b>        | <b>3</b>          | <b>3</b>           | <b>3</b>                           | <b>3</b>                         | <b>3</b>           |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$165,921         | \$174,708          | \$178,910                          | \$178,910                        | \$178,910          |
| Employee Benefits       | 57,320            | 66,812             | 68,544                             | 68,544                           | 68,544             |
| Contractual Services    | 8,506             | 19,418             | 18,900                             | 18,900                           | 18,900             |
| Other Charges           | 65,116            | 46,973             | 40,877                             | 40,877                           | 40,877             |
| <b>TOTAL CITY COST</b>  | <b>\$296,863</b>  | <b>\$307,911</b>   | <b>\$307,231</b>                   | <b>\$307,231</b>                 | <b>\$307,231</b>   |

**Office of Economic Development Budget Description**

The Department Requested FY 2012 Office of Economic Development budget of \$307,231 represents a 0.2% decrease of \$680 compared to the Adopted FY 2011 budget of \$307,911.

Significant changes introduced in the Department Requested FY 2012 include:

- \$5,934 increase in Salaries and Employee Benefits reflecting higher than anticipated personnel costs, as well as changes in health, dental, and life insurance rates.
- \$6,096 decrease in Other Charges reflecting the elimination of membership dues for Central Virginia Industries Incorporated. This organization merged with the Lynchburg Regional Chamber of Commerce.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Office of Economic Development budget was adopted by City Council without changes.



**Office of Economic Development Performance Measures**

|   |                       |                          |                           |                          |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 1:</b><br>Relationship management and building through business engagement.   |                       |                          |                           |                          |
| <b>Objective:</b><br>Establish the Office of Economic Development (OED) as a primary resource to promote retention and expansion of the City's existing businesses through multiple types of communications, informational meetings, events, and programs.  |                       |                          |                           |                          |
| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Number of participants  | 3,550                 | 4,000                    | 2,884                     | 6,500                    |
| <b>Analysis of the Data:</b><br>Relationships with and connections made for the City's business community are a priority for the OED. The Department tracks all connections made with customers (City businesses) using a specialized database. The use of technology in addition to having the Office fully staffed have increased the OED's capacity to connect with and provide services to its customers. |                       |                          |                           |                          |

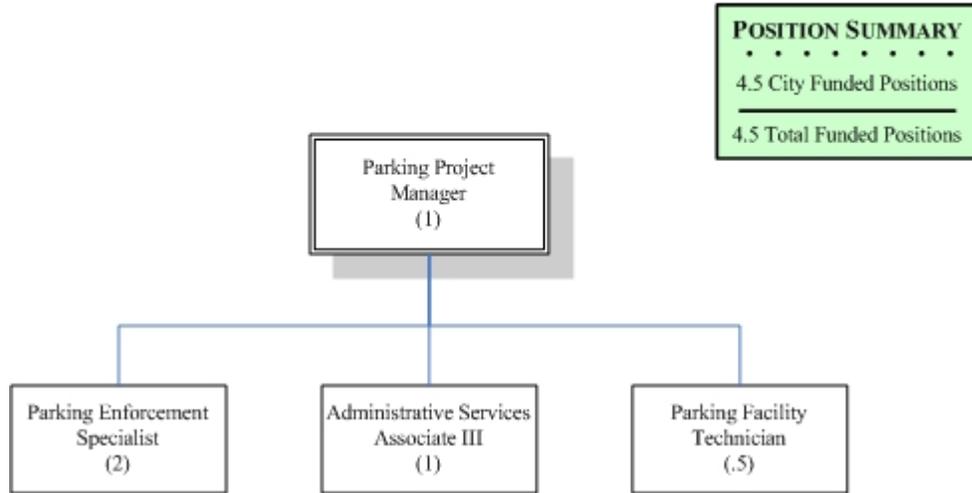
|  |                       |                          |                           |                          |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 2:</b><br>Business recruitment and development.  |                       |                          |                           |                          |
| <b>Objective:</b><br>Strengthen and support a business environment which attracts and develops businesses through a "value added" model of state and local innovative incentive programs and strategic regional alliances. |                       |                          |                           |                          |
| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Number of inquiries  | 4,727                 | 4,200                    | 2,281                     | 5,200                    |
| <b>Analysis of the Data:</b><br>Increased inquiries have been shown to boost participation in programs. The OED has expanded its efforts with several new initiatives to attract, support, and grow business in the City.  |                       |                          |                           |                          |

|  |                       |                          |                           |                          |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 3:</b><br>Marketing, information management, and workforce development initiatives.  |                       |                          |                           |                          |
| <b>Objective:</b><br>Collect, market, and distribute information both internally and externally to market the City as a great place to live, work, and play. Connect the public and private schools with the business community to create organic workforce development.   |                       |                          |                           |                          |
| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Number of Initiatives  | 19                    | 10                       | 7                         | 24                       |
| <b>Analysis of the Data:</b><br>The OED continues to seek opportunities to collaborate and share resources to accomplish innovative, agile, initiatives to promote the City and its assets. The Department plans to track initiatives and participation while continuing to seek sustainable organic approaches to workforce development, marketing, and branding as well as effective, efficient data collection methods. |                       |                          |                           |                          |

|  |  |  |  |  |
|--|--|--|--|--|
| <b>Benchmark Localities:</b><br>Virginia's First Cities - Charlottesville, Danville, Fredericksburg, Hampton, Hopewell, Martinsville, Newport News, Norfolk, Petersburg, Portsmouth, Richmond, Roanoke, Staunton, and Winchester |  |  |  |  |
|--|--|--|--|--|



**PARKING MANAGEMENT**





**Parking Management.** All City revenue generated from parking provides funding for the management and operation of parking facilities: maintenance, security, streetscape improvements, and other downtown amenities.

**Lynchburg Parking Authority (LPA).** Lynchburg Parking Authority is a not-for-profit public service organization established under the Acts of Assembly of Virginia, to provide and/or operate public on- and off-street parking within the commercial and residential districts consistent with the plans and policies of the City. The Authority is responsible for the management and operation of all City parking facilities and on street parking enforcement in the central business district.

|                                 | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---------------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>         |                   |                    |                                    |                                  |                    |
| City Funded Full-Time           | 1.0               | 1.5                | 4.5                                | 4.5                              | 4.5                |
| City Funded Part-Time           | 1.5               | 1.5                | 0.0                                | 0.0                              | 0.0                |
| <b>TOTAL FTE</b>                | <b>2.5</b>        | <b>3.0</b>         | <b>4.5</b>                         | <b>4.5</b>                       | <b>4.5</b>         |
| <b>BUDGET SUMMARY</b>           |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>             |                   |                    |                                    |                                  |                    |
| Salaries                        | \$104,316         | \$121,877          | \$161,491                          | \$161,491                        | \$161,491          |
| Employee Benefits               | 26,722            | 36,375             | 72,639                             | 72,639                           | 72,639             |
| Contractual Services            | 2,083             | 182,478            | 23,507                             | 23,507                           | 23,507             |
| Internal Service Charges        | 0                 | 10,400             | 8,976                              | 8,976                            | 8,976              |
| Other Charges                   | 32,941            | 80,620             | 107,987                            | 107,987                          | 107,987            |
| <b>TOTAL EXPENDITURES</b>       | <b>\$166,062</b>  | <b>\$431,750</b>   | <b>\$374,600</b>                   | <b>\$374,600</b>                 | <b>\$374,600</b>   |
| <b>DEDICATED REVENUES</b>       |                   |                    |                                    |                                  |                    |
| Downtown Parking Deck Lease     | \$0               | \$65,000           | \$93,600                           | \$93,600                         | \$93,600           |
| Hourly Parking Fees             | 3,355             | 58,500             | 18,000                             | 18,000                           | 18,000             |
| Permit Parking Fees             | 19,963            | 199,250            | 178,000                            | 178,000                          | 178,000            |
| Fines                           | 85,372            | 109,000            | 85,000                             | 85,000                           | 85,000             |
| <b>TOTAL DEDICATED REVENUES</b> | <b>\$108,690</b>  | <b>\$431,750</b>   | <b>\$374,600</b>                   | <b>\$374,600</b>                 | <b>\$374,600</b>   |
| <b>TOTAL CITY COST</b>          | <b>\$57,372</b>   | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**Parking Management Budget Description**

The Department Requested FY 2012 Parking Management budget of \$374,600 represents a 13.2% decrease of \$57,150 compared to the Adopted FY 2011 budget of \$431,750.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$75,878 increase in Salaries and Employee Benefits reflecting two part-time Parking Enforcement Specialist converting to full-time, an additional full-time Administrative Services Associate III position to provide administrative support to Parking Management and the Parking Authority, as well as changes in health, dental, and life insurance rates.
- \$158,971 decrease in Contractual Services reflecting the one time purchase of parking software in FY 2010 and reducing contractual services by managing parking decks in-house.
- \$1,424 decrease in Internal Service Charges based on Fleet Administration estimates.
- \$27,367 increase in Other Charges for hardware associated with the next phase of the parking management system and a decrease in rentals and leases reflecting the elimination of the pay station lease, as well as an increase in the lease for parking at Holy Cross Church.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Parking Management budget was adopted by City Council without changes.



The City provides funding to external organizations that provide various mandated, contractual, or discretionary services to the community.

|  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Agency<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|--------------------|--------------------|--------------------------------|----------------------------------|--------------------|
| <b>BUDGET SUMMARY</b>                                      |                    |                    |                                |                                  |                    |
| <b><u>Mandated</u></b>                                     |                    |                    |                                |                                  |                    |
| Blue Ridge Regional Jail Authority                         | \$3,967,488        | \$4,447,755        | \$5,484,852                    | \$5,484,852                      | \$5,484,852        |
| Central Virginia Community Services Board                  | 444,003            | 444,003            | 444,003                        | 444,003                          | 444,003            |
| Lynchburg Health Department                                | 793,060            | 793,060            | 793,060                        | 793,060                          | 830,977            |
| Region 2000 Local Government Council                       | 44,200             | 40,672             | 41,614                         | 41,614                           | 41,614             |
|  | <b>\$5,248,751</b> | <b>\$5,725,490</b> | <b>\$6,763,529</b>             | <b>\$6,763,529</b>               | <b>\$6,801,446</b> |
| <b><u>Contractual</u></b>                                  |                    |                    |                                |                                  |                    |
| Lynchburg Humane Society                                   | \$140,141          | \$104,500          | \$147,800                      | \$104,500                        | \$104,500          |
| Lynchburg Lifesaving/Rescue Squad                          | 4,691              | 10,000             | 10,000                         | 10,000                           | 10,000             |
| Lynchburg Neighborhood Development Foundation <sup>1</sup> | 25,000             | 16,247             | 25,000                         | 25,000                           | 0                  |
| Lynchburg Regional Convention and Visitors Bureau          | 670,000            | 890,000            | 1,241,000                      | 1,241,000                        | 1,223,725          |
| Lynch's Landing, Inc.                                      | 4,439              | 49,050             | 0                              | 0                                | 0                  |
| Southern Memorial Association (Old City Cemetery)          | 122,438            | 122,438            | 122,438                        | 122,438                          | 122,438            |
| Virginia Cooperative Extension Service                     | 29,931             | 29,163             | 29,163                         | 29,163                           | 29,163             |
|  | <b>\$996,640</b>   | <b>\$1,221,398</b> | <b>\$1,575,401</b>             | <b>\$1,532,101</b>               | <b>\$1,489,826</b> |
| <b><u>Discretionary</u></b>                                |                    |                    |                                |                                  |                    |
| Amazement Square   | \$0                | \$5,302            | \$20,302                       | \$5,302                          | \$5,302            |
| Arc of Central Virginia                                    | 0                  | 0                  | 31,909                         | 0                                | 0                  |
| Central Virginia Area Agency on Aging (CVAAA)              | 15,000             | 15,000             | 15,000                         | 15,000                           | 15,000             |
| Central Virginia Community College (CVCC)                  | 1,831              | 1,831              | 1,831                          | 1,831                            | 1,831              |
| Court Appointed Special Advocate (CASA)                    | 12,000             | 12,000             | 12,000                         | 12,000                           | 12,000             |
| Fishes and Loaves Born Again Ministries                    | 0                  | 0                  | 40,400                         | 0                                | 0                  |
| Fort Early Corp. (Fort Hill Woman's Club)                  | 0                  | 0                  | 10,000                         | 0                                | 0                  |
| Lynchburg Community Action Group (LynCAG)                  | 0                  | 0                  | 65,000                         | 0                                | 25,000             |
| Rebuilding Together - Lynchburg                            | 0                  | 0                  | 50,000                         | 0                                | 25,000             |
| Region 2000 Economic Development Council                   | 81,586             | 82,250             | 81,586                         | 81,586                           | 81,586             |
| Robert E. Lee Soil & Water Conservation District           | 10,000             | 10,000             | 10,000                         | 10,000                           | 10,000             |
| The Gateway House, Inc.                                    | 0                  | 0                  | 50,000                         | 0                                | 0                  |
| Virginia Legal Aid Society                                 | 10,000             | 10,000             | 10,000                         | 10,000                           | 10,000             |
| Lynchburg Neighborhood Development Foundation <sup>1</sup> | 0                  | 0                  | 0                              | 0                                | 0                  |
| YWCA   | 0                  | 0                  | 12,000                         | 0                                | 0                  |
|  | <b>\$130,417</b>   | <b>\$136,383</b>   | <b>\$410,028</b>               | <b>\$135,719</b>                 | <b>\$185,719</b>   |
| <b>TOTAL CITY COST</b>                                     | <b>\$6,375,808</b> | <b>\$7,083,271</b> | <b>\$8,748,958</b>             | <b>\$8,431,349</b>               | <b>\$8,476,991</b> |

<sup>1</sup> During City Council's budget work sessions, the FY 2012 budget was balanced to include \$25,000 for the Lynchburg Neighborhood Development Foundation as a "Discretionary" provider. At the May 10, 2011, first reading of the FY 2012 Operating Budget for adoption, Council decided to postpone appropriating these funds.



|  | Project Description  | Agency Request FY 2012  |
|--|--|-------------------------|
| <b>DISCRETIONARY REQUEST DETAIL</b>              |  |                         |
| Amazement Square                                 | Support the existing City Arts Mentoring Program (mural project on Jefferson Street)   | \$15,000                |
| Amazement Square                                 | Real Property Tax associated with the Riverfront Skatepark   | 5,302                   |
| Arc of Central Virginia                          | Programming for individuals with intellectual and developmental disabilities   | 31,909                  |
| Central Virginia Area Agency on Aging            | Supportive services to the elderly   | 15,000                  |
| Central Virginia Community College               | To support College Advisory Board activities such as board obligations, community information and special functions  | 1,831                   |
| Court Appointed Special Advocate                 | For volunteer recruitment, training, retention, and support  | 12,000                  |
| Fishes and Loaves Born Again Ministries          | To expand the capacity of the existing Job Readiness Program   | 40,400                  |
| Fort Early Corp. (Fort Hill Woman's Club)        | For the restoration and renovation work on the landmark Fort Early Building in Lynchburg   | 10,000                  |
| Lynchburg Community Action Group                 | To repair eight to twelve homes in the City's downtown neighborhoods   | 65,000                  |
| Rebuilding Together - Lynchburg                  | To provide housing rehabilitation and/or renovation for qualified low-income homeowners  | 50,000                  |
| Region 2000 Economic Development Council         | To provide greater economic wealth and opportunity for the region's businesses, local governments, higher education institutions, and residents                                    | 81,586                  |
| Robert E. Lee Soil & Water Conservation District | To fund a portion of the General Operations budget   | 6,500                   |
|  | To fund a portion of the Education Specialist position   | 3,500                   |
| The Gateway House, Inc.                          | Transitional housing and supportive services for male drug addicts and alcoholics in recovery  | 50,000                  |
| Virginia Legal Aid Society                       | To provide legal advice and representation, and outreach and community collaboration for families with children through the existing Strengthening Families with Children program. | 10,000                  |
| YWCA   | To supplement support for the Community Advocate position partially funded through the Office of the Commonwealth's Attorney   | 12,000                  |
|  |  | <b><u>\$410,028</u></b> |



**Amazement Square.** A non-profit children's museum that provides cultural and educational opportunities for children and families.

**The Arc of Central Virginia.** Provides services to enhance the lives of individuals with mental retardation and developmental disabilities and their families.

**Blue Ridge Regional Jail Authority (BRRJA).** The BRRJA is a cooperative effort to provide jail services for Lynchburg, and Halifax, Campbell, and Bedford Counties.

**Central Virginia Area Agency on Aging (CVAAA).** Provides services to help senior citizens maintain their dignity and independence by remaining in their own homes.

**Central Virginia Community College Board (CVCC) and Related Operations.** Provides education and workforce development to citizens in Region 2000.

**Central Virginia Community Services Board.** Provides treatment and residential programs for mental health, mental retardation, substance abuse and prevention for the Cities of Lynchburg and Bedford and the Counties of Amherst, Appomattox, Bedford and Campbell.

**Court Appointed Special Advocate (CASA).** Supports trained community volunteers who advise the court about the best interest of abused and neglected children.

**Fishes and Loaves Born Again Ministries.** Provide temporary housing and emotional health services for person(s) threatened with homelessness suffering from addiction, alcoholism, and/or who have been incarcerated.

**Fort Early Corporation (Fort Hill Woman's Club).** Maintain the Fort Early building.

**The Gateway House, Inc.** Provides transitional housing and supportive services to homeless men in recovery from drug and alcohol addiction, holding them accountable as they make better choices and change their lives.

**Hill City Youth Football and Cheerleading Association, Inc.** Provides football and cheerleading experience to pre-middle school youth in order to build discipline, camaraderie, cooperation skills, structure, and academic awareness.

**Indigent Hospitalization.** The local match amount for the Virginia Department of Medical Assistance. As of FY 2010, the State discontinued this program.

**Lynch's Landing, Inc.** Funding for the management of the City's parking deck.

**Lynchburg Community Action Group (LynCAG).** Assist low- to moderate- income families and individuals move from economic and social dependency to self-sufficiency.

**Lynchburg Health Department.** The local match for the Central Virginia Health District of the Commonwealth of Virginia Department of Health. The Central Virginia Health District serves the Counties of Amherst, Appomattox, Bedford and Campbell and the City of Lynchburg.

**Lynchburg Humane Society.** The City contracts with the Lynchburg Humane Society to operate the Animal Shelter for the purpose of impounding and harboring seized, stray, homeless, abandoned, or unwanted animals.

**Lynchburg Life Saving Crew/Rescue Squad.** The City pays for fleet services including fuel for supplemental services to the City's emergency services program.

**Lynchburg Neighborhood Development Foundation (LNDF).** LNDF attracts funds into the City and the region primarily to support affordable and safe housing development. LNDF acts as a consultant to public and private sector persons and groups in the areas of housing development, real estate and community development finance, and issues related to low-income populations.

**Lynchburg Regional Convention and Visitors Bureau.** The City supports travel and tourism in the Lynchburg area through a contractual agreement with the Lynchburg Regional Chamber of Commerce.

**Rebuilding Together.** Preserves affordable homeownership and revitalizes communities by providing free rehabilitation work and making critical repairs to the homes of low-income citizens.

**Region 2000 Economic Development Partnership.** Annual membership dues for Region 2000 based on population.



**Region 2000 Local Government Council Regional Commission (formerly Region 2000 Regional Commission).** Facilitates regional coordination between the members of Region 2000 for planning and development. Region 2000 consists of the Cities of Bedford and Lynchburg, the Towns of Altavista, Amherst, Appomattox and Brookneal, and the Counties of Amherst, Appomattox, Bedford, and Campbell.

**Robert E. Lee Soil and Water Conservation District.** The District consists of the Counties of Amherst, Appomattox, Campbell and the City of Lynchburg and performs basic storm water and erosion control plan review and flood studies for development sites.

**Southern Memorial Association.** The Old City Cemetery is operated by the Southern Memorial Association, thereby relieving the City government of management of this historic property.

**Virginia Cooperative Extension Service.** A joint program of Virginia Tech, Virginia State University, the United States Department of Agriculture and state and local governments to provide educational programs.

**Virginia Legal Aid Society.** A non-profit law firm that provides free legal information, advice, and representation in civil cases to low-income individuals and families.

**Young Women's Christian Association (YWCA).** Domestic Violence Prevention Center – Provides emergency shelter to women and children in crisis.



Lynchburg’s government makes payments for service and transfers funds from the General Fund to other operating units and agencies of the City. Transfers include payments from the General Fund to other funds as a subsidiary or payment for services.

|  | Actual<br>FY 2010  | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|--|--------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>BUDGET SUMMARY</b>                        |                    |                     |                                    |                                  |                     |
| <b>Transfers</b>                             |                    |                     |                                    |                                  |                     |
| Airport Fund                                 | \$261,260          | \$271,120           | \$494,536                          | \$494,536                        | \$494,536           |
| City Capital Projects Fund                   | 2,820,617          | 6,358,881           | 7,200,000                          | 7,524,033                        | 7,624,033           |
| School Capital Projects Fund                 | 0                  | 1,941,733           | 1,574,054                          | 1,574,054                        | 1,030,518           |
| City/Federal/State Aid Fund (Matching Funds) | 81,614             | 27,070              | 27,171                             | 27,171                           | 27,171              |
| Detention Home Fund                          | 23,078             | 0                   | 0                                  | 0                                | 0                   |
| Fleet Debt Service                           | 5,384              | 0                   | 0                                  | 0                                | 0                   |
| Sewer Fund - Stormwater                      | 0                  | 0                   | 688,036                            | 688,036                          | 688,036             |
| Stadium Fund                                 | 341,654            | 318,130             | 333,265                            | 333,265                          | 0                   |
| Technology Fund                              | 647,199            | 624,347             | 636,773                            | 636,773                          | 636,773             |
| <b>Total Transfers</b>                       | <b>\$4,180,806</b> | <b>\$9,541,281</b>  | <b>\$10,953,835</b>                | <b>\$11,277,868</b>              | <b>\$10,501,067</b> |
| <b>Non-Departmental</b>                      |                    |                     |                                    |                                  |                     |
| Employee Benefits                            |                    |                     |                                    |                                  |                     |
| Workers' Compensation                        | \$876,911          | \$883,000           | \$912,500                          | \$912,500                        | \$912,500           |
| Retiree Benefits                             | 2,211,450          | 2,507,540           | 2,773,980                          | 2,773,980                        | 2,773,980           |
| Unemployment Compensation                    | 60,062             | 90,000              | 90,000                             | 90,000                           | 90,000              |
| Other Employment Benefits                    | 9,361              | 10,800              | 10,800                             | 10,800                           | 10,800              |
| Auditing Services                            | 6,250              | 15,000              | 15,000                             | 15,000                           | 15,000              |
| Employee Programs                            |                    |                     |                                    |                                  |                     |
| Tuition Reimbursement                        | 13,953             | 30,000              | 30,000                             | 30,000                           | 30,000              |
| Employee Assistance Program                  | 23,650             | 25,725              | 27,011                             | 27,011                           | 27,011              |
| Employee Appreciation                        | 29,041             | 33,350              | 35,100                             | 35,100                           | 35,100              |
| Managed Vacancy Program                      | 0                  | 0                   | 0                                  | (635,870)                        | (635,870)           |
| Fleet (Depreciation)                         | 1,845,762          | 1,909,960           | 1,978,110                          | 1,978,110                        | 1,978,110           |
| Water Fund Payment                           | 351,900            | 351,900             | 351,900                            | 351,900                          | 351,900             |
| Administration Fees - Health and Dental      | 10,000             | 10,000              | 10,000                             | 10,000                           | 10,000              |
| Health Management Program                    | 203,549            | 238,275             | 230,775                            | 230,775                          | 230,775             |
| Virginia Retirement System - Line of Duty    | 0                  | 0                   | 105,952                            | 105,952                          | 105,952             |
| Virginia Retirement System Benefit Option    | 0                  | 0                   | 0                                  | 816,793                          | 0                   |
| <b>Total Non-Departmental</b>                | <b>\$5,641,889</b> | <b>\$6,105,550</b>  | <b>\$6,571,128</b>                 | <b>\$6,752,051</b>               | <b>\$5,935,258</b>  |
| <b>Total Transfers and Non-Departmental</b>  | <b>\$9,822,695</b> | <b>\$15,646,831</b> | <b>\$17,524,963</b>                | <b>\$18,029,919</b>              | <b>\$16,436,325</b> |

**TRANSFERS**

**Airport Fund.** Transfer from the General Fund to the Airport Fund primarily to fund debt service for the terminal.

**City Capital Projects Fund.** Transfer from the General Fund to the City Capital Projects Fund for Pay-As-You-Go projects and Reserves for projects.

**School Capital Projects Fund.** Transfer from School Operating Year-End Fund Balance.

**City/Federal/State Aid Fund (Matching Funds).** Amounts appropriated from the General Fund transferred to this fund for matching funds for State and Federal grants.

**Detention Fund.** Amounts transferred from the General Fund for employee compensation.



**Fleet Debt Service.** Transfer from the General Fund for debt payments related to fire and rescue equipment.

**Sewer Fund – Stormwater.** Transfer from the General Fund for Stormwater activities.

**Stadium Fund.** Transfer to Stadium Fund for renovation and operations of baseball stadium.

**Technology Fund.** Funding from revenue generated by partnership with Ntelos.

**NON-DEPARTMENTAL**

**Employee Benefits.** Workers compensation, retiree health benefit and other benefit payments as required by the fringe benefit program.

**Employee Programs.** Funding for Tuition Assistance and the Employee Assistance Program.

**Employee Appreciation.** Funding for Employee Awards and Recognition, Retiree Recognition, and Take Your Kids to Work Day.

**Managed Vacancy Program.** Budgeting for vacant City positions.

**Fleet Vehicle Capital (Depreciation).** Cost for depreciation of vehicles.

**Compensation Adjustment.** Decrease in salary expenses realized through a three percent (3%) reduction in annual pay for all City employees.

**Structure Adjustment.** Funding for salary adjustments for employees based on market analysis and reclassification of positions.

**Water Fund Payment.** Transfer to the Water Fund for City's fire hydrant use.

**Administration Fees – Health and Dental.** Cost of independent actuarial and consulting services to support effective benefits management.

**Health Management Program.** Funding to provide an on-site Nurse Practitioner, wellness programs to assist in preventative care, and vision coverage for employees enrolled in the health management program.

**Health Insurance Reduction.** Savings in the projected City contribution for individual employee medical benefits based on recent experience and anticipated reduction in claims.

**Life Insurance Reduction.** Savings in the projected City contribution for individual employee life insurance benefits based on projected rate changes.

**Virginia Retirement System – Line of Duty.** Cost related to State benefits provided to officers killed or disabled in the line of duty.

**Virginia Retirement System (VRS) Benefit Option.** Funding to take opportunity afforded by the General Assembly to allow employees to pay their portion of VRS with an offset of compensation to keep employee pay whole.



**Long-term Debt**

Total outstanding debt was \$328.6 million with \$181.7 million of business-type activities debt supported by the individual funds, resulting in net bonded debt for governmental activities of \$146.9 million. Capital leases of \$0.4 million for the regional radio system joint venture and \$4.9 million for the human services facility were included, while liabilities for compensated absences and workers' compensation of \$6.2 million and other post employment benefits liability of \$4.1 million were excluded.

**Long-term Debt Obligations  
As of June 30, 2010/2009  
(in millions)**

|                          | Governmental Activities |                 | Business-type Activities |                 | Total Primary Government |                 | Percentage Change 2010-2009 |
|--------------------------|-------------------------|-----------------|--------------------------|-----------------|--------------------------|-----------------|-----------------------------|
|                          | 2010                    | 2009            | 2010                     | 2009            | 2010                     | 2009            |                             |
| General Obligation Bonds | \$ 139.2                | \$ 112.0        | \$ 71.8                  | \$ 56.9         | \$ 211.0                 | \$ 168.9        | 25%                         |
| Revenue Bonds            | -                       | -               | 109.9                    | 100.3           | 109.9                    | 100.3           | 10%                         |
| General Obligation Notes | -                       | 7.5             | -                        | 4.0             | -                        | 11.5            | -100%                       |
| Notes Payable            | 2.4                     | 2.6             | -                        | -               | 2.4                      | 2.6             | -8%                         |
| Capital Lease            | 5.3                     | 5.8             | -                        | -               | 5.3                      | 5.8             | -9%                         |
| <b>Total</b>             | <b>\$ 146.9</b>         | <b>\$ 127.9</b> | <b>\$ 181.7</b>          | <b>\$ 161.2</b> | <b>\$ 328.6</b>          | <b>\$ 289.1</b> | <b>14%</b>                  |

Total new debt of \$80.8 million was issued. It consisted of \$42.1 million for governmental activities and \$38.7 million for business-type activities. Governmental activities total new long-term debt of \$42.1 million was from general obligation bonds consisting of: \$12.1 million of tax exempt bonds; \$13.8 million of taxable Build America Bonds (BAB); \$6 million of tax exempt refunding bonds; and, \$10.2 million of taxable Qualified School Construction Bonds (QSCB) from a Virginia Public School Authority pooled bond issue. Business-type activities new long-term debt of \$38.7 million consisted of \$13.1 million from the Virginia Revolving Loan Program (VRL) for CSO sewer capital projects; and, \$25.6 million from general obligation bonds comprised of \$5.2 million of tax exempt bonds, \$13.6 million of taxable Build America Bonds and \$6.8 million of tax exempt refunding bonds.

The City retired \$41.2 million of outstanding principal, which included \$12.3 million of refunded principal retirements and \$28.9 million as planned principal retirements. The governmental activities principal retirements of \$23.1 million consisted of \$5.7 million of refunded debt and \$17.4 million of planned retirements, which included a \$7.5 million principal payment for the line of credit. The business-type activities principal retirements of \$18.1 million consisted of \$6.6 million of refunded debt and \$11.5 million of planned retirements, which included a \$4 million principal payment for the line of credit.

In early FY 2010, the City's general obligation bonds continued to maintain an Aa3 rating from Moody's Investors Service dated July 15, 2009, an AA rating from Standard & Poor's Ratings Services dated July 10, 2009, and an AA rating from Fitch Ratings dated July 15, 2009. These ratings were for the City's August 13, 2009 General Obligation Public Improvement Bonds Series 2009A (Tax-Exempt), Series 2009B (Taxable-Build America Bonds) and Series C (Tax-Exempt Refunding). Standard & Poor's utilized their Financial Management Assessment (FMA) model, which resulted in a "strong" ranking for the City's management practices, which is the highest ranking offered in this assessment. This "strong" ranking indicates that management practices, particularly related to fiscal and debt policies, are strong, well embedded, and likely sustainable.

On November 13, 2009, the City participated in a Virginia Public School Authority Taxable General Obligation Public Improvement Bond Issue. These were Qualified School Construction Bonds as part of the American Recovery and Reinvestment Act and issued as investor tax credit bonds with a 0% coupon. The City's portion of the pooled bond issue was \$10,255,000 with a final maturity on September 15, 2026. This partially financed new construction for Sandusky Middle School and removed this project from the State's Literary Loan Program.

In Spring 2010, two credit rating agencies, Moody's Investors Service and Fitch Ratings, released reports with the results of their recalibration processes from the municipal rating scale to the global rating scale for government credit ratings. The intent of the recalibration was to ensure a greater degree of comparability for public sector and private sector credit ratings by using a single global credit rating scale. The recalibration was not an upgrade, but a transition to a different rating scale. Standard &



Poor's Ratings Services already utilized a single rating scale; therefore, there was no recalibration of its credit ratings for governments. The City was notified during Spring 2010 that its credit rating from Moody's changed from Aa3 to Aa2; and, that its credit rating from Fitch changed from AA to AA+.

The City's general obligation bonds continued to maintain an Aa2 rating from Moody's Investors Service dated September 27, 2010, and an AA+ rating from Fitch Ratings dated September 22, 2010. Standard & Poor's Ratings Services upgraded the City's rating one level from an AA to an AA+, dated September 23, 2010. This rating increase is based on the City's "ongoing economic development and redevelopment, which continues to diversify the economy and expand the property tax base." Also, factored into the upgrade is the City's "historically solid financial position with very strong reserves, which has remained constant through various economic cycles." Standard & Poor's continued utilization of their Financial Management Assessment (FMA) model resulted in a second "strong" ranking for the City's management practices. These credit ratings were related to the City's issuance of the October 20, 2010, General Obligation Public Improvement Refunding Bonds, Series 2010 of \$29,655,000 to advance refund the following general obligation public improvement bonds: \$3,375,000 of Series 2001 (August 1, 2001); \$9,415,000 of Series 2003A (February 1, 2003); and, \$15,370,000 of Series 2004 (June 1, 2004).

The City Council adopted Debt Management Policy was amended in December 2006 and limited tax-supported debt not to exceed 4.5% of net assessed valuation of taxable property in the City. As of the end of FY 2010, outstanding tax-supported debt was 2.45% of net assessed valuation. In addition, the City Council adopted Budget Policy was amended in December 2006. It established that pay-as-you-go funding, as a percentage of the City's Five Year Capital Improvement Program, shall not be less than 10%, and it set a goal of 15%. Both policies were reaffirmed by City Council on December 9, 2008 and will be reviewed again in Fall 2010. Detailed information on the City's long-term debt is included in Note 9 of this report.



