

Proposed

Volume I



Virginia 10 Miler Annual Event, September 2011

FY 2013 Operating Budget



**PROPOSED
FY 2013 OPERATING BUDGET
OF THE CITY OF LYNCHBURG, VIRGINIA**

General, Fleet, Airport, Water, Sewer, Stormwater, 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
Valeria Chambers, Clerk of Council
Greg Daniels, City Assessor
Lynn Dodge, Director of Libraries and Museums
Michael Doucette, Commonwealth's 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, Director of Social Services
JoAnn Martin, Director of Communications and Marketing
John McCorkhill, Director of Fleet Services
Timothy Mitchell, Director of Water Resources
Mitchell Nuckles, Commissioner of Revenue
David Owen, Director of Public Works
Tamara Rosser, Director of Juvenile Services/Deputy Director of Social Services
Margaret Schmitt, Director of Human Resources
Parks Snead, Chief of Police
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SPECIAL ACKNOWLEDGMENT

Cover photographs by LuAnn Hunt



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Lynchburg
Virginia**

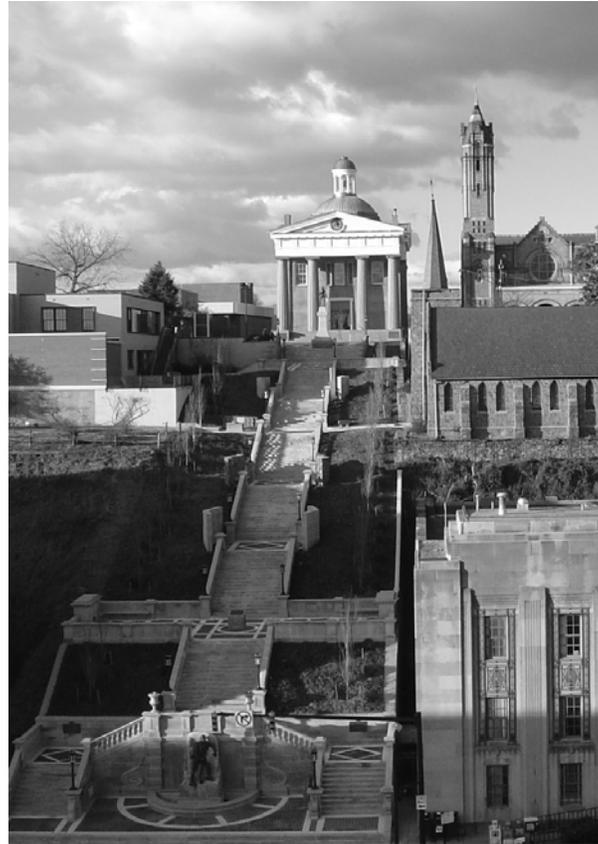
For the Fiscal Year Beginning

July 1, 2011

Linda C. Danson Jeffrey R. Emer

President

Executive Director



Monument Terrace, February 2005



CITY MANAGER’S BUDGET MESSAGE SEE TAB

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OFFICE OF THE
CITY MANAGER

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TO: The Honorable City Council

FROM: L. Kimball Payne, III, City Manager 

SUBJECT: *Proposed FY 2013 Budget*

DATE: March 6, 2012

Introduction

The *Proposed FY 2013 Budget* for the City of Lynchburg, which includes the General, Fleet, Capital, Airport, Water, Sewer, Stormwater, and other minor funds, as well as component units, minus beginning funds and transfers between funds, totals \$297.4 million. Without the proposed increases in the Real Property Tax rate and the Meals Tax, the *Proposed FY 2013 Budget* would total \$290.7 million. For comparison, the *Adopted FY 2012 Budget* totaled \$307 million and the FY 2011 Budget totaled \$314 million. Much of the decrease is related to a reduction of capital expenditures in the Sewer Fund.

The *Proposed FY 2013 Budget* is characterized by multiple choices and difficult decisions. It reflects a critical juncture in the financing of City services. In the three years since the beginning of the “Great Recession” during FY 2009, budget development has been increasingly difficult. Funding has been held flat or even reduced in many areas despite increased costs for service delivery. Employee wages have been frozen, positions have been eliminated and departmental operations restructured. At the same time local, state, and federal revenues have fallen and unfunded mandates have grown ever more oppressive. Throughout this period, thanks to the outstanding efforts of dedicated City employees, the delivery of necessary and desirable services has been maintained without a significant reduction in quality. Unfortunately, it is becoming increasingly clear that this cannot continue. Marginal adjustments to departmental budgets are no longer possible. If increasing costs for employee benefits, schools, infrastructure, energy, materials and mandates are going to be funded without additional resources, some services will have to be eliminated. The deliberation and adoption of the FY 2013 Budget will require an examination of various options for funding and/or the elimination of services that have heretofore been preserved. Difficult decisions will have to be made.

The proposed budget is crafted to provide considerable flexibility so that it can be modified to reflect the priorities of the community as determined by City Council. It includes proposed revenue increases, provides for the funding of important infrastructure projects, increases schools funding to help close a large deficit, addresses mandates such as stormwater management, funds increased costs for employee benefits, energy and materials, and eliminates thirty-one (31) positions in the General Fund. There are two important things that the proposed budget does not do. Primarily, it does not eliminate any services; however, it is not without service impacts. Second, the proposed budget does not provide for any increase in employee pay. There is some capacity, however, if increased revenues are supported, to consider some adjustment to employee compensation or to address other priorities such as infrastructure.



The proposed budget suggests answers to a number of critical questions. Many will disagree with the suggested answers; nevertheless, the questions must be addressed. Those questions are:

- What services are appropriate to maintain the quality of life in the Lynchburg community?
- What services can or should be eliminated?
- Is a tax increase necessary to ensure the continued delivery of services?
- Is an increase in the Meals Tax justified?
- Is an increase in the Real Estate Tax justified?
- Should important infrastructure projects be funded? If so, how?
- How quickly should Heritage High School be addressed?
- Is employee compensation adequate to recruit and maintain a qualified workforce?
- Should Public Safety compensation be treated differently from the rest of the workforce?
- How much of the Schools request for additional funding should be accommodated, if any?
- What positions can be eliminated without negatively affecting service delivery?
- How should the stormwater management mandate be financed?
- How should funding requests from non-profits be addressed?
- Where can fees be adjusted to increase revenues?
- Given the fiscal challenges, how important is compliance with adopted financial policies?

Communities across the nation have faced similar questions, have made difficult decisions over the last three years, and continue to do so. The time has come for the City of Lynchburg to make difficult decisions.

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 several years budget development has included a component of citizen engagement. This year that engagement will continue, although after the introduction of the proposed budget.

Financial Management Policies

Financial Management 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.

City Council first adopted Financial Management Policies in 1999 and has revised and reaffirmed them as appropriate. The most recent revision, in May 2011, amended the fund balance policy to implement GASB 54, an accounting standard designed to clarify various fund balance classifications.

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 December 2006 City Council adopted a vision statement for the community. The statement has been periodically reviewed and amended, most recently in October 2011 to recognize the importance of regional efforts.

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. We will also engage in regional efforts that advance the interests of our citizens.

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.

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

While these principles are core to budget development, it is more challenging than ever to remain true to them. Slippage is already occurring in the areas of employee compensation and the maintenance of existing facilities and infrastructure and will get worse with declining resources.

Budget Preparation

Throughout the fiscal year budget personnel have closely monitored current revenues and expenditures compared to the *Adopted FY 2012 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 2013 budget development. A number of issues or concerns impacting the budget have been noted. They are:

- **Employee Compensation and 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, information technology and social services. Increasing costs for medical and dental benefits are an ongoing concern. The City's Virginia Retirement System (VRS) costs, both for life insurance and pension benefits, continue to increase. Legislation may provide alternatives that City Council could consider.
- **Consumption Tax Revenues:** Sales, meals, and consumer utility tax revenues have remained relatively stable.
- **State Funding Cuts:** The potential for further reduced funding of state-mandated, locally-delivered services is always a concern when the General Assembly is in session. One positive development was Governor McDonnell's proposal to reduce the amount of the "Local Aid to the Commonwealth" payments to the State.



- **Unfunded Mandates:** The City must fund a number of mandates without State support and a number of bills before the General Assembly would impose new unfunded mandates.
- **Water Quality Regulations and Stormwater Management:** Significant new requirements related generally to water quality and specifically to efforts to clean up the Chesapeake Bay will have a fiscal impact on the Water Resources enterprise funds. The new mandate for stormwater management has resulted in the creation of a Stormwater Utility and the imposition of a fee to pay for related activities is a major issue to be decided.
- **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.
- **Schools Funding:** Lynchburg City Schools are facing a projected deficit of as much as \$8 million due to mandated increases in VRS funding, the loss of federal stimulus funds, and increasing costs in other areas. In January, the school system indicated that it would be requesting an additional \$4.7 million in local funding. This is another area where there is uncertainty regarding State funding.
- **Blue Ridge Regional Jail:** Increased debt service and operating costs for the new Amherst facility combined with reductions in State funding and greater utilization were anticipated to increase Lynchburg's costs by over \$1.5 million.
- **Energy Costs:** Costs for fuel and electricity are escalating. As much as \$500,000 in unbudgeted fuel costs is anticipated for FY 2012 and FY 2013 fuel budgets may need further adjustment.
- **Departmental Requests:** For a variety of reasons, some listed above, the cumulative requests from City departments, excluding benefits, was \$1.4 million above the *Adopted FY 2012 Budget*.
- **External Services Providers:** Funding requests have increased due to recessionary pressures and the decision to no longer fund public service activities with Community Development Block Grant (CDBG) funds.

The combination of all of the above factors indicated that there would be a significant gap between anticipated revenues and expenditures for the 2013 Fiscal Year.

Budget instructions to City departments were simple. Departments were directed to budget increased medical and VRS benefit costs in personnel services and to submit operating budget requests that were no more than the current fiscal year. In some departments this was not possible due to significant cost increases in areas such as fuel and overtime. Additionally, actions taken during the year, particularly Council's adoption of a certification pay program for the Police Department, made for an inherent increase in costs.

After the receipt of departmental budget submissions, Budget Office staff conducted a thorough review of each budget submission. The City Manager, Deputy City Manager, Director of Financial Services and budget staff met with department heads to clarify issues and to discuss possible services and



positions for elimination. An initial draft budget had a funding gap of \$8 million. A budget balancing scenario was then developed and decisions made that resulted in this *Proposed FY 2013 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, 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 2013 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 2013 funding and a description of significant changes from the *Adopted FY 2012 Budget*.

The department pages are presented in summary format using seven 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 the 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). This 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; 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 and telecommunication charges; postage; insurance premiums and claims; travel and training; dues and memberships; inventory purchases; payments to other funds for services; as well as contributions to other governmental, community and civic organizations are included.

Rentals and Leases – Charges to departments for rentals and leases.

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.

To help readers of the document grasp the magnitude of changes in departmental budgets compared to the *Adopted FY 2012 Budget* an increase/decrease column, as well as subtotals for personnel and operating (non-personnel related) costs, has been added to those budget pages.

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 2013 are projected to be \$163.3 million, reflecting a total of \$9.0 million in additional revenues compared to the *FY 2012 Budget*. This increase, however, would only come about with a ten cent (\$0.10) increase in the Real Property Tax rate, generating \$4.98 million, and a one percent (1%) increase (from 6.5% to 7.5%) in the Meals Tax, generating \$1.7 million. Furthermore, the proposed budget assumes the adoption of a new Stormwater Management fee and that some of the revenues from that fee will reimburse the General Fund approximately \$1.7 million for stormwater management operations. Without the proposed tax increases and the Stormwater Management fee reimbursement, General Fund revenues would increase only about \$670,000 compared to the current year. General Fund revenues consist of both Dedicated Revenues (\$31.0 million) and Non-Dedicated Revenues (\$132.3 million).



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 2013 Budget* total \$31.0 million, an increase of \$835,000 from the current year. Without the reimbursement from the proposed Stormwater Management fee, dedicated revenues would decrease by over \$800,000 from FY 2012.

Federal Categorical Aid is primarily funding for social services programs and totals \$6.5 million, a \$500,000 decrease from the current year.

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 \$18.4 million, a decrease of \$341,000.

Miscellaneous Revenue totals approximately \$1.8 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.

Parking Revenues are projected to increase slightly from \$375,000 to \$380,000.

Charges for Services are projected to increase by \$1.7 million due to the implementation of a Stormwater Management fee that will reimburse the General Fund for stormwater management operations performed by General Fund departments.

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 \$8.2 million from the *Adopted FY 2012 Budget*. Without the proposed tax increases these revenues would increase by about \$1.5 million.

In the proposed budget about ninety percent (90.0%) of non-dedicated revenues and more than two-thirds (73.0%) of total General Fund revenues are generated by seven local taxes: the Real Property Tax (\$57.4 million), the Personal Property Tax (\$20.5 million, including the State reimbursement), the Local Sales Tax (\$13.3 million), the Meals Tax (\$12.3 million), the Business License Tax (\$7.2 million), Consumer Utility Taxes (\$4.4 million), and the Communications Sales and Use Tax (\$3.5 million).

General Property Taxes

This proposed budget includes an increase in the **Real Property Tax** rate of \$0.10 to generate additional revenues of \$4.98 million. With the tax increase Real Property Tax revenues will total \$57.4 million. Without the tax increase, revenues are projected to total \$52.4 million, an increase of approximately \$581,000, or slightly more than one percent (1.1%) from the *Adopted FY 2012 Budget*.

Real Property Tax revenue projections are adjusted for an historically uncollectible percentage of two percent (2.0%), rehabilitation tax credits (\$500,000) and tax relief for the elderly.



It is proposed that the income limit for tax relief for the elderly and disabled be increased to \$35,000 from the current \$30,000. This will add approximately \$155,000 to the cost of the program. The total cost is estimated to be \$870,000.

For budget discussions, each penny on the Real Property Tax rate will generate approximately \$498,000. This revenue source represents approximately forty-three percent (43.4%) of General Fund non-dedicated revenues.

The Assessor's Office has projected the total real estate value of property in the City of Lynchburg to be over six billion dollars (\$6,334,000,000), an increase of approximately \$70 million from the assessed value used for the FY 2012 Real Property Tax revenue projection. Over twenty-one percent (21.2%) is not taxable. The total assessed value of taxable real property in the City is estimated to be almost five billion dollars (\$4,990,164,700) as of July 1, 2012, about \$55.2 million more than the previous year.

Personal Property Tax revenues are projected to increase about \$517,000 or 3.6%. This revenue category was under budgeted for FY 2012. The local share of the Personal Property Tax category totals \$14.9 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 decrease from 55.44% in Calendar Year 2011 to 52.80% for Calendar Year 2012. Vehicle values have stabilized and people are purchasing more new vehicles resulting in a slightly lower relief percentage. 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 (15.5%) of General Fund non-dedicated revenues in the proposed budget.

Public Service Corporations Tax revenue is projected to decrease by about 2.5% to \$2.1 million. The value of public service corporation real property in the City is assessed by the State.

Other Local Taxes

Local Sales Tax revenue is the third largest portion of non-dedicated revenues received by the City, representing ten percent (10.0%) of those funds. Sales Tax revenues started falling below projections in November of 2008 and continued to fall throughout FY 2010. Minimal growth was experienced in FY 2011. The estimated revenue of about \$13.3 million represents a slight increase (\$590,000) compared to the FY 2012 Budget.

Electric and Gas Utility Consumption Tax revenues are projected to remain flat at \$4.4 million in FY 2013.

Communications Sales and Use Tax revenues are projected to fall slightly to \$3.5 million.



The proposed budget includes an increase in the **Meals Tax** from 6.5% to 7.5%. The increase is estimated to produce additional revenues of \$1.7 million which will be dedicated to debt service for Heritage High School in an “Eat for Education” campaign. With the proposed increase, Meals Tax revenues are projected to total \$12.3 million compared to \$10.6 million in FY 2012. Without the increase, this revenue is expected to remain basically unchanged from FY 2012. Meals Tax revenue represents just over nine percent (9.3%) of General Fund non-dedicated revenues.

Business License Tax revenues of \$7.2 million remain consistent with the current year. This source makes up a little over five percent (5.4%) 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 remain constant at approximately \$550,000.

Other revenues in this category make up approximately \$4.1 million of the FY 2013 revenue stream. This category includes **Right of Way Fees** (\$243,000), **Electricity and Gas Consumption Taxes** (\$345,000), **Bank Stock Taxes** (\$500,000), **Recordation Taxes** (\$400,000), **Tobacco Taxes** (\$950,000), and the **Transient Occupancy and Lodging Tax** (\$1.7 million). These revenues are projected to be relatively flat or slightly less in FY 2013 compared to FY 2012.

Permits, Fees, and Licenses (\$449,000) are projected to fall approximately \$6,000 due to the continued economic slowdown. **Fines and Forfeitures** (\$495,000) are projected to increase slightly (\$25,000). **Revenue from the Use of Money and Property** (\$515,000) is expected to have a slight net increase of \$6,000 due to increased property rent.

Charges for Services are projected to be \$3.6 million, an increase of a little over \$100,000 from the current year. The majority of this (\$2.5 million) will be from charges for Ambulance Services. 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 \$295,000.

General Fund Expenditures

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

Proposed General Fund expenditures of \$168.7 million represent an increase of approximately \$5.4 million, or 3.3%, from the *Adopted FY 2012 Budget*.

The chart on the next page compares proposed FY 2013 expenditures by categories to the *Adopted FY 2012 Budget* and shows the proportion of the General Fund utilized by each service area.



Proposed FY 2013 Expenditures Compared To Adopted FY 2012
And As A Percent Of Total General Fund Expenditures

	Adopted FY 2012	Manager's Proposed FY 2013	FY 2013 Percent Increase/ (Decrease)	Percent of FY 2013 General Fund
GENERAL FUND EXPENDITURES				
Operations - Departmental				
General Government	\$12,154,537	\$11,980,827	-1.4%	7.1%
Judicial Administration	4,440,872	4,563,209	2.8%	2.7%
Public Safety	31,167,912	32,584,409	4.5%	19.3%
Public Works	15,969,158	16,166,474	1.2%	9.6%
Health and Welfare	17,205,506	16,799,490	-2.4%	10.0%
Parks, Recreation, and Cultural	5,173,245	5,051,752	-2.3%	3.2%
Community Development	2,330,921	2,312,610	-0.8%	1.4%
Total Operations - Departmental	\$88,442,151	\$89,458,771	1.1%	
Operations - Non-Departmental/Other				
Non-Departmental	\$5,935,258	\$6,468,162	9.0%	3.8%
Transfers to Other Funds	1,846,516	1,018,157	-44.9%	0.6%
Transfer to City Capital	7,624,033	5,016,759	-34.2%	3.0%
Transfer to Schools Capital	1,030,518	975,000	-5.4%	0.6%
Schools Operations	31,942,103	35,601,147	11.5%	21.1%
Greater Lynchburg Transit Company	1,143,714	1,676,798	46.6%	1.0%
External Service Providers	8,476,991	9,892,693	16.7%	5.9%
Debt Service	14,933,271	14,657,657	-1.8%	8.7%
Reserves	1,922,659	3,970,313	106.5%	2.4%
Total Operations - Non-Departmental/Other	\$74,855,063	\$79,276,686	5.9%	
TOTAL GENERAL FUND EXPENDITURES	\$163,297,214	\$168,735,457	3.3%	

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, 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 2012

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

Increased Expenditures:

- Costs associated with a higher rate for Virginia Retirement System (VRS) benefits including life insurance (\$1.4 million). This results in a typical departmental budget increase of about three to four percent (3-4%) due to benefits, despite other costs being held constant.
- Funding for the Line of Duty Reserve death benefits (\$106,000)
- A \$3.7 million increase in Schools funding to offset increased VRS and other benefits costs.
- 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, for additional utilization of jail facilities by the City and to offset cuts in State funding (\$1.6 million).
- Funding for the certification pay program approved for the Police Department (\$240,000).
- Approximately \$254,000 in higher fuel costs in Public Works, the Fire Department and the Police Department that could not be absorbed by those departments.
- Increased overtime costs in the Police Department (\$196,000).
- An increase in the debt service reserve for Heritage High School (\$1.8 million). \$1.7 million of the increase would come from the proposed increase in the Meals Tax and \$137,000 would come from holding debt service expenditures flat despite a decrease in General Fund debt service.
- Funding for the City to assume operations of the Animal Shelter, if necessary (\$420,000). This cost is offset by the elimination of the funding for the Humane Society (\$105,000).
- Increased regional landfill tipping fees (\$25,000).
- Additional funding for the Greater Lynchburg Transit Company (GLTC) (\$533,000).
- Interest expenses related to the anticipated use of the Line of Credit (\$120,000)

Personnel Changes:

- The proposed budget includes one new part-time position in the Police Department. The addition of an Off Duty Coordinator will free up a Lieutenant for increased field operations and the cost will be offset by revenues.
- A full-time Street Maintenance Technician I was added in the Street Maintenance Division of Public Works to assist with street sweeping activities for stormwater maintenance. Costs related to this position will be reimbursed from the proposed Stormwater Management fee.



- With this proposed budget a Reduction in Force is declared. Thirty-one (31) positions, a number of them currently vacant and some not funded in the current budget, are proposed for elimination:
 - Two (2) Cadets in the Police Department
 - One (1) Systems Analyst Programmer in the Police Department
 - One (1) Captain in the Police Department
 - One (1) Animal Warden in the Police Department
 - One (1) Firefighter II in the Fire Department
 - Two (2) Battalion Chiefs in the Fire Department
 - One (1) Financial Technician III in the Office of Internal Audit
 - One (1) Internal Auditor in the Office of Internal Audit
 - One (1) Zoning/Environmental Reviewer in the Community Development Department
 - One (1) Inspections Building Code Compliance Officer II in the Community Development Department
 - One (1) Assistant to the City Manager in the Council/Manager Offices
 - One (1) Deputy Clerk of Council in the Council/Manager Offices
 - One (1) Application Development Analyst II in the Information Technology Department
 - One (1) Youth Counselor in the Social Services/Juvenile Services Department
 - Two (2) Social Workers in the Social Services/Juvenile Services Department
 - One (1) Fleet and Procurement Technician in the Social Services/Juvenile Services Department
 - One (1) Non-Residential Administrator in the Social Services/Juvenile Services Department
 - One (1) Librarian I in the Public Library Department
 - One (1) Library Assistant III in the Public Library Department
 - One (1) Senior Recreation Specialist in the Parks & Recreation Department
 - One (1) Engineering Administrative Services Associate II in the Public Works Department
 - One (1) Engineering Transportation Operations Supervisor in the Public Works Department
 - One (1) Administrative Services Associate II in the Public Works Department
 - One (1) Refuse Public Works Associate in the Public Works Department
 - One (1) Buildings and Grounds Custodian in the Public Works Department
 - One (1) Financial Professional I in the Financial Services Department
 - One (1) Deputy in the Sheriff's Office
 - One (1) Legislative Liaison (a contracted position)

Other Changes of Note:

- An anticipated cost increase of 2.5% for medical benefits (\$108,500) will be reflected within the individual department budgets.
- The proposed budget does not utilize Managed Vacancy Savings. This means that the budget assumes full employment of all positions throughout the fiscal year. The amount of Managed Vacancy Savings utilized in the FY 2012 budget is \$635,870.



- The proposed budget anticipates that City Council will adopt a Stormwater Management fee of \$4.00, and that revenues from that fee will allow for a payment of \$1.7 million to the General Fund as reimbursement for stormwater operations provided by General Fund departments.

Local Contribution to City Schools

Local funding in an amount of \$43.5 million is proposed for School Operations (\$35.6 million), Schools Capital Projects (\$975,000) and Debt Service (\$6.9 million). This represents an increase of \$3.7 million for operations. The School Board has asked for an additional \$4.7 million in local funding.

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%.

For FY 2011, Lynchburg's RLE was \$17,355,693 and the City budgeted \$33,195,230, 91.26% more than the RLE. This compared to a First Cities average of 87.22%.

The report on RLE for FY 2012 has not yet been released and the FY 2013 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 2013.

With a projected enrollment (from the State Department of Education) of 8,202 students in FY 2013, local per student support for operations would significantly increase (\$3,920 to \$4,341).

In the *Proposed FY 2013 Budget* total appropriations for Schools, including all activities and funding sources, is estimated to be \$92.6 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 2013; however, the Line of Credit may be utilized. Interest expense of \$120,000 is included in the proposed budget to allow for use of the Line of Credit.

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 2013 debt service as a percent of operating expenditures is projected to be six and one half percent (6.5%).

Reserves

The *Proposed FY 2013 Budget* includes additional funding for the following reserves:

Law Library	\$5,080
Debt Service Reserve - Heritage High School	2,810,033
Debt Service Reserve - Regional Radio System	205,200
General Fund Reserve for Contingencies	700,000
Other Post Employment Benefits	250,000
Reserve for Snow, Streets, and Bridges (<i>in the CIP</i>)	250,000
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	\$4,220,313

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; and 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, 2012 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 those funds roll over into the FY 2013 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. For FY 2013 a General Fund contribution of \$250,000 is proposed. Additional contributions from the enterprise funds will total \$154,020. The balance in the OPEB Reserve for General Fund activities will be \$1,311,310 after the FY 2013 contributions.

An additional contribution of \$2.8 million is proposed for the **Heritage High School Debt Service Reserve**. \$1.7 million would come from the proposed increase in the Meals Tax with the remainder provided by holding debt service expenditures constant from the current year. Debt Service costs were programmed to decrease by \$137,000. With these additional allocations, at the end of FY



2013, a total of \$4.9 million would be available for Heritage High School capital costs, with \$2.8 million in recurring revenue for future debt service.

Each year the user fees for the **Law Library** are designated for future needs. After the FY 2013 contribution, the balance will be \$75,049.

A new agreement is currently being developed for the Central Virginia Regional Radio Authority. Funds have not been borrowed at this point for the new equipment. A total of \$340,000 is being held in a **Regional Radio System Debt Service Reserve** in anticipation of the new debt service.

While no additional funding is provided in FY 2013, 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 \$636,127.

A new **Line of Duty Reserve** will be established in FY 2013 to accrue funds in the event that death benefits need to be paid out. It may also be appropriate to place funds into this reserve to offset future medical benefits payments. The creation of this reserve is necessary since the State shifted to the localities the costs of benefits provided by the Line of Duty Act.

The City also maintains the **Schools' Reserve for Textbooks** (\$1.1 million), **Health Insurance** (\$1.1 million), and **Future Needs** (\$75,908) totaling approximately \$2.3 million.

There are other designated funds identified in the budget document that are reserved for specific purposes.

Detention Home Workers' Compensation	\$100,000
Juvenile Services Group Home	340,185
Debt Service - Solid Waste	1,186,075
Future Landfill Post-Closure	808,722
Public Safety compensation Adjustments	13,968
Museums	47,374
Medical Benefits	1,000,665
Dental Benefits	150,000
Partners in Emergency Response (PIER)	24,344
Recreation Programs	20,890
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	\$3,692,223

Fund Balance

City Council's Financial Management Policies require an Unassigned Fund Balance equal to 10% of General Fund revenues. In the event the Unassigned 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 10.0% fund balance, amounting to \$16.3 million. It also recommends utilizing \$6.0 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 sixty percent (60.4%), is devoted to employee compensation through salaries, wages, and benefits. This percentage has fallen from previous years due to staff reductions.

A stable and proficient workforce is the cornerstone of effective service delivery 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 remained steady at just under five percent (4.98%). Total turnover, separations for all reasons, decreased to less than ten percent (9.44%) compared to last year's rate of over eleven percent (11.5%), a reflection of the retirement rate declining to more typical levels. Despite refocusing the market comparators to a more localized group, average City wages lag comparative market averages by approximately seven percent (7%).

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 base 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 \$510,000. As the economy recovers, market forces continue to exert pressure for compensation adjustments. Public Safety personnel, in particular, continue to be vocal regarding concerns about pay and the associated issues of recruitment, retention and turnover. Other City departments, including Social Services, Information Technology and Water Resources, have similar issues.

The required local contribution toward employee retirement pensions and life insurance in the Virginia Retirement System (VRS) is calculated each biennium. For the FY 2011-2012 biennium, VRS instituted a substantial increase of 2.71% (from 20.43% to 23.14%) to the City's contribution rate. FY 2011 was the first year localities could require new employees to pay the 5% employee share and Lynchburg took that option. For the FY 2013-2014 biennium, the City will have to fund another substantial increase of 2.75% for VRS (from 23.14% to 25.89%) and a 1.04% increase for life insurance (from 0.28% to 1.32%) for a total General Fund cost increase of \$1.4 million. VRS projects that the City's contribution rate will increase to 27.35% in FY 2015, including the 5% employee contribution.

While the City does a good job managing health care costs, overall medical costs are increasing as well. An increase in the City contribution for medical coverage of about \$117 per active employee and retiree, or 2.5% is projected for FY 2013. These costs are reflected in the budgets of the individual departments. On-going work with Lynchburg City Schools may result in changes to the medical plan design, including possible plan consolidation, for the October 1, 2012 – September 30, 2013 plan year.

The Health Management Program (HMP) provides on-going savings in medical claims, while it helps manage chronic disease and improve the overall health of the members. Over ninety-five percent (95%) of eligible employees are participating in the HMP and health risk re-assessments were completed for one-third of the members during 2011. Measured by lower claims and direct medical services



provided by the program and the Certified Nurse Practitioner, the program continues to deliver an excellent return on investment.

The General Fund workforce supported by the *Proposed FY 2013 Budget* totals 1,082.55 Full Time Equivalent (FTE) employees, comprised of 927.18 full-time classified (compared to 954.37 in the *FY 2012 Adopted Budget*), 56.54 part-time classified, 3.00 grant full-time, 35.89 temporary, and 59.94 State-funded positions. The City's workforce in all funds totals 1,308.95 FTEs. This includes 1,109.28 full-time classified, 65.46 part-time classified, 27.98 grant full-time equivalents, 43.29 temporary and 59.94 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 \$5.7 million for Fleet Services is an increase of almost eight percent (7.6%) from FY 2012. The increase is a result of higher costs for parts, labor and fuel. The proposed budget recommends replacing thirty-four (34) vehicles and equipment in the General Fund, one vehicle (1) in the Airport Fund, three (3) vehicles and equipment in the Water Fund, and two (2) vehicles and equipment 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 2013 is increasing fuel prices. Currently, the Fleet Fund is anticipating requesting a third quarter adjustment of \$521,000 (\$474,000 General Fund) to finish the current fiscal year.

Capital Fund

The *Proposed FY 2013-2017 Capital Improvement Program (CIP)* includes \$59.4 million for City capital projects and \$71.2 million for school capital projects. With the addition of the planned capital projects in the Airport, Water, Sewer, and Stormwater funds the proposed five year CIP totals \$165.7 million. Adoption of the CIP is anticipated coincident with adoption of the annual budget. Proposed capital project appropriations total approximately \$12.0 million in FY 2013 for both the City and Schools. The FY 2013 Capital Budget also includes contributions for major building repairs and roof replacements for both City and Schools. The Major Building Repairs amount includes \$500,000 for repairs to bring the Animal Shelter into compliance with State standards. Major transportation projects include construction on the Midtown Connector and the Kemper Street Bridge at the Expressway, and continued pedestrian enhancements in the Wards Road corridor. The capital budget also supports continued investment in downtown revitalization. The largest project looming in the five year plan is Heritage High School.

No new general obligation debt is proposed for FY 2013; however, the Line of Credit may be utilized for short term borrowing. 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 ten percent (10%) with a goal of fifteen percent (15%).” For FY 2013, sixty-five percent (65%) of the proposed appropriations are to be cash funded.

The *Proposed FY 2013 Budget* provides \$6.0 million for pay-as-you-go projects. This is a reduction of over \$3 million from the current year and is indicative of the tighter budget.

A list of proposed pay-as-you-go projects is provided below:

FY 2013 PROPOSED GENERAL FUND AND SCHOOLS PAY-AS-YOU-GO CAPITAL PROJECTS

Buildings

Juvenile Detention Group Home	\$100,000
Major Building Repairs	1,465,033
Major Building Repairs - Schools ¹	400,000
Roof Replacements	654,867
Roof Replacements - Schools ¹	575,000
Total Buildings	\$3,194,900

Transportation

Public Transportation Improvements (GLTC)	\$230,859
Wards Road Pedestrian and Bicycle Improvements	103,000
Total Transportation	\$333,859

Economic Development

Downtown Redevelopment	\$1,000,000
General Development Support	250,000
Total Economic Development	\$1,250,000

Parks and Recreation

Blackwater Creek Athletic Area Field Renovation	\$450,000
Community Park Investment Fund	75,000
Athletic Field Maintenance	60,000
General Park Maintenance	100,000
Parks Paving and Lighting/Reconstruction	278,000
Total Parks and Recreation	\$963,000

Reserves

Snow, Streets and Bridges Reserve	\$250,000
Total Reserves	\$250,000

TOTAL GENERAL FUND and SCHOOLS PAY-AS-YOU-GO	\$5,991,759
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¹ Contingent on availability of funds.



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 \$383,000 will cover total expenditures of \$2.45 million. FY 2013 operating expenditures are projected to increase approximately \$32,000 from the current year due to increased Virginia Retirement System and health benefit rates. While the loss of Delta Airlines service stopped what had been a steady decline in the amount of General Fund subsidy provided to the Airport Fund, the impact on airport revenues has not been as great as anticipated. Airport revenues such as landing fees, terminal rents, rental car concessions, parking and fuel sales are projected to be \$142,000 higher for FY 2013 compared to the *Adopted FY 2012 Budget*. As a result, the budgeted subsidy can be reduced by over \$100,000 from FY 2012.

Water Fund

Managed by the Department of Water Resources, 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 22,454 City accounts, water is sold by contract to the counties of Amherst, Bedford, and Campbell and to two large industrial customers. Over the past several years demand has fallen by nearly one million gallons per day despite a growing customer base.

The City's water system is also known for the quality of its product. The Water Resources Department has received the *Excellence in Waterworks Operations and Performance Award* from the Virginia Department of Health for five straight years.

Another 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 has been developed to address the aging system. Unfortunately, limited resources may delay the implementation of that plan. There are also numerous small water mains throughout the City that need attention.

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 Reservoir to the City, nine (9) pump stations and fourteen (14) water tanks. A new water storage tank is planned on Candler's Mountain to meet growing needs in the area of Liberty University and to be able to take the only tank currently existing in that pressure zone off line for periodic maintenance. Another significant capital project that will be completed in the coming year is the replacement of the Fifth Street water line which serves as the backbone of the downtown water system.



The FY 2013 rate study conducted for the Water Resources Department proposes a three percent (3%) increase in the water volume rate. This increase is necessary due to increased costs for personnel benefits, utilities, chemicals and materials. The original goal was to use additional revenues generated by the rate increase for capital projects to strengthen the water system infrastructure through the water line replacement program. A goal of replacing 1% of the system per year is considered to be an absolute minimum for system integrity. This equates to about five (5) miles of water line, at a cost of at least \$3.5 million annually. Unfortunately, due to the reduction in consumption and increased costs of production, capital investment will have to be scaled back to \$2 million a year in the proposed budget.

Recognizing the need for ongoing improvement to the water system infrastructure City Council authorized the advertisement of a rate increase of five percent (5%). A final decision will be made after receiving public comment.

There are no significant changes proposed in Water Fund operations, however, two positions, previously in the Sewer Fund are being reassigned to the Water Fund in administration. The costs for those positions will actually be divided among the Water, Sewer, and Stormwater Funds. A Meter Reader position is also being removed from the Water Fund and reassigned to the Stormwater Fund in a different capacity. The position is no longer needed due to efficiencies gained through the installation of automated meter reading equipment.

Based on the *FY 2013 Rate Study and Annual Report*, Water Fund total revenues are projected to increase by approximately \$278,000, from \$13.1 million to \$13.4 million. Expenditures, including debt service, are projected to increase from \$13.0 million to \$13.4 million. Operating expenses are expected to total \$8.95 million, with debt service of \$4.41 million.

With the proposed three percent (3%) rate increase, the unrestricted cash balance is projected to be thirty-seven percent (37%) of total fund expenditures for FY 2013, in compliance with City Council's policy to maintain a fund balance of between twenty-five and forty percent (25-40%). 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 1.21.

Sewer Fund

Like the Water Fund, the Sewer Fund is managed by the Department of Water Resources, 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 participating localities. The City also has contracts with two large industrial users. Wastewater flows have declined over the recent years, coincident with reduced demand in the water system. As a result, projected revenues are down nearly \$1 million.

As with the Water Fund, the Sewer Fund is challenged by an aging infrastructure, 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 ongoing 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 108 out of 132 overflow points and has reduced the pollution loading into the James River and its tributaries by over eighty percent (80%). Although the City has spent over \$200 million on the CSO control program, the estimated cost to complete the remaining work is over \$300 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. 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 Department of Water Resources 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 2013 rate study proposes no increase in the sewer volume rate as compliance with the special order can be maintained without an increase. Without a rate increase and with declining demand the Sewer Fund is out of debt capacity and capital projects will be severely curtailed. This will slow the progress of the CSO control program and may attract the attention of the regulators.

The *Proposed FY 2013 Budget* projects revenues of \$19.4 million, compared to expenditures of \$19.4 million (\$9.4 million for operations, \$8.4 million for debt service, and a \$1.6 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, electricity, and engineering services. There will be some savings associated with nutrient trading and the reassignment of 1.55 positions to the Stormwater Fund.



The unrestricted cash balance in the Sewer Fund is projected to be sixteen percent (16%) of fund expenses for FY 2013. The debt coverage ratio is projected at 1.20 and the annual sewer bill for the average residential customer is estimated to be slightly above 1.25% of median household income.

Stormwater Fund

The Stormwater Fund is a new fund in the Department of Water Resources that was created in response to increasing federal and State regulations and to address the need to adequately maintain the City's existing stormwater infrastructure. Stormwater management expenses in FY 2013 are anticipated to total \$3.2 million. A stormwater management fee of \$4.00 is proposed, generating \$2.6 million. An additional \$650,000 of Highway Maintenance revenue is proposed to be used to offset reimbursable costs. Full-time equivalent staff of 5.8 positions (a utility crew and a Water Quality Compliance Inspector) will be dedicated to stormwater management. Revenues of \$1.7 million are budgeted in the General Fund as a payment for stormwater management services provided by the staff of the Public Works and Community Development Departments.

[Note: More complete information about the Water, Sewer, and Stormwater Funds can be found in the Department of Water Resources, FY 2013 Rate Study and Annual Report that was presented to City Council on February 28, 2012. It can be found on the City website.]

Outstanding Issues

There are several outstanding issues that may impact budget deliberations.

- Revenue projections in the *Proposed FY 2013 Budget* are based on an analysis of actual revenues and trends up to January 1, 2012. Staff will re-examine revenues after April 1, 2012, and suggest appropriate adjustments.
- The proposed budget has approximately \$395,000 in resources beyond that necessary to produce a balanced budget. This provides some degree of flexibility for City Council to make adjustments reflecting its priorities. Among the options for Council's consideration are:
 - Reduce the proposed tax increase
 - Restore positions
 - Address capital needs such as the Miller Center
 - Apply the funds to address employee compensation issues (see below)
- Staff is analyzing legislation adopted by the General Assembly to determine its impact on costs and revenues. The State budget finally approved by the General Assembly could also affect revenues. As this message is being written it appears that the General Assembly may not adopt a budget on time. The resulting delay will increase uncertainty regarding State funding.
- Legislation before the General Assembly could result in employees being required to pay a portion of their VRS costs. An offsetting salary increase may also be required. If the legislation passes, a proposal will be brought to Council to increase overall compensation in an amount equal to that saved by the employees' assumption of the 5% share. While this would



not keep take-home pay at the same level, it would provide a significant retirement benefit increase.

- Since 2008 the purchasing power of employee pay has fallen 5.3%. As the economy improves there will be increasing pressure to address employee compensation, due to both inflation and increasing competition in the public and private sectors. Something will need to be done, sometime. The question is when. The City needs the flexibility to recruit and retain a qualified workforce as cost-effectively as possible. If funds can be identified during the budget process, it is recommended that a plan be developed for implementation on January 1, 2013. The plan should be crafted to address priority concerns or to create opportunities to better position the organization with respect to pay and benefits. Alternatives to examine in developing such a plan could include:
 - Base pay adjustments (across the board or targeted)
 - Bonuses
 - Contributions to a defined contribution/deferred compensation plan
 - Medical benefits cost-sharing
 - Health Savings Accounts
 - Retirement incentives
 - Providing pro-rated benefits as part of a program to moving to an increasingly part-time workforce
 - Holding take home pay constant if employees are required to pay 5% toward retirement costs

Outlook

Since the beginning of the “Great Recession” in 2008 there has been speculation about what a recovery would look like and how it would affect local budgets. The picture for localities is still murky despite signs of a recovery, however anemic, at the national and state levels. Many localities are now facing their most difficult decisions yet and the choices will shape the character of the “new normal.” This is certainly true for Lynchburg.

Despite planning ahead, sound fiscal management and outstanding performance by City employees in providing excellent service delivery, there is the fundamental reality of a mismatch between the resources available and the costs of maintaining levels of service delivery that support a desirable quality of life in the Lynchburg community. Consumption tax revenues have remained flat and real property values are stagnant or falling. The next general reassessment of real property will occur in 2013 and early projections indicate a several percentage point decline in the overall assessed value. Instead of the very slight (less than 0.5%) “natural” (without a tax increase) increase in revenues projected for FY 2013 projected revenues for FY 2014 may actually decline for the first time in recent history.

While revenues are expected to remain flat or decline it appears that costs will continue to escalate in areas such as energy, fuel, retirement pensions, health and materials. The federal deficit and the structural imbalance in the State budget will continue to have a negative impact on localities as additional regulations and the costs of mandated services are increasingly imposed on local governments. Older core cities such as Lynchburg are also faced with an aging infrastructure, water and sewer facilities, roads, bridges and buildings, that hinders effective service delivery. One of the biggest challenges is the



renovation or replacement of Heritage High School. The selection of a preferred design and the development of a financing mechanism will be major tasks in the coming year. While Heritage High School is the highest priority, other schools, the Miller Center on Grove Street, the West Building, City Stadium and other buildings also have deficiencies that must be addressed.

There are also increasing concerns about City employee compensation. City employees have performed admirably in response to the recent recession. They have truly “done more with less” and they have remained committed to the highest ideals of public service. The organization is at a point, however, that the continued delivery of timely and high quality service is in doubt without adequate resources to attract and maintain a qualified and motivated workforce. The following points demonstrate the growing concern about the City’s workforce:

- While we continue to see sufficient applicants for most City vacancies, it is increasingly difficult to hire the candidate of choice at current pay range minimums.
- Most line employees have experienced a reduction in overtime opportunities.
- Employees are increasingly seeking emergency withdrawals from their deferred compensation accounts for foreclosures, medical bills and other emergency needs.
- Employee medical cost share may increase in October 2012 due to whole or partial plan consolidation with Lynchburg City Schools and overall increasing costs.
- Due to increasing job responsibilities and the dedication of City workers, many employees are taking less earned time off for personal renewal and family time.
- On-going fiscal challenges have created an anxiety and morale decline among the workforce regarding job security, meeting family financial responsibilities and taking on more work.

Despite the ongoing resource challenges the citizens of Lynchburg appreciate the level of services they receive and they expect it to continue. Their willingness to pay for that level of service will be tested by this and future budgets. As the community struggles with this dilemma it is important that civic engagement activities continue to provide opportunities for information sharing, feedback, and discussion regarding 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 Lynchburg an attractive place to live, work, play, and raise a family. With continued investment, sound fiscal management, a dedicated workforce, an engaged citizenry and visionary leadership Lynchburg will remain the commercial, cultural and institutional hub of the region.

Conclusion

The *Proposed FY 2013 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 2013. Work sessions will be held on Tuesday afternoons throughout the months of March and April.



During the budget work sessions, department heads have been asked to speak briefly on three topics:

1. The adjustments that have been made in their departments since FY 2009.
2. The challenges currently facing their departments.
3. Specific service reductions, with associated costs, that might be necessary to balance the FY 2013 Budget.

Four citizen engagement sessions are scheduled for March 15th (Main Library Community Room), March 20th (Jubilee Family Development Center), March 22nd (Linkhorne Middle School) and March 29th (Bedford Hills Elementary School). A public hearing on the proposed budget is scheduled for April 3, 2012, at 7:00 p.m., in Council Chambers.

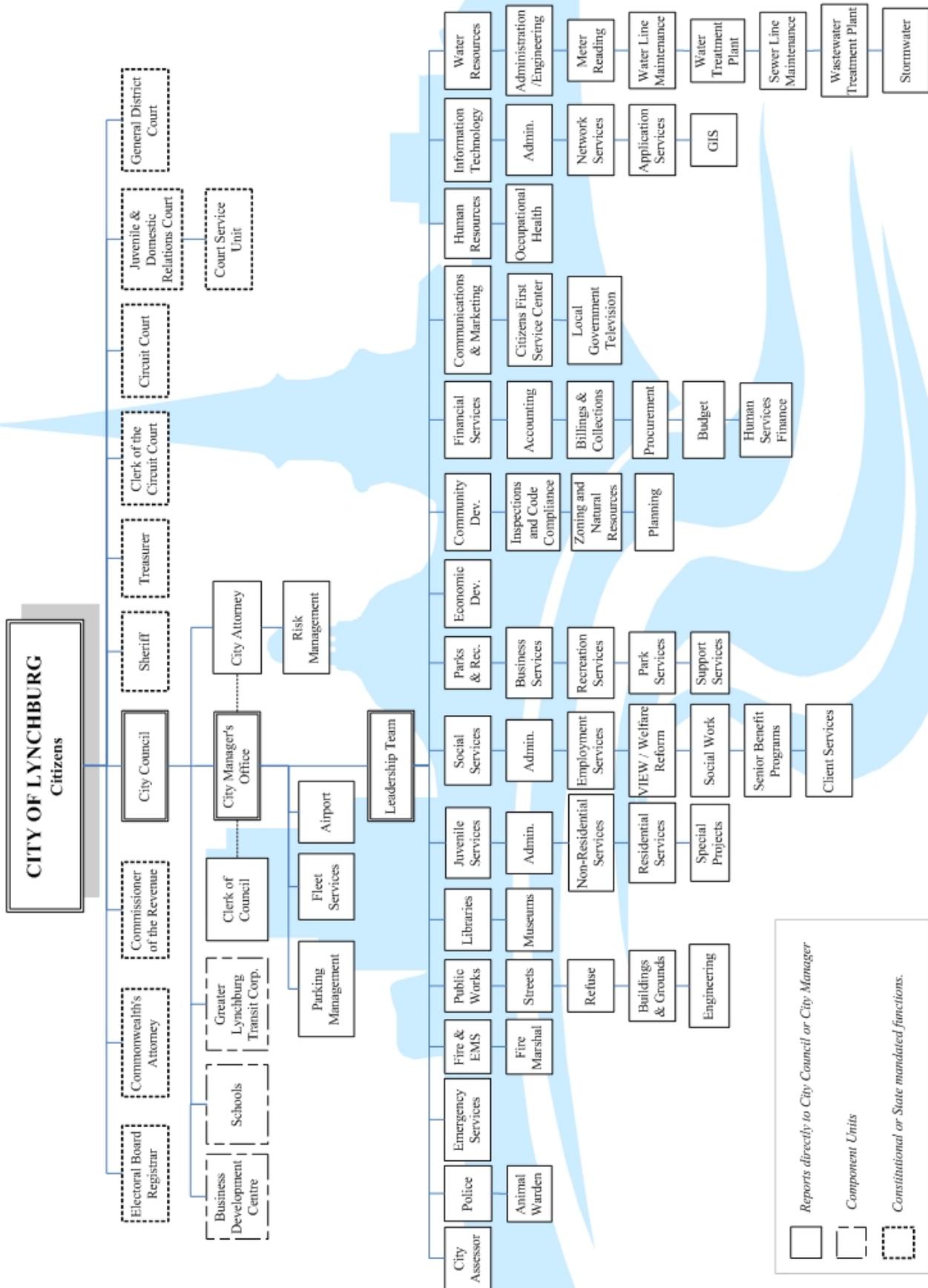
During Council's deliberations, staff is prepared to provide assistance and additional information as Council works through the difficult decisions necessary for budget adoption.

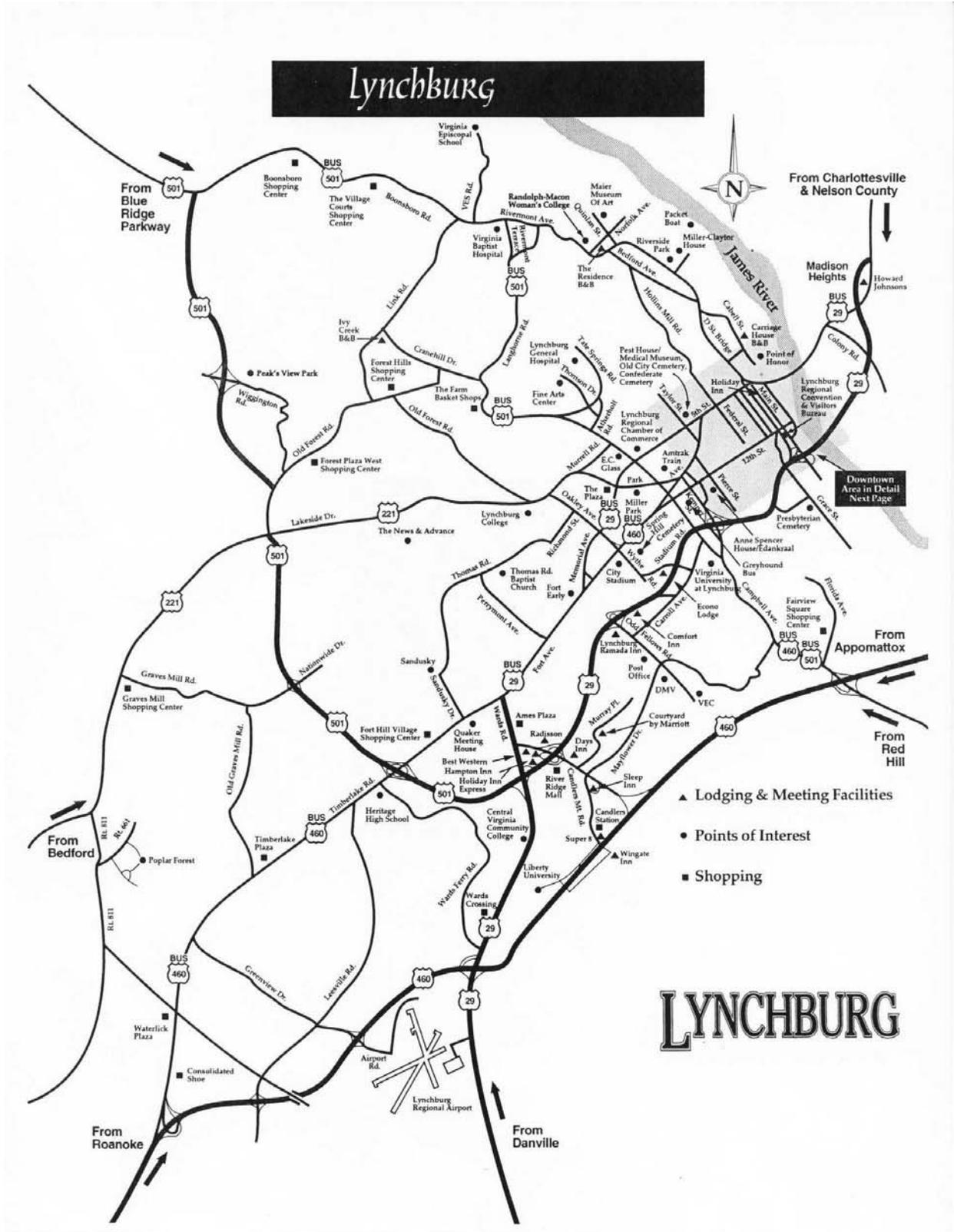
Copies of the *Proposed FY 2013 Budget* are available for public review at the main public library and the downtown branch as well as on the City's website at www.lynchburgva.gov.

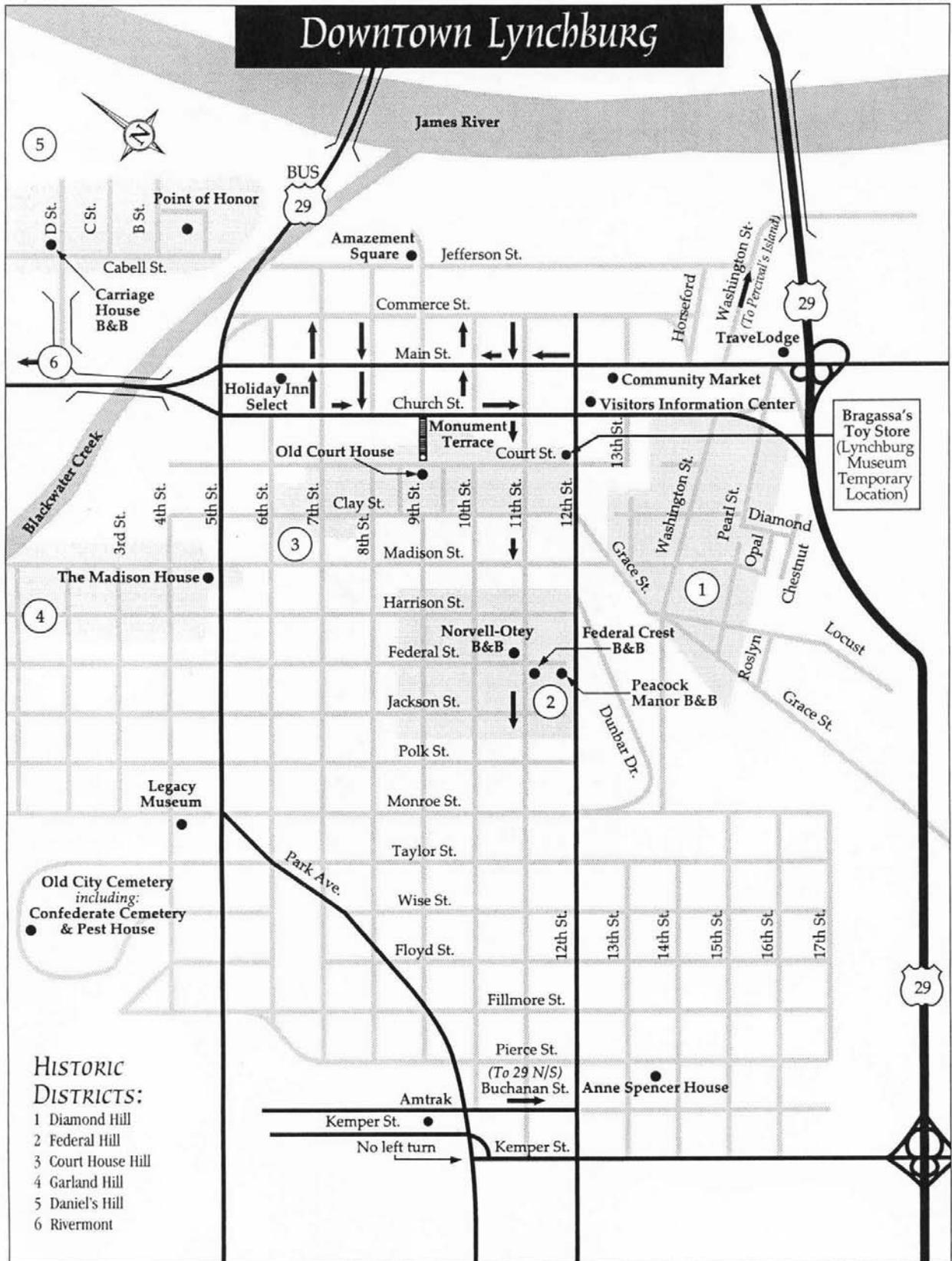
Acknowledgements

I would like to acknowledge the hard work of City staff who developed and produced the *Proposed FY 2013 Budget*. Once again Deputy City Manager Bonnie Svrcek 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. Human Resources Director Margaret Schmitt and 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.









