

**FINANCE COMMITTEE NOTES**  
**Tuesday, May 25, 2021**

**GENERAL BUSINESS**

*Meeting commenced at 11:30 a.m. in Council Chamber in order to allow for social distancing requirements due to COVID-19.*

**ATTENDEES**

**Committee Members:** Council Member Jeff S. Helgeson, Chair; Council Member Randy Nelson; Council Member Beau Wright; Mayor MaryJane Dolan, Ex-Officio.

**Others:** Reid Wodicka, Interim City Manager; Kent White, Acting Deputy City Manager; Donna Witt, Chief Financial Officer; Reid Lanham, Accounting Manager; Starlette Early, Budget Analyst

1. Approval of the Draft Finance Committee Meeting Notes from March 23, 2021.

*The Finance Committee meeting notes for March 23, 2021 were approved as submitted.*

2. Report on the General Fund Reserve for Contingencies.

*Donna Witt reported 3<sup>rd</sup> Quarter Adjustments were posted, reducing the FY 2021 General Fund Reserve for Contingencies by \$311,831. The current balance is \$860,379, including \$22,210 in the Manager's Discretionary Fund.*

3. Consider a request to adopt a resolution to amend the FY 2021 City/Federal/State Aid Fund budget and appropriate \$100,000 with resources of \$50,000 from the Virginia Department of Criminal Justice Services (DCJS) 2021 Body-Worn Camera Grant and \$50,000 required match from the Lynchburg Police Department's (LPD) FY 2021 General Fund Budget to purchase Axon Performance and Respond services for the LPD current Body-Worn Camera (BWC) System.

*Chief Ryan Zuidema presented the item. This item was approved by the Finance Committee and will be considered by Council at the May 25, 2021 meeting.*

4. Approve the submission of an application for the 2021 State Homeland Security Program (SHSP) Grant through the Virginia Department of Emergency Management (VDEM) in the amount of \$148,042 to purchase law enforcement equipment for the Lynchburg Police Department.

*Chief Ryan Zuidema presented the item. This item was approved by the Finance Committee.*

5. Consider a request to adopt resolutions to authorize the City Manager to accept and execute a \$1,261,006 federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) on behalf of the City of Lynchburg (Lynchburg Regional Airport sponsor) and appropriate the grant funds to provide relief to the Lynchburg Regional Airport for increased operating expenses that are due to the COVID-19 Pandemic.

*Airport Director Andrew LaGala presented the item. This item was approved by the Finance Committee and will be considered by Council at the May 25, 2021 meeting.*

6. Review highlights of attached quarterly financial reports for the Greater Lynchburg Transit Company (GLTC) as well as the Regional Airport, Lynchburg Regional Juvenile Detention Center, Children's Services Act, Water Operating, Sewer Operating, Stormwater Operating, and General Funds for the quarter ending June 30, 2021

*GLTC: Brian Booth reported total revenues for the third quarter are down 15% for the quarter and 9% below budget year-to-date. Passenger revenues are under budget by 14%, CVCC contract revenue is under budget 40% due to mainly virtual classes. Passenger revenue remains significantly under budget due to waiving monthly fee as a result of operating service fare free through November 16, 2020. Non-operating revenues are up by \$37,000 due to insurance proceeds received for vehicle related accidents. Advertising revenues exceeded budget by 13% for third quarter due to increase in ad sales. Federal Operating Assistance is reported under budget by 44% due to staff adjustment of revenue accrued monthly based on updated projections. Expenditures overall are under budget 11% for third quarter and 13% year-to-date. Salaries are down 14% due to vacant positions, overtime is above budget by 28% due to additional coverage as a result of the vacancies. Maintenance expenses are under budget 13% for the quarter, due to fuel expenses less during the pandemic. Administrative expenses are 6% below budget, and Miscellaneous expenses reflected limited travel and public relations at 71% under budget year-to-date. GLTC anticipates closing the third quarter with a surplus of \$264,555, a decline from second quarter and a continued decline anticipated due to adjustments for Federal funds being accrued.*

*Airport: Andrew LaGala reported the Airport's operating revenues are continuing their slow but steady increase to pre-COVID levels, reflect a gradual but steady recovery from the COVID-19 pandemic, with flights being added back as demand warrants. A full recovery is expected in 2022+. Airfield Revenue is down by \$45,000 due to decrease in landing fees as a result of fewer flights. Terminal Revenue is down by \$540,000 due to negative impacts of COVID-19 on parking and rental car revenue. A Federal CARES grant is anticipated to increase revenues by \$500,000 more than budget due to having more "revenue replacement" than expected. Expenses are being held to \$700,000 less than budgeted to offset the estimated \$40,000 shortfall in revenues and allow estimated \$600,000 for a transfer to the capital fund for a planned revenue-producing corporate hanger project included as part of Third Quarter Budget adjustments. The Airport anticipates an operating surplus for FY 2021 at \$162,349 with the aid of CARES "revenue replacement" grant.*