**Long-Term Liabilities**

**General Obligation Debt:**

|  | Interest Rates (%)          | Date Issued | Final Maturity | Original Issue | Primary Government   |                      |                      | Total All Funds       |
|--|-----------------------------|-------------|----------------|----------------|----------------------|----------------------|----------------------|-----------------------|
|  |                             |             |                |                | Public Improvements  | School Facilities    | Proprietary Funds    |                       |
| <b>Bond Anticipation Note</b>                                  |                             |             |                |                |                      |                      |                      |                       |
| Public Improvement-Line of Credit for Five Years               | Variable-LIBOR-<br>Max 6.00 | 03/27/2008  | 2010           | \$ 15,000,000  | \$ -                 | \$ -                 | \$ -                 | -                     |
| <b>State Literary Fund Loans</b>                               |                             |             |                |                |                      |                      |                      |                       |
| Virginia Department of Treasury                                | 4.00                        | 07/01/1990  | 2011           | 372,412        | -                    | 11,412               | -                    | 11,412                |
| <b>Serial Bonds</b>  |                             |             |                |                |                      |                      |                      |                       |
| VPSA General Obligation  | 4.90-6.35                   | 11/12/1992  | 2013           | 458,292        | -                    | 82,490               | -                    | 82,490                |
| VA Resources Authority   | 0.00                        | 03/24/1994  | 2027           | 3,976,369      | -                    | -                    | 2,075,718            | 2,075,718             |
| VPSA General Obligation  | 6.10-6.60                   | 11/22/1994  | 2015           | 2,100,362      | -                    | 626,500              | -                    | 626,500               |
| Public Improvement   | 4.60-5.40                   | 06/01/1999  | 2019           | 17,820,000     | -                    | -                    | -                    | -                     |
| Public Improvement   | 5.30-5.60                   | 07/01/2000  | 2010           | 14,405,000     | -                    | -                    | -                    | -                     |
| Public Improvement   | 3.50-4.88                   | 08/01/2001  | 2032           | 14,620,000     | 406,825              | 358,175              | 4,500,000            | 5,265,000             |
| VPSA General Obligation  | 3.10-5.10                   | 11/15/2001  | 2022           | 3,473,329      | -                    | 2,184,674            | -                    | 2,184,674             |
| VPSA General Obligation  | 2.35-4.85                   | 11/07/2002  | 2023           | 6,513,732      | -                    | 4,378,031            | -                    | 4,378,031             |
| Public Improvement Refunding                                   | 2.00-5.00                   | 02/01/2003  | 2014           | 23,670,000     | 1,629,340            | 124,951              | 1,535,709            | 3,290,000             |
| Public Improvement   | 2.50-4.70                   | 02/01/2003  | 2033           | 16,745,000     | 5,385,000            | 1,710,000            | 4,490,000            | 11,585,000            |
| Public Improvement   | 3.00-5.00                   | 06/01/2004  | 2034           | 28,160,000     | 7,520,000            | 7,620,000            | 6,280,000            | 21,420,000            |
| Public Improvement Refunding                                   | 3.00-5.25                   | 03/16/2005  | 2030           | 33,105,000     | 11,488,460           | 7,024,640            | 8,926,900            | 27,440,000            |
| Taxable Refunding  | 3.90-4.86                   | 03/16/2005  | 2014           | 3,810,000      | -                    | 2,290,000            | -                    | 2,290,000             |
| VPSA General Obligation  | 4.60-5.10                   | 11/10/2005  | 2026           | 6,411,957      | -                    | 5,273,797            | -                    | 5,273,797             |
| Public Improvement   | 4.00-5.00                   | 05/09/2006  | 2026           | 23,840,000     | 13,134,156           | 5,179,986            | 2,265,858            | 20,580,000            |
| Public Improvement   | 4.00-5.00                   | 08/02/2007  | 2038           | 33,300,000     | 13,810,903           | -                    | 17,434,097           | 31,245,000            |
| Public Improvement Refunding                                   | 2.93                        | 03/19/08    | 2015           | 8,000,000      | 1,710,540            | 1,598,820            | 2,178,640            | 5,488,000             |
| Public Improvement Series A Tax Exempt                         | 1.00-5.00                   | 08/13/09    | 2022           | 17,230,000     | 4,995,000            | 7,080,000            | 5,155,000            | 17,230,000            |
| Public Improvement Series B Taxable Build America Bonds (BABs) | 5.05-6.61                   | 08/13/09    | 2040           | 27,420,000     | 4,399,395            | 9,450,605            | 13,570,000           | 27,420,000            |
| Public Improvement Series C Refunding                          | 2.00-4.00                   | 08/13/09    | 2023           | 12,800,000     | 3,845,120            | 2,120,960            | 6,833,920            | 12,800,000            |
| VPSA Gen Obligation  | 0.00                        | 11/13/09    | 2027           | 10,255,000     | -                    | 10,255,000           | -                    | 10,255,000            |
|  |                             |             |                |                | <u>\$ 68,324,739</u> | <u>\$ 67,370,041</u> | <u>\$ 75,245,842</u> | <u>\$ 210,940,622</u> |

Bonds issued between 1992 and 2010 are callable subject to a maximum premium of 2%.

Authorized and unissued general obligation public improvement bonds amounted to \$45,488,043 at June 30, 2010.

The Constitution of Virginia, Article VII, Section 10(a) sets forth the City’s legal debt limit at ten percent (10%) of its real estate assessed valuation for the City’s issuance of any bonds or other interest-bearing obligations. As of June 30, the City’s aggregate general obligation indebtedness was \$210,940,622 and less than the state limit. In December 2006, City Council amended the Debt Management Policy, which limited tax-supported debt to four and a half percent (4.5%) of its assessed valuation of real estate subject to taxation. There are no overlapping tax jurisdictions.



**Long-Term Liabilities**

Revenue Debt:

|                               | Interest Rates % | Date Issued | Final Maturity | Original Issue | Sewer Fund            |
|-------------------------------|------------------|-------------|----------------|----------------|-----------------------|
| Virginia Resources Authority: |                  |             |                |                |                       |
| Public Utility Revenue Bonds  | 0.00             | 3/28/1995   | 2027           | \$ 6,571,207   | \$ 2,927,830          |
| Public Utility Revenue Bonds  | 0.00             | 8/10/1995   | 2029           | 10,000,000     | 5,138,889             |
| Public Utility Revenue Bonds  | 0.00             | 6/27/1996   | 2029           | 8,000,000      | 3,978,004             |
| Public Utility Revenue Bonds  | 3.00             | 7/17/1997   | 2020           | 14,108,460     | 8,045,392             |
| Public Utility Revenue Bonds  | 0.00             | 7/17/1997   | 2030           | 7,591,540      | 4,409,682             |
| Public Utility Revenue Bonds  | 0.00             | 8/1/1998    | 2031           | 6,203,000      | 3,872,736             |
| Public Utility Revenue Bonds  | 3.00             | 6/2/1999    | 2020           | 2,476,763      | 1,409,674             |
| Public Utility Revenue Bonds  | 0.00             | 9/2/1999    | 2021           | 5,300,000      | 3,068,421             |
| Public Utility Revenue Bonds  | 0.00             | 3/15/2001   | 2032           | 735,000        | 493,223               |
| Public Utility Revenue Bonds  | 3.50             | 6/8/2001    | 2021           | 2,835,000      | 1,888,906             |
| Public Utility Revenue Bonds  | 0.00             | 11/6/2001   | 2034           | 1,413,613      | 1,051,225             |
| Public Utility Revenue Bonds  | 0.00             | 9/15/2003   | 2036           | 2,350,165      | 1,956,354             |
| Public Utility Revenue Bonds  | 0.00             | 5/20/2004   | 2038           | 6,000,000      | 5,300,000             |
| Public Utility Revenue Bonds  | 0.00             | 5/17/2005   | 2038           | 6,700,000      | 6,030,000             |
| Public Utility Revenue Bonds  | 0.00             | 6/28/2006   | 2039           | 9,600,000      | 9,120,000             |
| Public Utility Revenue Bonds  | 0.00             | 6/20/2007   | 2039           | 7,000,000      | 6,766,667             |
| Public Utility Revenue Bonds  | 0.00             | 6/5/2008    | 2041           | 12,350,000     | 12,350,000            |
| Public Utility Revenue Bonds  | 0.00             | 6/25/2009   | 2041           | 19,000,000     | 19,000,000            |
| Public Utility Revenue Bonds  | 0.00             | 6/17/2010   | 2042           | 13,100,000     | 13,100,000            |
|                               |                  |             |                |                | <u>\$ 109,907,003</u> |

The revenue bonds have been issued in accordance with the terms of an indenture agreement with the Virginia Resources Authority (VRA) of the Commonwealth of Virginia. The indenture agreement requires the City to pledge its Sewer Fund Revenues as collateral for the revenue bonds and to maintain debt coverage in the Sewer Fund equal to at least 1.15 of all debt service payments which exclude any refunded principal payments. As shown in the Supplementary Statistical Table 21, the debt coverage ratio for the year ended June 30 was 1.49.

The following is a summary of changes in long-term liabilities:

|                                       | Beginning Balance     | Additions            | Deletions            | Ending Balance        | Current Portion      |
|---------------------------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|
| Governmental Activities               |                       |                      |                      |                       |                      |
| Bond anticipation note-line of credit | \$ 7,500,000          | \$ -                 | \$ 7,500,000         | \$ -                  | \$ -                 |
| General obligation bonds              | 112,010,570           | 42,146,080           | 14,976,929           | 139,179,721           | 10,383,146           |
| Notes payable*                        | 2,660,000             | -                    | 180,000              | 2,480,000             | 180,000              |
| State literary fund loans             | 30,412                | -                    | 19,000               | 11,412                | 11,412               |
| Adjust for deferred amounts:          |                       |                      |                      |                       |                      |
| Issuance discounts                    | -                     | (959,560)            | (53,309)             | (906,251)             | -                    |
| Issuance premiums                     | 2,185,956             | 1,131,396            | 242,906              | 3,074,446             | -                    |
| Upon refunding                        | (1,335,430)           | (303,936)            | (242,252)            | (1,397,114)           | -                    |
| Total bonds and notes                 | 123,051,508           | 42,013,980           | 22,623,274           | 142,442,214           | 10,574,558           |
| Workers' compensation                 | 906,239               | 1,729,338            | 657,713              | 1,977,864             | 237,344              |
| Compensated absences                  | 4,122,303             | 2,709,439            | 3,110,408            | 3,721,334             | 446,560              |
| Other post-employment benefits        | 2,373,773             | 1,364,357            | -                    | 3,738,130             | -                    |
| Capital lease obligations             | 5,804,147             | -                    | 530,721              | 5,273,426             | 550,094              |
|                                       | <u>\$ 136,257,970</u> | <u>\$ 47,817,114</u> | <u>\$ 26,922,116</u> | <u>\$ 157,152,968</u> | <u>\$ 11,808,556</u> |



**Long-Term Liabilities (continued)**

Primary Government

|                                 | Beginning<br>Balance  | Additions            | Deletions            | Ending<br>Balance     | Current<br>Portion  |
|---------------------------------|-----------------------|----------------------|----------------------|-----------------------|---------------------|
| <b>Business-Type Activities</b> |                       |                      |                      |                       |                     |
| Bond anticipation notes         | \$ 4,000,000          | \$ -                 | \$ 4,000,000         | \$ -                  | \$ -                |
| General obligation bonds        | 56,830,663            | 25,558,920           | 10,640,094           | 71,749,489            | 4,229,116           |
| Public utility revenue bonds    | 100,327,800           | 13,100,000           | 3,520,797            | 109,907,003           | 3,757,168           |
| Adjust for deferred amounts:    |                       |                      |                      |                       |                     |
| Issuance discounts              | (43,963)              | -                    | (43,963)             | -                     | -                   |
| Issuance premiums               | 680,835               | 582,794              | 101,511              | 1,162,118             | -                   |
| Upon refunding                  | (684,164)             | (349,073)            | (140,109)            | (893,128)             | -                   |
| Total bonds and notes payable   | 161,111,171           | 38,892,641           | 18,078,330           | 181,925,482           | 7,986,284           |
| Workers' compensation           | 79,737                | 79,609               | 93,982               | 65,364                | 7,844               |
| Compensated absences            | 416,712               | 323,940              | 319,996              | 420,656               | 50,479              |
| Other post-employment benefits  | 186,695               | 126,300              | -                    | 312,995               | -                   |
|                                 | <u>\$ 161,794,315</u> | <u>\$ 39,422,490</u> | <u>\$ 18,492,308</u> | <u>\$ 182,724,497</u> | <u>\$ 8,044,607</u> |

Debt Service to Maturity:

| Year Ending<br>June 30 | Governmental Activities         |                      |                     |               |                           |                     |
|------------------------|---------------------------------|----------------------|---------------------|---------------|---------------------------|---------------------|
|                        | Governmental General Obligation |                      | Literary Fund Loans |               | Capital Lease Obligations |                     |
|                        | Principal                       | Interest             | Principal           | Interest      | Principal                 | Interest            |
| 2011                   | 10,383,146                      | 5,788,863            | 11,412              | 456           | 550,094                   | 192,183             |
| 2012                   | 9,658,829                       | 5,423,361            | -                   | -             | 438,062                   | 172,296             |
| 2013                   | 9,749,263                       | 5,051,039            | -                   | -             | 314,278                   | 158,397             |
| 2014                   | 9,331,639                       | 4,660,869            | -                   | -             | 326,392                   | 146,283             |
| 2015                   | 8,572,770                       | 4,263,107            | -                   | -             | 1,830,654                 | 532,722             |
| 2016-2020              | 40,459,912                      | 16,040,189           | -                   | -             | 1,813,946                 | 156,137             |
| 2021-2025              | 31,098,438                      | 8,626,997            | -                   | -             | -                         | -                   |
| 2026-2030              | 13,710,724                      | 3,382,683            | -                   | -             | -                         | -                   |
| 2031-2035              | 3,290,000                       | 1,487,329            | -                   | -             | -                         | -                   |
| 2036-2040              | 2,925,000                       | 483,356              | -                   | -             | -                         | -                   |
|                        | <u>\$ 139,179,721</u>           | <u>\$ 55,207,793</u> | <u>\$ 11,412</u>    | <u>\$ 456</u> | <u>\$ 5,273,426</u>       | <u>\$ 1,358,018</u> |



**Long-Term Liabilities (Continued)**

**Debt Service to Maturity: (Continued)**

| Year Ending<br>June 30 | Business-Type Activities |                      |                     |                   |                      |                      |                       |                     |
|------------------------|--------------------------|----------------------|---------------------|-------------------|----------------------|----------------------|-----------------------|---------------------|
|                        | General Obligation       |                      |                     |                   |                      |                      | Revenue Bonds         |                     |
|                        | Water Fund               |                      | Airport Fund        |                   | Sewer Fund           |                      | Sewer Fund            |                     |
|                        | Principal                | Interest             | Principal           | Interest          | Principal            | Interest             | Principal             | Interest            |
| 2011                   | 1,719,935                | 1,935,650            | 249,705             | 62,389            | 2,259,476            | 1,162,853            | 3,757,168             | 342,012             |
| 2012                   | 1,765,504                | 1,872,795            | 184,531             | 54,217            | 2,029,281            | 1,088,376            | 4,627,820             | 310,527             |
| 2013                   | 1,771,954                | 1,810,603            | 189,927             | 47,454            | 2,021,262            | 1,017,690            | 5,096,949             | 278,064             |
| 2014                   | 1,668,673                | 1,746,331            | 189,242             | 41,214            | 1,756,009            | 950,098              | 5,130,420             | 244,593             |
| 2015                   | 1,608,771                | 1,683,232            | 169,912             | 34,108            | 1,655,417            | 891,020              | 5,164,930             | 210,083             |
| 2016-2020              | 6,927,882                | 7,504,592            | 424,757             | 103,241           | 6,365,413            | 3,664,932            | 25,805,388            | 494,070             |
| 2021-2025              | 5,687,523                | 6,143,425            | 207,534             | 41,439            | 4,211,014            | 2,756,886            | 19,164,350            | 5,343               |
| 2026-2030              | 6,657,996                | 4,607,654            | 47,477              | 2,255             | 4,350,297            | 1,816,120            | 16,415,918            | -                   |
| 2031-2035              | 6,856,270                | 2,715,568            | -                   | -                 | 3,243,730            | 809,182              | 12,823,228            | -                   |
| 2036-2040              | 5,865,243                | 820,654              | -                   | -                 | 1,664,754            | 170,096              | 10,208,332            | -                   |
| 2041-2042              | -                        | -                    | -                   | -                 | -                    | -                    | 1,712,500             | -                   |
|                        | <u>\$ 40,529,751</u>     | <u>\$ 30,840,504</u> | <u>\$ 1,663,085</u> | <u>\$ 386,317</u> | <u>\$ 29,556,653</u> | <u>\$ 14,327,253</u> | <u>\$ 109,907,003</u> | <u>\$ 1,884,692</u> |

**Notes Payable – Capital Projects Line of Credit, Bank (General Obligation Bond Anticipation Note):**

On March 27, 2008, the City issued a five-year General Obligation Bond Anticipation Note and concurrently entered into a line of credit Financing Agreement with SunTrust Bank. The Agreement provided for borrowings of up to \$15,000,000 to provide interim financing for qualifying capital improvements. Interest on the unpaid principal is equal to the tax-exempt note rate defined in the Agreement and summarized here as: the one month London Interbank Offered Rate (LIBOR) times 0.77, plus 0.37%, for each calendar month; and, computed on a 360-day year basis up to a maximum of 6%. The total of \$11,500,000 outstanding at June 30, 2009 was permanently financed with the August 13, 2009 General Obligation Public Improvement Bonds, Series 2009A. In April 2010, the City Council re-authorized the line of credit in the amount of \$15,000,000 which was executed on May 20, 2010. On May 21, 2010, SunTrust Bank notified the City that it would extend the maturity of the line of credit until May 20, 2011 instead of March 2013 due to market conditions and because it was a non-bank qualified line of credit. The City and SunTrust Bank executed a Termination Agreement for the line of credit effective July 8, 2010.

**August 13, 2009 General Obligation Bond Issue:**

The City issued \$57,450,000 of General Obligation Public Improvement Bonds Series 2009A (\$17,230,000 Tax-Exempt), Series 2009B (\$27,420,000 Taxable-Build America Bonds), and Series 2009C (\$12,800,000 Tax-Exempt-Refunding Bonds) dated August 13, 2009 from its negotiated bond sale on July 29, 2009. General government projects were financed for twenty years, while the schools, water and sewer projects were financed for thirty years. The final maturity date is August 1, 2039, with interest rates ranging from 0.57% to 6.61% and a total interest cost of 3.68%. The Series A and B Bonds were issued to fund general government, schools, water and sewer capital projects, and issuance costs. They were allocated as follows: \$8,315,000 for general government; \$17,610,000 for schools, including a current refunding on August 27, 2009, to permanently finance \$7,500,000 of interim financing through the line of credit; \$15,300,000 for water utilities, including a current refunding on August 27, 2009, to permanently finance \$4,000,000 of interim financing through the line of credit; and, \$3,425,000 for sewer utilities. Series C Refunding Bonds were issued to advance refund \$7,355,000 of the June 1, 1999 bonds with an average interest rate of 5% and \$4,965,000 of the August 1, 2001 bonds with an average interest rate of 4.3%. The City deposited the net proceeds from the refunding bonds in an irrevocable trust with an escrow agent that purchased U. S. Government securities. The trust will provide funds for all future debt service on the refunded bonds. These bonds are considered defeased and the liability for them has been removed from the financial statements. The advance refunding reduced the total debt service payments over the next 14 years by \$1,048,290 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$876,187. This advance refunding resulted in the total difference between the reacquisition price and the net carrying value of the old debt of \$653,009. This difference, reported in the accompanying financial statements as deferred debt charges, is being amortized as a component of interest expenses as follows: \$389,844 through FY 2019 over the life of the refunded bonds for the June 1, 1999 issue; and, \$263,165 through FY 2023 over the life of the refunding bonds for the August 1, 2001 issue. The outstanding principal of the Series 2001 in-substance defeased bonds was \$4,965,000 at June 30, 2010.

**Long-Term Liabilities (Continued)**November 13, 2009 Virginia Public School Authority Pooled Bond Issue - Qualified School Construction Bonds:

On November 13, 2009, the City participated in a Virginia Public School Authority (VPSA) Taxable General Obligation Public Improvement Bond Issue. These were Qualified School Construction Bonds as part of the American Recovery and Reinvestment Act and issued as investor tax credit bonds with a VPSA bond yield of 0.58427%. These bonds included an original issue discount of \$959,560 and are presented in the accompanying financial statements as such. This amount is being amortized as a component of interest expenses over the life of the bond issue through FY 2027. The City has a 0% interest requirement for the bonds as they do not bear interest. The City's portion of the pooled bond issue was \$10,255,000 with a final maturity on September 15, 2026. This partially financed new construction for Sandusky Middle School and removed this project from the State's Literary Loan Program.

October 20, 2010 General Obligation Refunding Bond Issue - Advance Refunding of General Obligation Bond Issues, Series 2001, 2003A and 2004:

On October 20, 2010, the City issued \$29,655,000 of General Obligation Public Improvement Refunding Bonds, Series 2010 to advance refund the following general obligation public improvement bonds: \$3,375,000 of Series 2001 (August 1, 2001) with an average interest rate of 4.3%; \$9,415,000 of Series 2003A (February 1, 2003) with an average interest rate of 3.75%; and, \$15,370,000 of Series 2004 (June 1, 2004) with an average interest rate of 4.25%. The final maturity date is December 1, 2033 with interest rates ranging from 2% to 5% and a total interest cost of 3.03%. The City deposited the net proceeds from the refunding bonds in an irrevocable trust with an escrow agent that purchased U. S. Government securities. The trust will provide funds for all future debt service on the refunded bonds. These bonds are considered defeased and the liability for them has been removed from the financial statements for FY 2011. The advance refunding reduced the total debt service payments over the next 24 years by \$2,356,592 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,707,610. The total outstanding principal of the in-substance defeased bonds was \$28,160,000, detailed above by refunded bond issues, as of the refunding bond issue closing on October 20, 2010.



Long-Term Liabilities (Continued)

Component Unit – Lynchburg City Schools:

The following is a summary of changes in other long-term liabilities:

|                                | Beginning Balance   | Additions           | Deletions           | Ending Balance      | Current Portion     |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Compensated absences           | \$ 729,731          | \$ 668,224          | \$ 747,932          | \$ 650,023          | \$ 520,018          |
| Capital lease obligations      | 2,418,378           | -                   | 920,908             | 1,497,470           | 642,489             |
| Other post-employment benefits | 952,087             | 767,781             | 550,818             | 1,169,050           | -                   |
|                                | <u>\$ 4,100,196</u> | <u>\$ 1,436,005</u> | <u>\$ 2,219,658</u> | <u>\$ 3,316,543</u> | <u>\$ 1,162,507</u> |

School Capital Leases:

| Interest Rates | Date Issued | Final Maturity | Original Issue | Balance             |
|----------------|-------------|----------------|----------------|---------------------|
| 3.55%          | 12/2008     | 12/2013        | \$ 1,000,000   | \$ 717,815          |
| 3.39           | 09/2005     | 09/2010        | 750,000        | 27,081              |
| 4.12           | 08/2006     | 08/2011        | 500,000        | 125,982             |
| 3.83           | 10/2006     | 10/2011        | 500,000        | 151,532             |
| 3.89           | 09/2007     | 09/2012        | 1,000,000      | 475,060             |
|                |             |                |                | <u>\$ 1,497,470</u> |

Following is a summary of debt service to maturity:

| June 30 | Capital Lease Obligations |                  |
|---------|---------------------------|------------------|
|         | Principal                 | Interest         |
| 2011    | \$ 642,489                | \$ 44,357        |
| 2012    | 480,697                   | 22,428           |
| 2013    | 265,237                   | 8,262            |
| 2014    | 109,047                   | 1,122            |
|         | <u>\$ 1,497,470</u>       | <u>\$ 76,169</u> |



**Ratios of Outstanding Debt by Type**  
*(dollars in thousands, except for per capita amounts)*

| Fiscal Year | Governmental Activities  |                |                          |              |                | Business-type Activities |                          |                              |                | Total Primary Government |
|-------------|--------------------------|----------------|--------------------------|--------------|----------------|--------------------------|--------------------------|------------------------------|----------------|--------------------------|
|             | General Obligation Bonds | Literary Bonds | General Obligation Notes | Note Payable | Capital Leases | General Obligation Bonds | General Obligation Notes | Public Utility Revenue Bonds | Capital Leases |                          |
| 2001        | \$ 42,519                | \$ 341         | \$ 3,345                 | \$ -         | \$ 2,595       | \$ 55,521                | \$ -                     | \$ 57,500                    | \$ -           | \$ 161,821               |
| 2002        | 71,901                   | 283            | 9,290                    | -            | 2,397          | 63,499                   | -                        | 56,096                       | -              | 203,466                  |
| 2003        | 85,006                   | 225            | 610                      | -            | 2,187          | 64,141                   | -                        | 52,973                       | -              | 205,142                  |
| 2004        | 100,251                  | 166            | 7,500                    | 3,200        | 8,396          | 66,896                   | -                        | 59,152                       | -              | 245,561                  |
| 2005        | 93,990                   | 127            | 7,500                    | 3,200        | 7,747          | 61,935                   | -                        | 63,526                       | -              | 238,025                  |
| 2006        | 116,709                  | 87             | -                        | 3,200        | 7,287          | 57,532                   | 16,500                   | 70,543                       | -              | 271,858                  |
| 2007        | 108,593                  | 68             | -                        | 3,020        | 6,810          | 52,295                   | 16,500                   | 74,985                       | -              | 262,271                  |
| 2008        | 117,407                  | 49             | 1,343                    | 2,840        | 6,316          | 63,550                   | -                        | 84,426                       | -              | 275,931                  |
| 2009        | 112,011                  | 30             | 7,500                    | 2,660        | 5,804          | 56,831                   | 4,000                    | 100,328                      | -              | 289,164                  |
| 2010        | 139,180                  | 11             | -                        | 2,480        | 5,274          | 71,749                   | -                        | 109,907                      | -              | 328,601                  |

**Ratios of Net General Bonded Debt Outstanding**  
*(dollars in thousands, except per capita)*

| Fiscal Year | Population (1) | Assessed Valuation (in thousands) | Gross Bonded Debt (2) | Debt Payable From Enterprise Revenues (2) | Net Bonded Debt | Net Bonded Debt To Assessed Value | Net Bonded Debt Per Capita |
|-------------|----------------|-----------------------------------|-----------------------|---|-----------------|-----------------------------------|----------------------------|
| 2001        | \$ 65,400      | \$ 3,250,445                      | \$ 134,592            | \$ 55,521                                 | \$ 79,071       | 2.43%                             | \$ 1,209                   |
| 2002        | 65,800         | 3,466,111                         | 144,973               | 63,499                                    | 81,474          | 2.35%                             | 1,238                      |
| 2003        | 66,400         | 3,604,279                         | 149,981               | 64,140                                    | 85,841          | 2.38%                             | 1,293                      |
| 2004        | 67,100         | 3,915,725                         | 174,813               | 66,896                                    | 107,917         | 2.76%                             | 1,608                      |
| 2005        | 67,756         | 3,954,923                         | 163,552               | 61,935                                    | 101,617         | 2.57%                             | 1,500                      |
| 2006        | 68,579         | 4,935,723                         | 190,828               | 74,032                                    | 116,796         | 2.37%                             | 1,703                      |
| 2007        | 70,056         | 4,501,102                         | 177,456               | 68,795                                    | 108,661         | 2.41%                             | 1,551                      |
| 2008        | 71,196         | 5,330,939                         | 182,350               | 63,550                                    | 118,800         | 2.23%                             | 1,669                      |
| 2009        | 72,371         | 5,463,547 (3)                     | 180,372               | 60,831                                    | 119,541         |                                   | 1,652                      |
|             |                |                                   |                       |   |                 | 2.19%                             |                            |
| 2010        | 72,371         | 5,688,408 (4)                     | 210,940               | 71,749                                    | 139,191         | 2.45%                             | 1,923                      |

Source: Director of Financial Services, City of Lynchburg, Virginia.

- (1) Data from the Weldon Cooper Center for Public Service, University of Virginia, Charlottesville, Virginia, for 2001-2008 Final Estimates, and 2009 Provisional Estimates; and United States Bureau of the Census 2000. The 2010 population is an estimate based on 2009.
- (2) Excludes City of Lynchburg Public Utility Revenue Bonds.
- (3) These figures have been updated to reflect all billings associated with the personal property tax levy.
- (4) These figures only reflect two of the four billings associated with the personal property tax levy.  
 These figures will be updated in FY 2011 to reflect all four billings.



**Legal Debt Margin Information**  
(dollars in thousands)

**Legal Debt Margin Calculation for Fiscal Year 2010**

|  |                          |
|--|--------------------------|
| Real Property Assessed Value                             | \$ 4,891,645             |
| Public Service Corporations Real Property Assessed Value | <u>177,591</u>           |
| Total Real Property Assessed Value (1)                   | <u>5,069,236</u>         |
| Debt limit (10% of assessed value)                       | 506,924                  |
| Debt applicable to limit:                                |                          |
| Less: General Obligation Debt                            | (210,940)                |
| <b>Legal Debt Margin</b>                                 | <u><u>\$ 295,984</u></u> |

**Fiscal Years**

| <u>Description</u>  | <u>2001</u>              | <u>2002</u>              | <u>2003</u>              | <u>2004</u>              | <u>2005</u>              |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Debt limit  | \$ 264,398               | \$ 290,687               | \$ 301,016               | \$ 330,240               | \$ 338,155               |
| Total net debt applicable to limit (2)                                      | <u>134,592</u>           | <u>144,973</u>           | <u>149,981</u>           | <u>174,813</u>           | <u>163,552</u>           |
| Legal debt margin   | <u><u>\$ 129,806</u></u> | <u><u>\$ 145,713</u></u> | <u><u>\$ 151,036</u></u> | <u><u>\$ 155,427</u></u> | <u><u>\$ 174,603</u></u> |
| Total net debt applicable to the limit<br>as a percentage of the debt limit | 50.91%                   | 49.87%                   | 49.82%                   | 52.94%                   | 48.37%                   |

| <u>Description</u>  | <u>2006</u>              | <u>2007</u>              | <u>2008</u>              | <u>2009</u>              | <u>2010</u>              |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Debt limit  | \$ 372,512               | \$ 383,509               | \$ 462,181               | \$ 479,591               | \$ 506,924               |
| Total net debt applicable to limit (2)                                      | <u>190,828</u>           | <u>177,456</u>           | <u>182,350</u>           | <u>180,372</u>           | <u>210,940</u>           |
| Legal debt margin   | <u><u>\$ 181,684</u></u> | <u><u>\$ 206,053</u></u> | <u><u>\$ 279,831</u></u> | <u><u>\$ 299,219</u></u> | <u><u>\$ 295,984</u></u> |
| Total net debt applicable to the limit<br>as a percentage of the debt limit | 51.23%                   | 46.27%                   | 39.45%                   | 37.61%                   | 41.61%                   |

(1) See Table 14 for Real Property Assessed Value information.

(2) For fiscal years 2001 through 2005, the total net debt applicable to limit amounts were revised to include bond anticipation notes.

**Note:** The Constitution of Virginia, Article 7, Section 10(a) sets forth the City's legal debt limit at ten percent (10%) of its assessed valuation of real estate subject to taxation. for the City's issuance of any bonds or other interest-bearing obligations. In August 1999, City Council adopted a Debt Management Policy that limits tax-supported debt to five percent (5%) of its assessed valuation of real estate subject to taxation. In December 2006, City Council amended the Debt Management Policy that limits tax-supported debt to four and a half percent (4.5%) of its assessed valuation of real estate subject to taxation.