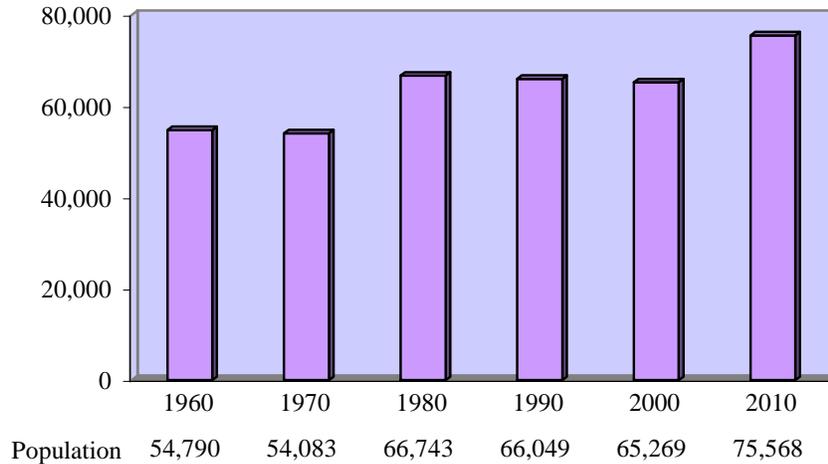
Date of Incorporation

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)



Note: The most recent figure from the Weldon Cooper Center for Public Service (www.coopercenter.org) estimates the City's July 1, 2011, population to be 76,448.

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.

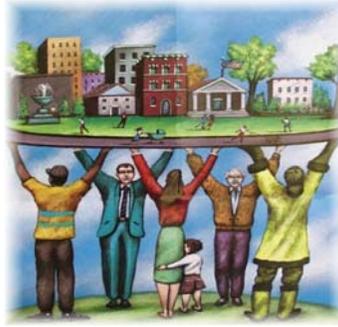
A city with outstanding cultural, educational, and recreation opportunities, Lynchburg has over 800 acres of parkland and a nationally recognized urban trail system. The parks and trails provide a full range of recreation opportunities including tennis, basketball, recreational and competitive sports, 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 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. We will also engage in regional efforts that advance the interests of our citizens.



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, Revised October 2011



Organizational Vision, Mission, and Valued Behaviors:

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 is the Mission of the Employees of the City of Lynchburg:

We, the employees of the City of Lynchburg, are dedicated, service-oriented individuals working together to serve our community. We act responsibly and with integrity; we value open and honest communication; we respect all individuals. We recognize that our actions and behaviors reflect upon ourselves, our co-workers and the City.

The City’s Valued Behaviors are the ways employees are expected to treat customers, citizens, and each other; and how they expect to be treated in return:

- **Open Communication:** listens to others, offers suggestions and receives feedback in an open, honest and constructive way
- **Customer-Focused:** considers customer needs and delivers professional, polite and respectful service to all internal and external customers
- **Personal Responsibility:** monitors self and takes responsibility for actions and decisions and does not blame others
- **Integrity:** operates with honesty, respect and the highest ethical and moral principles



FY 2011 Accomplishments and Recognitions

ECONOMIC DEVELOPMENT

Areva NP, with North American headquarters in Lynchburg, 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. In July 2010, Areva in cooperation with the province of New Brunswick and the utility New Brunswick Power, have signed a letter of intent to develop a clean energy park near the Point Lepreau nuclear station (Canada). The project represents the third clean energy park in the world that would be developed by Areva. Also, earlier in this year, Areva and Nuclear Power Corporation of India Limited (NPCIL) signed major agreements for the construction of two EPR™ reactors, the first of a series of six, at Jaita-pur in the western state of Maharashtra, and for the supply of fuel for 25 years. Furthermore, the City is headquarters for two of Babcock & Wilcox Company Technologies (B&W) four main subsidiaries. In March 2010, Governor McDonnell visited the City to cut the ribbon for Babcock & Wilcox's new mPower facility. The Lynchburg-based B&W operating group will lead the development and deployment of a nuclear reactor design that company officials believe will speed the further development of nuclear power sources in the United States.

In the health services sector, CENTRA, which owns and operates both Lynchburg General and Virginia Baptist Hospitals in Lynchburg, received the highest rating for open heart surgery from The Society of Thoracic Surgeons (STS). CENTRA has received this rating from STS every year since its inception four years ago and is the only hospital in Virginia to earn this rating for each of those years. Also, CENTRA's Lynchburg General Hospital has been named one of the nation's 50 Top Cardiovascular Hospitals by Thomson Reuters. For the first time in the study's history, Thomson Reuters has singled out 50 hospitals instead of the traditional practice of naming 100 winners. This is the sixth time CENTRA has been rated as one of the nation's top cardiovascular hospitals. CENTRA's Virginia Baptist Hospital announced that The Center for Wound Care and Hyperbaric Medicine has been granted a full three-year accreditation by the Undersea and Hyperbaric Medical Society (UHMS). There are only 98 UHMS Accredited Hyperbaric Oxygen Therapy facilities in the United States.

Liberty University (LU) capped its enrollment of residential program students at 12,000 again this year but continues to expand its on-line program to exceed 61,000. In November 2010, LU announced capital improvement projects for the next two years including third and fourth floor renovations to DeMoss Hall, its main academic building, a Health Sciences building, an intramural complex, a new visitor's center, a recreational equestrian center, Campus North additions and an amphitheater. Since then, LU has announced plans for a \$50 million Library which will be the anchor of a redesigned main campus.

Other academic institutions in the City are also making investments. Lynchburg College has recently initiated a Doctor of Physical Therapy program in a renovated building adjacent to its campus. Randolph College is constructing a new student center and Virginia University of Lynchburg has significantly increased its enrollment, is adding dormitory space and has undertaken several neighborhood redevelopment projects.

In 2011, Griffin Pipe continued work on a \$35 million expansion adding over 52,000 square feet to its riverfront plant in downtown Lynchburg. In August 2010, a new Walmart opened bringing new jobs and an increase in tax



revenue. J. Crew has also begun a large expansion of 100,000 square feet to its physical plant and will create over 170 new jobs.

FINANCIAL SERVICES

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lynchburg for its CAFR for the fiscal year ended June 30, 2010. This is the City's fourteenth consecutive year in receiving this award.

GFOA also awarded the Distinguished Budget Presentation Award to the City of Lynchburg for its FY 2010 Adopted Budget. This is the City's sixth consecutive year in receiving this award.

LYNCHBURG CITY SCHOOLS

For 2011, the State of Virginia Department of Education notified Lynchburg City Schools that all sixteen public schools earned full accreditation. Three new 21st Century Learning Centers were put in place and four others will continue to operate thanks to a grant from the Virginia Department of Education. The new centers are located at Sandusky Middle School, Heritage Elementary School, and Robert S. Payne Elementary School. These schools received a total of \$418,791 to develop programs intended to decrease the achievement gap among students and increase scores on standardized tests that measure Adequate Yearly Progress. The centers already in place that received \$560,000 to continue their programs are Linkhorne Middle School, Perrymont Elementary School, Paul Laurence Dunbar Middle School for Innovation, and William Marvin Bass Elementary School.

WATER RESOURCES

The Water Resources Department earned the Virginia Department of Health's (VDH) Excellence in Waterworks Performance Award for the fifth 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

FY 2011 was a year of continued work on downtown redevelopment, the Combined Sewer Overflow (CSO) Program and maintenance type projects. Four major bridges were overhauled including repair of decks, bearings, joints and foundations. In February 2011, D Street Bridge was reopened after being demolished and rebuilt to ensure safe passage to one of the City's historical neighborhoods. The CSO Program continued and 9 projects were completed in FY 2011. The Yoder Community Center was refurbished and Younger Park was re-opened affording the neighborhood beautiful facilities and renewed recreation opportunities. A task force was established to engage citizens in discussions regarding Heritage High School and the Future of Secondary Education. The replacement or refurbishing of Heritage High School will be the costliest public building project in the City for many years.

TRANSPORTATION

Amtrak provides rail passenger service through Lynchburg between Boston and New Orleans via the Crescent Train Route. In addition, a new intercity route that starts and terminates in Lynchburg provides service up the East Coast as far as Boston. The service, which started in 2010 has out performed everyone's expectations and has exceeded its ridership target by over 147%.

The City is also served by the Lynchburg Regional Airport, a small-sized commercial airport with a significant general aviation presence. In October 2010, the City received notice that Delta Airlines would stop serving Lynchburg as of January 1, 2011. In response, U. S. Airways stepped up its service, adding regional jet service between Lynchburg and Charlotte. Through its Air Service Development Partnership with the Chamber of Commerce and areas businesses the City is actively seeking new regional service to a northern hub airport.

The Lynchburg Regional Airport has two fixed base operators which provide fueling, maintenance and charter service. In addition, Liberty University's rapidly growing Aeronautical Program is based at the airport.



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 1st, 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 Proprietary Funds.

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. 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:

- Forfeited Assets 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.
- 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 and expenditures made to support the Comprehensive Services Act for At-Risk Youth and Families adopted by the Virginia General Assembly.
- HOME Investment Trust 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 and expenditures associated with beautification of the Lynchburg Expressway.
- Regional Juvenile Detention Center Fund – Accounts for revenues received and expenditures made to support the operations of the City’s Juvenile Detention Home.
- Technology Fund – Accounts for revenues received to support the acquisition of computer equipment and maintaining network equipment, servers and the AS400.
- City/Federal/State Aid 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 Projects Funds

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



DESCRIPTION OF CITY FUNDS *(continued)*

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 fund.

Enterprise Funds

Water, Sewer, Stormwater and Airport Funds are used to account for the acquisition, operation and maintenance of City-owned water and sewer facilities, stormwater facilities 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 Fund receives some support from the General Fund in the form of an interfund transfer.

Internal Service Fund

Internal Service Fund accounts for the financing of goods and services supplied to other funds of the City 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 Risk Management 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 operates one pre-school, eleven elementary schools, three middle schools, and two high schools in the City. The Schools are fiscally dependent on the City and are prohibited from issuing bonded debt without approval of City Council.



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 current financial 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 liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 45 days of the end of the fiscal period for most revenues. 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, Stormwater, 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, Stormwater, 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 2013**

September 8, 2011	E-mail CIP Budget Instructions
September 9, 2011	Request Rates for FY 2013
September 13, 2011	Council Meeting - First Reading of Carryforward
September 27, 2011	Council Meeting - Second Reading of Carryforward
September 28, 2011	E-mail Operating Budget Instructions
September 29, 2011	CIP Budget Submissions due
October 7, 2011	Key Leaders Meeting
October 14, 2011	Rates Due for FY 2013
October 18, 2011	Council Retreat
October 19, 2011	All Department Operating Budget Submissions due
October 21, 2011	Schools CIP Budget Submission due
October 31, 2011	Budget Submissions due to Leadership Team prior to the Retreat
December 2, 2011	Leadership Team Retreat
January 13, 2012	Key Leaders Meeting
January 19, 2012	Schools Budget Submission due
January 20, 2012	Water & Sewer Operating Budget Submissions due
January 31, 2012	Council Budget Retreat
March 6, 2012	Council Work Session - Budget Message, Revenues, Workforce Overview
March 13, 2012	Council Work Session - Walk Through Book
March 15, 2012	Civic Engagement on the FY 2013 Budget, Ward III
March 20, 2012	Council Work Session - Walk Through Book Civic Engagement on the FY 2013 Budget, Ward II
March 22, 2012	Civic Engagement on the FY 2013 Budget, Ward IV
March 27, 2012	Council Work Session - CIP, Schools/ Regular Work Session
March 29, 2012	Civic Engagement on the FY 2013 Budget, Ward I
April 3, 2012	Budget Public Hearing
April 10, 2012	Council Work Session - Budget Balancing/ Regular Work Session
April 17, 2012	Council Work Session - Budget Balancing
April 24, 2012	Council Work Session - Budget Balancing
May 1, 2012	Council Work Session - Final Budget Decisions
May 8, 2012	Council Meeting - First Reading of the Budget
May 22, 2012	Council Meeting - Second Reading of the Budget and Adoption of the Budget
June 30, 2012	Distribution of FY 2013 Adopted Budget



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 Lynchburg 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 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.

Capital Improvement Program – A five-year plan for public facilities, which results in construction or acquisition of capital 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. The following funds are included in the capital improvement program: City Capital Projects, School Capital Projects, Airport, Sewer, Stormwater and Water funds.

Capital Project Funds – Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by enterprise funds or trust funds.

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.

Comprehensive Plan – Presents a vision of what the community will be like in the future and identifies the steps required to move toward that vision. The 2002-2020 Comprehensive Plan was adopted by City Council in FY 2003, updated in FY 2010, and can be found on the City’s website at www.lynchburgva.gov.

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 systematic and rational distribution of the cost of a tangible capital asset (less salvage value) over its estimated 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 operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily 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.

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 – GASB 54 identifies the following as Fund Balance classifications:

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.

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.

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.

Unassigned Fund Balance – Unassigned Fund balance is the positive fund balance within the General fund which has not been classified as Restricted, Committed or Assigned and negative fund balances in other governmental funds. These funds are not appropriated for expenditure. The Unassigned Fund balance 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 to other funds of the City, 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 types of proprietary funds: enterprise funds and internal service funds.

Real Property – Real estate, including land and improvements (buildings, fences, pavements, etc.) classified for 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

Stormwater Fund – Consists of the operating budget of the stormwater program of the City. Revenues from user fees and other governmental revenue finance this fund.

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 (e.g., 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 capital 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

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





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 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.



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.

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

Date of Incorporation	1805
Date of Independent City Status.....	1852
2011 City Population ⁽¹⁾	76,448
Metropolitan Statistical Area Population	214,911
Composition of Population	
White.....	66.00%
Black	29.70%
Other.....	4.30%
Median Household Income, 2 Person Family.....	\$40,396
Form of Government.....	Council-Manager
Number of Employees – All Funds (excluding Police and Fire):	
Full and Part-Time FTE.....	863.2
Temporary FTE.....	34.6
City of Lynchburg Facilities and Services:	
Miles of Streets.....	378
Number of Street Lights	9,982
Number of Traffic Signals.....	119
Culture and Recreation:	
Community Centers.....	7
Senior Centers	1
Parks	21
Park acreage	948
Swimming Pools.....	2
Tennis Courts	40
Gymnasiums	7
Fire and Emergency Medical Services (EMS):	
Number of Stations.....	8
Number of Fire Personnel and Officers.....	187
Number of Calls Answered per month ⁽²⁾	574
Number of Inspections Conducted	767
Number of EMS Calls	14,731
Police protection:	
Number of Stations.....	1
Number of Police Personnel and Officers ⁽³⁾	238
Number of Patrol Units	57
Number of Law Violations:	
Physical Arrests	7,039
Traffic Violations	11,437
Parking Violations	3,943
Sewage System:	
Number of Service Connections.....	18,706
Daily Average Treatment in Gallons.....	11 million
Maximum Daily Capacity of Treatment Plant in Gallons	44 million
Water System:	
Number of Service Connections.....	22,361
Number of Fire Hydrants.....	3,111
Daily Average Consumption in Gallons.....	11 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.....	977
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.....	519

⁽¹⁾ Weldon Cooper Center for Public Service, University of Virginia; www.coopercenter.org

⁽²⁾ Fire calls only, not EMS

⁽³⁾ Includes Emergency Communications

Source: Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2011



PRINCIPAL PROPERTY TAXPAYERS IN 2011

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Total Taxable Assessed Value</u>
AEP	Utility	\$ 70,462,662	1	1.22 %
Verizon Va, Inc.	Utility	62,451,032	2	1.08
Areva NP Inc.	Nuclear Power Design & Fuel	61,630,367	3	1.07
River Ridge, Ltd.	Shopping Mall	54,815,400	4	0.95
R R Donnelley Printing Co.	Periodical Publication Printing	50,014,221	5	0.86
Frito Lay, Inc.	Food Manufacturer	44,497,521	6	0.77
Genworth Financial, Inc.	Life Insurance	40,030,206	7	0.69
Wal-Mart Real Estate Business Trust	Real Estate Company	35,151,800	8	0.61
LU Candler Station Holdings LLC	Shopping Mall	21,085,400	9	0.36
CCRC, Inc.	Nursing Home/Assisted Living	18,802,100	10	0.33
B.A. Langley	Real Estate Company	-	-	-
Ericsson-GE Mobile Communications	Mobile Communications	-	-	-
Bell Atlantic-Virginia, Inc.	Utility	-	-	-
Total		\$ 458,940,709		7.94 %
Total Assessed Valuation:		\$ 5,785,248,517		

Source: Real Estate Assessor and Commissioner of Revenue

DEMOGRAPHIC AND ECONOMIC STATISTICS, LAST TEN CALENDAR YEARS

<u>Fiscal Year</u>	<u>Population</u> ¹	<u>Personal Income (thousands of dollars)</u> ²	<u>Per Capita Personal Income</u> ³	<u>Median Age</u> ⁴	<u>School Enrollment</u> ⁵	<u>Unemployment Rate</u> ⁶
2002	66,471	1,765,736	26,564	35.1	9,063	6.2
2003	67,354	1,835,262	27,248	35.1	8,955	6.1
2004	68,319	1,945,042	28,470	35.1	8,775	5.6
2005	69,340	2,045,114	29,494	35.1	8,620	5.2
2006	70,491	2,208,413	31,329	35.1	8,614	4.0
2007	72,331	2,360,016	32,628	35.1	8,622	4.3
2008	73,834	2,493,522	33,772	35.1	8,414	5.6
2009	75,204	2,504,895	33,308	35.1	8,655	9.3
2010	75,826	*	*	35.1	8,614	9.2
2011	75,826	*	*	30.3	8,662	8.3

Source: Director of Financial Services

¹ Weldon Cooper Center for Public Service, University of Virginia www.coopercenter.org

² 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 Population (see note 1 above)

³ U.S. Department of Commerce, Economic and Statistic Administration, Bureau of Economic Analysis Report AMSA04 - Advanced Metropolitan Statistical Area Income Summary www.bea.gov/regional/reis/ New estimates for 2009 and revisions for 2007 - 2008 were released on April 21, 2011. The table has been revised to reflect these changes.

⁴ United States Census - 2010

⁵ 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.

⁶ Virginia Employment Commission & U.S. Department of Labor, Bureau of Labor Statistics, as of June 2011. The 2010 Unemployment Rate has been adjusted to reflect the most current data available.

* Information unavailable



**PRINCIPAL EMPLOYERS,
FY 2011 AND TEN YEARS AGO**

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Centra Health, Inc.	5,300	1	14.61%	3,800	1	12.39%
TRBC, Liberty University ³	3,422	2	9.44%	1,000	9	3.26%
Areva ²	1,928	3	5.32%	1,400	6	4.57%
Lynchburg City Schools	1,606	4	4.43%	1,554	5	5.07%
Genworth Financial Inc. ¹	1,600	5	4.41%	1,607	3	5.24%
J. Crew Outfitters	1,350	6	3.72%	1,000	8	3.26%
City of Lynchburg	1,193	7	3.29%	1,150	7	3.75%
Central Virginia Community Svcs	763	8	2.10%	1,600	4	5.22%
Walmart	672	9	1.85%	-	-	-
Lynchburg College	630	10	1.74%	-	-	-
BWX Technologies	-	-	-	1,940	2	6.33%
R.R. Donnelley	-	-	-	739	10	2.41%
Total	18,464			15,790		

Employed Civilian Labor Force (June 2011) Lynchburg City - Virginia Employment Commission 36,265

Employed Civilian Labor Force (June 2002) Lynchburg City - Virginia Employment Commission 30,659

Source: FY 2011 numbers are derived from Office of Economic Development,
City of Lynchburg, Virginia as of June 30, 2010

Source: FY 2002 numbers are derived from Official Statement for bond issue February 1, 2003.

¹ Formerly First Colony Life Insurance Co. and GE Financial Assurance

² Formerly Framatome

³ Thomas Road Baptist Church (TRBC)



Identification of Acronyms

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



SUMMARY OF ALL FUNDS BY REVENUES AND EXPENDITURES

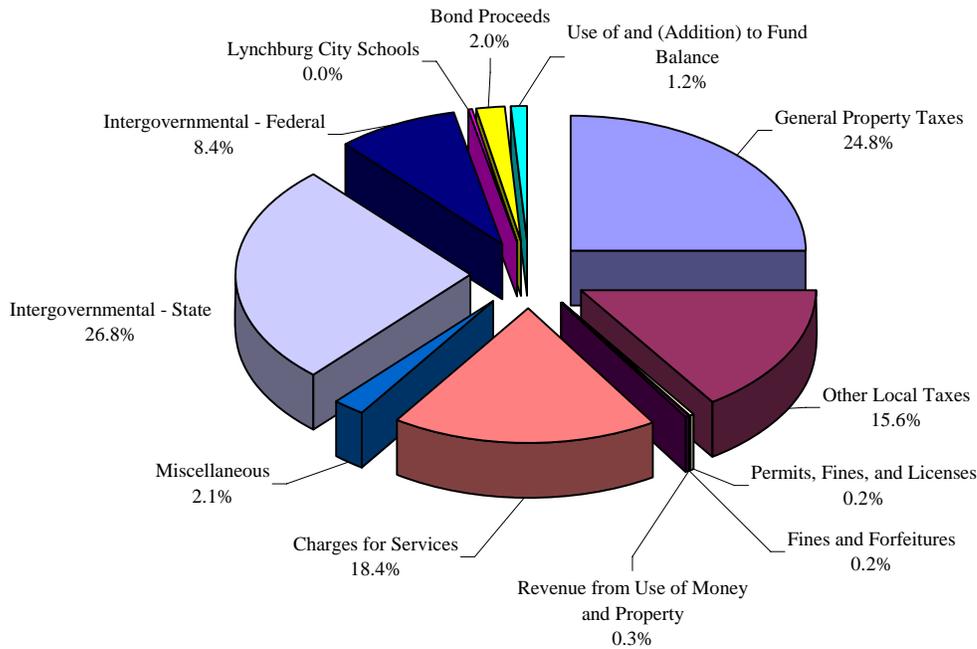
	Actual FY 2011	Adopted FY 2012	Manager's Proposed FY 2013
ALL FUNDS			
BEGINNING FUNDS	\$56,655,353	\$43,391,675	\$40,780,938
REVENUES			
General Property Taxes	\$68,951,352	\$68,149,861	\$74,032,514
Other Local Taxes	46,058,513	44,629,115	46,807,466
Permits, Fines, and Licenses	489,790	454,300	448,700
Fines and Forfeitures	499,940	470,000	495,000
Revenue from Use of Money and Property	1,053,206	878,919	756,560
Charges for Services	49,528,955	50,734,136	54,618,236
Miscellaneous	6,792,649	5,404,172	6,137,417
Intergovernmental - State	75,575,833	93,180,279	79,753,408
Intergovernmental - Federal	35,383,607	22,404,019	24,857,039
Lynchburg City Schools (Governor's School/Lottery Proceeds)	31,022	63,780	62,911
Bond Proceeds	0	11,289,000	5,977,000
Operating Transfers In	48,653,130	47,833,016	48,423,254
Use of and (Addition) to Fund Balance	37,377,177	8,960,457	3,482,916
TOTAL REVENUES	\$370,395,174	\$354,451,054	\$345,852,421
Less Interfund Transfers	(48,653,130)	(47,833,016)	(48,423,254)
TOTAL REVENUES NET OF TRANSFERS	\$321,742,044	\$306,618,038	\$297,429,167
TOTAL AVAILABLE RESOURCES NET OF TRANSFERS	\$378,397,397	\$350,009,713	\$338,210,105
EXPENDITURES			
General Government Administration	\$24,463,327	\$24,808,681	\$26,333,119
Judicial	5,544,197	5,642,381	5,673,467
Public Safety	34,839,275	34,897,399	35,488,120
Public Works	24,905,293	27,547,558	23,145,694
Health and Human Services	20,717,596	22,147,561	21,626,045
Cultural and Recreational	7,417,880	6,633,857	10,114,752
Community Development	4,405,887	3,703,479	3,237,722
Education	89,716,225	85,532,240	92,443,425
Debt Service	44,722,324	27,777,525	27,625,756
Interfund Transfers	48,653,130	47,833,016	48,423,254
Sanitation	48,461,940	46,480,889	26,713,178
Airport	2,312,128	3,984,843	4,023,262
Transit	7,112,071	7,049,103	7,136,621
Other Uses	7,154,923	10,412,522	13,868,006
TOTAL EXPENDITURES	\$370,426,196	\$354,451,054	\$345,852,421
Less Interfund Transfers	(48,653,130)	(47,833,016)	(48,423,254)
TOTAL EXPENDITURES NET OF TRANSFERS	\$321,773,066	\$306,618,038	\$297,429,167
ENDING FUND BALANCES	\$56,624,331	\$43,391,675	\$40,780,938
TOTAL EXPENDITURES AND FUND BALANCES NET OF TRANSFERS	\$378,397,397	\$350,009,713	\$338,210,105



SUMMARY OF ALL FUNDS BY REVENUES AND EXPENDITURES (CONTINUED)

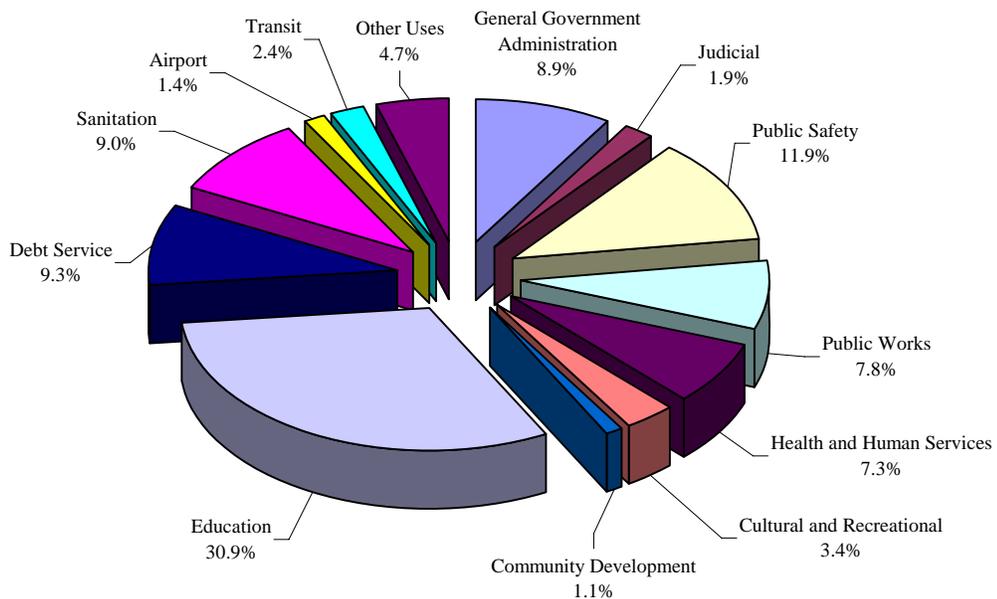
REVENUES - ALL FUNDS

\$297,429,167



EXPENDITURES - ALL FUNDS

\$297,429,167





SUMMARY OF REVENUES AND EXPENDITURES BY FUND TYPE

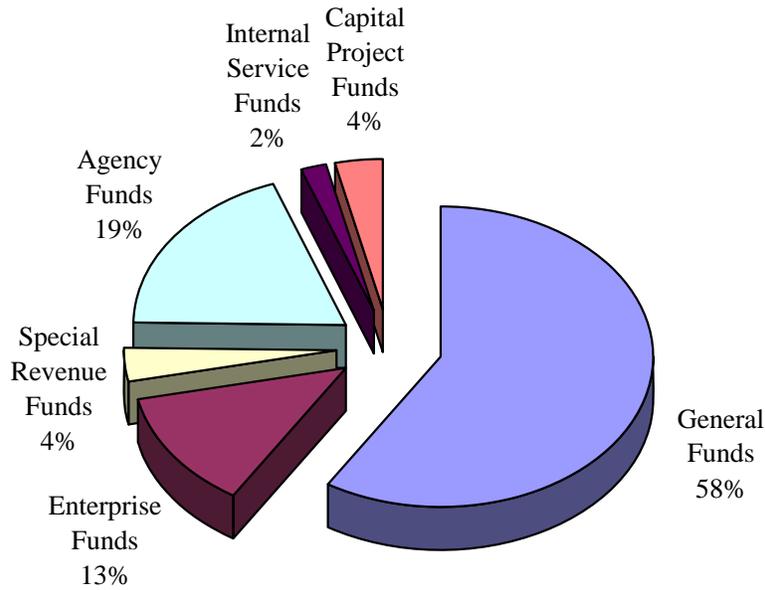
	General Funds	Enterprise Funds	Special Revenue Funds	Agency Funds	Internal Service Funds	Capital Project Funds	Grand Total
BUDGET SUMMARY BY FUND TYPE FOR FISCAL YEAR 2013							
BEGINNING FUNDS	\$22,687,062	\$13,765,922	\$3,154,916	\$46,263	\$1,126,775	\$0	\$40,780,938
REVENUES							
General Property Taxes	\$74,032,514	\$0	\$0	\$0	\$0	\$0	\$74,032,514
Other Local Taxes	46,807,466	0	0	0	0	0	46,807,466
Permits, Fines, and Licenses	448,700	0	0	0	0	0	448,700
Fines and Forfeitures	495,000	0	0	0	0	0	495,000
Revenue from Use of Money and Property	549,966	189,594	15,000	2,000	0	0	756,560
Charges for Services	10,344,433	36,813,026	1,796,789	0	5,663,988	0	54,618,236
Miscellaneous	3,039,736	258,211	136,830	1,572,640	250,000	880,000	6,137,417
Intergovernmental - State	25,746,983	735,000	5,320,112	43,340,352	0	4,610,961	79,753,408
Intergovernmental - Federal	8,333,247	120,000	2,527,592	12,118,700	0	1,757,500	24,857,039
Lynchburg City Schools (Gov. School/Lottery Proceeds) ¹	29,284	0	0	33,627	0	0	62,911
Bond Proceeds	0	0	0	0	0	5,977,000	5,977,000
Operating Transfers In	1,676,798	382,862	2,170,688	35,601,147	0	8,591,759	48,423,254
Use of Fund Balance	5,372,343	(283,164)	951,543	25,750	(263,556)	(2,320,000)	3,482,916
TOTAL REVENUES	\$176,876,470	\$38,215,529	\$12,918,554	\$92,694,216	\$5,650,432	\$19,497,220	\$345,852,421
Less Interfund Transfers	(1,676,798)	(382,862)	(2,170,688)	(35,601,147)	0	(8,591,759)	(48,423,254)
TOTAL REVENUES NET OF TRANSFERS	\$175,199,672	\$37,832,667	\$10,747,866	\$57,093,069	\$5,650,432	\$10,905,461	\$297,429,167
TOTAL AVAILABLE RESOURCES NET OF TRANSFERS	\$197,886,734	\$51,598,589	\$13,902,782	\$57,139,332	\$6,777,207	\$10,905,461	\$338,210,105
EXPENDITURES							
General Government Administration	\$19,453,381	\$0	\$1,590,118	\$0	\$5,289,620	\$0	\$26,333,119
Judicial	4,563,209	0	1,110,258	0	0	0	5,673,467
Public Safety	32,584,409	0	2,903,711	0	0	0	35,488,120
Public Works	16,166,474	0	0	0	0	6,979,220	23,145,694
Health and Human Services	15,460,638	0	6,111,157	54,250	0	0	21,626,045
Cultural and Recreational	5,051,752	0	0	0	0	5,063,000	10,114,752
Community Development	2,312,610	0	925,112	0	0	0	3,237,722
Education	0	0	0	92,443,425	0	0	92,443,425
Debt Service	14,657,657	12,334,089	273,198	0	360,812	0	27,625,756
Interfund Transfers	45,626,713	2,600,000	0	196,541	0	0	48,423,254
Sanitation	0	21,108,178	0	0	0	5,605,000	26,713,178
Airport	0	2,173,262	0	0	0	1,850,000	4,023,262
Transit	7,136,621	0	0	0	0	0	7,136,621
Other Uses	13,863,006	0	5,000	0	0	0	13,868,006
TOTAL EXPENDITURES	\$176,876,470	\$38,215,529	\$12,918,554	\$92,694,216	\$5,650,432	\$19,497,220	\$345,852,421
Less Interfund Transfers	(45,626,713)	(2,600,000)	0	(196,541)	0	0	(48,423,254)
TOTAL EXPENDITURES NET OF TRANSFERS	\$131,249,757	\$35,615,529	\$12,918,554	\$92,497,675	\$5,650,432	\$19,497,220	\$297,429,167
ENDING FUND BALANCES	22,687,062	13,765,922	3,154,916	46,263	1,126,775	0	40,780,938
TOTAL EXPENDITURES AND FUND BALANCES NET OF TRANSFERS	\$153,936,819	\$49,381,451	\$16,073,470	\$92,543,938	\$6,777,207	\$19,497,220	\$338,210,105

¹ Federal, State, and grant funding for schools for FY 2013 are preliminary estimates and were not adopted by the School Board at the time this document was published.

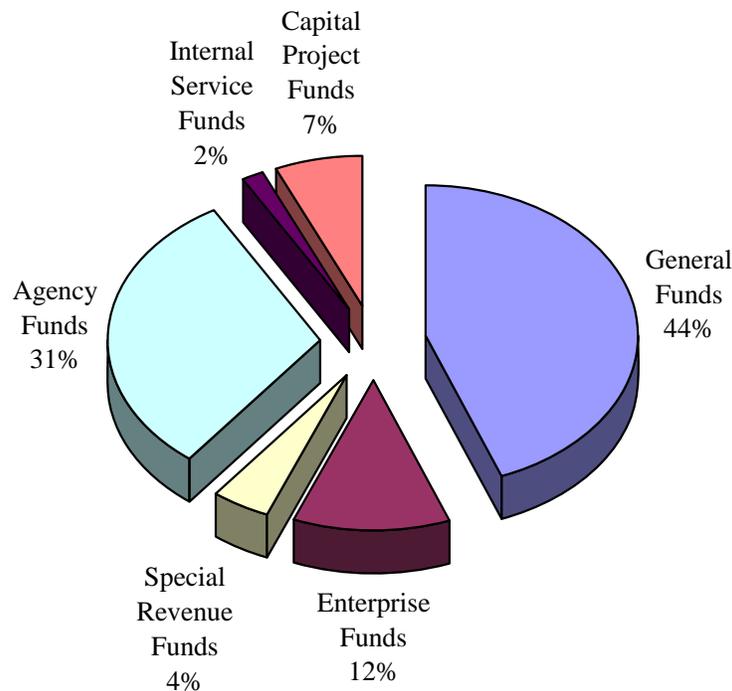


SUMMARY OF REVENUES AND EXPENDITURES BY FUND TYPE (CONTINUED)

REVENUES BY FUND TYPE
\$297,429,167



EXPENDITURE BY FUND TYPE
\$297,429,167





Personnel Summary

FY 2013 Benefit Rates: Retirement – Plan 1: 25.89% Life – 1.32% Health – \$4,773/yr Dental – \$336/yr
 Plan 2: 20.89%

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
FUND PERSONNEL SUMMARY					
General Government Administration					
Council Manager Offices	8.00	8.00	8.00	6.00	(2.00)
City Assessor					
Full-Time	10.00	10.00	10.00	10.00	0.00
Part-Time	0.30	0.30	0.30	0.30	0.00
City Attorney	6.90	6.90	6.90	6.90	0.00
Commissioner of Revenue					
City Full-Time	6.00	4.00	4.00	4.00	0.00
City Temporary	0.40	0.40	0.60	0.40	0.00
State Full-Time	6.00	6.00	6.00	6.00	0.00
Communications and Marketing	4.00	4.00	4.00	4.00	0.00
Customer Service					
Full-Time	2.00	2.00	2.00	2.00	0.00
Part-Time	1.50	1.50	1.50	1.50	0.00
Local Government Channel	2.00	2.00	2.00	2.00	0.00
Financial Services - Office of the Director	5.00	5.00	5.00	5.00	0.00
Financial Services - Accounting					
Full-Time	10.00	10.00	10.00	10.00	0.00
Temporary	0.33	0.00	0.00	0.00	0.00
Financial Services - Billings and Collections					
Full-Time	20.00	20.00	20.00	20.00	0.00
Full-Time (Water Fund)	1.00	1.00	1.00	1.00	0.00
Financial Services - Budget	2.00	2.00	2.00	2.00	0.00
Financial Services - Procurement					
Full-Time	3.00	3.00	3.00	3.00	0.00
Full-Time (Water Fund)	1.00	1.00	1.00	1.00	0.00
Financial Services - Human Services Financial					
Full-Time	9.00	9.00	8.00	7.00	(2.00)
Part-Time	0.80	0.80	0.80	0.80	0.00
Human Resources					
Full-Time	8.00	8.00	9.00	8.00	0.00
Part-Time	0.50	0.50	0.00	0.50	0.00
Human Resources - Occupational Health					
Full-Time	1.00	1.00	1.00	1.00	0.00
Part-Time	0.50	0.50	0.50	0.50	0.00
Information Technology Administration	4.00	4.00	4.00	4.00	0.00
Information Technology Application Services	12.00	12.00	12.00	11.00	(1.00)
Information Technology Geographic Information System	3.00	3.00	3.00	3.00	0.00
Information Technology Network Services	12.00	12.00	12.00	12.00	0.00
Internal Audit					
Full-Time	2.00	1.00	1.00	0.00	(1.00)
Full-Time Not Funded	0.00	1.00	1.00	0.00	(1.00)
Registrar and Electoral Board					
City Full-Time	1.00	1.00	1.00	1.00	0.00
City Part-Time	0.30	0.34	0.64	0.34	0.00
State Full-Time	1.00	1.00	1.00	1.00	0.00
State Treasurer					
State Full-Time	2.00	2.00	2.00	2.00	0.00
State Temporary	0.02	0.04	0.10	0.04	0.00
General Government Administration Total FTEs	146.55	144.28	144.34	137.28	(7.00)



Personnel Summary (continued)

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
FUND PERSONNEL SUMMARY					
Judicial Administration					
Circuit Court Clerk					
State Full-Time	13.00	13.00	13.00	13.00	0.00
City Part-Time	0.00	0.00	0.60	0.00	0.00
Circuit Court Judges	2.00	2.00	2.00	2.00	0.00
Commonwealth Attorney					
City Full-Time	1.00	0.47	0.78	0.78	0.31
State Full-Time	15.45	15.90	15.90	15.90	0.00
Sheriff					
City Full-Time	3.00	3.00	3.00	3.00	0.00
City Temporary	3.86	4.43	4.43	4.43	0.00
State Full-Time	22.00	23.00	22.00	22.00	(1.00)
Judicial Administration Total FTEs	60.31	61.80	61.71	61.11	(0.69)
Public Safety					
Police Department					
Sworn Full-Time	169.00	170.00	170.00	169.00	(1.00)
Civilian Full-Time	22.00	22.00	25.00	22.00	0.00
Part-Time	1.50	1.50	2.25	2.25	0.75
Temporary	0.38	0.00	0.00	0.00	0.00
Sworn Full-Time Not Funded	1.00	0.00	0.00	0.00	0.00
Civilian Full-Time Not Funded	3.00	3.00	0.00	0.00	(3.00)
Animal Control Unit					
Civilian Full-Time	4.00	4.00	4.00	3.00	(1.00)
Part-Time	1.80	1.80	1.80	1.80	0.00
Emergency Services					
Full-Time	32.00	35.00	36.00	35.00	0.00
Grant Full-Time	3.00	0.00	0.00	0.00	0.00
Fire Department					
Sworn Full-Time	177.00	177.00	178.00	175.00	(2.00)
Civilian Full-Time	9.00	9.00	8.00	8.00	(1.00)
Temporary	0.00	0.00	0.95	0.95	0.95
Sworn Full-Time Not Funded	1.00	1.00	0.00	0.00	(1.00)
Civilian Full-Time Not Funded	0.00	0.00	1.00	1.00	1.00
Public Safety Total FTEs	424.68	424.30	427.00	418.00	(6.30)
Public Works					
Public Works Administration	11.00	11.00	11.00	10.00	(1.00)
Buildings Maintenance					
Full-Time	37.50	39.50	39.50	38.50	(1.00)
Part-Time	0.50	0.50	0.50	0.50	0.00
Temporary	0.45	0.95	0.95	0.95	0.00
Parks and Grounds Maintenance					
Full-Time	28.00	29.00	29.00	29.00	0.00
Part-Time	3.40	1.60	1.60	1.60	0.00
Temporary	3.90	6.43	6.43	6.43	0.00
Engineering					
Full-Time	28.50	29.50	29.50	27.50	(2.00)
Part-Time	1.75	1.75	1.75	1.75	0.00
Temporary	0.00	0.50	0.50	0.50	0.00
Full-Time (Water Fund)	1.00	1.00	1.00	1.00	0.00
Street Maintenance					
Full-Time	26.00	26.00	26.00	27.00	1.00
Part-Time	1.20	1.20	1.20	1.20	0.00
Temporary	1.40	1.40	1.40	1.40	0.00



Personnel Summary (continued)

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
FUND PERSONNEL SUMMARY					
Public Works (continued)					
Refuse					
Full-Time	19.00	21.00	21.00	20.00	(1.00)
Part-Time	2.80	2.80	2.55	2.55	(0.25)
Public Works Total FTEs	166.40	174.13	173.88	169.88	(4.25)
Health and Welfare					
Juvenile Services					
Full-Time	32.80	32.80	30.00	28.00	(4.80)
Part-Time	2.50	2.40	2.50	2.50	0.10
Temporary	6.40	6.40	6.40	6.40	0.00
Grant Full-Time	3.00	3.00	3.00	3.00	0.00
Social Services Administration					
Full-Time	115.00	118.00	121.00	119.00	1.00
Part-Time	5.44	4.94	5.82	5.07	0.13
Temporary	3.38	3.38	3.38	3.38	0.00
Health and Welfare Total FTEs	168.52	170.92	172.10	167.35	(3.57)
Parks, Recreation, and Cultural					
Libraries					
Full-Time	21.00	21.00	20.00	19.00	(2.00)
Part-Time	11.58	11.59	8.97	9.34	(2.25)
Temporary	0.37	0.37	0.37	0.37	0.00
Museums					
Full-Time	4.00	4.00	4.00	4.00	0.00
Part-Time	4.94	4.94	4.94	4.94	0.00
Parks and Recreation					
Full-Time	30.85	32.00	32.00	31.00	(1.00)
Part-Time	10.41	11.29	11.29	11.29	0.00
Temporary	6.34	6.21	6.21	6.21	0.00
Recreation Programs					
Part-Time	4.09	4.04	4.04	4.04	0.00
Temporary	0.74	4.17	4.17	4.17	0.00
Community Market					
Full-Time	1.74	2.00	2.00	2.00	0.00
Part-Time	3.05	3.02	3.02	3.02	0.00
Parks, Recreation, and Cultural Total FTEs	99.11	104.63	101.01	99.38	(5.25)
Community Development					
Community Development - Office of the Director					
Full-Time	6.50	3.50	3.50	3.50	0.00
Inspections and Code Compliance					
Full-Time	12.25	12.20	12.50	11.50	(0.70)
Part-Time	0.75	0.75	0.75	0.75	0.00
Temporary	0.30	0.30	0.30	0.30	0.00
Planning	5.00	4.00	4.00	4.00	0.00
Zoning and Natural Resources	0.00	3.00	3.00	2.00	(1.00)
Economic Development	3.00	3.00	3.00	3.00	0.00
Parking Management					
Full-Time	4.50	4.50	4.50	4.50	0.00
Community Development Total FTEs	32.30	31.25	31.55	29.55	(1.70)
TOTAL GENERAL FUND FTEs	1,097.87	1,111.31	1,111.59	1,082.55	(28.76)



Personnel Summary (continued)

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
FUND PERSONNEL SUMMARY					
FLEET SERVICES FUND					
Full-Time	11.00	11.00	11.00	11.00	0.00
Part-Time	0.50	0.50	0.50	0.50	0.00
TOTAL FLEET SERVICES FUND FTEs	11.50	11.50	11.50	11.50	0.00
AIRPORT FUND					
Administration					
Full-Time	4.00	4.00	4.00	4.00	0.00
Part-Time	0.70	0.70	0.70	0.70	0.00
Terminal	6.00	6.00	6.00	6.00	0.00
Airfield	3.00	3.00	3.00	3.00	0.00
General Aviation	1.00	1.00	1.00	1.00	0.00
Safety (Law Enforcement) Grant	3.00	3.00	3.00	3.00	0.00
TOTAL AIRPORT FUND FTEs	17.70	17.70	17.70	17.70	0.00
WATER FUND					
Administration/Engineering					
Full-Time	18.00	18.00	19.00	19.00	1.00
Part-Time	0.60	0.60	0.60	0.60	0.00
Temporary	0.00	0.50	0.00	0.00	(0.50)
Meter Reading					
Full-Time	8.00	8.00	7.00	7.00	(1.00)
Part-Time	0.80	0.80	0.80	0.80	0.00
Water Line Maintenance	16.00	15.00	14.75	14.75	(0.25)
Water Treatment Plant	24.00	24.00	24.00	24.00	0.00
TOTAL WATER FUND FTEs	67.40	66.90	66.15	66.15	(0.75)
SEWER FUND					
Sewer Line Maintenance	17.00	15.50	13.45	13.45	(2.05)
Wastewater Treatment Plant					
Full-Time	30.00	32.00	34.00	34.00	2.00
Part-Time	0.60	0.60	0.60	0.60	0.00
Temporary	2.40	2.40	2.40	2.40	0.00
Stormwater	0.00	4.50	0.00	0.00	(4.50)
TOTAL SEWER FUND FTEs	50.00	55.00	50.45	50.45	(4.55)
STORMWATER FUND					
Full-Time	0.00	0.00	5.80	5.80	5.80
TOTAL STORMWATER FUND FTEs	0.00	0.00	5.80	5.80	5.80
OTHER FUNDS					
Comprehensive Services Act (CSA) Fund					
Grant Full-Time	1.20	1.20	1.00	1.00	(0.20)
Regional Juvenile Detention Center Fund					
Full-Time	40.00	40.00	40.00	40.00	0.00
Part-Time	4.75	4.75	4.75	4.75	0.00
Temporary	2.50	2.50	2.50	2.50	0.00
Risk Management Fund					
Full-Time	3.10	3.10	2.10	2.10	(1.00)
Part-Time	0.00	0.00	0.97	0.97	0.97



Personnel Summary (continued)

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
FUND PERSONNEL SUMMARY					
OTHER FUNDS (continued)					
Community Development Block Grant (CDBG) Fund					
Grant Full-Time	0.50	0.65	0.50	0.50	(0.15)
Grant Part-Time	1.00	0.60	0.60	0.60	0.00
HOME Investment Trust Fund					
Grant Full-Time	0.50	0.15	0.00	0.00	(0.15)
Grant Part-Time	0.25	0.20	0.20	0.20	0.00
City/Federal/State Aid Fund					
Office of the Commonwealth's Attorney Grants					
Grant Full-Time	6.55	6.63	6.32	6.32	(0.31)
Grant Part-Time	1.60	0.80	1.60	1.60	0.80
Social Services Grants					
Grant Full-Time	4.00	4.00	2.00	2.00	(2.00)
Grant Part-Time	0.00	0.00	0.88	0.88	0.88
Community Corrections and Pre-Trial Svcs Grants					
Grant Full-Time	8.00	8.00	8.00	8.00	0.00
Grant Part-Time	1.48	1.48	0.88	0.88	(0.60)
Grant Temporary	0.75	0.69	0.00	0.00	(0.69)
City Capital Projects Fund					
Temporary	1.83	3.00	2.50	2.50	(0.50)
TOTAL OTHER FUNDS FTEs	78.01	77.75	74.80	74.80	(2.95)
TOTAL FULL TIME EQUIVALENTS	1,322.48	1,340.16	1,337.99	1,308.95	(31.21)



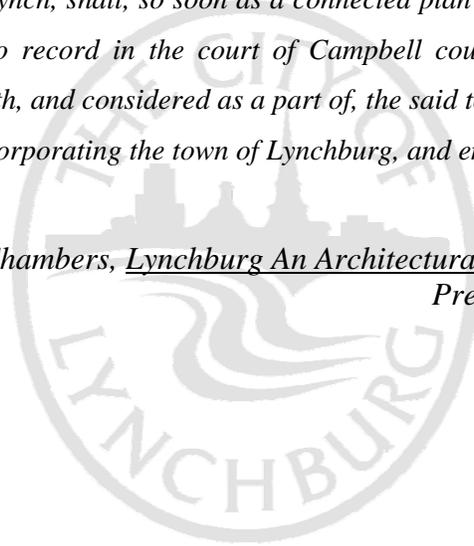
HISTORICAL QUOTE:

“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

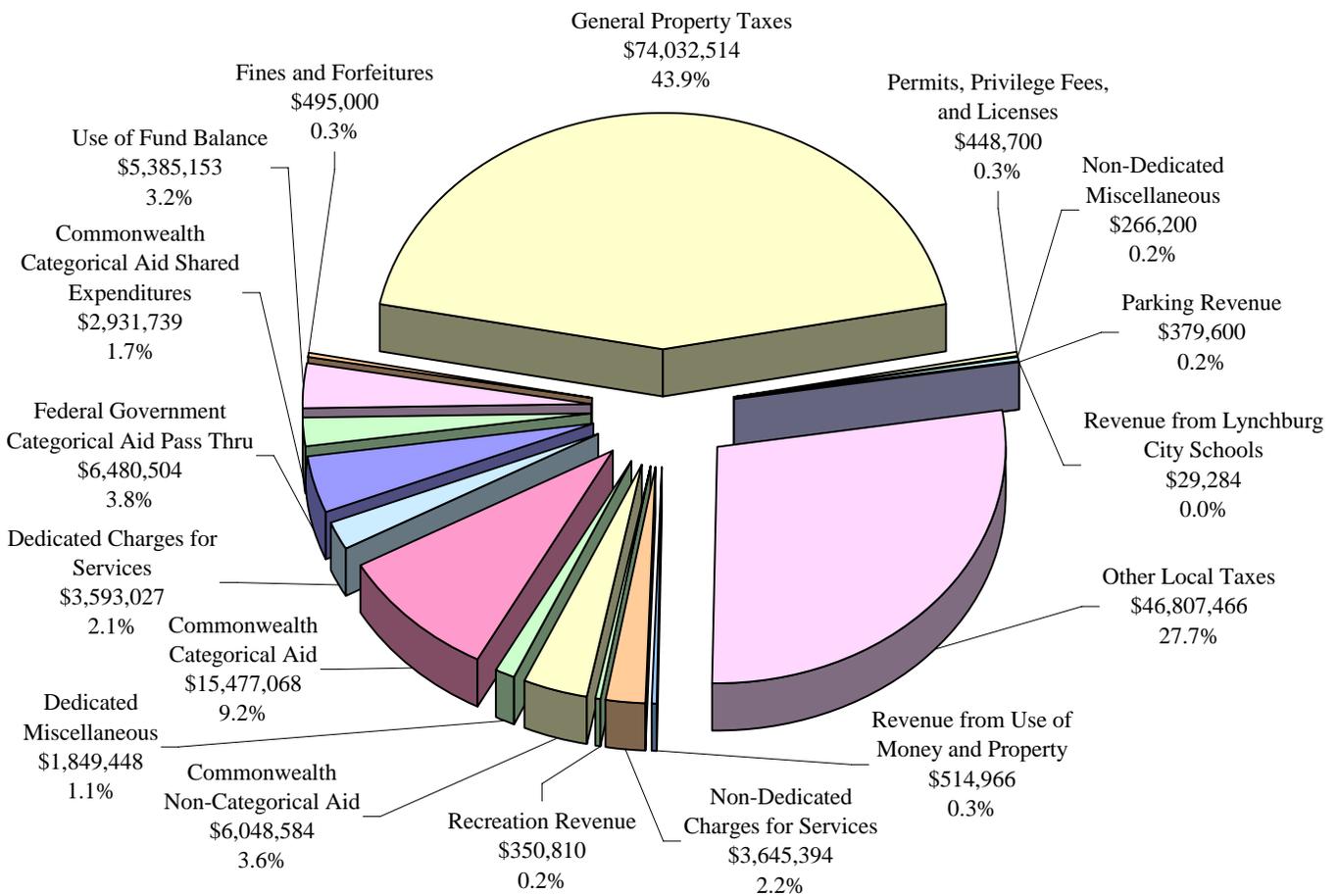
-- S. Allen Chambers, Lynchburg An Architectural History, University Press of Virginia, 1982.