*Lynchburg Regional Juvenile Detention Center: \*Note: Due to staff transition, this report will be presented at the next meeting of the Finance Committee.*

*Lynchburg Regional Juvenile Detention Center: Preston Sellers, Interim Director of Human Services, presented the quarterly report. He reported the Detention Center received a successful report for its three-year-review from the Department of Juvenile Justice and also received approval from the Department of Juvenile Justice for continuation of the Community Placement Grant Program for FY 2022. Revenues from Charges for Services is at 52.9% of budget, Juvenile Justice Block Grant revenue is \$769,182, Community Placement Revenue is at 69.2% of budget, and year-to-date revenue received from USDA is \$24,689. Expenditures overall are within budget at third quarter year-to-date at \$2,239,671. The average number of juveniles being served is 19.38 for FY 2021 compared to 24.93 in FY 2020.*

*Children's Services Act (CSA): Preston Sellers, Interim Director of Human Services, presented the quarterly report. He reported revenues received for expenditures incurred through the third quarter from Public Assistance is \$3,262,414. CSA contributions received from local match are \$1,382,735 from the General Fund and \$147,406 from Schools; Miscellaneous revenues totaled \$37,393. Expenditures through the third quarter included: Administrative is at 60.1% of budget; Mandated Foster Care is at 91.1%; Mandated Special Education- is at 67.4%, Non-Mandated Services is at 41.1%; and Community Based Services is at 112.1% of budget.*

*Water: Tim Mitchell reported overall Water Fund revenues at the completion of third quarter is below budget by \$130,800 (.8%). Charges for services is down \$457,000, primarily due to \$380,000 less than expected water consumption from commercial and industrial customers, water purchases associated with the Combined Sewer Overflow Upgrade project, and \$123,000 loss related to utility disconnection moratorium. Revenues in Water Contracts is projected to be 14.2% greater than budget, with \$236,000 associated with additional water purchases from Bedford County. Overall expenses are \$792,900 less than budget primarily due to vacancies and debt service is \$86,700 less than budgeted due to less usage of line of credit and refinancing of 2010 and 2015 bond issues. Debt coverage ratio for the end of the fiscal year is projected at 1.46 (above Council's minimum target of 1.20) and the fund balance ratio for year end is projected at 45% compared to a target range of 25% - 40%.*

*Sewer: Tim Mitchell reported sewer fund overall revenues are projected to be \$1,742,400 higher than budget. Charges for Services is expected to be \$1,069,000 over budget due to higher septic hauler charges as a result of wet weather, offset by COVID-19 economic impacts including decreased inside sewer sales and cut-off charges revenues. Sewer Contracts are \$779,000 above budget, and Interest earnings are less than expected by \$106,000. Expenses overall are projected to be \$49,000 less than budget for FY 2021 due primarily to vacant position savings offset by unplanned debris removal around sewer mains, increased cost for temporary personnel, and updates to Wastewater Treatment Plant CSO project. Debt coverage ratio is projected to be 1.40 compared to a target range of 1.20 to*

*1.50, and the fund balance ratio is projected at 41% compared to a target range of 25% - 40%.*

*Stormwater: Tim Mitchell reported overall revenues for the Stormwater Fund are projected to exceed budget by \$34,600, with Charges for Services above budget by \$47,300 due to budgeted refunds allowed to property owners were \$50,000 less than estimated. Expenses are projected to be \$233,900 less than budget primarily due to savings in vacant positions. The debt coverage ratio for end of the fiscal year is projected to be 3.25, more than the Council's minimum target of 1.20, and the fund balance ratio is projected at 34% compared to the target range of 15% - 20%.*

*General Fund: Finance staff reported General Fund revenues: Real Estate taxes are at \$49,251,948 after the third of four installments; Personal Property Tax is on track at \$10,129,143; Consumer Utility Tax- Electric is down by \$154,024 due to mild weather in winter; Communication Sales and Use Tax is down by \$390,285; Local Sales Tax is holding strong at \$10,677, 839 based on seven months of collections; Business License due May 1 so the \$2,179,713 currently reflects small part of the annual budget; Meals Tax is slightly behind budget at \$9,283,572; Lodging Tax is also slightly behind budget at \$1,434,206. Dedicated Revenues are at \$28,772,536, just 0.9% behind budget projections. Expenses for Operating are on target at 67.7% of budget at \$117,321,658.*

7. Roll Call.

*There were no items for roll call.*

Meeting adjourned at 12:33 p.m.