Debt Service

|                                | FY 2012 Debt  |                                   |                                       | Less:                                    | 2012               |
|--------------------------------|---|-----------------------------------|---------------------------------------|--|--------------------|
|                                | Per 6/30/10 Debt Book Revised <sup>(1)</sup><br>for FY 2011 Bond Issues | 2012 <sup>(2)</sup><br>Bond Issue | 2012 <sup>(3)</sup><br>Line of Credit | Savings from <sup>(4)</sup><br>Refunding |                    |
| <b>General Fund</b>            |   |                                   |                                       |  | <b>Budget</b>      |
| Principal                      | \$4,654,046   |                                   |                                       | \$0                                      | \$4,654,046        |
| Interest-City                  | 2,449,956   |                                   |                                       |  | 2,449,956          |
| Interest Line of Credit - City | 0   |                                   | \$0                                   |  | 0                  |
| Regional Radio Lease Principal | 135,448   |                                   |                                       |  | 135,448            |
| Regional Radio Lease Interest  | 2,235   |                                   |                                       |  | 2,235              |
| Human Service Lease Principal  | 302,614   |                                   |                                       |  | 302,614            |
| Human Service Lease Interest   | 170,062   |                                   |                                       |  | 170,062            |
| Baseball Stadium Principal     | 111,587   | \$0                               | \$0                                   | \$0                                      | 111,587            |
| Baseball Stadium Interest      | 94,300  |                                   |                                       |  | 94,300             |
| Debt Service Charges           | 3,310   |                                   |                                       |  | 3,310              |
| <b>Total</b>                   | <b>\$7,923,558</b>  | <b>\$0</b>                        | <b>\$0</b>                            | <b>\$0</b>                               | <b>\$7,923,558</b> |

|                            | FY 2012 Debt  |                                   |                                       | Less:                                    | 2012             |
|----------------------------|---|-----------------------------------|---------------------------------------|--|------------------|
|                            | Per 6/30/10 Debt Book Revised <sup>(1)</sup><br>for FY 2011 Bond Issues | 2012 <sup>(2)</sup><br>Bond Issue | 2012 <sup>(3)</sup><br>Line of Credit | Savings from <sup>(4)</sup><br>Refunding |                  |
| <b>Detention Home Fund</b> |   |                                   |                                       |  | <b>Budget</b>    |
| Principal                  | \$232,145   | \$0                               | \$0                                   | \$0                                      | \$232,145        |
| Interest                   | 51,905  |                                   |                                       |  | 51,905           |
| Debt Service Charges       | 0   |                                   |                                       |  | 0                |
| <b>Total</b>               | <b>\$284,050</b>  | <b>\$0</b>                        | <b>\$0</b>                            | <b>\$0</b>                               | <b>\$284,050</b> |

|                      | FY 2012 Debt  |                                   |                                       | Less:                                    | 2012             |
|----------------------|---|-----------------------------------|---------------------------------------|--|------------------|
|                      | Per 6/30/10 Debt Book Revised <sup>(1)</sup><br>for FY 2011 Bond Issues | 2012 <sup>(2)</sup><br>Bond Issue | 2012 <sup>(3)</sup><br>Line of Credit | Savings from <sup>(4)</sup><br>Refunding |                  |
| <b>Airport Fund</b>  |   |                                   |                                       |  | <b>Budget</b>    |
| Principal            | \$209,940   | \$0                               | \$0                                   | \$0                                      | \$209,940        |
| Interest             | 56,233  |                                   |                                       |  | 56,233           |
| Debt Service Charges | 3,618   |                                   |                                       |  | 3,618            |
| <b>Total</b>         | <b>\$269,791</b>  | <b>\$0</b>                        | <b>\$0</b>                            | <b>\$0</b>                               | <b>\$269,791</b> |

|                         | FY 2012 Debt  |                                   |                                       | Less:                                    | 2012               |
|-------------------------|---|-----------------------------------|---------------------------------------|--|--------------------|
|                         | Per 6/30/10 Debt Book Revised <sup>(1)</sup><br>for FY 2011 Bond Issues | 2012 <sup>(2)</sup><br>Bond Issue | 2012 <sup>(3)</sup><br>Line of Credit | Savings from <sup>(4)</sup><br>Refunding |                    |
| <b>Water Fund</b>       |   |                                   |                                       |  | <b>Budget</b>      |
| Principal               | \$1,798,140   |                                   |                                       | \$0                                      | \$1,798,140        |
| Interest                | 1,841,513   | \$142,500                         |                                       |  | 1,984,013          |
| Interest Line of Credit | 0   |                                   | \$0                                   |  | 0                  |
| Debt Service Charges    | 525   |                                   |                                       |  | 525                |
| <b>Total</b>            | <b>\$3,640,178</b>  | <b>\$142,500</b>                  | <b>\$0</b>                            | <b>\$0</b>                               | <b>\$3,782,678</b> |

<sup>(1)</sup> Information for FY 2012 existing debt service (cash basis) per the City's Debt Book as of 6/30/10 and revised for actual bond issues in FY 2011. The Build America Bonds have a provision for an interest subsidy payment from the Internal Revenue Service. That source of funds from the IRS of 35% of the interest payment for these bonds is not included above and therefore, has not reduced the total interest payment due. All amounts above are total payments without reduction from the IRS subsidy for the Build America Bonds. The subsidy for FY 2012 interest payments are \$591,230.70 across all funds in the 8/13/09 bond

<sup>(2)</sup> As of February 16, 2011, the CIP process is underway and no additional debt service from a bond issue is projected for general government and schools at this time. FY 2012 includes the potential for a line of credit facility. The Water and Sewer Funds have additional debt service in FY 2012 included above from a new bond issue, \$6 million-Water & \$3.5 million-Sewer, in that fiscal year.

<sup>(3)</sup> The Line of Credit was cancelled in July 2010 as SunTrust was unable to continue the line of credit thru March 2013 and would be cancelling the line of credit in March 2011. Currently, plans are being considered to have a line of credit in place before the end of FY 2011. However, with this draft there is no inclusion of interest for the line of credit until the CIP process is finalized.

<sup>(4)</sup> No refunding is anticipated at this time and monitoring for refunding opportunities is an ongoing process.



Debt Service (continued)

|                      | FY 2012 Debt<br>Per 6/30/10 Debt Book Revised <sup>(1)</sup><br>for FY 2011 Bond Issues | 2012 <sup>(2)</sup><br>Bond Issue | 2012 <sup>(3)</sup><br>Line of Credit | Less:<br>Savings from <sup>(4)</sup><br>Refunding | 2012<br>Budget     |
|----------------------|---|-----------------------------------|---------------------------------------|---|--------------------|
| <b>Sewer Fund</b>    |   |                                   |                                       |   |                    |
| 4020-7450            |   |                                   |                                       |   |                    |
| G.O. Principal       | \$2,061,150   |                                   | \$0                                   | \$0   | \$2,061,150        |
| G.O. Interest        | 1,058,392   | \$83,125                          |                                       |   | 1,141,517          |
| Rev. Principal       | 4,627,820   |                                   |                                       |   | 4,627,820          |
| Rev. Interest        | 310,527   |                                   |                                       |   | 310,527            |
| Debt Service Charges | 605   |                                   |                                       |   | 605                |
| <b>Total</b>         | <b>\$8,058,494</b>  | <b>\$83,125</b>                   | <b>\$0</b>                            | <b>\$0</b>  | <b>\$8,141,619</b> |

|                            | FY 2012 Debt<br>Per 6/30/10 Debt Book Revised <sup>(1)</sup><br>Debt Book | 2012 <sup>(2)</sup><br>Bond Issue | 2012 <sup>(3)</sup><br>Line of Credit | Less:<br>Savings from <sup>(4)</sup><br>Refunding | 2012<br>Budget   |
|----------------------------|---|-----------------------------------|---------------------------------------|---|------------------|
| <b>Fleet Services Fund</b> |   |                                   |                                       |   |                  |
| 5003-7450                  |   |                                   |                                       |   |                  |
| Principal                  | \$228,107   | \$0                               | \$0                                   | \$0   | \$228,107        |
| Interest                   | 138,009   |                                   |                                       |   | 138,009          |
| Debt Service Charges       | 0   |                                   |                                       |   | 0                |
| <b>Total</b>               | <b>\$366,116</b>  | <b>\$0</b>                        | <b>\$0</b>                            | <b>\$0</b>  | <b>\$366,116</b> |

<sup>(1)</sup> Information for FY 2012 existing debt service (cash basis) per the City's Debt Book as of 6/30/10 and revised for actual bond issues in FY 2011. The Build America Bonds have a provision for an interest subsidy payment from the Internal Revenue Service. That source of funds from the IRS of 35% of the interest payment for these bonds is not included above and therefore, has not reduced the total interest payment due. All amounts above are total payments without reduction from the IRS subsidy for the Build America Bonds. The subsidy for FY 2012 interest payments are \$591,230.70 across all funds in the 8/13/09 bond

<sup>(2)</sup> As of February 16, 2011, the CIP process is underway and no additional debt service from a bond issue is projected for general government and schools at this time. FY 2012 includes the potential for a line of credit facility. The Water and Sewer Funds have additional debt service in FY 2012 included above from a new bond issue, \$6 million-Water & \$3.5 million-Sewer, in that fiscal year.

<sup>(3)</sup> The Line of Credit was cancelled in July 2010 as SunTrust was unable to continue the line of credit thru March 2013 and would be cancelling the line of credit in March 2011. Currently, plans are being considered to have a line of credit in place before the end of FY 2011. However, with this draft there is no inclusion of interest for the line of credit until the CIP process is finalized.

<sup>(4)</sup> No refunding is anticipated at this time and monitoring for refunding opportunities is an ongoing process.



Debt Service (continued)

FY 2012 City's General Fund Appropriation for Schools Debt Service

|   | FY 2012 Debt<br>Per 6/30/10 Debt Book Revised <sup>(1)</sup><br>for FY 2011 Bond Issues | 2012 <sup>(2)</sup><br>Bond Issue | 2012 <sup>(3)</sup><br>Line of Credit | 2012 VPSA<br>Bond Issue | Less:<br>Savings from <sup>(4)</sup><br>Refunding | 2012<br>Budget     |
|---|---|-----------------------------------|---------------------------------------|-------------------------|---|--------------------|
| Principal   | \$4,503,031   | \$0                               |                                       | \$0                     | \$0   | \$4,503,031        |
| Interest  | 2,503,618   |                                   |                                       |                         |   | 2,503,618          |
| Interest-Line of Credit                             |   |                                   | \$0                                   |                         |   | 0                  |
| <b>Total School Debt Service</b>                    | <b>\$7,006,649</b>  | <b>\$0</b>                        | <b>\$0</b>                            | <b>\$0</b>              | <b>\$0</b>  | <b>\$7,006,649</b> |
| <b>Plus:</b>  |   |                                   |                                       |                         |   |                    |
| Debt Service Charges                                | 3,064   |                                   |                                       |                         |   | 3,064              |
| <b>Local City Share for<br/>School Debt Service</b> | <b>\$7,009,713</b>  | <b>\$0</b>                        | <b>\$0</b>                            | <b>\$0</b>              | <b>\$0</b>  | <b>\$7,009,713</b> |

<sup>(1)</sup> Information for FY 2012 existing debt service (cash basis) per the City's Debt Book as of 6/30/10 and revised for actual bond issues in FY 2011. The Build America Bonds have a provision for an interest subsidy payment from the Internal Revenue Service. That source of funds from the IRS of 35% of the interest payment for these bonds is not included above and therefore, has not reduced the total interest payment due. All amounts above are total payments without reduction from the IRS subsidy for the Build America Bonds. The subsidy for FY 2012 interest payments are \$591,230.70 across all funds in the 8/13/09 bond issue.

<sup>(2)</sup> As of February 16, 2011, the CIP process is underway and no additional debt service from a bond issue is projected for general government and schools at this time. FY 2012 includes the potential for a line of credit facility. The Water and Sewer Funds have additional debt service in FY 2012 included above from a new bond issue, \$6 million-Water and \$3.5 million-Sewer, in that fiscal year.

<sup>(3)</sup> The Line of Credit was cancelled in July 2010 as SunTrust was unable to continue the line of credit thru March 2013 and would be cancelling the line of credit in March 2011. Currently, plans are being considered to have a line of credit in place before the end of FY 2011. However, with this draft there is no inclusion of interest for the line of credit until the CIP process is finalized.

<sup>(4)</sup> No refunding is anticipated at this time and monitoring for refunding opportunities is an ongoing process.



***HISTORICAL FACT:***

*Built around 1815 by Dr. George Cabell, Sr., an eminent physician whose most famous patient was Patrick Henry, Point of Honor was the home of important Lynchburg area families, including the Daniels, Paynes, and Owens. Although not documented, it is possible that at some time Point of Honor may have been used as a dueling ground. However, since dueling was prohibited, it is speculated it occurred on the property in Campbell County to escape the Lynchburg magistrate.*





Schools Operating Fund. The General Fund makes yearly contributions to the Lynchburg City Schools for Operations.

|   | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|---|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>AGENCY SUMMARY</b>                             |                     |                     |                                    |                                  |                     |
| <b>REVENUES</b>                                   |                     |                     |                                    |                                  |                     |
| State   | \$46,607,672        | \$41,806,920        |                                    |                                  | \$41,514,583        |
| Federal   | 6,273,962           | 2,627,383           |                                    |                                  | 461,000             |
| Grants  | 7,399,544           | 7,813,258           |                                    |                                  | 10,022,828          |
| Local - Operating                                 | 29,443,654          | 31,942,103          | 31,942,103                         | 31,942,103                       | 31,942,103          |
| Regional - Debt Service for the Governor's School | 31,890              | 33,627              |                                    |                                  | 33,627              |
| Miscellaneous                                     | 1,484,811           | 1,321,140           |                                    |                                  | 1,754,640           |
| <b>TOTAL REVENUES</b>                             | <b>\$91,241,533</b> | <b>\$85,544,431</b> | <b>\$31,942,103</b>                | <b>\$31,942,103</b>              | <b>\$85,728,781</b> |
| <b>EXPENDITURES</b>                               |                     |                     |                                    |                                  |                     |
| Operations  | \$83,596,621        | \$77,731,173        |                                    |                                  | \$75,705,953        |
| Grant Funded Expenditures                         | 7,399,544           | 7,813,258           |                                    |                                  | 10,022,828          |
| <b>TOTAL EXPENDITURES</b>                         | <b>\$90,996,165</b> | <b>\$85,544,431</b> | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$85,728,781</b> |

Source: Lynchburg City Schools

Note: The school board had not adopted a budget at the time the Manager's Proposed document was published.



Schools (continued)

Student Enrollment, Employees and Schools by Fiscal Year

| Description                     | 2001  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Elementary School Membership    | 4,230 | 4,049 | 3,968 | 3,910 | 3,840 | 3,793 | 3,773 | 3,797 | 3,937 | 3,934 |
| Secondary School Membership     | 4,982 | 5,015 | 4,987 | 4,872 | 4,785 | 4,809 | 4,127 | 3,834 | 4,583 | 4,438 |
| Total Membership                | 9,212 | 9,064 | 8,955 | 8,782 | 8,625 | 8,602 | 7,900 | 7,631 | 8,520 | 8,372 |
| Teachers and Administrators (1) | 811   | 807   | 782   | 762   | 753   | 776   | 772   | 774   | 780   | 759   |
| Other Employees                 | 475   | 494   | 474   | 467   | 471   | 470   | 482   | 482   | 482   | 449   |
| Total Employees                 | 1,286 | 1,301 | 1,256 | 1,229 | 1,224 | 1,246 | 1,254 | 1,256 | 1,262 | 1,208 |
| Elementary Schools (2)          | 12    | 12    | 11    | 11    | 11    | 11    | 11    | 11    | 11    | 11    |
| Secondary Schools               | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     |
| Total Buildings                 | 17    | 17    | 16    | 16    | 16    | 16    | 16    | 16    | 16    | 16    |

(1) Includes only full-time equivalent positions funded through the operating budget.  
 (2) Does not include Armstrong, now being used for special education students.

Actual Average Daily Student Enrollment by Grade & Fiscal Year  
 (Based on September 30th Actual Enrollment)

| Grade | 2001  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| K     | 669   | 655   | 674   | 700   | 666   | 670   | 722   | 732   | 732   | 718   |
| 1     | 755   | 661   | 628   | 651   | 628   | 655   | 675   | 673   | 673   | 702   |
| 2     | 685   | 716   | 664   | 608   | 647   | 634   | 629   | 648   | 648   | 648   |
| 3     | 719   | 649   | 689   | 641   | 583   | 628   | 629   | 653   | 653   | 632   |
| 4     | 693   | 695   | 633   | 690   | 630   | 593   | 625   | 606   | 608   | 639   |
| 5     | 709   | 673   | 680   | 620   | 686   | 613   | 597   | 604   | 622   | 595   |
| 6     | 713   | 729   | 686   | 689   | 658   | 707   | 618   | 613   | 635   | 598   |
| 7     | 719   | 707   | 697   | 661   | 680   | 664   | 694   | 581   | 604   | 619   |
| 8     | 705   | 730   | 737   | 697   | 660   | 687   | 662   | 625   | 614   | 581   |
| 9     | 825   | 869   | 904   | 856   | 857   | 823   | 867   | 777   | 797   | 706   |
| 10    | 790   | 757   | 730   | 740   | 772   | 726   | 661   | 647   | 732   | 719   |
| 11    | 627   | 666   | 676   | 656   | 627   | 669   | 621   | 654   | 702   | 619   |
| 12    | 603   | 557   | 557   | 573   | 531   | 533   | 622   | 550   | 499   | 596   |
| Total | 9,212 | 9,064 | 8,955 | 8,782 | 8,625 | 8,602 | 8,622 | 8,363 | 8,520 | 8,372 |

Source: Superintendent of Schools, City of Lynchburg, Virginia.

Note: The enrollment numbers reported for 2009 in the FY2009 CAFR were actually the enrollment numbers for 2010. These numbers have been updated.



**Greater Lynchburg Transit Company.** Greater Lynchburg Transit Company (GLTC) is the region’s public transportation provider. GLTC’s mission is to provide safe, dependable, affordable and high quality public transportation to the citizens of Lynchburg. GLTC provides fixed route (bus) and paratransit (demand-response bus) to the citizens of Lynchburg. GLTC is owned by the City of Lynchburg, and its employees are contract employees to the City. Management services are provided by First Transit. The Board of Directors, approved by City Council, set company policies.

|  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>GREATER LYNCHBURG TRANSIT COMPANY SUMMARY</b> |                    |                    |                                    |                                  |                    |
| <b>REVENUES</b>                                  |                    |                    |                                    |                                  |                    |
| Fares - Fixed Route                              | \$786,566          | \$852,000          | \$888,000                          | \$888,000                        | \$888,000          |
| Fare - Para-transit Service                      | 67,722             | 42,000             | 75,000                             | 75,000                           | 75,000             |
| Contracts (LU Access)                            | 126,707            | 183,793            | 160,420                            | 160,420                          | 160,420            |
| Contracts (LC Access)                            | 0                  | 0                  | 24,300                             | 24,300                           | 24,300             |
| Charters   | 3,538              | 0                  | 5,500                              | 5,500                            | 5,500              |
| Advertising                                      | 74,695             | 66,000             | 75,000                             | 75,000                           | 75,000             |
| Other  | 42,080             | 25,000             | 25,000                             | 25,000                           | 25,000             |
| Federal Operating                                | 2,052,072          | 1,823,492          | 1,923,000                          | 1,923,000                        | 1,923,000          |
| State Operating                                  | 802,517            | 922,615            | 1,363,000                          | 1,363,000                        | 1,363,000          |
| City Operating                                   | 1,309,675          | 1,128,884          | 1,143,714                          | 1,143,714                        | 1,143,714          |
| Amherst County                                   | 53,136             | 45,166             | 64,543                             | 64,543                           | 64,543             |
| Partners: Academy/Downtown                       | 2,550              | 2,475              | 2,475                              | 2,475                            | 2,475              |
| State Training                                   | 0                  | 5,000              | 5,000                              | 5,000                            | 5,000              |
| Partners: Lynchburg Sheltered Industries         | 4,800              | 4,800              | 4,800                              | 4,800                            | 4,800              |
| Partners: Liberty                                | 1,315,153          | 1,426,299          | 1,289,351                          | 1,289,351                        | 1,289,351          |
| <b>TOTAL REVENUES</b>                            | <b>\$6,641,211</b> | <b>\$6,527,524</b> | <b>\$7,049,103</b>                 | <b>\$7,049,103</b>               | <b>\$7,049,103</b> |
| <b>EXPENDITURES</b>                              |                    |                    |                                    |                                  |                    |
| Labor  | \$2,935,788        | \$2,894,848        | \$3,122,475                        | \$3,122,475                      | \$3,122,475        |
| Fringe   | 1,484,085          | 1,452,586          | 1,591,404                          | 1,591,404                        | 1,591,404          |
| Services   | 450,798            | 403,257            | 405,461                            | 405,461                          | 405,461            |
| Materials and Supplies                           | 1,274,262          | 1,350,146          | 1,402,146                          | 1,402,146                        | 1,402,146          |
| Utilities  | 101,009            | 82,500             | 82,920                             | 82,920                           | 82,920             |
| Insurance  | 296,108            | 251,107            | 382,722                            | 382,722                          | 382,722            |
| Miscellaneous/Contingency                        | 99,158             | 93,080             | 61,975                             | 61,975                           | 61,975             |
| <b>TOTAL EXPENDITURES</b>                        | <b>\$6,641,208</b> | <b>\$6,527,524</b> | <b>\$7,049,103</b>                 | <b>\$7,049,103</b>               | <b>\$7,049,103</b> |
| <b>BALANCE</b>                                   | <b>\$3</b>         | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |



**Lynchburg Business Development Centre Fund.** This fund accounts for grant monies from the Economic Development Authority (EDA) which is a division of the Federal Department of Commerce. The funds are awarded to the City of Lynchburg and passed on to the Business Development Centre as a subgrantee. Its purpose is to account for the revolving loan activity of the Business Development Centre and serves the Region 2000 area by providing “gap” financing to businesses for projects that otherwise would not be eligible for full financing through traditional lenders. This program is similar in structure to the Small Business Administration (SBA) 504 Program which creates and/or retains jobs. For each \$10,000 the Business Development Centre lends, the recipient must demonstrate the creation/retention of one job over a three year period. The Centre has made 26 loans since its inception in 1993. The Region 2000 area includes the cities of Lynchburg and Bedford, the towns of Altavista and Amherst, and the counties of Amherst, Appomattox, Bedford and Campbell.

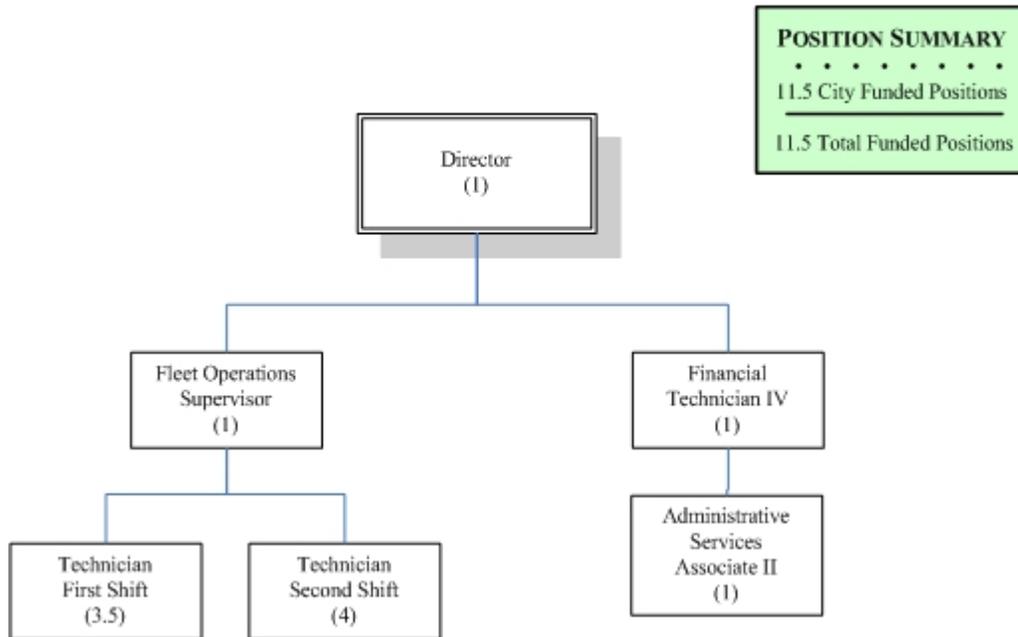
|  | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>AGENCY SUMMARY</b>                                  |                   |                    |                                    |                                  |                    |
| <b>BEGINNING DESIGNATED FUND BALANCE</b>               | <b>\$125,385</b>  | <b>\$125,385</b>   | <b>\$125,385</b>                   | <b>\$125,385</b>                 | <b>\$125,385</b>   |
| <b>REVENUES</b>  |                   |                    |                                    |                                  |                    |
| Revenues from loan repayments (principal and interest) | \$30,346          | \$0                | \$0                                | \$0                              | \$0                |
| <b>TOTAL REVENUES</b>                                  | <b>\$30,346</b>   | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>EXPENDITURES</b>                                    |                   |                    |                                    |                                  |                    |
| <b>TOTAL EXPENDITURES</b>                              | <b>\$30,346</b>   | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>ENDING DESIGNATED FUND BALANCE</b>                  | <b>\$125,385</b>  | <b>\$125,385</b>   | <b>\$125,385</b>                   | <b>\$125,385</b>                 | <b>\$125,385</b>   |

**Lynchburg Business Development Centre Fund Budget Description**

No funds are requested for FY 2012.



### FLEET SERVICES





**Fleet Services.** Provides a full spectrum of fleet management services for all City customers who operate a City-owned vehicle or piece of equipment. The services include fleet asset acquisition and replacement planning, fuel management, automotive parts inventory services, routine and preventive maintenance for vehicles and equipment, record keeping, and assisting the City Procurement Department in the disposal of all fleet assets.

|  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>FLEET FUND POSITION SUMMARY</b>           |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                        | 12.0               | 11.0               | 11.0                               | 11.0                             | 11.0               |
| City Funded Part-Time                        | 0.5                | 0.5                | 0.5                                | 0.5                              | 0.5                |
| <b>TOTAL FTE</b>                             | <b>12.5</b>        | <b>11.5</b>        | <b>11.5</b>                        | <b>11.5</b>                      | <b>11.5</b>        |
| <b>FLEET FUND SUMMARY</b>                    |                    |                    |                                    |                                  |                    |
| <b>BEGINNING CASH</b>                        | <b>\$2,272,836</b> | <b>\$754,005</b>   | <b>\$956,018</b>                   | <b>\$956,018</b>                 | <b>\$956,018</b>   |
| <b>REVENUES</b>                              |                    |                    |                                    |                                  |                    |
| Warehouse Inventory                          | \$529,786          | \$471,400          | \$483,490                          | \$483,490                        | \$483,490          |
| Fuel Sales                                   | 1,330,335          | 1,538,200          | 1,532,223                          | 1,532,223                        | 1,532,223          |
| Mechanical Work by Vendors                   | 170,977            | 236,700            | 249,752                            | 249,752                          | 249,752            |
| Vehicle Administration                       | 229,835            | 218,400            | 215,487                            | 215,487                          | 215,487            |
| Labor Sales                                  | 548,166            | 482,100            | 478,207                            | 478,207                          | 478,207            |
| Vehicle Capital Charge                       | 2,211,770          | 2,264,469          | 2,281,171                          | 2,281,171                        | 2,281,171          |
| Interest on Investments                      | 5,140              | 0                  | 0                                  | 0                                | 0                  |
| Miscellaneous                                | 37,598             | 0                  | 0                                  | 0                                | 0                  |
| Sale/Salvage Surplus Property                | 160,752            | 150,000            | 200,000                            | 200,000                          | 200,000            |
| Transfer from General Fund                   | 5,384              | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL REVENUES</b>                        | <b>\$5,229,743</b> | <b>\$5,361,269</b> | <b>\$5,440,330</b>                 | <b>\$5,440,330</b>               | <b>\$5,440,330</b> |
| <b>EXPENDITURES</b>                          |                    |                    |                                    |                                  |                    |
| Salaries                                     | \$477,597          | \$477,200          | \$480,576                          | \$480,576                        | \$480,576          |
| Employee Benefits                            | 180,428            | 196,300            | 199,683                            | 199,683                          | 199,683            |
| Contractual Services                         | 72,490             | 81,600             | 75,400                             | 75,400                           | 75,400             |
| Internal Service Charges                     | 8,764              | 0                  | 0                                  | 0                                | 0                  |
| Other Charges                                | 2,000,524          | 2,186,700          | 2,198,500                          | 2,198,500                        | 2,198,500          |
| Capital Outlay                               | 870,458            | 2,449,600          | 1,891,000                          | 1,891,000                        | 1,891,000          |
| Nondepartmental Employee Benefits            | 23,595             | 24,820             | 26,960                             | 26,960                           | 26,960             |
| Other Post Employment Benefits               | 15,346             | 9,488              | 15,346                             | 15,346                           | 15,346             |
| Debt Service                                 | 407,385            | 404,178            | 366,116                            | 366,116                          | 366,116            |
| Transfer to City Capital Projects            | 1,330,876          | 0                  | 0                                  | 0                                | 0                  |
| Reserve for Future Vehicle Replacement Needs | 0                  | 133,000            | 0                                  | 0                                | 0                  |
| <b>TOTAL EXPENDITURES AND TRANSFERS</b>      | <b>\$5,387,463</b> | <b>\$5,962,886</b> | <b>\$5,253,581</b>                 | <b>\$5,253,581</b>               | <b>\$5,253,581</b> |
| <b>ENDING CASH</b>                           | <b>\$2,115,116</b> | <b>\$152,388</b>   | <b>\$1,142,767</b>                 | <b>\$1,142,767</b>               | <b>\$1,142,767</b> |



***Fleet Services Budget Description***

The Department Requested FY 2012 Fleet Services budget of \$5,253,581 represents an 11.9% decrease of \$709,305 compared to the Adopted FY 2011 budget of \$5,962,886.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$6,759 increase in Salaries and Employee Benefits reflecting overtime, employee progressions based on certifications, and changes in health, dental, and life insurance rates.
- \$6,200 decrease in Contractual Services reflecting a reduction in parts operation management fees.
- \$11,800 increase in Other Charges reflecting historical costs.
- \$558,600 decrease in Capital Outlay to provide for estimated vehicle replacement needs.
- \$1,900 decrease in utilities cost based on last years experience.
- \$2,140 increase in Non-departmental Employee Benefits reflecting the cost of retiree health and dental benefits.
- \$5,858 increase in Other Post Employment Benefits reflecting actual costs from FY 2010.
- \$38,062 decrease in Debt Service reflecting debt payments due in FY 2012.
- \$133,000 decrease in Reserve for Future Vehicle Replacement Needs reflecting a one-time reserve for FY 2011.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Fleet Services budget was adopted by City Council without changes.



**Fleet Services Performance Measures**

**Goal 1:**  
Enable the efficient delivery of city services by providing expedient repairs to vehicles making them available for duty each day.

**Objective:**  
Maintain a 97% fleet availability rate.

| <b>Performance Measure:</b> | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|-----------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Fleet availability rate     | 98.0%                 | 97.0%                    | 97.1%                     | 98.0%                    |

**Analysis of the Data:**  
The Department is using a 98% compliance rate under the assumption the vehicle replacement program will remain in effect the next fiscal year. The turnaround rate could drop if the replacement program is reduced or diminished.

**Goal 2:**  
To repair police fleet vehicles at a competitive and minimal cost.

**Objective:**  
Repair light duty police vehicles at a cost of \$0.165 cents or less per mile driven.

| <b>Performance Measure:</b> | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|-----------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Cost per mile driven        | \$0.15                | \$0.16                   | \$0.15                    | \$0.16                   |

**Analysis of the Data:**  
In the next fiscal year Ford Motor Company will discontinue making the rear wheel drive Crown Victoria and will convert to the front wheel drive Taurus for a police car. Front wheel drive vehicles are more expensive to maintain; therefore, it is anticipated there will be an increase in the cost per mile in then next few years.

**Goal 3:**  
To provide excellent customer service.

**Objective:**  
Maintain a Good/Excellent customer satisfaction rating (95% or greater).

| <b>Performance Measure:</b>  | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|------------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Customer satisfaction rating | 95%                   | 95%                      | 98%                       | 95%                      |

**Analysis of the Data:**  
Although an older fleet requires more maintenance and may increase service response time, the Department expects to maintain its customer satisfaction rate.