FY 2013 REVENUES AND USE OF FUND BALANCE

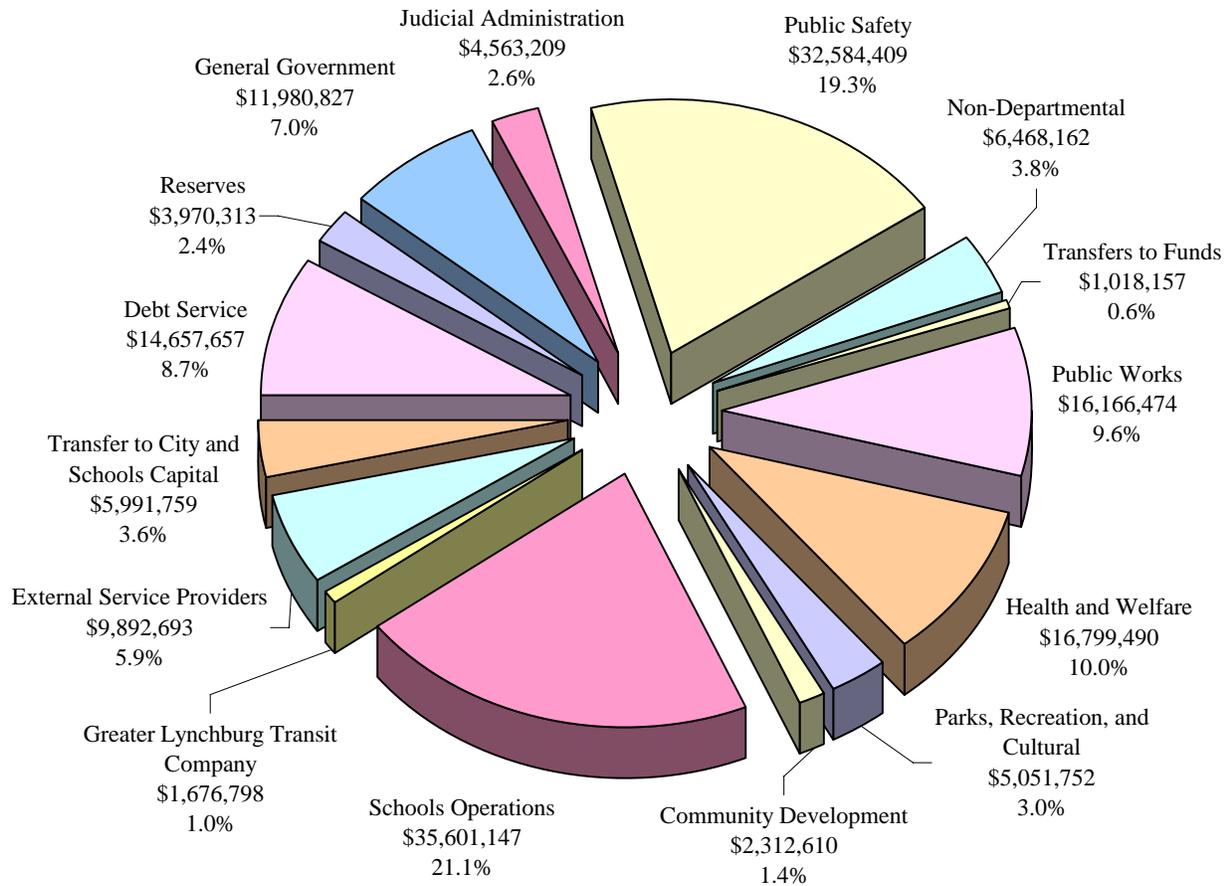
\$168,735,457





FY 2013 EXPENDITURES, RESERVES, AND TRANSFERS

\$168,735,457





	Actual FY 2011	Adopted FY 2012	Revised Estimate FY 2012	Manager's Proposed FY 2013
BEGINNING UNASSIGNED FUND BALANCE	\$31,805,351	\$22,830,783	\$29,215,575	\$20,199,396
REVENUES				
Non-dedicated Revenue	\$127,495,173	\$124,076,023	\$124,076,023	\$132,288,108
Dedicated Revenue	31,733,105	30,227,078	30,227,078	31,062,196
TOTAL REVENUES	\$159,228,278	\$154,303,101	\$154,303,101	\$163,350,304
Other Financing Sources	\$16,605,512	\$0	\$0	\$0
FY 2011 Encumbrance Funding	1,455,664	0	568,197	0
Use of Committed/Assigned Fund Balance	1,010,764	2,044,113	5,624,280	1,520,787
Additions Committed/Assigned Fund Balance	(5,242,920)	(25,000)	(905,323)	0
TOTAL REVENUES AND USE OF COMMITTED/ASSIGNED FUND BALANCE	\$173,057,298	\$156,322,214	\$159,590,255	\$164,871,091
Use of (Additions to) Unassigned Fund Balance	\$0	(\$25,000)	(\$25,000)	(\$1,052,393)
Use of Unassigned Fund Balance - Capital	7,569,405	7,000,000	7,000,000	4,916,759
TOTAL REVENUES AND USE OF FUND BALANCE	\$180,626,703	\$163,297,214	\$166,565,255	\$168,735,457
EXPENDITURES				
Operating - Departmental	\$87,833,894	\$88,442,151	\$89,391,891	\$89,458,771
Operating - Non-Departmental	12,418,386	14,412,249	14,445,359	16,360,855
Transfers To Other Funds	3,433,670	1,846,516	2,047,638	1,018,157
Debt Service - General Fund	17,302,348	7,923,558	7,960,739	7,758,980
Greater Lynchburg Transit Company	1,764,600	1,143,714	1,143,714	1,676,798
Schools - Operations	30,310,602	31,942,103	35,341,535	35,601,147
Schools - Debt Service	15,014,169	7,009,713	7,010,588	6,898,677
Reserves				
Debt Service - Heritage High School	\$0	\$939,562	\$939,562	\$2,810,033
Debt Service - Central Virginia Regional Radio Board	0	134,800	134,800	205,200
Juvenile Detention Home Workers' Compensation	0	20,000	20,000	0
Law Library	0	0	0	5,080
Post Employment Benefits	0	250,000	250,000	250,000
Arts and Cultural District	0	30,000	0	0
Future Needs	0	48,297	48,297	0
Contingencies	0	500,000	1,136,515	700,000
TOTAL EXPENDITURES	\$168,077,669	\$154,642,663	\$159,870,638	\$162,743,698
TRANSFER TO CAPITAL FUNDS				
School Capital Projects Fund	\$0	\$1,030,518	\$1,030,518	\$975,000
City Capital Projects Fund	7,569,405	7,624,033	7,705,278	5,016,759
TOTAL TRANSFER TO CAPITAL	\$7,569,405	\$8,654,551	\$8,735,796	\$5,991,759
TOTAL EXPENDITURES, RESERVES & TRANSFERS	\$175,647,074	\$163,297,214	\$168,606,434	\$168,735,457
UNASSIGNED FUND BALANCE	\$29,215,575	\$15,855,783	\$20,199,396	\$16,335,030
COMMITTED/ASSIGNED FUND BALANCE RESERVES (detail on next page)	\$12,673,614	\$8,699,299	\$10,814,637	\$12,564,163
TOTAL FUND BALANCE	\$41,889,189	\$24,555,082	\$31,014,033	\$28,899,193

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



Committed and Assigned Fund Balance Reserves

	Actual FY 2011	Adopted FY 2012	Revised Estimate FY 2012	Manager's Proposed FY 2013
COMMITTED FUND BALANCE				
Encumbrances	\$392,117	\$0	\$0	0
Technology Fund	150,735	0	0	0
Detention Home Workers' Compensation	80,000	100,000	100,000	100,000
Medical Benefits	636,127	623,473	636,127	636,127
Lynchburg City Schools - Textbooks	1,059,392	1,059,392	1,059,392	1,059,392
Lynchburg City Schools - Health Insurance	1,140,608	1,140,608	1,140,608	1,140,608
Lynchburg City Schools - Future Expenditure Needs	75,908	75,908	75,908	75,908
Other Post Employment Benefits (OPEB)	811,310	1,040,480	1,061,310	1,311,310
Juvenile Services Group Home Reserve	325,000	150,000	440,185	340,185
Juvenile Services Prevention Initiative	25,000	0	0	0
Debt Service - Solid Waste	1,910,014	1,541,905	1,541,905	1,186,075
Aid to Commonwealth	314,108	0	0	0
Debt Service - General Fund	1,071,781	1,071,781	1,071,781	1,071,781
Future Landfill Post-closure	604,284	604,284	604,284	604,284
Arts and Cultural District	0	30,000	0	0
Debt Service - Heritage High School	0	939,562	939,562	3,749,595
Future Needs	0	0	48,297	48,297
Public Safety Compensation Adjustments	0	0	13,968	13,968
Debt Service - Central Virginia Regional Radio Board	0	134,800	134,800	340,000
Sub-total Committed Fund Balance	\$8,596,384	\$8,512,193	\$8,868,127	\$11,677,530
ASSIGNED FUND BALANCE				
Encumbrances	\$176,080	\$0	\$0	\$0
Lynchburg City Schools - Return of School Funding ¹	3,399,432	0	975,000	0
Law Library	69,969	66,307	69,969	75,049
Museums	47,374	32,153	47,374	47,374
Recreation Programs	177,300	71,496	110,847	20,890
Public Works Funds from Solid Waste	39,925	0	0	0
Partners in Emergency Response (PIER)	17,150	17,150	24,344	24,344
Dental Benefits	150,000	0	150,000	150,000
Medical Benefits	0	0	364,538	364,538
Future Landfill Post-Closure	0	0	204,438	204,438
Sub-total Committed Fund Balance	\$4,077,230	\$187,106	\$1,946,510	\$886,633
TOTAL COMMITTED AND ASSIGNED FUND BALANCE RESERVES	\$12,673,614	\$8,699,299	\$10,814,637	\$12,564,163

Changes to Committed and Assigned Fund Balance Reserves

COMMITTED AND ASSIGNED FUND BALANCE RESERVES	REVISED ESTIMATE FY 2012	PROPOSED FY 2013	CHANGE BETWEEN FY 2012 and FY 2013	REASON FOR CHANGE
Other Post Employment Benefits (OPEB)	1,061,310	1,311,310	250,000	Funds set aside for payment of future health benefits for retirees
Juvenile Services Group Home Reserve	440,185	340,185	(100,000)	Transfer to City Capital Projects Fund for Juvenile Detention Group Home project
Debt Service - Solid Waste	1,541,905	1,186,075	(355,830)	Amount proposed to fund FY 2013 Solid Waste Debt Payment
Debt Service - Heritage High School	939,562	3,749,595	2,810,033	Funds set aside for future debt service related to Heritage High School
Debt Service - Central Virginia Regional Radio Board	134,800	340,000	205,200	Funds set aside for future Central Virginia Regional Radio Board debt payments
Lynchburg City Schools ¹	975,000	0	(975,000)	Transfer to capital for school building and roof maintenance projects
Law Library	\$69,969	\$75,049	\$5,080	Funds set aside for future Law Library expenditures
Recreation Programs	\$110,847	\$20,890	(\$89,957)	Amount proposed to fund FY 2013 recreation program expenditures

¹ Contingent on availability of funds.



	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Revised FY 2012	Manager's Proposed FY 2013
REVENUE SUMMARY BY CATEGORY					
NON-DEDICATED REVENUE					
General Property Taxes	\$68,951,352	\$68,149,861	\$68,149,861	\$68,996,699	\$74,032,514
Other Local Taxes	46,058,513	44,629,115	44,629,115	45,134,230	46,807,466
Permits, Privilege Fees, and Licenses	489,790	454,300	454,300	458,400	448,700
Fines and Forfeitures	499,940	470,000	470,000	495,000	495,000
Revenue from Use of Money and Property	711,531	508,966	508,966	514,966	514,966
Charges for Services	3,868,066	3,539,744	3,539,744	3,605,444	3,645,394
Miscellaneous	619,075	245,300	245,300	266,200	266,200
Revenue from Lynchburg City Schools	31,022	30,153	30,153	30,153	29,284
Revenue from the Commonwealth Non-Categorical Aid	6,050,738	6,048,584	6,048,584	6,048,584	6,048,584
TOTAL NON-DEDICATED REVENUE	\$127,280,027	\$124,076,023	\$124,076,023	\$125,549,676	\$132,288,108
DEDICATED REVENUE					
Charges for Services	\$1,396,928	\$1,889,671	\$1,889,671	\$1,840,751	\$3,593,027
Recreation Revenue	339,518	373,800	373,800	373,800	350,810
Parking Revenue	416,842	374,600	374,600	374,600	379,600
Miscellaneous	2,130,457	1,864,538	1,864,538	1,864,538	1,849,448
Interfund Transfers	546,826	0	0	0	0
Revenue from the Commonwealth					
Categorical Aid for State Shared Expenditures	2,919,325	2,911,234	2,911,234	2,917,035	2,931,739
Categorical Aid	17,509,231	15,838,225	15,838,225	15,838,100	15,477,068
Revenue from the Federal Government					
Federal Categorical Aid Pass Thru	6,689,124	6,975,010	6,975,010	6,975,010	6,480,504
TOTAL DEDICATED REVENUE	\$31,948,251	\$30,227,078	\$30,227,078	\$30,183,834	\$31,062,196
TOTAL REVENUES	\$159,228,278	\$154,303,101	\$154,303,101	\$155,733,510	\$163,350,304



Current Real Property Tax

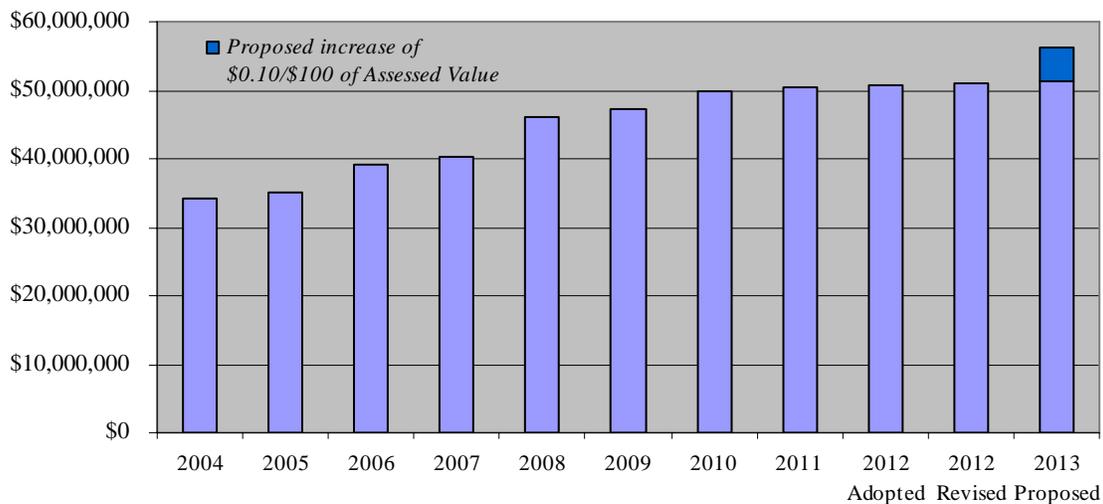
Fiscal Year	Tax Rate	Amount	Percent Change
2004	\$1.11 per \$100 assessed value	\$34,128,258	
2005	\$1.11 per \$100 assessed value	\$35,122,787	2.9%
2006	\$1.11 per \$100 assessed value	\$39,068,092	11.2%
2007	\$1.11 per \$100 assessed value	\$40,281,964	3.1%
2008	\$1.05 per \$100 assessed value	\$45,969,063	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	\$1.05 per \$100 assessed value	\$50,494,608	1.2%
2012 Adopted	\$1.05 per \$100 assessed value	\$50,790,008	0.6%
2012 Revised	\$1.05 per \$100 assessed value	\$51,028,346	0.5%
2013 Projected	\$1.05 per \$100 assessed value	\$51,410,346	0.7%
2013 Proposed	\$1.15 per \$100 assessed value	\$56,251,161	9.4%

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 2004 through FY 2013**



FY 2013 Analysis:

Property values determined through the biennial reassessment will not take effect until July 1, 2013 (FY 2014). The slight growth represents new construction or increases assessments for remodeling/renovation projects. The national decline in the housing market has still not impacted the Lynchburg market to the extent seen in other localities.



Current Personal Property Tax – Local Portion

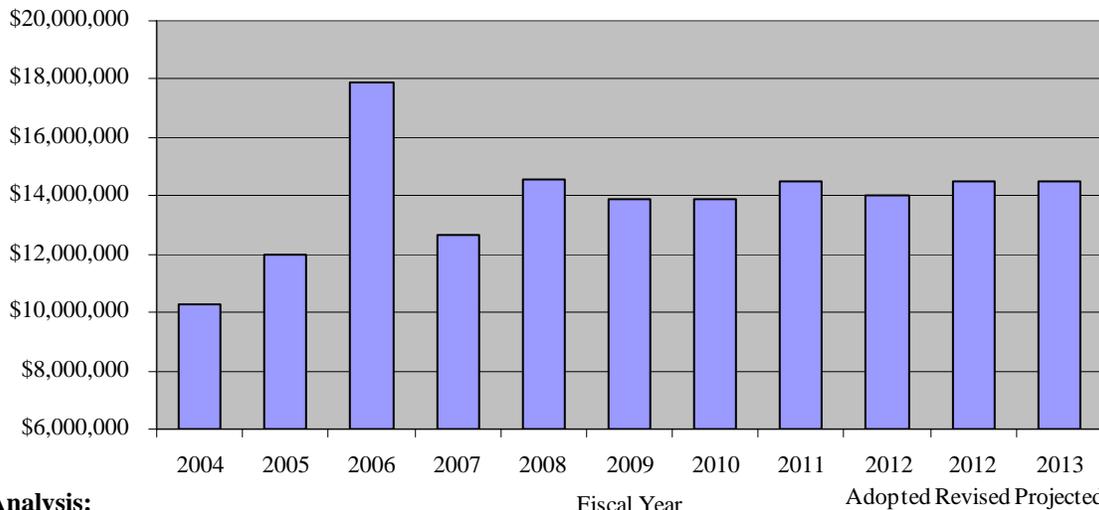
Fiscal Year	Tax Rate	Amount	Percent Change
2004	\$3.30 per \$100 assessed value	\$10,305,698	
2005	\$3.80 per \$100 assessed value	\$12,003,204	16.5%
2006	\$3.80 per \$100 assessed value	\$17,867,625	48.9%
2007	\$3.80 per \$100 assessed value	\$12,676,129	(29.1%)
2008	\$3.80 per \$100 assessed value	\$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	\$3.80 per \$100 assessed value	\$14,488,805	4.3%
2012 Adopted	\$3.80 per \$100 assessed value	\$14,000,000	(3.4%)
2012 Revised	\$3.80 per \$100 assessed value	\$14,501,500	3.6%
2013 Projected	\$3.80 per \$100 assessed value	\$14,501,500	0.0%

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 2004 through FY 2013**



FY 2013 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, vehicle values have remained steady for large vehicles. It is anticipated consumers will retain large vehicles until it becomes evident fuel costs will remain elevated for the long-term. The FY 2012 Revised and FY 2013 Projected revenues reflect this assumption.



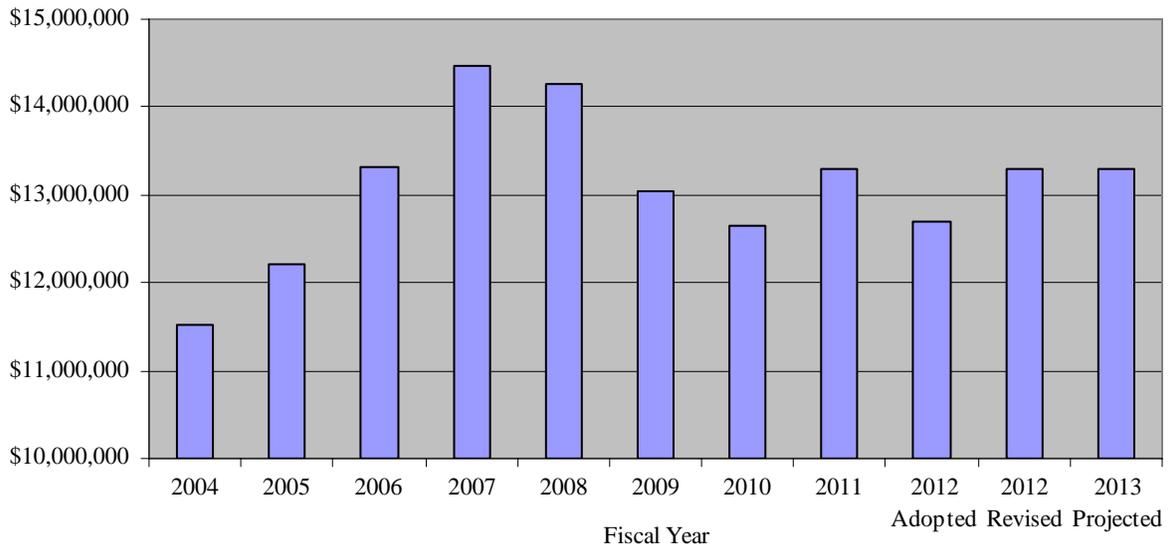
Local Sales Tax

Fiscal Year	Tax Rate	Amount	Percent Change
2004	1% + 3.5% VA tax	\$11,519,938	
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	1% + 4.0% VA tax	\$13,284,506	5.0%
2012 Adopted	1% + 4.0% VA tax	\$12,694,401	(4.4%)
2012 Revised	1% + 4.0% VA tax	\$13,284,506	4.6%
2013 Projected	1% + 4.0% VA tax	\$13,284,506	0.0%

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.

Local Sales Tax
FY 2004 through FY 2013



FY 2013 Analysis:

The Revised FY 2013 projections are flat compared to the FY 2011 Actual and FY 2012 Revised Budgets. While economists are advising the recession ended in June 2009, FY 2012 and FY 2013 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
2004	See below	\$3,608,470	
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	See below	\$3,821,263	0.9%
2012 Adopted	See below	\$3,757,100	(1.7%)
2012 Revised	See below	\$3,757,100	0.0%
2013 Projected	See below	\$3,757,100	0.0%

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.

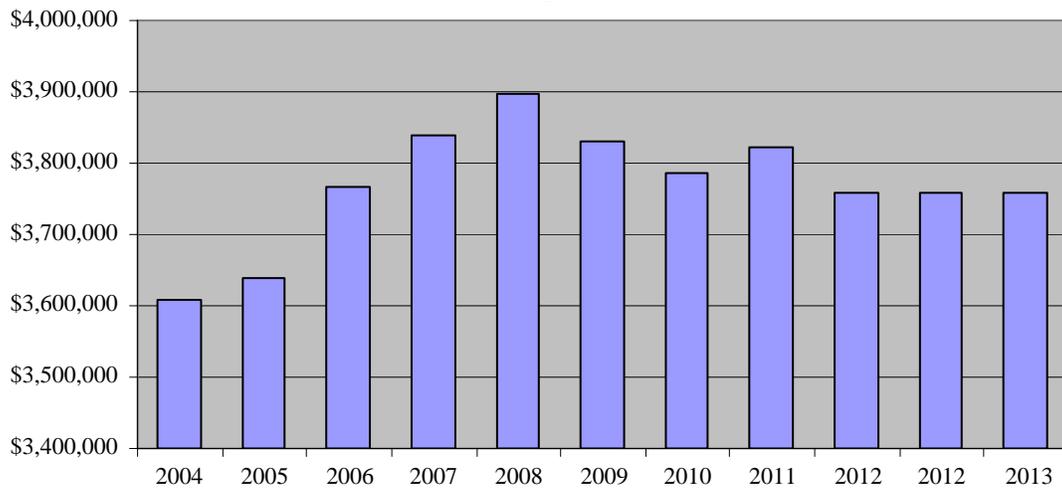
Commercial (C): The greater of: \$0.0048 for the first 1,000 kwh (or a fraction thereof) plus \$0.0092 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.

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 2004 through FY 2013**



FY 2013 Analysis:

Revenue projections are based on historical averages and weather patterns. The FY 2013 projection remains flat compared to the FY 2012 Adopted and Revised figures due to a possible reduction in use by consumers to counteract a rate increase by American Electric Power (AEP).



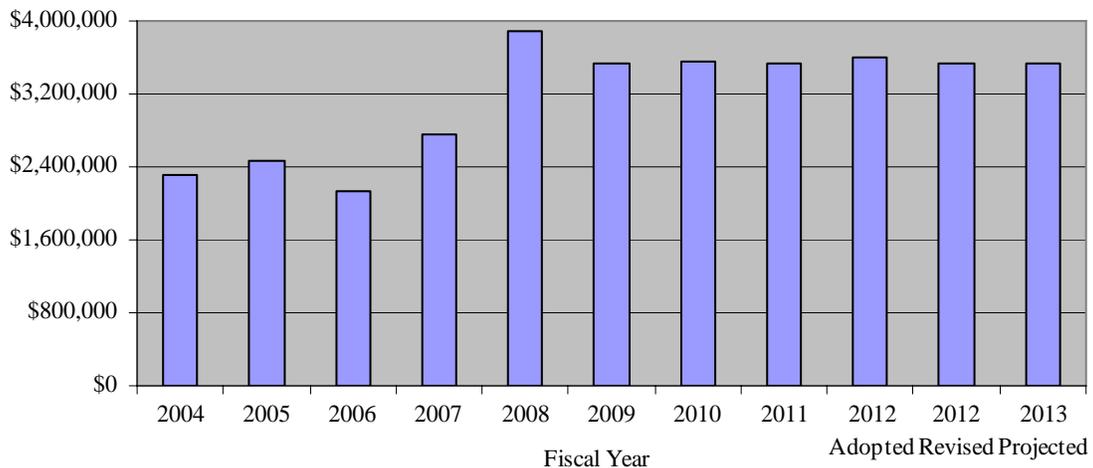
Communications Sales and Use Tax

Fiscal Year	Tax Rate	Amount	Percent Change
2004	7%	\$2,312,635	
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	See below	\$3,534,449	(0.5%)
2012 Adopted	See below	\$3,600,000	1.9%
2012 Revised	See below	\$3,530,000	(1.9%)
2013 Projected	See below	\$3,530,000	0.0%

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 2004 through FY 2013**



FY 2013 Analysis:

The FY 2013 Projection is flat compared to FY 2012 Revised figures due to allocations by the State becoming more consistent. Outside of refunds issued by the State due to the correction of erroneous filings by businesses, this revenue stream is intended to remain relatively stable.



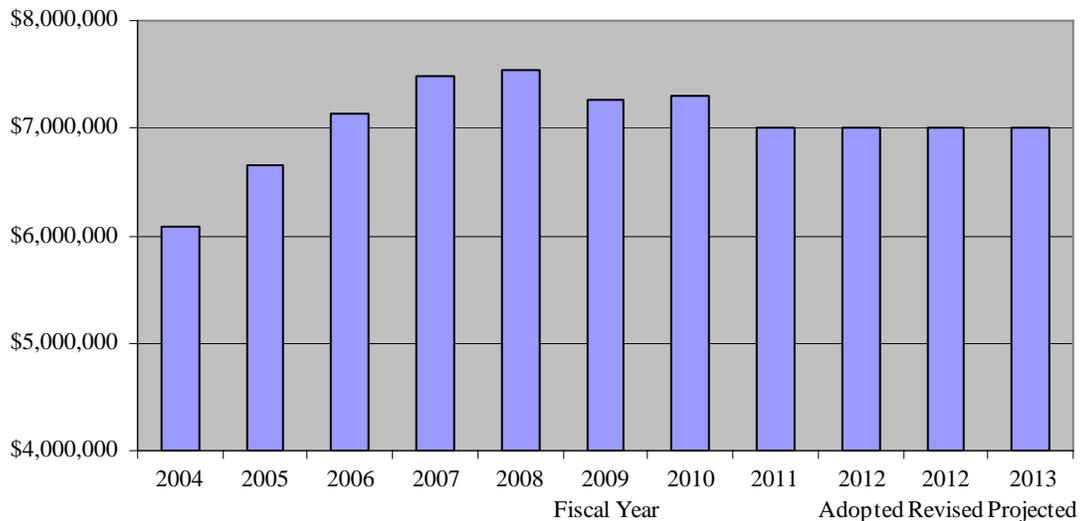
Business Licenses

Fiscal Year	Tax Rate	Amount	Percent Change
2004	See Below	\$6,088,506	
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	See Below	\$6,999,206	(4.1%)
2012 Adopted	See Below	\$7,000,000	0.0%
2012 Revised	See Below	\$7,000,000	0.0%
2013 Projected	See Below	\$7,000,000	0.0%

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 2004 through FY 2013**



FY 2013 Analysis:

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 2011 collections demonstrated the continued reduction in receipts from the recession. As a result, the FY 2012 figure remains level with FY 2011 and FY 2013 does not project any growth.

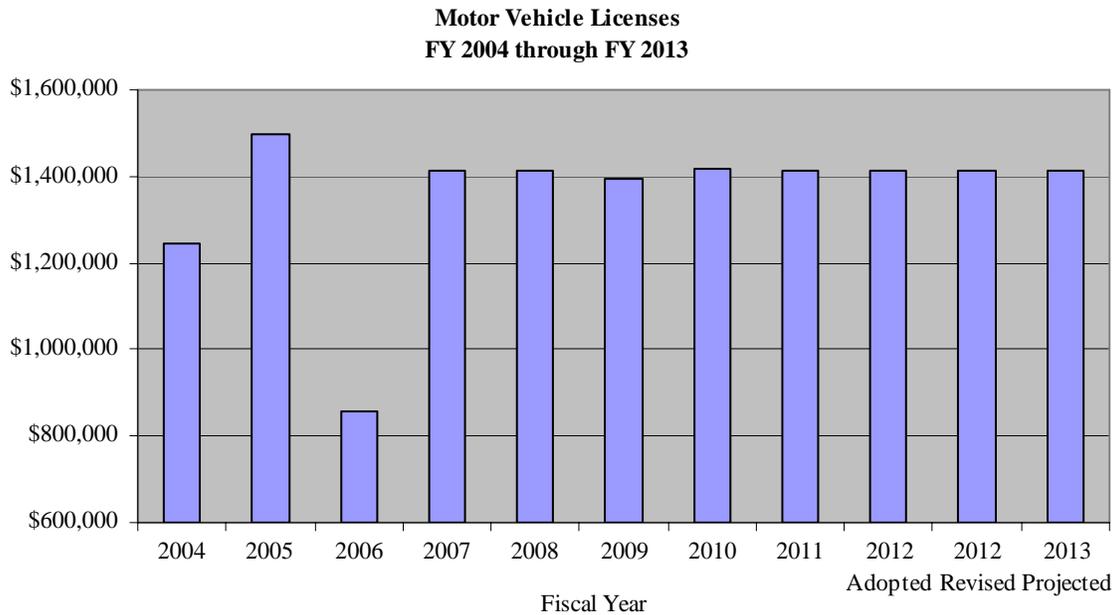


Motor Vehicle Licenses

Fiscal Year	Tax Rate	Amount	Percent Change
2004	\$25.00	\$1,246,702	
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	\$29.50/\$34.50	\$1,411,996	(0.3%)
2012 Adopted	\$29.50/\$34.50	\$1,413,142	0.1%
2012 Revised	\$29.50/\$34.50	\$1,413,142	0.0%
2013 Projected	\$29.50/\$34.50	\$1,413,142	0.0%

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 2013 Analysis:

Revenue from Motor Vehicle Licenses has remained stable since the elimination of decals in FY 2006; FY 2013 is expected to trend the same.

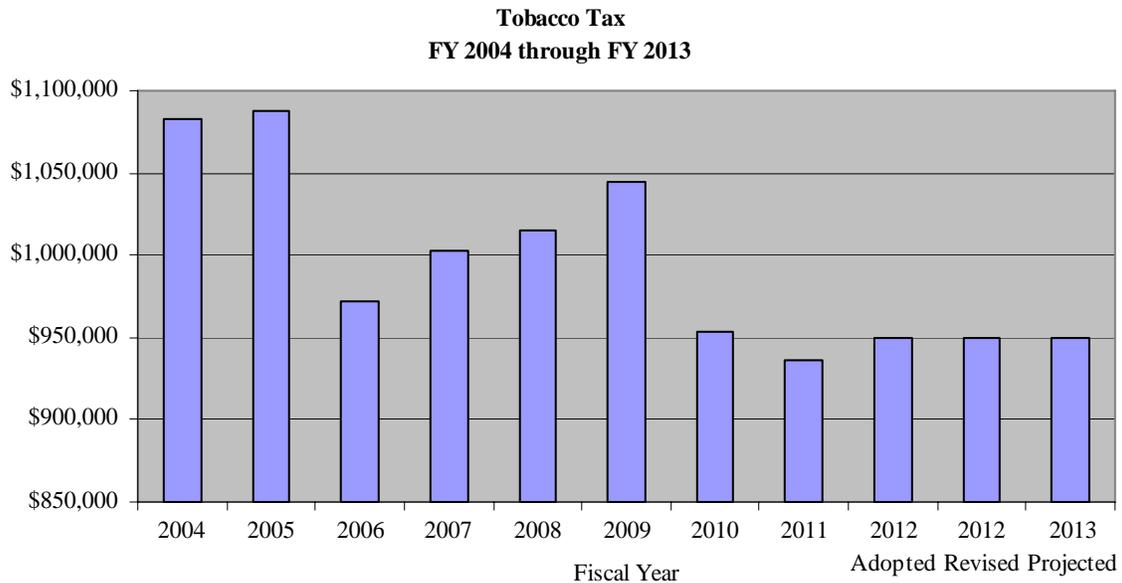


Tobacco Tax

Fiscal Year	Tax Rate	Amount	Percent Change
2004	\$0.35 per 20 pack	\$1,083,020	
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	\$0.35 per 20 pack	\$936,648	(1.8%)
2012 Adopted	\$0.35 per 20 pack	\$950,000	1.4%
2012 Revised	\$0.35 per 20 pack	\$950,000	0.0%
2013 Projected	\$0.35 per 20 pack	\$950,000	0.0%

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 2013 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 2013 are projected to be flat with the FY 2012 Adopted and Revised estimates.

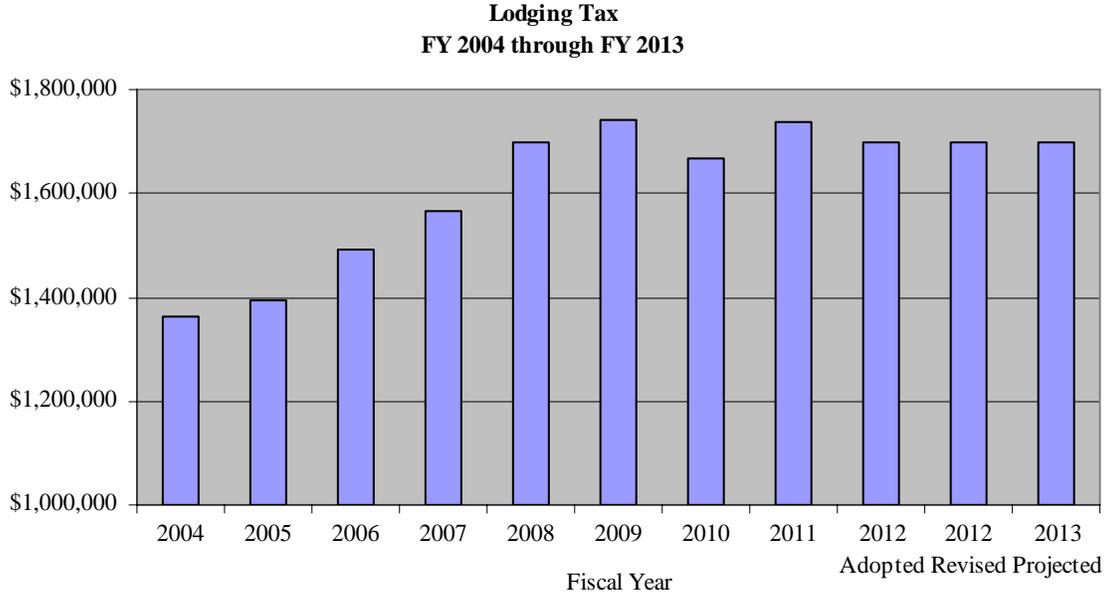


Lodging Tax

Fiscal Year	Tax Rate	Amount	Percent Change
2004	5.5% + \$1 per room/night	\$1,362,924	
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	5.5% + \$1 per room/night	\$1,738,042	4.3%
2012 Adopted	5.5% + \$1 per room/night	\$1,700,000	(2.2%)
2012 Revised	5.5% + \$1 per room/night	\$1,700,000	0.0%
2013 Projected	5.5% + \$1 per room/night	\$1,700,000	0.0%

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 2013 Analysis:

The FY 2013 revenue projection is flat with the FY 2012 Adopted and Revised estimates, employing a conservative approach in forecasting lodging tax collections, and anticipating a reduction in travel due to rising fuel costs.



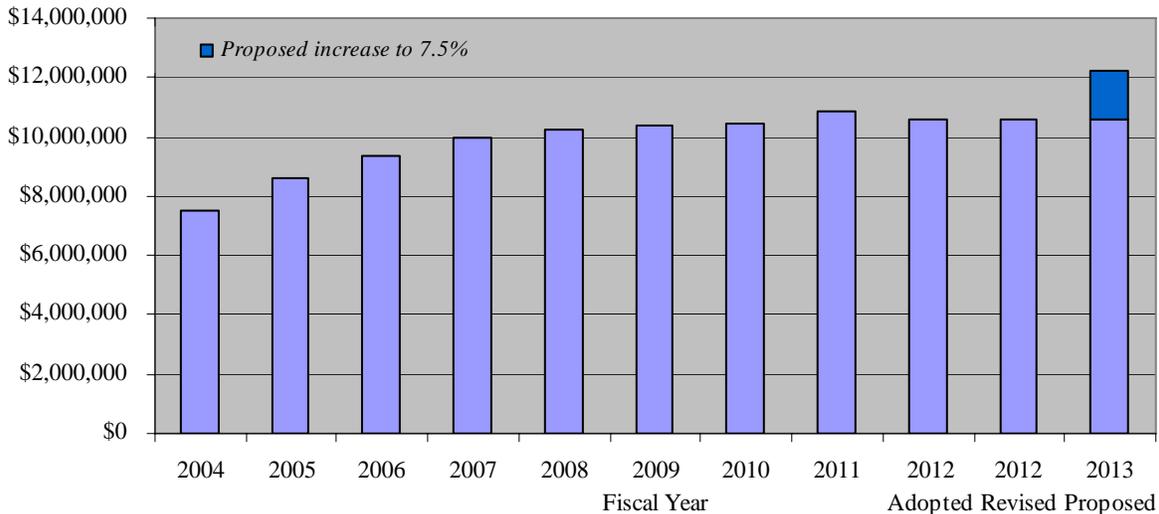
Meals Tax

Fiscal Year	Tax Rate	Amount	Percent Change
2004	6.0%	\$7,519,651	
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%	\$10,403,618	1.4%
2010	6.5%	\$10,422,049	0.2%
2011	6.5%	\$10,876,035	4.4%
2012 Adopted	6.5%	\$10,580,000	(2.7%)
2012 Revised	6.5%	\$10,580,000	1.1%
2013 Projected	6.5%	\$10,580,000	0.0%
2013 Proposed	7.5%	\$12,253,236	15.8%

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 2004 through FY 2013**



FY 2013 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. FY 2011 Actual reflected continued growth in meals tax collections. FY 2012 Revised and FY 2013 Projected reflect a conservative approach in forecasting meals tax collections. FY 2013 Proposed includes a 1% increase to fund increased Debt Service costs related to the construction of Heritage High School.



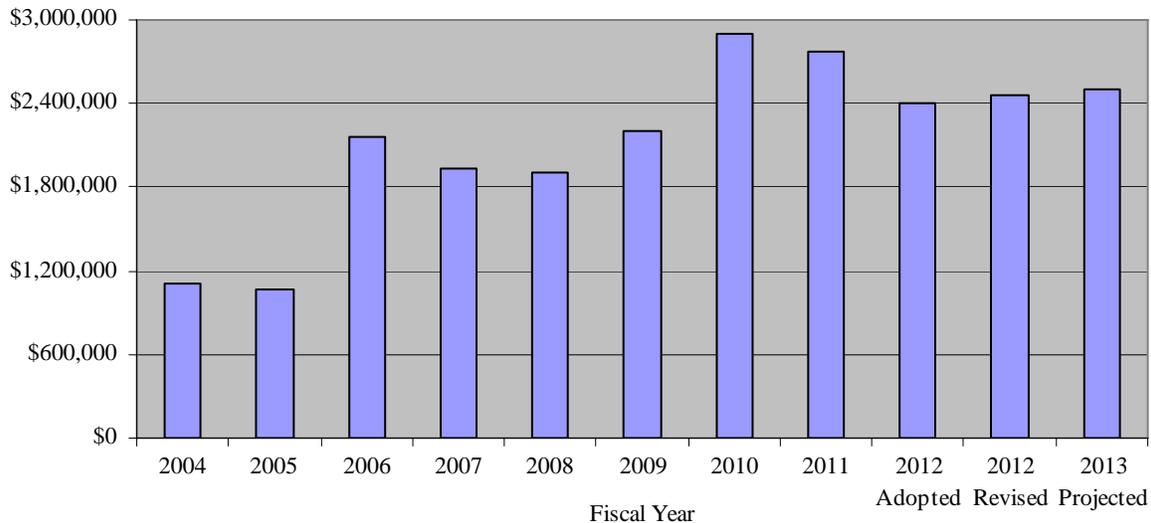
Ambulance Service Fees

Fiscal Year	Fee Schedule	Amount	Percent Change
2004	See Below	\$1,112,069	
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	See Below	\$2,778,840	(4.1%)
2012 Adopted	See Below	\$2,400,000	(13.6%)
2012 Revised	See Below	\$2,460,000	2.5%
2013 Projected	See Below	\$2,500,000	1.6%

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 2004 through FY 2013**



FY 2013 Analysis:

Actual FY 2010 Revenues reflect significant one-time collections through a new vendor contract. The FY 2013 Estimated revenue is projected to be slightly higher than FY 2012 Revised estimate based on revising fees to meet new Medicare maximum allowances.



Revenue Detail	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Revised FY 2012	Manager's Proposed FY 2013
NON-DEDICATED REVENUE					
General Property Taxes					
Current Real Property	\$50,494,608	\$51,826,539	\$51,826,539	\$52,069,741	\$57,399,144
Real Property Tax Relief Program	(1,189,229)	(715,147)	(715,147)	(715,147)	(870,147)
Real Property Housing Rehab Program		(480,000)	(480,000)	(512,000)	(500,000)
Allowance for Uncollectible Real Property (2.0%)		(1,036,531)	(1,036,531)	(1,041,395)	(1,147,983)
Delinquent Real Property Taxes	1,138,318	1,000,000	1,000,000	1,000,000	1,000,000
Current Public Service Corporation (PSC)	2,232,639	2,200,000	2,200,000	2,189,000	2,145,000
Penalty PSC Taxes	452	0	0	0	0
Current Personal Property - Local portion	14,488,805	14,432,990	14,432,990	14,950,000	14,950,000
Delinquent Personal Property Tax	958,993	700,000	700,000	800,000	800,000
Allowance for Uncollectible Personal Property (3.0%)		(432,990)	(432,990)	(448,500)	(448,500)
Penalty on Delinquent Tax	553,909	450,000	450,000	475,000	475,000
Interest on Delinquent Taxes	264,455	200,000	200,000	225,000	225,000
Miscellaneous General Property Taxes	8,402	5,000	5,000	5,000	5,000
Total General Property Taxes	\$68,951,352	\$68,149,861	\$68,149,861	\$68,996,699	\$74,032,514
Other Local Taxes					
Local Sales Tax	\$13,284,506	\$12,694,401	\$12,694,401	\$13,284,506	\$13,284,506
Consumer Utility Tax - Electric	3,821,263	3,757,100	3,757,100	3,757,100	3,757,100
Consumer Utility Tax - Gas	619,743	607,482	607,482	607,482	607,482
Communications Sales and Use Tax	3,534,449	3,600,000	3,600,000	3,530,000	3,530,000
Right of Way Fees	251,471	243,000	243,000	243,000	243,000
Business License Tax	6,999,206	7,201,646	7,201,646	7,201,646	7,201,646
Allowance for Uncollectible Business License (2.8%)		(201,646)	(201,646)	(201,646)	(201,646)
Electric Consumption Tax ¹	319,212	324,580	324,580	320,000	320,000
Gas Consumption Tax ¹	24,240	30,410	30,410	25,000	25,000
Penalty on Business License Tax	55,464	60,000	60,000	55,000	55,000
Motor Vehicle Licenses	1,411,996	1,413,142	1,413,142	1,413,142	1,413,142
Delinquent Motor Vehicle Licenses	209,366	150,000	150,000	150,000	150,000
Bank Stock Tax	901,240	500,000	500,000	500,000	500,000
Recordation Tax - City	366,218	400,000	400,000	400,000	400,000
Probate Tax	15,501	15,000	15,000	15,000	15,000
Tobacco Tax	936,648	950,000	950,000	950,000	950,000
Amusement Tax	610,625	550,000	550,000	550,000	550,000
Penalty/Interest - Amusement Tax	628	1,500	1,500	1,500	1,500
Lodging Tax	1,738,042	1,700,000	1,700,000	1,700,000	1,700,000
Penalty/Interest - Lodging Tax	3,307	2,000	2,000	2,000	2,000
Meals Tax	10,876,035	10,580,000	10,580,000	10,580,000	12,253,236
Penalty/Interest - Meals Tax	70,799	50,000	50,000	50,000	50,000
Franchise License Tax MCI	8,054	0	0	0	0
Franchise License Tax Sprint	500	500	500	500	500
Total Other Local Taxes	\$46,058,513	\$44,629,115	\$44,629,115	\$45,134,230	\$46,807,466

¹ Formerly referred to as a business license tax.



Revenue Detail	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Revised FY 2012	Manager's Proposed FY 2013
NON-DEDICATED REVENUE (continued)					
<u>Permits, Privilege Fees, and Licenses</u>					
Animal Licenses	\$15,612	\$20,000	\$20,000	\$15,000	\$15,000
Land Disturbing Fees	16,961	10,000	10,000	12,000	12,000
Transfer Fees	1,645	1,600	1,600	1,600	1,600
Site Plans - Planning	11,240	5,000	5,000	10,000	10,000
Building Plan Review	15,844	16,100	16,100	17,500	15,500
Conditional Use Permits	3,876	3,000	3,000	4,800	4,800
Re-Zoning Fees - Planning	5,500	6,500	6,500	6,500	6,500
Subdivision Plats	4,320	6,500	6,500	6,500	6,500
Inspection Permit Fee - Building	220,688	214,500	214,500	217,000	208,000
Inspection Permit Fee - Signs	7,400	7,500	7,500	5,000	5,000
Demolition Fees	7,500	11,200	11,200	11,200	11,200
False Alarm Assessment and Permit Fees	117,487	90,000	90,000	90,000	90,000
Rental Initial Inspection Fee	2,500	3,000	3,000	2,500	2,500
Rental Inspection Fee - Annual/Periodic	12,100	15,700	15,700	14,200	15,500
Concealed Weapons Permits	12,444	12,000	12,000	12,000	12,000
Taxicab Application Fees	3,770	3,500	3,500	3,500	3,500
Elevator Administration Fee	20,231	20,200	20,200	20,200	20,200
Miscellaneous Permits, Privilege Fees, and Licenses	10,672	8,000	8,000	8,900	8,900
Total Permits, Privilege Fees, and Licenses	\$489,790	\$454,300	\$454,300	\$458,400	\$448,700
<u>Fines and Forfeitures</u>					
Court Fines and Forfeitures	\$479,237	\$450,000	\$450,000	\$475,000	\$475,000
Criminal Court Fees	20,703	20,000	20,000	20,000	20,000
Total Fines and Forfeitures	\$499,940	\$470,000	\$470,000	\$495,000	\$495,000
<u>Revenue from Use of Money and Property</u>					
Interest on Investments	\$340,847	\$200,000	\$200,000	\$200,000	\$200,000
Interest - City Capital	75,643	12,000	12,000	12,000	12,000
Interest - School Capital	5,194	0	0	0	0
Interest - Health Insurance	12,654	5,040	5,040	5,040	5,040
Interest - Other Post Employment Benefits (OPEB)	20,829	19,080	19,080	19,080	19,080
Interest - Market Value Gain/Loss	(46,975)	0	0	0	0
Interest - State Non-Arbitrage Program (SNAP) Income	7,312	0	0	0	0
Interest on Skybox Loan	1,259	382	382	382	382
General Government Property Rent	43,657	22,000	22,000	40,000	40,000
Public Safety Property Rent	30,464	30,464	30,464	30,464	30,464
Public Works Property Rent	12,053	6,500	6,500	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	0	0
Cultural and Recreation Property Rent	22,605	15,000	15,000	15,000	15,000
Property Rental Stadium	1,545	1,500	1,500	1,500	1,500
Property Rental Market	84,097	85,000	85,000	85,000	85,000
Property Rental Market - Penalty and Interest	347	0	0	0	0
Total Revenue from Use of Money and Property	\$711,531	\$508,966	\$508,966	\$514,966	\$514,966



<i>Revenue Detail</i>	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Revised FY 2012	Manager's Proposed FY 2013
NON-DEDICATED REVENUE (continued)					
<u>Charges for Services</u>					
Collection and Tax Lien Fees	\$9,860	\$15,000	\$15,000	\$10,000	\$10,000
DMV Administration Fee	115,685	80,000	80,000	100,000	100,000
DMV Select Agency	16,243	12,000	12,000	15,000	15,000
Payroll Deduction Fees	7,195	9,500	9,500	5,000	5,000
Fees for Court Officers	7,244	7,244	7,244	7,244	7,244
Commonwealth Attorney Fees	5,369	3,700	3,700	3,700	3,700
Fire Prevention Fees	2,830	1,300	1,300	2,000	2,000
Ambulance Service Fees	2,778,840	2,400,000	2,400,000	2,460,000	2,500,000
Delinquent Ambulance Bills > 120 days	106,780	100,000	100,000	100,000	100,000
Sale of GIS Products	0	2,500	2,500	0	0
GIS Map Data	492	500	500	500	450
Charges for Demolition	3,633	8,000	8,000	2,000	2,000
Wards Crossing West	102,180	102,000	102,000	102,000	102,000
Residential Disposal - Decals	491,755	510,000	510,000	510,000	510,000
Residential Disposal - Tags - City	6,430	8,000	8,000	8,000	8,000
Residential Disposal - Tags - Vendor	202,350	275,000	275,000	275,000	275,000
Miscellaneous Charges for Services	11,180	5,000	5,000	5,000	5,000
Total Charges for Services	\$3,868,066	\$3,539,744	\$3,539,744	\$3,605,444	\$3,645,394
<u>Revenue from the Commonwealth for State Non-Categorical Aid</u>					
Rolling Stock Taxes	\$88,149	\$80,000	\$80,000	\$80,000	\$80,000
Deeds of Conveyance	82,042	120,000	120,000	120,000	120,000
Recordation Taxes	155,140	140,000	140,000	140,000	140,000
Auto Rental Tax - DMV	177,116	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	4,707	5,000	5,000	5,000	5,000
Total State Non-Categorical Aid	\$6,050,738	\$6,048,584	\$6,048,584	\$6,048,584	\$6,048,584
<u>Revenue from Lynchburg City Schools</u>					
Governor's School Debt	\$31,022	\$30,153	\$30,153	\$30,153	\$29,284
Total from Lynchburg City Schools	\$31,022	\$30,153	\$30,153	\$30,153	\$29,284
<u>Miscellaneous Non-Dedicated</u>					
Payment in Lieu of Tax - Westminster	\$50,042	\$50,000	\$50,000	\$50,000	\$50,000
Drop-Off Recycling	66,983	40,000	40,000	40,000	40,000
Payment in Lieu of Tax - LRHA	27,447	30,000	30,000	27,000	27,000
Regional Services Authority Start-up	302,678	0	0	0	0
Sale of Real Property	49,231	15,000	15,000	15,000	15,000
Credit Card Rebate	85,074	30,000	30,000	80,000	80,000
Miscellaneous Revenue	37,620	80,300	80,300	54,200	54,200
Total Miscellaneous Non-Dedicated	\$619,075	\$245,300	\$245,300	\$266,200	\$266,200
TOTAL NON-DEDICATED REVENUES	\$127,280,027	\$124,076,023	\$124,076,023	\$125,549,676	\$132,288,108



Revenue Detail	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Revised FY 2012	Manager's Proposed FY 2013
DEDICATED REVENUE					
Charges for Services					
Network Services - Schools Share	\$82,260	\$90,225	\$90,225	\$90,225	\$92,069
Excess Fees for Clerk of Court	0	40,000	40,000	0	0
Document Reproduction Fee	10,692	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	16,584	15,000	15,000	15,000	15,000
Police - Schools SRO Program	110,871	120,000	120,000	120,000	122,000
Police Report Sales	8,275	10,000	10,000	10,000	10,000
Off Duty Police Fee	0	0	0	0	40,500
Range Use Fee	13,200	12,500	12,500	12,500	15,000
Sheriff's Fee Courtroom Services	106,568	110,000	110,000	110,000	110,000
Engineering Service Charges - Water Resources	0	300,000	300,000	300,000	300,000
Community Development Stormwater Charges	0	0	0	0	298,408
Public Works Administrative Stormwater Charges	0	0	0	0	549,977
Public Works Engineering Stormwater Charges	0	0	0	0	132,194
Public Works Streets Stormwater Charges	0	0	0	0	706,899
Public Works Grounds Stormwater Charges	0	0	0	0	5,076
Building Maintenance - Other	15,213	5,000	5,000	5,000	5,000
Juvenile Service Providers	580,122	872,026	872,026	872,026	876,404
CSA Provider - Human Services Finance	138,400	0	0	0	0
Library Fines and Fees	79,440	80,000	80,000	80,000	80,000
Lost/Damaged Library Property	4,592	6,000	6,000	6,000	5,000
Law Library Fees	54,999	60,000	60,000	60,000	60,000
Delinquent Library Charges	8,927	8,000	8,000	8,000	8,000
Delinquent Library Charges Other	4,209	0	0	0	0
Point of Honor Admission	10,441	7,500	7,500	7,500	10,000
Lynchburg Museum Admission	19,678	14,500	14,500	14,500	16,500
PIER Outside Contract Agreements	25,629	32,500	32,500	25,000	25,000
PIER Internal Contract Agreements	50,000	50,000	50,000	50,000	50,000
Weed Ordinance Program	36,828	21,420	21,420	20,000	25,000
Total Charges for Services	\$1,396,928	\$1,889,671	\$1,889,671	\$1,840,751	\$3,593,027
Recreation Revenue					
Swimming Pool Fees	\$24,022	\$27,000	\$27,000	\$27,000	\$29,000
City-Wide Centers	77,413	64,260	64,260	64,260	64,260
Neighborhood Centers	15,232	35,490	35,490	35,490	15,000
Aquatics	17,372	16,800	16,800	16,800	17,300
Recreation General Administration	2,725	5,250	5,250	5,250	3,000
Athletics	64,037	87,000	87,000	87,000	75,000
Park Services	45,905	38,000	38,000	38,000	46,000
Business Services	15,443	15,750	15,750	15,750	16,500
Naturalist Program	7,790	18,500	18,500	18,500	19,000
Community Market Co-op Program	69,579	65,750	65,750	65,750	65,750
Total Recreation Revenue	\$339,518	\$373,800	\$373,800	\$373,800	\$350,810



Revenue Detail	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Revised FY 2012	Manager's Proposed FY 2013
DEDICATED REVENUE (continued)					
<u>Parking Revenue</u>					
Downtown Parking Deck Lease	\$111,540	\$93,600	\$93,600	\$93,600	\$93,600
Hourly Parking Fees	12,896	18,000	18,000	18,000	18,000
Permit Parking Fees	193,922	178,000	178,000	178,000	183,000
Fines	98,484	85,000	85,000	85,000	85,000
Total Parking Revenue	\$416,842	\$374,600	\$374,600	\$374,600	\$379,600
<u>Miscellaneous Revenue</u>					
Indirect Costs and Services - Water	\$856,622	\$807,321	\$807,321	\$807,321	\$807,321
Indirect Costs and Services - Sewer	442,928	231,216	231,216	231,216	231,216
Indirect Costs and Services - WWTP	342,291	352,560	352,560	352,560	352,560
Indirect Costs and Services - Airport	113,880	130,114	130,114	130,114	117,752
Indirect Costs and Services - Detention Home	232,705	229,986	229,986	229,986	236,450
Friends of the Lynchburg Library	14,500	14,500	14,500	14,500	14,500
Contributions to the Library	20,000	0	0	0	0
Special Welfare Recoupment	20,908	30,000	30,000	30,000	30,000
Reimbursement - Point of Honor Carriage House	45,000	28,311	28,311	28,311	26,283
Contributions to the Lynchburg Museum System	21,200	0	0	0	0
Digg's Trust (Lynchburg Museum System)	19,283	39,330	39,330	39,330	32,966
Other Miscellaneous Dedicated Revenue	1,140	1,200	1,200	1,200	400
Total Miscellaneous Revenue	\$2,130,457	\$1,864,538	\$1,864,538	\$1,864,538	\$1,849,448
<u>Revenue from the Commonwealth</u>					
<u>State Categorical Aid for State Shared Expenditures</u>					
Commissioner of the Revenue	\$165,776	\$166,270	\$166,270	\$168,297	\$168,297
Treasurer	95,370	94,049	94,049	94,049	94,049
Registrar/Electoral Board	48,101	55,000	55,000	55,000	55,000
Clerk of Court (includes Technology Trust Fund)	515,013	506,814	506,814	506,814	531,814
Sheriff	1,186,725	1,172,679	1,172,679	1,172,679	1,161,337
Commonwealth Attorney	908,340	916,422	916,422	920,196	921,242
Total Categorical Aid-State Shared Expenditures	\$2,919,325	\$2,911,234	\$2,911,234	\$2,917,035	\$2,931,739
<u>Intergovernmental: State Categorical Aid</u>					
Juvenile Correction Block Grant	\$246,170	\$228,624	\$228,624	\$228,624	\$228,624
Recovery - E-911 Wireless	288,078	240,000	240,000	275,000	275,000
Highway Maintenance	7,675,069	7,714,376	7,714,376	7,714,376	7,105,229
Local Law Enforcement Funding (House Bill 599)	3,037,428	2,930,790	2,930,790	2,930,790	2,930,790
Social Services Administration	1,516,172	1,225,033	1,225,033	1,225,033	1,199,708
Social Services Finance Unit	107,085	150,211	150,211	150,211	115,269
Social Services Program State	5,014,381	3,800,344	3,800,344	3,800,344	4,007,993
Public Library	150,938	148,847	148,847	148,722	149,455
Health Department Funding	106,123	0	0	0	0
Local Aid to Virginia - Contra Revenue	(632,213)	(600,000)	(600,000)	(635,000)	(535,000)
Total State Categorical Aid	\$17,509,231	\$15,838,225	\$15,838,225	\$15,838,100	\$15,477,068