**Benchmark Localities:**  
Fairfax County, Roanoke, and Charlottesville, VA; Longmont, CO; Durham, NC



### LYNCHBURG REGIONAL AIRPORT

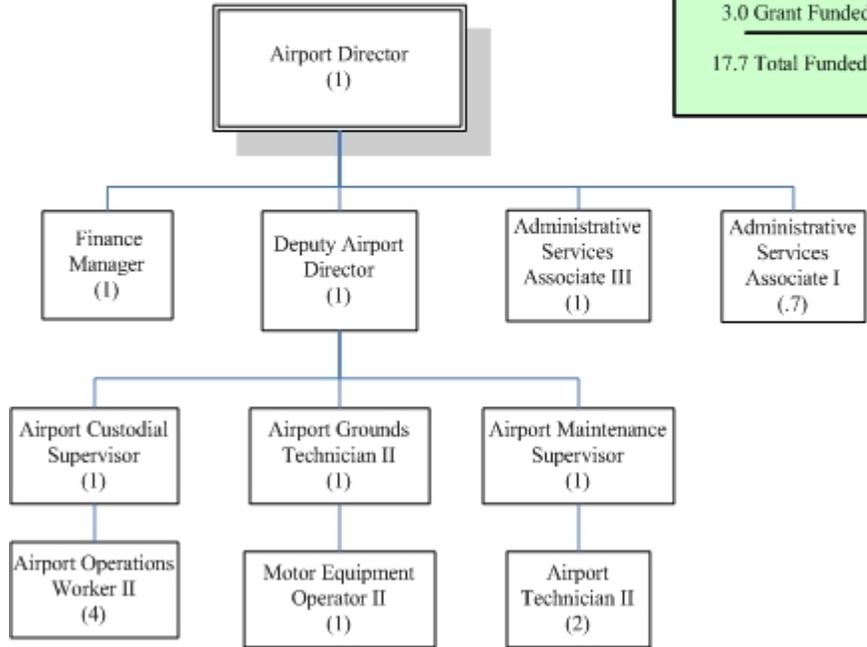
**POSITION SUMMARY**  
\* \* \* \* \*  
14.7 City Funded Positions  

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14.7 Total City Funded Positions  
3.0 Grant Funded Positions  

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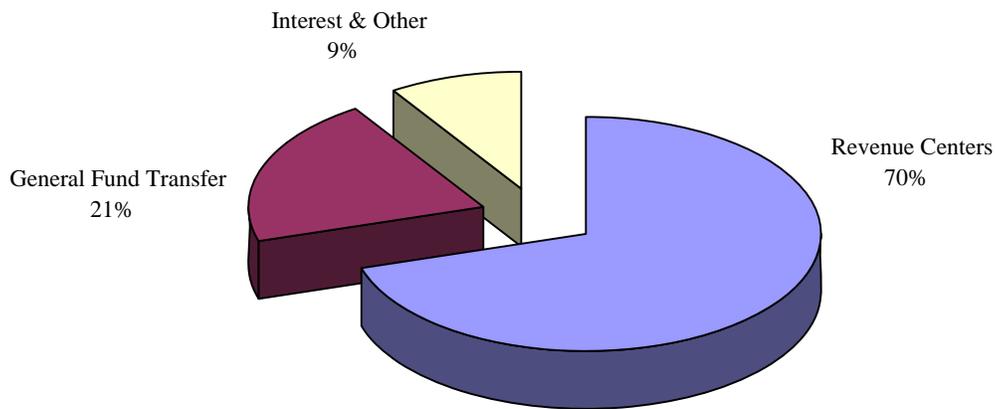
17.7 Total Funded Positions



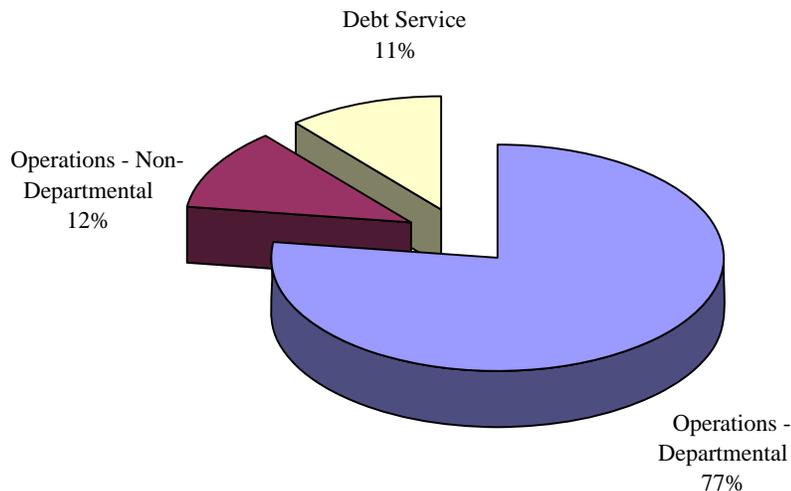


**Lynchburg Regional Airport.** Lynchburg Regional Airport is the main commercial service airport serving Lynchburg and the surrounding four-county region. It is served by the US Airways regional affiliate and serves over 130,000 arriving and departing passengers a year. The airport is home base to approximately 85 private and business aircraft. The Federal Aviation Administration (FAA) owns and operates the air traffic control facility at the airport. Airport Administration manages the operations, safety, security, and capital improvements required by the FAA; maintains the airport complex; responds to crash, fire, medical, and other emergencies; promotes the airport; and administers contracts and leases with airlines, concessions, and tenants. Airport Fund revenues are from fees, leases, or rents paid by airlines, the fixed-based operators that service private and business aircraft, and other concessionaires and tenants.

**FY 2012 REVENUES**  
**\$2,404,634**



**FY 2012 EXPENSES**  
**\$2,404,634**



**Airport Fund**

Mission Statement: To offer a full range of high quality aviation and air transportation services to the citizens of Central Virginia while fulfilling its role as a key ingredient in the region's economic development.

|   | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>AIRPORT FUND POSITION SUMMARY</b>                  |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                                 | 14.0               | 14.0               | 14.0                               | 14.0                             | 14.0               |
| City Funded Part-Time                                 | 0.7                | 0.7                | 0.7                                | 0.7                              | 0.7                |
| Grant Funded Full-Time                                | 3.0                | 3.0                | 3.0                                | 3.0                              | 3.0                |
| <b>TOTAL FTE</b>                                      | <b>17.7</b>        | <b>17.7</b>        | <b>17.7</b>                        | <b>17.7</b>                      | <b>17.7</b>        |
| <b>AIRPORT FUND SUMMARY</b>                           |                    |                    |                                    |                                  |                    |
| <b>BEGINNING NET ASSETS</b>                           | \$33,211,082       |                    |                                    |                                  |                    |
| Less: Invested in Capital Assets, net of related debt | (32,762,704)       |                    |                                    |                                  |                    |
| <b>BEGINNING UNRESTRICTED NET ASSETS</b>              | <b>\$448,378</b>   | <b>\$100,000</b>   | <b>\$100,000</b>                   | <b>\$100,000</b>                 | <b>\$100,000</b>   |
| <b>REVENUES</b>                                       |                    |                    |                                    |                                  |                    |
| Airfield  | \$119,994          | \$108,000          | \$90,000                           | \$90,000                         | \$90,000           |
| Terminal  | 1,417,396          | 1,263,669          | 1,046,883                          | 1,046,883                        | 1,046,883          |
| General Aviation                                      | 391,989            | 379,800            | 337,300                            | 337,300                          | 337,300            |
| Other Leased Property                                 | 209,730            | 208,600            | 213,500                            | 213,500                          | 213,500            |
| State Airport Aid                                     | 148,667            | 85,000             | 85,000                             | 85,000                           | 85,000             |
| Federal Security Aid                                  | 117,625            | 118,415            | 118,415                            | 118,415                          | 118,415            |
| Transfer from General Fund                            | 261,260            | 271,120            | 494,536                            | 494,536                          | 494,536            |
| Interest and Other                                    | 25,361             | 21,000             | 19,000                             | 19,000                           | 19,000             |
| <b>TOTAL REVENUES</b>                                 | <b>\$2,692,022</b> | <b>\$2,455,604</b> | <b>\$2,404,634</b>                 | <b>\$2,404,634</b>               | <b>\$2,404,634</b> |
| <b>EXPENDITURES</b>                                   |                    |                    |                                    |                                  |                    |
| Airfield Operations                                   | \$279,105          | \$266,759          | \$276,264                          | \$276,264                        | \$276,264          |
| Terminal Operations                                   | 529,315            | 535,493            | 535,977                            | 535,977                          | 535,977            |
| General Aviation                                      | 52,897             | 59,161             | 56,481                             | 56,481                           | 56,481             |
| Administration  | 668,702            | 655,165            | 645,839                            | 645,839                          | 645,839            |
| Airport Public Safety                                 | 378,876            | 379,168            | 381,468                            | 381,468                          | 381,468            |
| Other Operations                                      | 63,602             | 61,200             | 61,950                             | 61,950                           | 61,950             |
| Snow Removal  | 21,206             | 20,106             | 20,056                             | 20,056                           | 20,056             |
| Debt Service  | 324,342            | 315,712            | 269,791                            | 269,791                          | 269,791            |
| Miscellaneous and Transfers                           | 244,387            | 162,840            | 156,808                            | 156,808                          | 156,808            |
| <b>TOTAL EXPENDITURES</b>                             | <b>\$2,562,432</b> | <b>\$2,455,604</b> | <b>\$2,404,634</b>                 | <b>\$2,404,634</b>               | <b>\$2,404,634</b> |
| <b>ENDING UNRESTRICTED NET ASSETS</b>                 | <b>\$577,968</b>   | <b>\$100,000</b>   | <b>\$100,000</b>                   | <b>\$100,000</b>                 | <b>\$100,000</b>   |

Note: Ending Unrestricted Net Assets for FY 2010 does not agree to Beginning Unrestricted Net Assets for FY 2011 as Amended due to the difference in reporting capital outlay, debt service and certain revenue items in the CAFR and the Budget.

**Key Ratios:**

|   |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|
| General Fund Subsidy as a % of Total Expenditures | 10.2% | 11.0% | 20.6% | 20.6% | 20.6% |
|---|-------|-------|-------|-------|-------|



Airport Fund

|                                    | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|------------------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>REVENUE SUMMARY</b>             |                    |                    |                                    |                                  |                    |
| <b>REVENUE CENTERS</b>             |                    |                    |                                    |                                  |                    |
| Airfield Revenue Center            | \$119,994          | \$108,000          | \$90,000                           | \$90,000                         | \$90,000           |
| Terminal Revenue Center            | 1,417,396          | 1,263,669          | 1,046,883                          | 1,046,883                        | 1,046,883          |
| General Aviation Revenue Center    | 391,989            | 379,800            | 337,300                            | 337,300                          | 337,300            |
| Other Airport Revenue Center       | 209,730            | 208,600            | 213,500                            | 213,500                          | 213,500            |
| <b>TOTAL REVENUE CENTERS</b>       | <b>\$2,139,109</b> | <b>\$1,960,069</b> | <b>\$1,687,683</b>                 | <b>\$1,687,683</b>               | <b>\$1,687,683</b> |
| <b>TRANSFERS</b>                   |                    |                    |                                    |                                  |                    |
| Transfer from General Fund         | \$261,260          | \$271,120          | \$494,536                          | \$494,536                        | \$494,536          |
| <b>TOTAL TRANSFERS</b>             | <b>\$261,260</b>   | <b>\$271,120</b>   | <b>\$494,536</b>                   | <b>\$494,536</b>                 | <b>\$494,536</b>   |
| <b>MISCELLANEOUS REVENUE</b>       |                    |                    |                                    |                                  |                    |
| Interest                           | \$1,941            | \$4,000            | \$2,000                            | \$2,000                          | \$2,000            |
| Charges for Services               | 13,024             | 12,000             | 12,000                             | 12,000                           | 12,000             |
| State Airport Aid                  | 148,667            | 85,000             | 85,000                             | 85,000                           | 85,000             |
| Federal Security Aid               | 117,625            | 118,415            | 118,415                            | 118,415                          | 118,415            |
| All Other                          | 10,396             | 5,000              | 5,000                              | 5,000                            | 5,000              |
| <b>TOTAL MISCELLANEOUS REVENUE</b> | <b>\$291,653</b>   | <b>\$224,415</b>   | <b>\$222,415</b>                   | <b>\$222,415</b>                 | <b>\$222,415</b>   |
| <b>TOTAL REVENUES</b>              | <b>\$2,692,022</b> | <b>\$2,455,604</b> | <b>\$2,404,634</b>                 | <b>\$2,404,634</b>               | <b>\$2,404,634</b> |



## Airport Fund

|  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>                    |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                      | 14.0               | 14.0               | 14.0                               | 14.0                             | 14.0               |
| City Funded Part-Time                      | 0.7                | 0.7                | 0.7                                | 0.7                              | 0.7                |
| Grant Funded Full-Time                     | 3.0                | 3.0                | 3.0                                | 3.0                              | 3.0                |
| <b>TOTAL FTE</b>                           | <b>17.7</b>        | <b>17.7</b>        | <b>17.7</b>                        | <b>17.7</b>                      | <b>17.7</b>        |
| <b>EXPENDITURE BUDGET SUMMARY</b>          |                    |                    |                                    |                                  |                    |
| <b>DEPARTMENTAL EXPENDITURES</b>           |                    |                    |                                    |                                  |                    |
| Salaries                                   | \$567,156          | \$566,839          | \$559,339                          | \$559,339                        | \$559,339          |
| Employee Benefits                          | 214,246            | 230,709            | 233,496                            | 233,496                          | 233,496            |
| Contractual Services                       | 535,668            | 498,243            | 490,805                            | 490,805                          | 490,805            |
| Internal Service Charges                   | 34,603             | 35,830             | 39,043                             | 39,043                           | 39,043             |
| Other Charges                              | 366,705            | 353,750            | 366,000                            | 366,000                          | 366,000            |
| Payments to Other Funds                    | 155,119            | 171,113            | 168,784                            | 168,784                          | 168,784            |
| <b>TOTAL DEPARTMENTAL EXPENDITURES</b>     | <b>\$1,873,497</b> | <b>\$1,856,484</b> | <b>\$1,857,467</b>                 | <b>\$1,857,467</b>               | <b>\$1,857,467</b> |
| <b>NON-DEPARTMENTAL EXPENDITURES</b>       |                    |                    |                                    |                                  |                    |
| Security Personnel (Federal Program)       | \$120,207          | \$120,568          | \$120,568                          | \$120,568                        | \$120,568          |
| Non-Recurring Maintenance                  | 195,116            | 80,000             | 80,000                             | 80,000                           | 80,000             |
| Independent Financial Audit                | 10,330             | 10,688             | 9,824                              | 9,824                            | 9,824              |
| Uncollectible Accounts                     | 0                  | 5,000              | 2,500                              | 2,500                            | 2,500              |
| Other Non-Departmental                     | 38,941             | 67,152             | 64,484                             | 64,484                           | 64,484             |
| <b>TOTAL NON-DEPARTMENTAL EXPENDITURES</b> | <b>\$364,594</b>   | <b>\$283,408</b>   | <b>\$277,376</b>                   | <b>\$277,376</b>                 | <b>\$277,376</b>   |
| <b>DEBT SERVICE</b>                        |                    |                    |                                    |                                  |                    |
| Debt Service                               | \$324,342          | \$315,712          | \$269,791                          | \$269,791                        | \$269,791          |
| <b>TOTAL DEBT SERVICE</b>                  | <b>\$324,342</b>   | <b>\$315,712</b>   | <b>\$269,791</b>                   | <b>\$269,791</b>                 | <b>\$269,791</b>   |
| <b>TOTAL EXPENDITURES</b>                  | <b>\$2,562,433</b> | <b>\$2,455,604</b> | <b>\$2,404,634</b>                 | <b>\$2,404,634</b>               | <b>\$2,404,634</b> |



Airport Fund – Administration

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 4.0               | 4.0                | 4.0                                | 4.0                              | 4.0                |
| City Funded Part-Time   | 0.7               | 0.7                | 0.7                                | 0.7                              | 0.7                |
| <b>TOTAL FTE</b>        | <b>4.7</b>        | <b>4.7</b>         | <b>4.7</b>                         | <b>4.7</b>                       | <b>4.7</b>         |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$261,786         | \$258,893          | \$258,893                          | \$258,893                        | \$258,893          |
| Employee Benefits       | 87,111            | 94,759             | 95,262                             | 95,262                           | 95,262             |
| Contractual Services    | 140,002           | 100,500            | 98,000                             | 98,000                           | 98,000             |
| Other Charges           | 24,684            | 29,900             | 24,900                             | 24,900                           | 24,900             |
| Payments to Other Funds | 155,119           | 171,113            | 168,784                            | 168,784                          | 168,784            |
| <b>TOTAL</b>            | <b>\$668,702</b>  | <b>\$655,165</b>   | <b>\$645,839</b>                   | <b>\$645,839</b>                 | <b>\$645,839</b>   |

**Airport Fund – Administration Budget Description**

The Department Requested FY 2012 Airport Fund – Administration budget of \$645,839 represents a 1.4% decrease of \$9,326 compared to the Adopted FY 2011 budget of \$655,165.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$2,500 decrease in Contractual Services reflecting a reduction in the use of outside consultants.
- \$5,000 decrease in Other Charges reflecting a reduction in training and conferences.
- \$2,329 decrease in Payments to Other Funds reflecting indirect cost and self-insurance estimates.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Airport Fund – Administration budget was adopted by City Council without changes.



Airport Fund – Terminal

|                          | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| City Funded Full-Time    | 6                 | 6                  | 6                                  | 6                                | 6                  |
| <b>TOTAL FTE</b>         | <b>6</b>          | <b>6</b>           | <b>6</b>                           | <b>6</b>                         | <b>6</b>           |
| <b>BUDGET SUMMARY</b>    |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                   |                    |                                    |                                  |                    |
| Salaries                 | \$159,495         | \$165,923          | \$160,923                          | \$160,923                        | \$160,923          |
| Employee Benefits        | 71,093            | 76,193             | 77,609                             | 77,609                           | 77,609             |
| Contractual Services     | 97,017            | 108,243            | 104,705                            | 104,705                          | 104,705            |
| Internal Service Charges | 16,529            | 16,684             | 11,890                             | 11,890                           | 11,890             |
| Other Charges            | 185,181           | 168,450            | 180,850                            | 180,850                          | 180,850            |
| <b>TOTAL</b>             | <b>\$529,315</b>  | <b>\$535,493</b>   | <b>\$535,977</b>                   | <b>\$535,977</b>                 | <b>\$535,977</b>   |

**Airport Fund – Terminal Budget Description**

The Department Requested FY 2012 Airport Fund – Terminal budget of \$535,977 represents a 0.1% increase of \$484 compared to the Adopted FY 2011 budget of \$535,493.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$3,584 decrease in Salaries and Employee Benefits reflecting a reduction in overtime, as well as changes in health, dental, and life insurance rates.
- \$3,538 decrease in Contractual Services reflecting reductions in maintenance and repair costs, as well as financial security expenses.
- \$4,794 decrease in Internal Service Charges reflecting Fleet Administration estimates.
- \$12,400 increase in Other Charges reflecting utility costs for a new Airport Rescue and Firefighting Facility.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Airport Fund – Terminal budget was adopted by City Council without changes.



Airport Fund – Airfield

|                          | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| City Funded Full-Time    | 3                 | 3                  | 3                                  | 3                                | 3                  |
| <b>TOTAL FTE</b>         | <b>3</b>          | <b>3</b>           | <b>3</b>                           | <b>3</b>                         | <b>3</b>           |
| <b>BUDGET SUMMARY</b>    |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                   |                    |                                    |                                  |                    |
| Salaries                 | \$115,912         | \$110,060          | \$110,060                          | \$110,060                        | \$110,060          |
| Employee Benefits        | 44,420            | 47,253             | 48,001                             | 48,001                           | 48,001             |
| Contractual Services     | 20,827            | 13,700             | 13,700                             | 13,700                           | 13,700             |
| Internal Service Charges | 17,033            | 18,346             | 26,253                             | 26,253                           | 26,253             |
| Other Charges            | 80,913            | 77,400             | 78,250                             | 78,250                           | 78,250             |
| <b>TOTAL</b>             | <b>\$279,105</b>  | <b>\$266,759</b>   | <b>\$276,264</b>                   | <b>\$276,264</b>                 | <b>\$276,264</b>   |

**Airport Fund – Airfield Budget Description**

The Department Requested FY 2012 Airport Fund – Airfield budget of \$276,264 represents a 3.6% increase of \$9,505 compared to the Adopted FY 2011 budget of \$266,759.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$748 increase in Employee Benefits reflecting changes in health, dental, and life insurance rates.
- \$7,907 increase in Internal Service Charges reflecting Fleet Administration estimates.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Airport Fund – Airfield budget was adopted by City Council without changes.



Airport Fund – General Aviation

|                         | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 1                 | 1                  | 1                                  | 1                                | 1                  |
| <b>TOTAL FTE</b>        | <b>1</b>          | <b>1</b>           | <b>1</b>                           | <b>1</b>                         | <b>1</b>           |
| <b>BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>     |                   |                    |                                    |                                  |                    |
| Salaries                | \$24,701          | \$27,963           | \$25,463                           | \$25,463                         | \$25,463           |
| Employee Benefits       | 11,223            | 12,198             | 12,318                             | 12,318                           | 12,318             |
| Contractual Services    | 531               | 5,800              | 4,750                              | 4,750                            | 4,750              |
| Other Charges           | 16,442            | 13,200             | 13,950                             | 13,950                           | 13,950             |
| <b>TOTAL</b>            | <b>\$52,897</b>   | <b>\$59,161</b>    | <b>\$56,481</b>                    | <b>\$56,481</b>                  | <b>\$56,481</b>    |

**Airport Fund – General Aviation Budget Description**

The Department Requested FY 2012 Airport Fund – General Aviation budget of \$56,481 represents a 4.5% decrease of \$2,680 compared to the Adopted FY 2011 budget of \$59,161.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$2,380 decrease in Salaries and Employee Benefits reflecting a reduction in overtime, as well as changes in health, dental, and life insurance rates.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Airport Fund – General Aviation budget was adopted by City Council without changes.



**Airport Fund – Other Operations**

|                       | <b>Actual<br/>FY 2010</b> | <b>Adopted<br/>FY 2011</b> | <b>Department<br/>Requested<br/>FY 2012</b> | <b>Manager's<br/>Proposed<br/>FY 2012</b> | <b>Adopted<br/>FY 2012</b> |
|-----------------------|---------------------------|----------------------------|---|---|----------------------------|
| <b>BUDGET SUMMARY</b> |                           |                            |   |   |                            |
| <b>EXPENDITURES</b>   |                           |                            |   |   |                            |
| Contractual Services  | \$20,751                  | \$22,000                   | \$21,600                                    | \$21,600                                  | \$21,600                   |
| Other Charges         | 42,851                    | 39,200                     | 40,350                                      | 40,350                                    | 40,350                     |
| <b>TOTAL</b>          | <b>\$63,602</b>           | <b>\$61,200</b>            | <b>\$61,950</b>                             | <b>\$61,950</b>                           | <b>\$61,950</b>            |

**Airport Fund – Other Operations Budget Description**

The Department Requested FY 2012 Airport Fund – Other Operations budget of \$61,950 represents a 1.2% increase of \$750 compared to the Adopted FY 2011 budget of \$61,200.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$1,100 increase in Other Charges reflecting additional utility costs.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Airport Fund – Other Operations budget was adopted by City Council without changes.



Airport Fund – Safety (Law Enforcement)

|                          | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| Grant Funded Full-Time   | 3                 | 3                  | 3                                  | 3                                | 3                  |
| <b>TOTAL FTE</b>         | <b>3</b>          | <b>3</b>           | <b>3</b>                           | <b>3</b>                         | <b>3</b>           |
| <b>BUDGET SUMMARY</b>    |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                   |                    |                                    |                                  |                    |
| Salaries                 | \$111,664         | \$112,000          | \$112,000                          | \$112,000                        | \$112,000          |
| Employee Benefits        | 8,542             | 8,568              | 8,568                              | 8,568                            | 8,568              |
| Contractual Services     | 241,670           | 243,000            | 243,050                            | 243,050                          | 243,050            |
| Internal Service Charges | 733               | 500                | 500                                | 500                              | 500                |
| Other Charges            | 16,267            | 15,100             | 17,350                             | 17,350                           | 17,350             |
| <b>TOTAL</b>             | <b>\$378,876</b>  | <b>\$379,168</b>   | <b>\$381,468</b>                   | <b>\$381,468</b>                 | <b>\$381,468</b>   |

**Airport Fund – Safety (Law Enforcement) Budget Description**

The Department Requested FY 2012 Airport Fund – Safety (Law Enforcement) budget of \$381,468 represents a 0.6% increase of \$2,300 compared to the Adopted FY 2011 budget of \$379,168.

Significant change introduced in the Department Requested FY 2012 budget:

- \$2,250 increase in Other Charges reflecting historical costs.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Airport Fund – Safety (Law Enforcement) budget was adopted by City Council without changes.



**Airport Fund – Snow Removal**

|                          | <b>Actual<br/>FY 2010</b> | <b>Adopted<br/>FY 2011</b> | <b>Department<br/>Requested<br/>FY 2012</b> | <b>Manager's<br/>Proposed<br/>FY 2012</b> | <b>Adopted<br/>FY 2012</b> |
|--------------------------|---------------------------|----------------------------|---|---|----------------------------|
| <b>BUDGET SUMMARY</b>    |                           |                            |   |   |                            |
| <b>EXPENDITURES</b>      |                           |                            |   |   |                            |
| Salaries                 | \$5,262                   | \$4,000                    | \$4,000                                     | \$4,000                                   | \$4,000                    |
| Employee Benefits        | 399                       | 306                        | 306   | 306                                       | 306                        |
| Contractual Services     | 14,870                    | 5,000                      | 5,000                                       | 5,000                                     | 5,000                      |
| Internal Service Charges | 308                       | 300                        | 400   | 400                                       | 400                        |
| Other Charges            | 367                       | 10,500                     | 10,350                                      | 10,350                                    | 10,350                     |
| <b>TOTAL</b>             | <b>\$21,206</b>           | <b>\$20,106</b>            | <b>\$20,056</b>                             | <b>\$20,056</b>                           | <b>\$20,056</b>            |

***Airport Fund – Snow Removal Budget Description***

The Department Requested FY 2012 Airport Fund – Snow Removal budget of \$20,056 represents no significant change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Airport Fund – Snow Removal budget was adopted by City Council without changes.

**Airport Fund Performance Measures****Goal 1:**

Attract additional passengers, increase airport revenues, and contribute to the City's overall economic development potential.

**Objective:**

Increase the number of daily departure seats available from the Airport by attracting additional airline service.

| <b>Performance Measure:</b>             | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| Average available daily departure seats | 318                   | 307                      | 353                       | 261                      |

**Analysis of the Data:**

The loss of Delta Airlines service in January 2011 has reduced the number of daily flights arriving at and departing from Lynchburg Regional Airport; therefore, the average available daily departure seats for the remainder of FY 2011 and into FY 2012 will decrease. Airport management is working to attract another airline and/or negotiate with US Airways to add flights.

**Goal 2:**

Produce additional direct and secondary revenue to the Airport.

**Objective:**

Increase airline passenger traffic served by the Airport.

| <b>Performance Measure:</b> | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|-----------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Passenger traffic           | 178,387               | 162,000                  | 97,139                    | 130,000                  |

**Analysis of the Data:**

The loss of Delta Airlines service in January 2011 will have a significant direct and indirect impact on airport revenues. Replacing Delta Airlines service with another airline or additional US Airways service will be the major focus of airport management.

**Goal 3:**

Eliminate the annual operating subsidy from the City to the Airport by FY 2013.

**Objective:**

Reduce annually the operating subsidy from the City to the Airport.

| <b>Performance Measure:</b> | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|-----------------------------|-----------------------|--------------------------|---------------------------|--------------------------|
| Operating Subsidy           | \$261,260             | \$260,000                | \$135,000                 | \$467,112                |

**Analysis of the Data:**

The annual subsidy has declined each year since a high of \$614,530 in FY 2002. Unfortunately, the loss of Delta Airlines service will make it unlikely that the operating subsidy can be reduced or eliminated in the foreseeable future.

**Benchmark Localities:**

There is no other locality in Virginia which owns a commercial service airport.



***HISTORICAL FACT:***

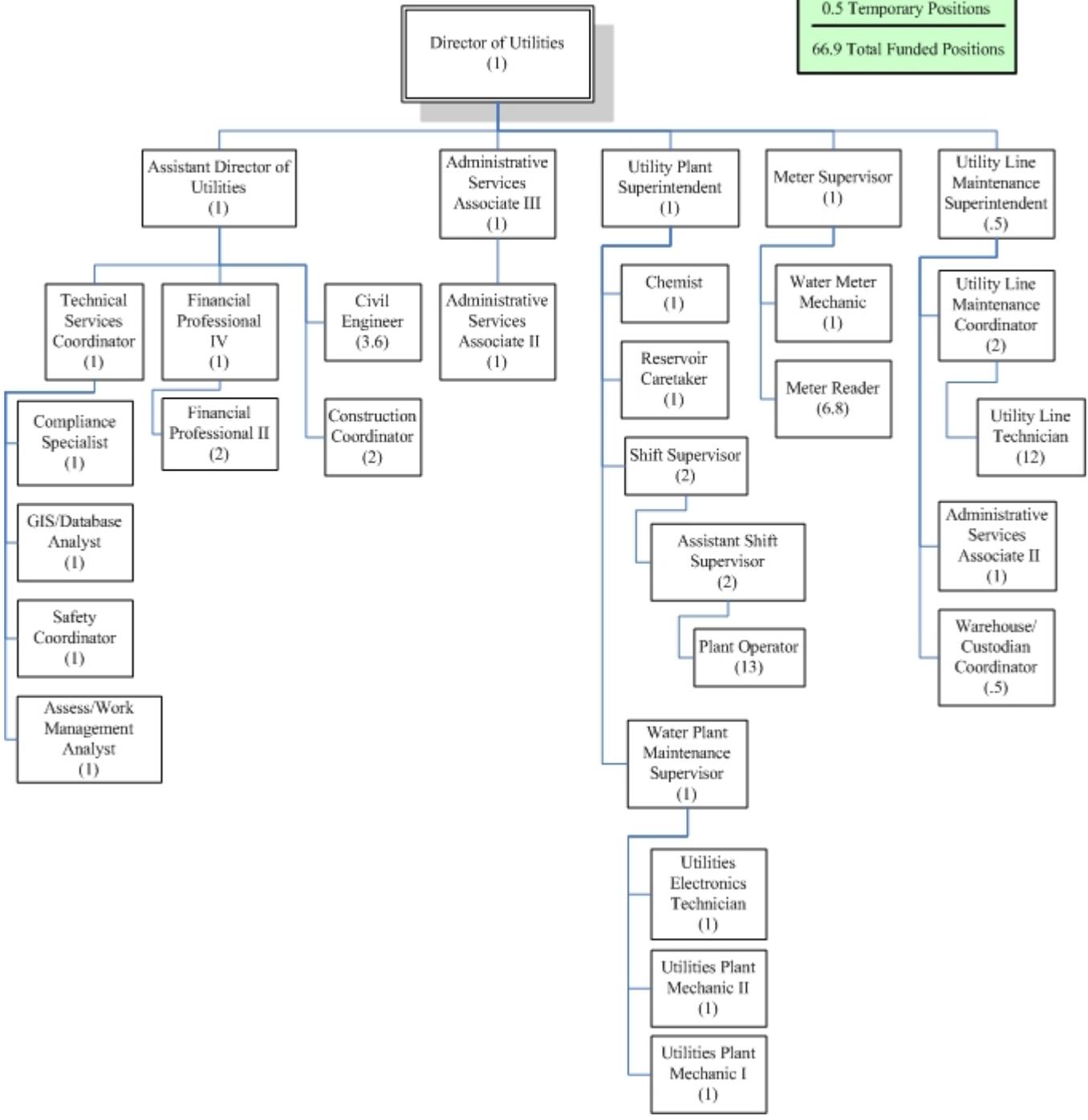
*From April 6 to 10, 1865, Lynchburg served as the capital of Virginia. Under Governor William Smith, the executive and legislative branches of the Commonwealth moved to Lynchburg for the few days between the fall of Richmond and the fall of the Confederacy.*





DEPARTMENT OF UTILITIES  
WATER FUND

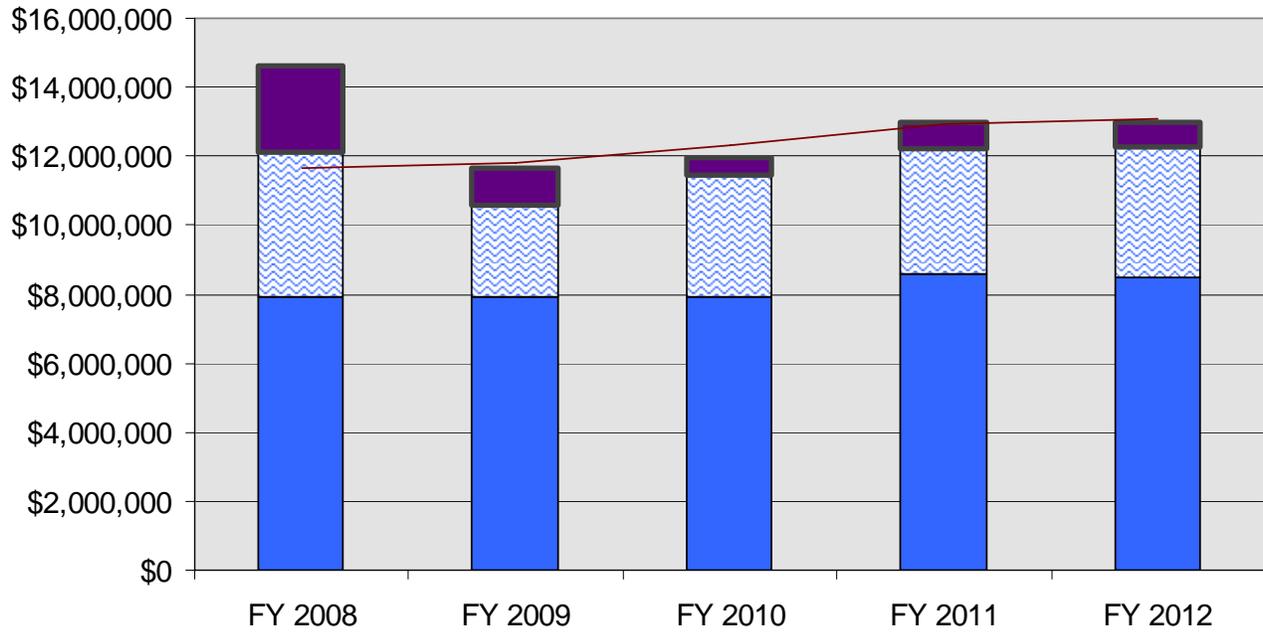
**POSITION SUMMARY**  
 .....  
 66.4 City Funded Positions  
 0.5 Temporary Positions  
 66.9 Total Funded Positions





**Water Fund.** Lynchburg has one of the nation’s oldest public water systems. Today, the system is managed by the Utilities Department and furnishes safe drinking water to 70,000 City residents and businesses. It also delivers water to Amherst, Bedford, and Campbell Counties under wholesale contract agreements. Lynchburg’s raw water comes from the Pedlar Reservoir, a protected watershed in the George Washington National Forest and from the James River. The system can deliver up to 26 million gallons of water a day from two water treatment plants. Total treated water storage capacity is approximately 33 million gallons. Water is delivered through a 450-mile network of transmission and distribution lines, 12 water storage tanks and 7 major pump stations.

### Revenues & Expenses





Water Fund

|                                     | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|-------------------------------------|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>WATER FUND DEBT COVERAGE</b>     |                     |                     |                                    |                                  |                     |
| <b>REVENUES</b>                     |                     |                     |                                    |                                  |                     |
| Charges for Services                | \$9,307,173         | \$9,836,403         | \$10,055,909                       | \$10,055,909                     | \$10,055,909        |
| Water Contracts                     | 2,720,445           | 2,955,715           | 2,649,695                          | 2,649,695                        | 2,649,695           |
| Interest and Other                  | 284,012             | 157,500             | 380,600                            | 380,600                          | 380,600             |
| <b>TOTAL REVENUES</b>               | <b>\$12,311,630</b> | <b>\$12,949,618</b> | <b>\$13,086,204</b>                | <b>\$13,086,204</b>              | <b>\$13,086,204</b> |
| <b>EXPENDITURES</b>                 |                     |                     |                                    |                                  |                     |
| Water Treatment                     | \$2,863,241         | \$3,101,742         | \$3,109,528                        | \$3,109,528                      | \$3,109,528         |
| Water Line Maintenance              | 1,602,505           | 1,542,902           | 1,550,560                          | 1,550,560                        | 1,550,560           |
| Meter Reading                       | 860,679             | 888,153             | 895,496                            | 895,496                          | 895,496             |
| Administration/Engineering          | 2,447,917           | 2,866,104           | 2,727,942                          | 2,727,942                        | 2,727,942           |
| Non-Departmental                    | 169,367             | 218,366             | 203,482                            | 203,482                          | 203,482             |
| Project Costs Charged to Operations | 396,509             | 0                   | 0                                  | 0                                | 0                   |
| <b>TOTAL EXPENDITURES</b>           | <b>\$8,340,219</b>  | <b>\$8,617,267</b>  | <b>\$8,487,008</b>                 | <b>\$8,487,008</b>               | <b>\$8,487,008</b>  |
| <b>OPERATING INCOME</b>             | <b>\$3,971,411</b>  | <b>\$4,332,351</b>  | <b>\$4,599,196</b>                 | <b>\$4,599,196</b>               | <b>\$4,599,196</b>  |
| Debt Service                        | \$3,510,449         | \$3,662,585         | \$3,782,678                        | \$3,782,678                      | \$3,782,678         |
| <b>NET REVENUE</b>                  | <b>\$460,962</b>    | <b>\$669,766</b>    | <b>\$816,518</b>                   | <b>\$816,518</b>                 | <b>\$816,518</b>    |
| Debt Coverage Ratio Target          | 1.20                | 1.20                | 1.20                               | 1.20                             | 1.20                |
| Debt Coverage Ratio                 | 1.13                | 1.18                | 1.22                               | 1.22                             | 1.22                |

Debt service for FY 2012 is offset by \$258,600, which is primarily related to interest rebates applicable to Build America Bonds. Debt coverage for rate setting purposes is 1.31.



## Water Fund

|   | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|---|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>WATER FUND POSITION SUMMARY</b>                    |                     |                     |                                    |                                  |                     |
| City Funded Full-Time <sup>1</sup>                    | 67.0                | 67.0                | 65.0                               | 65.0                             | 65.0                |
| City Funded Part-Time                                 | 1.4                 | 1.4                 | 1.4                                | 1.4                              | 1.4                 |
| City Funded Temporary                                 | 0.0                 | 0.0                 | 0.5                                | 0.5                              | 0.5                 |
| <b>TOTAL FTE</b>                                      | <b>68.4</b>         | <b>68.4</b>         | <b>66.9</b>                        | <b>66.9</b>                      | <b>66.9</b>         |
| <b>WATER FUND SUMMARY</b>                             |                     |                     |                                    |                                  |                     |
| <b>BEGINNING NET ASSETS</b>                           | \$32,600,442        |                     |                                    |                                  |                     |
| Less: Invested in Capital Assets, net of related debt | (27,819,475)        |                     |                                    |                                  |                     |
| <b>BEGINNING UNRESTRICTED NET ASSETS</b>              | <b>\$4,780,967</b>  | <b>\$4,800,615</b>  | <b>\$4,504,515</b>                 | <b>\$4,504,515</b>               | <b>\$4,504,515</b>  |
| <b>REVENUES</b>                                       |                     |                     |                                    |                                  |                     |
| Charges for Services                                  | \$9,307,173         | \$9,836,403         | \$10,055,909                       | \$10,055,909                     | \$10,055,909        |
| Water Contracts                                       | 2,720,445           | 2,955,715           | 2,649,695                          | 2,649,695                        | 2,649,695           |
| Interest and Other                                    | 284,012             | 157,500             | 380,600                            | 380,600                          | 380,600             |
| <b>TOTAL REVENUES</b>                                 | <b>\$12,311,630</b> | <b>\$12,949,618</b> | <b>\$13,086,204</b>                | <b>\$13,086,204</b>              | <b>\$13,086,204</b> |
| <b>EXPENDITURES</b>                                   |                     |                     |                                    |                                  |                     |
| Departmental <sup>1</sup>                             | \$7,774,247         | \$8,352,901         | \$8,283,526                        | \$8,283,526                      | \$8,283,526         |
| Non-departmental                                      | 169,367             | 218,366             | 203,482                            | 203,482                          | 203,482             |
| Equipment Purchases                                   | 99                  | 46,000              | 0                                  | 0                                | 0                   |
| Transfer - Capital                                    | 500,000             | 700,000             | 700,000                            | 700,000                          | 700,000             |
| Debt Service  | 3,510,449           | 3,662,585           | 3,782,678                          | 3,782,678                        | 3,782,678           |
| <b>TOTAL EXPENDITURES</b>                             | <b>\$11,954,162</b> | <b>\$12,979,852</b> | <b>\$12,969,686</b>                | <b>\$12,969,686</b>              | <b>\$12,969,686</b> |
| <b>ENDING UNRESTRICTED NET ASSETS</b>                 | <b>\$5,138,435</b>  | <b>\$4,770,381</b>  | <b>\$4,621,033</b>                 | <b>\$4,621,033</b>               | <b>\$4,621,033</b>  |

Note: Ending Unrestricted Net Assets for FY 2010 does not agree to Beginning Unrestricted Net Assets for FY 2011 as Amended due to the difference in reporting capital outlay, debt service and certain revenue items in the CAFR and the Budget.

<sup>1</sup> Beginning July 1, 2010, the Water Fund assumed salary and employee benefit costs associated with three positions; supervision will remain in the General Fund.



## Water Fund

|                                   | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|-----------------------------------|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>WATER FUND REVENUE SUMMARY</b> |                     |                     |                                    |                                  |                     |
| <b>CHARGES FOR SERVICES</b>       |                     |                     |                                    |                                  |                     |
| Water Sales - Inside City         | \$6,791,713         | \$7,088,640         | \$7,388,160                        | \$7,388,160                      | \$7,388,160         |
| General Fund Hydrant Rental       | 351,900             | 351,900             | 351,900                            | 351,900                          | 351,900             |
| Cut-on/late Charges               | 96,078              | 91,000              | 92,000                             | 92,000                           | 92,000              |
| Delinquent Account Fees           | 78,671              | 85,000              | 85,000                             | 85,000                           | 85,000              |
| Fire Protection Fees              | 85,176              | 85,363              | 99,349                             | 99,349                           | 99,349              |
| Connection Fees                   | 68,422              | 60,000              | 60,000                             | 60,000                           | 60,000              |
| Availability Fees                 | 82,970              | 45,000              | 60,000                             | 60,000                           | 60,000              |
| Account Charges                   | 591,657             | 600,000             | 600,000                            | 600,000                          | 600,000             |
| Water Cost Plus                   | 28,934              | 29,000              | 30,000                             | 30,000                           | 30,000              |
| Sewer Fund Charges                | 1,100,000           | 1,381,000           | 1,275,000                          | 1,275,000                        | 1,275,000           |
| All Others                        | 31,651              | 19,500              | 14,500                             | 14,500                           | 14,500              |
| <b>TOTAL CHARGES FOR SERVICES</b> | <b>\$9,307,173</b>  | <b>\$9,836,403</b>  | <b>\$10,055,909</b>                | <b>\$10,055,909</b>              | <b>\$10,055,909</b> |
| <b>WATER CONTRACTS</b>            |                     |                     |                                    |                                  |                     |
| Counties                          |                     |                     |                                    |                                  |                     |
| Amherst                           | \$109,785           | \$110,000           | \$112,200                          | \$112,200                        | \$112,200           |
| Bedford                           | 1,536,978           | 1,664,640           | 1,539,963                          | 1,539,963                        | 1,539,963           |
| Campbell                          | 465,073             | 533,725             | 458,132                            | 458,132                          | 458,132             |
| Industrial                        |                     |                     |                                    |                                  |                     |
| Rock Tenn                         | 459,817             | 484,000             | 372,000                            | 372,000                          | 372,000             |
| Frito Lay                         | 148,792             | 163,350             | 167,400                            | 167,400                          | 167,400             |
| <b>TOTAL CONTRACTS</b>            | <b>\$2,720,445</b>  | <b>\$2,955,715</b>  | <b>\$2,649,695</b>                 | <b>\$2,649,695</b>               | <b>\$2,649,695</b>  |
| <b>INTEREST AND OTHER</b>         |                     |                     |                                    |                                  |                     |
| Interest                          | \$22,207            | \$150,000           | \$120,000                          | \$120,000                        | \$120,000           |
| All Other                         | 261,805             | 7,500               | 260,600                            | 260,600                          | 260,600             |
| <b>TOTAL INTEREST AND OTHER</b>   | <b>\$284,012</b>    | <b>\$157,500</b>    | <b>\$380,600</b>                   | <b>\$380,600</b>                 | <b>\$380,600</b>    |
| <b>TOTAL REVENUES</b>             | <b>\$12,311,630</b> | <b>\$12,949,618</b> | <b>\$13,086,204</b>                | <b>\$13,086,204</b>              | <b>\$13,086,204</b> |



## Water Fund

|                                      | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|--------------------------------------|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>WATER FUND EXPENSE SUMMARY</b>    |                     |                     |                                    |                                  |                     |
| <b>DEPARTMENTAL</b>                  |                     |                     |                                    |                                  |                     |
| Salaries <sup>1</sup>                | \$2,828,388         | \$3,071,854         | \$2,905,388                        | \$2,905,388                      | \$2,905,388         |
| Employee Benefits <sup>1</sup>       | 1,052,022           | 1,239,712           | 1,181,777                          | 1,181,777                        | 1,181,777           |
| Contractual Services                 | 582,025             | 551,876             | 608,984                            | 608,984                          | 608,984             |
| Chemicals                            | 378,446             | 496,400             | 496,400                            | 496,400                          | 496,400             |
| Telecommunications                   | 25,625              | 29,750              | 32,750                             | 32,750                           | 32,750              |
| Utilities-Water Treatment Plant      | 686,755             | 657,600             | 719,457                            | 719,457                          | 719,457             |
| Supplies and Materials               | 974,640             | 940,470             | 956,920                            | 956,920                          | 956,920             |
| Indirect Costs                       | 756,622             | 856,622             | 807,321                            | 807,321                          | 807,321             |
| Self-Insurance                       | 148,191             | 148,191             | 146,529                            | 146,529                          | 146,529             |
| Public Works Engineering Charges     | 0                   | 0                   | 75,000                             | 75,000                           | 75,000              |
| All Other                            | 341,533             | 360,426             | 353,000                            | 353,000                          | 353,000             |
| <b>TOTAL DEPARTMENTAL</b>            | <b>\$7,774,247</b>  | <b>\$8,352,901</b>  | <b>\$8,283,526</b>                 | <b>\$8,283,526</b>               | <b>\$8,283,526</b>  |
| <b>NON-DEPARTMENTAL</b>              |                     |                     |                                    |                                  |                     |
| Financial Audit                      | \$21,952            | \$22,712            | \$22,000                           | \$22,000                         | \$22,000            |
| Interest on Customer Deposits        | 6,542               | 15,914              | 10,000                             | 10,000                           | 10,000              |
| Allowance for Uncollectible Accounts | 10,631              | 25,750              | 20,000                             | 20,000                           | 20,000              |
| Utility Billing Upgrades             | 325                 | 3,000               | 3,000                              | 3,000                            | 3,000               |
| Retiree Benefits                     | 129,917             | 150,990             | 148,482                            | 148,482                          | 148,482             |
| <b>TOTAL NON-DEPARTMENTAL</b>        | <b>\$169,367</b>    | <b>\$218,366</b>    | <b>\$203,482</b>                   | <b>\$203,482</b>                 | <b>\$203,482</b>    |
| <b>CAPITAL AND TRANSFERS</b>         |                     |                     |                                    |                                  |                     |
| Transfer to Water Capital Fund       | \$500,000           | \$700,000           | \$700,000                          | \$700,000                        | \$700,000           |
| Capital Purchases                    | 99                  | 46,000              | 0                                  | 0                                | 0                   |
| <b>TOTAL CAPITAL AND TRANSFERS</b>   | <b>\$500,099</b>    | <b>\$746,000</b>    | <b>\$700,000</b>                   | <b>\$700,000</b>                 | <b>\$700,000</b>    |
| Debt Service                         | \$3,510,449         | \$3,662,585         | \$3,782,678                        | \$3,782,678                      | \$3,782,678         |
| <b>TOTAL EXPENDITURES</b>            | <b>\$11,954,162</b> | <b>\$12,979,852</b> | <b>\$12,969,686</b>                | <b>\$12,969,686</b>              | <b>\$12,969,686</b> |

<sup>1</sup> Beginning July 1, 2010, the Water Fund assumed salary and employee benefit costs, but not supervision, of three positions in the General Fund.



**Department of Utilities Water Fund – Administration/Engineering Division.** Leadership, management and administrative support are provided for all water and wastewater functions, including the operation and maintenance of two water treatment plants and one wastewater treatment plant, a surface water reservoir on the Pedlar River, 33 million gallons of system storage, water distribution lines, storm water lines and basins, sanitary sewers, sewer separation projects, and meter reading. Functions include serving as governmental and regulatory liaison, managing the City’s Combined Sewer Overflow (CSO) program, providing engineering support, ensuring compliance with environmental regulations, financial and human resource management, safety and security coordination, technical services, cross connection control and backflow programs, and other administrative duties. Services for which oversight is provided are federally mandated by the Safe Drinking Water Act and the Clean Water Act. Oversight is provided by the Virginia Department of Health, the Virginia Department of Environmental Quality, the Virginia Department of Conservation and Recreation, and the Environmental Protection Agency.

|                                    | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|------------------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>            |                    |                    |                                    |                                  |                    |
| City Funded Full-Time <sup>1</sup> | 18.0               | 19.0               | 18.0                               | 18.0                             | 18.0               |
| City Funded Part-Time              | 0.6                | 0.6                | 0.6                                | 0.6                              | 0.6                |
| City Funded Temporary              | 0.0                | 0.0                | 0.5                                | 0.5                              | 0.5                |
| <b>TOTAL FTE</b>                   | <b>18.6</b>        | <b>19.6</b>        | <b>19.1</b>                        | <b>19.1</b>                      | <b>19.1</b>        |
| <b>BUDGET SUMMARY</b>              |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                |                    |                    |                                    |                                  |                    |
| Salaries <sup>1</sup>              | \$1,016,363        | \$1,210,046        | \$1,068,683                        | \$1,068,683                      | \$1,068,683        |
| Employee Benefits <sup>1</sup>     | 353,529            | 470,292            | 416,809                            | 416,809                          | 416,809            |
| Contractual Services               | 94,569             | 87,740             | 101,540                            | 101,540                          | 101,540            |
| Internal Service Charges           | 19,633             | 19,353             | 22,100                             | 22,100                           | 22,100             |
| Other Charges                      | 963,724            | 1,078,673          | 1,118,810                          | 1,118,810                        | 1,118,810          |
| Capital Outlay                     | 99                 | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL</b>                       | <b>\$2,447,917</b> | <b>\$2,866,104</b> | <b>\$2,727,942</b>                 | <b>\$2,727,942</b>               | <b>\$2,727,942</b> |

<sup>1</sup> Beginning July 1, 2010, the Water Fund assumed salary and employee benefit cost, but not supervision, of three positions in the General Fund.



***Utilities Water Fund – Administration/Engineering Division Budget Description***

The Department Requested FY 2012 Utilities Water Fund – Administration/Engineering Division budget of \$2,727,942 represents a 4.8% decrease of \$138,162 compared to the Adopted FY 2011 budget of \$2,866,104.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$194,846 decrease in Salaries and Employee Benefits primarily reflecting the transfer of the CSO/Water Quality Manager to Sewer Line Maintenance (50%) and Stormwater (50%), and the transfer of an engineering position to Stormwater.
- \$13,800 increase in Contractual Services reflecting a \$10,000 increase in fiscal services and a \$2,800 increase for software upgrades.
- \$2,747 increase in Internal Service Charges reflecting Fleet Administration estimates.
- \$40,137 increase in Other Charges reflecting a decrease in indirect costs and the addition of an engineering service charges line item for \$75,000 allowing General Fund engineering personnel to charge time spent on Water Fund projects.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Utilities Water Fund – Administration/Engineering Division budget was adopted by City Council without changes.



Department of Utilities Water Fund – Meter Reading Division. Meter Readers record water meter readings for over 22,000 accounts every month, which serve as the basis for monthly water and sewer billings. Personnel replace meters on a schedule intended to assure accurate recording of consumption. Two inch and larger meters are replaced or calibrated on a regular basis as recommended by the American Water Works Association. Residential meters are replaced as needed but not less than every 15 years. Meter readers also install automated meter reading (AMR) equipment throughout the system to increase efficiency and safety. At the direction of the Billing and Collections Utility Billing Division of Finance, Meters Readers investigate unusual consumption, activate or deactivate water service, and investigate customer complaints for meter reading issues. The Meter Reading Division is also responsible for testing and maintenance of all pressure reducing valves in the water system.

|                          | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| City Funded Full-Time    | 8.0               | 8.0                | 8.0                                | 8.0                              | 8.0                |
| City Funded Part-Time    | 0.8               | 0.8                | 0.8                                | 0.8                              | 0.8                |
| <b>TOTAL FTE</b>         | <b>8.8</b>        | <b>8.8</b>         | <b>8.8</b>                         | <b>8.8</b>                       | <b>8.8</b>         |
| <b>BUDGET SUMMARY</b>    |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                   |                    |                                    |                                  |                    |
| Salaries                 | \$241,558         | \$262,524          | \$266,809                          | \$266,809                        | \$266,809          |
| Employee Benefits        | 97,512            | 110,524            | 114,131                            | 114,131                          | 114,131            |
| Contractual Services     | 46,514            | 33,996             | 36,096                             | 36,096                           | 36,096             |
| Internal Service Charges | 43,905            | 53,349             | 50,700                             | 50,700                           | 50,700             |
| Other Charges            | 431,190           | 427,760            | 427,760                            | 427,760                          | 427,760            |
| <b>TOTAL</b>             | <b>\$860,679</b>  | <b>\$888,153</b>   | <b>\$895,496</b>                   | <b>\$895,496</b>                 | <b>\$895,496</b>   |

**Utilities Water Fund – Meter Reading Division Budget Description**

The Department Requested FY 2012 Utilities Water Fund – Meter Reading Division budget of \$895,496 represents a 0.8% increase of \$7,343 compared to the Adopted FY 2011 budget of \$888,153.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$7,892 increase in Salaries and Employee Benefits reflecting lower than anticipated personnel costs, as well as changes in health, dental, and life insurance rates.
- \$2,100 increase in Contractual Services for software upgrades.
- \$2,649 decrease in Internal Service Charges reflecting Fleet Administration estimates.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Utilities Water Fund – Meter Reading Division budget was adopted by City Council without changes.



**Department of Utilities Water Fund – Water Line Maintenance Division.** Provides installation, maintenance, and repair of water lines, water services, hydrants, and valves. Responds to customer complaints, investigates, and initiates remedial action. Maintains records on the date of repairs, the length of service and the types of materials and equipment used. The water distribution system continually delivers treated water, under pressure, to customers. Services are federally mandated by the Safe Drinking Water Act. Oversight is provided by the Virginia Department of Health.

|                          | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                    |                    |                                    |                                  |                    |
| City Funded Full-Time    | 16                 | 16                 | 15                                 | 15                               | 15                 |
| <b>TOTAL FTE</b>         | <b>16</b>          | <b>16</b>          | <b>15</b>                          | <b>15</b>                        | <b>15</b>          |
| <b>BUDGET SUMMARY</b>    |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                    |                    |                                    |                                  |                    |
| Salaries                 | \$633,184          | \$612,361          | \$601,340                          | \$601,340                        | \$601,340          |
| Employee Benefits        | 230,848            | 248,459            | 240,638                            | 240,638                          | 240,638            |
| Contractual Services     | 161,301            | 160,574            | 195,782                            | 195,782                          | 195,782            |
| Internal Service Charges | 156,017            | 139,258            | 125,550                            | 125,550                          | 125,550            |
| Other Charges            | 421,156            | 382,250            | 387,250                            | 387,250                          | 387,250            |
| <b>TOTAL</b>             | <b>\$1,602,505</b> | <b>\$1,542,902</b> | <b>\$1,550,560</b>                 | <b>\$1,550,560</b>               | <b>\$1,550,560</b> |

***Utilities Water Fund – Water Line Maintenance Division Budget Description***

The Department Requested FY 2012 Utilities Water Fund – Water Line Maintenance Division budget of \$1,550,560 represents a 0.5% increase of \$7,658 compared to the Adopted FY 2011 budget of \$1,542,902.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$18,842 decrease in Salaries and Employee Benefits reflecting the transfer of a Utility Line Technician position to Stormwater, as well as changes in health, dental, and life insurance rates.
- \$35,208 increase in Contractual Services reflecting a \$20,000 increase for repairs made by annual contractors, an increase of \$10,000 for reimbursing citizens for clean-up associated with water line breaks, and \$5,208 for software maintenance and upgrades.
- \$13,708 decrease in Internal Service Charges reflecting Fleet Administration estimates.
- \$5,000 increase in Other Charges due to an increase in minor equipment.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Utilities Water Fund – Water Line Maintenance Division budget was adopted by City Council without changes.



**Department of Utilities Water Fund – Water Treatment Plant Division.** Raw water from Pedlar Reservoir in Amherst County is delivered through a 22-mile gravity pipeline to Lynchburg. Two raw water pumping stations are located on the James River to augment the Pedlar supply as required. Chemicals are added at Pedlar Reservoir and at the Abert and College Hill Filtration Plants where treatment is completed. Water is continuously examined and tested for quality assurance during processing. In addition, periodic sampling is performed at selected points in the water distribution system to assure delivery of safe and potable water. Water is provided without interruption and with sufficient volume and pressure for consumption and for fire suppression throughout the City. The water quality is federally mandated by the Safe Drinking Water Act. Oversight is provided by the Virginia Department of Health.

|                          | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                    |                    |                                    |                                  |                    |
| City Funded Full-Time    | 25                 | 24                 | 24                                 | 24                               | 24                 |
| <b>TOTAL FTE</b>         | <b>25</b>          | <b>24</b>          | <b>24</b>                          | <b>24</b>                        | <b>24</b>          |
| <b>BUDGET SUMMARY</b>    |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                    |                    |                                    |                                  |                    |
| Salaries                 | \$937,283          | \$986,923          | \$968,556                          | \$968,556                        | \$968,556          |
| Employee Benefits        | 370,133            | 410,437            | 410,199                            | 410,199                          | 410,199            |
| Contractual Services     | 279,641            | 269,566            | 275,566                            | 275,566                          | 275,566            |
| Internal Service Charges | 35,309             | 31,866             | 36,400                             | 36,400                           | 36,400             |
| Other Charges            | 1,240,875          | 1,356,950          | 1,418,807                          | 1,418,807                        | 1,418,807          |
| Capital Outlay           | 0                  | 46,000             | 0                                  | 0                                | 0                  |
| <b>TOTAL</b>             | <b>\$2,863,241</b> | <b>\$3,101,742</b> | <b>\$3,109,528</b>                 | <b>\$3,109,528</b>               | <b>\$3,109,528</b> |

#### **Utilities Water Fund – Water Treatment Plant Division Budget Description**

The Department Requested FY 2012 Utilities Water Fund – Water Treatment Plant Division budget of \$3,109,528 represents a 0.3% increase of \$7,786 compared to the Adopted FY 2011 budget of \$3,101,742.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$18,605 decrease in Salaries and Employee Benefits reflecting lower than anticipated personnel costs, as well as changes in health, dental, and life insurance rates.
- \$6,000 increase in Contractual Services primarily due to an increase in janitorial services.
- \$4,534 increase in Internal Service Charges reflecting Fleet Administration estimates.
- \$61,857 increase in Other Charges reflecting an increase in electricity costs and the cost of treating filter backwash water.
- \$46,000 decrease in Capital Outlay for a one-time purchase in FY 2011.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Utilities Water Fund – Water Treatment Plant Division budget was adopted by City Council without changes.



**Department of Utilities Water Fund Performance Measures**

|   |                       |                          |                           |                          |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 1:</b>  |                       |                          |                           |                          |
| Maintain a high level of customer satisfaction with the quality and quantity of water produced.   |                       |                          |                           |                          |
| <b>Objective:</b>   |                       |                          |                           |                          |
| Produce safe, high quality water on an uninterrupted basis with sufficient volume and pressure for consumption and fire protection throughout the Lynchburg water system. |                       |                          |                           |                          |
| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Drinking Water Compliance Rate (Percent of time compliant with National Primary Drinking Water Regulations).  | 100%                  | 100%                     | 100%                      | 100%                     |
| <b>Analysis of the Data:</b>  |                       |                          |                           |                          |
| Drinking water quality consistently exceeds all State and federal standards.  |                       |                          |                           |                          |

|   |                       |                          |                           |                          |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 2:</b>  |                       |                          |                           |                          |
| Deliver water on an uninterrupted basis while maintaining a high level of customer satisfaction.                      |                       |                          |                           |                          |
| <b>Objective:</b>   |                       |                          |                           |                          |
| Maintain and operate the water system such that customer complaints and service disruptions are minimized.            |                       |                          |                           |                          |
| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Water Distribution System Integrity (breaks per 100 miles of distribution pipe).                                      | 21                    | 25                       | 11.3                      | 28                       |
| <b>Analysis of the Data:</b>  |                       |                          |                           |                          |
| The water distribution system is aging. The consequence will be a steady increase in the number of water main breaks. |                       |                          |                           |                          |

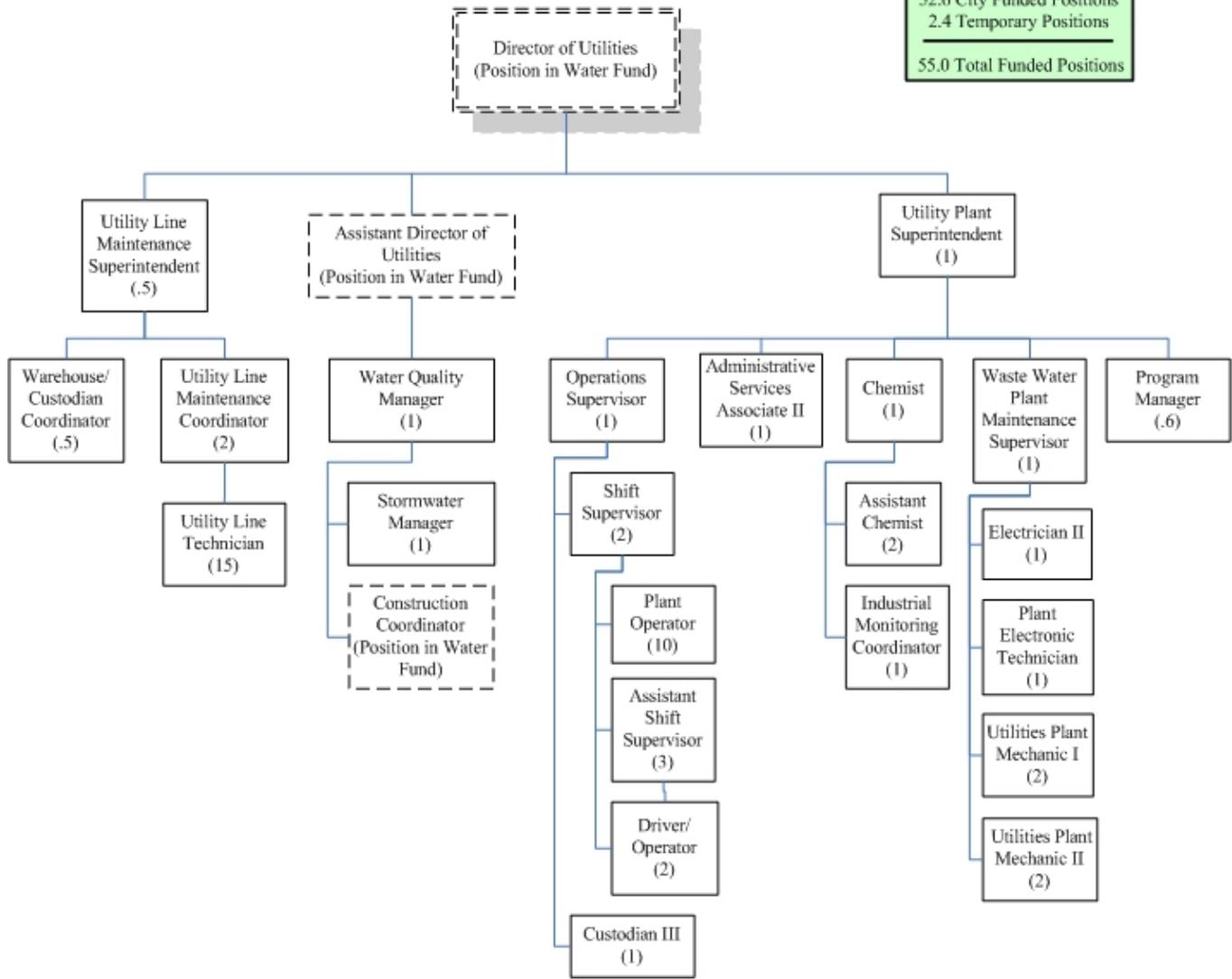
|   |                       |                          |                           |                          |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 3:</b>  |                       |                          |                           |                          |
| Operate the water treatment plants and pump stations efficiently.   |                       |                          |                           |                          |
| <b>Objective:</b>   |                       |                          |                           |                          |
| Operate the Water Treatment Plants in a cost-effective and efficient manner.  |                       |                          |                           |                          |
| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Overall water treatment cost per million gallons of finished water.   | \$682                 | \$697                    | \$688                     | \$705                    |
| <b>Analysis of the Data:</b>  |                       |                          |                           |                          |
| Projected FY 2011 and FY 2012 increases are due primarily to rising chemical and power costs as well as additional regulatory requirements. |                       |                          |                           |                          |

|  |
|--|
| <b>Benchmark Localities:</b>   |
| Charlottesville, Danville, Hampton, Richmond, and Roanoke, VA; American Water Works Association (AWWA) |



DEPARTMENT OF UTILITIES  
SEWER FUND

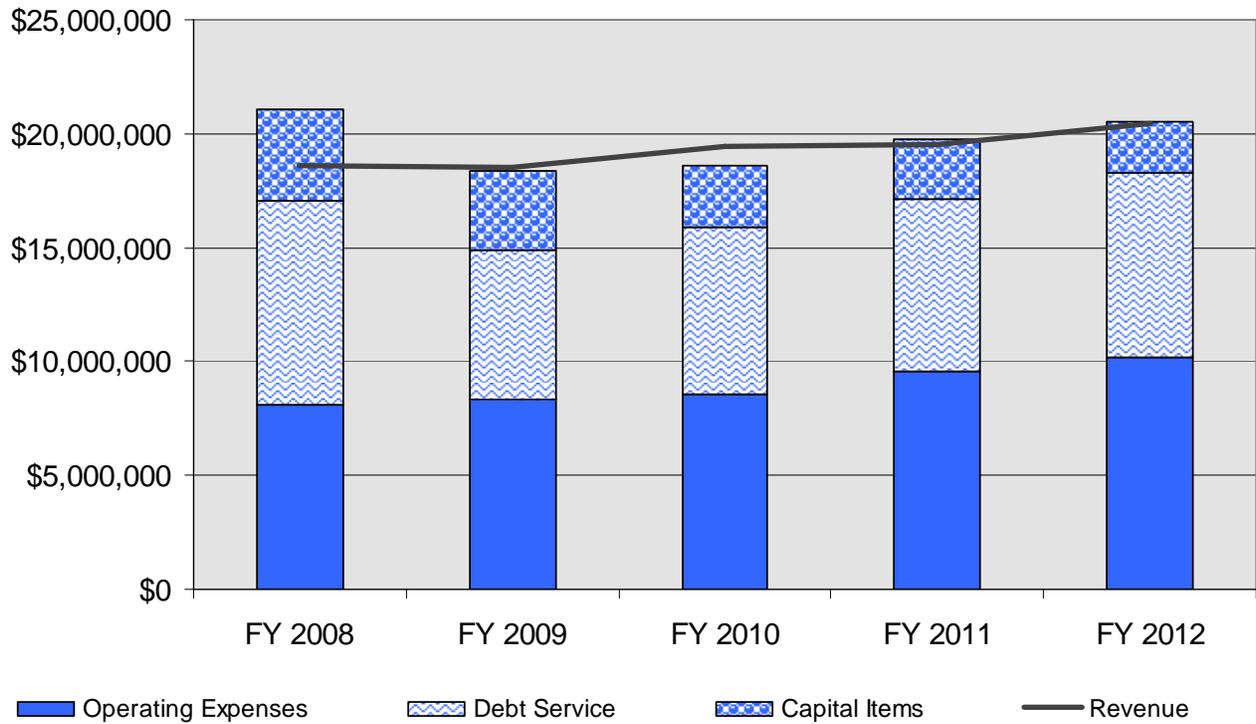
|                             |
|-----------------------------|
| <b>POSITION SUMMARY</b>     |
| .....                       |
| 52.6 City Funded Positions  |
| 2.4 Temporary Positions     |
| <hr/>                       |
| 55.0 Total Funded Positions |





**Sewer Fund.** The Utilities Department operates a regional wastewater treatment plant with an average daily treatment capacity of 22 million gallons per (mgd) per day of domestic or industrial wastewater and combined storm water. The department also owns and operates over 450 miles of sewer lines, including a combined sewer system. Wastewater service is provided to approximately 80% of the citizens and businesses in Lynchburg. Service is also provided to parts of Amherst, Bedford, and Campbell Counties under the terms of the 1974 Regional Sewage Treatment Plant Agreement. The Utilities Department also cleans, monitors, and repairs the wastewater collection system, including an extensive network of sanitary and combined sanitary/storm drains.