<i>Revenue Detail</i>	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Revised FY 2012	Manager's Proposed FY 2013
DEDICATED REVENUE (continued)					
<u>Intergovernmental: Federal Categorical Aid Pass Thru</u>					
Build America Bond Interest Subsidy - City	\$32,855	\$65,711	\$65,711	\$65,711	\$65,711
Build America Bond Interest Subsidy - Schools	113,984	227,969	227,969	227,969	227,969
Social Services Administration	3,051,019	3,483,871	3,483,871	3,483,871	3,536,740
Social Services Finance Unit	271,700	217,684	217,684	217,684	224,493
Social Services Programs	2,475,795	2,430,385	2,430,385	2,430,385	1,863,937
Human Services Capital Lease	129,719	124,390	124,390	124,390	136,654
Human Services Buildings and Grounds	26,750	25,000	25,000	25,000	25,000
Indirect Cost Reimbursement	412,051	400,000	400,000	400,000	400,000
ARRA - Social Services Administration	146,089	0	0	0	0
ARRA - Social Services Programs	29,162	0	0	0	0
Total Federal Categorical Aid Pass Thru	\$6,689,124	\$6,975,010	\$6,975,010	\$6,975,010	\$6,480,504
<u>Interfund Transfers</u>					
Transfer from City Federal State Aid	\$238,108	\$0	\$0	\$0	\$0
City Capital	308,718	0	0	0	0
Total Interfund Transfers	\$546,826	\$0	\$0	\$0	\$0
TOTAL DEDICATED REVENUES	\$31,948,251	\$30,227,078	\$30,227,078	\$30,183,834	\$31,062,196
TOTAL GENERAL FUND REVENUES	\$159,228,278	\$154,303,101	\$154,303,101	\$155,733,510	\$163,350,304



Expenditure Detail

	Actual FY 2011	Adopted FY 2012	Revised Estimate FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
DEPARTMENTAL EXPENDITURE DETAIL SUMMARY					
General Government					
Internal Audit	\$55,262	\$55,900	\$55,900	\$57,522	\$0
Communications and Marketing	341,713	396,532	435,074	398,794	398,302
Citizens First Customer Service Center	118,117	125,554	125,554	128,231	127,985
Local Government Channel	149,261	140,915	140,915	153,072	152,826
Council/Manager Offices	955,239	1,033,358	1,076,334	1,018,988	831,806
City Attorney	590,885	607,325	607,325	624,284	623,436
Self-Insurance	602,539	548,524	548,524	555,524	555,524
State Treasurer	141,763	145,161	145,161	146,211	144,889
Commissioner of the Revenue	724,488	684,214	684,968	702,370	696,649
City Assessor	678,392	707,865	707,865	734,160	732,930
Office of the Director of Financial Services	519,671	517,482	532,144	531,533	540,918
Billing and Collections Division	1,199,324	1,248,251	1,261,081	1,303,942	1,301,482
Procurement Division	203,352	212,165	214,452	209,772	209,403
Accounting Division	789,313	806,562	860,668	824,907	823,677
Budget Division	151,226	154,869	154,869	159,375	159,129
Human Services Financial Division	442,411	474,433	474,433	458,233	408,016
Human Resources	673,347	685,847	703,389	727,443	717,389
Occupational Health	123,160	127,044	132,186	128,957	128,834
Application Services Division	1,146,454	1,272,247	1,272,247	1,287,617	1,197,353
Network Services Division	1,218,493	1,280,130	1,279,051	1,321,811	1,320,335
Information Technology (IT) Administration Division	407,585	423,886	430,941	443,945	443,453
IT Projects	12,665	0	8,000	0	0
Geographic Information System (GIS) Division	215,706	252,354	273,791	254,043	253,674
Registrar	141,695	163,140	165,305	162,757	155,535
Electoral Board	41,125	90,779	102,543	57,282	57,282
TOTAL GENERAL GOVERNMENT	\$11,643,186	\$12,154,537	\$12,392,720	\$12,390,773	\$11,980,827
Judicial Administration					
Circuit Court Judges (24th Judicial District)	\$155,446	\$157,113	\$163,106	\$160,626	\$160,380
General District Court	57,690	62,550	65,141	62,550	62,550
Juvenile and Domestic Relations (J&DR) District Court	17,277	14,541	15,246	15,409	15,409
Court Service Unit (24th Judicial District)	1,668	1,632	1,632	1,632	1,632
Office of the Commonwealth's Attorney	1,412,776	1,385,774	1,385,774	1,447,149	1,444,935
Magistrate	2,485	2,893	3,887	4,093	4,093
Circuit Court Clerk (24th Judicial District)	709,496	746,142	792,605	804,011	787,634
Sheriff's Office	1,996,440	2,070,227	2,063,752	2,089,651	2,086,576
TOTAL JUDICIAL ADMINISTRATION	\$4,353,278	\$4,440,872	\$4,491,143	\$4,585,121	\$4,563,209
Public Safety					
Police Department	\$13,867,800	\$13,701,291	\$13,828,907	\$14,966,673	\$14,526,585
Animal Control Unit	311,569	319,978	319,978	337,298	717,335
Range Operations	10,675	12,500	12,500	15,000	15,000
Emergency Services	2,204,952	2,470,283	2,489,360	2,677,429	2,577,801
Fire and EMS Department	14,458,381	14,581,360	14,665,446	14,921,945	14,672,688
Technical Rescue Team/PIER Program	47,181	82,500	82,500	82,500	75,000
TOTAL PUBLIC SAFETY	\$30,900,558	\$31,167,912	\$31,398,691	\$33,000,845	\$32,584,409



Expenditure Detail

	Actual FY 2011	Adopted FY 2012	Revised Estimate FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
DEPARTMENTAL EXPENDITURE DETAIL SUMMARY					
Public Works					
Public Works Administration	\$661,020	\$719,246	\$719,246	\$738,612	\$687,858
Engineering	3,326,325	3,390,840	3,402,705	3,409,935	3,323,811
Street Maintenance	4,155,189	3,249,100	3,252,425	3,246,964	3,357,470
Snow and Ice Removal	455,581	240,695	240,695	240,695	240,695
Refuse	2,377,723	2,416,112	2,421,739	2,581,395	2,569,235
Parks and Grounds Maintenance	2,338,850	2,487,329	2,511,908	2,479,646	2,476,079
Building Maintenance	3,021,761	3,104,363	3,133,046	3,185,646	3,149,817
Human Services Building	210,128	234,095	248,820	234,131	234,131
Stadium Maintenance	0	127,378	128,341	127,378	127,378
TOTAL PUBLIC WORKS	\$16,546,577	\$15,969,158	\$16,058,925	\$16,244,402	\$16,166,474
Health and Welfare					
Juvenile Services	\$3,824,153	\$4,496,613	\$4,526,129	\$4,417,455	\$4,287,059
Social Services	5,696,576	6,212,650	6,212,650	6,557,918	6,436,925
Public Assistance	7,941,645	6,496,243	6,537,656	6,075,506	6,075,506
TOTAL HEALTH AND WELFARE	\$17,462,374	\$17,205,506	\$17,276,435	\$17,050,879	\$16,799,490
Parks, Recreation, and Cultural					
Parks and Recreation	\$2,945,896	\$3,109,974	\$3,130,715	\$3,145,041	\$3,100,069
Public Library	1,513,848	1,606,473	1,610,155	1,538,057	1,487,372
Law Library	25,188	28,770	28,770	28,770	28,770
Museums	377,328	383,028	383,121	436,033	435,541
Point of Honor/Carriage House	40,220	45,000	45,223	0	0
TOTAL PARKS, RECREATION, AND CULTURAL	\$4,902,480	\$5,173,245	\$5,197,984	\$5,147,901	\$5,051,752
Community Development					
Office of the Director of Community Development	\$464,386	\$313,417	\$313,417	\$312,455	\$337,025
Planning Division	268,594	303,658	324,158	306,243	305,751
Inspections and Code Compliance Division	710,655	820,118	902,073	855,296	798,031
Zoning and Natural Resources Division	0	211,897	211,897	219,426	152,994
Office of Economic Development	275,316	307,231	306,631	343,081	342,712
Parking Management	306,490	374,600	517,817	376,650	376,097
TOTAL COMMUNITY DEVELOPMENT	\$2,025,441	\$2,330,921	\$2,575,993	\$2,413,151	\$2,312,610
OPERATING - DEPARTMENTAL	\$87,833,894	\$88,442,151	\$89,391,891	\$90,833,072	\$89,458,771
OPERATING - NON-DEPARTMENTAL	\$12,418,386	\$14,412,249	\$14,445,359	\$16,554,662	\$16,360,855
TRANSFER TO OTHER FUNDS	\$1,491,937	\$1,846,516	\$2,047,638	\$1,669,879	\$1,018,157
DEBT SERVICE - GENERAL FUND	\$17,302,348	\$7,923,558	\$7,960,739	\$7,758,980	\$7,758,980
DEBT SERVICE - SCHOOLS	\$15,014,169	\$7,009,713	\$7,010,588	\$6,898,677	\$6,898,677
SCHOOLS	\$30,310,602	\$31,942,103	\$35,341,535	\$36,601,147	\$35,601,147
GREATER LYNCHBURG TRANSIT COMPANY	\$1,764,600	\$1,143,714	\$1,143,714	\$1,676,798	\$1,676,798
RESERVES	\$0	\$1,922,659	\$2,529,174	\$2,450,000	\$3,970,313
TRANSFER TO CAPITAL - GENERAL FUND	\$7,569,405	\$7,624,033	\$7,705,278	\$4,941,759	\$5,016,759
TRANSFER TO CAPITAL - SCHOOLS	\$1,941,733	\$1,030,518	\$1,030,518	\$975,000	\$975,000
TOTAL EXPENDITURES, RESERVES & TRANSFERS	\$175,647,074	\$163,297,214	\$168,606,434	\$170,359,974	\$168,735,457



Council/Manager Offices. Consists of the City Council, Clerk of Council, and City Manager. 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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	8	8	8	6	(2)
TOTAL FTE	8	8	8	6	(2)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$586,766	\$627,096	\$625,243	\$533,911	(\$93,185)
Employee Benefits	182,041	214,810	234,866	193,793	(21,017)
Subtotal Personnel Services	\$768,807	\$841,906	\$860,109	\$727,704	(\$114,202)
<i>Operating</i>					
Contractual Services	\$102,715	\$91,554	\$57,084	\$7,084	(\$84,470)
Other Charges	83,717	99,898	101,795	97,018	(2,880)
Subtotal Operating	\$186,432	\$191,452	\$158,879	\$104,102	(\$87,350)
TOTAL CITY COST	\$955,239	\$1,033,358	\$1,018,988	\$831,806	(\$201,552)

Council/Manager Offices Budget Description

The Department Requested FY 2013 Council/Manager Offices budget of \$1,018,988 represents a 1.4% decrease of \$14,370 compared to the Adopted FY 2012 budget of \$1,033,358.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$18,203 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$34,470 decrease in Contractual Services reflecting changes in expenses for the Legislative Liaison.
- \$1,897 increase in Other Charges reflecting 3G service for the iPads, an increase in Virginia Municipal League dues, and City Council election year expenses.

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

- \$131,421 in Salaries and Employee Benefits reflecting the elimination of the Deputy Clerk of Council and an Assistant to the City Manager positions.
- \$50,000 in Contractual Services due to not renewing a contract for a Legislative Liaison.
- \$4,777 in Other Charges related to the eliminated 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, the Real Estate Rehabilitation Program, and the Disabled Veteran Tax Exemption 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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	10.0	10.0	10.0	10.0	0.0
City Funded Part-Time	0.3	0.3	0.3	0.3	0.0
TOTAL FTE	10.3	10.3	10.3	10.3	0.0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$454,200	\$461,408	\$460,745	\$460,745	(\$663)
Employee Benefits	167,512	190,770	207,190	205,960	15,190
Subtotal Personnel Services	\$621,712	\$652,178	\$667,935	\$666,705	\$14,527
<i>Operating</i>					
Contractual Services	\$26,102	\$26,375	\$26,100	\$26,100	(\$275)
Internal Service Charges	4,797	6,548	5,593	5,593	(955)
Other Charges	25,781	20,964	32,732	32,732	11,768
Rentals and Leases	0	1,800	1,800	1,800	0
Subtotal Operating	\$56,680	\$55,687	\$66,225	\$66,225	\$10,538
TOTAL CITY COST	\$678,392	\$707,865	\$734,160	\$732,930	\$25,065

City Assessor Budget Description

The Department Requested FY 2013 City Assessor budget of \$734,160 represents a 3.7% increase of \$26,295 compared to the Adopted FY 2012 budget of \$707,865.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$15,757 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System and health benefit rates.
- \$955 decrease in Internal Service Charges based on Fleet Administration estimates.
- \$11,768 increase in Other Charges reflecting an increase of \$13,200 in postage due to FY 2013 being a reassessment year, offset by a \$1,500 decrease for not having to convene the Board of Equalization in August 2012.

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



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%.

Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Assessment-to-Sale Value Ratio	100%	101%	100%	102%

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 to verify the data is accurate.

Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Property Reviews Completed	100%	20%	10%	40%

Analysis of the Data:
It is a standard of the International Association of Assessing Officers (IAAO) to review all properties at least once every five years. While this project is very time consuming, it is necessary to achieve a high quality reassessment. As of FY 2011, all real property in the City was reviewed; therefore, FY 2012 begins the new five-year cycle.

Benchmark Localities:
Charlottesville, Danville, Hampton, Norfolk, Richmond, Roanoke



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	6.9	6.9	6.9	6.9	0.0
TOTAL FTE	6.9	6.9	6.9	6.9	0.0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$413,442	\$405,513	\$405,513	\$405,513	\$0
Employee Benefits	145,532	159,894	176,853	176,005	16,111
Subtotal Personnel Services	\$558,974	\$565,407	\$582,366	\$581,518	\$16,111
<i>Operating</i>					
Contractual Services	\$0	\$3,750	\$3,750	\$3,750	\$0
Other Charges	31,911	38,168	38,168	38,168	0
Subtotal Operating	\$31,911	\$41,918	\$41,918	\$41,918	\$0
TOTAL EXPENDITURES	\$590,885	\$607,325	\$624,284	\$623,436	\$16,111
DEDICATED REVENUES					
Legal Service Charges - Schools	\$20,000	\$20,000	\$20,000	\$20,000	\$0
TOTAL DEDICATED REVENUES	\$20,000	\$20,000	\$20,000	\$20,000	\$0
TOTAL CITY COST	\$570,885	\$587,325	\$604,284	\$603,436	\$16,111

City Attorney Budget Description

The Department Requested FY 2013 City Attorney budget of \$624,284 represents a 2.8% increase of \$16,959 compared to the Adopted FY 2012 budget of \$607,325.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$16,959 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.

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



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, Water Resources 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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Operating</i>					
Other Charges	\$602,539	\$548,524	\$555,524	\$555,524	\$7,000
<i>Subtotal Operating</i>	<u>\$602,539</u>	<u>\$548,524</u>	<u>\$555,524</u>	<u>\$555,524</u>	<u>\$7,000</u>
TOTAL CITY COST	<u>\$602,539</u>	<u>\$548,524</u>	<u>\$555,524</u>	<u>\$555,524</u>	<u>\$7,000</u>

Self-Insurance Budget Description

The Department Requested FY 2013 Self-Insurance budget of \$555,524 represents a 1.3% increase of \$7,000 compared to the Adopted FY 2012 budget of \$548,524.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$7,000 increase in Other Charges reflecting a slight rise in insurance premiums.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	6.0	4.0	4.0	4.0	0.0
City Funded Temporary	0.4	0.4	0.6	0.4	0.0
State Funded Full-Time	6.0	6.0	6.0	6.0	0.0
TOTAL FTE	12.4	10.4	10.6	10.4	0.0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$504,733	\$454,092	\$454,092	\$449,921	(\$4,171)
Employee Benefits	186,742	189,030	207,186	205,636	16,606
<i>Subtotal Personnel Services</i>	\$691,475	\$643,122	\$661,278	\$655,557	\$12,435
<i>Operating</i>					
Contractual Services	\$10,523	\$11,793	\$11,793	\$11,793	\$0
Other Charges	18,912	25,626	25,626	25,626	0
Rentals and Leases	3,578	3,673	3,673	3,673	0
<i>Subtotal Operating</i>	\$33,013	\$41,092	\$41,092	\$41,092	\$0
TOTAL EXPENDITURES	\$724,488	\$684,214	\$702,370	\$696,649	\$12,435
DEDICATED REVENUES					
Commonwealth Aid for Shared Expenditures	\$165,776	\$166,270	\$168,297	\$168,297	\$2,027
TOTAL DEDICATED REVENUES	\$165,776	\$166,270	\$168,297	\$168,297	\$2,027
TOTAL CITY COST	\$558,712	\$517,944	\$534,073	\$528,352	\$10,408

Commissioner of the Revenue Budget Description

The Department Requested FY 2013 Commissioner of the Revenue budget of \$702,370 represents a 2.7% increase of \$18,156 compared to the Adopted FY 2012 budget of \$684,214.

Significant change introduced in the Department Requested FY 2013 budget:

- \$18,156 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.

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

- \$4,491 in Salaries and Employee Benefits to increase temporary hours.



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

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	8.0	8.0	8.0	8.0	0.0
City Funded Part-Time	1.5	1.5	1.5	1.5	0.0
TOTAL FTE	9.5	9.5	9.5	9.5	0.0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$391,299	\$386,554	\$383,797	\$383,797	(\$2,757)
Employee Benefits	136,360	151,930	163,978	162,994	11,064
<i>Subtotal Personnel Services</i>	\$527,659	\$538,484	\$547,775	\$546,791	\$8,307
<i>Operating</i>					
Contractual Services	\$44,818	\$94,620	\$94,620	\$94,620	\$0
Internal Service Charges	5,899	7,927	7,532	7,532	(395)
Other Charges	30,715	21,970	30,170	30,170	8,200
<i>Subtotal Operating</i>	\$81,432	\$124,517	\$132,322	\$132,322	\$7,805
TOTAL CITY COST	\$609,091	\$663,001	\$680,097	\$679,113	\$16,112



Communications and Marketing. Provides information about services and programs to residents, the media, and internal departments; produces numerous publications, including the monthly employee newsletter, *Changing Times*, and the citizens' bimonthly newsletter, *The City Source*; oversees the content on the City's websites; and coordinates special projects for City departments.

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	4	4	4	4	0
TOTAL FTE	4	4	4	4	0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$206,574	\$202,237	\$199,481	\$199,481	(\$2,756)
Employee Benefits	75,571	82,803	88,216	87,724	4,921
Subtotal Personnel Services	\$282,145	\$285,040	\$287,697	\$287,205	\$2,165
<i>Operating</i>					
Contractual Services	\$40,861	\$89,120	\$89,120	\$89,120	\$0
Internal Service Charges	5,899	7,927	7,532	7,532	(395)
Other Charges	12,808	14,445	14,445	14,445	0
Subtotal Operating	\$59,568	\$111,492	\$111,097	\$111,097	(\$395)
TOTAL CITY COST	\$341,713	\$396,532	\$398,794	\$398,302	\$1,770

Communications and Marketing Budget Description

The Department Requested FY 2013 Communications and Marketing budget of \$398,794 represents a 0.6% increase of \$2,262 compared to the Adopted FY 2012 budget of \$396,532.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$2,657 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System and health benefit rates, offset by lower than budgeted personnel costs.
- \$395 decrease in Internal Service Charges reflecting a reduction in charges to maintain pool vehicles.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	2.0	2.0	2.0	2.0	0.0
City Funded Part-Time	1.5	1.5	1.5	1.5	0.0
TOTAL FTE	3.5	3.5	3.5	3.5	0.0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$91,134	\$92,549	\$92,548	\$92,548	(\$1)
Employee Benefits	26,474	30,630	33,308	33,062	2,432
Subtotal Personnel Services	\$117,608	\$123,179	\$125,856	\$125,610	\$2,431
<i>Operating</i>					
Contractual Services	\$120	\$500	\$500	\$500	\$0
Other Charges	389	1,875	1,875	1,875	0
Subtotal Operating	\$509	\$2,375	\$2,375	\$2,375	\$0
TOTAL CITY COST	\$118,117	\$125,554	\$128,231	\$127,985	\$2,431

Communications and Marketing – Citizens First Customer Service Center Budget Description

The Department Requested FY 2013 Communications and Marketing – Citizens First Customer Service Center budget of \$128,231 represents a 2.1% increase of \$2,677 compared to the Adopted FY 2012 budget of \$125,554.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$2,677 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System and health benefit rates.

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



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

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	2	2	2	2	0
TOTAL FTE	2	2	2	2	0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$93,591	\$91,768	\$91,768	\$91,768	\$0
Employee Benefits	34,315	38,497	42,454	42,208	3,711
<i>Subtotal Personnel Services</i>	\$127,906	\$130,265	\$134,222	\$133,976	\$3,711
<i>Operating</i>					
Contractual Services	\$3,837	\$5,000	\$5,000	\$5,000	\$0
Other Charges	17,518	5,650	13,850	13,850	8,200
<i>Subtotal Operating</i>	\$21,355	\$10,650	\$18,850	\$18,850	\$8,200
TOTAL CITY COST	\$149,261	\$140,915	\$153,072	\$152,826	\$11,911

Communications and Marketing – Local Government Channel Budget Description

The Department Requested FY 2013 Communications and Marketing – Local Government Channel budget of \$153,072 represents an 8.6% increase of \$12,157 compared to the Adopted FY 2012 budget of \$140,915.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$3,957 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System and health benefit rates.
- \$8,200 increase in Other Charges to reflect the cost of replacing a computer used for editing and other audio visual work.

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



Communications and Marketing Performance Measures

Goal 1: Ensure citizens receive a timely response from Customer Service Representatives (CSRs) through Citizens First.				
Objective: Maintain call center industry standards for the abandonment rate of 5% or less.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Abandonment rate	4%	5%	4%	5%
Analysis of the Data: This is a new measure that is now available due to an upgrade in the telephone system utilized by Citizens First.				

Goal 2: Provide useful and timely information to the citizens of Lynchburg via the internet.				
Objective: Increase the number of pageviews on www.lynchburgva.gov.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Number of page views	1,603,134	1,683,290	740,134	1,767,454
Analysis of the Data: Based on a greater emphasis on marketing the City, the department anticipates an increase in pageviews of 5%.				

Goal 3: Produce quality programming on LTV that is both entertaining and informative.				
Objective: Increase the number of original programs produced and broadcast on LTV.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Number of programs	93	90	46	96
Analysis of the Data: LTV, the City's local government channel, was created in FY 2009 with a primary focus of broadcasting public meetings. Staff has consistently worked to broaden the variety and number of general interest programming with the goals of increasing viewership and producing shows that are interesting, informative, and educational. It is projected that staff will produce at least 90 programs annually.				

Benchmark Localities: Hampton, Fairfax, Falls Church, and Roanoke, VA



Financial Services

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	49.00	49.00	48.00	47.00	(2.00)
City Funded Part-Time	0.80	0.80	0.80	0.80	0.00
City Funded Temporary	0.33	0.00	0.00	0.00	0.00
City Funded Full-Time (Water Fund) ¹	2.00	2.00	2.00	2.00	0.00
TOTAL FTE	52.13	51.80	50.80	49.80	(2.00)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$2,022,897	\$2,001,300	\$1,979,217	\$1,946,499	(\$54,801)
Employee Benefits	751,789	858,564	928,585	906,166	47,602
<i>Subtotal Personnel Services</i>	\$2,774,686	\$2,859,864	\$2,907,802	\$2,852,665	(\$7,199)
<i>Operating</i>					
Contractual Services ²	\$224,590	\$209,285	\$214,141	\$224,141	\$14,856
Internal Service Charges	548	300	0	0	(300)
Other Charges	295,358	332,963	358,389	358,389	25,426
Rentals and Leases	10,115	11,350	7,430	7,430	(3,920)
<i>Subtotal Operating</i>	\$530,611	\$553,898	\$579,960	\$589,960	\$36,062
TOTAL EXPENDITURES	\$3,305,297	\$3,413,762	\$3,487,762	\$3,442,625	\$28,863
DEDICATED REVENUES					
Federal Categorical Aid - Social Services	\$271,700	\$217,684	\$249,483	\$224,493	\$6,809
State Categorical Aid - Social Services	107,085	150,211	132,512	115,269	(34,942)
Juvenile Correction Block Grant	12,000	12,000	12,000	12,000	0
TOTAL DEDICATED REVENUES	\$390,785	\$379,895	\$393,995	\$351,762	(\$28,133)
TOTAL CITY COST	\$2,914,512	\$3,033,867	\$3,093,767	\$3,090,863	\$56,996

¹ Beginning July 1, 2010, the Water Fund assumed salary and employee benefit costs associated with two positions; supervision remains in the General Fund.

² 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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	5	5	5	5	0
TOTAL FTE	5	5	5	5	0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$342,638	\$339,073	\$339,073	\$339,073	\$0
Employee Benefits	118,057	130,310	144,361	143,746	13,436
Subtotal Personnel Services	\$460,695	\$469,383	\$483,434	\$482,819	\$13,436
<i>Operating</i>					
Contractual Services	\$46,245	\$35,000	\$35,000	\$45,000	\$10,000
Internal Service Charges	548	0	0	0	0
Other Charges	12,183	13,099	13,099	13,099	0
Subtotal Operating	\$58,976	\$48,099	\$48,099	\$58,099	\$10,000
TOTAL CITY COST	\$519,671	\$517,482	\$531,533	\$540,918	\$23,436

Financial Services – Office of the Director Budget Description

The Department Requested FY 2013 Financial Services – Office of the Director budget of \$531,533 represents a 2.7% increase of \$14,051 compared to the Adopted FY 2012 budget of \$517,482.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$14,051 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.

Major item proposed by the City Manager not requested in the original department submission:

- ✦ \$10,000 in Contractual Services to provide resources for external audit services. Funds are budgeted due to the elimination of the Internal Audit function and will be used if such need is identified.



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	10.00	10.00	10.00	10.00	0.00
City Funded Temporary	0.33	0.00	0.00	0.00	0.00
TOTAL FTE	10.33	10.00	10.00	10.00	0.00
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$450,451	\$428,601	\$428,601	\$428,601	\$0
Employee Benefits	164,900	183,086	201,731	200,501	17,415
Subtotal Personnel Services	\$615,351	\$611,687	\$630,332	\$629,102	\$17,415
<i>Operating</i>					
Contractual Services	\$152,361	\$168,200	\$168,200	\$168,200	\$0
Other Charges	21,601	26,675	26,375	26,375	(300)
Subtotal Operating	\$173,962	\$194,875	\$194,575	\$194,575	(\$300)
TOTAL CITY COST	\$789,313	\$806,562	\$824,907	\$823,677	\$17,115

Financial Services – Accounting Division Budget Description

The Department Requested FY 2013 Financial Services – Accounting budget of \$824,907 represents a 2.3% increase of \$18,345 compared to the Adopted FY 2012 budget of \$806,562.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$18,645 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	20	20	20	20	0
City Funded Full-Time (Water Fund) ¹	1	1	1	1	0
TOTAL FTE	21	21	21	21	0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$673,297	\$672,234	\$668,656	\$668,656	(\$3,578)
Employee Benefits	264,833	308,703	333,775	331,315	22,612
Subtotal Personnel Services	\$938,130	\$980,937	\$1,002,431	\$999,971	\$19,034
<i>Operating</i>					
Contractual Services ²	\$25,231	\$4,390	\$9,246	\$9,246	\$4,856
Internal Service Charges	0	300	0	0	(300)
Other Charges	234,651	261,274	290,835	290,835	29,561
Rentals and Leases	1,312	1,350	1,430	1,430	80
Subtotal Operating	\$261,194	\$267,314	\$301,511	\$301,511	\$34,197
TOTAL CITY COST	\$1,199,324	\$1,248,251	\$1,303,942	\$1,301,482	\$53,231

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

² Includes recovery from Judicial Sales of Real Estate Property.



Financial Services – Billings and Collections Division Budget Description

The Department Requested FY 2013 Financial Services – Billings and Collections budget of \$1,303,942 represents a 4.5% increase of \$55,691 compared to the Adopted FY 2012 budget of \$1,248,251.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$21,494 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates, offset by lower than budgeted personnel costs.
- \$4,856 increase in Contractual Services reflecting less revenue coming back to the City to offset the legal cost of selling delinquent properties.
- \$29,560 increase in Other Charges reflecting \$10,000 for Cigarette Tax Stamps, \$5,500 for an automated replacement letter opener, and \$14,061 for mailing services due to an increase in postage.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	2	2	2	2	0
TOTAL FTE	2	2	2	2	0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$108,127	\$106,267	\$106,267	\$106,267	\$0
Employee Benefits	39,066	43,002	47,508	47,262	4,260
Subtotal Personnel Services	\$147,193	\$149,269	\$153,775	\$153,529	\$4,260
<i>Operating</i>					
Contractual Services	\$492	\$1,445	\$1,445	\$1,445	\$0
Other Charges	3,541	4,155	4,155	4,155	0
Subtotal Operating	\$4,033	\$5,600	\$5,600	\$5,600	\$0
TOTAL CITY COST	\$151,226	\$154,869	\$159,375	\$159,129	\$4,260

Financial Services – Budget Division Budget Description

The Department Requested FY 2013 Financial Services – Budget Division budget of \$159,375 represents a 2.9% increase of \$4,506 compared to the Adopted FY 2012 budget of \$154,869.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$4,506 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	3	3	3	3	0
City Funded Full-Time (Water Fund) ¹	1	1	1	1	0
TOTAL FTE	4	4	4	4	0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$128,909	\$124,612	\$124,612	\$124,612	\$0
Employee Benefits	48,221	53,693	59,135	58,766	5,073
Subtotal Personnel Services	\$177,130	\$178,305	\$183,747	\$183,378	\$5,073
<i>Operating</i>					
Contractual Services	\$261	\$250	\$250	\$250	\$0
Other Charges	17,158	23,610	19,775	19,775	(3,835)
Rentals and Leases	8,803	10,000	6,000	6,000	(4,000)
Subtotal Operating	\$26,222	\$33,860	\$26,025	\$26,025	(\$7,835)
TOTAL CITY COST	\$203,352	\$212,165	\$209,772	\$209,403	(\$2,762)

¹ Beginning July 1, 2010, the Water Fund assumed salary and employee benefit costs associated with one position; supervision remains in the General Fund.

Financial Services – Procurement Division Budget Description

The Department Requested FY 2013 Financial Services – Procurement budget of \$209,772 represents a 1.1% decrease of \$2,393 compared to the Adopted FY 2012 budget of \$212,165.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$5,442 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$4,000 decrease in Other Charges reflecting a decrease in the number of copies being made in City Hall.
- \$4,000 decrease in Rentals and Leases reflecting consolidation of City Hall copiers and removal of the basement copier.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	9.0	9.0	8.0	7.0	(2.0)
City Funded Part-Time	0.8	0.8	0.8	0.8	0.0
TOTAL FTE	9.8	9.8	8.8	7.8	(2.0)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$319,475	\$330,513	\$312,008	\$279,290	(\$51,223)
Employee Benefits	116,712	139,770	142,075	124,576	(15,194)
Subtotal Personnel Services	\$436,187	\$470,283	\$454,083	\$403,866	(\$66,417)
<i>Operating</i>					
Other Charges	\$6,224	\$4,150	\$4,150	\$4,150	\$0
Subtotal Operating	\$6,224	\$4,150	\$4,150	\$4,150	\$0
TOTAL EXPENDITURES	\$442,411	\$474,433	\$458,233	\$408,016	(\$66,417)
DEDICATED REVENUES					
Federal Categorical Aid - Social Services	\$271,700	\$217,684	\$249,483	\$224,493	\$6,809
State Categorical Aid - Social Services	107,085	150,211	132,512	115,269	(34,942)
Juvenile Correction Block Grant	12,000	12,000	12,000	12,000	0
TOTAL DEDICATED REVENUES	\$390,785	\$379,895	\$393,995	\$351,762	(\$28,133)
TOTAL CITY COST	\$51,626	\$94,538	\$64,238	\$56,254	(\$38,284)

Financial Services – Human Services Financial Division Budget Description

The Department Requested FY 2013 Financial Services – Human Services Financial Division budget of \$458,233 represents a 3.4% decrease of \$16,200 compared to the Adopted FY 2012 budget of \$474,433.

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

- \$16,200 decrease in Salaries and Employee Benefits reflecting the elimination of a Financial Professional I position, offset by changes in life insurance, Virginia Retirement System, and health benefit rates.

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

- \$49,233 in Salaries and Employee Benefits reflecting the transfer of a Financial Technician III position to the Department of Social Services Budget.



Financial Services Performance Measures

Goal:				
To ensure vendor, customer, and citizen trust through sound financial management (of all City funds).				
Objective 1:				
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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Bond rating	Fitch: AA+ Moody's: Aa ² S & P: AA+	Fitch: AA+ Moody's: Aa ² S & P: AA+	Fitch: AA+ Moody's: Aa ² S & P: AA+	Fitch: AA+ Moody's: Aa ² S & P: AA+
Financial presentation awards	FY 2010 CAFR and FY 2011 Budget Presentation awards from GFOA	FY 2011 CAFR and FY 2012 Budget Presentation awards from GFOA	FY 2012 Budget Presentation awards from GFOA	FY 2012 CAFR and FY 2013 Budget Presentation awards from GFOA
Audit findings	0	0	0	0
Analysis of the Data:				
Due to the City's ongoing economic development and redevelopment, which continues to diversify the economy and expand the tax base, Lynchburg maintains a high AA rating. 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 not rebounded from the recession, Lynchburg has seen a slight recovery in revenues. It is expected the City will maintain its highly favorable bond rating and recognition of excellence in financial reporting. City and Schools staff continue to work together to improve procedures, which results in fewer audit findings.				
Objective 2:				
Make the payment of taxes and fees by citizens and businesses as economically efficient as possible.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Percent of payments made electronically	17%	17%	21%	23%
Analysis of the Data:				
An increase in the percentage of electronic payments is expected due to the implementation of e-bills, e-checks, and a stronger web presence.				
Objective 3:				
To increase the timeliness and quality of services delivered by the Procurement Division.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Percent of users rating timeliness of services as good or excellent.	Not applicable, this survey is completed biennially	85.0%	Survey to be completed in Spring 2012	Not applicable, this survey is completed biennially
Percent of users rating quality of service as good or excellent.		85.0%		
Analysis of the Data:				
It is anticipated the results of the Spring 2012 survey will show an increase in ratings since the division is fully staffed, thus being able to be more responsive to its customers.				
Benchmark Localities:				
City of Roanoke, Roanoke County, and City of Charlottesville, VA				



Human Resources and Occupational Health

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	9.0	9.0	10.0	9.0	0.0
City Funded Part-Time	1.0	1.0	0.5	1.0	0.0
TOTAL FTE	10.0	10.0	10.5	10.0	0.0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$528,595	\$518,155	\$524,563	\$525,457	\$7,302
Employee Benefits	179,415	196,171	227,072	216,001	19,830
<i>Subtotal Personnel Services</i>	\$708,010	\$714,326	\$751,635	\$741,458	\$27,132
<i>Operating</i>					
Contractual Services	\$59,910	\$75,300	\$81,500	\$81,500	\$6,200
Other Charges	26,297	20,985	20,985	20,985	0
Rentals and Leases	2,290	2,280	2,280	2,280	0
<i>Subtotal Operating</i>	\$88,497	\$98,565	\$104,765	\$104,765	\$6,200
TOTAL CITY COST	\$796,507	\$812,891	\$856,400	\$846,223	\$33,332



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	8.0	8.0	9.0	8.0	0.0
City Funded Part-Time	0.5	0.5	0.0	0.5	0.0
TOTAL FTE	8.5	8.5	9.0	8.5	0.0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$466,119	\$454,872	\$461,280	\$462,174	\$7,302
Employee Benefits	161,199	175,995	204,983	194,035	18,040
Subtotal Personnel Services	\$627,318	\$630,867	\$666,263	\$656,209	\$25,342
<i>Operating</i>					
Contractual Services	\$25,170	\$38,000	\$44,200	\$44,200	\$6,200
Other Charges	18,569	14,700	14,700	14,700	0
Rentals and Leases	2,290	2,280	2,280	2,280	0
Subtotal Operating	\$46,029	\$54,980	\$61,180	\$61,180	\$6,200
TOTAL CITY COST	\$673,347	\$685,847	\$727,443	\$717,389	\$31,542

Human Resources Budget Description

The Department Requested FY 2013 Human Resources budget of \$727,443 represents a 6.1% increase of \$41,596 compared to the Adopted FY 2012 budget of \$685,847.

Significant changes proposed in the Department Requested FY 2013 budget include:

- \$35,396 increase in Salaries and Employee Benefits reflecting the conversion of a part-time position to a full-time position, as well as changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$6,200 increase in Contractual Services reflecting the annual service agreement costs for workforce development software.

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

- \$9,070 in Salaries and Employee Benefits to convert a part-time position to a full-time position.



Human Resources Performance Measures

Goal 1: Provide excellent customer service to the workforce.				
Objective: Overall satisfaction with Human Resources' (HR) services averages at least 4.0 on the 5 point scale Employee Satisfaction Survey, completed annually.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Average Overall Satisfaction Rating	4.2	4.0	NA	4.0
Analysis of the Data: 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. The FY 2012 survey will be completed in the spring of 2012.				

Goal 2: Support effective recruitment processes.				
Objective: 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 6.0 days.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Average number of work days to screen and deliver a certified list	2.6 days	6.0 days	NA	4.0 days
Analysis of the Data: 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. The results are compiled annually.				



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.

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	1.0	1.0	1.0	1.0	0.0
City Funded Part-Time	0.5	0.5	0.5	0.5	0.0
TOTAL FTE	1.5	1.5	1.5	1.5	0.0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$62,476	\$63,283	\$63,283	\$63,283	\$0
Employee Benefits	18,216	20,176	22,089	21,966	1,790
Subtotal Personnel Services	\$80,692	\$83,459	\$85,372	\$85,249	\$1,790
<i>Operating</i>					
Contractual Services	\$34,740	\$37,300	\$37,300	\$37,300	\$0
Other Charges	7,728	6,285	6,285	6,285	0
Subtotal Operating	\$42,468	\$43,585	\$43,585	\$43,585	\$0
TOTAL CITY COST	\$123,160	\$127,044	\$128,957	\$128,834	\$1,790

Human Resources – Occupational Health Budget Description

The Department Requested FY 2013 Human Resources – Occupational Health budget of \$128,957 represents a 1.5% increase of \$1,913 compared to the Adopted FY 2012 budget of \$127,044.

Significant changes proposed in the Department Requested FY 2013 budget include:

- \$1,913 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.

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



Human Resources – Occupational Health Performance Measures

Goal 1: Deliver efficient job-related medical services to the workforce.				
Objective: The value of services provided exceeds the costs of the program.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Value of services compared to actual resources expended.	\$1.21 value for every \$1.00 expended	\$1.10 value for every \$1 expended	NA	\$1.15 value for every \$1 expended
Analysis of the Data: 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. The results are compiled at the end of the fiscal year.				



Information Technology (IT)

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	31	31	31	30	(1)
TOTAL FTE	31	31	31	30	(1)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$1,906,886	\$1,980,505	\$1,990,825	\$1,926,387	(\$54,118)
Employee Benefits	674,159	759,196	839,173	811,010	51,814
<i>Subtotal Personnel Services</i>	\$2,581,045	\$2,739,701	\$2,829,998	\$2,737,397	(\$2,304)
<i>Operating</i>					
Contractual Services	\$176,657	\$263,330	\$253,333	\$253,333	(\$9,997)
Internal Service Charges	3,648	5,177	4,716	4,716	(461)
Other Charges	216,071	217,409	216,369	216,369	(1,040)
Rentals and Leases	1,973	3,000	3,000	3,000	0
Capital Outlay	21,509	0	0	0	0
<i>Subtotal Operating</i>	\$419,858	\$488,916	\$477,418	\$477,418	(\$11,498)
TOTAL EXPENDITURES	\$3,000,903	\$3,228,617	\$3,307,416	\$3,214,815	(\$13,802)
DEDICATED REVENUES					
Network Services - Schools Share	\$82,260	\$90,225	\$92,069	\$92,069	\$1,844
TOTAL DEDICATED REVENUES	\$82,260	\$90,225	\$92,069	\$92,069	\$1,844
TOTAL CITY COST	\$2,918,643	\$3,138,392	\$3,215,347	\$3,122,746	(\$15,646)



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	4	4	4	4	0
TOTAL FTE	4	4	4	4	0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$283,067	\$284,023	\$291,278	\$291,278	\$7,255
Employee Benefits	98,333	108,213	122,467	121,975	13,762
<i>Subtotal Personnel Services</i>	\$381,400	\$392,236	\$413,745	\$413,253	\$21,017
<i>Operating</i>					
Contractual Services	\$19,358	\$21,050	\$20,050	\$20,050	(\$1,000)
Other Charges	4,854	7,600	7,150	7,150	(450)
Rentals and Leases	1,973	3,000	3,000	3,000	0
<i>Subtotal Operating</i>	\$26,185	\$31,650	\$30,200	\$30,200	(\$1,450)
TOTAL CITY COST	\$407,585	\$423,886	\$443,945	\$443,453	\$19,567

Information Technology – Administration Division Budget Description

The Department Requested FY 2013 Information Technology – Administration Division budget of \$443,945 represents a 4.7% increase of \$20,059 compared to the Adopted FY 2012 budget of \$423,886.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$21,509 increase in Salaries and Employee Benefits reflecting employee progressions, as well as changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$1,000 decrease in Contractual Services due to a lower cost for custodial services.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	12	12	12	11	(1)
TOTAL FTE	12	12	12	11	(1)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$743,126	\$772,342	\$762,481	\$698,043	(\$74,299)
Employee Benefits	264,600	297,770	320,473	294,647	(3,123)
Subtotal Personnel Services	\$1,007,726	\$1,070,112	\$1,082,954	\$992,690	(\$77,422)
<i>Operating</i>					
Contractual Services	\$103,088	\$181,185	\$183,713	\$183,713	\$2,528
Other Charges	21,516	20,950	20,950	20,950	0
Capital Outlay	14,124	0	0	0	0
Subtotal Operating	\$138,728	\$202,135	\$204,663	\$204,663	\$2,528
TOTAL CITY COST	\$1,146,454	\$1,272,247	\$1,287,617	\$1,197,353	(\$74,894)

Information Technology – Application Services Division Budget Description

The Department Requested FY 2013 Information Technology – Application Services Division budget of \$1,287,617 represents a 1.2% increase of \$15,370 compared to the Adopted FY 2012 budget of \$1,272,247.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$12,842 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates offset by downgrading an IT Project Manager position to an Application Development Analyst II position.
- \$2,528 increase in Contractual Services reflecting the cost of software maintenance.

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

- \$88,788 in Salaries and Employee Benefits reflecting the elimination of a Project Manager position.



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	3	3	3	3	0
TOTAL FTE	3	3	3	3	0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$115,720	\$130,214	\$136,338	\$136,338	\$6,124
Employee Benefits	43,816	53,607	61,287	60,918	7,311
Subtotal Personnel Services	\$159,536	\$183,821	\$197,625	\$197,256	\$13,435
<i>Operating</i>					
Contractual Services	\$40,389	\$60,695	\$49,170	\$49,170	(\$11,525)
Other Charges	8,396	7,838	7,248	7,248	(590)
Capital Outlay	7,385	0	0	0	0
Subtotal Operating	\$56,170	\$68,533	\$56,418	\$56,418	(\$12,115)
TOTAL CITY COST	\$215,706	\$252,354	\$254,043	\$253,674	\$1,320

Information Technology – Geographic Information System Division Budget Description

The Department Requested FY 2013 Information Technology – Geographic Information System Division budget of \$254,043 represents a 0.7% increase of \$1,689 compared to the Adopted FY 2012 budget of \$252,354.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$13,804 increase in Salaries and Employee Benefits reflecting employee progressions, as well as changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$11,525 decrease in Contractual Services reflecting a reduction in consulting expense.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	12	12	12	12	0
TOTAL FTE	12	12	12	12	0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$764,973	\$793,926	\$800,728	\$800,728	\$6,802
Employee Benefits	267,410	299,606	334,946	333,470	33,864
<i>Subtotal Personnel Services</i>	<i>\$1,032,383</i>	<i>\$1,093,532</i>	<i>\$1,135,674</i>	<i>\$1,134,198</i>	<i>\$40,666</i>
<i>Operating</i>					
Contractual Services	\$1,157	\$400	\$400	\$400	\$0
Internal Service Charges	3,648	5,177	4,716	4,716	(461)
Other Charges	181,305	181,021	181,021	181,021	0
<i>Subtotal Operating</i>	<i>\$186,110</i>	<i>\$186,598</i>	<i>\$186,137</i>	<i>\$186,137</i>	<i>(\$461)</i>
TOTAL EXPENDITURES	\$1,218,493	\$1,280,130	\$1,321,811	\$1,320,335	\$40,205
DEDICATED REVENUES					
Revenue from Schools	\$82,260	\$90,225	\$92,069	\$92,069	\$1,844
TOTAL DEDICATED REVENUES	\$82,260	\$90,225	\$92,069	\$92,069	\$1,844
TOTAL CITY COST	\$1,136,233	\$1,189,905	\$1,229,742	\$1,228,266	\$38,361

Information Technology – Network Services Division Budget Description

The Department Requested FY 2013 Information Technology – Network Services Division budget of \$1,321,811 represents a 3.3% increase of \$41,681 compared to the Adopted FY 2012 budget of \$1,280,130.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$42,142 increase in Salaries and Employee Benefits reflecting employee progressions, as well as changes in life insurance, Virginia Retirement System, and health benefit rates.

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



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.

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Operating</i>					
Contractual Services	\$12,665	\$0	\$0	\$0	\$0
<i>Subtotal Operating</i>	<u>\$12,665</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL CITY COST	<u>\$12,665</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Information Technology – IT Projects Budget Description

No funds are requested for FY 2013.



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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Annual survey rating: 4 = Excellent 3 = Good 2 = Fair 1 = Poor	3.63	>3.50	NA - survey occurs in April	>3.50
Analysis of the Data: The objective for this measure is to be near "Excellent" in the delivery of IT services. The results for FY 2011 demonstrate the department has been successful in this measure, exceeding the target 3.50 rating.				

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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Network availability of Priority 1 devices	99.97%	99.95%	99.98%	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 2012 projected result is based on the year-to-date performance as of January 2012 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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Percentage of Incidents and Small Projects completed on time.	96.11%	96.00%	96.50%	>85%
Analysis of the Data: The goal for this measure is to provide timely technology services. The Projected FY 2012 on-time completion percentage is based on the year-to-date performance as of January 2012 and anticipated performance for the remainder of the year.				



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	2	1	1	0	(1)
City Full-Time Not Funded	0	1	1	0	(1)
TOTAL FTE	2	2	2	0	(2)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$37,327	\$36,441	\$36,441	\$0	(\$36,441)
Employee Benefits	17,308	16,313	17,935	0	(16,313)
<i>Subtotal Personnel Services</i>	\$54,635	\$52,754	\$54,376	\$0	(\$52,754)
<i>Operating</i>					
Other Charges	\$627	\$3,146	\$3,146	\$0	(\$3,146)
<i>Subtotal Operating</i>	\$627	\$3,146	\$3,146	\$0	(\$3,146)
TOTAL CITY COST	\$55,262	\$55,900	\$57,522	\$0	(\$55,900)

Internal Audit Budget Description

The Department Requested FY 2013 Internal Audit budget of \$57,522 represents a 2.9% increase of \$1,622 compared to the Adopted FY 2012 budget of \$55,900.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$1,622 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.

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

- \$57,522 in Salaries, Employee Benefits, and Other Charges reflecting the elimination of this department.



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. The November Presidential Election is the only election scheduled for FY 2013.

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	1.00	1.00	1.00	1.00	0.00
City Funded Part-Time	0.30	0.34	0.64	0.34	0.00
State Funded Full-Time	1.00	1.00	1.00	1.00	0.00
TOTAL FTE	2.30	2.34	2.64	2.34	0.00
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$96,848	\$97,258	\$103,738	\$97,258	\$0
Employee Benefits	34,685	38,609	43,014	42,272	3,663
Subtotal Personnel Services	\$131,533	\$135,867	\$146,752	\$139,530	\$3,663
<i>Operating</i>					
Contractual Services	\$3,705	\$7,050	\$200	\$200	(\$6,850)
Other Charges	5,862	18,723	14,305	14,305	(4,418)
Rentals and Leases	595	1,500	1,500	1,500	0
Subtotal Operating	\$10,162	\$27,273	\$16,005	\$16,005	(\$11,268)
TOTAL EXPENDITURES	\$141,695	\$163,140	\$162,757	\$155,535	(\$7,605)
DEDICATED REVENUES					
Revenues from the Commonwealth	\$39,400	\$43,431	\$43,431	\$43,431	\$0
TOTAL DEDICATED REVENUES	\$39,400	\$43,431	\$43,431	\$43,431	\$0
TOTAL CITY COST	\$102,295	\$119,709	\$119,326	\$112,104	(\$7,605)

Registrar Budget Description

The Department Requested FY 2013 Registrar budget of \$162,757 represents a 0.2% decrease of \$383 compared to the Adopted FY 2012 budget of \$163,140.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$10,885 increase in Salaries and Employee Benefits reflecting an increase in temporary hours, as well as changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$6,850 decrease in Contractual Services reflecting transferring ballot design and programming to the Electoral Board budget.
- \$4,418 decrease in Other Charges reflecting a reduction in postage due to fewer elections, as well as lower training costs.

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

- \$6,976 in Salaries and Employee Benefits for an increase in temporary hours.



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Operating</i>					
Contractual Services	\$4,906	\$4,753	\$8,800	\$8,800	\$4,047
Other Charges	36,219	86,026	48,482	48,482	(37,544)
<i>Subtotal Operating</i>	\$41,125	\$90,779	\$57,282	\$57,282	(\$33,497)
TOTAL EXPENDITURES	\$41,125	\$90,779	\$57,282	\$57,282	(\$33,497)
DEDICATED REVENUES					
Revenues from the Commonwealth	\$8,701	\$11,569	\$11,569	\$11,569	\$0
TOTAL DEDICATED REVENUES	\$8,701	\$11,569	\$11,569	\$11,569	\$0
TOTAL CITY COST	\$32,424	\$79,210	\$45,713	\$45,713	(\$33,497)

Electoral Board Budget Description

The Department Requested FY 2013 Electoral Board budget of \$57,282 represents a 36.9% decrease of \$33,497 compared to the Adopted FY 2012 budget of \$90,779.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$4,047 increase in Contractual Services reflecting transferring ballot design and programming from the Registrar budget.
- \$37,544 decrease in Other Charges reflecting only one election in FY 2013, and reductions in voting equipment purchases.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
State Funded Full-Time	2.00	2.00	2.00	2.00	0.00
State Funded Temporary	0.02	0.04	0.10	0.04	0.00
TOTAL FTE	2.02	2.04	2.10	2.04	0.00
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$101,897	\$101,567	\$98,684	\$97,684	(\$3,883)
Employee Benefits	37,091	41,230	42,820	42,498	1,268
<i>Subtotal Personnel Services</i>	\$138,988	\$142,797	\$141,504	\$140,182	(\$2,615)
<i>Operating</i>					
Other Charges	\$2,775	\$2,364	\$4,707	\$4,707	\$2,343
<i>Subtotal Operating</i>	\$2,775	\$2,364	\$4,707	\$4,707	\$2,343
TOTAL EXPENDITURES	\$141,763	\$145,161	\$146,211	\$144,889	(\$272)
DEDICATED REVENUES					
Commonwealth Aid for Shared Expenditures	\$95,370	\$94,049	\$94,049	\$94,049	\$0
TOTAL DEDICATED REVENUES	\$95,370	\$94,049	\$94,049	\$94,049	\$0
TOTAL CITY COST	\$46,393	\$51,112	\$52,162	\$50,840	(\$272)

State Treasurer Budget Description

The Department Requested FY 2013 State Treasurer budget of \$146,211 represents a 0.7% increase of \$1,050 compared to the Adopted FY 2012 budget of \$145,161.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$1,293 increase in Salaries and Employee Benefits reflecting additional temporary hours, and changes in life insurance, Virginia Retirement System, and health benefit rates, offset by lower than budgeted personnel costs.
- \$2,343 increase in Other Charges reflecting additional costs for training and cellular service.

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

- \$1,076 in Salaries and Employee Benefits for additional temporary hours.



Circuit Court Clerk (24th 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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
State Funded Full-Time	13.0	13.0	13.0	13.0	0.0
City Funded Part-Time	0.0	0.0	0.6	0.0	0.0
TOTAL FTE	13.0	13.0	13.6	13.0	0.0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$469,457	\$486,340	\$498,321	\$484,593	(\$1,747)
Employee Benefits	180,591	216,002	236,890	234,241	18,239
Subtotal Personnel Services	\$650,048	\$702,342	\$735,211	\$718,834	\$16,492
<i>Operating</i>					
Contractual Services	\$21,237	\$6,145	\$30,400	\$30,400	\$24,255
Other Charges	28,793	37,655	25,400	25,400	(12,255)
Rentals and Leases	9,418	0	13,000	13,000	13,000
Subtotal Operating	\$59,448	\$43,800	\$68,800	\$68,800	\$25,000
TOTAL EXPENDITURES	\$709,496	\$746,142	\$804,011	\$787,634	\$41,492
DEDICATED REVENUES					
Commonwealth Aid for Shared Expenditures ¹	\$515,013	\$506,814	\$531,814	\$531,814	\$25,000
Document Reproduction Fees	10,692	15,000	15,000	15,000	0
Excess Fees for Clerk of Court	0	40,000	0	0	(40,000)
TOTAL DEDICATED REVENUES	\$525,705	\$561,814	\$546,814	\$546,814	(\$15,000)
TOTAL CITY COST	\$183,791	\$184,328	\$257,197	\$240,820	\$56,492

¹ As of FY 2013, Technology Trust Fund (TTF) monies are appropriated with the budget.

Circuit Court Clerk (24th Judicial District) Budget Description

The Department Requested FY 2013 Circuit Court Clerk budget of \$804,011 represents a 7.8% increase of \$57,869 compared to the Adopted FY 2012 budget of \$746,142.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$32,869 increase in Salaries and Employee Benefits reflecting a request for a new part-time records management position, as well as changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$25,000 increase in Contractual Services reflecting the Technology Trust Fund (TTF) amount that is fully reimbursable by the state.
- \$12,255 decrease in Other Charges reflecting computer and office equipment replacements that are now funded through the Technology Trust Fund.
- \$13,000 increase in Rentals and Leases reflecting the lease of a copier machine.

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

- \$14,778 in Salaries and Employee Benefits reflecting a part-time records management position.



Circuit Court Judges (24th 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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	2	2	2	2	0
TOTAL FTE	2	2	2	2	0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$81,817	\$80,028	\$80,028	\$80,028	\$0
Employee Benefits	30,643	34,848	38,361	38,115	3,267
<i>Subtotal Personnel Services</i>	\$112,460	\$114,876	\$118,389	\$118,143	\$3,267
<i>Operating</i>					
Contractual Services	\$24,293	\$25,500	\$25,500	\$25,500	\$0
Other Charges	11,767	12,852	12,852	12,852	0
Rentals and Leases	3,882	3,885	3,885	3,885	0
Capital Outlay	3,044	0	0	0	0
<i>Subtotal Operating</i>	\$42,986	\$42,237	\$42,237	\$42,237	\$0
TOTAL CITY COST	\$155,446	\$157,113	\$160,626	\$160,380	\$3,267

Circuit Court Judges (24th Judicial District) Budget Description

The Department Requested FY 2013 Circuit Court Judges budget of \$160,626 represents a 2.2% increase of \$3,513 compared to the Adopted FY 2012 budget of \$157,113.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$3,513 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	1.00	0.47	0.78	0.78	0.31
State Funded Full-Time	15.45	15.90	15.90	15.90	0.00
Grant Funded Full-Time	6.55	6.63	6.32	6.32	(0.31)
Grant Funded Part-Time	1.60	0.80	1.60	1.60	0.80
TOTAL FTE	24.60	23.80	24.60	24.60	0.80
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$1,030,432	\$965,330	\$977,700	\$977,700	\$12,370
Employee Benefits	354,306	380,134	428,814	426,600	46,466
Subtotal Personnel Services	\$1,384,738	\$1,345,464	\$1,406,514	\$1,404,300	\$58,836
<i>Operating</i>					
Contractual Services	\$2,558	\$4,000	\$5,025	\$5,025	\$1,025
Other Charges	16,951	36,310	35,610	35,610	(700)
Capital Outlay	8,529	0	0	0	0
Subtotal Operating	\$28,038	\$40,310	\$40,635	\$40,635	\$325
Total General Fund Expenditures	\$1,412,776	\$1,385,774	\$1,447,149	\$1,444,935	\$59,161
Total Grant Expenditures ¹	\$548,580	\$634,440	\$623,189	\$623,189	(\$11,251)
TOTAL DEPARTMENT EXPENDITURES	\$1,961,356	\$2,020,214	\$2,070,338	\$2,068,124	\$47,910
DEDICATED REVENUES					
Commonwealth Aid for Shared Expenditures	\$908,340	\$916,422	\$921,242	\$921,242	\$4,820
Federal Grants	451,891	538,319	539,886	539,886	1,567
State Grants	55,365	55,365	56,473	56,473	1,108
In-Kind Grant Match	23,138	22,570	23,706	23,706	1,136
Boys and Girls Club of America Grant	3,124	3,124	3,124	3,124	0
TOTAL DEDICATED REVENUES	\$1,441,858	\$1,535,800	\$1,544,431	\$1,544,431	\$8,631
TOTAL CITY COST	\$519,498	\$484,414	\$525,907	\$523,693	\$39,279

¹ 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 2013 Office of the Commonwealth’s Attorney budget of \$1,447,149 represents a 4.4 % increase of \$61,375 compared to the Adopted FY 2012 budget of \$1,385,774.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$19,453 increase in Salaries and Employee Benefits reflecting the absorption of a Byrne JAG Assessing the Mentally Ill Grant that was not renewed.
- \$41,597 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.