### Revenues & Expenses





Sewer Fund

|                                      | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|--------------------------------------|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>SEWER FUND DEBT COVERAGE</b>      |                     |                     |                                    |                                  |                     |
| <b>REVENUES</b>                      |                     |                     |                                    |                                  |                     |
| Charges for Services                 | \$16,101,020        | \$16,181,843        | \$16,703,158                       | \$16,703,158                     | \$16,703,158        |
| Sewer Contracts                      | 3,172,435           | 3,022,790           | 2,832,938                          | 2,832,938                        | 2,832,938           |
| Interest and Other                   | 203,652             | 343,000             | 883,989                            | 883,989                          | 883,989             |
| <b>TOTAL REVENUES</b>                | <b>\$19,477,107</b> | <b>\$19,547,633</b> | <b>\$20,420,085</b>                | <b>\$20,420,085</b>              | <b>\$20,420,085</b> |
| <b>EXPENDITURES</b>                  |                     |                     |                                    |                                  |                     |
| Waste Water Treatment Plant          | \$6,007,354         | \$6,629,149         | \$6,846,590                        | \$6,846,590                      | \$6,846,590         |
| Sewer Line Maintenance               | 2,330,276           | 2,592,246           | 2,478,979                          | 2,478,979                        | 2,478,979           |
| Stormwater                           | 0                   | 0                   | 688,036                            | 688,036                          | 688,036             |
| Non-Departmental                     | 224,291             | 515,036             | 339,276                            | 339,276                          | 339,276             |
| Projects costs charged to operations | 165,743             | 0                   | 0                                  | 0                                | 0                   |
| <b>TOTAL EXPENDITURES</b>            | <b>\$8,727,664</b>  | <b>\$9,736,431</b>  | <b>\$10,352,881</b>                | <b>\$10,352,881</b>              | <b>\$10,352,881</b> |
| <b>OPERATING INCOME</b>              | <b>\$10,749,443</b> | <b>\$9,811,203</b>  | <b>\$10,067,204</b>                | <b>\$10,067,204</b>              | <b>\$10,067,204</b> |
| Debt Service                         | \$7,367,544         | \$7,550,690         | \$8,141,619                        | \$8,141,619                      | 8,141,619           |
| <b>NET REVENUE</b>                   | <b>\$3,381,899</b>  | <b>\$2,260,513</b>  | <b>\$1,925,585</b>                 | <b>\$1,925,585</b>               | <b>\$1,925,585</b>  |
| Debt Coverage ratio Target           | 1.20                | 1.20                | 1.20                               | 1.20                             | 1.20                |
| Debt Coverage ratio                  | 1.46                | 1.30                | 1.24                               | 1.24                             | 1.24                |

Debt service for FY 2012 is offset by \$45,953 in interest rebates applicable to Build America Bonds. Debt coverage for rate setting purposes and the Special Order is 1.37.



Sewer Fund

|   | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|---|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>SEWER FUND POSITION SUMMARY</b>                    |                     |                     |                                    |                                  |                     |
| City Funded Full-Time                                 | 47.0                | 47.0                | 52.0                               | 52.0                             | 52.0                |
| City Funded Part-Time                                 | 0.6                 | 0.6                 | 0.6                                | 0.6                              | 0.6                 |
| City Funded Temporary                                 | 2.4                 | 2.4                 | 2.4                                | 2.4                              | 2.4                 |
| <b>TOTAL FTE</b>                                      | <b>50.0</b>         | <b>50.0</b>         | <b>55.0</b>                        | <b>55.0</b>                      | <b>55.0</b>         |
| <b>SEWER FUND SUMMARY</b>                             |                     |                     |                                    |                                  |                     |
| <b>BEGINNING NET ASSETS</b>                           | \$88,454,765        | \$86,173,015        |                                    |                                  |                     |
| Less: Invested in Capital Assets, net of related debt | (79,048,082)        | (75,786,193)        |                                    |                                  |                     |
| <b>BEGINNING UNRESTRICTED NET ASSETS</b>              | <b>\$9,406,683</b>  | <b>\$10,386,822</b> | <b>\$9,508,366</b>                 | <b>\$9,508,366</b>               | <b>\$9,508,366</b>  |
| <b>REVENUES</b>                                       |                     |                     |                                    |                                  |                     |
| Charges for Services                                  | \$16,101,020        | \$16,181,843        | \$16,703,158                       | \$16,703,158                     | \$16,703,158        |
| Sewer Contracts                                       | 3,172,435           | 3,022,790           | 2,832,938                          | 2,832,938                        | 2,832,938           |
| Interest and Other                                    | 203,652             | 343,000             | 883,989                            | 883,989                          | 883,989             |
| <b>TOTAL REVENUES</b>                                 | <b>\$19,477,107</b> | <b>\$19,547,633</b> | <b>\$20,420,085</b>                | <b>\$20,420,085</b>              | <b>\$20,420,085</b> |
| <b>EXPENDITURES</b>                                   |                     |                     |                                    |                                  |                     |
| Departmental  | \$8,337,630         | \$9,036,395         | \$9,843,605                        | \$9,843,605                      | \$9,843,605         |
| Non-departmental                                      | 224,291             | 515,036             | 339,276                            | 339,276                          | 339,276             |
| Equipment Purchases                                   | 0                   | 185,000             | 170,000                            | 170,000                          | 170,000             |
| Transfer - Capital                                    | 2,645,000           | 2,500,000           | 2,000,000                          | 2,000,000                        | 2,000,000           |
| Debt Service  | 7,367,544           | 7,550,690           | 8,141,619                          | 8,141,619                        | 8,141,619           |
| <b>TOTAL EXPENDITURES</b>                             | <b>\$18,574,465</b> | <b>\$19,787,121</b> | <b>\$20,494,500</b>                | <b>\$20,494,500</b>              | <b>\$20,494,500</b> |
| <b>ENDING UNRESTRICTED NET ASSETS</b>                 | <b>\$10,309,325</b> | <b>\$10,147,334</b> | <b>\$9,433,951</b>                 | <b>\$9,433,951</b>               | <b>\$9,433,951</b>  |



## Sewer Fund

|   | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|---|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>SEWER FUND REVENUE SUMMARY</b>         |                     |                     |                                    |                                  |                     |
| <b>CHARGES FOR SERVICES</b>               |                     |                     |                                    |                                  |                     |
| Sewer Sales - Inside City                 | \$14,304,772        | \$14,404,000        | \$14,836,120                       | \$14,836,120                     | \$14,836,120        |
| Septic Hauler Charges                     | 372,119             | 420,000             | 410,261                            | 410,261                          | 410,261             |
| College Hill Backwash Charge              | 112,600             | 115,978             | 119,457                            | 119,457                          | 119,457             |
| Leachate Treatment                        | 60,471              | 62,285              | 64,154                             | 64,154                           | 64,154              |
| Industrial Pre-treatment                  | 3,650               | 4,500               | 4,500                              | 4,500                            | 4,500               |
| Industrial Monitoring Charges             | 45,546              | 25,000              | 30,000                             | 30,000                           | 30,000              |
| Industrial Surcharges                     | 484,051             | 346,080             | 533,666                            | 533,666                          | 533,666             |
| Cut-on & Penalty Charges                  | 86,549              | 81,000              | 82,000                             | 82,000                           | 82,000              |
| Connection charges                        | 78,678              | 135,000             | 75,000                             | 75,000                           | 75,000              |
| Availability Fees                         | 99,050              | 125,000             | 100,000                            | 100,000                          | 100,000             |
| Account Charges                           | 416,215             | 424,000             | 420,000                            | 420,000                          | 420,000             |
| Sewer Cost Plus                           | 11,739              | 23,000              | 12,000                             | 12,000                           | 12,000              |
| Miscellaneous                             | 25,580              | 16,000              | 16,000                             | 16,000                           | 16,000              |
| <b>TOTAL CHARGES FOR SERVICES</b>         | <b>\$16,101,020</b> | <b>\$16,181,843</b> | <b>\$16,703,158</b>                | <b>\$16,703,158</b>              | <b>\$16,703,158</b> |
| <b>SEWER CONTRACTS</b>                    |                     |                     |                                    |                                  |                     |
| Counties                                  |                     |                     |                                    |                                  |                     |
| Amherst                                   | \$566,554           | \$438,042           | \$384,107                          | \$384,107                        | \$384,107           |
| Bedford                                   | 435,912             | 432,214             | 414,034                            | 414,034                          | 414,034             |
| Campbell                                  | 323,492             | 286,534             | 267,797                            | 267,797                          | 267,797             |
| Industrial                                |                     |                     |                                    |                                  |                     |
| Rock Tenn                                 | 1,154,074           | 1,236,000           | 927,000                            | 927,000                          | 927,000             |
| Frito Lay                                 | 692,403             | 630,000             | 840,000                            | 840,000                          | 840,000             |
| <b>TOTAL SEWER CONTRACTS</b>              | <b>\$3,172,435</b>  | <b>\$3,022,790</b>  | <b>\$2,832,938</b>                 | <b>\$2,832,938</b>               | <b>\$2,832,938</b>  |
| <b>INTEREST AND OTHER</b>                 |                     |                     |                                    |                                  |                     |
| Interest                                  | \$110,652           | \$250,000           | \$195,953                          | \$195,953                        | \$195,953           |
| Transfer from General Fund for Stormwater | 0                   | 0                   | 688,036                            | 688,036                          | 688,036             |
| State Highway Maintenance                 | 93,000              | 93,000              | 0                                  | 0                                | 0                   |
| <b>TOTAL INTEREST AND OTHER</b>           | <b>\$203,652</b>    | <b>\$343,000</b>    | <b>\$883,989</b>                   | <b>\$883,989</b>                 | <b>\$883,989</b>    |
| <b>TOTAL REVENUES</b>                     | <b>\$19,477,107</b> | <b>\$19,547,633</b> | <b>\$20,420,085</b>                | <b>\$20,420,085</b>              | <b>\$20,420,085</b> |



## Sewer Fund

|                                       | Actual<br>FY 2010   | Adopted<br>FY 2011  | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012  |
|---------------------------------------|---------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| <b>SEWER FUND EXPENSE SUMMARY</b>     |                     |                     |                                    |                                  |                     |
| <b>DEPARTMENTAL</b>                   |                     |                     |                                    |                                  |                     |
| Salaries                              | \$1,844,386         | \$1,930,363         | \$2,154,379                        | \$2,154,379                      | \$2,154,379         |
| Employee Benefits                     | 698,548             | 781,654             | 885,384                            | 885,384                          | 885,384             |
| Chemicals                             | 575,016             | 639,000             | 639,000                            | 639,000                          | 639,000             |
| Communication Charges                 | 14,749              | 16,550              | 18,550                             | 18,550                           | 18,550              |
| Utilities-Waste Water Treatment Plant | 667,585             | 674,250             | 694,250                            | 694,250                          | 694,250             |
| Natural Gas                           | 83,534              | 140,000             | 140,000                            | 140,000                          | 140,000             |
| Sludge Disposal                       | 581,518             | 550,000             | 600,000                            | 600,000                          | 600,000             |
| Contractual Services                  | 888,445             | 882,994             | 1,137,217                          | 1,137,217                        | 1,137,217           |
| Supplies and Materials                | 545,537             | 553,000             | 592,650                            | 592,650                          | 592,650             |
| Indirect Costs                        | 685,219             | 785,219             | 583,776                            | 583,776                          | 583,776             |
| Self-Insurance                        | 193,886             | 193,886             | 200,727                            | 200,727                          | 200,727             |
| Admin/Overhead Pmts to Water fund     | 1,100,000           | 1,381,000           | 1,241,000                          | 1,241,000                        | 1,241,000           |
| PW/Community Development Charges      | 0                   | 0                   | 225,000                            | 225,000                          | 225,000             |
| All Other                             | 459,207             | 508,479             | 731,672                            | 731,672                          | 731,672             |
| <b>TOTAL DEPARTMENTAL</b>             | <b>\$8,337,630</b>  | <b>\$9,036,395</b>  | <b>\$9,843,605</b>                 | <b>\$9,843,605</b>               | <b>\$9,843,605</b>  |
| <b>NON-DEPARTMENTAL</b>               |                     |                     |                                    |                                  |                     |
| Financial Audit                       | \$16,787            | \$17,368            | \$17,000                           | \$17,000                         | \$17,000            |
| Allowance for Uncollectible Accounts  | 5,629               | 25,750              | 25,000                             | 25,000                           | 25,000              |
| Special Order CSO Charges             | 13,912              | 45,395              | 15,000                             | 15,000                           | 15,000              |
| Retiree Benefits                      | \$147,883           | \$126,523           | \$182,276                          | 182,276                          | 182,276             |
| Interceptor Maintenance               | 40,080              | 300,000             | 100,000                            | 100,000                          | 100,000             |
| <b>TOTAL NON-DEPARTMENTAL</b>         | <b>\$224,291</b>    | <b>\$515,036</b>    | <b>\$339,276</b>                   | <b>\$339,276</b>                 | <b>\$339,276</b>    |
| <b>CAPITAL AND TRANSFERS</b>          |                     |                     |                                    |                                  |                     |
| Transfer to Sewer Capital Fund        | \$2,645,000         | \$2,500,000         | \$2,000,000                        | \$2,000,000                      | \$2,000,000         |
| Capital Purchases                     | 0                   | 185,000             | 170,000                            | 170,000                          | 170,000             |
| <b>TOTAL CAPITAL AND TRANSFERS</b>    | <b>\$2,645,000</b>  | <b>\$2,685,000</b>  | <b>\$2,170,000</b>                 | <b>\$2,170,000</b>               | <b>\$2,170,000</b>  |
| Debt Service                          | \$7,367,544         | \$7,550,690         | \$8,141,619                        | \$8,141,619                      | \$8,141,619         |
| <b>TOTAL EXPENDITURES</b>             | <b>\$18,574,465</b> | <b>\$19,787,121</b> | <b>\$20,494,500</b>                | <b>\$20,494,500</b>              | <b>\$20,494,500</b> |



**Department of Utilities Sewer Fund – Sewer Line Maintenance Division.** Provides installation, maintenance, cleaning and repair of sanitary sewer lines and sewer services as well as monitoring of overflow points. Performs line inspections using TV cameras. Provides vermin control. Manages storm water and maintains retention pond grounds. Maintenance of storm and sanitary sewer lines provides flood and pollution control, thus promoting the welfare and health of the public. Services are federally mandated by the Clean Water Act. Oversight is provided by the Department of Environmental Quality.

|                          | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                    |                    |                                    |                                  |                    |
| City Funded Full-Time    | 17.0               | 17.0               | 15.5                               | 15.5                             | 15.5               |
| <b>TOTAL FTE</b>         | <b>17.0</b>        | <b>17.0</b>        | <b>15.5</b>                        | <b>15.5</b>                      | <b>15.5</b>        |
| <b>BUDGET SUMMARY</b>    |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                    |                    |                                    |                                  |                    |
| Salaries                 | \$588,341          | \$614,633          | \$585,856                          | \$585,856                        | \$585,856          |
| Employee Benefits        | 230,604            | 259,724            | 247,691                            | 247,691                          | 247,691            |
| Contractual Services     | 198,641            | 151,723            | 168,609                            | 168,609                          | 168,609            |
| Internal Service Charges | 308,743            | 329,609            | 281,100                            | 281,100                          | 281,100            |
| Other Charges            | 1,003,947          | 1,226,557          | 1,185,723                          | 1,185,723                        | 1,185,723          |
| Capital Outlay           | 0                  | 10,000             | 10,000                             | 10,000                           | 10,000             |
| <b>TOTAL</b>             | <b>\$2,330,276</b> | <b>\$2,592,246</b> | <b>\$2,478,979</b>                 | <b>\$2,478,979</b>               | <b>\$2,478,979</b> |

#### **Utilities Sewer Fund – Sewer Line Maintenance Division Budget Description**

The Department Requested FY 2012 Utilities Sewer Fund – Sewer Line Maintenance Division budget of \$2,478,979 represents a 4.4% decrease of \$113,267 compared to the Adopted FY 2011 budget of \$2,592,246.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$40,810 decrease in Salaries and Employee Benefits primarily due to moving two positions to the Stormwater Division.
- \$16,886 increase in Contractual Services due to software maintenance and upgrades, and reimbursing citizens as needed for clean-up associated with line breaks.
- \$48,509 decrease in Internal Service Charges primarily due to the \$35,209 decrease in the Capital Charges and to transferring three vehicles to the Stormwater Division.
- \$40,834 decrease in Other Charges reflecting decreases in the indirect cost payment to the General Fund and in the payment to the Water Fund for administrative services, offset by increases in the self-insurance payment as well as the addition of a Public Works Charges line item allowing General Fund engineering personnel to directly charge time spent on Sewer Fund projects.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Utilities Sewer Fund – Sewer Line Maintenance Division budget was adopted by City Council without changes.



**Department of Utilities Sewer Fund – Wastewater Treatment Plant Division.** Performs secondary treatment for an average of 13 million gallons per day (mgd) (with peaks up to 44 mgd) of domestic and industrial wastewater. Amherst, Bedford, and Campbell Counties partner with the City in this cooperative endeavor by paying their proportional share of the capital and operating expenses based on the capacity they own and their wastewater flows. Wastewater receives primary settling, aeration, secondary settling, and disinfection before the effluent is discharged into the James River. Sludge produced from the treatment process is dewatered and landfilled. Wastewater is treated to meet or exceed federal and State water quality standards and to promote the general health and welfare of residents of the region. The services provided are federally mandated by the Clean Water Act. Oversight is provided by the Department of Environment Quality.

|                          | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                    |                    |                                    |                                  |                    |
| City Funded Full-Time    | 30.0               | 30.0               | 32.0                               | 32.0                             | 32.0               |
| City Funded Part-Time    | 0.6                | 0.6                | 0.6                                | 0.6                              | 0.6                |
| City Funded Temporary    | 2.4                | 2.4                | 2.4                                | 2.4                              | 2.4                |
| <b>TOTAL FTE</b>         | <b>33.0</b>        | <b>33.0</b>        | <b>35.0</b>                        | <b>35.0</b>                      | <b>35.0</b>        |
| <b>BUDGET SUMMARY</b>    |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                    |                    |                                    |                                  |                    |
| Salaries                 | \$1,256,045        | \$1,315,730        | \$1,355,643                        | \$1,355,643                      | \$1,355,643        |
| Employee Benefits        | 467,944            | 521,930            | 551,096                            | 551,096                          | 551,096            |
| Contractual Services     | 689,804            | 731,271            | 767,771                            | 767,771                          | 767,771            |
| Internal Service Charges | 97,402             | 114,370            | 160,000                            | 160,000                          | 160,000            |
| Other Charges            | 3,496,159          | 3,770,848          | 3,852,080                          | 3,852,080                        | 3,852,080          |
| Capital Outlay           | 0                  | 175,000            | 160,000                            | 160,000                          | 160,000            |
| <b>TOTAL</b>             | <b>\$6,007,354</b> | <b>\$6,629,149</b> | <b>\$6,846,590</b>                 | <b>\$6,846,590</b>               | <b>\$6,846,590</b> |

#### ***Utilities Sewer Fund – Wastewater Treatment Plant Division Budget Description***

The Department Requested FY 2012 Utilities Sewer Fund – Wastewater Treatment Plant Division budget of \$6,846,590 represents a 3.3% increase of \$217,441 compared to the Adopted FY 2011 budget of \$6,629,149.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$69,079 increase in Salaries and Employee Benefits primarily due to the addition of two Driver/Operator positions needed for hauling sludge to the Campbell County landfill.
- \$36,500 increase in Contractual Services reflects a \$30,000 increase in building maintenance and repair services and a \$5,000 increase in grounds maintenance services due to the addition of two buildings to the Wastewater Treatment Plant complex.
- \$45,630 increase in Internal Service Charges due to the anticipated increase in fuel and maintenance expense for hauling sludge longer distances for disposal.
- \$81,232 increase in Other Charges reflecting a \$170,000 increase for Chesapeake Bay nutrient trading for the purchase of phosphorus and a \$50,000 increase in landfill fees offset by a decrease of \$129,460 for a reduction in the payment to the Water Fund for administrative services which will now be shared with the Stormwater Division.
- \$15,000 decrease in Capital Outlay due to the one-time purchase of a file server in FY 2011.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Utilities Sewer Fund – Wastewater Treatment Plant Division budget was adopted by City Council without changes.



**Department of Utilities Sewer Fund – Stormwater Division.** The Utilities Department manages the City’s Stormwater program and is responsible for overall compliance with the Municipal Separate Storm Sewer Systems (MS4) permit. Additionally, the Department is responsible for the maintenance and operation of the City’s storm sewer system.

|                          | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--------------------------|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>POSITION SUMMARY</b>  |                   |                    |                                    |                                  |                    |
| City Funded Full-Time    | 0.0               | 0.0                | 4.5                                | 4.5                              | 4.5                |
| <b>TOTAL FTE</b>         | <b>0.0</b>        | <b>0.0</b>         | <b>4.5</b>                         | <b>4.5</b>                       | <b>4.5</b>         |
| <b>BUDGET SUMMARY</b>    |                   |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>      |                   |                    |                                    |                                  |                    |
| Salaries                 | \$0               | \$0                | \$212,880                          | \$212,880                        | \$212,880          |
| Employee Benefits        | 0                 | 0                  | 86,597                             | 86,597                           | 86,597             |
| Contractual Services     | 0                 | 0                  | 200,837                            | 200,837                          | 200,837            |
| Internal Service Charges | 0                 | 0                  | 51,072                             | 51,072                           | 51,072             |
| Other Charges            | 0                 | 0                  | 136,650                            | 136,650                          | 136,650            |
| <b>TOTAL</b>             | <b>\$0</b>        | <b>\$0</b>         | <b>\$688,036</b>                   | <b>\$688,036</b>                 | <b>\$688,036</b>   |

***Utilities Sewer Fund – Stormwater Division Budget Description***

The Department Requested FY 2012 Utilities Sewer Fund – Stormwater Division budget of \$688,036 represents a 100.0% increase compared to the Adopted FY 2011 budget.

Beginning in FY 2012, Stormwater is a new Division of the Sewer Fund.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Utilities Sewer Fund – Stormwater Division budget was adopted by City Council without changes.



**Department of Utilities Sewer Fund Performance Measures**

|   |                       |                          |                           |                          |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 1:</b><br>Protect the environment and promote the general health and welfare of the citizens of Lynchburg while maintaining a high level of customer satisfaction.  |                       |                          |                           |                          |
| <b>Objective:</b><br>Provide pollution and flood control through the maintenance of the sanitary and storm sewer systems.   |                       |                          |                           |                          |
| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Sewer Overflow Rate (reportable overflows per 100 miles of sewer line).   | 3.1                   | 7.5                      | 7.8                       | 12.5                     |
| <b>Analysis of the Data:</b><br>The combination of an aging sanitary sewer system, roots, and grease is resulting in the need for increased maintenance of the system to reduce the frequency and volume of sanitary sewer overflows. |                       |                          |                           |                          |

|   |                       |                          |                           |                          |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 2:</b><br>Protect the environment and promote general health and welfare.   |                       |                          |                           |                          |
| <b>Objective:</b><br>Treat wastewater from the City of Lynchburg and Amherst, Bedford, and Campbell Counties to meet or exceed all State and federal regulatory requirements. |                       |                          |                           |                          |
| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Treatment Effectiveness Rate (% of days in compliance with numerical VA Pollutant Discharge Elimination System permit limits).  | 100%                  | 100%                     | 100%                      | 100%                     |
| <b>Analysis of the Data:</b><br>Wastewater Treatment Plant effluent quality is consistently better than permitted requirements.   |                       |                          |                           |                          |

|   |                       |                          |                           |                          |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| <b>Goal 3:</b><br>Operate the Wastewater Treatment Plant in a cost-effective and efficient manner.  |                       |                          |                           |                          |
| <b>Objective:</b><br>Treat wastewater in a technically-sound and efficiently-operated Regional Wastewater Treatment Plant on an uninterrupted basis.                        |                       |                          |                           |                          |
| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
| Overall treatment cost per million gallons treated.   | \$1,275               | \$1,377                  | \$1,512                   | \$1,538                  |
| <b>Analysis of the Data:</b><br>Projected FY 2011 and FY 2012 increases are due primarily to rising chemical and power costs as well as additional regulatory requirements. |                       |                          |                           |                          |

|  |
|--|
| <b>Benchmark Localities:</b><br>Charlottesville, Danville, Hampton, Richmond, and Roanoke, VA; American Water Works Association (AWWA) |
|--|



***Other Funds***

A summary of all funds managed by the City is included in the budget document. Inclusion of all funds provides City Council and citizens with a more comprehensive view of the City's finances.

***Asset Forfeiture Fund***

***Central Virginia Radio Communications Board Fund***

***City/Federal/State Aid Fund (Grants Fund)***

- Office of the Commonwealth's Attorney Grants
- Fire Department Grants
- Juvenile Services Grants
- Social Services Grants
- Community Corrections and Pretrial Services Program Grant
- Non-Departmental – Citizens for a Clean Lynchburg Grant
- Non-Departmental – Workforce Investment Act Grant

***Community Development Block Grant (CDBG) Fund***

***Comprehensive Services Act (CSA) Fund***

***HOME Investment Partnerships Program Fund***

***Lynchburg Expressway Appearance Fund (LEAF)***

***Regional Juvenile Detention Center Fund***

***Risk Management (Self-Insurance) Fund***

***Special Welfare Fund***

***Stadium Fund***

***Technology Fund***



**Asset Forfeiture Fund.** Established as required by the Commonwealth of Virginia to monitor the receipts of assets seized as a result of police investigations of criminal activity. The seizure of assets is a civil forfeiture based upon probable cause to believe the asset was used in substantial connection to a drug violation. Upon judicial action authorizing such seizure, the asset is remitted to the Commonwealth of Virginia. The State is allocated a portion of the seizure and returns the balance to the respective locality to allocate between the Police Department, Commonwealth Attorney, Sheriff and other municipalities, if appropriate. The expenditure of these funds must be related to law enforcement purposes. Per State Code it is not appropriate to budget or anticipate revenues in this fund; therefore, only figures for actual revenues can be demonstrated in the budget. Represented in the columns below are the respective allocations received from the State and allowable expenditures. Due to the delicate nature of these expenditures, they have not been itemized. This fund will be reviewed each year at the annual Carry forward and Third Quarter Reviews to adjust for revenues and expenditures.

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>ASSET FORFEITURE FUND BUDGET SUMMARY</b> |                   |                    |                                    |                                  |                    |
| <b>BEGINNING DESIGNATED FUND BALANCE</b>    | <b>\$289,204</b>  | <b>\$119,634</b>   | <b>\$51,268</b>                    | <b>\$51,268</b>                  | <b>\$51,268</b>    |
| <b>REVENUES</b>                             |                   |                    |                                    |                                  |                    |
| State Asset Forfeiture                      | \$141,168         | \$0                | \$0                                | \$0                              | \$0                |
| Federal Asset Forfeiture                    | 39,678            | 0                  | 0                                  | 0                                | 0                  |
| Interest                                    | 91                | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL REVENUES</b>                       | <b>\$180,937</b>  | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>EXPENDITURES</b>                         | \$204,739         | \$34,652           | \$0                                | \$0                              | \$0                |
| <b>TOTAL EXPENDITURES</b>                   | <b>\$204,739</b>  | <b>\$34,652</b>    | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>ENDING DESIGNATED FUND BALANCE</b>       | <b>\$265,402</b>  | <b>\$84,982</b>    | <b>\$51,268</b>                    | <b>\$51,268</b>                  | <b>\$51,268</b>    |

**Asset Forfeiture Fund Budget Description**

No funds are requested for FY 2012.



**Central Virginia Radio Communications Board (CVRCB) Fund.** This board oversees the operation of the regional radio system as well as its maintenance. Revenues for this fund come from each of the participating jurisdictions (Amherst and Bedford Counties and the independent Cities of Bedford and Lynchburg). Expenses include equipment maintenance, training, electrical and fuel costs. The Lynchburg Director of Emergency Services serves on the board.

|  | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>CENTRAL VIRGINIA RADIO COMMUNICATIONS BOARD FUND BUDGET SUMMARY</b> |                   |                    |                                    |                                  |                    |
| <b>BEGINNING DESIGNATED FUND BALANCE</b>                               | <b>\$285,060</b>  | <b>\$285,060</b>   | <b>\$300,137</b>                   | <b>\$300,137</b>                 | <b>\$300,137</b>   |
| <b>REVENUES</b>  |                   |                    |                                    |                                  |                    |
| Charges for Services   | \$817,890         | \$736,101          | \$897,814                          | \$897,814                        | \$897,814          |
| Miscellaneous  | 18,664            | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL REVENUES</b>  | <b>\$836,554</b>  | <b>\$736,101</b>   | <b>\$897,814</b>                   | <b>\$897,814</b>                 | <b>\$897,814</b>   |
| <b>EXPENDITURES</b>  |                   |                    |                                    |                                  |                    |
| Salaries   | \$1,558           | \$0                | \$0                                | \$0                              | \$0                |
| Employee Benefits  | 119               | 0                  | 0                                  | 0                                | 0                  |
| Contractual Services   | 654,796           | 714,153            | 785,564                            | 785,564                          | 785,564            |
| Other Charges  | 70,115            | 78,737             | 87,250                             | 87,250                           | 87,250             |
| Capital Outlay   | 13,100            | 25,000             | 25,000                             | 25,000                           | 25,000             |
| <b>TOTAL EXPENDITURES</b>  | <b>\$739,688</b>  | <b>\$817,890</b>   | <b>\$897,814</b>                   | <b>\$897,814</b>                 | <b>\$897,814</b>   |
| <b>ENDING DESIGNATED FUND BALANCE</b>                                  | <b>\$381,926</b>  | <b>\$203,271</b>   | <b>\$300,137</b>                   | <b>\$300,137</b>                 | <b>\$300,137</b>   |

#### ***Central Virginia Radio Communications Board (CVRCB) Fund Budget Description***

The Department Requested FY 2012 Central Virginia Radio Communications Board Fund budget of \$897,814 represents a 9.8% increase of \$79,924 compared to the Adopted FY 2011 budget of \$817,890.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$71,411 increase in Contractual Services reflecting costs for legal services related to the procurement of new equipment and a new regional agreement, Region 2000 consulting/management services, and expanding certain maintenance contracts to all sites.
- \$8,513 increase in Other Charges reflecting expanding fuel purchases to cover all sites, and the addition of funds to pay for new system training.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Central Virginia Radio Communications Board Fund budget was adopted by City Council without changes.



**City/Federal/State Aid Fund.** This fund accounts for a wide range of activities funded through federal, State, and local grants. Departments that currently receive grant funds are: Office of the Commonwealth’s Attorney, Emergency Services, Fire Department, Juvenile Services, Social Services, and Community Corrections and Pretrial Services. Grant funds typically are restricted to providing a particular service within specified grant periods and may require local matching funds.

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>CITY FEDERAL STATE AID FUND POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| Grant Funded Full-Time                              | 18.83             | 17.14              | 18.63                              | 18.63                            | 18.63              |
| Grant Funded Part-Time                              | 0.88              | 1.98               | 2.28                               | 2.28                             | 2.28               |
| Grant Funded Temporary                              | 0.75              | 0.75               | 0.69                               | 0.69                             | 0.69               |
| <b>TOTAL FTE</b>                                    | <b>20.46</b>      | <b>19.87</b>       | <b>21.60</b>                       | <b>21.60</b>                     | <b>21.60</b>       |

| <b>CITY FEDERAL STATE AID FUND BUDGET SUMMARY</b> |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>BEGINNING DESIGNATED FUND BALANCE</b>          | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         |
| <b>REVENUES</b>                                   |                    |                    |                    |                    |                    |
| Federal Grants                                    | \$1,333,770        | \$1,494,528        | \$1,697,914        | \$1,697,914        | \$1,697,914        |
| State Grants                                      | 735,249            | 765,323            | 822,398            | 822,398            | 822,398            |
| Contribution from Community Services Board        | 20,000             | 20,000             | 20,000             | 20,000             | 20,000             |
| Boys and Girls Club of America Grant              | 0                  | 0                  | 3,124              | 3,124              | 3,124              |
| Transfer from Asset Forfeiture Fund               | 14,904             | 0                  | 0                  | 0                  | 0                  |
| In-Kind Grant Match                               | 11,285             | 22,570             | 22,570             | 22,570             | 22,570             |
| Transfer from General Fund                        | 19,457             | 27,070             | 27,171             | 27,171             | 27,171             |
| <b>TOTAL REVENUES</b>                             | <b>\$2,134,665</b> | <b>\$2,329,491</b> | <b>\$2,593,177</b> | <b>\$2,593,177</b> | <b>\$2,593,177</b> |
| <b>EXPENDITURES</b>                               |                    |                    |                    |                    |                    |
| Salaries  | \$646,015          | \$676,115          | \$792,010          | \$792,010          | \$792,010          |
| Employee Benefits                                 | 242,605            | 269,401            | 313,223            | 313,223            | 313,223            |
| Contractual Services                              | 827,349            | 916,328            | 1,010,680          | 1,010,680          | 1,010,680          |
| Other Charges                                     | 371,896            | 467,647            | 477,264            | 477,264            | 477,264            |
| Capital Outlay                                    | 46,800             | 0                  | 0                  | 0                  | 0                  |
| <b>TOTAL EXPENDITURES</b>                         | <b>\$2,134,665</b> | <b>\$2,329,491</b> | <b>\$2,593,177</b> | <b>\$2,593,177</b> | <b>\$2,593,177</b> |
| <b>ENDING DESIGNATED FUND BALANCE</b>             | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         |

**Key Ratios:**

|  |    |    |    |    |    |
|--|----|----|----|----|----|
| General Fund Transfer as a % of Total Expenditures | 1% | 1% | 1% | 1% | 1% |
|--|----|----|----|----|----|



City/Federal/State Aid Fund

|  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>PROGRAM SUMMARY BY DEPARTMENT</b>               |                    |                    |                                    |                                  |                    |
| <b>EXPENDITURES</b>                                |                    |                    |                                    |                                  |                    |
| <b>Office of the Commonwealth's Attorney</b>       |                    |                    |                                    |                                  |                    |
| Byrne Memorial Justice Program                     | \$68,746           | \$60,250           | \$60,250                           | \$60,250                         | \$60,250           |
| Byrne Memorial Justice Project Outreach Program    | 0                  | 0                  | 62,476                             | 62,476                           | 62,476             |
| Domestic Violence Program                          | 0                  | 0                  | 200,000                            | 200,000                          | 200,000            |
| Victim Witness Program                             | 225,602            | 221,461            | 221,461                            | 221,461                          | 221,461            |
| V-Stop Grant                                       | 46,661             | 90,253             | 90,253                             | 90,253                           | 90,253             |
| <b>Fire Department</b>                             |                    |                    |                                    |                                  |                    |
| EMS Four for Life Program                          | 15,353             | 45,000             | 45,000                             | 45,000                           | 45,000             |
| Fire Program                                       | 132,580            | 170,000            | 170,000                            | 170,000                          | 170,000            |
| <b>Juvenile Services</b>                           |                    |                    |                                    |                                  |                    |
| USDA School Nutrition Program                      | 15,504             | 20,000             | 20,000                             | 20,000                           | 20,000             |
| <b>Social Services</b>                             |                    |                    |                                    |                                  |                    |
| Americorp Program                                  | 4,684              | 0                  | 0                                  | 0                                | 0                  |
| Destiny Program                                    | 35,150             | 0                  | 0                                  | 0                                | 0                  |
| Education Support Special Initiative Program       | 37,152             | 16,680             | 16,680                             | 16,680                           | 16,680             |
| Foster Parent Recruiting and Training Program      | 10,099             | 10,500             | 10,000                             | 10,000                           | 10,000             |
| Independent Living Program                         | 26,788             | 23,626             | 23,626                             | 23,626                           | 23,626             |
| Piedmont Regional Adoption Program                 | 110,718            | 115,500            | 115,500                            | 115,500                          | 115,500            |
| Quality Initiative Program                         | 24,063             | 0                  | 0                                  | 0                                | 0                  |
| Respite Program                                    | 14,274             | 11,883             | 11,883                             | 11,883                           | 11,883             |
| Safe and Stable Families Program                   | 30,378             | 34,453             | 34,453                             | 34,453                           | 34,453             |
| TANF Job Retention and Wage Program                | 142,364            | 131,654            | 131,654                            | 131,654                          | 131,654            |
| <b>Community Corrections and Pretrial Services</b> |                    |                    |                                    |                                  |                    |
| Byrne Memorial Justice Program                     | 60,556             | 80,000             | 80,000                             | 80,000                           | 80,000             |
| Community Corrections Program                      | 452,810            | 487,069            | 487,069                            | 487,069                          | 487,069            |
| <b>Non-Departmental</b>                            |                    |                    |                                    |                                  |                    |
| Citizens for a Clean Lynchburg                     | 9,886              | 11,162             | 12,872                             | 12,872                           | 12,872             |
| Workforce Investment Act Program                   | 671,297            | 800,000            | 800,000                            | 800,000                          | 800,000            |
| <b>TOTAL EXPENDITURES</b>                          | <b>\$2,134,665</b> | <b>\$2,329,491</b> | <b>\$2,593,177</b>                 | <b>\$2,593,177</b>               | <b>\$2,593,177</b> |



**Office of the Commonwealth's Attorney Grants**

**Byrne Memorial Justice Project Outreach Program.** This grant is awarded to local law enforcement to assist community-based crime prevention efforts targeting at-risk youth and gangs. Specifically, it supports the development and implementation of community-wide strategy and response for reducing the number of gang-involved and delinquent youth in the City of Lynchburg. The City of Lynchburg, Office of the Commonwealth's Attorney currently partners with The Boys and Girls Club of Greater Lynchburg to successfully provide safe alternatives for the at-risk youth of Lynchburg.

**Domestic Violence Program.** The Community-Defined Solutions funding, offered through the Department of Justice, Office of Violence Against Women, is provided to encourage communities to treat domestic violence, sexual assault, dating violence and stalking as serious crimes. The awarded funds allow and promote the criminal justice system, and its community, to respond appropriately to such crimes. Victim safety and offender accountability are the centerpiece of projects funded under this program.

**Byrne Memorial Justice Program.** The Byrne Memorial Justice program provides funding for populations who serve minority, refugee and immigrant communities. The goal is to increase minorities understanding and participation in crime/delinquency prevention, through partnerships with law enforcement and other community groups; and improve these communities' understanding of their rights and responsibilities within the legal system. The intent, in part, of the Byrne Memorial Justice funding is to continue on-going efforts of the Community Court Program, as provided by the Office of the Commonwealth's Attorney and various community groups within the City of Lynchburg.

**Victim/Witness Program.** The Victim/Witness Program exists to ensure that crime victims and witnesses receive fair and compassionate treatment while participating in the criminal justice system. In particular, a long-standing primary goal of the program is to assist those who are involuntarily involved in the justice system and encourage those who have been involved in a violent crime to come forward. Victim Witness Advocates, as provided through this program, assist victims and witnesses through the criminal justice process while meeting critical needs that are often necessary to those same individuals.

**V-STOP Grant.** V-STOP funds originated in 1994, when the United States Congress passed the Violence Against Women Act (VAWA) as part of the Violent Crime Control and Law Enforcement Act. VAWA includes the Services, Training, Officers, Prosecution (STOP) grant program. V-STOP offers supporting funds for activities which increase the apprehension, prosecution, and adjudication of persons committing violent crimes against women.



Office of the Commonwealth's Attorney Grants

|  | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>OFFICE OF THE COMMONWEALTH'S ATTORNEY GRANTS POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| Grant Funded Full-Time   | 4.83              | 4.14               | 6.63                               | 6.63                             | 6.63               |
| Grant Funded Part-Time   | 0.00              | 0.50               | 0.80                               | 0.80                             | 0.80               |
| <b>TOTAL FTE</b>   | <b>4.83</b>       | <b>4.64</b>        | <b>7.43</b>                        | <b>7.43</b>                      | <b>7.43</b>        |
| <b>OFFICE OF THE COMMONWEALTH'S ATTORNEY GRANTS BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>BEGINNING DESIGNATED FUND BALANCE</b>                             | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>REVENUES</b>  |                   |                    |                                    |                                  |                    |
| Federal Grants   | \$255,616         | \$334,331          | \$538,319                          | \$538,319                        | \$538,319          |
| State Grants   | 55,365            | 0                  | 55,365                             | 55,365                           | 55,365             |
| Boys and Girls Club of America Grant                                 | 0                 | 0                  | 3,124                              | 3,124                            | 3,124              |
| In-Kind Grant Match  | 11,285            | 22,570             | 22,570                             | 22,570                           | 22,570             |
| Transfer from Asset Forfeiture Fund                                  | 14,602            | 0                  | 0                                  | 0                                | 0                  |
| Transfer from General Fund   | 4,141             | 15,063             | 15,062                             | 15,062                           | 15,062             |
| <b>TOTAL REVENUES</b>  | <b>\$341,009</b>  | <b>\$371,964</b>   | <b>\$634,440</b>                   | <b>\$634,440</b>                 | <b>\$634,440</b>   |
| <b>EXPENDITURES</b>  |                   |                    |                                    |                                  |                    |
| Salaries   | \$201,125         | \$211,573          | \$329,213                          | \$329,213                        | \$329,213          |
| Employee Benefits  | 78,341            | 88,140             | 129,304                            | 129,304                          | 129,304            |
| Contractual Services   | 49,900            | 49,031             | 141,293                            | 141,293                          | 141,293            |
| Other Charges  | 11,643            | 23,220             | 34,630                             | 34,630                           | 34,630             |
| <b>TOTAL EXPENDITURES</b>  | <b>\$341,009</b>  | <b>\$371,964</b>   | <b>\$634,440</b>                   | <b>\$634,440</b>                 | <b>\$634,440</b>   |
| <b>ENDING DESIGNATED FUND BALANCE</b>                                | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**Office of the Commonwealth's Attorney Grants Budget Description**

The Department Requested FY 2012 Office of the Commonwealth's Attorney Grants budget of \$634,440 represents a 70.6% increase of \$262,476 compared to the Adopted FY 2011 budget of \$371,964.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$158,804 increase in Salaries and Employee Benefits reflecting an increase in awarded federal and State revenue supporting staffing changes, as well as changes in health, dental, and life insurance rates.
- \$92,262 increase in Contractual Services reflecting additional federal and State revenue for the Domestic Violence and V-STOP grant programs.
- \$11,410 increase in Other Charges reflecting additional federal and State revenue for the Domestic Violence and V-STOP grant programs.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Office of the Commonwealth's Attorney Grants budget was adopted by City Council without changes.



**Fire Department Grants**

**Fire Programs.** As a result of 1985 Virginia General Assembly legislative action, the Fire Programs Fund is administered by the Virginia Department of Fire Programs. This legislation, as amended, authorizes an annual assessment against all licensed insurance companies selling selected types of fire and fire-related insurance in the Commonwealth. The assessment is appropriated to localities in the Commonwealth on a per-capita basis for the purpose of improving fire service operations via expenditures for fire service training, fire prevention and public safety education programs, fire fighting equipment, protective clothing, etc.

**Emergency Medical Services (EMS) Four for Life.** Section 46.2-694 of the Code of Virginia provides for the collection of four dollars for the registration of each passenger vehicle, pickup and panel truck. Approximately 25% of the revenues are returned to the locality wherein such vehicles are registered. The funds are used to provide training for volunteer and/or salaried emergency medical service personnel and for purchases of necessary equipment/supplies.

|  | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>FIRE DEPARTMENT GRANTS BUDGET SUMMARY</b> |                   |                    |                                    |                                  |                    |
| <b>BEGINNING DESIGNATED FUND BALANCE</b>     | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>REVENUES</b>                              |                   |                    |                                    |                                  |                    |
| State Grants                                 | \$147,933         | \$215,000          | \$215,000                          | \$215,000                        | \$215,000          |
| <b>TOTAL REVENUES</b>                        | <b>\$147,933</b>  | <b>\$215,000</b>   | <b>\$215,000</b>                   | <b>\$215,000</b>                 | <b>\$215,000</b>   |
| <b>EXPENDITURES</b>                          |                   |                    |                                    |                                  |                    |
| Employee Benefits                            | \$901             | \$0                | \$0                                | \$0                              | \$0                |
| Contractual Services                         | 40,900            | 0                  | 0                                  | 0                                | 0                  |
| Other Charges                                | 59,332            | 215,000            | 215,000                            | 215,000                          | 215,000            |
| Capital Outlay                               | 46,800            | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL EXPENDITURES</b>                    | <b>\$147,933</b>  | <b>\$215,000</b>   | <b>\$215,000</b>                   | <b>\$215,000</b>                 | <b>\$215,000</b>   |
| <b>ENDING DESIGNATED FUND BALANCE</b>        | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**Fire Department Grants Budget Description**

The Department Requested FY 2012 Fire Department Grants budget of \$215,000 represents no change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Fire Department Grants budget was adopted by City Council without changes.



**Juvenile Services Grant**

**United States Department of Agriculture (USDA) School Nutrition Program for Group Homes.** The United States Department of Agriculture (USDA) reimburses funding for the purchase of food for the residential youth care programs at Opportunity House and SPARC House. Administered by the Virginia Department of Juvenile Justice, these funds permit the purchase of needed kitchen equipment, utensils, and/or other food service-related requirements for these programs.

|  | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>JUVENILE SERVICES GRANTS BUDGET SUMMARY</b> |                   |                    |                                    |                                  |                    |
| <b>BEGINNING DESIGNATED FUND BALANCE</b>       | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>REVENUES</b>                                |                   |                    |                                    |                                  |                    |
| Federal Grants                                 | \$15,504          | \$20,000           | \$20,000                           | \$20,000                         | \$20,000           |
| <b>TOTAL REVENUES</b>                          | <b>\$15,504</b>   | <b>\$20,000</b>    | <b>\$20,000</b>                    | <b>\$20,000</b>                  | <b>\$20,000</b>    |
| <b>EXPENDITURES</b>                            |                   |                    |                                    |                                  |                    |
| Other Charges                                  | \$15,504          | \$20,000           | \$20,000                           | \$20,000                         | \$20,000           |
| <b>TOTAL EXPENDITURES</b>                      | <b>\$15,504</b>   | <b>\$20,000</b>    | <b>\$20,000</b>                    | <b>\$20,000</b>                  | <b>\$20,000</b>    |
| <b>ENDING DESIGNATED FUND BALANCE</b>          | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**Juvenile Services Grant Budget Description**

The Department Requested FY 2012 Juvenile Services Grant budget of \$20,000 represents no change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Juvenile Services Grant budget was adopted by City Council without changes.



### **Social Services Grants**

**Comprehensive Services Act Providers Grant - Safe and Stable Families.** Provides services for family preservation, to increase the health and well being of families, and increase family management effectiveness.

**Education Support Incentive Program.** The Education and Training Vouchers Grant is designed to assist foster care youth in becoming self-sufficient by helping them receive the education, training, and services necessary to obtain employment.

**Foster Parent Recruiting and Training.** Primary focus is the retention of current foster/adoptive homes while adding new homes to meet the needs of the children. This grant also enables foster parents to receive more intensive therapeutic pre-service and in-service training as well as critical supportive services. Reduces Comprehensive Services Act (CSA) expenses by reducing the number of residential placements for the more difficult to place children.

**Independent Living.** Assists youth 14-21 years of age in the custody of Social Services in gaining the skills and confidence necessary to care for themselves upon emancipation. Services include educational assistance, vocational training activities, daily living skills, counseling, and coordination with other service providers, outreach services, and activities for youth.

**Piedmont Regional Adoption Grant.** The primary goal of this state grant is to maximize available resources to meet the growing needs and policy mandates that dictate the permanent placement of children in shorter time periods by continuing to increase a regional pool of assessed adoptive homes. Additional objectives are to increase community awareness and cooperative efforts; to identify and assess community resources to assist with special needs, placements; and to establish a post adoptive support network.

**Respite.** The Respite Care Grant, funded by the State provides respite care, training and activities for foster families and children residing in foster homes with the goal of preventing placement disruptions. Foster Parents are eligible for up to 30 days of respite care per year with approved respite care providers.

**Temporary Assistance for Needy Families (TANF).** The TANF Grant provides resources to enhance welfare recipient employment, job retention and monthly earnings.



**Social Services Grants**

|  | <b>Actual<br/>FY 2010</b> | <b>Adopted<br/>FY 2011</b> | <b>Department<br/>Requested<br/>FY 2012</b> | <b>Manager's<br/>Proposed<br/>FY 2012</b> | <b>Adopted<br/>FY 2012</b> |
|--|---------------------------|----------------------------|---|---|----------------------------|
| <b>SOCIAL SERVICES GRANTS POSITION SUMMARY</b> |                           |                            |   |   |                            |
| Grant Funded Full-Time                         | 5                         | 5                          | 4   | 4   | 4                          |
| <b>TOTAL FTE</b>                               | <b>5</b>                  | <b>5</b>                   | <b>4</b>                                    | <b>4</b>                                  | <b>4</b>                   |
| <b>SOCIAL SERVICES GRANTS BUDGET SUMMARY</b>   |                           |                            |   |   |                            |
| <b>BEGINNING DESIGNATED FUND BALANCE</b>       | <b>\$0</b>                | <b>\$0</b>                 | <b>\$0</b>                                  | <b>\$0</b>                                | <b>\$0</b>                 |
| <b>REVENUES</b>                                |                           |                            |   |   |                            |
| Federal Grants                                 | \$350,797                 | \$280,197                  | \$279,595                                   | \$279,595                                 | \$279,595                  |
| State Grants                                   | 69,255                    | 52,092                     | 52,092                                      | 52,092                                    | 52,092                     |
| Transfer from Asset Forfeiture Fund            | 302                       | 0                          | 0   | 0   | 0                          |
| Transfer from General Fund                     | 15,316                    | 12,007                     | 12,109                                      | 12,109                                    | 12,109                     |
| <b>TOTAL REVENUES</b>                          | <b>\$435,670</b>          | <b>\$344,296</b>           | <b>\$343,796</b>                            | <b>\$343,796</b>                          | <b>\$343,796</b>           |
| <b>EXPENDITURES</b>                            |                           |                            |   |   |                            |
| Salaries                                       | \$128,401                 | \$121,726                  | \$119,976                                   | \$119,976                                 | \$119,976                  |
| Employee Benefits                              | 52,996                    | 56,696                     | 57,246                                      | 57,246                                    | 57,246                     |
| Contractual Services                           | 53,974                    | 53,974                     | 53,700                                      | 53,700                                    | 53,700                     |
| Other Charges                                  | 200,299                   | 111,900                    | 112,874                                     | 112,874                                   | 112,874                    |
| <b>TOTAL EXPENDITURES</b>                      | <b>\$435,670</b>          | <b>\$344,296</b>           | <b>\$343,796</b>                            | <b>\$343,796</b>                          | <b>\$343,796</b>           |
| <b>ENDING DESIGNATED FUND BALANCE</b>          | <b>\$0</b>                | <b>\$0</b>                 | <b>\$0</b>                                  | <b>\$0</b>                                | <b>\$0</b>                 |

**Social Services Grants Budget Description**

The Department Requested FY 2012 Social Services Grants budget of \$343,796 represents no significant change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Social Services Grant budget was adopted by City Council without changes.



**Community Corrections and Pretrial Services Program Grant.** The goal of Community Corrections Program is to reduce jail costs by providing local probation supervision for adult offenders and pretrial investigation and supervision of defendants who are released on bond while awaiting trial. Program services are provided to localities participating in the regional jail including Lynchburg, Bedford City, Bedford County, and Campbell County.

**Byrne Memorial Justice Program Grant.** The purpose of this program is to provide services to divert persons with mental illness who come into the criminal justice system.

|  | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>COMMUNITY CORRECTIONS AND PRETRIAL SERVICES GRANTS POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| Grant Funded Full-Time   | 9.00              | 8.00               | 8.00                               | 8.00                             | 8.00               |
| Grant Funded Part-Time   | 0.88              | 1.48               | 1.48                               | 1.48                             | 1.48               |
| Grant Funded Temporary   | 0.75              | 0.75               | 0.69                               | 0.69                             | 0.69               |
| <b>TOTAL FTE</b>   | <b>10.63</b>      | <b>10.23</b>       | <b>10.17</b>                       | <b>10.17</b>                     | <b>10.17</b>       |
| <b>COMMUNITY CORRECTIONS AND PRETRIAL SERVICES GRANTS BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>BEGINNING DESIGNATED FUND BALANCE</b>                                   | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>REVENUES</b>  |                   |                    |                                    |                                  |                    |
| Federal Grants   | \$40,556          | \$60,000           | \$60,000                           | \$60,000                         | \$60,000           |
| State Grants   | 452,810           | 487,069            | 487,069                            | 487,069                          | 487,069            |
| Contribution from Community Services Board                                 | 20,000            | 20,000             | 20,000                             | 20,000                           | 20,000             |
| <b>TOTAL REVENUES</b>  | <b>\$513,366</b>  | <b>\$567,069</b>   | <b>\$567,069</b>                   | <b>\$567,069</b>                 | <b>\$567,069</b>   |
| <b>EXPENDITURES</b>  |                   |                    |                                    |                                  |                    |
| Salaries   | \$316,489         | \$342,816          | \$342,821                          | \$342,821                        | \$342,821          |
| Employee Benefits  | 110,367           | 124,565            | 126,673                            | 126,673                          | 126,673            |
| Contractual Services   | 1,523             | 2,796              | 2,815                              | 2,815                            | 2,815              |
| Other Charges  | 84,987            | 96,892             | 94,760                             | 94,760                           | 94,760             |
| <b>TOTAL EXPENDITURES</b>  | <b>\$513,366</b>  | <b>\$567,069</b>   | <b>\$567,069</b>                   | <b>\$567,069</b>                 | <b>\$567,069</b>   |
| <b>ENDING DESIGNATED FUND BALANCE</b>                                      | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**Community Corrections and Pretrial Services Program Grant Budget Description**

The Department Requested FY 2012 Community Corrections and Pretrial Services Program Grant budget of \$567,069 represents no change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Community Corrections and Pretrial Services Program Grant budget was adopted by City Council without changes.



**Non-Departmental – Citizens for a Clean Lynchburg Grant.** The State of Virginia has assisted localities with ongoing Recycling and Litter Prevention programs which is a part of their Department of Environmental Quality’s Division of Environmental Enhancement. The State’s Litter Prevention Program approves annual grants to localities for recycling and litter control activities, provides information and guidance on litter prevention and recycling topics, and works with localities, and environmental groups on improving awareness of how litter damages the environment.

The City of Lynchburg has been very fortunate to receive one of these grants for over ten years and this funding has been directed to the Citizens for a Clean Lynchburg, Inc. (CCL) organization which provides supplemental support in terms of fund-raising by volunteer groups and coordination of various community-wide efforts to combat littering and encourage recycling (i.e.: March on Litter, City Walkers, and education programs for City schools, etc.) In addition, CCL activities include public relations, community education, and publications to promote citizen awareness of the need for greater litter control and improved recycling.

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>NON-DEPARTMENTAL CITIZENS FOR A CLEAN LYNCHBURG GRANT BUDGET SUMMARY</b> |                   |                    |                                    |                                  |                    |
| <b>BEGINNING DESIGNATED FUND BALANCE</b>                                    | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>REVENUES</b>   |                   |                    |                                    |                                  |                    |
| State Grants  | \$9,886           | \$11,162           | \$12,872                           | \$12,872                         | \$12,872           |
| <b>TOTAL REVENUES</b>   | <b>\$9,886</b>    | <b>\$11,162</b>    | <b>\$12,872</b>                    | <b>\$12,872</b>                  | <b>\$12,872</b>    |
| <b>EXPENDITURES</b>   |                   |                    |                                    |                                  |                    |
| Contractual Services  | \$9,755           | \$10,527           | \$12,872                           | \$12,872                         | \$12,872           |
| Other Charges   | 131               | 635                | 0                                  | 0                                | 0                  |
| <b>TOTAL EXPENDITURES</b>   | <b>\$9,886</b>    | <b>\$11,162</b>    | <b>\$12,872</b>                    | <b>\$12,872</b>                  | <b>\$12,872</b>    |
| <b>ENDING DESIGNATED FUND BALANCE</b>                                       | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**Non-Departmental – Citizens for a Clean Lynchburg Grant**

The Department Requested FY 2012 Non-Departmental – Citizens for a Clean Lynchburg Grant budget of \$12,872 represents a 15.3% increase of \$1,710 compared to the Adopted FY 2011 budget of \$11,162.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$1,710 increase in Contractual Services reflecting an increase in awarded State revenue.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Non-Departmental – Citizens for a Clean Lynchburg Grant budget was adopted by City Council without changes.



Non-Departmental – Workforce Investment Act Grant. Title I Workforce Investment Act (WIA) funds are being allocated to the local workforce investment area (LWIA) for the purpose of providing a single system of employment and training activities for adults and dislocated workers and to provide services for eligible youth. Regional Commission 2000 is acting as the fiscal agent and the City of Lynchburg serves as the local grant recipient.

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>NON-DEPARTMENTAL WORKFORCE INVESTMENT ACT GRANT BUDGET SUMMARY</b> |                   |                    |                                    |                                  |                    |
| <b>BEGINNING DESIGNATED FUND BALANCE</b>                              | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>REVENUES</b>   |                   |                    |                                    |                                  |                    |
| Federal Grants  | \$671,297         | \$800,000          | \$800,000                          | \$800,000                        | \$800,000          |
| <b>TOTAL REVENUES</b>   | <b>\$671,297</b>  | <b>\$800,000</b>   | <b>\$800,000</b>                   | <b>\$800,000</b>                 | <b>\$800,000</b>   |
| <b>EXPENDITURES</b>   |                   |                    |                                    |                                  |                    |
| Contractual Services  | \$671,297         | \$800,000          | \$800,000                          | \$800,000                        | \$800,000          |
| <b>TOTAL EXPENDITURES</b>   | <b>\$671,297</b>  | <b>\$800,000</b>   | <b>\$800,000</b>                   | <b>\$800,000</b>                 | <b>\$800,000</b>   |
| <b>ENDING DESIGNATED FUND BALANCE</b>                                 | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**Non-Departmental – Workforce Investment Act Grant Budget Description**

The Department Requested FY 2012 Non-Departmental – Workforce Investment Act Grant budget of \$800,000 represents no change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Non-Departmental – Workforce Investment Act Grant budget was adopted by City Council without changes.



**Community Development Block Grant (CDBG) Fund.** The CDBG Program is designed to preserve, rehabilitate and improve low income neighborhoods through low interest loans, rental assistance, rehabilitation of blighted properties and program support. The City receives federal funding each year for the program. Any unexpended funds at year-end are carried forward into the next fiscal year.

|   | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>COMMUNITY DEVELOPMENT BLOCK GRANT POSITION SUMMARY</b> |                    |                    |                                    |                                  |                    |
| Grant Funded Full-Time                                    | 0.50               | 0.50               | 0.65                               | 0.65                             | 0.65               |
| Grant Funded Part-Time                                    | 0.50               | 0.80               | 0.60                               | 0.60                             | 0.60               |
| <b>TOTAL FTE</b>  | <b>1.00</b>        | <b>1.30</b>        | <b>1.25</b>                        | <b>1.25</b>                      | <b>1.25</b>        |
| <b>COMMUNITY DEVELOPMENT BLOCK GRANT BUDGET SUMMARY</b>   |                    |                    |                                    |                                  |                    |
| <b>BEGINNING DESIGNATED FUND BALANCE</b>                  | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>REVENUES</b>   |                    |                    |                                    |                                  |                    |
| Federal Entitlement                                       | \$1,111,463        | \$904,817          | \$904,816                          | \$904,816                        | \$904,816          |
| Program Income  | 14,202             | 2,030              | 0                                  | 0                                | 0                  |
| Federal Entitlement - prior year                          | 0                  | 2,464              | 0                                  | 0                                | 0                  |
| Return of funds from LRHA                                 | 0                  | 63,266             | 0                                  | 0                                | 0                  |
| Reprogram funds from Bluffwalk                            | 0                  | 67,198             | 0                                  | 0                                | 0                  |
| <b>TOTAL REVENUES</b>                                     | <b>\$1,125,665</b> | <b>\$1,039,775</b> | <b>\$904,816</b>                   | <b>\$904,816</b>                 | <b>\$904,816</b>   |
| <b>EXPENDITURES</b>                                       |                    |                    |                                    |                                  |                    |
| Salaries  | \$65,873           | \$77,127           | \$74,983                           | \$74,983                         | \$74,983           |
| Employee Benefits   | 7,056              | 31,202             | 14,852                             | 14,852                           | 14,852             |
| Contractual Services                                      | 1,039,817          | 913,796            | 808,105                            | 808,105                          | 808,105            |
| Other Charges   | 2,413              | 17,650             | 6,876                              | 6,876                            | 6,876              |
| Capital Outlay  | 10,506             | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL EXPENDITURES</b>                                 | <b>\$1,125,665</b> | <b>\$1,039,775</b> | <b>\$904,816</b>                   | <b>\$904,816</b>                 | <b>\$904,816</b>   |
| <b>ENDING DESIGNATED FUND BALANCE</b>                     | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**Community Development Block Grant (CDBG) Fund Budget Description**

The Department Requested FY 2012 Community Development Block Grant Fund budget of \$904,816 represents a 13.0% decrease of \$134,959 compared to the Adopted FY 2011 budget of \$1,039,775.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$18,494 decrease in Salaries and Employee Benefits reflecting realignment of positions between the CDBG and HOME Funds.
- \$116,465 decrease in Contractual Services and Other Charges reflecting a projected decrease in program income, the one-time return of funds from Lynchburg Redevelopment and Housing Authority (LRHA) in FY 2011, and one-time reprogrammed funds from Bluffwalk in FY 2011.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Community Development Block Grant Fund budget was adopted by City Council without changes.



Community Development Block Grant funding by project

| Project  | FY 2011<br>Funding Distribution |
|--|---------------------------------|
| Program Administration (City)  | \$125,979                       |
| Program Administration (Lynchburg Redevelopment & Housing Authority)                 | 43,545                          |
| Section 108 Loan (Bluffwalk)   | 310,283                         |
| Lynchburg Redevelopment & Housing Authority (LRHA) Spot Blight Abatement/Acquisition | 80,000                          |
| LRHA Delivery Costs-Rehabilitation   | 14,479                          |
| LRHA Delivery Costs-Disposition  | 14,479                          |
| LRHA Delivery Costs-Acquisition  | 96,455                          |
| Fifth Street Community Development Corporation (City) - Fifth Street Phase II        | 100,000                         |
| Lynchburg Community Action Group (Lyn-CAG) Housing Improvement                       | 70,000                          |
| Rebuilding Together Lynchburg  | 70,000                          |
| Virginia University Lynchburg-Roof Replacement                                       | 14,320                          |
| YWCA Town Center Restoration   | 4,000                           |
| Camp Kum-Ba-Yah (Public Service)   | 20,000                          |
| The Gateway House, Inc (Public Service)  | 25,000                          |
| Interfaith Outreach (Public Service)   | 5,000                           |
| Miriam's House (Public Service)  | 20,000                          |
| Smart Beginnings (Public Service)  | 10,723                          |
| YWCA Domestic Violence Prevention Center (Public Service)                            | 25,000                          |
| <b>TOTAL</b>   | <b>\$1,049,262</b>              |



Comprehensive Services Act (CSA) Fund. The CSA Program provides services to children and youth who come before the local Family and Planning Assessment Team (FAPT) and the Lynchburg Community Policy Management Team (CPMT). Juvenile Services provides administrative supervision to the CSA staff.

|   | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>COMPREHENSIVE SERVICES ACT (CSA) FUND POSITION SUMMARY</b> |                    |                    |                                    |                                  |                    |
| Grant Funded Full-Time  | 1.2                | 1.2                | 1.2                                | 1.2                              | 1.2                |
| <b>TOTAL FTE</b>  | <b>1.2</b>         | <b>1.2</b>         | <b>1.2</b>                         | <b>1.2</b>                       | <b>1.2</b>         |
| <b>COMPREHENSIVE SERVICES ACT (CSA) FUND BUDGET SUMMARY</b>   |                    |                    |                                    |                                  |                    |
| <b>BEGINNING UNDESIGNATED FUND BALANCE</b>                    | <b>\$111,858</b>   | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>REVENUES</b>   |                    |                    |                                    |                                  |                    |
| Intergovernmental - Public Assistance                         | \$2,768,124        | \$3,417,468        | \$3,417,468                        | \$3,417,468                      | \$3,417,468        |
| Transfer from General Fund                                    | 1,223,818          | 1,349,591          | 1,349,591                          | 1,349,591                        | 1,349,591          |
| Transfer from Lynchburg City Schools                          | 196,541            | 196,541            | 196,541                            | 196,541                          | 196,541            |
| Special Welfare Recoupment                                    | 91,348             | 110,000            | 110,000                            | 110,000                          | 110,000            |
| <b>TOTAL REVENUES</b>   | <b>\$4,279,831</b> | <b>\$5,073,600</b> | <b>\$5,073,600</b>                 | <b>\$5,073,600</b>               | <b>\$5,073,600</b> |
| <b>EXPENDITURES</b>   |                    |                    |                                    |                                  |                    |
| Salaries  | \$42,319           | \$41,279           | \$41,279                           | \$41,279                         | \$41,279           |
| Employee Benefits   | 17,320             | 18,513             | 18,816                             | 18,816                           | 18,816             |
| Administrative  | 8,618              | 13,230             | 12,927                             | 12,927                           | 12,927             |
| Mandated - Foster Care  | 3148496            | 3,679,742          | 3,598,742                          | 3,598,742                        | 3,598,742          |
| Mandated - Special Education                                  | 845,401            | 945,000            | 1,026,000                          | 1,026,000                        | 1,026,000          |
| Non-Mandated Services   | 148,947            | 375,836            | 375,836                            | 375,836                          | 375,836            |
| <b>TOTAL EXPENDITURES</b>                                     | <b>\$4,211,101</b> | <b>\$5,073,600</b> | <b>\$5,073,600</b>                 | <b>\$5,073,600</b>               | <b>\$5,073,600</b> |
| <b>ENDING UNDESIGNATED FUND BALANCE</b>                       | <b>\$180,588</b>   | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**Comprehensive Services Act (CSA) Fund Budget Description**

The Department Requested FY 2012 Comprehensive Services Act Fund budget of \$5,073,600 represents no change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Comprehensive Services Act Fund budget was adopted by City Council without changes.