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



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.

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Operating</i>					
Contractual Services	\$49,075	\$54,000	\$54,000	\$54,000	\$0
Other Charges	2,693	3,650	3,650	3,650	0
Rentals and Leases	5,922	4,900	4,900	4,900	0
Subtotal Operating	\$57,690	\$62,550	\$62,550	\$62,550	\$0
TOTAL CITY COST	\$57,690	\$62,550	\$62,550	\$62,550	\$0

General District Court Budget Description

The Department Requested FY 2013 General District Court budget of \$62,550 represents no change compared to the Adopted FY 2012 budget.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Operating</i>					
Contractual Services	\$2,684	\$2,492	\$3,360	\$3,360	\$868
Other Charges	9,799	7,409	7,409	7,409	0
Rentals and Leases	4,794	4,640	4,640	4,640	0
<i>Subtotal Operating</i>	\$17,277	\$14,541	\$15,409	\$15,409	\$868
TOTAL CITY COST	\$17,277	\$14,541	\$15,409	\$15,409	\$868

Juvenile and Domestic Relations (J&DR) District Court Budget Description

The Department Requested FY 2013 Juvenile and Domestic Relations (J&DR) District Court budget of \$15,409 represents a 6.0% increase of \$868 compared to the Adopted FY 2012 budget of \$14,541.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$868 increase in Contractual Services to more accurately reflect historical spending for legal services.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Operating</i>					
Contractual Services	\$132	\$0	\$0	\$0	\$0
Other Charges	1,160	1,700	2,900	2,900	1,200
Rentals and Leases	1,193	1,193	1,193	1,193	0
<i>Subtotal Operating</i>	\$2,485	\$2,893	\$4,093	\$4,093	\$1,200
TOTAL CITY COST	\$2,485	\$2,893	\$4,093	\$4,093	\$1,200

Magistrate Budget Description

The Department Requested FY 2013 Magistrate budget of \$4,093 represents a 41.5% increase of \$1,200 compared to the Adopted FY 2012 budget of \$2,893.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$1,200 increase in Other Charges reflecting the cost of memberships, cellular service, and the replacement of an existing fax machine and scanner.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	3.00	3.00	3.00	3.00	0.00
City Funded Temporary	3.86	4.43	4.43	4.43	0.00
State Funded Full-Time	22.00	23.00	22.00	22.00	(1.00)
TOTAL FTE	28.86	30.43	29.43	29.43	(1.00)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$1,344,318	\$1,354,979	\$1,323,400	\$1,323,400	(\$31,579)
Employee Benefits	448,336	514,141	543,837	540,762	26,621
Subtotal Personnel Services	\$1,792,654	\$1,869,120	\$1,867,237	\$1,864,162	(\$4,958)
<i>Operating</i>					
Contractual Services	\$24,113	\$38,806	\$38,806	\$38,806	\$0
Internal Service Charges	87,390	77,201	98,508	98,508	21,307
Other Charges	91,331	69,100	69,100	69,100	0
Rentals and Leases	952	16,000	16,000	16,000	0
Subtotal Operating	\$203,786	\$201,107	\$222,414	\$222,414	\$21,307
TOTAL EXPENDITURES	\$1,996,440	\$2,070,227	\$2,089,651	\$2,086,576	\$16,349
DEDICATED REVENUES					
Commonwealth Aid for Shared Expenditures	\$1,186,725	\$1,172,679	\$1,161,337	\$1,161,337	(\$11,342)
Sheriff's Fee Courtroom Services	106,568	110,000	110,000	110,000	0
TOTAL DEDICATED REVENUES	\$1,293,293	\$1,282,679	\$1,271,337	\$1,271,337	(\$11,342)
TOTAL CITY COST	\$703,147	\$787,548	\$818,314	\$815,239	\$27,691

Sheriff's Office Budget Description

The Department Requested FY 2013 Sheriff's Office budget of \$2,089,651 represents a 0.9% increase of \$19,424 compared to the Adopted FY 2012 budget of \$2,070,227.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$31,579 decrease in Salaries reflecting the reduction of one full-time position due to State budget cuts.
- \$29,696 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$21,307 increase in Internal Service Charges based on Fleet Administration estimates.

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



Court Service Unit (24th Judicial District). A State activity housed by the City. Provides intake for the Lynchburg 24th 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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Operating</i>					
Other Charges	\$1,668	\$1,632	\$1,632	\$1,632	\$0
<i>Subtotal Operating</i>	\$1,668	\$1,632	\$1,632	\$1,632	\$0
TOTAL CITY COST	\$1,668	\$1,632	\$1,632	\$1,632	\$0

Court Service Unit (24th Judicial District) Budget Description

The Department Requested FY 2013 Court Service Unit budget of \$1,632 represents no change compared to the Adopted FY 2012 budget.

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



Police Department including Animal Warden and Range Operations

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Sworn Full-Time	169.00	170.00	170.00	169.00	(1.00)
City Funded Civilian Full-Time	26.00	26.00	29.00	25.00	(1.00)
City Funded Part-Time	3.30	3.30	4.05	4.05	0.75
City Funded Temporary	0.38	0.00	0.00	0.00	0.00
City Sworn Full-Time Not Funded	1.00	0.00	0.00	0.00	0.00
City Civilian Full-Time Not Funded	3.00	3.00	0.00	0.00	(3.00)
TOTAL FTE	202.68	202.30	203.05	198.05	(4.25)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$9,232,860	\$8,710,116	\$9,216,966	\$8,939,147	\$229,031
Employee Benefits	3,233,640	3,585,448	3,972,053	3,856,321	270,873
<i>Subtotal Personnel Services</i>	\$12,466,500	\$12,295,564	\$13,189,019	\$12,795,468	\$499,904
<i>Operating</i>					
Contractual Services	\$336,778	\$344,795	\$438,786	\$823,786	\$478,991
Internal Service Charges	624,174	583,470	698,244	698,244	114,774
Other Charges	717,337	756,076	904,243	852,743	96,667
Rentals and Leases	24,267	25,364	53,679	53,679	28,315
Capital Outlay	20,988	28,500	35,000	35,000	6,500
<i>Subtotal Operating</i>	\$1,723,544	\$1,738,205	\$2,129,952	\$2,463,452	\$725,247
TOTAL DEPARTMENT EXPENDITURES	\$14,190,044	\$14,033,769	\$15,318,971	\$15,258,920	\$1,225,151
DEDICATED REVENUES					
Police - Schools SRO Program	\$110,871	\$120,000	\$122,000	\$122,000	\$2,000
Local Law Enforcement Funding (House Bill 599)	3,037,428	2,930,790	2,930,790	2,930,790	0
Off Duty Police Fee	0	0	40,500	40,500	40,500
Police Report Sales	8,275	10,000	10,000	10,000	0
Range Use Fee	13,200	12,500	15,000	15,000	2,500
Assigned Fund Balance Reserve	(2,525)	0	0	0	0
TOTAL DEDICATED REVENUES	\$3,167,249	\$3,073,290	\$3,118,290	\$3,118,290	\$45,000
TOTAL CITY COST	\$11,022,795	\$10,960,479	\$12,200,681	\$12,140,630	\$1,180,151



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, school resource officer programs, Citizen’s Police Academy, and crime prevention through environmental design.

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Sworn Full-Time	169.00	170.00	170.00	169.00	(1.00)
City Funded Civilian Full-Time	22.00	22.00	25.00	22.00	0.00
City Funded Part-Time	1.50	1.50	2.25	2.25	0.75
City Funded Temporary	0.38	0.00	0.00	0.00	0.00
City Sworn Full-Time Not Funded	1.00	0.00	0.00	0.00	0.00
City Civilian Full-Time Not Funded	3.00	3.00	0.00	0.00	(3.00)
TOTAL FTE	196.88	196.50	197.25	193.25	(3.25)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$9,049,323	\$8,524,121	\$9,035,971	\$8,783,632	\$259,511
Employee Benefits	3,179,480	3,522,602	3,903,995	3,802,746	280,144
<i>Subtotal Personnel Services</i>	\$12,228,803	\$12,046,723	\$12,939,966	\$12,586,378	\$539,655
<i>Operating</i>					
Contractual Services	\$311,428	\$326,497	\$416,678	\$381,678	\$55,181
Internal Service Charges	585,644	554,098	653,691	653,691	99,593
Other Charges	699,170	725,109	872,659	821,159	96,050
Rentals and Leases	21,767	20,364	48,679	48,679	28,315
Capital Outlay	20,988	28,500	35,000	35,000	6,500
<i>Subtotal Operating</i>	\$1,638,997	\$1,654,568	\$2,026,707	\$1,940,207	\$285,639
TOTAL EXPENDITURES	\$13,867,800	\$13,701,291	\$14,966,673	\$14,526,585	\$825,294
DEDICATED REVENUES					
Police - Schools SRO Program	\$110,871	\$120,000	\$122,000	\$122,000	\$2,000
Local Law Enforcement Funding (House Bill 599)	3,037,428	2,930,790	2,930,790	2,930,790	0
Off Duty Police Fee	0	0	40,500	40,500	40,500
Police Report Sales	8,275	10,000	10,000	10,000	0
TOTAL DEDICATED REVENUES	\$3,156,574	\$3,060,790	\$3,103,290	\$3,103,290	\$42,500
TOTAL CITY COST	\$10,711,226	\$10,640,501	\$11,863,383	\$11,423,295	\$782,794

***Police Department Budget Description***

The Department Requested FY 2013 Police Department budget of \$14,966,673 represents a 9.2% increase of \$1,265,382 compared to the Adopted FY 2012 budget of \$13,701,291.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$893,243 increase in Salaries and Employee Benefits reflecting the new production incentive pay program, additional overtime funding, three previously unfunded positions (2 Cadets and 1 Systems Analyst/Programmer I), one new off-duty coordinator position, and changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$90,181 increase in Contractual Services reflecting \$3,124 in software maintenance services, \$38,348 for emergency vehicle equipment installation and maintenance, \$1,600 in medical services, \$3,000 in advertising, \$35,000 in software system purchases, \$15,659 in investigation services, and \$2,450 for miscellaneous items, offset by a \$9,000 reduction in on-site training.
- \$99,593 increase in Internal Service charges reflecting Fleet Administration estimates.
- \$148,679 increase in Other Charges reflecting \$5,300 for office supplies, \$13,062 in apparel/protective wear, \$1,000 in audiovisual supplies, \$12,157 for safety supplies, \$1,500 in lab and field materials, \$1,800 in awards and recognition, \$30,200 for minor equipment and tools (includes 10 in-car digital video recorder replacements), \$36,600 for computer parts, \$11,500 in building maintenance, \$16,400 in communication parts, \$4,000 in fuel/diesel – private company, \$2,000 in City business meals, \$12,200 for training, \$12,573 in cellular phone services, offset by a decrease of \$8,613 in law enforcement supplies, and \$3,000 in grounds maintenance.
- \$28,315 increase in Rentals and Leases reflecting building rental costs, as well as the transfer of rental vehicles from the Fleet Fund budget.
- \$6,500 increase in Capital Outlay reflecting additional costs of computer equipment.

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

- \$321,953 in Salaries and Employee Benefits for overtime, eliminating 2 unfunded Cadets and 1 Systems Analyst/Programmer I that was requested for funding, as well as eliminating a Captain position.
- \$35,000 in Contractual Services for off-duty software.
- \$51,500 in Other Charges reflecting \$25,000 for IT equipment, \$11,500 for building maintenance, and \$15,000 for cellular phone services.



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Civilian Full-Time	4.0	4.0	4.0	3.0	(1.0)
City Funded Part-Time	1.8	1.8	1.8	1.8	0.0
TOTAL FTE	5.8	5.8	5.8	4.8	(1.0)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$183,537	\$185,995	\$180,995	\$155,515	(\$30,480)
Employee Benefits	54,160	62,846	68,058	53,575	(9,271)
Subtotal Personnel Services	\$237,697	\$248,841	\$249,053	\$209,090	(\$39,751)
<i>Operating</i>					
Contractual Services	\$21,595	\$17,298	\$20,488	\$440,488	\$423,190
Internal Service Charges	38,530	29,372	44,553	44,553	15,181
Other Charges	13,747	24,467	23,204	23,204	(1,263)
Subtotal Operating	\$73,872	\$71,137	\$88,245	\$508,245	\$437,108
TOTAL CITY COST	\$311,569	\$319,978	\$337,298	\$717,335	\$397,357



Police Department – Animal Control Unit Budget Description

The Department Requested FY 2013 Police Department – Animal Control Unit budget of \$337,298 represents a 5.4% increase of \$17,320 compared to the Adopted FY 2012 budget of \$319,978.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$5,000 decrease in Salaries reflecting a reduction in overtime.
- \$5,212 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$3,190 increase in Contractual Services reflecting the cost of vaccinations and veterinary services.
- \$15,181 increase in Internal Service charges reflecting Fleet Administration Estimates.
- \$1,263 decrease in Other Charges reflecting reductions in apparel/protective wear, and training, offset by an increase in cellular phone services.

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

- \$39,471 in Salaries and Employee Benefits reflecting the elimination of an Animal Control Officer.

Major item proposed by the City Manager not requested in the original department submission:

- ✦ \$420,000 in Contractual Services as an estimated cost to operate the Animal Shelter.



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Operating</i>					
Contractual Services	\$3,755	\$1,000	\$1,620	\$1,620	\$620
Other Charges	4,420	6,500	8,380	8,380	1,880
Rentals and Leases	2,500	5,000	5,000	5,000	0
<i>Subtotal Operating</i>	\$10,675	\$12,500	\$15,000	\$15,000	\$2,500
TOTAL EXPENDITURES	\$10,675	\$12,500	\$15,000	\$15,000	\$2,500
DEDICATED REVENUES					
Range Use Fee	\$13,200	\$12,500	\$15,000	\$15,000	\$2,500
Assigned Fund Balance Reserve	(2,525)	0	0	0	0
TOTAL DEDICATED REVENUES	\$10,675	\$12,500	\$15,000	\$15,000	\$2,500
TOTAL CITY COST	\$0	\$0	\$0	\$0	\$0

Police Department – Range Operations Budget Description

The Department Requested FY 2013 Police Department – Range Operations budget of \$15,000 represents a 20.0% increase of \$2,500 compared to the Adopted FY 2012 budget of \$12,500.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$1,880 increase in Other Charges reflecting the cost of law enforcement supplies, and electricity.

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



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.

Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Computer-Aided Dispatch (CAD) response time inclusive of dispatch and travel time.	6 min 45 secs	7 min 0 secs	7 min 0 secs	7 min 0 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 a response time only slightly higher than Actual FY 2011.

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.

Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Crime clearance rates				
Violent	41.0%	51.4%	55.2%	51.4%
Property	18.4%	26.7%	25.6%	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 Police Department has normally met or exceeded national standards and intends to meet and sustain the national standards in FY 2012 and FY 2013. The most recent statistical data regarding national clearance rates lists violent crime at 47.2% and property crime at 18.3%. Clearance rates for the first four months of FY 2012 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.

Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
DUI Arrests	209	195	136	195
Occupant Restraint	959	900	408	900
Speeding Enforcement	2,991	2,800	1,425	2,800

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 FY 2012 and FY 2013.

Benchmark Localities:
Charlottesville, Chesapeake, Danville, Roanoke, and Suffolk, VA



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	32	35	36	35	0
Grant Funded Full-Time	3	0	0	0	0
TOTAL FTE	35	35	36	35	0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries ¹	\$1,169,217	\$1,215,165	\$1,282,393	\$1,241,542	\$26,377
Employee Benefits ¹	452,222	536,047	621,665	597,888	61,841
Subtotal Personnel Services	\$1,621,439	\$1,751,212	\$1,904,058	\$1,839,430	\$88,218
<i>Operating</i>					
Contractual Services	\$385,354	\$516,175	\$523,808	\$523,808	\$7,633
Internal Service Charges	5,232	3,677	5,974	5,974	2,297
Other Charges	191,321	197,219	206,589	206,589	9,370
Rentals and Leases	1,606	2,000	37,000	2,000	0
Subtotal Operating	\$583,513	\$719,071	\$773,371	\$738,371	\$19,300
TOTAL EXPENDITURES	\$2,204,952	\$2,470,283	\$2,677,429	\$2,577,801	\$107,518
DEDICATED REVENUES					
Recovery E-911 Wireless	\$288,078	\$240,000	\$275,000	\$275,000	\$35,000
TOTAL DEDICATED REVENUES	\$288,078	\$240,000	\$275,000	\$275,000	\$35,000
TOTAL CITY COST	\$1,916,874	\$2,230,283	\$2,402,429	\$2,302,801	\$72,518

¹ Grant funds were exhausted mid-way through FY 2012. The position summary reflects moving three positions to City funded, while the Salaries and Benefits figures reflect a six month cost only. The full cost of these positions are reflected in the FY 2013 budget.



Emergency Services Budget Description

The Department Requested FY 2013 Department of Emergency Services budget of \$2,677,429 represents an 8.4% increase of \$207,146 compared to the Adopted FY 2012 budget of \$2,470,283.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$152,846 increase in Salaries and Employee Benefits reflecting a request for an Assistant Supervisor position and changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$7,633 increase in Contractual Services primarily reflecting maintenance costs associated with the EMD program.
- \$2,297 increase in Internal Service Charges reflecting Fleet Administration estimates.
- \$9,370 increase in Other Charges primarily reflecting training and certification costs associated with the EMD program.
- \$35,000 increase in Rentals and Leases reflecting the proposed Emergency Public Notification System.

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

- \$60,200 in Salaries and Employee Benefits for an Assistant Supervisor position.
- \$35,000 in Rentals and Leases for an Emergency Public Notification 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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Total Day Busy Signals are at 0%	0.31%	0.31%	0.31%	0.31%
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.				
Objective 2: Answer all received peak period 911 calls within ten (10) seconds.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Percentage answered within ten (10) seconds from 11 AM to 7 PM	99.08%	98.00%	99.26%	98.00%
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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Average emergency call assessment time	31 seconds	40 seconds	31.81 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 Department including Technical Rescue Team/Partners in Emergency Response (PIER) Program

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Sworn Full-Time	177.00	177.00	178.00	175.00	(2.00)
City Funded Civilian Full-Time	9.00	9.00	8.00	8.00	(1.00)
City Funded Temporary	0.00	0.00	0.95	0.95	0.95
City Sworn Full-Time Not Funded	1.00	1.00	0.00	0.00	(1.00)
City Civilian Full-Time Not Funded	0.00	0.00	1.00	1.00	1.00
TOTAL FTE	187.00	187.00	187.95	184.95	(2.05)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$9,969,796	\$9,729,995	\$9,687,320	\$9,529,688	(\$200,307)
Employee Benefits	3,360,968	3,792,230	4,134,750	4,043,125	250,895
Subtotal Personnel Services	\$13,330,764	\$13,522,225	\$13,822,070	\$13,572,813	\$50,588
<i>Operating</i>					
Contractual Services	\$311,234	\$269,864	\$270,114	\$270,114	\$250
Internal Service Charges	156,192	137,434	184,615	184,615	47,181
Other Charges	695,790	668,837	662,146	654,646	(14,191)
Rentals and Leases	21,382	25,500	25,500	25,500	0
Capital Outlay	(9,800)	40,000	40,000	40,000	0
Subtotal Operating	\$1,174,798	\$1,141,635	\$1,182,375	\$1,174,875	\$33,240
Total General Fund Expenditures	\$14,505,562	\$14,663,860	\$15,004,445	\$14,747,688	\$83,828
Total Grant Expenditures ¹	\$254,223	\$215,000	\$240,000	\$240,000	\$25,000
TOTAL DEPARTMENT EXPENDITURES	\$14,759,785	\$14,878,860	\$15,244,445	\$14,987,688	\$108,828
DEDICATED REVENUES					
State Grants	\$254,223	\$215,000	\$240,000	\$240,000	\$25,000
PIER Outside Contract Agreements	25,629	32,500	32,500	25,000	(7,500)
PIER Internal Contract Agreements	50,000	50,000	50,000	50,000	0
Assigned Fund Balance Reserve	(28,448)	0	0	0	0
TOTAL DEDICATED REVENUES	\$301,404	\$297,500	\$322,500	\$315,000	\$17,500
TOTAL CITY COST	\$14,458,381	\$14,581,360	\$14,921,945	\$14,672,688	\$91,328

¹ 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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Sworn Full-Time	177.00	177.00	178.00	175.00	(2.00)
City Funded Civilian Full-Time	9.00	9.00	8.00	8.00	(1.00)
City Funded Temporary	0.00	0.00	0.95	0.95	0.95
City Sworn Full-Time Not Funded	1.00	1.00	0.00	0.00	(1.00)
City Civilian Full-Time Not Funded	0.00	0.00	1.00	1.00	1.00
TOTAL FTE	187.00	187.00	187.95	184.95	(2.05)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$9,942,608	\$9,702,495	\$9,657,320	\$9,499,688	(\$202,807)
Employee Benefits	3,358,888	3,790,126	4,132,455	4,040,830	250,704
Subtotal Personnel Services	\$13,301,496	\$13,492,621	\$13,789,775	\$13,540,518	\$47,897
<i>Operating</i>					
Contractual Services	\$311,127	\$269,864	\$270,114	\$270,114	\$250
Internal Service Charges	156,192	137,434	184,615	184,615	47,181
Other Charges	677,984	630,941	626,941	626,941	(4,000)
Rentals and Leases	21,382	25,500	25,500	25,500	0
Capital Outlay	(9,800)	25,000	25,000	25,000	0
Subtotal Operating	\$1,156,885	\$1,088,739	\$1,132,170	\$1,132,170	\$43,431
Total General Fund Expenditures	\$14,458,381	\$14,581,360	\$14,921,945	\$14,672,688	\$91,328
Total Grant Expenditures ¹	\$254,223	\$215,000	\$240,000	\$240,000	\$25,000
TOTAL EXPENDITURES	\$14,712,604	\$14,796,360	\$15,161,945	\$14,912,688	\$116,328
DEDICATED REVENUES					
State Grants	\$254,223	\$215,000	\$240,000	\$240,000	\$25,000
TOTAL DEDICATED REVENUES	\$254,223	\$215,000	\$240,000	\$240,000	\$25,000
TOTAL CITY COST	\$14,458,381	\$14,581,360	\$14,921,945	\$14,672,688	\$91,328

¹ 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 2013 Fire and EMS Department budget of \$14,921,945 represents a 2.3% increase of \$340,585 compared to the Adopted FY 2012 budget of \$14,581,360.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$297,154 increase in Salaries and Employee Benefits reflecting the reinstatement of funding for an unfunded Firefighter II position, and changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$47,181 increase in Internal Services Charges reflecting Fleet Administration estimates.
- \$4,000 decrease in Other Charges reflecting reductions in courtesies to guests, minor equipment, tools, and furniture, offset by an increase in training.

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

- \$226,379 in Salaries and Employee Benefits reflecting the elimination of the unfunded Firefighter II position, as well as two Battalion Chief positions.



Fire and EMS Department – Technical Rescue Team/Partners in Emergency Response (PIER) Program

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$27,188	\$27,500	\$30,000	\$30,000	\$2,500
Employee Benefits	2,080	2,104	2,295	2,295	191
<i>Subtotal Personnel Services</i>	\$29,268	\$29,604	\$32,295	\$32,295	\$2,691
<i>Operating</i>					
Contractual Services	\$107	\$0	\$0	\$0	\$0
Other Charges	17,806	37,896	35,205	27,705	(10,191)
Capital Outlay	0	15,000	15,000	15,000	0
<i>Subtotal Operating</i>	\$17,913	\$52,896	\$50,205	\$42,705	(\$10,191)
TOTAL EXPENDITURES	\$47,181	\$82,500	\$82,500	\$75,000	(\$7,500)
DEDICATED REVENUES					
PIER Outside Contract Agreements	\$25,629	\$32,500	\$32,500	\$25,000	(\$7,500)
PIER Internal Contract Agreements	50,000	50,000	50,000	50,000	0
Assigned Fund Balance Reserve	(28,448)	0	0	0	0
TOTAL DEDICATED REVENUES	\$47,181	\$82,500	\$82,500	\$75,000	(\$7,500)
TOTAL CITY COST	\$0	\$0	\$0	\$0	\$0

Fire and EMS Department – Technical Rescue Team/PIER Program Budget Description

The Department Requested FY 2013 Fire and EMS Department – Technical Rescue Team/PIER Program budget of \$82,500 represents no change compared to the Adopted FY 2012 budget.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$2,691 increase in Salaries and Employee Benefits reflecting an increase in Technical Rescue Team (TRT) pay due to an increased number of TRT members.
- \$2,691 decrease in Other Charges reflecting reductions in safety supplies and training.

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

- \$7,500 in Other Charges due to a reduction in the number of program partners.



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.

Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Meet or exceed AHA National average of 5-7% of patients with ROSC	34%	25%	50%	50%

Analysis of the Data:
The national average of 5-7% of patients with ROSC is based on manual CPR. The Fire 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 2011 is 34%; that is of 79 patients with no pulse and no Do Not Resuscitate order, twenty-seven (27) 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 2012 and FY 2013 is 50% 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 (6 minutes) 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.

Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Average response time to an emergency incident	6 min 16 secs	6 min 11 secs	6 min 37 secs	6 min 7 secs

Analysis of the Data:
It is anticipated response times will continue to improve based on several factors: a) non-emergency transports to Centra facilities after 5:00 p.m. are now conducted by Centra transport units, leaving City units available to respond to emergency calls from their stations or assigned response zones; b) a concerted effort is underway to improve turnout times (the time from dispatch until the wheels are turning), which in turn improves response times; c) improved data collection through a new data records management system, implemented in February 2012; and d) emergency medical dispatching (EMD) at the emergency communications center has been implemented, allowing for call prioritization and better defined response needs. Improvements in call prioritization and responses will also be refined through an internal review of nature fire-related codes. Note: Projections are based in part on a 5-year trend analysis utilizing historical data from FY 2007 through FY 2011.



Fire and EMS Department Performance Measures (continued)

Goal 3: Maintain or reduce average structure fire loss (in dollars) per incident.				
Objective: 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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Average structure fire loss per incident per fiscal year	\$24,162	\$18,055	\$17,300	\$16,142
Analysis of the Data: In FY 2011, the City experienced multiple unusual fires causing the average loss to be abnormally high. Using a 5-year trend analysis of historical data from FY 2007 through FY 2011, the expected average loss is projected to be lower in FY 2012 and 2013; although, as the economy recovers increased construction costs and property values may somewhat counter the reduction. The Department is continuing its efforts to reduce fire losses by performing fire prevention inspections, educating the public on how to make buildings safer, and making sure each structure has at least one working smoke detector. In addition to utilizing the Fire Safety Trailer at events to raise public awareness, the Fire Marshal's Office has reached out specifically to area colleges to teach resident advisors, resident directors, and graduate students about fire safety and prevention.				

Benchmark Localities: Charlottesville, Danville, Roanoke, Staunton, Hampton, and Petersburg, VA



Public Works

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	150.00	156.00	156.00	152.00	(4.00)
City Funded Part-Time	9.65	7.85	7.60	7.60	(0.25)
City Funded Temporary	5.75	9.28	9.28	9.28	0.00
City Funded Full-Time (Water Fund) ¹	1.00	1.00	1.00	1.00	0.00
TOTAL FTE	166.40	174.13	173.88	169.88	(4.25)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries ¹	\$5,447,659	\$5,660,233	\$5,680,453	\$5,575,654	(\$84,579)
Employee Benefits ¹	1,952,823	2,396,517	2,598,460	2,517,937	121,420
<i>Subtotal Personnel Services</i>	\$7,400,482	\$8,056,750	\$8,278,913	\$8,093,591	\$36,841
<i>Operating</i>					
Contractual Services	\$3,429,317	\$2,135,586	\$2,022,600	\$2,022,600	(\$112,986)
Internal Service Charges	1,135,071	1,099,913	1,358,105	1,418,445	318,532
Other Charges	3,710,658	3,739,155	3,660,280	3,682,334	(56,821)
Rentals and Leases	17,806	15,494	16,244	16,244	750
Capital Outlay	0	19,000	5,000	5,000	(14,000)
Payment to Regional Service Authority	853,243	903,260	903,260	928,260	25,000
<i>Subtotal Operating</i>	\$9,146,095	\$7,912,408	\$7,965,489	\$8,072,883	\$160,475
TOTAL DEPARTMENT EXPENDITURES	\$16,546,577	\$15,969,158	\$16,244,402	\$16,166,474	\$197,316
DEDICATED REVENUES					
State Categorical Aid - Highway Maintenance	\$7,675,069	\$7,714,376	\$7,714,376	\$7,105,229	(\$609,147)
Federal Categorical Aid - Human Services B&G	26,750	25,000	25,000	25,000	0
Engineering Service Charges - Water Resources	0	300,000	300,000	300,000	0
Public Works Stormwater Charges	0	0	0	1,394,146	1,394,146
TOTAL DEDICATED REVENUES	\$7,701,819	\$8,039,376	\$8,039,376	\$8,824,375	\$784,999
TOTAL CITY COST	\$8,844,758	\$7,929,782	\$8,205,026	\$7,342,099	(\$587,683)

¹ Beginning July 1, 2010, the Water Fund assumed salary and employee benefit costs associated with one position; supervision remains 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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	11	11	11	10	(1)
TOTAL FTE	11	11	11	10	(1)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$461,435	\$486,176	\$486,176	\$453,333	(\$32,843)
Employee Benefits	173,586	205,733	225,099	207,188	1,455
Subtotal Personnel Services	\$635,021	\$691,909	\$711,275	\$660,521	(\$31,388)
<i>Operating</i>					
Contractual Services	\$5,620	\$5,450	\$4,700	\$4,700	(\$750)
Internal Service Charges	8,310	5,699	9,893	9,893	4,194
Other Charges	12,069	16,188	12,744	12,744	(3,444)
Subtotal Operating	\$25,999	\$27,337	\$27,337	\$27,337	\$0
TOTAL EXPENDITURES	\$661,020	\$719,246	\$738,612	\$687,858	(\$31,388)
DEDICATED REVENUES					
Public Works Stormwater Overhead Charges	\$0	\$0	\$0	\$549,977	\$549,977
TOTAL DEDICATED REVENUES	\$0	\$0	\$0	\$549,977	\$549,977
TOTAL CITY COST	\$661,020	\$719,246	\$738,612	\$137,881	(\$581,365)

Public Works – Administration Budget Description

The Department Requested FY 2013 Public Works – Administration budget of \$738,612 represents a 2.7% increase of \$19,366 compared to the Adopted FY 2012 budget of \$719,246.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$19,366 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$4,194 increase in Internal Service Charges reflecting increased costs for administration, parts, labor and fuel.
- \$3,444 decrease in Other Charges reflecting a reduction in safety supplies, training, cell phone service and postage.

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

- \$49,401 in Salaries and Employee Benefits reflecting the elimination of an Administrative Services Associate II position.



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	37.50	39.50	39.50	38.50	(1.00)
City Funded Part-Time	0.50	0.50	0.50	0.50	0.00
City Funded Temporary	0.45	0.95	0.95	0.95	0.00
TOTAL FTE	38.45	40.95	40.95	39.95	(1.00)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$1,107,368	\$1,180,747	\$1,212,217	\$1,193,040	\$12,293
Employee Benefits	430,220	546,279	596,092	579,440	33,161
Subtotal Personnel Services	\$1,537,588	\$1,727,026	\$1,808,309	\$1,772,480	\$45,454
<i>Operating</i>					
Contractual Services	\$340,664	\$227,991	\$222,378	\$222,378	(\$5,613)
Internal Service Charges	59,439	56,197	65,757	65,757	9,560
Other Charges	1,082,897	1,093,149	1,089,202	1,089,202	(3,947)
Rentals and Leases	1,173	0	0	0	0
Subtotal Operating	\$1,484,173	\$1,377,337	\$1,377,337	\$1,377,337	\$0
TOTAL CITY COST	\$3,021,761	\$3,104,363	\$3,185,646	\$3,149,817	\$45,454

Public Works – Building Maintenance Budget Description

The Department Requested FY 2013 Public Works – Building Maintenance budget of \$3,185,646 represents a 2.6% increase of \$81,283 compared to the Adopted FY 2012 budget of \$3,104,363.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$81,283 increase in Salaries and Employee Benefits reflecting hiring at a higher than budgeted cost as well as changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$5,613 decrease in Contractual Services reflecting historical spending.
- \$9,560 increase in Internal Service Charges based on Fleet Administration estimates.
- \$3,947 decrease in Other Charges reflecting a reduction in materials and supplies used for City Buildings reflecting historical spending.

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

- \$30,971 in Salaries and Employee Benefits reflecting the elimination of a Buildings and Grounds Custodian position.



Public Works – Human Services Building. The Division of Buildings and Grounds provides building maintenance and utilities for the Human Services Building at 99 9th Street. This sub-department is used to track maintenance and utility expenditures for the purposes of state reimbursement.

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Operating</i>					
Contractual Services	\$40,180	\$53,391	\$53,391	\$53,391	\$0
Other Charges	169,948	180,704	180,740	180,740	36
<i>Subtotal Operating</i>	\$210,128	\$234,095	\$234,131	\$234,131	\$36
TOTAL EXPENDITURES	\$210,128	\$234,095	\$234,131	\$234,131	\$36
DEDICATED REVENUES					
Federal Categorical Aid - Human Services B&G	\$26,750	\$25,000	\$25,000	\$25,000	\$0
TOTAL DEDICATED REVENUES	\$26,750	\$25,000	\$25,000	\$25,000	\$0
TOTAL CITY COST	\$183,378	\$209,095	\$209,131	\$209,131	\$36

Public Works – Human Services Building Budget Description

The Department Requested FY 2013 Public Works – Human Services Building budget of \$234,131 represents no significant change compared to the Adopted FY 2012.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	28.00	29.00	29.00	29.00	0.00
City Funded Part-Time	3.40	1.60	1.60	1.60	0.00
City Funded Temporary	3.90	6.43	6.43	6.43	0.00
TOTAL FTE	35.30	37.03	37.03	37.03	0.00
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	937,312	\$1,034,666	\$1,005,589	\$1,005,589	(\$29,077)
Employee Benefits	324,731	424,384	445,778	442,211	17,827
<i>Subtotal Personnel Services</i>	\$1,262,043	\$1,459,050	\$1,451,367	\$1,447,800	(\$11,250)
<i>Operating</i>					
Contractual Services	\$339,974	\$203,097	\$202,347	\$202,347	(\$750)
Internal Service Charges	294,318	299,464	315,340	315,340	15,876
Other Charges	441,039	525,218	510,092	510,092	(15,126)
Rentals and Leases	1,476	500	500	500	0
Capital Outlay	0	0	0	0	0
<i>Subtotal Operating</i>	\$1,076,807	\$1,028,279	\$1,028,279	\$1,028,279	\$0
TOTAL EXPENDITURES	\$2,338,850	\$2,487,329	\$2,479,646	\$2,476,079	(\$11,250)
DEDICATED REVENUES					
State Categorical Aid - Highway Maintenance	\$1,066,241	\$1,071,702	\$1,071,702	\$1,083,210	\$11,508
Public Works Stormwater Charges	0	0	0	5,076	5,076
TOTAL DEDICATED REVENUES	\$1,066,241	\$1,071,702	\$1,071,702	\$1,088,286	\$16,584
TOTAL CITY COST	\$1,272,609	\$1,415,627	\$1,407,944	\$1,387,793	(\$27,834)



Public Works – Parks and Grounds Maintenance Budget Description

The Department Requested FY 2013 Public Works – Parks and Grounds Maintenance budget of \$2,479,646 represents a 0.3% decrease of \$7,683 compared to the Adopted FY 2012 budget of \$2,487,329.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$7,683 decrease in Salaries and Employee Benefits reflecting filling vacated positions at a lower than budgeted cost offset by changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$15,876 increase in Internal Service Charges based on Fleet Administration estimates.
- \$15,126 decrease in Other Charges reflecting historical expenditures for staff and a reduction in materials and supplies used for the City’s Parks and Grounds Maintenance.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	28.50	29.50	29.50	27.50	(2.00)
City Funded Part-Time	1.75	1.75	1.75	1.75	0.00
City Funded Temporary	0.00	0.50	0.50	0.50	0.00
City Funded Full-Time (Water Fund) ¹	1.00	1.00	1.00	1.00	0.00
TOTAL FTE	31.25	32.75	32.75	30.75	(2.00)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries ¹	\$1,402,071	\$1,411,905	\$1,414,992	\$1,364,729	(\$47,176)
Employee Benefits ¹	498,048	572,190	620,966	585,105	12,915
Subtotal Personnel Services	\$1,900,119	\$1,984,095	\$2,035,958	\$1,949,834	(\$34,261)
<i>Operating</i>					
Contractual Services	\$113,789	\$55,860	\$53,360	\$53,360	(\$2,500)
Internal Service Charges	63,916	53,919	70,187	70,187	16,268
Other Charges	1,248,501	1,277,966	1,245,430	1,245,430	(32,536)
Capital Outlay	0	19,000	5,000	5,000	(14,000)
Subtotal Operating	\$1,426,206	\$1,406,745	\$1,373,977	\$1,373,977	(\$32,768)
TOTAL EXPENDITURES	\$3,326,325	\$3,390,840	\$3,409,935	\$3,323,811	(\$67,029)
DEDICATED REVENUES					
State Categorical Aid - Highway Maintenance	\$3,025,346	\$3,040,840	\$3,040,840	\$2,891,617	(\$149,223)
Engineering Service Charges - Water Resources	0	300,000	300,000	300,000	0
Public Works Stormwater Charges	0	0	0	132,194	132,194
TOTAL DEDICATED REVENUES	\$3,025,346	\$3,340,840	\$3,340,840	\$3,323,811	(\$17,029)
TOTAL CITY COST	\$300,979	\$50,000	\$69,095	\$0	(\$50,000)

¹ Beginning July 1, 2010, the Water Fund assumed salary and employee benefit costs associated with one position; supervision remains in the General Fund.



Public Works – Engineering Budget Description

The Department Requested FY 2013 Public Works – Engineering budget of \$3,409,935 represents a 0.6% increase of \$19,095 compared to the Adopted FY 2012 budget of \$3,390,840.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$51,863 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$2,500 decrease in Contractual Services to reflect historical spending.
- \$16,268 increase in Internal Service Charges based on Fleet Administration estimates.
- \$32,536 decrease in Other Charges reflecting a reduction in supplies purchased and the energy efficiency of using LEDs for traffic lights.
- \$14,000 decrease in Capital Outlay reflecting several one-time purchases needed in FY 2012.

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

- \$107,496 in Salaries and Employee Benefits reflecting the elimination of the Transportation Operations Supervisor and Administrative Services Associate II positions.

Major item proposed by the City Manager not requested in the original department submission:

- ✦ \$25,000 in Salaries and Employee Benefits to fund transition adjustments.



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). Over one-third of the Street Maintenance budget is used for contractual repairs and installations of sidewalks, guardrails, and all drainage systems that handle City street water runoff.

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	26.0	26.0	26.0	27.0	1.0
City Funded Part-Time	1.2	1.2	1.2	1.2	0.0
City Funded Temporary	1.4	1.4	1.4	1.4	0.0
TOTAL FTE	28.6	28.6	28.6	29.6	1.0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$845,140	\$835,610	\$814,353	\$834,529	(\$1,081)
Employee Benefits	291,534	361,832	380,953	388,889	27,057
Subtotal Personnel Services	\$1,136,674	\$1,197,442	\$1,195,306	\$1,223,418	\$25,976
<i>Operating</i>					
Contractual Services	\$2,336,805	\$1,397,927	\$1,303,054	\$1,303,054	(\$94,873)
Internal Service Charges	411,267	405,678	503,051	563,391	157,713
Other Charges	270,286	248,053	245,553	267,607	19,554
Rentals and Leases	157	0	0	0	0
Subtotal Operating	\$3,018,515	\$2,051,658	\$2,051,658	\$2,134,052	\$82,394
TOTAL EXPENDITURES	\$4,155,189	\$3,249,100	\$3,246,964	\$3,357,470	\$108,370
DEDICATED REVENUES					
State Categorical Aid - Highway Maintenance	\$3,084,205	\$3,100,000	\$3,100,000	\$2,650,571	(\$449,429)
Public Works Stormwater Charges	0	0	0	706,899	706,899
TOTAL DEDICATED REVENUES	\$3,084,205	\$3,100,000	\$3,100,000	\$3,357,470	\$257,470
TOTAL CITY COST	\$1,070,984	\$149,100	\$146,964	\$0	(\$149,100)



Public Works – Street Maintenance Budget Description

The Department Requested FY 2013 Public Works – Street Maintenance budget of \$3,246,964 represents a 0.1% decrease of \$2,136 compared to the Adopted FY 2012 budget of \$3,249,100.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$2,136 decrease in Salaries and Employee Benefits reflecting filling vacated positions at a lower than budgeted cost and reducing part-time hours, offset by changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$94,873 decrease in Contractual Services reflecting a reduction in paving, sidewalk and guardrail contractual work in addition to using fewer temporary staff for leaf collection.
- \$97,373 increase in Internal Service Charges based on Fleet Administration estimates.
- \$2,500 decrease in Other Charges reflecting historical expenditures.

Major items proposed by the City Manager not requested in the original department submission:

- ✦ \$28,112 in Salaries and Employee Benefits to fund a Streets Maintenance Technician I position to assist with street sweeping activities for stormwater maintenance.
- ✦ \$60,340 in Internal Service Charges from the addition of a third street sweeper.
- ✦ \$22,054 in Other Charges related to the additional position and activities.



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$55,073	\$65,000	\$65,000	\$65,000	\$0
Employee Benefits	4,922	6,503	6,503	6,503	0
Subtotal Personnel Services	\$59,995	\$71,503	\$71,503	\$71,503	\$0
<i>Operating</i>					
Contractual Services	\$12,597	\$7,957	\$7,957	\$7,957	\$0
Internal Service Charges	93,000	83,742	96,516	96,516	12,774
Other Charges	289,989	77,493	64,719	64,719	(12,774)
Subtotal Operating	\$395,586	\$169,192	\$169,192	\$169,192	\$0
TOTAL EXPENDITURES	\$455,581	\$240,695	\$240,695	\$240,695	\$0
DEDICATED REVENUES					
State Categorical Aid - Highway Maintenance	\$239,469	\$240,695	\$240,695	\$240,695	\$0
TOTAL DEDICATED REVENUES	\$239,469	\$240,695	\$240,695	\$240,695	\$0
TOTAL CITY COST	\$216,112	\$0	\$0	\$0	\$0

Public Works – Snow and Ice Removal Budget Description

The Department Requested FY 2013 Public Works – Snow Removal budget of \$240,695 represents no change compared to the Adopted FY 2012 budget.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$12,774 increase in Internal Service Charges based on Fleet Administration estimates.
- \$12,774 decrease in Other Charges reflecting a reduction in supplies.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	19.00	21.00	21.00	20.00	(1.00)
City Funded Part-Time	2.80	2.80	2.55	2.55	(0.25)
TOTAL FTE	21.80	23.80	23.55	22.55	(1.25)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$639,260	\$646,129	\$682,126	\$659,434	\$13,305
Employee Benefits	229,782	279,596	323,069	308,601	29,005
<i>Subtotal Personnel Services</i>	\$869,042	\$925,725	\$1,005,195	\$968,035	\$42,310
<i>Operating</i>					
Contractual Services	\$239,688	\$154,850	\$146,350	\$146,350	(\$8,500)
Internal Service Charges	204,821	195,214	297,361	297,361	102,147
Other Charges	195,929	222,069	213,485	213,485	(8,584)
Rentals and Leases	15,000	14,994	15,744	15,744	750
Payment to Regional Service Authority	853,243	903,260	903,260	928,260	25,000
<i>Subtotal Operating</i>	\$1,508,681	\$1,490,387	\$1,576,200	\$1,601,200	\$110,813
TOTAL EXPENDITURES	\$2,377,723	\$2,416,112	\$2,581,395	\$2,569,235	\$153,123
DEDICATED REVENUES					
State Categorical Aid - Highway Maintenance	\$259,808	\$261,139	\$261,139	\$239,136	(\$22,003)
TOTAL DEDICATED REVENUES	\$259,808	\$261,139	\$261,139	\$239,136	(\$22,003)
TOTAL CITY COST	\$2,117,915	\$2,154,973	\$2,320,256	\$2,330,099	\$175,126



Public Works – Refuse Budget Description

The Department Requested FY 2013 Public Works – Refuse budget of \$2,581,395 represents a 6.8% increase of \$165,283 compared to the Adopted FY 2012 budget of \$2,416,112.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$79,470 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$8,500 decrease in Contractual Services reflecting reductions in advertising, maintenance and repair, and other expenses as refuse operations relocate to the landfill maintenance building.
- \$102,147 increase in Internal Service Charges based on Fleet Administration estimates. As part of regionalization, beginning in late FY 2012, refuse, brush, and bulk collection trucks will be hauling residential trash, brush, and bulk materials to the landfill in Campbell County.
- \$8,584 decrease in Other Charges reflecting a reduction in supplies.

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

- \$34,577 in Salaries and Employee Benefits reflecting the elimination of a Public Works Associate position.



Public Works – Baseball Stadium Maintenance. Supports the operations and maintenance of Lynchburg City Stadium and Calvin Falwell Field.

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Operating</i>					
Contractual Services	\$0	\$29,063	\$29,063	\$29,063	\$0
Other Charges	0	98,315	98,315	98,315	0
Subtotal Operating	\$0	\$127,378	\$127,378	\$127,378	\$0
TOTAL CITY COST	\$0	\$127,378	\$127,378	\$127,378	\$0

Public Works – Baseball Stadium Maintenance Budget Description

The Department Requested FY 2013 Public Works – Baseball Stadium Maintenance budget of \$127,378 represents no change compared to the Adopted FY 2012 budget.

No significant changes were introduced in the Department Requested FY 2013 budget.

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



Public Works Performance Measures

Goal 1: Provide solid waste collection as economically as possible.				
Objective: Collect solid waste in a cost effective and efficient manner.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Operating and maintenance expenditures per ton of refuse collected.	\$47.37	\$49.50	\$49.50	\$51.00
Analysis of the Data: The Department switched over in FY 2011 using smart phone technology to schedule brush, bulk, and white goods collection. The refuse routes have also been rebalanced. The cost is expected to increase each year due to higher fuel, parts, and repair costs.				
Benchmark Localities: Chesapeake, Danville, Harrisonburg, and Spotsylvania County, VA; Longmont, CO				

Goal 2: Citizen approval of the appearance of parks and recreation facilities.				
Objective: Increase the percentage of respondents rating Parks and Recreation facilities as excellent or good.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Percentage of respondents rating Parks and Recreation facilities as excellent or good.	N/A	20%	20%	25%
Analysis of the Data: 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%).				
Benchmark Localities: Charlottesville, Danville, Harrisonburg, Herndon, and James City County, VA				



Public Works Performance Measures (continued)

Goal 3: Support the safety of the traveling public and the operating efficiency of the streets infrastructure system as economically as possible.				
Objective: Perform street maintenance activities in a cost effective and efficient manner.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Road rehabilitation expenditures per paved lane mile (includes paving, patching, all street maintenance activities)	\$3,750	\$3,500	\$3,800	\$3,900
Analysis of the Data: 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.				
Benchmark Localities: Blacksburg, Danville, Harrisonburg, and Richmond, VA; Salem, OR				

Goal 4: Improve the timeliness and on-budget delivery of capital projects managed by the Engineering Division in excess of \$1.0 million.				
Objective: 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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Percentage of Projects:				
On time	75%	82%	80%	82%
Within budget	78%	80%	75%	80%
Analysis of the Data: 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.				
Benchmark Localities: Virginia Department of Transportation; Roanoke and Danville, VA				



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	32.8	32.8	30.0	28.0	(4.8)
City Funded Part-Time	2.5	2.4	2.5	2.5	0.1
City Funded Temporary	6.4	6.4	6.4	6.4	0.0
Grant Funded Full-Time	3.0	3.0	3.0	3.0	0.0
TOTAL FTE	44.7	44.6	41.9	39.9	(4.7)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$1,321,490	\$1,496,688	\$1,418,117	\$1,328,698	(\$167,990)
Employee Benefits	476,166	600,837	604,654	563,677	(37,160)
Subtotal Personnel Services	\$1,797,656	\$2,097,525	\$2,022,771	\$1,892,375	(\$205,150)
<i>Operating</i>					
Contractual Services	\$1,849,077	\$2,198,718	\$2,188,603	\$2,188,603	(\$10,115)
Internal Service Charges	29,902	27,962	32,761	32,761	4,799
Other Charges	90,454	112,109	112,109	112,109	0
Rentals and Leases	57,064	60,299	61,211	61,211	912
Subtotal Operating	\$2,026,497	\$2,399,088	\$2,394,684	\$2,394,684	(\$4,404)
Total General Fund Expenditures	\$3,824,153	\$4,496,613	\$4,417,455	\$4,287,059	(\$209,554)
Total Grant Expenditures ¹	\$15,202	\$20,000	\$20,000	\$20,000	\$0
TOTAL EXPENDITURES	\$3,839,355	\$4,516,613	\$4,437,455	\$4,307,059	(\$209,554)
DEDICATED REVENUES					
State Categorical Aid	\$234,170	\$216,624	\$216,624	\$216,624	\$0
Juvenile Service Providers	718,522	872,026	876,404	876,404	4,378
Federal Grants	15,202	20,000	20,000	20,000	0
TOTAL DEDICATED REVENUES	\$967,894	\$1,108,650	\$1,113,028	\$1,113,028	\$4,378
TOTAL CITY COST	\$2,871,461	\$3,407,963	\$3,324,427	\$3,194,031	(\$213,932)

¹ Details of the Grant Expenditures can be located in the Other Funds Section of this document.



Juvenile Services Budget Description

The Department Requested FY 2013 Juvenile Services budget of \$4,417,455 represents a 1.8% decrease of \$79,158 compared to the Adopted FY 2012 budget of \$4,496,613.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$74,754 decrease in Salaries and Employee Benefits reflecting the removal of 2.8 CSA positions out of the Juvenile Services budget and placing them in the Social Services budget to increase the reimbursement for those positions, offset by changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$10,115 decrease in Contractual Services reflecting lower local costs due to moving the CSA positions.
- \$4,799 increase in Internal Service Charges based on Fleet Administration estimates.

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

- \$126,337 in Salaries and Employee Benefits for a Youth Counselor position and a Non-Residential Administration position.



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).				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Percent of participants successfully completing the program (average of all programs).	83.0%	85.0%	85.0%	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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Percent of program participants completing court-ordered community services activities	75%	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

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	115.00	118.00	121.00	119.00	1.00
City Funded Part-Time	5.44	4.94	5.82	5.07	0.13
City Funded Temporary	3.38	3.38	3.38	3.38	0.00
Grant Funded Full-Time	4.00	4.00	2.00	2.00	(2.00)
Grant Funded Part-Time	0.00	0.00	0.88	0.88	0.88
TOTAL FTE	127.82	130.32	133.08	130.33	0.01
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$3,835,431	\$4,028,102	\$4,178,918	\$4,101,006	\$72,904
Employee Benefits	1,460,899	1,792,973	1,991,232	1,948,151	155,178
Subtotal Personnel Services	\$5,296,330	\$5,821,075	\$6,170,150	\$6,049,157	\$228,082
<i>Operating</i>					
Contractual Services	\$62,933	\$75,441	\$75,441	\$75,441	\$0
Internal Service Charges	48,097	45,720	53,387	53,387	7,667
Other Charges	185,588	179,483	168,009	168,009	(11,474)
Rentals and Leases	108,409	97,155	97,155	97,155	0
Public Assistance	7,936,864	6,490,019	6,075,506	6,069,282	(420,737)
Subtotal Operating	\$8,341,891	\$6,887,818	\$6,469,498	\$6,463,274	(\$424,544)
Total General Fund Expenditures	\$13,638,221	\$12,708,893	\$12,639,648	\$12,512,431	(\$196,462)
Total Grant Expenditures ¹	\$309,756	\$343,796	\$228,296	\$228,296	(\$115,500)
TOTAL EXPENDITURES	\$13,947,977	\$13,052,689	\$12,867,944	\$12,740,727	(\$311,962)
DEDICATED REVENUES					
Federal Categorical Aid - Social Services Admin.	\$3,051,019	\$3,483,871	\$3,596,603	\$3,536,740	\$52,869
Federal Categorical Aid - Social Services Programs	2,475,795	2,430,385	1,863,937	1,863,937	(566,448)
Federal Categorical Aid - Indirect Cost Reimbursement	412,051	400,000	400,000	400,000	0
State Categorical Aid - Social Services Admin.	1,516,172	1,225,033	1,202,571	1,199,708	(25,325)
State Categorical Aid - Social Services Programs	5,014,381	3,800,344	4,007,993	4,007,993	207,649
Special Welfare Recoupment	20,908	30,000	30,000	30,000	0
Miscellaneous	8,748	0	0	0	0
Federal Grants	246,312	279,595	197,594	197,594	(82,001)
State Grants	42,799	52,092	18,982	18,982	(33,110)
TOTAL DEDICATED REVENUES	\$12,788,185	\$11,701,320	\$11,317,680	\$11,254,954	(\$446,366)
TOTAL CITY COST	\$1,159,792	\$1,351,369	\$1,550,264	\$1,485,773	\$134,404

¹ 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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	115.00	118.00	121.00	119.00	1.00
City Funded Part-Time	5.44	4.94	5.82	5.07	0.13
City Funded Temporary	3.38	3.38	3.38	3.38	0.00
TOTAL FTE	123.82	126.32	130.20	127.45	1.13
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$3,835,431	\$4,028,102	\$4,178,918	\$4,101,006	\$72,904
Employee Benefits	1,456,118	1,786,749	1,985,008	1,941,927	155,178
Subtotal Personnel Services	\$5,291,549	\$5,814,851	\$6,163,926	\$6,042,933	\$228,082
<i>Operating</i>					
Contractual Services	\$62,933	\$75,441	\$75,441	\$75,441	\$0
Internal Service Charges	48,097	45,720	53,387	53,387	7,667
Other Charges	185,588	179,483	168,009	168,009	(11,474)
Rentals and Leases	108,409	97,155	97,155	97,155	0
Subtotal Operating	\$405,027	\$397,799	\$393,992	\$393,992	(\$3,807)
TOTAL EXPENDITURES	\$5,696,576	\$6,212,650	\$6,557,918	\$6,436,925	\$224,275
DEDICATED REVENUES					
Federal Categorical Aid - Social Services Admin.	\$3,051,019	\$3,483,871	\$3,596,603	\$3,536,740	\$52,869
Federal Categorical Aid - Indirect Cost Reimbursement	412,051	400,000	400,000	400,000	0
State Categorical Aid - Social Services Admin.	1,516,172	1,225,033	1,202,571	1,199,708	(25,325)
TOTAL DEDICATED REVENUES	\$4,979,242	\$5,108,904	\$5,199,174	\$5,136,448	\$27,544
TOTAL CITY COST	\$717,334	\$1,103,746	\$1,358,744	\$1,300,477	\$196,731



Social Services Administration Budget Description

The Department Requested FY 2013 Social Services Administration budget of \$6,557,918 represents a 5.6% increase of \$345,268 compared to the Adopted FY 2012 budget of \$6,212,650.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$349,075 increase in Salaries and Employee Benefits reflecting the addition of 1 part-time position, transferring 2.8 CSA positions from Juvenile Services, reclassifying eight Client Services Associates to Administrative Services Associate IIs, as well as changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$7,667 increase in Internal Service Charges based on Fleet Administration estimates.
- \$11,474 decrease in Other Charges primarily reflecting a decrease in training and office supplies.