HOME Investment Partnerships Program Fund. The Program is designed to assist first-time, low-income homebuyers with the purchase of a home, as well as rehabilitation of owner-occupied homes and rehabilitation of vacant properties for occupancy. The City receives federal funding each year for this program. Any unexpended funds at year-end are carried forward into the next fiscal year.

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>HOME INVESTMENT PARTNERSHIPS FUND POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| Grant Funded Full-Time                                    | 0.50              | 0.25               | 0.15                               | 0.15                             | 0.15               |
| Grant Funded Part-Time                                    | 0.25              | 0.00               | 0.20                               | 0.20                             | 0.20               |
| <b>TOTAL FTE</b>  | <b>0.75</b>       | <b>0.25</b>        | <b>0.35</b>                        | <b>0.35</b>                      | <b>0.35</b>        |
| <b>HOME INVESTMENT PARTNERSHIPS FUND BUDGET SUMMARY</b>   |                   |                    |                                    |                                  |                    |
| <b>BEGINNING DESIGNATED FUND BALANCE</b>                  | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>REVENUES</b>   |                   |                    |                                    |                                  |                    |
| Federal Entitlement                                       | \$265,565         | \$467,942          | \$467,742                          | \$467,742                        | \$467,742          |
| Program Income  | 2,962             | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL REVENUES</b>                                     | <b>\$268,527</b>  | <b>\$467,942</b>   | <b>\$467,742</b>                   | <b>\$467,742</b>                 | <b>\$467,742</b>   |
| <b>EXPENDITURES</b>                                       |                   |                    |                                    |                                  |                    |
| Salaries  | \$11,135          | \$11,560           | \$23,576                           | \$23,576                         | \$23,576           |
| Employee Benefits   | 2,241             | 4,793              | 4,176                              | 4,176                            | 4,176              |
| Contractual Services                                      | 254,858           | 451,589            | 438,990                            | 438,990                          | 438,990            |
| Other Charges   | 293               | 0                  | 1,000                              | 1,000                            | 1,000              |
| <b>TOTAL EXPENDITURES</b>                                 | <b>\$268,527</b>  | <b>\$467,942</b>   | <b>\$467,742</b>                   | <b>\$467,742</b>                 | <b>\$467,742</b>   |
| <b>ENDING DESIGNATED FUND BALANCE</b>                     | <b>\$0</b>        | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |

**HOME Investment Partnerships Program Fund Budget Description**

The Department Requested FY 2012 HOME Investment Partnerships Program Fund budget of \$467,742 represents no significant change compared to the Adopted FY 2011 budget.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 HOME Investment Partnerships Program Fund budget was adopted by City Council without changes.



*HOME Investment Partnerships Program funding by project*

| <b>Project</b>  | <b>FY 2011<br/>Funding Distribution</b> |
|---|---|
| Home Administration (City)  | \$16,353                                |
| Greater Lynchburg Habitat for Humanity                                | 65,000                                  |
| Lyn-CAG-Homeowner - Community Housing Development Organization (CHDO) | 75,000                                  |
| Lyn-CAG Substantial Rehab   | 150,000                                 |
| Lynchburg Neighborhood Development Foundation (LNDF) Hilltop Homes    | 48,163                                  |
| LNDF-Tinbridge Hill   | 105,000                                 |
| <b>TOTAL</b>  | <b>\$459,516</b>                        |



Lynchburg Expressway Appearance Fund (LEAF). The Lynchburg Expressway Appearance Fund (LEAF) accounts for any pledges and donations from citizens and businesses for the beautification of major transportation corridors throughout the City by the planting of trees, shrubs, and flowerbeds.

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>LYNCHBURG EXPRESSWAY APPEARANCE FUND (LEAF) BUDGET SUMMARY</b> |                   |                    |                                    |                                  |                    |
| <b>BEGINNING FUND BALANCE</b>                                     |                   |                    |                                    |                                  |                    |
| Undesignated Fund Balance   | (\$29,624)        |                    |                                    |                                  |                    |
| Reserve for Encumbrances  | 22,030            |                    |                                    |                                  |                    |
| <b>TOTAL BEGINNING FUND BALANCE <sup>1</sup></b>                  | <b>(\$7,594)</b>  | <b>(\$7,594)</b>   | <b>\$125,159</b>                   | <b>\$125,159</b>                 | <b>\$125,159</b>   |
| <b>REVENUES</b>   |                   |                    |                                    |                                  |                    |
| Revenue from pledges and donations                                | \$156,025         | \$0                | \$0                                | \$0                              | \$0                |
| <b>TOTAL REVENUES</b>   | <b>\$156,025</b>  | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>EXPENDITURES</b>   |                   |                    |                                    |                                  |                    |
| Contractual Services  | \$23,272          | \$0                | \$0                                | \$0                              | \$0                |
| <b>TOTAL EXPENDITURES</b>   | <b>\$23,272</b>   | <b>\$0</b>         | <b>\$0</b>                         | <b>\$0</b>                       | <b>\$0</b>         |
| <b>ENDING FUND BALANCE <sup>1</sup></b>                           | <b>\$125,159</b>  | <b>(\$7,594)</b>   | <b>\$125,159</b>                   | <b>\$125,159</b>                 | <b>\$125,159</b>   |

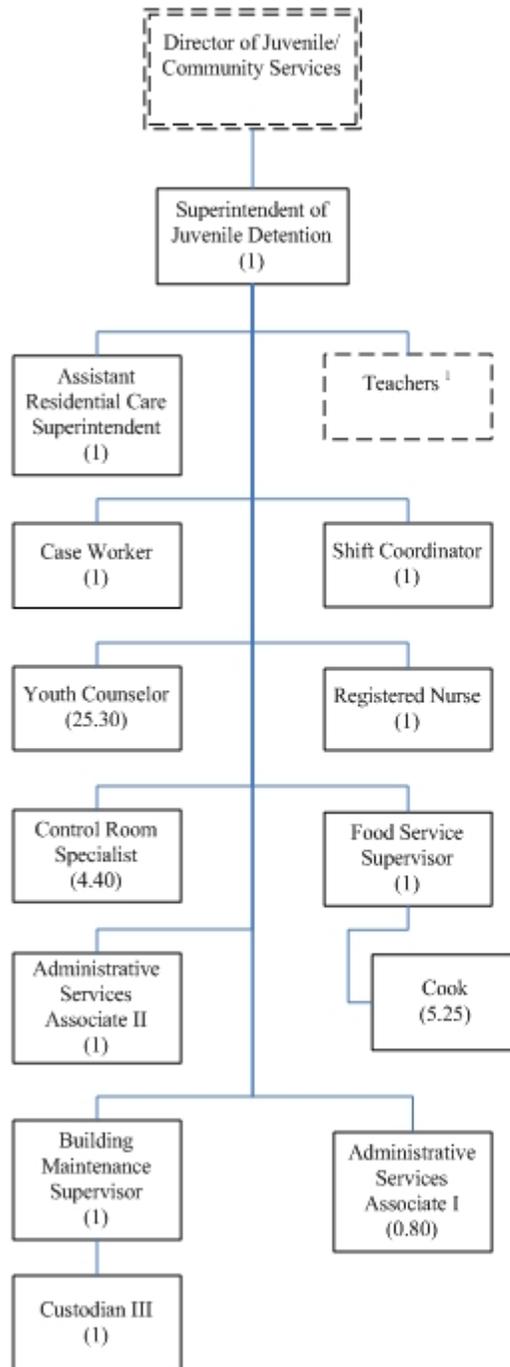
<sup>1</sup> The Lynchburg Expressway Appearance Fund (LEAF) shows a deficit fund balance in FY 2010 and FY 2011. The deficit is a result of spreading revenue over five and ten years based upon individual contracts. While the fund has adequate cash for operations, the related revenue is recognized as it is earned.

**Lynchburg Expressway Appearance Fund (LEAF) Budget Description**

No funds are requested for FY 2012.



REGIONAL JUVENILE DETENTION CENTER



| POSITION SUMMARY             |  |
|------------------------------|--|
| 44.75 City Funded Positions  |  |
| 2.50 Temporary Positions     |  |
| <hr/>                        |  |
| 47.25 Total Funded Positions |  |

<sup>1</sup> Administered by the Lynchburg City Schools



**Regional Juvenile Detention Center Fund.** The Center provides a secure facility to house and care for juvenile offenders in the cities of Lynchburg and Bedford as well as the counties of Amherst, Appomattox, Bedford, Campbell, Charlotte, and Nelson under the purview of the law who are awaiting disposition of their charges by the Juvenile and Domestic Relations Court or transportation to a State facility. Post-Dispositional services are also available for up to nine juveniles. The Lynchburg Regional Juvenile Detention Center Advisory Board provides guidance and insight to the operations of the Detention Center.

|   | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>REGIONAL JUVENILE DETENTION CENTER FUND POSITION SUMMARY</b> |                   |                    |                                    |                                  |                    |
| City Funded Full-Time   | 42.00             | 40.00              | 40.00                              | 40.00                            | 40.00              |
| City Funded Part-Time   | 5.05              | 5.05               | 4.75                               | 4.75                             | 4.75               |
| City Funded Temporary   | 2.50              | 2.50               | 2.50                               | 2.50                             | 2.50               |
| <b>TOTAL FTE</b>  | <b>49.55</b>      | <b>47.55</b>       | <b>47.25</b>                       | <b>47.25</b>                     | <b>47.25</b>       |

| <b>REGIONAL JUVENILE DETENTION CENTER FUND BUDGET SUMMARY</b> |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>BEGINNING FUND BALANCE</b>                                 |                    |                    |                    |                    |                    |
| Designated Fund Balance                                       | \$76,386           |                    |                    |                    |                    |
| Encumbrances  | 9,543              |                    |                    |                    |                    |
| <b>TOTAL BEGINNING FUND BALANCE</b>                           | <b>\$85,929</b>    | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         |
| <b>REVENUES</b>   |                    |                    |                    |                    |                    |
| Charges for Services  | \$1,747,137        | \$1,799,662        | \$1,760,603        | \$1,760,603        | \$1,760,603        |
| Intergovernmental   | 1,157,845          | 1,140,340          | 1,140,120          | 1,140,120          | 1,140,120          |
| <b>TOTAL REVENUES</b>   | <b>\$2,904,982</b> | <b>\$2,940,002</b> | <b>\$2,900,723</b> | <b>\$2,900,723</b> | <b>\$2,900,723</b> |
| <b>EXPENDITURES</b>   |                    |                    |                    |                    |                    |
| Salaries  | \$1,444,635        | \$1,441,444        | \$1,415,582        | \$1,415,582        | \$1,415,582        |
| Employee Benefits   | 554,143            | 594,931            | 599,538            | 599,538            | 599,538            |
| Contractual Services  | 43,102             | 38,350             | 37,350             | 37,350             | 37,350             |
| Internal Services   | 10,927             | 7,100              | 7,379              | 7,379              | 7,379              |
| Other Charges   | 533,312            | 564,669            | 554,824            | 554,824            | 554,824            |
| Debt Service  | 282,009            | 293,508            | 284,050            | 284,050            | 284,050            |
| Capital Outlay  | 0                  | 0                  | 2,000              | 2,000              | 2,000              |
| <b>TOTAL EXPENDITURES</b>                                     | <b>\$2,868,128</b> | <b>\$2,940,002</b> | <b>\$2,900,723</b> | <b>\$2,900,723</b> | <b>\$2,900,723</b> |
| <b>ENDING FUND BALANCE</b>                                    |                    |                    |                    |                    |                    |
| Designated Fund Balance                                       | \$122,783          | \$0                | \$0                | \$0                | \$0                |
| <b>TOTAL ENDING FUND BALANCE</b>                              | <b>\$122,783</b>   | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         |

**Regional Juvenile Detention Center Fund Budget Description**

The Department Requested FY 2012 Regional Juvenile Detention Center Fund budget of \$2,900,723 represents a 1.3% decrease of \$39,279 compared to the Adopted FY 2011 budget of \$2,940,002.

Significant changes introduced in the Department Requested FY 2012 budget include:

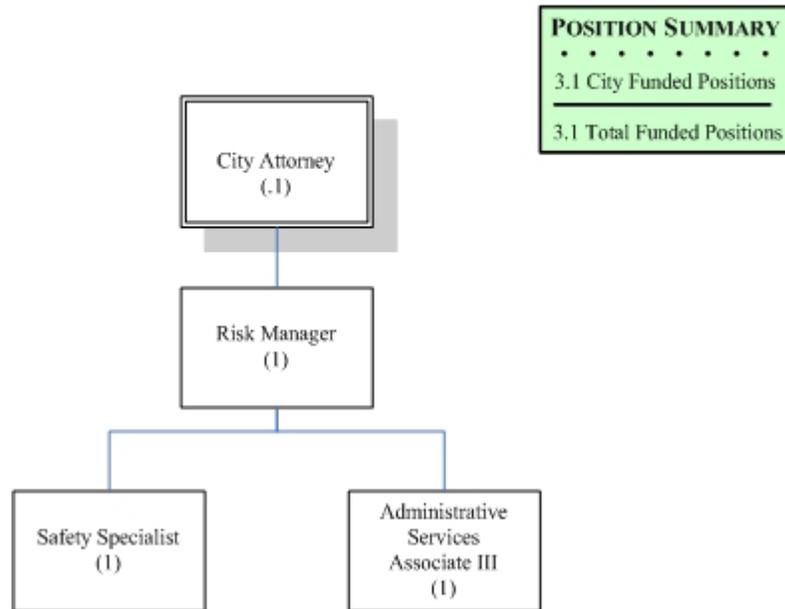
- \$21,255 decrease in Salaries and Employee Benefits reflecting lower than anticipated personnel costs, as well as changes in health, dental, and life insurance rates.
- \$7,845 decrease in Other Charges reflecting reductions to the food budget.
- \$9,458 decrease in Debt Service reflecting FY 2012 amortization rates.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Regional Juvenile Detention Center Fund budget was adopted by City Council without changes.



**RISK MANAGEMENT OFFICE**





**Risk Management Fund.** The Risk Management Program was established by City Council effective January 1, 1986, as an alternative to the routine procurement of general liability and automobile liability insurance policies from commercial insurance companies. The program is funded through annual contributions from the General, Water, Sewer, Airport, and Regional Juvenile Detention Funds interest income. The claims placed in this fund are expended in lieu of insurance to settle liability claims filed against the City.

|  | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>RISK MANAGEMENT FUND POSITION SUMMARY</b> |                    |                    |                                    |                                  |                    |
| City Funded Full-Time                        | 3.1                | 3.1                | 3.1                                | 3.1                              | 3.1                |
| <b>TOTAL FTE</b>                             | <b>3.1</b>         | <b>3.1</b>         | <b>3.1</b>                         | <b>3.1</b>                       | <b>3.1</b>         |
| <b>RISK MANAGEMENT FUND BUDGET SUMMARY</b>   |                    |                    |                                    |                                  |                    |
| <b>BEGINNING FUND BALANCE</b>                |                    |                    |                                    |                                  |                    |
| Undesignated Fund Balance                    | \$2,762,867        | \$2,822,838        | \$2,765,381                        | \$2,765,381                      | \$2,765,381        |
| Encumbrances                                 | 1,641              | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL BEGINNING FUND BALANCE</b>          | <b>\$2,764,508</b> | <b>\$2,822,838</b> | <b>\$2,765,381</b>                 | <b>\$2,765,381</b>               | <b>\$2,765,381</b> |
| <b>REVENUES</b>                              |                    |                    |                                    |                                  |                    |
| General Fund                                 | \$602,473          | \$602,539          | \$548,524                          | \$548,524                        | \$548,524          |
| Water Fund                                   | 148,191            | 148,191            | 146,529                            | 146,529                          | 146,529            |
| Sewer Fund                                   | 120,839            | 120,839            | 152,257                            | 152,257                          | 152,257            |
| Sewer Fund - Treatment Plant                 | 73,047             | 73,047             | 48,470                             | 48,470                           | 48,470             |
| Airport Fund                                 | 45,169             | 57,233             | 38,670                             | 38,670                           | 38,670             |
| Juvenile Detention Home                      | 18,835             | 18,835             | 15,752                             | 15,752                           | 15,752             |
| Interest Earnings                            | 14,043             | 35,000             | 35,000                             | 35,000                           | 35,000             |
| Subrogation                                  | 29,311             | 25,000             | 25,000                             | 25,000                           | 25,000             |
| <b>TOTAL REVENUES</b>                        | <b>\$1,051,908</b> | <b>\$1,080,684</b> | <b>\$1,010,202</b>                 | <b>\$1,010,202</b>               | <b>\$1,010,202</b> |
| <b>DEPARTMENTAL</b>                          |                    |                    |                                    |                                  |                    |
| Salaries                                     | \$178,596          | \$167,234          | \$166,277                          | \$166,277                        | \$166,277          |
| Employee Benefits                            | 62,878             | 66,961             | 67,138                             | 67,138                           | 67,138             |
| Contractual Services                         | 27,585             | 2,801              | 33,501                             | 33,501                           | 33,501             |
| Internal Service Charges                     | 5,699              | 9,031              | 7,983                              | 7,983                            | 7,983              |
| Other Charges                                | 7,823              | 11,851             | 13,207                             | 13,207                           | 13,207             |
| Rental and Leases                            | 0                  | 495                | 495                                | 495                              | 495                |
| Capital Outlay                               | 0                  | 0                  | 986                                | 986                              | 986                |
| <b>TOTAL DEPARTMENTAL EXPENDITURES</b>       | <b>\$282,581</b>   | <b>\$258,373</b>   | <b>\$289,587</b>                   | <b>\$289,587</b>                 | <b>\$289,587</b>   |
| <b>NON-DEPARTMENTAL</b>                      |                    |                    |                                    |                                  |                    |
| Insurance and Claims                         | \$768,454          | \$767,732          | \$724,967                          | \$724,967                        | \$724,967          |
| <b>TOTAL NON-DEPARTMENTAL EXPENDITURES</b>   | <b>\$768,454</b>   | <b>\$767,732</b>   | <b>\$724,967</b>                   | <b>\$724,967</b>                 | <b>\$724,967</b>   |
| <b>TOTAL EXPENDITURES</b>                    | <b>\$1,051,035</b> | <b>\$1,026,105</b> | <b>\$1,014,554</b>                 | <b>\$1,014,554</b>               | <b>\$1,014,554</b> |
| <b>ENDING FUND BALANCE</b>                   |                    |                    |                                    |                                  |                    |
| Undesignated Fund Balance                    | \$2,763,740        | \$2,877,417        | \$2,761,029                        | \$2,761,029                      | \$2,761,029        |
| Encumbrances                                 | 1,641              | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL ENDING FUND BALANCE</b>             | <b>\$2,765,381</b> | <b>\$2,877,417</b> | <b>\$2,761,029</b>                 | <b>\$2,761,029</b>               | <b>\$2,761,029</b> |



***Risk Management Fund Budget Description***

The Department Requested FY 2012 Risk Management Fund budget of \$1,014,554 represents a 1.1% decrease of \$11,551 compared to the Adopted FY 2011 budget of \$1,026,105.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$30,700 increase in Contractual Services reflecting the cost of insurance broker services.
- \$1,048 decrease in Internal Service Charges reflecting Fleet Administration estimates.
- \$41,381 decrease in Insurance and Claims reflecting insurance premiums.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Risk Management Fund budget was adopted by City Council without changes.



**Risk Management Performance Measures**

**Goal 1:**  
Reduce safety and loss control hazards to lessen or prevent injuries to employees and citizens, while protecting City assets from damage or destruction.

**Objective:**  
Inspect 5% of City owned facilities and buildings (approximately 13) annually, recommending corrective measures to departments when required. The City owns approximately 250 buildings/facilities.

| <b>Performance Measure:</b>   | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|---|-----------------------|--------------------------|---------------------------|--------------------------|
| % of facilities inspected with comprehensive repairs sent to departments. | 13%                   | 5%                       | 0%                        | 10%                      |

**Analysis of the Data:**  
Site inspections are performed and detailed reports, including photographs, are sent to each department. Due to limited staff and turnover, no property inspections were performed from July - December 2010. As of January 2011, staff is in place to meet the 5% projection by the end of the fiscal year. This will enable City owned buildings to be inspected on a regular basis, thereby reducing the potential hazards and citizen/employee injuries.

**Goal 2:**  
Assist City departments in achieving OSHA compliance and reducing employee injuries by providing training and/or resources relating to relevant OSHA requirements.

**Objective:**  
Provide 1000 hours of safety training/assistance to City departments and provide the City Manager with the annual safety training/assistance hours conducted.

| <b>Performance Measure:</b>                          | <b>Actual FY 2010</b> | <b>Projected FY 2011</b> | <b>July - Dec FY 2011</b> | <b>Projected FY 2012</b> |
|--|-----------------------|--------------------------|---------------------------|--------------------------|
| Number of training/assistance hours provided to City | New Measure           | 1,000                    | 200                       | 1,200                    |

**Analysis of the Data:**  
Due to limited staff and turnover, the amount of training provided during the first half of FY 2011 was less than normal. As of January 2011, staff is in place to attain the projected hours by the end of the fiscal year.

**Benchmark Localities:**  
Charlottesville, Hampton, Petersburg, Portsmouth, and Roanoke, VA



**Special Welfare Fund.** Accounts for monies received by Social Services to be used for those persons in the custody of the City and those receiving public assistance. The funds received are Christmas donations for children in the City’s custody as well as restitution payments made by individuals who received public assistance for food stamps and fuel. Those monies are not part of the locality’s reimbursements for regular program and administrative costs incurred by the City in delivering services to the citizens. Also, funds are received from the Health Department for pre-screening of clients by Social Workers. These funds are used for various Social Services expenses.

|  | Actual<br>FY 2010 | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|--|-------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>SPECIAL WELFARE FUND BUDGET SUMMARY</b> |                   |                    |                                    |                                  |                    |
| <b>BEGINNING DESIGNATED FUND BALANCE</b>   | <b>\$62,923</b>   | <b>\$52,172</b>    | <b>\$57,110</b>                    | <b>\$57,110</b>                  | <b>\$57,110</b>    |
| <b>REVENUES</b>                            |                   |                    |                                    |                                  |                    |
| Donations and Restitutions                 | \$17,301          | \$18,000           | \$18,000                           | \$18,000                         | \$18,000           |
| Interest                                   | 131               | 2,000              | 2,000                              | 2,000                            | 2,000              |
| Revenue from the Commonwealth              | 5,781             | 8,500              | 8,500                              | 8,500                            | 8,500              |
| <b>TOTAL REVENUES</b>                      | <b>\$23,213</b>   | <b>\$28,500</b>    | <b>\$28,500</b>                    | <b>\$28,500</b>                  | <b>\$28,500</b>    |
| <b>EXPENDITURES</b>                        |                   |                    |                                    |                                  |                    |
| Christmas Fund                             | \$11,780          | \$8,000            | \$8,000                            | \$8,000                          | \$8,000            |
| Special Items Program                      | 1,210             | 400                | 400                                | 400                              | 400                |
| Supplemental Security Income               | 0                 | 0                  | 0                                  | 0                                | 0                  |
| Food Stamps Restitution                    | 4,064             | 7,000              | 7,000                              | 7,000                            | 7,000              |
| Interest /Fiscal Relief                    | 756               | 7,000              | 7,000                              | 7,000                            | 7,000              |
| Fuel Restitution                           | 0                 | 550                | 550                                | 550                              | 550                |
| Miscellaneous Other Expenses               | 466               | 15,000             | 30,000                             | 30,000                           | 30,000             |
| Welfare Advisory Board                     | 0                 | 800                | 800                                | 800                              | 800                |
| Fuel Assistance                            | 0                 | 500                | 500                                | 500                              | 500                |
| <b>TOTAL EXPENDITURES</b>                  | <b>\$18,276</b>   | <b>\$39,250</b>    | <b>\$54,250</b>                    | <b>\$54,250</b>                  | <b>\$54,250</b>    |
| <b>ENDING DESIGNATED FUND BALANCE</b>      | <b>\$67,860</b>   | <b>\$41,422</b>    | <b>\$31,360</b>                    | <b>\$31,360</b>                  | <b>\$31,360</b>    |

**Special Welfare Fund Budget Description**

The Department Requested FY 2012 Special Welfare Fund budget of \$54,250 represents a 38.2% increase of \$15,000 compared to the Adopted FY 2011 budget of \$39,250.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$15,000 increase in Miscellaneous Other Expenses reflecting the replacement of eleven laptops for the Adult Protective Services Unit to perform prescreening assessments.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Special Welfare Fund budget was adopted by City Council without changes.



**Stadium Fund.** Supports the operations and maintenance of Lynchburg City Stadium and Calvin Falwell Field.

|                                     | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|-------------------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>STADIUM FUND BUDGET SUMMARY</b>  |                    |                    |                                    |                                  |                    |
| <b>BEGINNING FUND BALANCE</b>       |                    |                    |                                    |                                  |                    |
| Undesignated Fund Balance           | \$227,059          | \$275,371          | \$536,279                          | \$536,279                        | \$0                |
| Reserve for Encumbrances            | 660                | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL BEGINNING FUND BALANCE</b> | <b>\$227,719</b>   | <b>\$275,371</b>   | <b>\$536,279</b>                   | <b>\$536,279</b>                 | <b>\$0</b>         |
| <b>REVENUES</b>                     |                    |                    |                                    |                                  |                    |
| Meals and Sales Tax                 | \$31,979           | \$36,000           | \$36,000                           | \$36,000                         | \$0                |
| Advertising                         | 278,497            | 335,000            | 326,000                            | 326,000                          | 0                  |
| Skybox Rental                       | 153,550            | 175,000            | 165,000                            | 165,000                          | 0                  |
| Concessions                         | 583,779            | 491,000            | 481,000                            | 481,000                          | 0                  |
| Admissions                          | 287,135            | 305,000            | 312,000                            | 312,000                          | 0                  |
| Merchandise Sales                   | 97,161             | 90,000             | 90,000                             | 90,000                           | 0                  |
| Special Promotions                  | 111,077            | 132,000            | 130,000                            | 130,000                          | 0                  |
| Miscellaneous                       | 144,601            | 136,000            | 136,000                            | 136,000                          | 0                  |
| General Fund Transfer               | 341,654            | 318,130            | 333,265                            | 333,265                          | 0                  |
| Issuance Refunding Bonds            | 174,189            | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL REVENUES</b>               | <b>\$2,203,622</b> | <b>\$2,018,130</b> | <b>\$2,009,265</b>                 | <b>\$2,009,265</b>               | <b>\$0</b>         |
| <b>EXPENDITURES</b>                 |                    |                    |                                    |                                  |                    |
| Operating - Departmental            | \$103,638          | \$113,378          | \$127,378                          | \$127,378                        | \$0                |
| Operating - Non-Departmental        | 1,592,591          | 1,498,300          | 1,529,500                          | 1,529,500                        | 0                  |
| Debt Service                        | 217,695            | 209,752            | 205,887                            | 205,887                          | 0                  |
| Payment Refunding Bonds             | 174,189            | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL EXPENDITURES</b>           | <b>\$2,088,113</b> | <b>\$1,821,430</b> | <b>\$1,862,765</b>                 | <b>\$1,862,765</b>               | <b>\$0</b>         |
| <b>ENDING FUND BALANCE</b>          |                    |                    |                                    |                                  |                    |
| Undesignated Fund Balance           | \$339,579          | \$472,071          | \$682,779                          | \$682,779                        | \$0                |
| Reserved Fund Balance               | 3,649              | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL ENDING FUND BALANCE</b>    | <b>\$343,228</b>   | <b>\$472,071</b>   | <b>\$682,779</b>                   | <b>\$682,779</b>                 | <b>\$0</b>         |

**Stadium Fund Budget Description**

The Department Requested FY 2012 Stadium Fund budget of \$1,862,765 represents a 2.3% increase of \$41,335 compared to the Adopted FY 2011 budget of \$1,821,430.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$31,200 increase in Operating - Non-Departmental reflecting contributions to the Hillcats attributed to salaries and/or commissions.
- \$14,000 increase in Operating - Departmental reflecting \$17,000 to address re-lamping of sport lights, \$2,000 for warning track material and drainage costs, and a \$5,000 decrease in audit expenses due to not scheduling one for FY 2012.
- \$3,865 decrease in Debt Service reflecting the FY 2012 amortization rates.

All major items requested were proposed by the City Manager for funding.

The FY 2012 Stadium Fund budget will be collapsed into the General Fund on July 1, 2011.



**Technology Fund.** This fund provides for the ongoing replacement and enhancement of the City's technology infrastructure.

|                                       | Actual<br>FY 2010  | Adopted<br>FY 2011 | Department<br>Requested<br>FY 2012 | Manager's<br>Proposed<br>FY 2012 | Adopted<br>FY 2012 |
|---------------------------------------|--------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b>TECHNOLOGY FUND BUDGET SUMMARY</b> |                    |                    |                                    |                                  |                    |
| <b>BEGINNING FUND BALANCE</b>         |                    |                    |                                    |                                  |                    |
| Undesignated Fund Balance             | \$2,069,795        | \$1,662,994        | \$2,067,553                        | \$2,067,553                      | \$2,067,553        |
| Encumbrances                          | 88,571             | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL BEGINNING FUND BALANCE</b>   | <b>\$2,158,366</b> | <b>\$1,662,994</b> | <b>\$2,067,553</b>                 | <b>\$2,067,553</b>               | <b>\$2,067,553</b> |
| <b>REVENUES</b>                       |                    |                    |                                    |                                  |                    |
| Use of Money and Property             | \$8,498            | \$20,000           | \$15,000                           | \$15,000                         | \$15,000           |
| Miscellaneous                         | 26,756             | 0                  | 0                                  | 0                                | 0                  |
| Transfer from General Fund            | 647,199            | 624,347            | 636,773                            | 636,773                          | 636,773            |
| <b>TOTAL REVENUES</b>                 | <b>\$682,453</b>   | <b>\$644,347</b>   | <b>\$651,773</b>                   | <b>\$651,773</b>                 | <b>\$651,773</b>   |
| <b>EXPENDITURES</b>                   |                    |                    |                                    |                                  |                    |
| Contractual Services                  | \$250,527          | \$360,100          | \$287,154                          | \$287,154                        | \$287,154          |
| Other Charges                         | 38,480             | 129,500            | 181,600                            | 181,600                          | 181,600            |
| Capital Outlay                        | 139,362            | 401,000            | 348,113                            | 348,113                          | 348,113            |
| <b>TOTAL EXPENDITURES</b>             | <b>\$428,369</b>   | <b>\$890,600</b>   | <b>\$816,867</b>                   | <b>\$816,867</b>                 | <b>\$816,867</b>   |
| <b>ENDING FUND BALANCE</b>            |                    |                    |                                    |                                  |                    |
| Undesignated Fund Balance             | \$2,398,365        | \$1,416,741        | \$1,902,459                        | \$1,902,459                      | \$1,902,459        |
| Encumbrances                          | 14,085             | 0                  | 0                                  | 0                                | 0                  |
| <b>TOTAL ENDING FUND BALANCE</b>      | <b>\$2,412,450</b> | <b>\$1,416,741</b> | <b>\$1,902,459</b>                 | <b>\$1,902,459</b>               | <b>\$1,902,459</b> |

**Technology Fund Budget Description**

The Department Requested FY 2012 Technology Fund budget of \$816,867 represents an 8.3% percent decrease of \$73,733 compared to the Adopted FY 2011 budget of \$890,600.

Significant changes introduced in the Department Requested FY 2012 budget include:

- \$72,946 decrease in Contractual Services reflecting the transfer of software maintenance costs back to the General Fund.
- \$52,100 increase in Other Charges reflecting the purchase of application development software tools, as well as, server and PC replacements.
- \$52,287 decrease in Capital Outlay reflecting fewer projects affecting these expense areas.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2012 Technology Fund budget was adopted by City Council without changes.



**HISTORICAL QUOTE:**

*“On the 7<sup>th</sup> of October I arrived in the town of Lynchburg after an absence from it of nearly three years. I was astonished at the changes which, during this period, had been made. New streets opened, new buildings erected, bustle and activity in every direction, showed it to be a place of considerable and growing importance. The business part of town lies at the foot of a hill, along the margin of the river, quite convenient to the boat navigation; and when the improvements, now begun, shall have been completed, it will be neat, agreeable, and sufficiently handsome. At a little distance from the river the ground is broken into hills, which afford various pleasant and almost picturesque prospects to the beholder. On these hills, quite decent houses for family residences are rising up with great rapidity.”*

*John Holt Rice, “An Excursion into the Country” 1818*

*-- S. Allen Chambers, Lynchburg An Architectural History,*

*University Press of Virginia, 1982.*