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

- \$137,660 in Salaries and Employee Benefits for two Social Worker positions, a Fleet and Procurement Technician position, and a part-time Client Services Associate position.

Major item proposed by the City Manager not requested in the original department submission:

- ✦ \$49,233 in Salaries and Employee Benefits reflecting the transfer of a Financial Technician III position from the Financial Services – Human Services Financial Division budget.



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Employee Benefits	\$4,781	\$6,224	\$6,224	\$6,224	\$0
Subtotal Personnel Services	\$4,781	\$6,224	\$6,224	\$6,224	\$0
<i>Operating</i>					
Public Assistance	\$7,936,864	\$6,490,019	\$6,069,282	\$6,069,282	(\$420,737)
Subtotal Operating	\$7,936,864	\$6,490,019	\$6,069,282	\$6,069,282	(\$420,737)
TOTAL EXPENDITURES	\$7,941,645	\$6,496,243	\$6,075,506	\$6,075,506	(\$420,737)
DEDICATED REVENUES					
Federal Categorical Aid - Social Services Programs	\$2,475,795	\$2,430,385	\$1,863,937	\$1,863,937	(\$566,448)
State Categorical Aid - Social Services Programs	5,014,381	3,800,344	4,007,993	4,007,993	207,649
Special Welfare Recoupment	20,908	30,000	30,000	30,000	0
TOTAL DEDICATED REVENUES	\$7,511,084	\$6,260,729	\$5,901,930	\$5,901,930	(\$358,799)
TOTAL CITY COST	\$430,561	\$235,514	\$173,576	\$173,576	(\$61,938)

Public Assistance Budget Description

The Department Requested FY 2013 Public Assistance budget of \$6,075,506 represents a 6.5% decrease of \$420,737 compared to the Adopted FY 2012 budget of \$6,496,243.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$420,737 decrease in Public Assistance reflecting the management of the childcare program by the State.

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



Social Services Performance Measures

Goal 1:				
Provide timely financial assistance services (SNAP, Medicaid and Temporary Assistance to Needy Families) to eligible clients.				
Objective:				
Meet or exceed State composite timeliness target of 97.0% for these programs.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Percentage of cases meeting State and federal programmatic timeliness policy.	93.0%	90.0%	93.0%	93.0%
Analysis of the Data:				
Significant increases in applications and cases under care and significant policy changes during FY 2010, FY 2011 and FY 2012 continue to contribute to the failure to meet target. Forty-four percent of the Benefit Programs staff is in training and have less than three years experience. Failure to meet federal standards is due to these combined factors as well as to the frequent policy changes and the continuing increases in applications and ongoing cases as the economy struggles to improve.				

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).				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Repeat maltreatment	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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Percentage of customers rating services as satisfactory or better.	95.5%	94.0%	91.2%	94.0%
Analysis of the Data:				
Staff strives to provide outstanding customer service, but significant increases in the number of citizens accessing services due to ongoing economic challenges coupled with personnel shortages continue to make this goal less attainable.				

Benchmark Localities:
Petersburg, Charlottesville, Danville, Roanoke City, Chesterfield, and Hanover, VA



Public Library including the Law Library

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	21.00	21.00	20.00	19.00	(2.00)
City Funded Part-Time	11.58	11.59	8.97	9.34	(2.25)
City Funded Temporary	0.37	0.37	0.37	0.37	0.00
TOTAL FTE	32.95	32.96	29.34	28.71	(4.25)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$942,347	\$993,785	\$913,871	\$883,462	(\$110,323)
Employee Benefits	310,173	363,132	377,857	357,581	(5,551)
<i>Subtotal Personnel Services</i>	\$1,252,520	\$1,356,917	\$1,291,728	\$1,241,043	(\$115,874)
<i>Operating</i>					
Contractual Services	\$43,490	\$42,736	\$42,736	\$42,736	\$0
Internal Service Charges	904	1,523	1,011	1,011	(512)
Other Charges	211,551	206,307	202,092	202,092	(4,215)
Rentals and Leases	30,571	27,760	29,260	29,260	1,500
<i>Subtotal Operating</i>	\$286,516	\$278,326	\$275,099	\$275,099	(\$3,227)
TOTAL DEPARTMENT EXPENDITURES	\$1,539,036	\$1,635,243	\$1,566,827	\$1,516,142	(\$119,101)
DEDICATED REVENUES					
Library Fines and Fees	\$79,440	\$80,000	\$80,000	\$80,000	\$0
Lost/Damaged Library Property	4,592	6,000	5,000	5,000	(1,000)
State Categorical Aid	150,938	148,847	149,455	149,455	608
Friends of the Lynchburg Library	14,500	14,500	14,500	14,500	0
Contributions to the Library	20,000	0	0	0	0
Delinquent Library Charges	13,136	8,000	8,000	8,000	0
Law Library Fees	54,999	60,000	60,000	60,000	0
Assigned Fund Balance Reserve	(3,661)	(5,080)	(5,080)	(5,080)	0
TOTAL DEDICATED REVENUES	\$333,944	\$312,267	\$311,875	\$311,875	(\$392)
TOTAL CITY COST	\$1,205,092	\$1,322,976	\$1,254,952	\$1,204,267	(\$118,709)



Public Library. Provides a full range of services to meet the informational, educational, and recreational needs of the community. In FY 2011, there were 29,824 registered borrowers and 63,610 web page visits. The library’s collections include: 134,599 books, 278 magazine subscriptions, 5,473 audio tapes, 10,383 DVDs and VHS tapes, and several electronic databases, which are available on the library’s web page. In FY 2011, circulation was 511,596; 289,470 electronic searches were made; the Youth Services staff provided programs to 8,942 children; and public access to the internet was provided to 78,671 individuals. A book delivery service is provided to 20 senior center locations with 4,629 items in the deposit collection. During FY 2011, 99 volunteers donated 3,302 hours of service.

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	21.00	21.00	20.00	19.00	(2.00)
City Funded Part-Time	11.58	11.59	8.97	9.34	(2.25)
City Funded Temporary	0.37	0.37	0.37	0.37	0.00
TOTAL FTE	32.95	32.96	29.34	28.71	(4.25)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$942,347	\$993,785	\$913,871	\$883,462	(\$110,323)
Employee Benefits	310,173	363,132	377,857	357,581	(5,551)
Subtotal Personnel Services	\$1,252,520	\$1,356,917	\$1,291,728	\$1,241,043	(\$115,874)
<i>Operating</i>					
Contractual Services	\$43,490	\$42,736	\$42,736	\$42,736	\$0
Internal Service Charges	904	1,523	1,011	1,011	(512)
Other Charges	186,363	177,537	173,322	173,322	(4,215)
Rentals and Leases	30,571	27,760	29,260	29,260	1,500
Subtotal Operating	\$261,328	\$249,556	\$246,329	\$246,329	(\$3,227)
TOTAL EXPENDITURES	\$1,513,848	\$1,606,473	\$1,538,057	\$1,487,372	(\$119,101)
DEDICATED REVENUES					
Library Fines and Fees	\$79,440	\$80,000	\$80,000	\$80,000	\$0
Lost/Damaged Library Property	4,592	6,000	5,000	5,000	(1,000)
State Categorical Aid	150,938	148,847	149,455	149,455	608
Friends of the Lynchburg Library	14,500	14,500	14,500	14,500	0
Contributions to the Library	20,000	0	0	0	0
Delinquent Library Charges	13,136	8,000	8,000	8,000	0
Law Library Fees	26,150	26,150	26,150	26,150	0
TOTAL DEDICATED REVENUES	\$308,756	\$283,497	\$283,105	\$283,105	(\$392)
TOTAL CITY COST	\$1,205,092	\$1,322,976	\$1,254,952	\$1,204,267	(\$118,709)



Public Library Budget Description

The Department Requested FY 2013 Public Library budget of \$1,538,057 represents a 4.3% decrease of \$68,416 compared to the Adopted FY 2012 budget of \$1,606,473.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$65,189 decrease in Salaries and Employee Benefits reflecting the elimination of a vacant Library Assistant III position and several vacant part-time positions, offset by changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$4,215 decrease in Other Charges reflecting a reduction in office supply costs.
- \$1,500 increase in Rentals and Lease reflecting additional costs for book rental services.

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

- \$56,554 in Salaries and Employee Benefits reflecting the elimination of a Librarian I position.

Major item proposed by the City Manager not requested in the original department submission:

- ✦ \$8,330 in Salaries and Employee Benefits to provide additional part-time hours due to the elimination of a Librarian I position.



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
EXPENDITURES					
<i>Operating</i>					
Other Charges	\$25,188	\$28,770	\$28,770	\$28,770	\$0
<i>Subtotal Operating</i>	\$25,188	\$28,770	\$28,770	\$28,770	\$0
TOTAL EXPENDITURES	\$25,188	\$28,770	\$28,770	\$28,770	\$0
DEDICATED REVENUES					
Law Library Fees	\$28,849	\$33,850	\$33,850	\$33,850	\$0
Assigned Fund Balance Reserve	(3,661)	(5,080)	(5,080)	(5,080)	0
TOTAL DEDICATED REVENUES	\$25,188	\$28,770	\$28,770	\$28,770	\$0
TOTAL CITY COST	\$0	\$0	\$0	\$0	\$0

Law Library Budget Description

The Department Requested FY 2013 Law Library budget of \$28,770 represents no change compared to the Adopted FY 2012 budget.

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



Public Library Performance Measures

Goal 1:
Increase circulation per capita.

Objective:
To provide a diverse collection of materials which are useful to our community.

Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Circulation per capita	7.23	7.75	7.50	7.75

Analysis of the Data:
In FY 2011, circulation was down approximately 1% from FY 2010; FY 2011 is the 6th busiest year in the Library's history. Projections for circulation in FY 2012 and FY 2013 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.

Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Program attendance per capita	0.18	0.20	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.

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.

Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Visits per capita	4.50	4.50	2.10	4.50

Analysis of the Data:
Reductions in State funding over the last few 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.



Museum including the Point of Honor/Carriage House

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	4.00	4.00	4.00	4.00	0.00
City Funded Part-Time	4.94	4.94	4.94	4.94	0.00
TOTAL FTE	8.94	8.94	8.94	8.94	0.00
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$271,387	\$272,340	\$272,338	\$272,338	(\$2)
Employee Benefits	76,501	84,393	92,408	91,916	7,523
Subtotal Personnel Services	\$347,888	\$356,733	\$364,746	\$364,254	\$7,521
<i>Operating</i>					
Contractual Services	\$37,827	\$31,173	\$30,920	\$30,920	(\$253)
Internal Service Charges	1,801	1,852	2,125	2,125	273
Other Charges	21,445	28,503	28,475	28,475	(28)
Rentals and Leases	8,587	9,767	9,767	9,767	0
Subtotal Operating	\$69,660	\$71,295	\$71,287	\$71,287	(\$8)
TOTAL DEPARTMENT EXPENDITURES	\$417,548	\$428,028	\$436,033	\$435,541	\$7,513
DEDICATED REVENUES					
Lynchburg Museum Admission	\$19,678	\$14,500	\$16,500	\$16,500	\$2,000
Digg's Trust	19,283	39,330	32,966	32,966	(6,364)
Contributions to the Lynchburg Museum System	21,200	0	0	0	0
Point of Honor Admission	10,441	7,500	10,000	10,000	2,500
Reimbursement - Point of Honor/Carriage House	45,000	28,311	26,283	26,283	(2,028)
Assigned Fund Balance Reserve	(15,221)	0	0	0	0
TOTAL DEDICATED REVENUES	\$100,381	\$89,641	\$85,749	\$85,750	(\$3,891)
TOTAL CITY COST	\$317,167	\$338,387	\$350,284	\$349,791	\$11,404



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	4.00	4.00	4.00	4.00	0.00
City Funded Part-Time	3.44	3.44	4.94	4.94	1.50
TOTAL FTE	7.44	7.44	8.94	8.94	1.50
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$247,045	\$245,097	\$272,338	\$272,338	\$27,241
Employee Benefits	74,639	82,309	92,408	91,916	9,607
Subtotal Personnel Services	\$321,684	\$327,406	\$364,746	\$364,254	\$36,848
<i>Operating</i>					
Contractual Services	\$32,520	\$27,550	\$30,920	\$30,920	\$3,370
Internal Service Charges	1,801	1,852	2,125	2,125	273
Other Charges	12,736	16,453	28,475	28,475	12,022
Rentals and Leases	8,587	9,767	9,767	9,767	0
Subtotal Operating	\$55,644	\$55,622	\$71,287	\$71,287	\$15,665
TOTAL EXPENDITURES	\$377,328	\$383,028	\$436,033	\$435,541	\$52,513
DEDICATED REVENUES					
Lynchburg Museum Admission	\$19,678	\$14,500	\$16,500	\$16,500	\$2,000
Digg's Trust	19,283	39,330	32,966	32,966	(6,364)
Contributions to the Lynchburg Museum System	21,200	0	0	0	0
Point of Honor Admission	0	0	10,000	10,000	10,000
Reimbursement - Point of Honor/Carriage House	0	0	26,283	26,283	26,283
TOTAL DEDICATED REVENUES	\$60,161	\$53,830	\$85,749	\$85,749	\$31,919
TOTAL CITY COST	\$317,167	\$329,198	\$350,284	\$349,792	\$20,594

Museums Budget Description

The Department Requested FY 2013 Museums budget of \$436,033 represents a 13.8% increase of \$53,005 compared to the Adopted FY 2012 budget of \$383,028.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$10,099 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$44,983 increase across all other categories due to merging the Point of Honor/Carriage House budget into the Museum budget.

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



Point of Honor/Carriage House

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Part-Time	1.5	1.5	0.0	0.0	(1.5)
TOTAL FTE	1.5	1.5	0.0	0.0	(1.5)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$24,342	\$27,243	\$0	\$0	(\$27,243)
Employee Benefits	1,862	2,084	0	0	(2,084)
Subtotal Personnel Services	\$26,204	\$29,327	\$0	\$0	(\$29,327)
<i>Operating</i>					
Contractual Services	\$5,307	\$3,623	\$0	\$0	(\$3,623)
Other Charges	8,709	12,050	0	0	(12,050)
Subtotal Operating	\$14,016	\$15,673	\$0	\$0	(\$15,673)
TOTAL EXPENDITURES	\$40,220	\$45,000	\$0	\$0	(\$45,000)
DEDICATED REVENUES					
Point of Honor Admission	\$10,441	\$7,500	\$0	\$0	(\$7,500)
Reimbursement – Point of Honor/Carriage House	45,000	28,311	0	0	(28,311)
Assigned Fund Balance Reserve	(15,221)	0	0	0	0
TOTAL DEDICATED REVENUES	\$40,220	\$35,811	\$0	\$0	(\$35,811)
TOTAL CITY COST	\$0	\$9,189	\$0	\$0	(\$9,189)

Point of Honor/Carriage House Budget Description

The Department Requested FY 2013 Point of Honor/Carriage House budget of \$0 represents a 100.0% decrease compared to the Adopted FY 2012 budget.

The Point of Honor/Carriage House budget is included in the Museums budget beginning in FY 2013.



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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Number of annual visitors to the Museum System	16,308	13,800	8,700	16,400
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 2013, the Department will continue to strive to increase school and homeschool tours, build partnerships, engage volunteers, 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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Value of volunteer hours	\$67,733	\$52,500	\$34,176	\$69,420
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 2011 totalled 3,171 valued at \$21.36 (\$67,733). The Department projects a small increase in volunteer hours in FY 2013 as it continues to actively engage volunteers.				

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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Customer satisfaction level	90%	90%	90%	90%
Analysis of the Data: Based on past results, the Department projects maintaining a 90% satisfaction rate in FY 2013.				

Benchmark Localities: Manassas, Portsmouth, Newport News, and Petersburg, VA				
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Parks and Recreation, Recreation Programs, and Community Market

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	32.59	34.00	34.00	33.00	(1.00)
City Funded Part-Time	17.55	18.35	18.35	18.35	0.00
City Funded Temporary	7.08	10.38	10.38	10.38	0.00
TOTAL FTE	57.22	62.73	62.73	61.73	(1.00)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$1,842,694	\$1,900,772	\$1,893,242	\$1,865,766	(\$35,006)
Employee Benefits	517,901	598,066	643,117	625,621	27,555
Subtotal Personnel Services	\$2,360,595	\$2,498,838	\$2,536,359	\$2,491,387	(\$7,451)
<i>Operating</i>					
Contractual Services	\$152,430	\$171,560	\$166,650	\$166,650	(\$4,910)
Internal Service Charges	42,574	43,140	48,859	48,859	5,719
Other Charges	376,688	380,564	377,393	377,393	(3,171)
Rentals and Leases	13,609	15,872	15,780	15,780	(92)
Subtotal Operating	\$585,301	\$611,136	\$608,682	\$608,682	(\$2,454)
TOTAL DEPARTMENT EXPENDITURES	\$2,945,896	\$3,109,974	\$3,145,041	\$3,100,069	(\$9,905)
DEDICATED REVENUES					
Swimming Pool Fees	\$24,022	\$27,000	\$29,000	\$29,000	\$2,000
Recreation Program Fees	315,496	346,800	321,810	321,810	(24,990)
Assigned Fund Balance Reserve	40,627	66,453	89,957	89,957	23,504
Special Events Sponsorship	2,600	4,000	4,000	4,000	0
TOTAL DEDICATED REVENUES	\$382,745	\$444,253	\$444,767	\$444,767	\$514
TOTAL CITY COST	\$2,563,151	\$2,665,721	\$2,700,274	\$2,655,302	(\$10,419)



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	30.85	32.00	32.00	31.00	(1.00)
City Funded Part-Time	10.41	11.29	11.29	11.29	0.00
City Funded Temporary	6.34	6.21	6.21	6.21	0.00
TOTAL FTE	47.60	49.50	49.50	48.50	(1.00)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$1,598,628	\$1,595,868	\$1,587,077	\$1,559,601	(\$36,267)
Employee Benefits	480,459	549,977	593,721	576,471	26,494
Subtotal Personnel Services	\$2,079,087	\$2,145,845	\$2,180,798	\$2,136,072	(\$9,773)
<i>Operating</i>					
Contractual Services	\$44,933	\$50,370	\$44,560	\$44,560	(\$5,810)
Internal Service Charges	40,488	41,072	46,734	46,734	5,662
Other Charges	119,703	137,459	133,455	133,455	(4,004)
Rentals and Leases	13,609	15,872	15,780	15,780	(92)
Subtotal Operating	\$218,733	\$244,773	\$240,529	\$240,529	(\$4,244)
TOTAL EXPENDITURES	\$2,297,820	\$2,390,618	\$2,421,327	\$2,376,601	(\$14,017)
DEDICATED REVENUES					
Swimming Pool Fees	\$24,022	\$27,000	\$29,000	\$29,000	\$2,000
TOTAL DEDICATED REVENUES	\$24,022	\$27,000	\$29,000	\$29,000	\$2,000
TOTAL CITY COST	\$2,273,798	\$2,363,618	\$2,392,327	\$2,347,601	(\$16,017)

Parks and Recreation Budget Description

The Department Requested FY 2013 Parks and Recreation budget of \$2,421,327 represents a 1.3% increase of \$30,709 compared to the Adopted FY 2012 budget of \$2,390,618.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$34,953 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$5,810 decrease in Contractual Services reflecting reduced charges for use of school gyms, and minor repairs.
- \$5,662 increase in Internal Service Charges based on Fleet Administration Estimates.
- \$4,004 decrease in Other Charges reflecting reductions in custodial supplies and various line items.

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

- \$40,790 in Salaries and Employee Benefits due to the elimination of a Senior Recreation Specialist position.



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Part-Time	4.09	4.04	4.04	4.04	0.00
City Funded Temporary	0.74	4.17	4.17	4.17	0.00
TOTAL FTE	4.83	8.21	8.21	8.21	0.00
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$116,659	\$174,466	\$175,727	\$175,727	\$1,261
Employee Benefits	9,524	13,347	13,444	13,444	97
Subtotal Personnel Services	\$126,183	\$187,813	\$189,171	\$189,171	\$1,358
<i>Operating</i>					
Contractual Services	\$77,976	\$93,230	\$93,400	\$93,400	\$170
Other Charges	154,564	136,210	133,196	133,196	(3,014)
Subtotal Operating	\$232,540	\$229,440	\$226,596	\$226,596	(\$2,844)
TOTAL EXPENDITURES	\$358,723	\$417,253	\$415,767	\$415,767	(\$1,486)
DEDICATED REVENUES					
Recreation Program Fees	\$315,496	\$346,800	\$321,810	\$321,810	(\$24,990)
Assigned Fund Balance Reserve	40,627	66,453	89,957	89,957	23,504
Special Events Sponsorship	2,600	4,000	4,000	4,000	0
TOTAL DEDICATED REVENUES	\$358,723	\$417,253	\$415,767	\$415,767	(\$1,486)
TOTAL CITY COST	\$0	\$0	\$0	\$0	\$0

Parks and Recreation – Recreation Programs Budget Description

The Department Requested FY 2013 Parks and Recreation – Recreation Programs budget of \$415,767 represents a 0.4% decrease of \$1,486 compared to the Adopted FY 2012 budget of \$417,253.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$3,014 decrease in Other Charges reflecting reductions in food, Chemicals/gases, and miscellaneous other charges.

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



City Armory/Community Market. The City Armory and Community Market are focal points of downtown activity. The City Armory, which is a 23,000 square-foot gymnasium-style facility, is utilized throughout the year by the Central Virginia Criminal Justice Academy and also hosts numerous City and private events, including parties, community special events, and various athletic events. The Community Market, a 22,000 square-foot retail facility, provides retail space for local farmers and craft vendors, permanent restaurants and other shops. The Armory/Market budget supports the staff and services required for continued operation of both facilities including custodial services, minor facility maintenance and administrative services. The Armory/Market staff also provides support services to third-party organizations interested in hosting special events and activities.

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	1.74	2.00	2.00	2.00	0.00
City Funded Part-Time	3.05	3.02	3.02	3.02	0.00
TOTAL FTE	4.79	5.02	5.02	5.02	0.00
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$127,407	\$130,438	\$130,438	\$130,438	\$0
Employee Benefits	27,918	34,742	35,952	35,706	964
Subtotal Personnel Services	\$155,325	\$165,180	\$166,390	\$166,144	\$964
<i>Operating</i>					
Contractual Services	\$29,521	\$27,960	\$28,690	\$28,690	\$730
Internal Service Charges	2,086	2,068	2,125	2,125	57
Other Charges	102,421	106,895	110,742	110,742	3,847
Subtotal Operating	\$134,028	\$136,923	\$141,557	\$141,557	\$4,634
TOTAL CITY COST	\$289,353	\$302,103	\$307,947	\$307,701	\$5,598

City Armory/Community Market Budget Description

The Department Requested FY 2013 City Armory/Community Market budget of \$307,947 represents a 1.9% increase of \$5,844 compared to the Adopted FY 2012 budget of \$302,103.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$1,210 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$3,847 increase in Other Charges reflecting increases in electricity charges.

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



Parks and Recreation Performance Measures

Goal 1:				
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.				
Objective:				
Provide effective and efficient services.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Parks and recreation FTEs per 1,000 population	0.92	0.90	0.97	0.92
Analysis of the Data:				
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 2011 numbers include 0.77 FTE from the Department of Parks and Recreation and 0.15 FTE from the Department of Public Works; in the first half of FY 2012 both of these figures increased to 0.82 from the Department of Parks and Recreation and 0.16 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.				

Goal 2:				
Become a more self-sustaining department by reducing the cost of Parks & Recreation services and activities to the General Fund.				
Objective:				
Increase the percentage of Department expenses funded by user/ participant fees.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Fee funded expenses as a percentage of total department expenses	14%	15%	14%	15%
Analysis of the Data:				
The movement of nine part-time positions from the operating budget (General Fund supported) to the Recreation Fund (Fees supported) budget for FY 2011 alleviated the operating budget of approximately \$100,000 in expenses and increased the Recreation Fund's percentage of total expenses from 11% in FY 2010 to 14% in FY 2011. While the Department continues to seek additional opportunities to move expenses to the Recreation Fund, the increase in full-time employee benefits expenses in the operating budget has resulted in the percentage leveling out for this and the next fiscal year.				



Community Development

	Actual FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	23.75	22.70	23.00	21.00	(1.70)
City Funded Part-Time	0.75	0.75	0.75	0.75	0.00
City Funded Temporary	0.30	0.30	0.30	0.30	0.00
Grant Funded Full-Time	1.00	0.80	0.50	0.50	(0.30)
Grant Funded Part-Time	1.25	0.80	0.80	0.80	0.00
TOTAL FTE	27.05	25.35	25.35	23.35	(2.00)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$939,869	\$1,076,582	\$1,083,798	\$1,022,844	(\$53,738)
Employee Benefits	346,641	443,496	480,676	442,011	(1,485)
<i>Subtotal Personnel Services</i>	\$1,286,510	\$1,520,078	\$1,564,474	\$1,464,855	(\$55,223)
<i>Operating</i>					
Contractual Services	\$47,560	\$48,250	\$44,400	\$44,400	(\$3,850)
Internal Service Charges	25,305	23,124	29,222	29,222	6,098
Other Charges	80,117	47,138	49,324	49,324	2,186
Rentals and Leases	4,143	10,500	6,000	6,000	(4,500)
<i>Subtotal Operating</i>	\$157,125	\$129,012	\$128,946	\$128,946	(\$66)
Total General Fund Expenditures	\$1,443,635	\$1,649,090	\$1,693,420	\$1,593,801	(\$55,289)
Total Grant Expenditures ¹	\$1,410,280	\$1,372,558	\$925,112	\$925,112	(\$447,446)
TOTAL DEPARTMENT EXPENDITURES	\$2,853,915	\$3,021,648	\$2,618,532	\$2,518,913	(\$502,735)
DEDICATED REVENUES					
Community Development Block Grant (CDBG)	\$672,830	\$904,816	\$641,273	\$641,273	(\$263,543)
HOME	737,450	467,742	283,839	283,839	(183,903)
Community Development Stormwater Charges	0	0	0	298,408	298,408
Weed Ordinance Program	36,828	21,420	25,000	25,000	3,580
TOTAL DEDICATED REVENUES	\$1,447,108	\$1,393,978	\$950,112	\$1,248,520	(\$145,458)
TOTAL CITY COST	\$1,406,807	\$1,627,670	\$1,668,420	\$1,270,393	(\$357,277)

¹ 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 compliance 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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	6.50	3.50	3.50	3.50	0.00
Grant Funded Full-Time	1.00	0.80	0.50	0.50	(0.30)
Grant Funded Part-Time	1.25	0.80	0.80	0.80	0.00
TOTAL FTE	8.75	5.10	4.80	4.80	(0.30)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$300,872	\$210,080	\$208,479	\$231,702	\$21,622
Employee Benefits	108,297	84,352	89,991	91,338	6,986
Subtotal Personnel Services	\$409,169	\$294,432	\$298,470	\$323,040	\$28,608
<i>Operating</i>					
Contractual Services	\$22,864	\$300	\$300	\$300	\$0
Internal Service Charges	3,523	0	0	0	0
Other Charges	24,687	8,185	7,685	7,685	(500)
Rentals and Leases	4,143	10,500	6,000	6,000	(4,500)
Subtotal Operating	\$55,217	\$18,985	\$13,985	\$13,985	(\$5,000)
Total General Fund Expenditures	\$464,386	\$313,417	\$312,455	\$337,025	\$23,608
Total Grant Expenditures ¹	\$1,410,280	\$1,372,558	\$925,112	\$925,112	(\$447,446)
TOTAL EXPENDITURES	\$1,874,666	\$1,685,975	\$1,237,567	\$1,262,137	(\$423,838)
DEDICATED REVENUES					
Community Development Block Grant (CDBG)	\$672,830	\$904,816	\$641,273	\$641,273	(\$263,543)
HOME	737,450	467,742	283,839	283,839	(183,903)
Community Development Stormwater Charges	0	0	0	182,029	182,029
TOTAL DEDICATED REVENUES	\$1,410,280	\$1,372,558	\$925,112	\$1,107,141	(\$265,417)
TOTAL CITY COST	\$464,386	\$313,417	\$312,455	\$154,996	(\$158,421)

¹ 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 2013 Community Development – Office of the Director budget of \$312,455 represents a 0.3% decrease of \$962 compared to the Adopted FY 2012 budget of \$313,417.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$4,038 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$4,500 decrease in Rentals and Leases reflecting the purchase of a new copier lease contract.

Major item proposed by the City Manager not requested in the original department submission:

- ✦ \$25,000 in Salaries and Employee Benefits to fund transition adjustments.



Community Development – Inspections and Code Compliance 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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	12.25	12.20	12.50	11.50	(0.70)
City Funded Part-Time	0.75	0.75	0.75	0.75	0.00
City Funded Temporary	0.30	0.30	0.30	0.30	0.00
TOTAL FTE	13.30	13.25	13.55	12.55	(0.70)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$458,010	\$518,722	\$527,539	\$488,560	(\$30,162)
Employee Benefits	169,774	216,145	237,572	219,286	3,141
Subtotal Personnel Services	\$627,784	\$734,867	\$765,111	\$707,846	(\$27,021)
<i>Operating</i>					
Contractual Services	\$19,685	\$40,250	\$37,150	\$37,150	(\$3,100)
Internal Service Charges	21,782	20,626	25,570	25,570	4,944
Other Charges	41,404	24,375	27,465	27,465	3,090
Subtotal Operating	\$82,871	\$85,251	\$90,185	\$90,185	\$4,934
TOTAL EXPENDITURES	\$710,655	\$820,118	\$855,296	\$798,031	(\$22,087)
DEDICATED REVENUES					
Community Development Stormwater Charges	\$0	\$0	\$0	\$16,640	\$16,640
Weed Ordinance Program	36,828	21,420	25,000	25,000	3,580
TOTAL DEDICATED REVENUES	\$36,828	\$21,420	\$25,000	\$41,640	\$20,220
TOTAL CITY COST	\$673,827	\$798,698	\$830,296	\$756,391	(\$42,307)



Community Development – Inspections and Code Compliance Division Budget Description

The Department Requested FY 2013 Community Development – Inspections and Code Compliance Division budget of \$855,296 represents a 4.3% increase of \$35,178 compared to the Adopted FY 2012 budget of \$820,118.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$30,244 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates, as well as the transfer of 0.3 FTE Plans Reviewer position from the CDBG and HOME Funds to General Fund.
- \$3,100 decrease in Contractual Services reflecting reductions in printing and binding, as well as demolition funding.
- \$4,944 increase in Internal Service Charges based on Fleet Administration estimates.
- \$3,090 increase in Other Charges reflecting the addition of 10 mobile air cards to support Mobile Trak, and additional equipment maintenance funding for the inmate program, offset by reductions in office supplies.

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

- \$55,728 in Salaries and Employee Benefits for elimination of a Building Code Compliance Officer II position.



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	5	4	4	4	0
TOTAL FTE	5	4	4	4	0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$180,987	\$202,722	\$202,722	\$202,722	\$0
Employee Benefits	68,570	82,954	86,849	86,357	3,403
Subtotal Personnel Services	\$249,557	\$285,676	\$289,571	\$289,079	\$3,403
<i>Operating</i>					
Contractual Services	\$5,011	\$7,700	\$6,950	\$6,950	(\$750)
Other Charges	14,026	10,282	9,722	9,722	(560)
Subtotal Operating	\$19,037	\$17,982	\$16,672	\$16,672	(\$1,310)
TOTAL EXPENDITURES	\$268,594	\$303,658	\$306,243	\$305,751	\$2,093
DEDICATED REVENUES					
Community Development Stormwater Charges	\$0	\$0	\$0	\$6,779	\$6,779
TOTAL DEDICATED REVENUES	\$0	\$0	\$0	\$6,779	\$6,779
TOTAL CITY COST	\$268,594	\$303,658	\$306,243	\$298,972	(\$4,686)

Community Development – Planning Division Budget Description

The Department Requested FY 2013 Community Development – Planning Division budget of \$306,243 represents a 0.9% increase of \$2,585 compared to the Adopted FY 2012 budget of \$303,658.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$3,895 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$750 decrease in Contractual Services reflecting reductions in miscellaneous contractual services.
- \$560 decrease in Other Charges reflecting a reduction in cellular phone services.

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



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	0	3	3	2	(1)
TOTAL FTE	0	3	3	2	(1)
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$0	\$145,058	\$145,058	\$99,860	(\$45,198)
Employee Benefits	0	60,045	66,264	45,030	(15,015)
Subtotal Personnel Services	\$0	\$205,103	\$211,322	\$144,890	(\$60,213)
<i>Operating</i>					
Internal Service Charges	\$0	\$2,498	\$3,652	\$3,652	\$1,154
Other Charges	0	4,296	4,452	4,452	156
Subtotal Operating	\$0	\$6,794	\$8,104	\$8,104	\$1,310
TOTAL EXPENDITURES	\$0	\$211,897	\$219,426	\$152,994	(\$58,903)
DEDICATED REVENUES					
Community Development Stormwater Charges	\$0	\$0	\$0	\$92,960	\$92,960
TOTAL DEDICATED REVENUES	\$0	\$0	\$0	\$92,960	\$92,960
TOTAL CITY COST ¹	\$0	\$211,897	\$219,426	\$60,034	(\$151,863)

¹ 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 2013 Community Development – Zoning and Natural Resources Division budget of \$219,426 represents a 3.6% increase of \$7,529 compared to the Adopted FY 2012 budget of \$211,897.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$6,219 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$1,154 increase in Internal Service Charges based on Fleet Administration estimates.

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

- \$66,063 in Salaries and Employee Benefits for elimination of an Environmental Reviewer position.



Community Development Performance Measures

Goal 1: Facilitate development by reviewing and processing site plans, subdivision plats, and public hearing items in a timely manner 100% of the time.				
Objective: 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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Percentage of site plan, subdivision, and public hearing projects reviewed and processed within the designated time period	100%	95%	100%	95%
Number of site plan, subdivision, and public hearing projects reviewed and processed within the designated time period	112	130	58	130
Analysis of the Data: 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 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. Although project review time continues to be a priority for departments, staffing reductions make this goal increasingly difficult to maintain. Reviews associated with development are anticipated to remain stable in FY 2013, based on the number of development inquiries received by the Planning Division during FY 2012. The number of project reviews typically increases during Spring/Summer months.				
Benchmark Localities: Charlottesville, Spotsylvania, Albemarle, and City of Roanoke, VA				



Community Development Performance Measures (continued)

Goal 2: Create and sustain a safe and quality built environment through code enforcement.				
Objective: Ensure compliance with City Code and the Uniform Statewide Building Code.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Development:				
Zoning and Erosion and Sediment Control Inspections	3,199	3,300	1,067	2,800
New Construction Inspections	11,921	11,150	5,679	11,500
Code Compliance:				
Neighborhood Services Inspections	1,297	1,650	832	1,650
Rental Property Inspections	363	363	146	385
Property Maintenance Inspections	4,081	3,625	1,462	3,625
Analysis of the Data:				
Development Inspections: Includes all zoning, grading and building inspections for development and redevelopment projects. Development inspections generally increase during the Spring/Summer months. <i>Zoning and Erosion and Sediment Control Inspections:</i> Based on current economic conditions and projects currently under construction in FY 2012, the number of projects are expected to remain consistent for FY 2013. However, the projected reduction in Erosion and Sediment Control staff will likely result in a decrease in the total number of inspections. <i>New Construction Inspections:</i> Projections for FY 2013 reflect a slight increase in inspections for multi-family housing units and commercial/industrial projects; single-family residential inspections are expected to remain consistent with FY 2012 numbers. Proposed staffing reductions may also potentially limit inspection totals and/or response times.				
Code Compliance: Includes the City's Neighborhood Services, Property Maintenance and Rental Inspections programs for existing properties and buildings. These inspections are part of a uniform approach to addressing the City's Building and Nuisance ordinances. Code Compliance cases generally increase during Spring. <i>Neighborhood Services Inspections:</i> Neighborhood Services inspections are complaint-based and difficult to project. Despite staffing reductions, the number of inspections in FY 2013 are expected to remain consistent with FY 2012 totals due to a completed staff cross training program as a result of the Neighborhood Services and the Property Maintenance Program merger. <i>Rental Property Inspections:</i> Although Rental Property Inspections are based on an inspection schedule defined by City Code, this number varies annually based on the number of tenant initiated complaints. Analysis of first quarter data for FY 2012 indicates the number of Rental Property Inspections remained consistent as a result of a successful cross training program and realignment of Property Maintenance/Neighborhood Service areas. A slight increase in the number of inspections is projected for FY 2013 due to the implementation of mobile inspection technology and the designation of a single point of contact for the program. <i>Property Maintenance Inspections:</i> Although Property Maintenance Inspections are complaint-based and difficult to project, the cross training of Neighborhood Services and the Property Maintenance Program staff, the Community Code Compliance Team's focus on code education, and a strong relationship with local Housing Partners all provide for proactive code compliance. Therefore, the overall number of Property Maintenance Inspections is projected to remain consistent with FY 2012 inspection totals.				
Benchmark Localities: Danville and Roanoke, VA				



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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	3	3	3	3	0
TOTAL FTE	3	3	3	3	0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$168,892	\$178,910	\$178,910	\$178,910	\$0
Employee Benefits	59,020	68,544	75,799	75,430	6,886
<i>Subtotal Personnel Services</i>	\$227,912	\$247,454	\$254,709	\$254,340	\$6,886
<i>Operating</i>					
Contractual Services	\$16,223	\$18,900	\$51,900	\$51,900	\$33,000
Other Charges	29,301	38,994	34,589	34,589	(4,405)
Rentals and Leases	1,880	1,883	1,883	1,883	0
<i>Subtotal Operating</i>	\$47,404	\$59,777	\$88,372	\$88,372	\$28,595
TOTAL CITY COST	\$275,316	\$307,231	\$343,081	\$342,712	\$35,481

Office of Economic Development Budget Description

The Department Requested FY 2013 Office of Economic Development budget of \$343,081 represents an 11.7% increase of \$35,850 compared to the Adopted FY 2012 budget of \$307,231.

Significant changes introduced in the Department Requested FY 2013 include:

- \$7,255 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$33,000 increase in Contractual Services relating to the Arts and Cultural Program established by City Council in April 2010.
- \$4,405 decrease in Other Charges based on historical spending.

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



Office of Economic Development Performance Measures

Goal 1: Relationship management and building through business engagement.				
Objective: 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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Number of participants	7,221	6,500	3,775	6,700
Analysis of the Data: 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. Use of this technology has increased the OED's capacity to connect with and better provide services to its customers.				

Goal 2: Business recruitment and development.				
Objective: 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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Number of inquiries	4,887	5,200	1,365	5,300
Analysis of the Data: 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. The OED plans to launch a new website and create new collaterals to assist with business retention, expansion, and attraction. While numbers for the first half of FY 2012 are low, it is anticipated these new initiatives combined with the new technology to assist with tracking will allow the Office to meet its projection.				

Goal 3: Marketing, information management, and workforce development initiatives.				
Objective: 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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Number of Initiatives	24	24	21	30
Analysis of the Data: The OED continually looks for opportunities to collaborate and share resources promoting the City and its assets with innovative, agile initiatives, marketing, and branding. Using improved technology to track marketing initiatives and participation, the Department seeks to be a key provider of information and data to City businesses. Additionally, the Office continues to research and promote organic, sustainable approaches to workforce development and entrepreneurship.				

Benchmark Localities: Virginia's First Cities - Charlottesville, Danville, Fredericksburg, Hampton, Hopewell, Martinsville, Newport News, Norfolk, Petersburg, Portsmouth, Richmond, Roanoke, Staunton, and Winchester				
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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 FY 2011	Adopted FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
POSITION SUMMARY					
City Funded Full-Time	4.5	4.5	4.5	4.5	0.0
TOTAL FTE	4.5	4.5	4.5	4.5	0.0
BUDGET SUMMARY					
EXPENDITURES					
<i>Personnel Services</i>					
Salaries	\$108,626	\$161,491	\$158,807	\$158,807	(\$2,684)
Employee Benefits	31,575	72,639	74,464	73,911	1,272
Subtotal Personnel Services	\$140,201	\$234,130	\$233,271	\$232,718	(\$1,412)
<i>Operating</i>					
Contractual Services	\$45,784	\$23,507	\$14,310	\$14,310	(\$9,197)
Internal Service Charges	4,908	8,976	8,976	8,976	0
Other Charges	44,047	37,987	38,337	38,337	350
Rentals and Leases	71,550	70,000	81,756	81,756	11,756
Subtotal Operating	\$166,289	\$140,470	\$143,379	\$143,379	\$2,909
TOTAL EXPENDITURES	\$306,490	\$374,600	\$376,650	\$376,097	\$1,497
DEDICATED REVENUES					
Downtown Parking Deck Lease	\$111,540	\$93,600	\$93,600	\$93,600	\$0
Hourly Parking Fees	12,896	18,000	18,000	18,000	0
Permit Parking Fees	193,922	178,000	183,000	183,000	5,000
Fines	98,484	85,000	85,000	85,000	0
TOTAL DEDICATED REVENUES	\$416,843	\$374,600	\$379,600	\$379,600	\$5,000
TOTAL CITY COST	(\$110,353)	\$0	(\$2,950)	(\$3,503)	(\$3,503)

Parking Management Budget Description

The Department Requested FY 2013 Parking Management budget of \$376,650 represents a 0.5% increase of \$2,050 compared to the Adopted FY 2012 budget of \$374,600.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$859 decrease in Salaries and Employee Benefits reflecting lower than budgeted personnel costs, as well as changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$9,197 decrease in Contractual Services reflecting a reduction in software purchases.
- \$11,756 increase in Rentals and Leases reflecting the Parking Management’s acquisition of a lease for Lot C which is located at the rear of 1100 Main Street, 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 City provides funding to external organizations that provide various mandated, contractual, or discretionary services to the community.

	Actual FY 2011	Adopted FY 2012	Agency Requested FY 2013	Manager's Proposed FY 2013	Inc/(Dec) Adopted from Proposed
BUDGET SUMMARY					
<u>Mandated</u>					
Blue Ridge Regional Jail Authority	\$4,494,339	\$5,484,852	\$7,063,000	\$7,063,000	\$1,578,148
Central Virginia Community Services Board	444,003	444,003	444,003	444,003	0
Lynchburg Health Department	781,362	830,977	830,977	830,977	0
Region 2000 Local Government Council	40,672	41,614	43,600	43,600	1,986
	\$5,760,376	\$6,801,446	\$8,381,580	\$8,381,580	\$1,580,134
<u>Contractual</u>					
Lynchburg Humane Society	\$139,387	\$104,500	\$210,596	\$0	(\$104,500)
Lynchburg Lifesaving/Rescue Squad	3,983	10,000	10,000	0	(10,000)
Lynchburg Neighborhood Development Foundation ¹	16,247	0	0	0	0
Lynchburg Regional Convention and Visitors Bureau	890,000	1,223,725	1,223,725	1,223,725	0
Southern Memorial Association (Old City Cemetery)	122,438	122,438	122,438	122,438	0
Virginia Cooperative Extension Service	20,966	29,163	29,163	29,163	0
	\$1,193,021	\$1,489,826	\$1,595,922	\$1,375,326	(\$114,500)
<u>Discretionary</u>					
Amazement Square	\$0	\$5,302	\$5,302	\$5,302	\$0
Arc of Central Virginia	0	0	49,032	0	0
Central Virginia Area Agency on Aging (CVAAA)	15,000	15,000	15,000	15,000	0
Central Virginia Community College (CVCC)	1,831	1,831	1,899	1,899	68
Court Appointed Special Advocate (CASA)	12,000	12,000	12,000	12,000	0
Fort Early Corp. (Fort Hill Woman's Club)	10,000	0	0	0	0
Lynchburg Area Center for Independent Living (LACIL)	0	0	20,000	0	0
Lynchburg Community Action Group (LynCAG)	0	25,000	25,000	0	(25,000)
Rebuilding Together - Lynchburg	0	25,000	25,000	0	(25,000)
Region 2000 Economic Development Partnership	82,250	81,586	81,586	81,586	0
Robert E. Lee Soil & Water Conservation District	10,000	10,000	10,000	10,000	0
The Gateway House, Inc.	0	0	50,000	0	0
Virginia Legal Aid Society	10,000	10,000	10,000	10,000	0
	\$141,081	\$185,719	\$304,819	\$135,787	(\$49,932)
TOTAL CITY COST	\$7,094,478	\$8,476,991	\$10,282,321	\$9,892,693	\$1,415,702

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, Appomattox, Amherst, 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.

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.

Lynchburg Area Center for Independent Living (LACIL). Promotes sustainable independence for persons with disabilities living in the region through networking, community awareness, assistive technology, home modifications, and coordination of services.

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 contracted with the Lynchburg Humane Society to operate the Animal Shelter for the purpose of impounding and harboring seized, stray, homeless, abandoned, or unwanted animals. The Actual figure includes the City's costs associated with water, sewer, gas, electric, and trash for the facility.

Lynchburg Life Saving Crew/Rescue Squad. The City paid 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 stormwater 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.



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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
BUDGET SUMMARY					
Transfers					
Airport Fund	\$259,950	\$494,536	\$494,536	\$384,584	\$382,862
City Capital Projects Fund	7,569,405	7,624,033	7,705,278	4,941,759	5,016,759
School Capital Projects Fund	1,941,733	1,030,518	1,030,518	975,000	975,000
City/Federal/State Aid Fund (Matching Funds)	81,041	27,171	77,558	11,720	11,720
Sewer Fund - Stormwater	0	688,036	688,036	0	0
Stormwater Fund	0	0	0	650,000	0
Stadium Fund	318,130	0	0	0	0
Technology Fund	832,816	636,773	787,508	623,575	623,575
Total Transfers	\$11,003,075	\$10,501,067	\$10,783,434	\$7,586,638	\$7,009,916
Non-Departmental					
Employee Benefits					
Workers' Compensation	\$552,642	\$912,500	\$912,500	\$751,000	\$751,000
Retiree Benefits	2,119,348	2,773,980	2,773,980	2,585,268	2,527,581
Unemployment Compensation	58,771	90,000	90,000	65,000	65,000
Other Employment Benefits	4,399	10,800	10,800	1,500	1,500
Auditing Services	10,750	15,000	15,000	15,000	15,000
Employee Programs					
Tuition Reimbursement	28,123	30,000	30,000	30,000	30,000
Employee Assistance Program	23,865	27,011	27,011	28,362	28,362
Employee Appreciation	23,184	35,100	39,722	33,000	33,000
Managed Vacancy Program	0	(635,870)	(635,870)	0	0
Fleet (Depreciation)	1,941,636	1,978,110	1,978,110	1,911,533	1,769,658
Compensation Adjustment	0	0	13,968	0	0
Water Fund Payment	351,900	351,900	351,900	351,900	351,900
Administration Fees - Health and Dental	5,000	10,000	10,000	35,000	35,000
Health Management Program	204,290	230,775	230,775	213,525	213,525
Virginia Retirement System - Line of Duty	0	105,952	105,952	105,952	105,952
Stormwater - General Fund Payment	0	0	0	75,991	75,991
Stormwater - Schools Payment	0	0	0	69,310	69,310
Compensation/Capital/Other	0	0	0	0	395,383
Total Non-Departmental	\$5,323,908	\$5,935,258	\$5,953,848	\$6,272,341	\$6,468,162
Total Transfers and Non-Departmental	\$16,326,983	\$16,436,325	\$16,737,282	\$13,858,979	\$13,478,078

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.

Sewer Fund – Stormwater. Transfer from the General Fund for Stormwater activities.



Stormwater Fund. 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. Funding for salary adjustments for public safety employees.

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.

Virginia Retirement System – Line of Duty. Cost related to State benefits provided to officers killed or disabled in the line of duty.

Stormwater – General Fund Payment. Funding for Stormwater Fees related to City owned buildings.

Stormwater – General Fund Payment. Funding for Stormwater Fees related to City owned school buildings.



Long-term Debt

Total outstanding debt was \$330.3 million with \$193.6 million of business-type activities debt supported by the individual funds, resulting in net bonded debt for governmental activities of \$136.7 million. A capital lease of \$4.7 million for the human services facility was included, while liabilities for compensated absences and workers' compensation of \$6.5 million and other post employment benefits liability of \$5.8 million were excluded.

**Long-term Debt Obligations
As of June 30, 2011
(in millions)**

	Governmental Activities		Business-type Activities		Total Primary Government		Percentage Change 2011-2010
	2011	2010	2011	2010	2011	2010	
General Obligation Bonds	\$ 129.8	\$ 139.2	\$ 68.0	\$ 71.8	\$ 197.8	\$ 211.0	-6%
Revenue Bonds	-	-	125.6	109.9	125.6	109.9	14%
General Obligation Notes	-	-	-	-	-	-	0%
Notes Payable	2.2	2.4	-	-	2.2	2.4	-8%
Capital Lease	4.7	5.3	-	-	4.7	5.3	-11%
Total	\$ 136.7	\$ 146.9	\$ 193.6	\$ 181.7	\$ 330.3	\$ 328.6	1%

Total new debt of \$49.1 million was issued. It consisted of \$17.7 million for governmental activities and \$31.4 million for business-type activities. Governmental activities total new long-term debt was from tax exempt general obligation advance refunding bonds. Business-type activities new long-term debt consisted of \$19.5 million from the Virginia Revolving Loan Program (VRL) for CSO sewer capital projects and improvements to the Regional Wastewater Treatment Plant; and, \$11.9 million from tax exempt general obligation advance refunding bonds.

The City retired \$47.4 million of outstanding principal, which included \$28.2 million of refunded principal retirements and \$19.2 million as planned principal retirements. The governmental activities principal retirements of \$27.9 million consisted of \$16.7 million of refunded debt and \$11.2 million of planned retirements. The business-type activities principal retirements of \$19.5 million consisted of \$11.5 million of refunded debt and \$8 million of planned retirements.

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).

On November 8, 2011, the City issued a five-year General Obligation Bond Anticipation Note and concurrently entered into a bank qualified line of credit Financing Agreement with Carter Bank & Trust for up to \$10,000,000 to provide interim financing for qualifying capital improvements. Interest on the unpaid principal is two percent (2%) per annum and payable on May 1 and November 1 each year. Final maturity of the Note is November 1, 2016.

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 2011, outstanding tax-supported debt was 2.24% 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



Long-term Debt (continued)

November 23, 2010 with one Debt Policy revision to debt service payments for revenue supported debt from twenty to thirty years. 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	
Serial Bonds								
VPSA General Obligation	4.90-6.35	11/12/1992	2013	458,292	-	55,861	-	55,861
VA Resources Authority	0.00	03/24/1994	2027	3,976,369	-	-	1,945,987	1,945,987
VPSA General Obligation	6.10-6.60	11/22/1994	2015	2,100,362	-	509,138	-	509,138
Public Improvement	3.50-4.88	08/01/2001	2032	14,620,000	271,217	238,783	750,000	1,260,000
VPSA General Obligation	3.10-5.10	11/15/2001	2022	3,473,329	-	2,017,649	-	2,017,649
VPSA General Obligation	2.35-4.85	11/07/2002	2023	6,513,732	-	4,067,081	-	4,067,081
Public Improvement Refunding	2.00-5.00	02/01/2003	2014	23,670,000	683,431	52,411	644,158	1,380,000
Public Improvement	2.50-4.70	02/01/2003	2033	16,745,000	685,000	190,000	555,000	1,430,000
Public Improvement	3.00-5.00	06/01/2004	2034	28,160,000	2,095,000	1,620,000	1,125,000	4,840,000
Public Improvement Refunding	3.00-5.25	03/16/2005	2030	33,105,000	10,333,145	6,314,240	8,017,615	24,665,000
Taxable Refunding	3.90-4.86	03/16/2005	2014	3,810,000	-	1,760,000	-	1,760,000
VPSA General Obligation	4.60-5.10	11/10/2005	2026	6,411,957	-	4,978,232	-	4,978,232
Public Improvement	4.00-5.00	05/09/2006	2026	23,840,000	12,562,967	4,954,715	2,167,318	19,685,000
Public Improvement	4.00-5.00	08/02/2007	2038	33,300,000	12,998,497	-	17,066,503	30,065,000
Public Improvement Refunding	2.93	03/19/08	2015	8,000,000	1,233,652	1,153,090	1,571,258	3,958,000
Public Improvement Series A Tax Exempt	1.00-5.00	08/13/09	2022	17,230,000	4,580,000	6,490,000	5,155,000	16,225,000
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	3,561,283	1,961,888	6,316,829	11,840,000
VPSA Gen Obligation	0.00	11/13/09	2027	10,255,000	-	10,055,000	-	10,055,000
Public Improvement Refunding	2.00-5.00	10/20/10	2034	29,655,000	9,768,144	7,506,648	12,380,208	29,655,000
					<u>\$ 63,171,731</u>	<u>\$ 63,375,341</u>	<u>\$ 71,264,876</u>	<u>\$ 197,811,948</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 \$45,478,043 at June 30, 2011.

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 \$197,811,948 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 (continued)

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	\$ 2,744,840
Public Utility Revenue Bonds	0.00	8/10/1995	2029	10,000,000	4,845,238
Public Utility Revenue Bonds	0.00	6/27/1996	2029	8,000,000	3,750,689
Public Utility Revenue Bonds	3.00	7/17/1997	2020	14,108,460	7,301,635
Public Utility Revenue Bonds	0.00	7/17/1997	2030	7,591,540	4,177,593
Public Utility Revenue Bonds	0.00	8/1/1998	2031	6,203,000	3,679,100
Public Utility Revenue Bonds	3.00	6/2/1999	2020	2,476,763	1,279,356
Public Utility Revenue Bonds	0.00	9/2/1999	2021	5,300,000	2,789,475
Public Utility Revenue Bonds	0.00	3/15/2001	2032	735,000	469,737
Public Utility Revenue Bonds	3.50	6/8/2001	2021	2,835,000	1,745,402
Public Utility Revenue Bonds	0.00	11/6/2001	2034	1,413,613	1,004,504
Public Utility Revenue Bonds	0.00	9/15/2003	2036	2,350,165	1,878,100
Public Utility Revenue Bonds	0.00	5/20/2004	2038	6,000,000	5,100,000
Public Utility Revenue Bonds	0.00	5/17/2005	2038	6,700,000	5,806,667
Public Utility Revenue Bonds	0.00	6/28/2006	2039	9,600,000	8,800,000
Public Utility Revenue Bonds	0.00	6/20/2007	2039	7,000,000	6,533,333
Public Utility Revenue Bonds	0.00	6/5/2008	2041	12,350,000	12,144,167
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
Public Utility Revenue Bonds	0.00	6/15/2011	2033	9,350,928	9,350,928
Public Utility Revenue Bonds	0.00	6/15/2011	2045	10,100,000	10,100,000
					\$ 125,600,764

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 1.29.



Long-Term Liabilities (continued)

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Governmental Activities					
General obligation bonds	\$ 139,179,721	\$ 17,684,960	\$ 27,058,146	\$ 129,806,535	\$ 9,728,916
Notes payable*	2,480,000	-	180,000	2,300,000	180,000
State literary fund loans	11,412	-	11,412	-	-
Adjust for deferred amounts:					
Issuance discounts	(906,251)		(53,309)	(852,942)	-
Issuance premiums	3,074,446	1,355,425	326,418	4,103,453	-
Upon refunding	(1,397,114)	(2,169,450)	(301,711)	(3,264,853)	-
Total bonds and notes	142,442,214	16,870,935	27,220,956	132,092,193	9,908,916
Workers' compensation**	1,977,864	751,548	514,011	2,215,401	265,848
Compensated absences**	3,721,334	2,693,697	2,655,036	3,759,995	451,199
Other post-employment benefits**	3,738,130	1,632,812	-	5,370,942	-
Capital lease obligations**	5,273,426	-	549,913	4,723,513	438,243
	\$ 157,152,968	\$ 21,948,992	\$ 30,939,916	\$ 148,162,044	\$ 11,064,206

Primary Government:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Business-Type Activities					
General obligation bonds	\$ 71,749,489	\$ 11,970,040	\$ 15,714,116	\$ 68,005,413	\$ 4,069,230
Public utility revenue bonds	109,907,003	19,450,928	3,757,167	125,600,764	4,627,820
Adjust for deferred amounts:					
Issuance discounts	-	-	-	-	-
Issuance premiums	1,162,118	1,138,918	150,627	2,150,409	-
Upon refunding	(893,128)	(1,492,537)	(180,309)	(2,205,356)	-
Total bonds and notes payable	181,925,482	31,067,349	19,441,601	193,551,230	8,697,050
Workers' compensation	65,364	64,206	8,028	121,542	14,585
Compensated absences	420,656	346,008	341,126	425,538	51,064
Other post-employment benefits	312,995	153,752	-	466,747	-
	\$ 182,724,497	\$ 31,631,315	\$ 19,790,755	\$ 194,565,057	\$ 8,762,699

*A note receivable was obtained concurrent with the issuance of this note payable. Neither instrument constituted a source or a use of current financial resources; therefore, they are not reflected in the fund statements. The note receivable is included in other assets on Exhibit 1.

**For governmental activities, a portion of the workers' compensation, compensated absences and other post employment benefits are liquidated by the Internal Service Fund. The remaining portion of the workers' compensation, compensated absences and other post employment benefits are liquidated by the General Fund. Capital leases are liquidated by the General Fund.



Long-Term Liabilities (continued)

Debt Service to Maturity:

Year Ending 30-Jun	Governmental Activities			
	Governmental General Obligation		Capital Lease Obligations	
	Principal	Interest	Principal	Interest
2012	\$9,728,916	\$5,237,787	\$438,243	\$172,336
2013	9,819,822	4,873,570	314,278	158,397
2014	9,335,052	4,487,047	326,392	146,283
2015	8,575,186	4,105,674	338,973	133,703
2016	8,640,714	3,749,858	352,038	120,637
2017-2021	37,038,655	14,057,625	1,974,499	388,877
2022-2026	29,942,878	7,587,386	979,090	45,642
2027-2031	10,527,623	2,940,889	-	-
2032-2036	3,857,689	1,293,651	-	-
2037-2040	2,340,000	309,348	-	-
	<u>\$129,806,535</u>	<u>\$48,642,835</u>	<u>\$4,723,513</u>	<u>\$1,165,875</u>

Year Ending 30-Jun	Business-Type Activities							
	General Obligation						Revenue Bonds	
	Water Fund		Airport Fund		Sewer Fund		Sewer Fund	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2012	\$1,798,140	\$1,841,513	\$209,940	\$56,233	\$2,061,150	\$1,058,392	\$4,627,820	\$310,527
2013	1,803,777	1,774,411	215,335	47,847	2,053,470	982,934	5,096,949	278,064
2014	1,755,694	1,703,297	164,651	41,214	1,860,165	908,430	5,597,967	244,593
2015	1,693,803	1,635,944	145,321	34,108	1,757,561	843,916	5,800,810	210,083
2016	1,741,654	1,566,361	112,479	27,675	1,772,254	777,282	6,004,725	174,502
2017-2021	7,194,533	6,879,058	350,207	87,485	6,650,079	3,053,581	28,844,390	324,911
2022-2026	6,005,762	5,481,598	217,083	31,775	4,419,247	2,099,260	22,703,442	-
2027-2031	6,190,169	3,971,086	-	-	3,245,628	1,293,328	19,307,304	-
2032-2036	6,348,052	2,280,465	-	-	2,489,259	614,207	15,293,191	-
2037-2041	4,547,423	508,088	-	-	1,202,577	94,662	10,709,166	-
2042-2045	-	-	-	-	-	-	1,615,000	-
	<u>\$39,079,007</u>	<u>\$27,641,821</u>	<u>\$1,415,016</u>	<u>\$326,337</u>	<u>\$27,511,390</u>	<u>\$11,725,992</u>	<u>\$125,600,764</u>	<u>\$1,542,680</u>

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



Long-Term Liabilities (continued)

Debt Service to Maturity: (continued)

service payments on the old and new debt) of \$1,707,610. This advance refunding resulted in the total difference between the reacquisition price and the net carrying value of the old debt of \$3,661,987. This difference, reported in the accompanying financial statements as deferred debt charges, is being amortized as a component of interest expenses as follows: \$438,892 through FY 2032 over the life of the refunded bonds for the August 1, 2001 issue; \$1,224,347 through FY 2033 over the life of the refunded bonds for the February 1, 2003A issue; and, \$1,998,748 through FY 2034 over the life of the refunded bonds for the June 1, 2004 issue. 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.

November 8, 2011 General Obligation Public Improvement Bond Anticipation Note, Series 2011, Bank Qualified Line of Credit

On November 8, 2011, the City issued a five-year General Obligation Bond Anticipation Note and concurrently entered into a bank qualified line of credit Financing Agreement with Carter Bank & Trust. The Agreement provided for borrowings of up to \$10,000,000 to provide interim financing for qualifying capital improvements. Interest on the unpaid principal is two percent (2%) per annum and payable on May 1 and November 1 each year. Final maturity of the Note is November 1, 2016.

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	\$ 650,023	\$ 689,242	\$ 640,067	\$ 699,198	\$ 511,745
Capital lease obligations	1,497,470	-	642,489	854,981	480,697
Other post-employment benefits	1,169,050	758,781	274,684	1,653,147	-
	<u>\$ 3,316,543</u>	<u>\$ 1,448,023</u>	<u>\$ 1,557,240</u>	<u>\$ 3,207,326</u>	<u>\$ 992,442</u>

School Capital Leases:

Interest Rates	Date Issued	Final Maturity	Original Issue	Balance
4.12%	08/2006	08/2011	\$ 500,000	\$ 18,370
3.83	10/2006	10/2011	500,000	45,424
3.89	09/2007	09/2012	1,000,000	269,458
3.55	12/2008	12/2013	1,000,000	521,729
				<u>\$ 854,981</u>

Following is a summary of debt service to maturity:

June 30	Capital Lease Obligations	
	Principal	Interest
2012	\$ 480,697	\$ 22,428
2013	265,237	8,262
2014	109,047	1,122
	<u>\$ 854,981</u>	<u>\$ 31,812</u>



Long-Term Liabilities (Continued)

Ratios of Outstanding Debt by Type

(dollars in thousands, except for per capita amounts)

Fiscal Year	Governmental Activities					Business-type Activities			Total Primary Government	% of Personal Income	Total Primary Government Bonded Debt Per Capita
	General Obligation Bonds	Literary Bonds	General Obligation Notes	Note Payable	Capital Leases	General Obligation Bonds	General Obligation Notes	Public Utility Revenue Bonds			
2002	\$71,901	\$283	\$9,290	\$0	\$2,397	\$63,499	\$0	\$56,096	\$203,466	11.52%	\$3,061
2003	85,006	225	610	-	2,187	64,141	-	52,973	205,142	11.18%	3,046
2004	100,251	166	7,500	3,200	8,396	66,896	-	59,152	245,561	12.62%	3,594
2005	93,990	127	7,500	3,200	7,747	61,935	-	63,526	238,025	11.64%	3,433
2006	116,709	87	-	3,200	7,287	57,532	16,500	70,543	271,858	12.31%	3,857
2007	108,593	68	-	3,020	6,810	52,295	16,500	74,985	262,271	11.11%	3,626
2008	117,407	49	1,343	2,840	6,316	63,550	-	84,426	275,931	11.07%	3,737
2009	112,011	30	7,500	2,660	5,804	56,831	4,000	100,328	289,164	11.54%	3,845
2010	139,180	11	-	2,480	5,274	71,749	-	109,907	328,601	13.01%	4,334
2011	129,807	-	-	2,300	4,723	68,005	-	125,601	330,436	13.08%	4,358

Note: Details regarding the City's outstanding debt can be found in the Comprehensive Annual Financial Report.

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
2002	\$ 66,471	\$ 3,466,111	\$ 144,973	\$ 63,499	\$ 81,474	2.35%	\$ 1,225.7
2003	67,354	3,604,279	149,981	64,140	85,841	2.38%	1,274
2004	68,319	3,915,725	174,813	66,896	107,917	2.76%	1,580
2005	69,340	3,954,923	163,552	61,935	101,617	2.57%	1,465
2006	70,491	4,935,723	190,828	74,032	116,796	2.37%	1,657
2007	72,331	4,501,102	177,456	68,795	108,661	2.41%	1,502
2008	73,834	5,330,939	182,350	63,550	118,800	2.23%	1,609
2009	75,204	5,463,547	180,372	60,831	119,541	2.19%	1,590
2010	75,826	5,764,489 ³	210,940	71,749	139,191	2.41%	1,836
2011	75,826	5,785,249 ⁴	197,812	68,005	129,807	2.24%	1,712

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 2002-2009 Revised Final Estimates based on the United States Bureau of the Census 2010. United States Bureau of the Census 2010 and the 2011 population is an estimate based on 2010.

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 2012 to reflect all four billings.



Legal Debt Margin Information
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2011

Real Property Assessed Value	\$ 4,963,629
Public Service Corporations Real Property Assessed Value	184,580
Total Real Property Assessed Value	<u>5,148,209</u>
Debt limit (10% of assessed value)	514,821
Debt applicable to limit:	
Less: General Obligation Debt	(197,812)
Legal Debt Margin	<u><u>\$ 317,009</u></u>

Description	Fiscal Years				
	2002	2003	2004	2005	2006
Debt limit	\$ 290,687	\$ 301,016	\$ 330,240	\$ 338,155	\$ 372,512
Total net debt applicable to limit ¹	<u>144,973</u>	<u>149,981</u>	<u>174,813</u>	<u>163,552</u>	<u>190,828</u>
Legal debt margin	<u><u>\$ 145,713</u></u>	<u><u>\$ 151,036</u></u>	<u><u>\$ 155,427</u></u>	<u><u>\$ 174,603</u></u>	<u><u>\$ 181,684</u></u>
Total net debt applicable to the limit as a percentage of the debt limit	49.87%	49.82%	52.94%	48.37%	51.23%
Description	2007	2008	2009	2010	2011
Debt limit	\$ 383,509	\$ 462,181	\$ 479,591	\$ 506,924	\$ 514,821
Total net debt applicable to limit ¹	<u>177,456</u>	<u>182,350</u>	<u>180,372</u>	<u>210,940</u>	<u>197,812</u>
Legal debt margin	<u><u>\$ 206,053</u></u>	<u><u>\$ 279,831</u></u>	<u><u>\$ 299,219</u></u>	<u><u>\$ 295,984</u></u>	<u><u>\$ 317,009</u></u>
Total net debt applicable to the limit as a percentage of the debt limit	46.27%	39.45%	37.61%	41.61%	38.42%

¹ 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

General Fund	FY 2013 Debt ⁽¹⁾	2013 ⁽²⁾	2013 ⁽³⁾	Less: Savings from ⁽⁴⁾	2013 Budget
	Per 6/30/11 Debt Book Revised	Bond Issue	Line of Credit	Refunding	
Principal	\$4,678,754			\$0	\$4,678,754
Interest-City	2,279,323				2,279,323
Interest Line of Credit - City	0	\$0	\$120,000		120,000
Human Service Lease Principal	314,278				314,278
Human Service Lease Interest	158,397				158,397
Principal-Stadium	117,872				117,872
Interest-Stadium	87,656				87,656
Debt Service Charges	2,700				2,700
Total	\$7,638,980	\$0	\$120,000	\$0	\$7,758,980

Detention Home Fund	FY 2013 Debt ⁽¹⁾	2013 ⁽²⁾	2013 ⁽³⁾	Less: Savings from ⁽⁴⁾	2013 Budget
	Per 6/30/11 Debt Book Revised	Bond Issue	Line of Credit	Refunding	
Principal	\$230,135	\$0	\$0	\$0	\$230,135
Interest	43,063				43,063
Total	\$273,198	\$0	\$0	\$0	\$273,198

Airport Fund	FY 2013 Debt ⁽¹⁾	2013 ⁽²⁾	2013 ⁽³⁾	Less: Savings from ⁽⁴⁾	2013 Budget
	Per 6/30/11 Debt Book Revised	Bond Issue	Line of Credit	Refunding	
Principal	\$215,336	\$0	\$0	\$0	\$215,336
Interest	47,847				47,847
Total	\$263,183	\$0	\$0	\$0	\$263,183

Water Fund	FY 2013 Debt ⁽¹⁾	2013 ⁽²⁾	2013 ⁽³⁾	Less: Savings from ⁽⁴⁾	2013 Budget
	Per 6/30/11 Debt Book Revised	Bond Issue	Line of Credit	Refunding	
Principal	\$1,803,778	\$0		\$0	\$1,803,778
Interest	1,774,411				1,774,411
Interest Line of Credit	0		\$80,000		80,000
Debt Service Charges	600				600
Total	\$3,578,789	\$0	\$80,000	\$0	\$3,658,789

⁽¹⁾ Information for FY 2013 existing debt service (cash basis) per the City's Debt Book as of 6/30/11.

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 2013 interest payments are \$591,230.70 across all funds in the 8.13.09 bond issue.

⁽²⁾ As of December 15, 2011, the CIP process is underway and not complete. There will be decisions made regarding new borrowings during the upcoming months for FY 2013; therefore, there is no new additional debt service in FY 2013 from a bond issue in that fiscal year included above at this time of preparation.

⁽³⁾ The Bank Qualified Line of Credit was issued on November 8, 2011 with Carter Bank & Trust thru November 1, 2016.

⁽⁴⁾ No refunding is anticipated at this time and monitoring for refunding opportunities is an ongoing process.



Debt Service (continued)

	FY 2013 Debt ⁽¹⁾	2013 ⁽²⁾	2013 ⁽³⁾	Less: Savings from ⁽⁴⁾	2013
<u>Sewer Fund</u>	<u>Per 6/30/11 Debt Book Revised</u>	<u>Bond Issue</u>	<u>Line of Credit</u>	<u>Refunding</u>	<u>Budget</u>
G.O. Principal	\$2,053,470		\$0	\$0	\$2,053,470
G.O. Interest	982,934				982,934
Rev. Principal	5,096,949				5,096,949
Rev. Interest	278,064				278,064
Debt Service Charges	700				700
Total	\$8,412,117	\$0	\$0	\$0	\$8,412,117

	FY 2013 Debt ⁽¹⁾	2013 ⁽²⁾	2013 ⁽³⁾	Less: Savings from ⁽⁴⁾	2013
<u>Fleet Services Fund</u>	<u>Per 6/30/11 Debt Book Revised</u>	<u>Bond Issue</u>	<u>Line of Credit</u>	<u>Refunding</u>	<u>Budget</u>
Principal	\$230,922	\$0	\$0	\$0	\$230,922
Interest	129,890				129,890
Total	\$360,812	\$0	\$0	\$0	\$360,812

⁽¹⁾ Information for FY 2013 existing debt service (cash basis) per the City's Debt Book as of 6/30/11.

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 2013 interest payments are \$591,230.70 across all funds in the 8.13.09 bond issue.

⁽²⁾ As of December 15, 2011, the CIP process is underway and not complete. There will be decisions made regarding new borrowings during the upcoming months for FY 2013; therefore, there is no new additional debt service in FY 2013 from a bond issue in that fiscal year included above at this time of preparation.

⁽³⁾ The Bank Qualified Line of Credit was issued on November 8, 2011 with Carter Bank & Trust thru November 1, 2016.

⁽⁴⁾ No refunding is anticipated at this time and monitoring for refunding opportunities is an ongoing process.



Debt Service (continued)

FY 2013 City's General Fund Appropriation for Schools Debt Service

	FY 2013 Debt Per 6/30/11 Debt Book Revised ⁽¹⁾	2013 ⁽²⁾ Bond Issue	2013 ⁽³⁾ Line of Credit	2012 VPSA Bond Issue	Less: Savings from ⁽⁴⁾ Refunding	2013 Budget
Principal	\$4,562,139	\$0		\$0	\$0	\$4,562,139
Interest	2,333,638					2,333,638
Debt Service Charges	2,900					2,900
Local City Share for School Debt Service	\$6,898,677	\$0	\$0	\$0	\$0	\$6,898,677

⁽¹⁾ Information for FY 2013 existing debt service (cash basis) per the City's Debt Book as of 6/30/11. 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 2013 interest payments are \$591,230.70 across all funds in the 8.13.09 bond issue.

⁽²⁾ As of December 15, 2011, the CIP process is underway and not complete. There will be decisions made regarding new borrowings during the upcoming months for FY 2013; therefore, there is no new additional debt service in FY 2013 from a bond issue in that fiscal year included above at this time of preparation.

⁽³⁾ The Bank Qualified Line of Credit was issued on November 8, 2011 with Carter Bank & Trust thru November 1, 2016.

⁽⁴⁾ 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
AGENCY SUMMARY					
BEGINNING BALANCE	\$455,055	\$0	\$0	\$0	\$0
REVENUES					
State	\$40,633,718	\$41,514,583	\$41,514,583	\$42,789,552	\$42,789,552
Federal	1,008,303	461,000	461,000	461,000	461,000
Grants	13,260,616	10,022,828	10,022,828	12,200,000	12,200,000
Local - Operating	30,310,602	31,942,103	34,034,798	36,601,147	35,601,147
Regional - Debt Service for the Governor's School	31,022	33,627	33,627	33,627	33,627
Miscellaneous	2,321,371	1,754,640	1,554,640	1,554,640	1,554,640
TOTAL REVENUES	\$87,565,632	\$85,728,781	\$87,621,476	\$93,639,966	\$92,639,966
EXPENDITURES					
Operations	\$74,459,194	\$75,705,953	\$77,598,648	\$81,439,966	\$80,439,966
Grant Funded Expenditures	13,298,246	10,022,828	10,022,828	12,200,000	12,200,000
TOTAL EXPENDITURES	\$87,757,440	\$85,728,781	\$87,621,476	\$93,639,966	\$92,639,966
ENDING BALANCE	\$263,247	\$0	\$0	\$0	\$0

Source: Lynchburg City Schools

Note: As of March 6, 2012, the School Board had not adopted a budget; therefore, figures in the Department Requested FY 2013 budget column are estimates.



Schools (continued)

Student Enrollment, Employees and Schools by Fiscal Year

Description	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary School Membership	4,049	3,968	3,910	3,840	3,793	3,877	3,916	3,937	3,934	3,968
Secondary School Membership	<u>5,015</u>	<u>4,987</u>	<u>4,872</u>	<u>4,785</u>	<u>4,809</u>	<u>4,745</u>	<u>4,447</u>	<u>4,583</u>	<u>4,438</u>	<u>4,359</u>
Total Membership	<u>9,064</u>	<u>8,955</u>	<u>8,782</u>	<u>8,625</u>	<u>8,602</u>	<u>8,622</u>	<u>8,363</u>	<u>8,520</u>	<u>8,372</u>	<u>8,327</u>
Teachers and Administrators ¹	807	782	762	753	776	772	774	780	759	977
Other Employees	<u>494</u>	<u>474</u>	<u>467</u>	<u>471</u>	<u>470</u>	<u>482</u>	<u>482</u>	<u>482</u>	<u>449</u>	<u>250</u>
Total Employees	<u>1,301</u>	<u>1,256</u>	<u>1,229</u>	<u>1,224</u>	<u>1,246</u>	<u>1,254</u>	<u>1,256</u>	<u>1,262</u>	<u>1,208</u>	<u>1,227</u>
Elementary Schools ²	12	11	11	11	11	11	11	11	11	11
Secondary Schools	<u>5</u>									
Total Buildings	<u>17</u>	<u>16</u>								

¹ Includes only full-time equivalent positions funded through the operating budget.

² Does not include LAUREL Regional Program, now being used for special education students.

Actual Average Daily Student Enrollment by Grade & Fiscal Year
(Based on September 30th Actual Enrollment)

Grade	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K	655	674	700	666	670	722	732	732	718	696
1	661	628	651	628	655	675	673	673	702	726
2	716	664	608	647	634	629	648	648	648	670
3	649	689	641	583	628	629	653	653	632	620
4	695	633	690	630	593	625	606	608	639	629
5	673	680	620	686	613	597	604	622	595	627
6	729	686	689	658	707	618	613	635	598	605
7	707	697	661	680	664	694	581	604	619	593
8	730	737	697	660	687	662	625	614	581	622
9	869	904	856	857	823	867	777	797	706	642
10	757	730	740	772	726	661	647	732	719	666
11	666	676	656	627	669	621	654	702	619	672
12	<u>557</u>	<u>557</u>	<u>573</u>	<u>531</u>	<u>533</u>	<u>622</u>	<u>550</u>	<u>499</u>	<u>596</u>	<u>559</u>
Total	<u>9,064</u>	<u>8,955</u>	<u>8,782</u>	<u>8,625</u>	<u>8,602</u>	<u>8,622</u>	<u>8,363</u>	<u>8,520</u>	<u>8,372</u>	<u>8,327</u>

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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
GREATER LYNCHBURG TRANSIT COMPANY SUMMARY					
REVENUES					
Fares - Fixed Route	\$829,573	\$888,000	\$890,864	\$888,000	\$888,000
Fare - Para-transit Service	68,733	75,000	91,160	92,922	92,922
Contracts (LU Access)	142,255	160,420	136,879	182,506	182,506
Contracts (LC Access)	15,951	24,300	16,200	24,300	24,300
Contracts (VUL Access)	0	0	0	34,020	34,020
Charters	8,331	5,500	5,500	6,294	6,294
Advertising	54,631	75,000	65,000	65,000	65,000
Other	41,848	25,000	116,000	103,678	103,678
Federal Operating	1,823,492	1,923,000	1,852,743	1,852,743	1,852,743
State Operating	933,519	1,363,000	1,159,996	1,284,592	1,284,592
City Operating	1,764,600	1,143,714	1,143,714	1,676,798	1,676,798
Amherst County	45,735	64,543	57,492	68,457	68,457
Partners: Academy/Downtown	3,263	2,475	2,475	2,832	2,832
State Training	5,266	5,000	5,000	5,000	5,000
Partners: Lynchburg Sheltered Industries	4,800	4,800	4,800	4,800	4,800
Partners: Liberty	1,370,074	1,289,351	1,162,197	844,679	844,679
TOTAL REVENUES	\$7,112,071	\$7,049,103	\$6,710,020	\$7,136,621	\$7,136,621
EXPENDITURES					
Labor	\$3,154,325	\$3,122,475	\$2,749,779	\$2,846,281	\$2,846,281
Fringe	1,615,325	1,591,404	1,738,891	1,881,083	1,881,083
Services	380,572	405,461	390,445	403,791	403,791
Materials and Supplies	1,359,566	1,402,146	1,284,901	1,460,432	1,460,432
Utilities	88,809	82,920	82,920	82,920	82,920
Insurance	380,745	382,722	333,433	357,463	357,463
Miscellaneous/Contingency	132,729	61,975	129,651	104,651	104,651
TOTAL EXPENDITURES	\$7,112,071	\$7,049,103	\$6,710,020	\$7,136,621	\$7,136,621
BALANCE	\$0	\$0	\$0	\$0	\$0



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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
AGENCY SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$125,385	\$125,385	\$125,385	\$125,385	\$125,385
REVENUES					
Revenues from loan repayments (principal and interest)	\$31,354	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$31,354	\$0	\$0	\$0	\$0
EXPENDITURES					
TOTAL EXPENDITURES	\$31,354	\$0	\$0	\$0	\$0
ENDING RESTRICTED FUND BALANCE	\$125,385	\$125,385	\$125,385	\$125,385	\$125,385

Lynchburg Business Development Centre Fund Budget Description

No funds are requested for FY 2013.



Fleet Services. Provides a full spectrum of fleet management services for all City customers who operate a City-owned vehicle or piece of equipment, as well as several City-related entities. 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 Division in the disposal of all fleet assets.

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
FLEET FUND POSITION SUMMARY					
City Funded Full-Time	11.00	11.00	11.00	11.00	11.00
City Funded Part-Time	0.50	0.50	0.50	0.50	0.50
TOTAL FTE	11.50	11.50	11.50	11.50	11.50
FLEET FUND SUMMARY					
BEGINNING CASH	\$2,127,749	\$956,018	\$1,955,081	\$1,126,775	\$1,126,775
REVENUES					
Warehouse Inventory	\$543,181	\$483,490	\$483,490	\$494,305	\$494,305
Fuel Sales	1,717,108	1,532,223	1,532,223	1,939,668	1,939,668
Mechanical Work by Vendors	246,403	249,752	249,752	342,046	342,046
Vehicle Administration	224,050	215,487	215,487	244,491	244,491
Labor Sales	470,110	478,207	478,207	513,511	513,511
Vehicle Capital Charge	2,274,239	2,281,171	2,294,724	2,129,967	2,129,967
Interest on Investments	4,182	0	0	0	0
Miscellaneous	92,650	0	0	0	0
Sale/Salvage Surplus Property	189,544	200,000	200,000	250,000	250,000
Transfer from Sewer Capital	0	0	691,347	0	0
TOTAL REVENUES	\$5,761,467	\$5,440,330	\$6,145,230	\$5,913,988	\$5,913,988
EXPENDITURES					
Salaries	\$426,957	\$480,576	\$480,576	\$492,631	\$492,631
Employee Benefits	173,487	199,683	199,683	213,821	212,468
Contractual Services	70,573	75,400	76,918	83,077	83,077
Internal Service Charges	8,649	0	0	0	0
Other Charges	2,488,972	2,198,500	2,542,665	2,730,924	2,730,924
Capital Outlay	2,281,564	1,891,000	3,265,272	4,315,000	1,720,000
Non-departmental Employee Benefits	25,822	26,960	26,960	34,760	34,760
Other Post Employment Benefits	15,760	15,346	15,346	15,760	15,760
Debt Service	390,956	366,116	366,116	360,812	360,812
Transfer to City Capital Projects	51,395	0	0	0	0
TOTAL EXPENDITURES AND TRANSFERS	\$5,934,135	\$5,253,581	\$6,973,536	\$8,246,785	\$5,650,432
ENDING UNRESTRICTED NET ASSETS	\$1,955,081	\$1,142,767	\$1,126,775	(\$1,206,022)	\$1,390,331



Fleet Services Budget Description

The Department Requested FY 2013 Fleet Services budget of \$8,246,785 represents a 57.0% increase of \$2,993,204 compared to the Adopted FY 2012 budget of \$5,253,581.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$26,193 increase in Salaries and Employee Benefits reflecting employee progressions, as well as changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$7,677 increase in Contractual Services reflecting the absorption of Region 2000's portion of fees paid to Barker Jennings to manage the parts operation.
- \$532,424 increase in Other Charges reflecting the rising cost of parts, labor, and fuel.
- \$2,424,000 increase in Capital Outlay reflecting the replacement of two fire pumpers, a ladder truck, and a squad truck.
- \$7,800 increase in Non-departmental Employee Benefits reflecting changes in health benefit rates.
- \$5,304 decrease in Debt Service based on the Debt Amortization Schedule.

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

- \$2,595,000 in Capital Outlay for the replacement of two fire pumpers, a ladder truck, and a squad truck due to the timing of debt issuance. Deferral of a dump truck due to funding constraints.



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 97.0% or greater fleet availability rate.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Fleet availability rate	98.0%	98.0%	96.8%	98.0%
Analysis of the Data: The Department is using a 98.0% compliance rate based on the effectiveness of the current vehicle replacement program. If the program is reduced or diminished due to budget constraints, the availability rate would likely decrease.				

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.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Cost per mile driven	\$0.160	\$0.160	\$0.160	\$0.160
Analysis of the Data: By the end of FY 2012 Ford Motor Company will discontinue manufacturing the rear wheel drive Crown Victoria, converting its police vehicle product to a front wheel drive Taurus. Front wheel drive vehicles are more expensive to maintain; therefore, it is anticipated, while the cost per mile will be flat in FY 2013, it will increase over the next few years.				

Goal 3: To provide excellent customer service.				
Objective: Maintain a Good/Excellent customer satisfaction rating (95% or greater).				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Customer satisfaction rate	97%	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				
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HISTORICAL FACT:

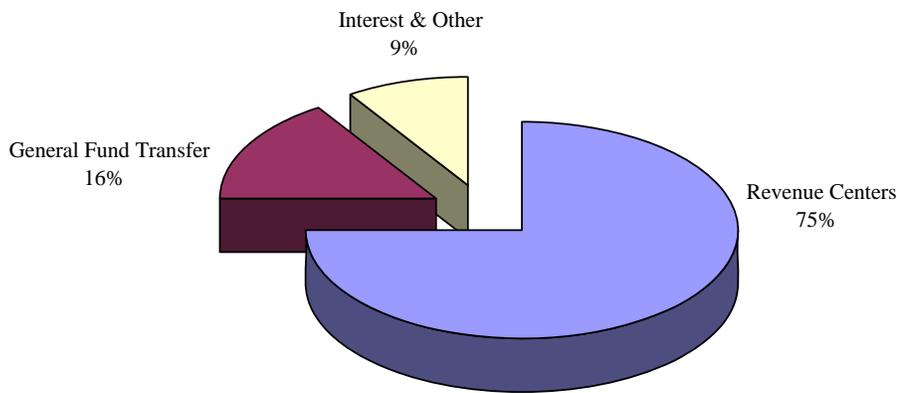
From April 6 to 10, 1865, Lynchburg served as the capital of Virginia. Under Governor William Smith, the executive and legislative branches of the Commonwealth moved to Lynchburg for the few days between the fall of Richmond and the fall of the Confederacy.



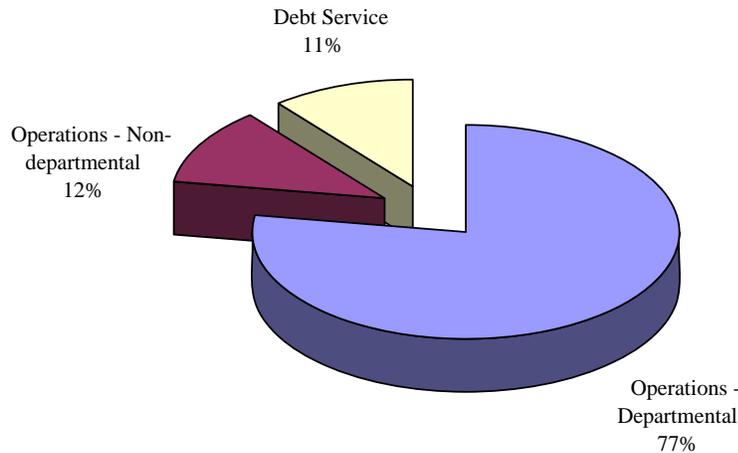


Lynchburg Regional Airport. Lynchburg Regional Airport is the main commercial service airport serving Lynchburg and the surrounding four-county region. It is served by the US Airways regional affiliate and serves over 130,000 arriving and departing passengers a year. The airport is home base to approximately 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 2013 REVENUES
\$2,436,445



FY 2013 EXPENSES
\$2,436,445



**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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
AIRPORT FUND POSITION SUMMARY					
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
TOTAL FTE	17.7	17.7	17.7	17.7	17.7
AIRPORT FUND SUMMARY					
BEGINNING NET ASSETS	\$33,797,522				
Less: Invested in Capital Assets, net of related debt	(33,219,151)				
BEGINNING UNRESTRICTED NET ASSETS	\$578,371	\$100,000	\$142,188	\$100,000	\$100,000
REVENUES					
Airfield	\$118,991	\$90,000	\$90,000	\$90,000	\$90,000
Terminal	1,355,337	1,046,883	1,046,883	1,147,183	1,147,183
General Aviation	393,275	337,300	337,300	372,000	372,000
Other Leased Property	213,558	213,500	213,500	220,400	220,400
State Airport Aid	129,083	85,000	85,000	85,000	85,000
Federal Security Aid	125,971	118,415	118,415	120,000	120,000
Transfer from General Fund	259,950	494,536	494,536	384,584	382,862
Interest and Other	61,390	19,000	19,000	19,000	19,000
TOTAL REVENUES	\$2,657,555	\$2,404,634	\$2,404,634	\$2,438,167	\$2,436,445
EXPENDITURES					
Airfield Operations	\$279,838	\$276,264	\$276,264	\$283,548	\$283,179
Terminal Operations	554,361	535,977	536,642	546,736	545,998
General Aviation	52,243	56,481	56,481	57,591	57,468
Administration	633,665	645,839	655,168	653,729	653,237
Airport Public Safety	396,756	381,468	381,468	393,630	393,630
Other Operations	60,510	61,950	61,950	61,950	61,950
Snow Removal	28,106	20,056	20,056	20,056	20,056
Debt Service	312,490	269,791	269,791	263,183	263,183
Miscellaneous and Transfers	306,649	156,808	189,002	157,744	157,744
TOTAL EXPENDITURES	\$2,624,618	\$2,404,634	\$2,446,822	\$2,438,167	\$2,436,445
ENDING UNRESTRICTED NET ASSETS	\$611,308	\$100,000	\$100,000	\$100,000	\$100,000

Note: Ending Unrestricted Net Assets for FY 2011 does not agree to Beginning Unrestricted Net Assets for FY 2012 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	9.9%	20.6%	20.2%	15.8%	15.7%
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Airport Fund

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
REVENUE SUMMARY					
REVENUE CENTERS					
Airfield Revenue Center	\$118,991	\$90,000	\$90,000	\$90,000	\$90,000
Terminal Revenue Center	1,355,337	1,046,883	1,046,883	1,147,183	1,147,183
General Aviation Revenue Center	393,275	337,300	337,300	372,000	372,000
Other Airport Revenue Center	213,558	213,500	213,500	220,400	220,400
TOTAL REVENUE CENTERS	\$2,081,161	\$1,687,683	\$1,687,683	\$1,829,583	\$1,829,583
TRANSFERS					
Transfer from General Fund	\$259,950	\$494,536	\$494,536	\$384,584	\$382,862
TOTAL TRANSFERS	\$259,950	\$494,536	\$494,536	\$384,584	\$382,862
MISCELLANEOUS REVENUE					
Interest	\$1,505	\$2,000	\$2,000	\$1,500	\$1,500
Charges for Services	12,506	12,000	12,000	12,500	12,500
State Airport Aid	129,083	85,000	85,000	85,000	85,000
Federal Security Aid	125,971	118,415	118,415	120,000	120,000
All Other	47,379	5,000	5,000	5,000	5,000
TOTAL MISCELLANEOUS REVENUE	\$316,444	\$222,415	\$222,415	\$224,000	\$224,000
TOTAL REVENUES	\$2,657,554	\$2,404,634	\$2,404,634	\$2,438,167	\$2,436,445



Airport Fund

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
POSITION SUMMARY					
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
TOTAL FTE	17.7	17.7	17.7	17.7	17.7
EXPENDITURE BUDGET SUMMARY					
DEPARTMENTAL EXPENDITURES					
Salaries	\$565,637	\$559,339	\$559,339	\$572,073	\$572,073
Employee Benefits	221,871	233,496	233,496	255,453	253,731
Contractual Services	543,500	490,805	500,199	497,755	497,755
Internal Service Charges	32,688	39,043	39,043	33,727	33,727
Other Charges	350,838	366,000	366,600	366,300	366,300
Payments to Other Funds	156,427	168,784	168,784	162,752	162,752
TOTAL DEPARTMENTAL EXPENDITURES	\$1,870,961	\$1,857,467	\$1,867,461	\$1,888,060	\$1,886,338
NON-DEPARTMENTAL EXPENDITURES					
Security Personnel (Federal Program)	\$134,518	\$120,568	\$120,568	\$129,180	\$129,180
Non-Recurring Maintenance	182,567	80,000	104,010	80,000	80,000
Independent Financial Audit	8,241	9,824	18,008	9,824	9,824
Uncollectible Accounts	0	2,500	2,500	2,500	2,500
Other Non-departmental	115,840	64,484	64,484	65,420	65,420
TOTAL NON-DEPARTMENTAL EXPENDITURES	\$441,167	\$277,376	\$309,570	\$286,924	\$286,924
DEBT SERVICE					
Debt Service	\$312,490	\$269,791	\$269,791	\$263,183	\$263,183
TOTAL DEBT SERVICE	\$312,490	\$269,791	\$269,791	\$263,183	\$263,183
TOTAL EXPENDITURES	\$2,624,618	\$2,404,634	\$2,446,822	\$2,438,167	\$2,436,445



Airport Fund – Administration

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
POSITION SUMMARY					
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
TOTAL FTE	4.7	4.7	4.7	4.7	4.7
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$265,056	\$258,893	\$258,893	\$258,893	\$258,893
Employee Benefits	92,057	95,262	95,262	104,984	104,492
Contractual Services	93,294	98,000	106,729	98,000	98,000
Other Charges	26,831	24,900	25,500	29,100	29,100
Payments to Other Funds	156,427	168,784	168,784	162,752	162,752
TOTAL	\$633,665	\$645,839	\$655,168	\$653,729	\$653,237

Airport Fund – Administration Budget Description

The Department Requested FY 2013 Airport Fund - Administration budget of \$653,729 represents a 1.2% increase of \$7,890 compared to the Adopted FY 2012 budget of \$645,839.

Significant changes introduced in the Requested FY 2013 budget include:

- \$9,722 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.

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



Airport Fund – Terminal

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
POSITION SUMMARY					
City Funded Full-Time	6	6	6	6	6
TOTAL FTE	6	6	6	6	6
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$164,122	\$160,923	\$160,923	\$166,997	\$166,997
Employee Benefits	73,552	77,609	77,609	85,823	85,085
Contractual Services	141,429	104,705	105,370	104,705	104,705
Internal Service Charges	11,899	11,890	11,890	8,361	8,361
Other Charges	163,359	180,850	180,850	180,850	180,850
TOTAL	\$554,361	\$535,977	\$536,642	\$546,736	\$545,998

Airport Fund – Terminal Budget Description

The Department Requested FY 2013 Airport Fund - Terminal budget of \$546,736 represents a 2.0% increase of \$10,759 compared to the Adopted FY 2012 budget of \$535,977.

Significant changes introduced in the Requested FY 2013 budget include:

- \$6,074 increase in Salaries reflecting previously approved position changes.
- \$8,214 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$3,529 decrease in Internal Service Charges reflecting an anticipated decrease in vehicle maintenance.

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



Airport Fund – Airfield

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
POSITION SUMMARY					
City Funded Full-Time	3	3	3	3	3
TOTAL FTE	3	3	3	3	3
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$110,241	\$110,060	\$110,060	\$116,720	\$116,720
Employee Benefits	44,208	48,001	48,001	50,912	50,543
Contractual Services	23,944	13,700	13,700	13,700	13,700
Internal Service Charges	19,901	26,253	26,253	23,966	23,966
Other Charges	81,544	78,250	78,250	78,250	78,250
TOTAL	\$279,838	\$276,264	\$276,264	\$283,548	\$283,179

Airport Fund – Airfield Budget Description

The Department Requested FY 2013 Airport Fund - Airfield budget of \$283,548 represents a 2.6% increase of \$7,284 compared to the Adopted FY 2012 budget of \$276,264.

Significant changes introduced in the Requested FY 2013 budget include:

- \$6,660 increase in Salaries reflecting previously approved position changes and additional overtime for a planned Airshow in 2013.
- \$2,911 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$2,287 decrease in Internal Service Charges reflecting an anticipated decrease in vehicle maintenance.

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



Airport Fund – General Aviation

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
POSITION SUMMARY					
City Funded Full-Time	1	1	1	1	1
TOTAL FTE	1	1	1	1	1
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$24,903	\$25,463	\$25,463	\$25,463	\$25,463
Employee Benefits	11,638	12,318	12,318	13,428	13,305
Contractual Services	2,110	4,750	4,750	4,750	4,750
Other Charges	13,592	13,950	13,950	13,950	13,950
TOTAL	\$52,243	\$56,481	\$56,481	\$57,591	\$57,468

Airport Fund – General Aviation Budget Description

The Department Requested FY 2013 Airport Fund – General Aviation budget of \$57,591 represents a 2.0% increase of \$1,110 compared to the Adopted FY 2012 budget of \$56,481.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$1,110 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.

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



Airport Fund – Other Operations

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
BUDGET SUMMARY					
EXPENDITURES					
Contractual Services	\$23,763	\$21,600	\$21,600	\$23,100	\$23,100
Other Charges	36,747	40,350	40,350	38,850	38,850
TOTAL	\$60,510	\$61,950	\$61,950	\$61,950	\$61,950

Airport Fund – Other Operations Budget Description

The Department Requested FY 2013 Airport Fund – Other Operations budget of \$61,950 represents no change compared to the Adopted FY 2012 budget.

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



Airport Fund – Safety (Law Enforcement)

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
POSITION SUMMARY					
Grant Funded Full-Time	3	3	3	3	3
TOTAL FTE	3	3	3	3	3
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$124,959	\$112,000	\$112,000	\$120,000	\$120,000
Employee Benefits	9,559	8,568	8,568	9,180	9,180
Contractual Services	246,849	243,050	243,050	248,500	248,500
Internal Service Charges	613	500	500	1,000	1,000
Other Charges	14,776	17,350	17,350	14,950	14,950
TOTAL	\$396,756	\$381,468	\$381,468	\$393,630	\$393,630

Airport Fund – Safety (Law Enforcement) Budget Description

The Department Requested FY 2013 Airport Fund – Safety (Law Enforcement) budget of \$393,630 represents a 3.2% increase of \$12,162 compared to the Adopted FY 2012 budget of \$381,468.

Significant changes introduced in the Requested FY 2013 budget include:

- \$8,000 increase in Salaries reflecting additional overtime for a planned Airshow in 2013.
- \$5,450 increase in Contractual Services reflecting contracted firefighting services.
- \$2,400 decrease in Other Charges reflecting a reduction in electricity costs.

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



Airport Fund – Snow Removal

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,315	\$4,000	\$4,000	\$4,000	\$4,000
Employee Benefits	416	306	306	306	306
Contractual Services	12,111	5,000	5,000	5,000	5,000
Internal Service Charges	275	400	400	400	400
Other Charges	13,989	10,350	10,350	10,350	10,350
TOTAL	\$28,106	\$20,056	\$20,056	\$20,056	\$20,056

Airport Fund – Snow Removal Budget Description

The Department Requested FY 2013 Airport Fund – Snow Removal budget of \$20,056 represents no change compared to the Adopted FY 2012 budget.

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



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.

Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Average available daily departure seats	311	261	265 (est)	265

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 2012 and into FY 2013 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.

Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Passenger traffic	169,174	130,000	66,000 (est)	132,000

Analysis of the Data:
The loss of Delta Airlines service in January 2011 has had a significant direct and indirect impact on airport traffic and revenues. Replacing Delta Airlines service with another airline or additional US Airways service will be a major focus of airport management.

Goal 3:
Reduce the annual operating subsidy from the City to the Airport.

Objective:
Reduce annually the operating subsidy from the City to the Airport.

Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Operating Subsidy	\$259,950	\$480,000	\$240,000 (est)	\$382,862

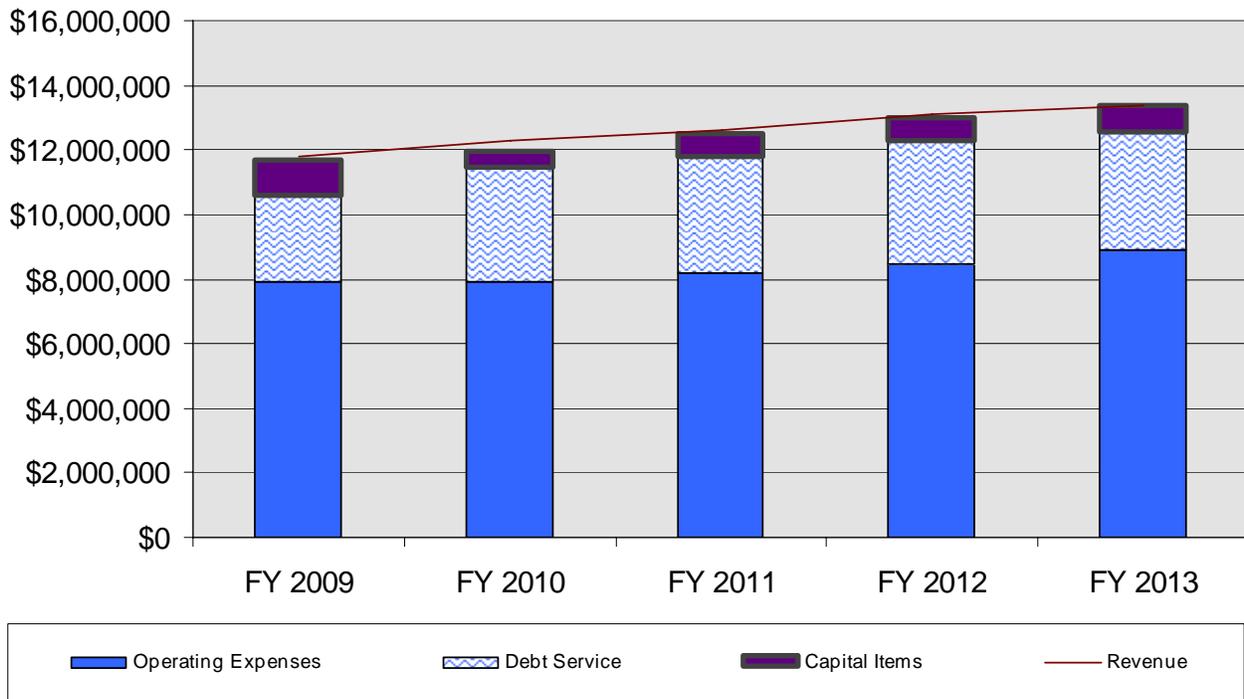
Analysis of the Data:
The annual subsidy had declined each year since FY 2002, when the amount was the highest at \$614,530. Unfortunately, the loss of Delta Airlines service has increased the necessary operating subsidy and made it unlikely that the subsidy can be eliminated in the near future.

Benchmark Localities:
There is no other locality in Virginia which owns a commercial service airport.



Water Fund. Lynchburg has one of the nation’s oldest public water systems. Today, the system is managed by the Water Resources 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
WATER FUND DEBT COVERAGE					
REVENUES					
Charges for Services	\$9,789,265	\$10,055,909	\$10,055,909	\$10,444,179	\$10,444,179
Water Contracts	2,670,236	2,649,695	2,649,695	2,637,792	2,637,792
Interest and Other	179,151	380,600	380,600	282,211	282,211
TOTAL REVENUES	\$12,638,652	\$13,086,204	\$13,086,204	\$13,364,182	\$13,364,182
EXPENDITURES					
Water Treatment	\$2,766,593	\$3,109,528	\$3,266,137	\$3,247,093	\$3,247,093
Water Line Maintenance	1,626,777	1,550,560	1,575,870	1,620,732	1,620,732
Meter Reading	836,003	895,496	903,355	878,189	878,189
Administration/Engineering	2,793,495	2,727,942	2,733,914	2,971,946	2,971,946
Non-Departmental	163,993	203,482	220,873	206,496	206,496
Project Costs Charged to Operations	14,114	0	25,000	25,000	25,000
TOTAL EXPENDITURES	\$8,200,975	\$8,487,008	\$8,725,149	\$8,949,456	\$8,949,456
OPERATING INCOME	\$4,437,677	\$4,599,196	\$4,361,055	\$4,414,726	\$4,414,726
Debt Service	\$3,604,931	\$3,782,678	\$3,794,374	\$3,658,789	\$3,658,789
NET REVENUE	\$832,746	\$816,518	\$566,681	\$755,937	\$755,937
Debt Coverage Ratio Target	1.20	1.20	1.20	1.20	1.20
Debt Coverage Ratio	1.23	1.22	1.15	1.21	1.21



Water Fund

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
WATER FUND POSITION SUMMARY					
City Funded Full-Time	66.0	65.0	64.0	64.75	64.75
City Funded Part-Time	0.8	1.4	1.4	1.40	1.40
City Funded Temporary	0.6	0.5	0.0	0.00	0.00
TOTAL FTE	67.4	66.9	65.4	66.15	66.15
WATER FUND SUMMARY					
BEGINNING NET ASSETS	\$31,185,395				
Less: Invested in Capital Assets, net of related debt	(26,149,736)				
BEGINNING UNRESTRICTED NET ASSETS	\$5,035,659	\$4,504,515	\$4,504,515	\$4,396,196	\$4,396,196
REVENUES					
Charges for Services	\$9,789,265	\$10,055,909	\$10,055,909	\$10,444,179	\$10,444,179
Water Contracts	2,670,236	2,649,695	2,649,695	2,637,792	2,637,792
Interest and Other	179,151	380,600	380,600	282,211	282,211
TOTAL REVENUES	\$12,638,652	\$13,086,204	\$13,086,204	\$13,364,182	\$13,364,182
EXPENDITURES					
Departmental	\$8,022,865	\$8,283,526	\$8,479,276	\$8,717,960	\$8,717,960
Non-departmental	163,993	203,482	220,873	206,496	206,496
Transfer - Capital	700,000	700,000	700,000	800,000	800,000
Debt Service	3,604,931	3,782,678	3,794,374	3,658,789	3,658,789
TOTAL EXPENDITURES	\$12,491,789	\$12,969,686	\$13,194,523	\$13,383,245	\$13,383,245
ENDING UNRESTRICTED NET ASSETS	\$5,182,522	\$4,621,033	\$4,396,196	\$4,377,133	\$4,377,133

Note: Ending Unrestricted Net Assets for FY 2011 does not agree to Beginning Unrestricted Net Assets for FY 2012 as Amended due to the difference in reporting capital outlay, debt service and certain revenue items in the CAFR and the Budget.



Water Fund

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
WATER FUND REVENUE SUMMARY					
CHARGES FOR SERVICES					
Water Sales - Inside City	\$7,041,821	\$7,388,160	\$7,388,160	\$7,477,754	\$7,477,754
General Fund Hydrant Rental	351,900	351,900	351,900	351,900	351,900
Cut-on/late Charges	97,132	92,000	92,000	92,000	92,000
Delinquent Account Fees	82,106	85,000	85,000	85,000	85,000
Fire Protection Fees	94,219	99,349	99,349	98,025	98,025
Connection Fees	52,563	60,000	60,000	50,000	50,000
Availability Fees	25,690	60,000	60,000	25,000	25,000
Account Charges	593,280	600,000	600,000	600,000	600,000
Water Cost Plus	28,244	30,000	30,000	30,000	30,000
Sewer Fund Charges	1,381,000	1,275,000	1,275,000	1,620,000	1,620,000
All Others	41,310	14,500	14,500	14,500	14,500
TOTAL CHARGES FOR SERVICES	\$9,789,265	\$10,055,909	\$10,055,909	\$10,444,179	\$10,444,179
WATER CONTRACTS					
Counties					
Amherst	\$107,457	\$112,200	\$112,200	\$110,468	\$110,468
Bedford	1,487,373	1,539,963	1,539,963	1,563,701	1,563,701
Campbell	509,214	458,132	458,132	411,173	411,173
Industrial					
Rock Tenn	396,321	372,000	372,000	381,000	381,000
Frito Lay	169,871	167,400	167,400	171,450	171,450
TOTAL CONTRACTS	\$2,670,236	\$2,649,695	\$2,649,695	\$2,637,792	\$2,637,792
INTEREST AND OTHER					
Interest	\$30,676	\$120,000	\$120,000	\$30,000	\$30,000
All Other	148,475	260,600	260,600	252,211	252,211
TOTAL INTEREST AND OTHER	\$179,151	\$380,600	\$380,600	\$282,211	\$282,211
TOTAL REVENUES	\$12,638,652	\$13,086,204	\$13,086,204	\$13,364,182	\$13,364,182



Water Fund

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
WATER FUND EXPENSE SUMMARY					
DEPARTMENTAL					
Salaries	\$2,976,456	\$2,905,388	\$2,905,388	\$2,993,594	\$2,993,594
Employee Benefits	1,151,015	1,181,777	1,181,777	1,324,701	1,324,701
Contractual Services	419,068	608,984	718,173	585,546	585,546
Chemicals	419,264	496,400	569,573	526,400	526,400
Telecommunications	27,624	32,750	32,750	31,700	31,700
Utilities-Water Treatment Plant	608,539	719,457	719,457	768,141	768,141
Supplies and Materials	1,051,897	956,920	969,173	1,074,510	1,074,510
Indirect Costs	856,622	807,321	807,321	807,321	807,321
Self-Insurance	148,191	146,529	146,529	146,529	146,529
Public Works Engineering Charges	0	75,000	75,000	75,000	75,000
All Other	364,189	353,000	354,135	384,518	384,518
TOTAL DEPARTMENTAL	\$8,022,865	\$8,283,526	\$8,479,276	\$8,717,960	\$8,717,960
NON-DEPARTMENTAL					
Financial Audit	\$17,513	\$22,000	\$39,391	\$22,660	\$22,660
Interest on Customer Deposits	4,457	10,000	10,000	10,300	10,300
Allowance for Uncollectible Accounts	16,377	20,000	20,000	20,600	20,600
Utility Billing Upgrades	0	3,000	3,000	0	0
Retiree Benefits	125,646	148,482	148,482	152,936	152,936
TOTAL NON-DEPARTMENTAL	\$163,993	\$203,482	\$220,873	\$206,496	\$206,496
CAPITAL AND TRANSFERS					
Transfer to Water Capital Fund	\$700,000	\$700,000	\$700,000	\$800,000	\$800,000
TOTAL CAPITAL AND TRANSFERS	\$700,000	\$700,000	\$700,000	\$800,000	\$800,000
Debt Service	\$3,604,931	\$3,782,678	\$3,794,374	\$3,658,789	\$3,658,789
TOTAL EXPENDITURES	\$12,491,789	\$12,969,686	\$13,194,523	\$13,383,245	\$13,383,245



Department of Water Resources 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, stormwater 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
POSITION SUMMARY					
City Funded Full-Time	18.0	18.0	17.0	19.0	19.0
City Funded Part-Time	0.6	0.6	0.6	0.6	0.6
City Funded Temporary	0.0	0.5	0.0	0.0	0.0
TOTAL FTE	18.6	19.1	17.6	19.6	19.6
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,172,916	\$1,068,683	\$1,068,683	\$1,206,156	\$1,206,156
Employee Benefits	435,902	416,809	416,809	518,340	518,340
Contractual Services	66,761	101,540	102,290	114,540	114,540
Internal Service Charges	25,805	22,100	22,100	22,100	22,100
Other Charges	1,092,111	1,118,810	1,124,032	1,110,810	1,110,810
TOTAL	\$2,793,495	\$2,727,942	\$2,733,914	\$2,971,946	\$2,971,946

Water Resources Water Fund – Administration/Engineering Division Budget Description

The Department Requested FY 2013 Water Resources Water Fund – Administration/Engineering Division budget of \$2,971,946 represents an 8.9% increase of \$244,004 compared to the Adopted FY 2012 budget of \$2,727,942.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$239,004 increase in Salaries and Employee Benefits reflecting the transfer of a Water Quality Manager position that was previously split 50/50 between Stormwater and Sewer, as well as changes in life insurance, Virginia Retirement System, and health benefit rates, offset by the elimination of a Civil Engineer II position and .5 Temporary FTE’s.
- \$13,000 increase in Contractual Services reflecting additional janitorial services estimated to be \$18,000 for the newly-renovated old filter building, which now houses administrative and engineering personnel, offset by a \$5,000 decrease in legal services.
- \$8,000 decrease in Other Charges reflecting historical costs.

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



Department of Water Resources 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
POSITION SUMMARY					
City Funded Full-Time	8.0	8.0	8.0	7.0	7.0
City Funded Part-Time	0.8	0.8	0.8	0.8	0.8
TOTAL FTE	8.8	8.8	8.8	7.8	7.8
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$252,666	\$266,809	\$266,809	\$246,176	\$246,176
Employee Benefits	103,299	114,131	114,131	112,247	112,247
Contractual Services	32,465	36,096	36,096	31,566	31,566
Internal Service Charges	50,715	50,700	50,700	53,600	53,600
Other Charges	396,858	427,760	435,619	434,600	434,600
TOTAL	\$836,003	\$895,496	\$903,355	\$878,189	\$878,189

Water Resources Water Fund – Meter Reading Division Budget Description

The Department Requested FY 2013 Water Resources Water Fund – Meter Reading Division budget of \$878,189 represents a 1.9% decrease of \$17,307 compared to the Adopted FY 2012 budget of \$895,496.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$22,517 decrease in Salaries and Employee Benefits reflecting the transfer of a Meter Reader position to the Stormwater Fund to be converted into a Water Quality Compliance Inspector, offset by changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$4,530 decrease in Contractual Services reflecting historical costs.
- \$2,900 increase in Internal Service Charges reflecting Fleet Administration estimates.
- \$6,840 increase in Other Charges primarily reflecting additional costs for minor equipment and tools.

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



Department of Water Resources 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
POSITION SUMMARY					
City Funded Full-Time	16.00	15.00	15.00	14.75	14.75
TOTAL FTE	16.00	15.00	15.00	14.75	14.75
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$633,124	\$601,340	\$601,340	\$589,783	\$589,783
Employee Benefits	240,255	240,638	240,638	254,057	254,057
Contractual Services	145,006	195,782	220,785	140,374	140,374
Internal Service Charges	146,591	125,550	125,550	156,700	156,700
Other Charges	461,801	387,250	387,557	479,818	479,818
TOTAL	\$1,626,777	\$1,550,560	\$1,575,870	\$1,620,732	\$1,620,732

Water Resources Water Fund – Water Line Maintenance Division Budget Description

The Department Requested FY 2013 Water Resources Water Fund – Water Line Maintenance Division budget of \$1,620,732 represents a 4.5% increase of \$70,172 compared to the Adopted FY 2012 budget of \$1,550,560.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$1,862 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates, offset by the transfer of 0.25 of a Utility Line Maintenance Coordinator to the Stormwater Fund.
- \$55,408 decrease in Contractual Services reflecting a \$30,000 reduction for line protection services, \$12,000 for refuse disposal, \$6,000 for reimbursing citizens for clean-up associated with water line breaks, \$3,000 for mechanical maintenance and repair services, and \$2,900 for software maintenance and upgrades.
- \$31,150 increase in Internal Service Charges reflecting Fleet Administration estimates.
- \$92,568 increase in Other Charges primarily due to an increase in materials for water system maintenance and repair.

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



Department of Water Resources 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
POSITION SUMMARY					
City Funded Full-Time	24	24	24	24	24
TOTAL FTE	24	24	24	24	24
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$917,749	\$968,556	\$968,556	\$951,479	\$951,479
Employee Benefits	371,560	410,199	410,199	440,057	440,057
Contractual Services	174,836	275,566	359,003	299,066	299,066
Internal Service Charges	37,542	36,400	36,400	39,700	39,700
Other Charges	1,264,906	1,418,807	1,491,979	1,516,791	1,516,791
TOTAL	\$2,766,593	\$3,109,528	\$3,266,137	\$3,247,093	\$3,247,093

Water Resources Water Fund – Water Treatment Plant Division Budget Description

The Department Requested FY 2013 Water Resources Water Fund – Water Treatment Division budget of \$3,247,093 represents a 4.4% increase of \$137,565 compared to the Adopted FY 2012 budget of \$3,109,528.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$12,781 increase in Salaries and Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates, offset by lower than budgeted personnel costs.
- \$23,500 increase in Contractual Services primarily due to additional costs for mechanical maintenance and repair services.
- \$3,300 increase in Internal Service Charges reflecting Fleet Administration estimates.
- \$97,984 increase in Other Charges primarily reflecting a \$45,000 increase in electricity costs, \$30,000 for chemicals, \$15,000 for mechanical maintenance and repair materials, \$4,000 for lab supplies, and \$3,800 for custodial supplies.

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



Department of Water Resources Water Fund Performance Measures

Goal 1: Maintain a high level of customer satisfaction with the quality and quantity of water produced.				
Objective: Produce safe, high quality water on an uninterrupted basis with sufficient volume and pressure for consumption and fire protection throughout the Lynchburg water system.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Drinking Water Compliance Rate (Percent of time compliant with National Primary Drinking Water Regulations).	100%	100%	100%	100%
Analysis of the Data: Drinking water quality consistently exceeds all State and federal standards.				

Goal 2: Deliver water on an uninterrupted basis while maintaining a high level of customer satisfaction.				
Objective: Maintain and operate the water system such that customer complaints and service disruptions are minimized.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Water Distribution System Integrity (breaks per 100 miles of distribution pipe).	25.0	35.0	9.8	25.0
Analysis of the Data: The water distribution system is aging; however, because of the replacement of some problematic lines, the number of water main breaks has remained steady.				

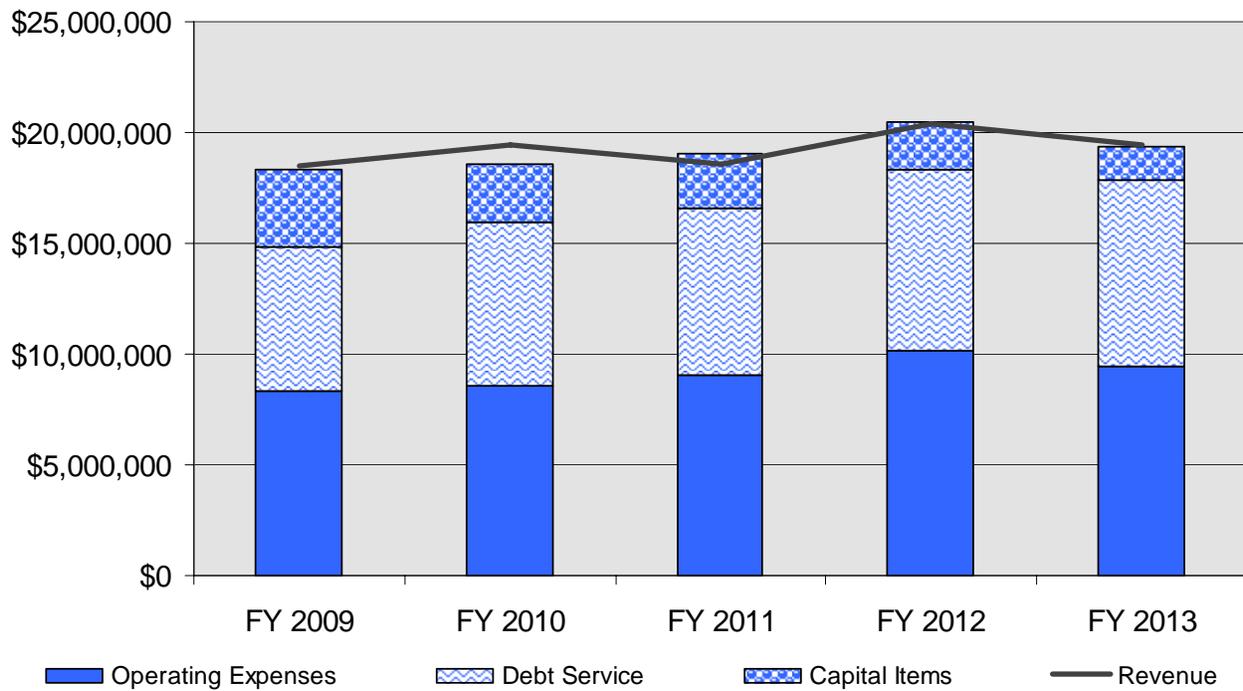
Goal 3: Operate the water treatment plants and pump stations efficiently.				
Objective: Operate the Water Treatment Plants in a cost-effective and efficient manner.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Overall water treatment cost per million gallons of finished water.	\$702	\$745	\$731	\$812
Analysis of the Data: Projected FY 2011 and FY 2012 increases are due primarily to rising chemical and power costs as well as additional regulatory requirements.				

Benchmark Localities: Charlottesville, Danville, Hampton, Richmond, and Roanoke, VA; American Water Works Association (AWWA)
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Sewer Fund. The Water Resources 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 stormwater. 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 Water Resources 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
SEWER FUND DEBT COVERAGE					
REVENUES					
Charges for Services	\$15,773,076	\$16,703,158	\$16,703,158	\$16,330,331	\$16,330,331
Sewer Contracts	2,495,162	2,832,938	2,736,415	2,959,441	2,959,441
Interest and Other	289,296	883,989	980,512	158,094	158,094
TOTAL REVENUES	\$18,557,534	\$20,420,085	\$20,420,085	\$19,447,866	\$19,447,866
EXPENDITURES					
Waste Water Treatment Plant	\$6,310,030	\$6,846,590	\$7,420,432	\$6,819,526	\$6,819,526
Sewer Line Maintenance	2,526,498	2,478,979	2,482,824	2,317,776	2,317,776
Stormwater	139,006	688,036	699,251	0	0
Non-Departmental	249,792	339,276	602,124	346,454	346,454
Project Costs Charged to Operations	135,630	0	25,000	25,000	25,000
Capitalizable Labor	(239,662)	(190,000)	(190,000)	(190,000)	(190,000)
TOTAL EXPENDITURES	\$9,121,294	\$10,162,881	\$11,039,631	\$9,318,756	\$9,318,756
OPERATING INCOME	\$9,436,240	\$10,257,204	\$9,380,454	\$10,129,110	\$10,129,110
Debt Service	\$7,485,792	\$8,141,619	\$8,153,345	\$8,412,117	\$8,412,117
NET REVENUE	\$1,950,448	\$2,115,585	\$1,227,109	\$1,716,993	\$1,716,993
Debt Coverage ratio Target	1.20	1.20	1.20	1.20	1.20
Debt Coverage ratio	1.26	1.26	1.15	1.20	1.20



Sewer Fund

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
SEWER FUND POSITION SUMMARY					
City Funded Full-Time	47.00	52.00	52.00	47.45	47.45
City Funded Part-Time	0.60	0.60	0.60	0.60	0.60
City Funded Temporary	2.40	2.40	2.40	2.40	2.40
TOTAL FTE	50.00	55.00	55.00	50.45	50.45
SEWER FUND SUMMARY					
BEGINNING NET ASSETS	\$86,173,015				
Less: Invested in Capital Assets, net of related debt	(75,786,193)				
BEGINNING UNRESTRICTED NET ASSETS	\$10,386,822	\$9,508,366	\$9,508,366	\$9,269,726	\$9,269,726
REVENUES					
Charges for Services	\$15,773,076	\$16,703,158	\$16,703,158	\$16,330,331	\$16,330,331
Sewer Contracts	2,495,162	2,832,938	2,736,415	2,959,441	2,959,441
Interest and Other	289,296	883,989	980,512	158,094	158,094
TOTAL REVENUES	\$18,557,534	\$20,420,085	\$20,420,085	\$19,447,866	\$19,447,866
EXPENDITURES					
Departmental	\$8,836,526	\$9,843,605	\$9,488,256	\$9,077,302	\$9,077,302
Non-departmental	249,792	339,276	602,124	346,454	346,454
Equipment Purchases	0	170,000	415,000	60,000	60,000
Transfer - Capital	2,500,000	2,000,000	2,000,000	1,500,000	1,500,000
Debt Service	7,485,792	8,141,619	8,153,345	8,412,117	8,412,117
TOTAL EXPENDITURES	\$19,072,110	\$20,494,500	\$20,658,725	\$19,395,873	\$19,395,873
ENDING UNRESTRICTED NET ASSETS	\$9,872,246	\$9,433,951	\$9,269,726	\$9,321,719	\$9,321,719



Sewer Fund

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
SEWER FUND REVENUE SUMMARY					
CHARGES FOR SERVICES					
Sewer Sales - Inside City	\$14,050,576	\$14,836,120	\$14,836,120	\$14,548,750	\$14,548,750
Septic Hauler Charges	374,709	410,261	410,261	413,117	413,117
College Hill Backwash Charge	115,978	119,457	119,457	123,041	123,041
Leachate Treatment	62,285	64,154	64,154	66,078	66,078
Industrial Pre-treatment	5,670	4,500	4,500	4,500	4,500
Industrial Monitoring Charges	49,779	30,000	30,000	35,000	35,000
Industrial Surcharges	430,698	533,666	533,666	474,845	474,845
Cut-on & Penalty Charges	88,884	82,000	82,000	82,000	82,000
Connection charges	74,800	75,000	75,000	75,000	75,000
Availability Fees	57,850	100,000	100,000	60,000	60,000
Account Charges	417,987	420,000	420,000	420,000	420,000
Sewer Cost Plus	18,899	12,000	12,000	12,000	12,000
Miscellaneous	24,961	16,000	16,000	16,000	16,000
TOTAL CHARGES FOR SERVICES	\$15,773,076	\$16,703,158	\$16,703,158	\$16,330,331	\$16,330,331
SEWER CONTRACTS					
Counties					
Amherst	\$278,424	\$384,107	\$337,642	\$333,563	\$333,563
Bedford	213,883	414,034	383,616	418,125	418,125
Campbell	210,711	267,797	248,157	274,306	274,306
Industrial					
Rock Tenn	1,019,044	927,000	927,000	1,081,104	1,081,104
Frito Lay	773,100	840,000	840,000	852,343	852,343
TOTAL SEWER CONTRACTS	\$2,495,162	\$2,832,938	\$2,736,415	\$2,959,441	\$2,959,441
INTEREST AND OTHER					
Interest	\$196,296	\$195,953	\$292,476	\$158,094	\$158,094
Transfer from General Fund for Stormwater	0	688,036	688,036	0	0
State highway maintenance	93,000	0	0	0	0
TOTAL INTEREST AND OTHER	\$289,296	\$883,989	\$980,512	\$158,094	\$158,094
TOTAL REVENUES	\$18,557,534	\$20,420,085	\$20,420,085	\$19,447,866	\$19,447,866



Sewer Fund

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
SEWER FUND EXPENSE SUMMARY					
DEPARTMENTAL					
Salaries	\$1,885,716	\$2,154,379	\$1,940,618	\$1,882,463	\$1,882,463
Employee Benefits	728,574	885,384	798,787	845,636	845,636
Chemicals	518,054	639,000	702,342	706,000	706,000
Communication Charges	11,953	18,550	16,550	13,100	13,100
Utilities-Waste Water Treatment Plant	621,996	694,250	694,250	720,300	720,300
Natural Gas	82,449	140,000	140,000	120,000	120,000
Sludge Disposal	575,208	600,000	600,000	600,000	600,000
Contractual Services	978,166	1,137,217	1,161,317	936,520	936,520
Supplies and Materials	568,987	592,650	557,981	553,200	553,200
Indirect Costs	785,219	583,776	583,776	583,776	583,776
Self-Insurance	193,886	200,727	200,727	200,727	200,727
Admin/Overhead Payments to Water fund	1,381,000	1,241,000	1,166,000	1,250,000	1,250,000
Public Works Engineering Charges	0	225,000	225,000	225,000	225,000
All Other	505,318	731,672	700,908	440,580	440,580
TOTAL DEPARTMENTAL	\$8,836,526	\$9,843,605	\$9,488,256	\$9,077,302	\$9,077,302
NON-DEPARTMENTAL					
Financial Audit	\$13,392	\$17,000	\$30,299	\$17,510	\$17,510
Allowance for Uncollectible Accounts	12,959	25,000	25,000	25,750	25,750
Special Order CSO Charges	0	15,000	15,000	15,450	15,450
Retiree Benefits	194,500	182,276	182,276	187,744	187,744
Interceptor Maintenance	28,941	100,000	349,549	100,000	100,000
TOTAL NON-DEPARTMENTAL	\$249,792	\$339,276	\$602,124	\$346,454	\$346,454
CAPITAL AND TRANSFERS					
Transfer to Sewer Capital Fund	\$2,500,000	\$2,000,000	\$2,000,000	\$1,500,000	\$1,500,000
Capital Purchases	0	170,000	415,000	60,000	60,000
TOTAL CAPITAL AND TRANSFERS	\$2,500,000	\$2,170,000	\$2,415,000	\$1,560,000	\$1,560,000
Debt Service	\$7,485,792	\$8,141,619	\$8,153,345	\$8,412,117	\$8,412,117
TOTAL EXPENDITURES	\$19,072,110	\$20,494,500	\$20,658,725	\$19,395,873	\$19,395,873



Department of Water Resources 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 stormwater 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
POSITION SUMMARY					
City Funded Full-Time	17.00	15.50	15.50	13.45	13.45
TOTAL FTE	17.00	15.50	15.50	13.45	13.45
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$584,601	\$585,856	\$584,975	\$477,732	\$477,732
Employee Benefits	236,847	247,691	247,691	218,022	218,022
Contractual Services	179,026	168,609	173,027	205,349	205,349
Internal Service Charges	323,554	281,100	281,100	244,000	244,000
Other Charges	1,202,470	1,185,723	1,186,031	1,162,673	1,162,673
Capital Outlay	0	10,000	10,000	10,000	10,000
TOTAL	\$2,526,498	\$2,478,979	\$2,482,824	\$2,317,776	\$2,317,776

Water Resources Sewer Fund – Sewer Line Maintenance Division Budget Description

The Department Requested FY 2013 Water Resources Sewer Fund – Sewer Line Maintenance Division budget of \$2,317,776 represents a 6.5% decrease of \$161,203 compared to the Adopted FY 2012 budget of \$2,478,979.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$137,793 decrease in Salaries and Employee Benefits reflecting the transfer of 1.55 positions to the Stormwater Fund, and .5 of a position to the Administration Division of the Water Fund, offset by changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$36,740 increase in Contractual Services reflecting an \$80,000 increase in sewer maintenance and repair services, offset primarily by a \$20,000 decrease in line protection services, \$10,000 in refuse disposal services, and \$6,500 in miscellaneous contractual services.
- \$37,100 decrease in Internal Service Charges primarily due to transferring three vehicles to the Stormwater Fund.
- \$23,050 decrease in Other Charges reflecting a \$9,000 reduction in mechanical maintenance and repair materials, \$9,000 for the payment to the Water Fund for administrative services, and \$5,000 for minor equipment and tools.

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



Department of Water Resources 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
POSITION SUMMARY					
City Funded Full-Time	30.0	32.0	32.0	34.0	34.0
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
TOTAL FTE	33.0	35.0	35.0	37.0	37.0
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,301,115	\$1,355,643	\$1,355,643	\$1,404,731	\$1,404,731
Employee Benefits	491,728	551,096	551,096	627,614	627,614
Contractual Services	799,140	767,771	988,290	731,171	731,171
Internal Service Charges	129,042	160,000	185,000	229,580	229,580
Other Charges	3,589,005	3,852,080	3,935,403	3,776,430	3,776,430
Capital Outlay	0	160,000	405,000	50,000	50,000
TOTAL	\$6,310,030	\$6,846,590	\$7,420,432	\$6,819,526	\$6,819,526



Water Resources Sewer Fund – Wastewater Treatment Plant Division Budget Description

The Department Requested FY 2013 Water Resources Sewer Fund – Wastewater Treatment Division budget of \$6,819,526 represents a 0.4% decrease of \$27,064 compared to the Adopted FY 2012 budget of \$6,846,590.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$125,606 increase in Salaries and Employee Benefits reflecting the addition of two Driver/Operator positions needed for hauling sludge to the Campbell County Landfill, as well as changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$36,600 decrease in Contractual Services primarily reflecting a \$30,000 reduction in temporary personnel.
- \$69,580 increase in Internal Service Charges primarily reflecting additional costs related to hauling sludge 45,000 additional miles annually for disposal.
- \$75,650 decrease in Other Charges reflecting a \$266,000 reduction for Chesapeake Bay nutrient trading, offset by increases of \$93,000 for the payment to the Water Fund for administrative services, \$67,000 for chemicals, and \$20,000 for electricity.
- \$110,000 decrease in Capital Outlay primarily due to fiscal constraints.

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



Department of Water Resources Sewer Fund – Stormwater Division. The Water Resources 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Submitted FY 2012	Manager's Proposed FY 2012
POSITION SUMMARY					
City Funded Full-Time	0.0	4.5	4.5	0.0	0.0
TOTAL FTE	0.0	4.5	4.5	0.0	0.0
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$296	\$212,880	\$213,761	\$0	\$0
Employee Benefits	32	86,597	86,597	0	0
Contractual Services	80,956	200,837	211,171	0	0
Internal Service Charges	0	51,072	51,072	0	0
Other Charges	57,722	136,650	136,650	0	0
TOTAL	\$139,006	\$688,036	\$699,251	\$0	\$0

Water Resources Sewer Fund – Stormwater Division Budget Description

The Department Requested FY 2013 Water Resources Sewer Fund – Stormwater Division budget of \$0 represents a 100.0% decrease compared to the Adopted FY 2012 budget of \$688,036.

Beginning in FY 2013, Stormwater will be budgeted in a separate fund.



Department of Water Resources Sewer Fund Performance Measures

Goal 1:				
Protect the environment and promote the general health and welfare of the citizens of Lynchburg while maintaining a high level of customer satisfaction.				
Objective:				
Provide pollution and flood control through the maintenance of the sanitary and storm sewer systems.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Sewer Overflow Rate (reportable overflows per 100 miles of sewer line).	12.7	10.0	1.8	10.0
Analysis of the Data:				
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.				

Goal 2:				
Protect the environment and promote general health and welfare.				
Objective:				
Treat wastewater from the City of Lynchburg and Amherst, Bedford, and Campbell Counties to meet or exceed all State and federal regulatory requirements.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Treatment Effectiveness Rate (% of days in compliance with numerical VA Pollutant Discharge Elimination System permit limits).	100%	100%	100%	100%
Analysis of the Data:				
Wastewater Treatment Plant effluent quality is consistently better than permitted requirements.				

Goal 3:				
Operate the Wastewater Treatment Plant in a cost-effective and efficient manner.				
Objective:				
Treat wastewater in a technically-sound and efficiently-operated Regional Wastewater Treatment Plant on an uninterrupted basis.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Overall treatment cost per million gallons treated.	\$1,558	\$1,538	\$1,778	\$1,557
Analysis of the Data:				
Projected FY 2011 and FY 2012 increases are due primarily to rising chemical and power costs as well as additional regulatory requirements.				

Benchmark Localities:				
Charlottesville, Danville, Hampton, Richmond, and Roanoke, VA; American Water Works Association (AWWA)				



Stormwater Fund. The Water Resources 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
STORMWATER FUND POSITION SUMMARY					
City Funded Full-Time	0.0	0.0	0.0	5.8	5.8
TOTAL FTE	0.0	0.0	0.0	5.8	5.8
STORMWATER FUND SUMMARY					
BEGINNING UNRESTRICTED NET ASSETS	\$0	\$0	\$0	\$0	\$0
REVENUES					
Charges for Services	\$0	\$0	\$0	\$2,599,200	\$2,599,200
State Categorical Aid - Highway Maintenance	0	0	0	650,000	650,000
Miscellaneous	0	0	0	1,000	1,000
TOTAL REVENUES	\$0	\$0	\$0	\$3,250,200	\$3,250,200
EXPENDITURES					
Salaries	\$0	\$0	\$0	\$198,669	\$198,669
Employee Benefits	0	0	0	96,813	96,813
Communication Charges	0	0	0	2,000	2,000
Contractual Services	0	0	0	202,837	202,837
Supplies and Materials	0	0	0	64,150	64,150
Admin/Overhead Pmts to Water fund	0	0	0	370,000	370,000
Public Works/Community Development Charges	0	0	0	1,692,554	1,692,554
All Other	0	0	0	72,943	72,943
Transfer - Capital	0	0	0	300,000	300,000
TOTAL EXPENDITURES	\$0	\$0	\$0	\$2,999,966	\$2,999,966
ENDING UNRESTRICTED NET ASSETS	\$0	\$0	\$0	\$250,234	\$250,234

Water Resources Stormwater Fund Budget Description

The Department Requested FY 2013 Water Resources Stormwater Fund budget of \$2,999,966 represents a 100.0% increase compared to the Adopted FY 2012 budget.

Beginning in FY 2013 Stormwater is a new Enterprise Fund.

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



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.





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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
CENTRAL VIRGINIA RADIO COMMUNICATIONS BOARD FUND BUDGET SUMMARY					
BEGINNING UNASSIGNED FUND BALANCE	\$381,926	\$300,137	\$312,286	\$0	\$0
REVENUES					
Charges for Services	\$736,101	\$897,814	\$897,814	\$0	\$0
Property Damage Claims	11,052	0	0	0	0
TOTAL REVENUES	\$747,153	\$897,814	\$897,814	\$0	\$0
EXPENDITURES					
Contractual Services	\$747,753	\$785,564	\$813,723	\$0	\$0
Other Charges	63,700	87,250	91,704	0	0
Capital Outlay	5,340	25,000	25,000	0	0
TOTAL EXPENDITURES	\$816,793	\$897,814	\$930,427	\$0	\$0
ENDING UNASSIGNED FUND BALANCE	\$312,286	\$300,137	\$279,673	\$0	\$0

Central Virginia Radio Communications Board (CVRCB) Fund Budget Description

The Central Virginia Radio Communications Board Fund will be closed in FY 2012 and the Region 2000 Local Government Council will administer the Fund.



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, 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
CITY FEDERAL STATE AID FUND POSITION SUMMARY					
Grant Funded Full-Time	18.55	18.63	18.63	16.32	16.32
Grant Funded Part-Time	3.08	2.28	3.08	2.48	2.48
Grant Funded Temporary	0.75	0.69	0.66	0.00	0.00
TOTAL FTE	22.38	21.60	22.37	18.80	18.80
CITY FEDERAL STATE AID FUND BUDGET SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Federal Grants	\$1,591,603	\$1,697,914	\$2,256,919	\$1,557,480	\$1,557,480
State Grants	801,868	822,398	1,221,047	807,524	807,524
Contribution from Community Services Board	20,000	20,000	29,632	0	0
Boys and Girls Club of America Grant	3,124	3,124	3,124	3,124	3,124
Miscellaneous Local Contribution	8,748	0	0	0	0
In-Kind Grant Match	23,138	22,570	34,423	23,706	23,706
Transfer from General Fund	26,959	27,171	26,540	11,720	11,720
TOTAL REVENUES	\$2,475,440	\$2,593,177	\$3,571,685	\$2,403,554	\$2,403,554
EXPENDITURES					
Salaries	\$667,115	\$792,010	\$875,841	\$735,533	\$735,533
Employee Benefits	245,383	313,223	366,212	303,259	302,029
Contractual Services	995,860	1,010,680	1,453,380	912,440	912,440
Other Charges	498,850	477,264	850,504	452,322	453,552
Capital Outlay	68,232	0	25,748	0	0
TOTAL EXPENDITURES	\$2,475,440	\$2,593,177	\$3,571,685	\$2,403,554	\$2,403,554
ENDING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Key Ratios:

General Fund Transfer as a % of Total Expenditures	1%	1%	1%	0%	0%
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City/Federal/State Aid Fund

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
PROGRAM SUMMARY BY DEPARTMENT					
EXPENDITURES					
Office of the Commonwealth's Attorney					
Byrne Memorial Justice Program	\$60,250	\$60,250	\$60,250	\$0	\$0
Byrne Memorial Justice Project Outreach Program	62,476	62,476	62,476	62,476	62,476
Community Defined Solutions Grant	106,235	200,000	293,765	200,000	200,000
Domestic Violence Victim Fund	8,994	0	31,006	40,000	40,000
Victim/Witness Program	221,461	221,461	225,890	225,890	225,890
V-Stop Grant	89,164	90,253	139,504	94,823	94,823
Fire Department					
EMS Four for Life Program	99,117	45,000	98,986	50,000	50,000
Fire Programs	155,106	170,000	425,101	190,000	190,000
Juvenile Services					
USDA School Nutrition Program	15,202	20,000	20,000	20,000	20,000
Social Services					
Education Support Special Initiative Program	19,060	16,680	13,118	16,680	16,680
Foster Parent Recruiting and Training Program	10,409	10,000	9,369	10,000	10,000
Independent Living Program	28,631	23,626	16,052	23,626	23,626
Piedmont Regional Adoption Program	85,382	115,500	115,500	0	0
Respite Program	9,379	11,883	11,883	11,883	11,883
Safe and Stable Families Program	52,689	34,453	16,525	34,453	34,453
TANF Job Retention and Wage Program	104,206	131,654	130,791	131,654	131,654
Community Corrections and Pretrial Services					
Byrne Memorial Justice Program	70,644	80,000	89,632	0	0
Community Corrections Program	443,118	487,069	569,219	487,069	487,069
Non-departmental					
Citizens for a Clean Lynchburg	6,363	12,872	19,709	5,000	5,000
Workforce Investment Act Program	827,554	800,000	1,222,909	800,000	800,000
TOTAL EXPENDITURES	\$2,475,440	\$2,593,177	\$3,571,685	\$2,403,554	\$2,403,554



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.

Community Defined Solutions Grant. 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.

Domestic Violence Victim Fund. The Domestic Violence Grant funds specially trained prosecutors and investigators (the Domestic Violence Prosecution Unit) who are devoted to the aggressive investigation and prosecution of domestic violence cases. Initially formed in 1997, the Unit's main purpose is to hold those accountable who engage in acts of domestic violence, to ensure that victims of domestic violence receive information and support throughout the criminal justice process, and to work with other agencies in the community to promote a coordinated response to the problem of domestic violence. The U.S. Department of Justice's Violence Against Women Office administers the Domestic Violence Grant Program.

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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
OFFICE OF THE COMMONWEALTH'S ATTORNEY GRANTS POSITION SUMMARY					
Grant Funded Full-Time	6.55	6.63	6.63	6.32	6.32
Grant Funded Part-Time	1.60	0.80	1.60	1.60	1.60
TOTAL FTE	8.15	7.43	8.23	7.92	7.92
OFFICE OF THE COMMONWEALTH'S ATTORNEY GRANTS BUDGET SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Federal Grants	\$451,891	\$538,319	\$703,809	\$539,886	\$539,886
State Grants	55,365	55,365	56,473	56,473	56,473
Boys and Girls Club of America Grant	3,124	3,124	3,124	3,124	3,124
In-Kind Grant Match	23,138	22,570	34,423	23,706	23,706
Transfer from General Fund	15,062	15,062	15,062	0	0
TOTAL REVENUES	\$548,580	\$634,440	\$812,891	\$623,189	\$623,189
EXPENDITURES					
Salaries	\$292,100	\$329,213	\$413,706	\$355,146	\$355,146
Employee Benefits	106,666	129,304	182,546	137,306	137,306
Contractual Services	100,211	141,293	154,347	97,463	97,463
Other Charges	47,603	34,630	62,292	33,274	33,274
Capital Outlay	2,000	0	0	0	0
TOTAL EXPENDITURES	\$548,580	\$634,440	\$812,891	\$623,189	\$623,189
ENDING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Office of the Commonwealth's Attorney Grants Budget Description

The Department Requested FY 2013 Office of the Commonwealth's Attorney Grants budget of \$623,189 represents a 1.8% decrease of \$11,251 compared to the Adopted FY 2012 budget of \$634,440.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$25,933 increase in Salaries reflecting additional funds awarded to the Victim Witness grant and newly awarded funds for the Domestic Violence Program.
- \$8,002 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates in addition to the salary adjustments, as noted above.
- \$43,830 decrease in Contractual Services reflecting the loss of Byrne Memorial Justice Program.
- \$1,356 decrease in Other Charges reflecting the loss of Byrne Memorial Justice Program.

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



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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
FIRE DEPARTMENT GRANTS BUDGET SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
State Grants	\$254,223	\$215,000	\$524,087	\$240,000	\$240,000
TOTAL REVENUES	\$254,223	\$215,000	\$524,087	\$240,000	\$240,000
EXPENDITURES					
Employee Benefits	(\$863)	\$0	\$0	\$0	\$0
Contractual Services	1,278	0	0	0	0
Other Charges	187,576	215,000	498,339	240,000	240,000
Capital Outlay	66,232	0	25,748	0	0
TOTAL EXPENDITURES	\$254,223	\$215,000	\$524,087	\$240,000	\$240,000
ENDING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Fire Department Grants Budget Description

The Department Requested FY 2013 Fire Department Grants budget of \$240,000 represents an 11.6% increase of \$25,000 compared to the Adopted FY 2012 budget of \$215,000.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$25,000 increase in Other Charges reflecting additional funding for the Fire and Emergency Medical Services Four for Life Programs.

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



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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
JUVENILE SERVICES GRANTS BUDGET SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Federal Grants	\$15,202	\$20,000	\$20,000	\$20,000	\$20,000
TOTAL REVENUES	\$15,202	\$20,000	\$20,000	\$20,000	\$20,000
EXPENDITURES					
Other Charges	\$15,202	\$20,000	\$20,000	\$20,000	\$20,000
TOTAL EXPENDITURES	\$15,202	\$20,000	\$20,000	\$20,000	\$20,000
ENDING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Juvenile Services Grant Budget Description

The Department Requested FY 2013 Juvenile Services Grant budget of \$20,000 represents no change compared to the Adopted FY 2012 budget.

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



Social Services Grants

Comprehensive Services Act Providers Grant - Safe and Stable Families Program. Provides services for family preservation, to increase the health and well being of families, and increase family management effectiveness.

Education Support Special 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 Program. 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.

Respite Program. 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) Job Retention and Wage Program. The TANF Grant provides resources to enhance welfare recipient employment, job retention and monthly earnings.



Social Services Grants

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
SOCIAL SERVICES GRANTS POSITION SUMMARY					
Grant Funded Full-Time	4.00	4.00	4.00	2.00	2.00
Grant Funded Part-Time	0.00	0.00	0.00	0.88	0.88
TOTAL FTE	4.00	4.00	4.00	2.88	2.88
SOCIAL SERVICES GRANTS BUDGET SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Federal Grants	\$246,312	\$279,595	\$250,201	\$197,594	\$197,594
State Grants	42,799	52,092	51,559	18,982	18,982
Miscellaneous	8,748	0	0	0	0
Transfer from General Fund	11,897	12,109	11,478	11,720	11,720
TOTAL REVENUES	\$309,756	\$343,796	\$313,238	\$228,296	\$228,296
EXPENDITURES					
Salaries	\$83,979	\$119,976	\$119,314	\$83,934	\$83,934
Employee Benefits	37,992	57,246	57,045	30,300	30,054
Contractual Services	59,788	53,700	53,700	7,120	7,120
Other Charges	127,997	112,874	83,179	106,942	107,188
TOTAL EXPENDITURES	\$309,756	\$343,796	\$313,238	\$228,296	\$228,296
ENDING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Social Services Grants Budget Description

The Department Requested FY 2013 Social Services Grants budget of \$228,296 represents a 33.6% decrease of \$115,500 compared to the Adopted FY 2012 budget of \$343,796.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$115,500 overall decrease reflecting the elimination of the Piedmont Regional Adoption Program.

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



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.

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
COMMUNITY CORRECTIONS AND PRETRIAL SERVICES GRANTS POSITION SUMMARY					
Grant Funded Full-Time	8.00	8.00	8.00	8.00	8.00
Grant Funded Part-Time	1.48	1.48	1.48	0.88	0.88
Grant Funded Temporary	0.75	0.69	0.66	0.00	0.00
TOTAL FTE	10.23	10.17	10.14	8.88	8.88
COMMUNITY CORRECTIONS AND PRETRIAL SERVICES GRANTS BUDGET SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Federal Grants	\$50,644	\$60,000	\$60,000	\$0	\$0
State Grants	443,118	487,069	569,219	487,069	487,069
Contribution from Community Services Board	20,000	20,000	29,632	0	0
TOTAL REVENUES	\$513,762	\$567,069	\$658,851	\$487,069	\$487,069
EXPENDITURES					
Salaries	\$291,036	\$342,821	\$342,821	\$296,453	\$296,453
Employee Benefits	101,588	126,673	126,621	135,653	134,669
Contractual Services	666	2,815	2,715	2,857	2,857
Other Charges	120,472	94,760	186,694	52,106	53,090
TOTAL EXPENDITURES	\$513,762	\$567,069	\$658,851	\$487,069	\$487,069
ENDING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Community Corrections and Pretrial Services Program Grant Budget Description

The Department Requested FY 2013 Community Corrections and Pretrial Services Program Grant budget of \$487,069 represents a 14.1% decrease of \$80,000 compared to the Adopted FY 2012 budget of \$567,069.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$80,000 overall decrease reflecting the elimination of the Byrne Memorial Justice Program.

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



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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
NON-DEPARTMENTAL CITIZENS FOR A CLEAN LYNCHBURG GRANT BUDGET SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
State Grants	\$6,363	\$12,872	\$19,709	\$5,000	\$5,000
TOTAL REVENUES	\$6,363	\$12,872	\$19,709	\$5,000	\$5,000
EXPENDITURES					
Contractual Services	\$6,363	\$12,872	\$19,709	\$5,000	\$5,000
TOTAL EXPENDITURES	\$6,363	\$12,872	\$19,709	\$5,000	\$5,000
ENDING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Non-departmental – Citizens for a Clean Lynchburg Grant

The Department Requested FY 2013 Non-departmental – Citizens for a Clean Lynchburg Grant budget of \$5,000 represents a 61.2% decrease of \$7,872 compared to the Adopted FY 2012 budget of \$12,872.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$7,872 decrease in Contractual Services reflecting a reduction in awarded State revenue.

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



Non-departmental – Workforce Investment Act Grant. Title I Workforce Investment Act (WIA) funds are 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. Region 2000 acts as the fiscal agent and the City of Lynchburg serves as the local grant recipient.

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
NON-DEPARTMENTAL WORKFORCE INVESTMENT ACT GRANT BUDGET SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Federal Grants	\$827,554	\$800,000	\$1,222,909	\$800,000	\$800,000
TOTAL REVENUES	\$827,554	\$800,000	\$1,222,909	\$800,000	\$800,000
EXPENDITURES					
Contractual Services	\$827,554	\$800,000	\$1,222,909	\$800,000	\$800,000
TOTAL EXPENDITURES	\$827,554	\$800,000	\$1,222,909	\$800,000	\$800,000
ENDING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Non-departmental – Workforce Investment Act Grant Budget Description

The Department Requested FY 2013 Non-departmental – Workforce Investment Act Grant budget of \$800,000 represents no change compared to the Adopted FY 2012 budget.

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



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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
COMMUNITY DEVELOPMENT BLOCK GRANT POSITION SUMMARY					
Grant Funded Full-Time	0.50	0.65	0.65	0.50	0.50
Grant Funded Part-Time	1.00	0.60	0.60	0.60	0.60
TOTAL FTE	1.50	1.25	1.25	1.10	1.10
COMMUNITY DEVELOPMENT BLOCK GRANT BUDGET SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Federal Entitlement	\$667,466	\$904,816	\$1,845,286	\$639,243	\$639,243
Program Income	5,364	0	2,030	2,030	2,030
TOTAL REVENUES	\$672,830	\$904,816	\$1,847,316	\$641,273	\$641,273
EXPENDITURES					
Salaries	\$56,255	\$74,983	\$144,009	\$68,047	\$68,047
Employee Benefits	8,864	14,852	28,402	12,754	12,693
Contractual Services	655,936	808,105	1,550,355	555,222	555,283
Other Charges	4,724	6,876	24,550	5,250	5,250
Capital Outlay	(52,949)	0	100,000	0	0
TOTAL EXPENDITURES	\$672,830	\$904,816	\$1,847,316	\$641,273	\$641,273
ENDING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Community Development Block Grant (CDBG) Fund Budget Description

The Department Requested FY 2013 Community Development Block Grant Fund budget of \$641,273 represents a 29.1% decrease of \$263,543 compared to the Adopted FY 2012 budget of \$904,816.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$6,418 decrease in Salaries and Employee Benefits reflecting the realignment of .15 FTE's to the General Fund, as well as changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$255,499 decrease in Contractual Services reflecting a projected reduction in Entitlement funding.
- \$1,626 decrease in Other Charges reflecting a projected reduction in Entitlement funding.

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



Community Development Block Grant funding by project

Project	FY 2012 Funding Distribution
Program Administration (City)	\$96,711
Program Administration (Lynchburg Redevelopment & Housing Authority)	38,932
Section 108 Loan (Bluffwalk)	301,859
Lynchburg Redevelopment & Housing Authority (LRHA) Spot Blight Abatement/Acquisition	98,500
LRHA Delivery Costs-Disposition	13,047
LRHA Delivery Costs-Acquisition	86,430
Fifth Street Community Development Corporation (City) - Fifth Street Phase II	77,000
Tinbridge Hill Neighborhood Association	130,854
The Gateway House, Inc (Public Service)	25,000
Miriam’s House (Public Service)	22,103
Smart Beginnings (Public Service)	15,206
YWCA Domestic Violence Prevention Center (Public Service)	22,103
TOTAL	\$927,744

Note: The Adopted FY 2012 amount does not match the FY 2012 Funding Distribution total because the amount of Federal Entitlement has been adjusted to reflect the actual amount received.



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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
COMPREHENSIVE SERVICES ACT (CSA) FUND POSITION SUMMARY					
Grant Funded Full-Time	1.2	1.2	1.2	1.0	1.0
TOTAL FTE	1.2	1.2	1.2	1.0	1.0
COMPREHENSIVE SERVICES ACT (CSA) FUND BUDGET SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$0	\$0	\$474,002	\$474,002	\$474,002
REVENUES					
Intergovernmental - Public Assistance	\$2,515,556	\$3,417,468	\$3,417,468	\$3,417,468	\$3,417,468
Transfer from General Fund	1,349,591	1,349,591	1,349,591	1,338,852	1,338,852
Transfer from Lynchburg City Schools	196,541	196,541	196,541	196,541	196,541
Special Welfare Recoupment	89,526	110,000	110,000	110,000	110,000
TOTAL REVENUES	\$4,151,214	\$5,073,600	\$5,073,600	\$5,062,861	\$5,062,861
EXPENDITURES					
Salaries	\$42,389	\$41,279	\$41,279	\$32,718	\$32,718
Employee Benefits	18,109	18,816	18,816	16,638	16,515
Administrative	8,203	12,927	12,927	12,927	13,050
Mandated - Foster Care	257,443	3,598,742	3,598,742	3,598,742	3,598,742
Mandated - Special Education	708,867	1,026,000	1,026,000	1,026,000	1,026,000
Non-Mandated Services	325,208	375,836	375,836	375,836	375,836
TOTAL EXPENDITURES	\$3,677,212	\$5,073,600	\$5,073,600	\$5,062,861	\$5,062,861
ENDING RESTRICTED FUND BALANCE	\$474,002	\$0	\$474,002	\$474,002	\$474,002

Comprehensive Services Act (CSA) Fund Budget Description

The Department Requested FY 2013 Comprehensive Services Act Fund budget of \$5,062,861 represents a 0.2% decrease of \$10,739 compared to the Adopted FY 2012 budget of \$5,073,600.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$10,739 decrease in Salaries and Employee Benefits reflecting a reporting adjustment for a grant-funded position.

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



Forfeited Asset 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
FORFEITED ASSET FUND BUDGET SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$265,402	\$51,268	\$205,253	\$29,388	\$29,388
REVENUES					
State Asset Forfeiture	\$65,542	\$0	\$29,316	\$0	\$0
Interest	349	0	76	0	0
TOTAL REVENUES	\$65,891	\$0	\$29,392	\$0	\$0
EXPENDITURES					
TOTAL EXPENDITURES	\$126,040	\$0	\$205,257	\$0	\$0
ENDING RESTRICTED FUND BALANCE	\$205,253	\$51,268	\$29,388	\$29,388	\$29,388

Forfeited Asset Fund Budget Description

No funds are requested for FY 2013.



HOME Investment Trust 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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
HOME INVESTMENT TRUST FUND POSITION SUMMARY					
Grant Funded Full-Time	0.50	0.15	0.15	0.00	0.00
Grant Funded Part-Time	0.25	0.20	0.20	0.20	0.20
TOTAL FTE	0.75	0.35	0.35	0.20	0.20
HOME INVESTMENT TRUST FUND BUDGET SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Federal Entitlement	\$737,450	\$467,742	\$1,275,126	\$283,839	\$283,839
TOTAL REVENUES	\$737,450	\$467,742	\$1,275,126	\$283,839	\$283,839
EXPENDITURES					
Salaries	\$9,380	\$23,576	\$24,346	\$16,640	\$16,640
Employee Benefits	1,319	4,176	7,894	1,273	1,273
Contractual Services	723,715	438,990	1,241,886	263,426	263,426
Other Charges	3,036	1,000	1,000	2,500	2,500
TOTAL EXPENDITURES	\$737,450	\$467,742	\$1,275,126	\$283,839	\$283,839
ENDING RESTRICTED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

HOME Investment Trust Fund Budget Description

The Department Requested FY 2013 HOME Investment Trust Fund budget of \$283,839 represents a 39.3% decrease of \$183,903 compared to the Adopted FY 2012 budget of \$467,742.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$10,609 decrease in Salaries and Employee Benefits reflecting the realignment of .15 FTE's to the General Fund, as well as changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$175,564 decrease in Contractual Services reflecting a net projected reduction in Entitlement funding.

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



HOME Investment Trust funding by project

Project	FY 2012 Funding Distribution
Home Administration (City)	\$28,731
Greater Lynchburg Habitat for Humanity	50,000
Lyn-CAG-Homeowner - Community Housing Development Organization (CHDO)	75,000
Lyn-CAG Substantial Rehab	93,226
Lynchburg Neighborhood Development Foundation (LNDF) Hilltop Homes	80,000
LNDF - Homeownership Program	68,226
Housing 2000 Single Family Development (CHDO)	33,700
TOTAL	\$428,883

Note: The Adopted FY 2012 amount does not match the FY 2012 Funding Distribution total because the amount of Federal Entitlement has been adjusted to reflect the actual amount received.



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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
LYNCHBURG EXPRESSWAY APPEARANCE FUND (LEAF) BUDGET SUMMARY					
BEGINNING RESTRICTED FUND BALANCE	\$125,159	\$125,159	\$164,196	\$164,196	\$164,196
REVENUES					
Revenue from pledges and donations	\$56,350	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$56,350	\$0	\$0	\$0	\$0
EXPENDITURES					
Contractual Services	\$17,313	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$17,313	\$0	\$0	\$0	\$0
ENDING RESTRICTED FUND BALANCE	\$164,196	\$125,159	\$164,196	\$164,196	\$164,196

Lynchburg Expressway Appearance Fund (LEAF) Budget Description

No funds are requested for FY 2013.



Regional Juvenile Detention Center Fund. The Detention 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 Home.

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
REGIONAL JUVENILE DETENTION CENTER FUND POSITION SUMMARY					
City Funded Full-Time	40.00	40.00	40.00	40.00	40.00
City Funded Part-Time	4.75	4.75	4.75	4.75	4.75
City Funded Temporary	2.50	2.50	2.50	2.50	2.50
TOTAL FTE	47.25	47.25	47.25	47.25	47.25
REGIONAL JUVENILE DETENTION CENTER FUND BUDGET SUMMARY					
BEGINNING ASSIGNED FUND BALANCE	\$122,784	\$0	\$100,000	\$96,627	\$96,627
REVENUES					
Charges for Services	\$1,744,981	\$1,760,603	\$1,760,603	\$1,796,789	\$1,796,789
Intergovernmental	1,139,597	1,140,120	1,140,120	1,140,120	1,140,120
TOTAL REVENUES	\$2,884,578	\$2,900,723	\$2,900,723	\$2,936,909	\$2,936,909
EXPENDITURES					
Salaries	\$1,443,269	\$1,415,582	\$1,415,582	\$1,406,306	\$1,406,306
Employee Benefits	561,833	599,538	599,538	647,597	642,677
Contractual Services	37,431	37,350	37,654	37,350	37,350
Internal Service Charges	9,610	7,379	7,379	9,170	9,170
Other Charges	552,660	554,824	557,893	561,288	566,208
Debt Service	293,508	284,050	284,050	273,198	273,198
Capital Outlay	9,051	2,000	2,000	2,000	2,000
TOTAL EXPENDITURES	\$2,907,362	\$2,900,723	\$2,904,096	\$2,936,909	\$2,936,909
ENDING ASSIGNED FUND BALANCE	\$100,000	\$0	\$96,627	\$96,627	\$96,627

Regional Juvenile Detention Center Fund Budget Description

The Department Requested FY 2013 Regional Juvenile Detention Center Fund budget of \$2,936,909 a 1.2% increase of \$36,186 compared to the Adopted FY 2012 budget of \$2,900,723.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$9,276 decrease in Salaries reflecting the retirement of 2 employees.
- \$48,059 increase in Employee Benefits reflecting changes in life insurance, Virginia Retirement System, and health benefit rates.
- \$1,791 increase in Internal Service Charges reflecting Fleet Administration Estimates.
- \$6,464 increase in Other Charges reflecting changes in the Indirect Cost Transfer.
- \$10,852 decrease in Debt Service Charges reflecting FY 2013 amortization rates.

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



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, Regional Juvenile Detention Funds, subrogation, and interest income. The claims placed in this fund are expended in lieu of insurance to settle liability claims filed against the City.

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
RISK MANAGEMENT FUND POSITION SUMMARY					
City Funded Full-Time	3.10	3.10	3.10	2.10	2.10
City Funded Part-Time	0.00	0.00	0.00	0.97	0.97
TOTAL FTE	3.10	3.10	3.10	3.07	3.07
RISK MANAGEMENT FUND BUDGET SUMMARY					
BEGINNING COMMITTED FUND BALANCE	\$2,765,381	\$2,765,381	\$2,492,018	\$2,487,666	\$2,487,666
REVENUES					
General Fund	\$602,539	\$548,524	\$548,524	\$555,524	\$555,524
Water Fund	148,191	146,529	146,529	146,529	146,529
Sewer Fund	120,839	152,257	152,257	152,257	152,257
Sewer Fund - Treatment Plant	73,047	48,470	48,470	48,470	48,470
Airport Fund	42,547	38,670	38,670	38,670	38,670
Juvenile Detention Home	18,835	15,752	15,752	15,752	15,752
Interest Earnings	7,131	35,000	35,000	35,000	35,000
Subrogation	24,376	25,000	25,000	25,000	25,000
TOTAL REVENUES	\$1,037,505	\$1,010,202	\$1,010,202	\$1,017,202	\$1,017,202
DEPARTMENTAL					
Salaries	\$169,054	\$166,277	\$166,277	\$162,825	\$162,825
Employee Benefits	56,928	67,138	67,138	49,940	49,681
Contractual Services	5,300	33,501	33,501	33,501	33,501
Internal Service Charges	8,140	7,983	7,983	8,765	8,765
Other Charges	10,080	13,207	13,207	13,207	13,207
Rental and Leases	0	495	495	495	495
Capital Outlay	0	986	986	0	0
TOTAL DEPARTMENTAL EXPENDITURES	\$249,502	\$289,587	\$289,587	\$268,733	\$268,474
NON-DEPARTMENTAL					
Insurance and Claims	\$1,061,366	\$724,967	\$724,967	\$735,918	\$735,918
TOTAL NON-DEPARTMENTAL EXPENDITURES	\$1,061,366	\$724,967	\$724,967	\$735,918	\$735,918
TOTAL EXPENDITURES	\$1,310,868	\$1,014,554	\$1,014,554	\$1,004,651	\$1,004,392
ENDING COMMITTED FUND BALANCE	\$2,492,018	\$2,761,029	\$2,487,666	\$2,500,217	\$2,500,476

Risk Management Fund Budget Description

The Department Requested FY 2013 Risk Management Fund budget of \$1,004,651 represents a 1% decrease of \$9,903 compared to the Adopted FY 2012 budget of \$1,014,554.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$20,650 decrease in Salaries and Employee Benefits reflecting the reduction of a full-time Risk Manager position to part-time.
- \$10,951 increase in Insurance Claims reflecting the cost of insurance premiums.

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



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 10% of City owned facilities and buildings (approximately 26) annually, recommending corrective measures to departments when required. The City owns approximately 250 buildings/facilities.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Percent of facilities inspected with comprehensive repairs sent to departments.	5%	10%	7%	10%
Analysis of the Data: Site inspections are performed and detailed reports, including photographs, are sent to each department. As of October 19, 2011 staff has performed 5% of the property inspections. With 8 months left in FY 2012 Risk Management is well placed to meet and exceed the established goal of 10%. This schedule enables 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 1,000 hours of safety training/assistance to City departments.				
Performance Measure:	Actual FY 2011	Projected FY 2012	July - Dec FY 2012	Projected FY 2013
Number of training/assistance hours provided to City departments	1,175	1,000	328	1,000
Analysis of the Data: During FY 2011 Risk Management exceeded its goal of 1,000 training hours by 175 hours due to assisting Public Works with its training while Public Works' Safety Coordinator position was vacant. As of FY 2012, the Safety Coordinator position has been filled, reducing Risk Management's opportunities for training hours at Public Works. The FY 2012 and 2013 projections of 1,000 hours take this into account. Generally, a greater number of training hours are provided during the spring and early summer.				

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 FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
SPECIAL WELFARE FUND BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$67,859	\$57,110	\$72,013	\$46,263	\$46,263
REVENUES					
Donations and Restitutions	\$12,535	\$18,000	\$18,000	\$18,000	\$18,000
Interest	91	2,000	2,000	2,000	2,000
Revenue from the Commonwealth	4,725	8,500	8,500	8,500	8,500
TOTAL REVENUES	\$17,351	\$28,500	\$28,500	\$28,500	\$28,500
EXPENDITURES					
Christmas Fund	\$7,656	\$8,000	\$8,000	\$8,000	\$8,000
Special Items Program	659	400	400	400	400
Food Stamps Restitution	3,703	7,000	7,000	7,000	7,000
Interest / Fiscal Relief	0	7,000	7,000	7,000	7,000
Fuel Restitution	0	550	550	550	550
Pre-screening Assessments	1,179	30,000	30,000	30,000	30,000
Welfare Advisory Board	0	800	800	800	800
Fuel Assistance	0	500	500	500	500
TOTAL EXPENDITURES	\$13,197	\$54,250	\$54,250	\$54,250	\$54,250
ENDING DESIGNATED FUND BALANCE	\$72,013	\$31,360	\$46,263	\$20,513	\$20,513

Special Welfare Fund Budget Description

The Department Requested FY 2013 Special Welfare Fund budget of \$54,250 represents no change compared to the Adopted FY 2012 budget.

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



Technology Fund. This fund provides for the ongoing replacement and enhancement of the City's technology infrastructure.

	Actual FY 2011	Adopted FY 2012	Amended FY 2012	Department Requested FY 2013	Manager's Proposed FY 2013
TECHNOLOGY FUND BUDGET SUMMARY					
BEGINNING COMMITTED FUND BALANCE	\$2,412,450	\$2,067,553	\$2,619,359	\$2,265,318	\$2,265,318
REVENUES					
Use of Money and Property	\$10,015	\$15,000	\$15,000	\$15,000	\$15,000
Miscellaneous	57,662	0	0	0	0
Transfer from General Fund	832,816	636,773	787,508	623,575	623,575
TOTAL REVENUES	\$900,493	\$651,773	\$802,508	\$638,575	\$638,575
EXPENDITURES					
Contractual Services	\$216,797	\$287,154	\$572,517	\$855,518	\$855,518
Other Charges	200,194	181,600	209,219	188,400	188,400
Capital Outlay	276,593	348,113	374,813	546,200	546,200
TOTAL EXPENDITURES	\$693,584	\$816,867	\$1,156,549	\$1,590,118	\$1,590,118
ENDING COMMITTED FUND BALANCE	\$2,619,359	\$1,902,459	\$2,265,318	\$1,313,775	\$1,313,775

Technology Fund Budget Description

The Department Requested FY 2013 Technology Fund budget of \$1,590,118 represents a 94.7% percent increase of \$773,251 compared to the Adopted FY 2012 budget of \$816,867.

Significant changes introduced in the Department Requested FY 2013 budget include:

- \$568,364 increase in Contractual Services reflecting the cost of upgrading the AS400 platform to New World Systems Microsoft .Net product.
- \$6,800 increase in Other Charges reflecting server and PC replacements.
- \$198,087 increase in Capital Outlay reflecting network equipment replacements and upgrades, as well as, software for administering the data center disaster recovery plan..

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